



## **Metro-North Railroad Procurements**

**Christine Loo**, Acting Assistant Deputy Chief Procurement Officer – MTA Office of the Chief Procurement Officer

## PROCUREMENTS

The Procurement Agenda this month includes 1 action for a proposed estimated expenditure of \$78.8M.

<b>Subject</b>	Request for Authorization to Award Various Procurements				
<b>Department</b>	MTA Procurement				
<b>Department Head Name</b>	Lisette Camilo, Acting				
<b>Department Head Signature</b>					
<b>Project Manager Name</b>	Joseph Reynolds				
<b>Board Action</b>					
<b>Order</b>	<b>To</b>	<b>Date</b>	<b>Approval</b>	<b>Info</b>	<b>Other</b>
1	Committee	06/26/23			
2	Board	06/27/23			

June 21, 2023			
<b>Department</b>			
<b>Department Head Name</b>			
<b>Department Head Signature</b>			
<b>Internal Approvals</b>			
	<b>Approval</b>	<small>For C. Ringaldi</small>	<b>Approval</b>
	President		
	VP & General Counsel		

<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 a modification to an existing contract, and to seek a recommendation from the Metro-North Committee of this procurement action.

**DISCUSSION**

**Metro-North proposes to award Noncompetitive procurements in the following categories: None**

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

Schedules Requiring Majority Vote:

Schedule I: Modifications to Purchase and Public Works Contracts	1	\$	78.8 M
<b>SUBTOTAL</b>	<b>1</b>	<b>\$</b>	<b>78.8 M</b>

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

<b>TOTAL</b>	<b>1</b>	<b>\$</b>	<b>78.8 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.

**JUNE 2023**

**LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL**

***Procurements Requiring Majority Vote:***

**I. Modifications to Purchase and Public Work Contracts**

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

**2. Siemens Mobility, Inc.**

**\$78,828,018**

***Staff Summary Attached***

**Seven years**

**Contract# 244941**

Exercise of an Option for the design, manufacturing, testing, and delivery of six dual-mode locomotives and related equipment for the Connecticut Department of Transportation.

**Schedule I: Modifications to Purchase and Public Work Contracts**
**Item Number:**

<b>Vendor Name (Location)</b> Siemens Mobility, Inc. (Sacramento, California)	<b>Contract Number</b> 244941	<b>AWO/Mod. #</b> 7
<b>Description</b> Design, Manufacture, Test, and Delivery of New Dual-Mode Locomotives – Option Election	<b>Original Amount:</b>	\$ 252,768,764
<b>Contract Term (including Options, if any)</b> February 2021–February 2028	<b>Prior Modifications:</b>	\$ 82,770,284
<b>Option(s) included in Total Amount?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a	<b>Prior Budgetary Increases:</b>	\$ 0
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	<b>Current Amount:</b>	\$ 335,539,048
<b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	<b>This Request:</b>	\$ 78,828,018
<b>Funding Source</b> <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input checked="" type="checkbox"/> Other: CDOT	<b>% of This Request to Current Amount:</b>	23.49%
<b>Requesting Department:</b> Maintenance of Equipment, Joseph E. Reynolds	<b>% of Modifications (including This Request) to Original Amount:</b>	63.93%

**Discussion:**

Metro-North Railroad (“Metro-North”), on behalf of the Connecticut Department of Transportation (“CDOT”), requests Board approval to exercise an option to a contract with Siemens Mobility, Inc. (“Siemens”) in the amount of \$78,828,018 for the design, manufacturing, testing, and delivery of six dual-mode locomotives and related equipment (“CDOT Option”). The Option is fully funded by CDOT.

The base contract, resulting from a competitive Request for Proposal (“RFP”) and approved by the Board in December 2020, is for the purchase of 19 dual-mode locomotives, as well as related equipment, and includes options for additional locomotives, including (1) up to 40 locomotives for Metro-North; (2) up to 20 locomotives in an alternate configuration for CDOT; (3) up to 66 locomotives in an alternate configuration for Long Island Rail Road; and (4) up to 26 locomotives in an alternate configuration for the New York State Department of Transportation. Immediately after award, Metro-North exercised its first option for eight additional dual-mode locomotives (“Option 1”), which was also approved by the December 2020 Board. Siemens is scheduled to complete delivery of the 27 locomotives (19 under the base contract and eight under Option 1) in the first quarter of 2027.

The six dual-mode locomotives under this CDOT Option will replace the CDOT locomotives that are beyond their 25-year service life. Based on the current contract schedule and continuous production, the delivery of the six dual-mode locomotives is scheduled to begin in the second quarter of 2027 and be completed in the fall of 2027 for an overall delivery period of 78 months from Notice of Award.

Throughout the course of this contract, modifications were made, which in some instances impacted the cost of the option locomotives. The price for this modification is for the locomotives only and does not include spare parts, etc.

The price for the CDOT Option locomotives, established at the time of award, is subject to a price adjustment based on a formula that incorporates a number of price indices. Negotiations were conducted to potentially minimize the impact of projected escalation. Ultimately, a fixed price of \$78,828,018 was agreed upon, contingent upon award of the CDOT Option by July 31, 2023. The agreed-to fixed price is based on a review of historical and projected escalation in consultation with the Cost Price Analysis group as well as a review of projections provided by the MTA’s financial consultant. This approach provides a favorable price, price certainty, and a potential savings of between \$3 million and \$7 million as compared to the projection of the escalated pricing.

Siemens has the experience, technical capability, resources, and facilities to perform the work required. The Controller’s Office found that there is reasonable assurance Siemens can perform the work under this option.

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, have been included in the contract terms and conditions.

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

**MBE/WBE/TVM**

Because the base contract is FTA funded, federal terms and conditions apply. Therefore, the FTA Transit Vehicle Manufacturer program applies. Siemens complies with this FTA program.

**Impact on Funding**

This option will be fully funded by CDOT.