



Metro-North Railroad Procurements

Omar Messado, Assistant Deputy Chief Procurement Officer – MTA Office of the Chief Procurement Officer



PROCUREMENTS

The Procurement Agenda this month includes 2 actions for a proposed estimated expenditure of \$48.8M.

Subject	Request for Authorization to Award Various Procurements				
Department	MTA Procurement				
Department Head Name	Lisette Camilo				
Department Head Signature					
Project Manager Name	Rose Davis				
Board Action					
Order	To	Date	Approval	Info	Other
1	Committee	12/16/24			
2	Board	12/18/24			

December 12, 2024			
Department			
Department Head Name			
Department Head Signature			
Internal Approvals			
	Approval		Approval
	President	X	<i>Catherine A. Knudt</i>
	SVP Operations Support	X	
	VP & General Counsel	X	<i>RS</i>

Internal Approvals (cont.)							
Order	Approval	Order	Approval	Order	Approval	Order	Approval

PURPOSE

To obtain approval of the Board to award various contracts and purchase orders, and to inform the Metro-North Committee of these procurement actions.

DISCUSSION

Metro-North proposes to award Noncompetitive procurements in the following categories:

Procurements Requiring Two Thirds Vote:

	<u># of Actions</u>	<u>\$ Amount</u>
Schedule A: Noncompetitive Purchases and Public Work Contracts	1	\$ 4.5 M
SUBTOTAL	1	\$ 4.5 M

Metro-North proposes to award Competitive procurements in the following categories:

Procurements Requiring Majority Vote:

	<u># of Actions</u>	<u>\$ Amount</u>
Schedule G: Miscellaneous Service Contracts	1	\$ 44.3 M
SUBTOTAL	1	\$ 44.3 M

Metro-North proposes to award Ratifications in the following categories: None

TOTAL	2	\$ 48.8 M
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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.

DECEMBER 2024

LIST OF NONCOMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

A. Noncompetitive Purchase and Public Works Contracts

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

- | | | |
|--------------------------------------|--------------------------------|--------------------------------------|
| 1. BBM Railway Equipment, LLC | \$4,452,474 (estimated) | <i>Staff Summary Attached</i> |
| 3 years + two 1-year Options | | |
| Contract #MN249632 | | |
- Award of a contract for the preventative maintenance, inspection, repair and parts supply for Car Hoists and Truck Turntables.

Schedule A: Noncompetitive Purchases and Public Work Contracts



Item Number:

<p>Vendor Name (Location) BBM Railway Equipment, LLC (Youngstown, Ohio)</p> <p>Description Inspection, Maintenance & Parts Supply of Car Hoists & Turntables</p> <p>Contract Term (including Options, if any): Three years with two 1-year options</p> <p>Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a</p> <p>Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Noncompetitive</p> <p>Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole Source</p>	<table border="1" style="width: 100%;"> <tr> <td style="width: 70%;">Contract Number MN249632</td> <td style="width: 30%;">Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</td> </tr> <tr> <td>Total Amount:</td> <td style="text-align: right;">\$4,452,474 (estimate)</td> </tr> <tr> <td></td> <td style="text-align: right;">MNR: \$809,348 LIRR: \$3,643,126</td> </tr> <tr> <td colspan="2">Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:</td> </tr> <tr> <td colspan="2">Requesting Departments MNR: Maintenance of Equipment, Jeffrey Weston, CMO LIRR: Maintenance of Equipment, John Stolz, CMO</td> </tr> </table>	Contract Number MN249632	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Total Amount:	\$4,452,474 (estimate)		MNR: \$809,348 LIRR: \$3,643,126	Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:		Requesting Departments MNR: Maintenance of Equipment, Jeffrey Weston, CMO LIRR: Maintenance of Equipment, John Stolz, CMO	
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Discussion:

Metro-North Railroad (“MNR”), on behalf of itself and Long Island Rail Road (“LIRR”) (collectively, the “Railroads”), requests approval to award a three-year sole-source estimated quantity miscellaneous procurement contract for Preventative Maintenance, Inspection, Repair and Parts Supply for Car Hoists and Truck Turntables, manufactured by Macton Corporation (“Macton”), in the estimated amount of \$2,671,484 to BBM Railway Equipment, LLC (“BBM”). The Board is also requested to authorize the MNR Assistant Deputy Chief Procurement Officer to approve the exercise of two 1-year options in the total amount of \$1,780,990, pending the approval of funding.

This procurement was conducted as a joint-agency initiative to leverage the combined buying power of the Railroads. The multi-year contract assures the Railroads that BBM, as the original equipment manufacturer, will continue to maintain its tooling and manufacturing capabilities necessary to produce the parts, which are not available from other sources.

This equipment is vital to the Railroads’ railcar maintenance operations, which allows rail shop personnel to lift, turn, rotate, and otherwise move rail vehicles and truck assemblies for inspection and maintenance purposes. The mechanical operations are intricate in nature (e.g. control panels, hydraulics, drives, and other systems), which are necessary to ensure safe manual operation. The price structure provides the Railroads with inspections and scheduled maintenance at intervals to ensure functionality. Further, LIRR has an additional requirement for parts and material to support its management of inventory to conduct in-house repairs. The contract also provides the Railroads with emergency repair, when needed.

In early 2019, BBM acquired all of Macton’s machinery, inventory, and intellectual property rights.

In accordance with MTA All-Agency Procurement Guideline requirements, the Railroads advertised their intent to procure the services and items on a sole-source basis in the *New York State Contract Reporter* and *Journal News* and on the MTA website. No other firms expressed interest in participating in this procurement.

BBM submitted its initial pricing with fixed rates over three years totaling \$4,747,572 and included a one-time 5 percent escalation for option years 4 and 5. Through negotiations, MNR obtained reductions in pricing on a series of line items for parts and service and obtained fixed pricing for the entire contract duration, including the option years, resulting in a total cost savings of 6.2 percent or \$295,098.

The Cost Price unit’s comparison of the existing contract’s average annual rate to the new contract’s average annual rate, including option years 4 and 5, shows an increase of 1.9 percent which is below the historical annual average of the Producer Price Index of 3.9 percent. Based on this analysis, the revised pricing is deemed fair and reasonable.

As the incumbent, BBM continues to support the Railroads, and its performance has been satisfactory.

This contract has been evaluated to determine the necessity and appropriate scope, if any, 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.

Schedule A: Noncompetitive Purchases and Public Work Contracts

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

M/W/DBE Information

The MTA Department of Diversity and Civil Rights has assigned zero percent M/WBE goals on this contract, due to the lack of subcontracting opportunities and MWBE firms in the marketplace.

Impact on Funding

This procurement will be funded by each Railroad's Operating Budget.

Alternatives

None. The Railroads do not possess the resources to provide these services and parts in-house.

DECEMBER 2024

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

G. Miscellaneous Service Contracts

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

1. **Port Imperial Ferry Corp. d/b/a NY Waterway \$44,293,662 (not to exceed) *Staff Summary Attached***
4 years w/three 2-year Options
Contract #MN241812
Award of a contract for the provision of ferry and ancillary services for the Haverstraw-Ossining and Newburgh-Beacon routes.

Schedule G: Miscellaneous Service Contracts

Through negotiations, MNR secured a reduced hourly rate of \$834 for operating services, which is 1.4 percent less than the initially proposed rate, and \$36 for parking facility services which is 14.2 percent less than the initially proposed rate for the first year for both the Haverstraw-Ossining and Newburgh-Beacon routes. This represents a total cost savings of approximately 2.03 percent, or \$916,412 for the base and option years, compared to the original proposal. The Cost Price unit's comparison of the existing contract's average annual operating rate to the new contract's average annual operating rate, including options, shows an increase of 2.44 percent which is below the Consumer Price Index average of 3 percent over the past 10 years. Accordingly, the revised pricing is considered fair and reasonable.

The SC unanimously recommended award to NY Waterway based on its qualifications, significant resources, and ability to provide the best value to the MTA. As the incumbent, NY Waterway has historically provided this service, and their performance has been satisfactory.

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

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

M/W/DBE Information

The MTA Department of Diversity and Civil Rights established a 22.5 percent DBE goal for this contract.

Impact on Funding

The ferry service will be funded by MNR's Operating Budget (23 percent), federal funding (39 percent), and NYS Department of Transportation (38 percent).

Alternatives

There are currently no alternatives for these services.