



# Long Island Rail Road Procurements


Jacqueline Waddell, Acting Assistant Deputy Chief Procurement Officer – LIRR Procurement



## PROCUREMENTS

The Procurement Agenda this month includes 1 action for a proposed estimated expenditure of \$41.3M.

<b>Subject</b>	Request for Authorization to Award Various Procurements				
<b>Department</b>	LIRR Procurement				
<b>Department Head Name</b>	Jacqueline Waddell				
<b>Department Head Signature</b>					
<b>Project Manager Name</b>	Rose Davis				
<b>Board Action</b>					
<b>Order</b>	<b>To</b>	<b>Date</b>	<b>Approval</b>	<b>Info</b>	<b>Other</b>
1	Committee	04/29/2024			
2	Board	04/30/2024			

April 24, 2024	
<b>Department</b>	
<b>Department Head Name</b>	
<b>Department Head Signature</b>	
<b>Internal Approvals</b>	
	<b>Approval</b>
1	VP – Maintenance of Way 
2	President 

<b>Internal Approvals (cont.)</b>							
<b>Order</b>	<b>Approval</b>	<b>Order</b>	<b>Approval</b>	<b>Order</b>	<b>Approval</b>	<b>Order</b>	<b>Approval</b>

**PURPOSE**

To obtain approval of the Board to award various contracts and purchase orders, and to inform the Long Island Rail Road Committee of these procurement actions.

**DISCUSSION**

**LIRR proposes to award Noncompetitive procurements in the following categories: None**

**LIRR proposes to award Competitive procurements in the following categories:**

<u>Procurements Requiring Two-Thirds Vote:</u>	<u># of Actions</u>	<u>\$ Amount</u>
Schedule C: Competitive Requests for Proposals (Award of Purchase and Public Work Contracts)	1	\$ 41.3 M
<b>SUBTOTAL</b>	<b>1</b>	<b>\$ 41.3 M</b>

**LIRR proposes to award Ratifications in the following categories: None**

<b>TOTAL</b>	<b>1</b>	<b>\$ 41.3 M</b>
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**COMPETITIVE BIDDING REQUIREMENTS:** The procurement actions in Schedules A, B, C, and D are subject to the competitive bidding requirements of PAL 1209 or 1265-a relating to contracts for the purchase of goods or public work. Procurement actions in the remaining Schedules are not subject to these requirements.

**BUDGET IMPACT:** The purchases/contracts will result in obligating funds in the amounts listed. Funds are available in the current operating/capital budgets for this purpose.

**RECOMMENDATION:** That the purchases/contracts be approved as proposed. (Items are included in the resolution of approval at the beginning of the Procurement Section.)

## **BOARD RESOLUTION**

**WHEREAS**, in accordance with Sections 1265-a and 1209 of the Public Authorities Law and the All-Agency General Contract Procurement Guidelines, the Board authorizes the award of certain noncompetitive purchase and public work contracts, and the solicitation and award of requests for proposals regarding purchase and public work contracts; and

**WHEREAS**, in accordance with the All-Agency Service Contract Procurement Guidelines and General Contract Procurement Guidelines the Board authorizes the award of certain noncompetitive miscellaneous service and miscellaneous procurement contracts, certain change orders to purchase, public work, and miscellaneous service and miscellaneous procurement contracts, and

**WHEREAS**, in accordance with Section 2879 of the Public Authorities Law and the All-Agency Service Contract Procurement Guidelines, the Board authorizes the award of certain service contracts and certain change orders to service contracts.

NOW, the Board resolves as follows:

1. As to each purchase and public work contract set forth in annexed Schedule A, the Board declares competitive bidding to be impractical or inappropriate for the reasons specified therein and authorizes the execution of each such contract.
2. As to each request for proposals (for purchase and public work contracts) set forth in Schedule B for which authorization to solicit proposals is requested, for the reasons specified therein, the Board declares competitive bidding to be impractical or inappropriate, declares it is in the public interest to solicit competitive request for proposals, and authorizes the solicitation of such proposals.
3. As to each request for proposals (for purchase and public work contracts) set forth in Schedule C for which a recommendation is made to award the contract, the Board authorizes the execution of said contract.
4. As to each action set forth in Schedule D, the Board declares competitive bidding impractical or inappropriate for the reasons specified therein and ratifies each action for which ratification is requested.
5. The Board authorizes the execution of each of the following for which Board authorization is required: (i) the miscellaneous procurement contracts set forth in Schedule E; (ii) the personal service contracts set forth in Schedule F; (iii) the miscellaneous service contracts set forth in Schedule G; (iv) the modifications to personal/miscellaneous service contracts set forth in Schedule H; (v) the contract modifications to purchase and public work contracts set forth in Schedule I; and (vi) the modifications to miscellaneous procurement contracts set forth in Schedule J.
6. The Board ratifies each action taken set forth in Schedule K for which ratification is requested.

APRIL 2024

**LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL**

**C. Competitive Requests for Proposals (Award of Purchase and Public Work Contracts)**  
(Staff Summaries required for items estimated to be greater than \$1,000,000.)

- |   |                     |                               |
|---|---------------------|-------------------------------|
| 1. Sperry Rail, Inc.<br>5 years<br>Contract # 397260RFP | \$41,298,581 (est.) | <i>Staff Summary Attached</i> |
|---|---------------------|-------------------------------|
- Award of a contract solicited through a Request for Proposal for Rail Flaw Testing and Joint Bar Inspection Services.

# Staff Summary



<b>Item Number: 1</b>			
<b>Department:</b> Procurement & Logistics, Jacqueline Waddell, Acting Assistant Deputy Chief Procurement Officer			
<b>Internal Approvals</b>			
Order	Approval	Order	Approval
1	VP – Maintenance of Way 		
2	President 		

<b>SUMMARY INFORMATION</b>	
<b>Vendor Name</b> Sperry Rail, Inc.	<b>Contract No.</b> 397260RFP
<b>Description</b> Rail Flaw Testing and Joint Bar Inspection Services for LIRR/MNR	
<b>Total Amount:</b> Five-Year Estimated Total for LIRR and MNR = <b>\$41,298,581</b>	
<b>Contract Term (including Options, if any)</b> Five Years	
<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
<b>Renewal?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	
<b>Solicitation Type</b> <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
<b>Funding Source</b> <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

**Purpose**

Long Island Rail Road (“LIRR”), on behalf of itself and Metro-North Railroad (“MNR”), collectively (the “Railroads”), seeks MTA Board approval to award a public works contract to Sperry Rail, Inc. (“Sperry”) for Rail Flaw Testing and Joint Bar Inspection Services. The contract is for a five-year term. This procurement was competitively solicited through a Request for Proposals (“RFPs”). Sperry, the incumbent, will provide Federal Railroad Administration (“FRA”)–mandated ultrasonic rail flaw and joint bar inspection services performed along the right-of-way throughout the Railroads’ territories. The rail flaw inspections shall be in accordance with LIRR and MNR requirements, allowing continuous rail testing and/or the traditional stop-and-verify process. The estimated quantity award amount is \$41,298,581 (LIRR \$17,020,961 / MNR \$24,277,620).

**Discussion**

This service will continue the standard of track inspection at the Railroads. The latest technologies in ultrasonic testing, joint bar detection, and eddy current testing will be used to identify and detect internal and external flaws and fractures in track and rail that may not be visible to the naked eye. Ultrasonic rail testing equipment scans the rail for defects based on FRA standards for track anomalies, providing detection and evaluation of rail flaws, dimensional measurements, and track material disposition. Joint bar detection is an optical inspection system that performs automated crack detection of joint bars; measures rail gap, joints, and rail sides; detects missing bolts, corrosion, and problems with electric bonding; and generates joint bar inventory reports. Eddy current testing is an electromagnetic testing method used to detect surface and subsurface flaws in the rails. By detecting and analyzing otherwise invisible flaws, the rail can be replaced before a failure occurs, which improves track safety. The ultrasonic rail testing, joint bar detection and eddy current testing systems are contained in Sperry’s rail-bound and hi-rail vehicles, which can inspect tracks at speeds upwards of 30 miles per hour on approximately 550 to 750 main and branch line track miles for each of the Railroads.

Services under this contract include the provision of the inspection vehicles and on-vehicle staff to operate the ultrasonic testing, joint bar detection, and eddy current testing equipment as well as the collection and interpretation of the data collected.

A Request for Expression of Interest (“RFEI”) was first conducted on April 12, 2022, by LIRR prior to formal solicitation. This RFEI was conducted to solicit interests from qualified firms to incorporate the latest inspection technology and services to the existing in-house and third-party inspection programs. Responses were received from five vendors: Pro-Traxx Ultrasonic Rail Testing, Inc. (“Pro-Traxx”); DPR Ultrasonic Technologies; Sperry; Ensco Rail; and Smith Emery Laboratories. Subsequently, a Joint-Agency procurement process was conducted for this contract, LIRR being the lead agency. LIRR issued the RFP, and again performed an extensive outreach to the track maintenance industry and published the advertisement for the procurement of these services on January 11, 2023, in the *New York State Contract Reporter*, the *New York Daily News*, and on the MTA website. Online advertisements were placed in three leading maintenance of way periodicals: *Railway Age*, *Railway Track and Structures*, and *Progressive Railroading*.

# Staff Summary

The RFP was also sent directly to the five firms that showed interest from the RFEI, along with 16 other firms known to perform this type of work in the industry.

On April 10, 2023, proposals were received from two vendors: Sperry and Pro-Traxx. Two other contractors submitted No Proposal Response Forms, indicating the following:

1. Plasser American Corporation: Currently does not have a rail-bound vehicle equipped with ultrasonic technologies.
2. Ensco Rail, Inc.: Eddy current testing is not a testing capability Ensco supports today.

On May 1, 2023, the MTA Selection Committee (“SC”), comprised of representatives from LIRR and MNR Maintenance of Way user groups, evaluated the technical proposals submitted by Sperry and Pro-Traxx using the preestablished selection criteria as set forth in the RFP, which included the contractor’s technical approach, qualifications, and experience in meeting the requirements of both agencies. After a thorough evaluation of the technical proposals, the SC unanimously selected Sperry. The SC deemed Sperry technically qualified to perform the work, as it (1) exceeds all requirements set forth in the RFP; (2) has significant experience, qualified personnel, and the necessary equipment. Sperry has numerous years of experience providing continuous testing, eddy current and flaw detection; and has multiple vehicles that offer sensor technology to provide the required testing. The SC’s evaluation of Pro-Traxx determined that they did not meet the requirements of the RFP and therefore are not qualified to provide the services required by the agencies in the scope of work. Currently, Pro-Traxx does not have rail-bound equipment and currently does not have the capability to provide eddy current testing, continuous testing, or joint bar testing, which are essential requirements for both agencies. The SC therefore made the recommendation to proceed with the procurement process with Sperry. LIRR then entered into negotiations with Sperry, addressing various cost-savings initiatives.

Sperry submitted its initial proposal in the amount of \$43,813,976. Through negotiations, LIRR was able to secure a final price of \$41,298,581. This represents a cost avoidance of approximately 6 percent (\$2,515,395) from its initial offer. Sperry’s rates will remain fixed throughout the five-year period. Based on the aforementioned, the negotiated pricing is considered fair and reasonable, and the proposal from Sperry provides the best value to the MTA.

The SC unanimously recommended award to Sperry based on its qualifications, price, significant resources, and ability to provide the best value to the MTA.

This contract has been evaluated to determine the necessity and appropriate scope, of cybersecurity requirements, including any requirements under federal, state, and local law and regulations. Any applicable cybersecurity requirements, to the extent required, will be included in the contract terms and conditions.

Sperry has certified that pursuant to EO 16, it is not doing business in Russia.

## **D/M/WBE Information**

The MTA Department of Diversity and Civil Rights (“DDCR”) has established a zero percent DBE goal for this contract. Sperry has not completed any MTA contracts with goals; therefore, no assessment of its MWDBE/SDVOB is currently available.

## **Impact on Funding**

Funding for this project is included in the LIRR and MNR Operating Budget.

## **Alternatives**

None available. Currently, the Agencies do not possess the resources to perform the services associated with this contract. Both agencies require this work, as rail flaw testing and joint bar inspection services are vital safety requirements to both agencies in determining the strength, quality, and reliability of rails during their operation.

## **Recommendations**

It is recommended that the MTA Board approve the award of a five-year contract for Rail Flaw Testing and Joint Bar Inspection Services to Sperry in the amount of \$41,298,581.