

NOVEMBER 2024

LIST OF RATIFICATIONS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

K. Ratification of Completed Procurement Actions (Involving Schedule E-J)

(Staff Summaries required for items estimated to be greater than \$1,000,000.)

- | | | |
|--------------------------------------------------------------|-----------|-------------------------------|
| 1. Runwise Inc
Three years
Contract # 0000015948 AWO 3 | \$908,500 | <i>Staff Summary Attached</i> |
|--------------------------------------------------------------|-----------|-------------------------------|

Ratification of the contract for a boiler management software tool, in order to add 38 additional NYC Transit locations, enabling the MTA to remotely monitor and control boiler temperature.

Schedule K: Ratification of Completed Procurement Actions



Item Number: 1

Vendor Name (Location) Runwise Inc (New York, New York)	Contract Number Master Contract 0000015948	AWO/Modification # 3
Description Boiler Management Software Tool	Original Amount:	\$ 350,000
Contract Term (including Options, if any) October 18, 2023–October 17, 2026	Prior Modifications:	\$ 368,000
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a	Prior Budgetary Increases:	\$ 0
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Noncompetitive	Current Amount:	\$ 718,000
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole-Source	This Request:	\$ 908,500
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	% of This Request to Current Amount:	126%
Requesting Department: Strategic Initiatives, Jake Luce	% of Modifications (including This Request) to Original Amount:	365%

Discussion:

MTA Headquarters, on behalf of NYC Transit, requests that the Board formally ratify the modification of a noncompetitive estimated quantities miscellaneous service contract to Runwise Inc. (“Runwise”) in the amount of \$908,500, which will increase the overall contract value from \$718,000 to \$1,626,500 in order to add 38 additional NYC Transit locations to enable the MTA to remotely monitor and control boiler temperature based on indoor temperatures, outdoor conditions, and weather forecasts, resulting in reduced fuel consumption. This Runwise system also provides local thermostatic control. To date, 11 locations have been implemented under this contract. The urgency to implement the 38 new locations is to maximize fuel savings by onboarding them at the onset of the 2024–2025 heating season.

In 2022, MTA representatives attended a Transit Tech Lab Forum, which was an opportunity for vendors to present their technological innovations across various disciplines to improve the future. During the forum, Runwise presented its proprietary software tool for Boiler Management Systems. Runwise is the only firm that offers the remote temperature adjustment functionality. An outreach was conducted, and other vendors offer a similar boiler monitoring functionality but not the remote temperature adjustment functionality provided by Runwise. Remote access and adjustments are critical because it allows for the HVAC Structure employees to control the boiler temperature when needed from anywhere, at any time, saving the time and expense of traveling to the location and having to manually adjust the boiler temperature. Additionally, a sole-source advertisement was published on the MTA website, to which no response was received.

The MTA signed a three-year pilot program agreement in October 2023 for \$350,000 to implement the Runwise system in seven MTA locations throughout Long Island (LIRR), Westchester (MNR), and New York City (NYC Transit), with the intent of expanding the pilot to additional locations after assessing the fuel savings. Pricing is comprised of two parts: (1) a one-time installation fee for the equipment; and (2) an annual maintenance cost. The cost for each location varies based on the square footage and the number of boilers at each location. The cost includes installation of the controller equipment and sensors for each building, including 24/7 support and monitoring, unlimited users with access to the online platform, boiler room alarms/alerts, and a dedicated customer service manager.

After the initial implementation, four additional bus depots were added through change orders: under Change Order 1 (November 2023), two depots were added at a cost of \$171,000, and under Change Order 2 (December 2023), two more depots were added at a cost of \$197,000, bringing the total contract value from \$350,000 to \$718,000.

The pilot program resulted in a reduction in fuel consumption across the MTA locations where this software was implemented. Reducing the natural gas and/or heating oil used at the selected MTA buildings will reduce the MTA’s carbon footprint, which will help New York City meet its emission targets in 2025/2030 and beyond.

MTA collected data on fuel savings for seven locations for two to three months of the heating season, which led to a realized fuel savings of \$139,000 over the previous year, which if extrapolated over the heating season, would be \$411,000. Subtracting the Runwise cost of \$169,000 for these seven locations from \$411,000 will result in a net savings of \$242,000 or 43 percent over the heating season.

In September 2024, MTA Strategic Initiatives approached MTAHQ Procurement to add 38 new NYC Transit locations to the Runwise contract. As a result of negotiations that centered on the recurring annual monitoring fee, the cost of \$1,018,000 proposed by Runwise was reduced to \$908,500, a total savings of \$109,500 or 11 percent. The addition of this \$908,500 increases the contract total from \$718,000 to \$1,626,500.

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For the 38 added locations, savings over the heating season is conservatively estimated at 25 percent, which would equate to a net savings of \$903,000 in Year 1, and \$1,079,000 in Year 2 and beyond after subtracting the Runwise cost. Based on the above, the negotiated costs are considered fair and reasonable.

In June 2025, the Runwise Program will be reevaluated, and a decision will be made to either continue with Runwise or conduct a competitive procurement if additional firms provide this technology.

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

The contract awarded to Runwise resulting from this procurement was evaluated to determine the necessity and appropriate scope, if any, of cybersecurity requirements, including any requirements under federal, state, and local law and regulations. Runwise has certified compliance with the MTA's cybersecurity requirements.

M/WBE/SDVOB Information

The MTA Department of Diversity and Civil Rights has established zero percent MWBE/SDVOB goals on this contract, as Runwise is the only vendor capable of providing this service.