SUMMARY STATEMENT

ITEM NO.: PATCO-18-044 SUBJECT: Consideration of Pending PATCO Contracts (Between $25,000 and $100,000)

COMMITTEE: New Business

COMMITTEE MEETING DATE: N/A

BOARD ACTION DATE: December 5, 2018

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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>N/A</td>
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<tr>
<td>Source of Funds</td>
<td>See Attached List</td>
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<tr>
<td>Capital Project #</td>
<td>N/A</td>
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<td>Operating Budget</td>
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<td>Master Plan Status</td>
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<td>Other Fund Sources</td>
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<td>Other Parties Involved</td>
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<td>Item #</td>
<td>Vendor/Contractor</td>
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<tr>
<td>1</td>
<td>Railroad Friction Products</td>
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<tr>
<td>2</td>
<td>UKM Transit Products, Inc.</td>
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<tr>
<td>3</td>
<td>ITT Enidine, Inc. Orchard Park, NY</td>
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<tr>
<td>4</td>
<td>Westcode, Inc. Binghampton, NY</td>
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<tr>
<td>5</td>
<td>Railquip, Inc Atlanta, GA</td>
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<tr>
<td>Item #</td>
<td>Vendor/Contractor</td>
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<tr>
<td>6</td>
<td>Milligan &amp; Company, LLC Philadelphia, PA</td>
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</tbody>
</table>
MEMORANDUM: PURCHASES GREATER THAN $25,000

PORT AUTHORITY TRANSIT CORPORATION

TO: John Rink, GM-PATCO
    James White, Chief Financial Officer
    John T. Hanson, CEO-DRPA/President-PATCO

FROM: John Barrett, Division Director/Project Manager

SUBJECT: SOLE SOURCE APPROVAL - Railroad Friction Products

PURCHASE REQUISITION: [Redacted]

DATE: Monday, November 19, 2018

Background:

Purchase rolling stock friction brake shoes

Justification for Proprietary/Sole Source:

PATCO is currently using Railroad Friction Products (WABTEC) part number V280 brake shoes, made with their W-559 friction material. We have used this material since 1996. The brake shoe material has an effect on the stopping distance of the cars and is therefore a critical safety item. Changing shoe material would require a test program to verify any alternate shoes’ performance. Since it is not recommended that shoes be mixed on any individual car, we would have to change out all cars’ shoes when it became necessary to change out one shoe, during the transition period.

Cost:

$80,000

John Barrett, Equipment Division Director

John Rink, GM-PATCO

James White, CFO

John T. Hanson, CEO-DRPA/President-PATCO
MEMORANDUM: PURCHASES GREATER THAN $25,000

PORT AUTHORITY TRANSIT CORPORATION

TO: John Rink, GM-PATCO
    James White, Chief Financial Officer
    John T. Hanson, CEO-DRPA/ President-PATCO

FROM: John Barrett, Division Director/Project Manager

SUBJECT: SOLE SOURCE APPROVAL - UKM Transit Products

PURCHASE REQUISITION: 

DATE: Monday, November 19, 2018

Background:
UKM Transit Products has been our source for numerous parts of the truck tread brake units as well as traction motor couplings and truck suspension parts. These items are essential parts utilized for our truck overhaul program.

Justification for Proprietary/Sole Source:
PATCO has annual program to overhaul 40 transit car trucks for its fleet, specifically when the wheels become too small for use. In addition, each car that is returned from being overhauled will receive two overhauled trucks prior to being put in service. Each truck consists of multiple components from various vendors, suppliers and manufacturers. The Budd Company was the original manufacturer of the truck assembly and General Electric Transit Systems Business Division was the original manufacturer of the gearboxes and motors, neither company supports this equipment. UKM has reverse engineered the requested components and has been our dedicated supplier. We do not have another source for these components, nor do we have drawings or specifications.

Cost:
$50,000

John Barrett, Equipment Division Director

John Rink, GM-PATCO

James White, CFO

John T. Hanson, CEO-DRPA/ President-PATCO
MEMORANDUM: PURCHASES GREATER THAN $25,000

PORT AUTHORITY TRANSIT CORPORATION

TO: John Rink, GM-PATCO
    James White, Chief Financial Officer
    John T. Hanson, CEO-DRPA/President-PATCO

FROM: John E. Barrett, Division Director/Project Manager

SUBJECT: SOLE SOURCE APPROVAL - ITT Erndine

PURCHASE REQUISITION:

DATE: Wednesday, October 17, 2018

Background:
Rotary Hydraulic dampers are used on the Transit Car Trucks; the dampers in use now are largely original equipment, furnished with the cars when new. It has become evident that the dampers are worn out and do not provide the damping required by the original truck design. Accordingly, we have made replacement of the dampers as part of the truck overhaul to coincide with the overhaul of the cars.

Justification for Proprietary/Sole Source:

ITT Erndine manufactures the damper used on our trucks, they are the successor to the original manufacturier, Houdaille. They are the only manufacturer of a damper that is interchangeable in form, fit, and function.

Cost:

$50,000

John E. Barrett, Division Director

John Rink, GM-PATCO

James White, CFO

John T. Hanson, CEO-DRPA/President-PATCO
MEMORANDUM: PURCHASES GREATER THAN $25,000
PORT AUTHORITY TRANSIT CORPORATION

TO: John Rink, GM-PATCO
    James White, Chief Financial Officer
    John T. Hanson, CEO-DRPA/ President-PATCO

FROM: John Barrett Acting , Division Director/Project Manager: Equipment

SUBJECT: SOLE SOURCE APPROVAL - Westcode

PURCHASE REQUISITION: 

DATE: Monday, November 19, 2018

Background:
Westcode is the OEM supplier of HVAC and Pneumatic system components on the newly refurbished traincars.

Justification for Proprietary/Sole Source:
We have identified secondary sourcing for many of the common components throughout the HVAC and Pneumatic system. However, Westcode has proprietary rights of specific components: Air Compressor Governor, Blower motor assembly & Truck leveling valves. For this reason, we are unable to source these components from their OEM manufactures.

Cost:
$50,000

John Barrett Acting, Equipment , Division Director
John Rink, GM-PATCO
James White, CFO
John T. Hanson, CEO-DRPA/ President-PATCO