



Staff Summary

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

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

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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.