ITEM NO.: PATCO-14-006  SUBJEC T: Consideration of Pending PATCO Contracts (Between $25,000 and $100,000)

COMMITTEE: New Business

COMMITTEE MEETING DATE: N/A

BOARD ACTION DATE: February 19, 2014

PROPOSAL: That the Board consider authorizing staff to enter into contracts as shown on the Attachment to this Resolution.

PURPOSE: To permit staff to continue and maintain PATCO operations in a safe and orderly manner.

BACKGROUND: At the Meeting held August 18, 2010 the PATCO Commission adopted Resolution 10-046 providing that all PATCO contracts must be adopted at an open meeting of the PATCO Board. The Board proposed modifications to that Resolution at its meeting of September 15, 2010; specifically that all contracts between $25,000 and $100,000 be brought to the Board for approval. The contracts are listed on the Attachment hereto with the understanding that the Board may be willing to consider all of these contracts at one time, but if any member of the Board wishes to remove any one or more items from the list for separate consideration, each member will have that privilege.

SUMMARY: Amount: N/A
Source of Funds: See Attached List
Capital Project #: N/A
Operating Budget: N/A
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: N/A
Other Parties Involved: N/A
RESOLUTION

RESOLVED: That the Board authorizes and directs that subject to approval by the Chair, Vice Chair, General Counsel and the Chief Executive Officer, staff proceed to negotiate and enter into the contracts listed on the Attachment hereto.

SUMMARY: Amount: N/A
Source of Funds: See Attached List
Capital Project #: N/A
Operating Budget: N/A
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: N/A
Other Parties Involved: N/A
<table>
<thead>
<tr>
<th>Item #</th>
<th>Vendor/Contractor</th>
<th>Description</th>
<th>Amount</th>
<th>Procurement Method</th>
<th>Bids Received</th>
<th>Bid Amounts</th>
<th>Source of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Helwig Carbon Products</td>
<td>Purchase rolling stock inventory of carbon brushes for DC traction motors for PATCO</td>
<td>$75,000.00 (N.T.E.)</td>
<td>Sole Source Provider, see attached Sole Source Justification Memo marked as “Exhibit 1”</td>
<td>1. Helwig Carbon Products Milwaukee, WI</td>
<td>$75,000.00 (N.T.E.)</td>
<td>General Funds</td>
</tr>
<tr>
<td>2</td>
<td>Alstom Transportation</td>
<td>Purchase rolling stock inventory of consumable parts for refurbished cars for PATCO Operations.</td>
<td>$60,000.00 (N.T.E.)</td>
<td>Sole Source Provider, see attached Sole Source Justification Memo marked as “Exhibit 2”</td>
<td>1. Alstom Transportation Hornell, NY</td>
<td>$60,000.00 (N.T.E.)</td>
<td>General Funds</td>
</tr>
<tr>
<td>3</td>
<td>Barber Spring Company</td>
<td>Purchase rolling stock inventory of side bearing rubber shock pads for PATCO Operations.</td>
<td>$45,000.00 (N.T.E.)</td>
<td>Sole Source Provider, see attached Sole Source Justification Memo marked as “Exhibit 3”</td>
<td>1. Barber Spring Company Greensberg, PA</td>
<td>$45,000.00 (N.T.E.)</td>
<td>General Funds</td>
</tr>
<tr>
<td>4</td>
<td>Bombardier Mass Transit</td>
<td>Purchase rolling stock inventory of suspension system components for PATCO Operations.</td>
<td>$40,000.00 (N.T.E.)</td>
<td>Sole Source Provider, see attached Sole Source Justification Memo marked as “Exhibit 4”</td>
<td>1. Bombardier Mass Transit Plattsburgh, NY</td>
<td>$40,000.00 (N.T.E.)</td>
<td>General Funds</td>
</tr>
<tr>
<td>5</td>
<td>Home Products</td>
<td>Purchase rolling stock inventory of third rail fuses and fuse boxes for PATCO Operations.</td>
<td>$30,000.00 (N.T.E.)</td>
<td>Sole Source Provider, see attached Sole Source Justification Memo marked as “Exhibit 5”</td>
<td>1. Home Products E. Farmingdale, NY</td>
<td>$30,000.00 (N.T.E.)</td>
<td>General Funds</td>
</tr>
<tr>
<td>6</td>
<td>Vapor Stone Rail Systems</td>
<td>Purchase rolling stock inventory of relays and control devices for train car door systems and HVAC controls for PATCO Operations.</td>
<td>$30,000.00 (N.T.E.)</td>
<td>Sole Source Provider, see attached Sole Source Justification Memo marked as “Exhibit 6”</td>
<td>1. Vapor Stone Rail Systems St. Laurent, QU</td>
<td>$30,000.00 (N.T.E.)</td>
<td>General Funds</td>
</tr>
<tr>
<td>7</td>
<td>Bergen Upholstery</td>
<td>Purchase rolling stock inventory of seat covers for PATCO Operations.</td>
<td>$30,000.00 (N.T.E.)</td>
<td>Sole Source Provider, see attached Sole Source Justification Memo marked as “Exhibit 7”</td>
<td>1. Bergen Upholstery Teterboro, NJ</td>
<td>$30,000.00 (N.T.E.)</td>
<td>General Funds</td>
</tr>
<tr>
<td>8</td>
<td>Penn Machine Company</td>
<td>Emergency Repair Contract for Traction Gearbox Repair Services for PATCO Operations.</td>
<td>$40,000.00 (N.T.E.)</td>
<td>Emergency Repair Contract- To provide traction gearbox repair services until the Authority's current RFQ process is completed and contract award process is finalized.</td>
<td>1. Penn Machine Company Johnstown, PA</td>
<td>$40,000.00 (N.T.E.)</td>
<td>General Funds</td>
</tr>
<tr>
<td>9</td>
<td>UTC/RAS</td>
<td>Emergency Repair Contract for Traction Gearbox Repair Services for PATCO Operations.</td>
<td>$40,000.00 (N.T.E.)</td>
<td>Emergency Repair Contract- To provide traction gearbox repair services until the Authority's current RFQ process is completed and contract award process is finalized.</td>
<td>1. UTC/RAS Morton, PA</td>
<td>$40,000.00 (N.T.E.)</td>
<td>General Funds</td>
</tr>
</tbody>
</table>
MEMORANDUM: PURCHASES GREATER THAN $25,000

CONFIDENTIAL

PORT AUTHORITY TRANSIT CORPORATION

TO: John Rink, General Manager-PATCO
John J. Matheussen, Chief Executive Officer
John T. Hanson, Chief Financial Officer

FROM: John Shea ,Division Director/Project Manager: Car Equipment

SUBJECT: SOLE SOURCE APPROVAL - Helwig Carbon Products

PURCHASE REQUISITION: 2014 Purchases

DATE: Wednesday, January 15, 2014

Background:

Purchase rolling stock inventory of carbon brushes for DC traction motors for PATCO operations.

Justification for Proprietary/Sole Source:

DC motors are very sensitive to the grade of brush used. The only way to determine if a particular manufacturer and grade are acceptable is by conducting performance testing. We have tested and other manufacturers, but due to the unique nature of the brushes, we have not found a satisfactory replacement until now. In order to continue the safe and reliable operation of the trains, we are requesting sole source approval to purchase brushes from Helwig Carbon Products until other manufacturers are approved and accepted by testing.

Cost:

$75,000

John Shea ,Division Director
John Rink, General Manager-PATCO
John T. Hanson, CFO
John J. Matheussen, CEO
MEMORANDUM: PURCHASES GREATER THAN $25,000

PORT AUTHORITY TRANSIT CORPORATION

TO: John Rink, General Manager-PATCO
   John J. Matheussen, Chief Executive Officer
   John T. Hanson, Chief Financial Officer

FROM: John Shea
   Division Director/Project Manager: PATCO Car Equipment

SUBJECT: SOLE SOURCE APPROVAL
   - Alston

PURCHASE REQUISITON: 2014 Purchases

DATE: Friday, November 22, 2013

Background:

Purchased rack stock inventory of seat bags, lubricants, gauges and tools, filters, seat cushions, covers and foams, specialty tools and indicators, and PC boards.

Justification for Proprietary/Sole Source:

Alston is the incumbent of our overhead rail transit cars. As the cars are expected to last the next three years, PATCO will become responsible for material to be used for maintenance and for replacement of damaged and other damages not covered by the Alston warranty. Alston will require the use of approved components during the warranty period, so we will be restricted to the items for which we can restitute the alternates. Alston is contractually required to provide alternate sources where possible and we will use them, but some items have only one supplier. Over time, in future years, we will develop alternate sources where we can.

Cost:

$60,000

John Shea, Division Director

John Rink, General Manager-PATCO

John T. Hanson, CFO

John J. Matheussen, CEO

Original signatures
MEMORANDUM: PURCHASES GREATER THAN $25,000

PORT AUTHORITY TRANSIT CORPORATION

TO:  John Rink, General Manager-PATCO
     John J. Matheussen, Chief Executive Officer
     John T. Hanson, Chief Financial Officer

FROM:  John Shea
        Division Director/Project Manager:  Car Equipment

SUBJECT:  SOLE SOURCE APPROVAL - Barber Spring Company

PURCHASE REQUISITION:  2014 Purchases

DATE:  Tuesday, January 21, 2014

Background:
Barber spring makes track shock pads for PATCO. This shock pad is a rubber pad that is placed between the truck bolster and the truck frame. It supports the entire carbody and absorbs vibration transmitted through the interface. Barber is not the original manufacturer of this component, but they reverse engineered the product and it performs significantly better than alternative suppliers. We have used the Barber pads for several years with significant increase in service life.

Justification for Proprietary/Sole Source:
Barber’s product is superior to the OEM’s. After many years of struggling with short service life with this product, we contacted Barber Spring and asked them to do an analysis of the pad. We tried several versions and were able to achieve significant improvements in life. There are other vendors who have the capability of producing a shock pad that is superior to the OEM and equal to Barber Spring’s product. We do not have engineering specifications for the material used in this application, so the only feasible way to qualify an alternate is to have them reverse engineer the shock pads and test them in service. We will order samples and test. In order to continue the safe and reliable operation of the trains, we are requesting sole source approval to purchase shock pads from Barber Spring until other manufacturers are approved and accepted by testing.

Cost:
$46,000

John Shea, Division Director

John Rink, General Manager-PATCO

John T. Hanson, CFO

John J. Matheussen, CEO
MEMORANDUM: PURCHASES GREATER THAN $25,000

PORT AUTHORITY TRANSIT CORPORATION

TO: John Rink, General Manager-PATCO
    John J. Matheussen, Chief Executive Officer
    John T. Hanson, Chief Financial Officer

FROM: John Shea , Division Director/Project Manager: PATCO Car Equipment

SUBJECT: SOLE SOURCE APPROVAL - Bombardier Mass Transit

PURCHASE REQUISITION: 2014 Purchases

DATE: Wednesday, January 15, 2014

Background:

Purchasing stock inventory of suspension system components for PATCO's Urban Transit

Justification for Proprietary/Sole Source:

Bombardier built the right to PATCO's car design from the vehicle and is the successor as OEM. Components purchased from Bombardier are elastomeric bumpers and shock absorbers for the front suspension system, they are critical safety components. There are other manufacturers of bonded or reinforced rubber products, however, few if any of these components are available off the shelf, they must be engineered, manufactured and tested. We will arrange for samples and test. In order to continue the safe and reliable operation of the trains, we are requesting approval to sole source from Bombardier until other manufacturers are approved and accepted by testing. Our goal is to locate alternate sources and complete performance testing by the end of 2014.

Cost:

$40,000

John J. Shea , Division Director

John Rink, General Manager-PATCO

John T. Hanson, CFO

John J. Matheussen, CEO
MEMORANDUM: PURCHASES GREATER THAN $25,000

CONFIDENTIAL

PORT AUTHORITY TRANSIT CORPORATION

TO: John Rink, General Manager-PATCO
   John J. Mathiessen, Chief Executive Officer
   John T. Haneson, Chief Financial Officer

FROM: John Shea, Division Director/Project Manager: Car Equipment

SUBJECT: SOLE SOURCE APPROVAL - Home Products

PURCHASE REQUISITION: 2014 Purchases

DATE: Wednesday, January 15, 2014

Background:

Purchase rolling stock inventory of third rail boxes, fuse boxes and associated hardware.

Justification for Proprietary/Sole Source:

Home products provides third rail boxes, fuse boxes and associated hardware which are designed to fit into specific bolt patterns on the cars' trucks. These are proprietary products, which were furnished on the cars where they are used only for rapid transit cars and have no other application in the industry. I know of no other suppliers of these type products. I am familiar with several other agencies which use the same type of rail equipment, which include Long Island Railroad, Metro North, New York City Transit and PATH on their PATH cars. All of these agencies use Home Products. I have also done internet searches and looked for information in trade magazines and related buyer's guides to no avail.

Cost:

$250,000

John Shea, Division Director

John Rink, General Manager-PATCO

John T. Haneson, CFO

John J. Mathiessen, CEO
MEMORANDUM: PURCHASES GREATER THAN $25,000

PORT AUTHORITY TRANSIT CORPORATION

TO: John Rink, General Manager-PATCO
    John J. Matheussen, Chief Executive Officer
    John T. Hanson, Chief Financial Officer

FROM: John Shea, Division Director/Project Manager-PATCO Car Equipment

SUBJECT: SOLE SOURCE APPROVAL - Vapor Stone Rail Systems

PURCHASE REQUISITION: 2014 Purchases

DATE: Friday, November 22, 2013

Background:
Purchase rolling stock inventory of relays and control devices for car door systems and HVAC controls for PATCO operations.

Justification for Proprietary/Sole Source:
Vapor Stone rail systems provide vital control devices for the door and HVAC systems. These systems are designed to fit the specific needs of these rail systems and there are no alternate suppliers or sources for these components.

Cost:
$30,000

John J. Shea, Division Director

John Rink, General Manager-PATCO

John T. Hanson, CFO

John J. Matheussen, CEO
MEMORANDUM: PURCHASES GREATER THAN $25,000

PORT AUTHORITY TRANSIT CORPORATION

TO: John Rink, General Manager-PATCO
    John J. Matheussen, Chief Executive Officer
    John T. Hanson, Chief Financial Officer

FROM: John Shea, Division Director/Project Manager: PATCO Car Equipment
SUBJECT: SOLE SOURCE APPROVAL - Bergen Auto Upholstery

PURCHASE REQUISITION: 2014 Purchases

DATE: Wednesday, January 15, 2014

Background:
Purchase rolling stock inventory of seat covers for PATCO operations.

Justification for Proprietary/Sole Source:
Bergen supplies seat covers for several types of seats used on PATCO cars. The seat covers need to match the existing seat covers to provide uniformity. Bergen has made the patterns used to fabricate the seat covers from samples. PATCO does not have the necessary patterns. Bergen supplies the fabric, labor and machinery to sew the seat covers. PATCO supplies the fabric.

About a year and a half ago we had two local vendors, Colony Court and Dominick Upholstery, both of whom went out of business. At that time I looked at several alternate suppliers, only one of which was acceptable, Bergen Auto Upholstery. This other was interested, but did not have the capability to sew vinyl, material we use, and also did not have the capability to ship. Another vendor, Kustom, a larger player in the business and is furnishing seats for the new cars, was not interested in providing only the covers, they wanted to supply complete cushions.

Cost:

$30,000.00

John Shea, Division Director
John Rink, General Manager-PATCO
John T. Hanson, CFO

John J. Matheussen, CEO