SUMMARY STATEMENT

ITEM NO.: PATCO-19-034

SUBJECT: Consideration of Pending PATCO Contracts (Between $25,000 and $100,000)

COMMITTEE: New Business

COMMITTEE MEETING DATE: N/A

BOARD ACTION DATE: December 11, 2019

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 President - 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>Horne Products</td>
<td>E. Farmingdale, NY</td>
<td>Purchase rolling stock inventory of third rail fuses and fuse boxes and associated hardware for PATCO Operations.</td>
<td>$85,000.00 (N.T.E.)</td>
<td>Sole Source Provider, see attached Sole Source Justification Memo marked as &quot;Exhibit 1&quot;</td>
<td>1. Horne Products E. Farmingdale, NY</td>
<td>$85,000.00 (N.T.E.)</td>
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<tr>
<td>2</td>
<td>Railroad Friction Products</td>
<td>Laurinburg, NC</td>
<td>Purchase rolling stock inventory of friction brake shoes for PATCO Operations.</td>
<td>$80,000.00 (N.T.E.)</td>
<td>Sole Source Provider, see attached Sole Source Justification Memo marked as &quot;Exhibit 2&quot;</td>
<td>1. Railroad Friction Products Laurinburg, NC</td>
<td>$80,000.00 (N.T.E.)</td>
</tr>
<tr>
<td>3</td>
<td>Hoppecke Batteries, Inc.</td>
<td>Hainesport, NY</td>
<td>Purchase rolling stock inventory of NiCad batteries for refurbished cars for PATCO Operations.</td>
<td>$75,000.00 (N.T.E.)</td>
<td>Sole Source Provider, see attached Sole Source Justification Memo marked as &quot;Exhibit 3&quot;</td>
<td>1. Hoppecke Batteries, Inc. Hainesport, NY</td>
<td>$75,000.00 (N.T.E.)</td>
</tr>
<tr>
<td>4</td>
<td>UKM Transit Products, Inc.</td>
<td>Harleysville, Pa</td>
<td>Purchase rolling stock inventory of numerous consumable parts for refurbished cars for PATCO Operations.</td>
<td>$75,000.00 (N.T.E.)</td>
<td>Sole Source Provider, see attached Sole Source Justification Memo marked as &quot;Exhibit 4&quot;</td>
<td>1. UKM Transit Products, Inc. Harleysville, Pa</td>
<td>$75,000.00 (N.T.E.)</td>
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<tr>
<td>5</td>
<td>Kustom Seating</td>
<td>Bellwood, IL</td>
<td>Purchase rolling stock inventory of passenger seating for the refurbished train cars.</td>
<td>$75,000 (N.T.E.)</td>
<td>Sole Source Provider, see attached Sole Source Justification Memo marked as &quot;Exhibit 5&quot;</td>
<td>1. Kustom Seating Bellwood, IL</td>
<td>$75,000 (N.T.E.)</td>
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<td>6</td>
<td>ITT Enidine, Inc. Orchard Park, NY</td>
<td>Purchase rolling stock inventory of dampers for transit car trucks for PATCO Operations.</td>
<td>$50,000 (N.T.E.)</td>
<td>Sole Source Provider, see attached Sole Source Justification Memo marked as &quot;Exhibit 6&quot;</td>
<td>1. ITT Enidine, Inc. Orchard Park, NY</td>
<td>$50,000 (N.T.E.)</td>
<td>General Funds</td>
</tr>
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<td>7</td>
<td>Westcode, Inc. Binghampton, NY</td>
<td>Purchase rolling stock inventory of HVAC and Pneumatic system components for refurbished cars for PATCO Operations.</td>
<td>$50,000 (N.T.E.)</td>
<td>Sole Source Provider, see attached Sole Source Justification Memo marked as &quot;Exhibit 7&quot;</td>
<td>1. Westcode, Inc. Binghampton, NY</td>
<td>$50,000 (N.T.E.)</td>
<td>General Funds</td>
</tr>
<tr>
<td>8</td>
<td>Bombardier Mass Transit Plattsburgh, NY</td>
<td>Purchase rolling stock inventory of suspension system components for PATCO Operations.</td>
<td>$35,000.00 (N.T.E.)</td>
<td>Sole Source Provider, see attached Sole Source Justification Memo marked as &quot;Exhibit 8&quot;</td>
<td>1. Bombardier Mass Transit Plattsburgh, NY</td>
<td>$35,000.00 (N.T.E.)</td>
<td>General Funds</td>
</tr>
<tr>
<td>9</td>
<td>Penetone Corporation Carlstadt, NJ</td>
<td>Purchase rolling stock inventory of chemicals used to clean exterior of rail cars and neutralize waste water for PATCO operations.</td>
<td>$26,000.00 (N.T.E.)</td>
<td>Sole Source Provider, see attached Sole Source Justification Memo marked as &quot;Exhibit 9&quot;</td>
<td>1. Penetone Corporation Carlstadt, NJ</td>
<td>$26,000.00 (N.T.E.)</td>
<td>General Funds</td>
</tr>
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<td>10</td>
<td>Transportation Resource Associates, Inc. (TRA) Philadelphia, PA</td>
<td>Contract Extension to provide General Consulting Services in the areas of Transit Safety and Transit Security.</td>
<td>$99,999.00</td>
<td>Request for Proposal was issued and publicly advertised on May 5, 2015. Four (4) consultants responded with Proposals and TRA and STV, Inc. were deemed the most qualified (SS&amp;R # PATCO-15-024). A contract was executed on December 10, 2015.</td>
<td>N/A</td>
<td>N/A</td>
<td>Revenue Funds General Funds</td>
</tr>
<tr>
<td>11</td>
<td>STV, Inc. Philadelphia, PA</td>
<td>Contract Extension to provide General Consulting Services in the areas of Transit Safety and Transit Security.</td>
<td>$99,999.00</td>
<td>Request for Proposal was issued and publicly advertised on May 5, 2015. Four (4) consultants responded with Proposals and TRA and STV, Inc. were deemed the most qualified (SS&amp;R # PATCO-15-024). A contract was executed on December 10, 2015.</td>
<td>N/A</td>
<td>N/A</td>
<td>Revenue Funds General Funds</td>
</tr>
<tr>
<td>13</td>
<td>Lowe's Home Center Lawnside, NJ</td>
<td>Purchase of building and electrical supplies for Way and Power Operations (2020).</td>
<td>$30,000.00 (N.T.E.)</td>
<td>In accordance with New Jersey State Contract #18-FLEET-00235, Vendor #V00004051</td>
<td>1. Lowe's Home Center Lawnside, NJ</td>
<td>$30,000.00 (N.T.E.)</td>
<td>General Funds</td>
</tr>
</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 Acting, Division Director/Project Manager: Equipment

SUBJECT: SOLE SOURCE APPROVAL - Horne Products

PURCHASE REQUISITION:

DATE: Thursday, October 03, 2019

Background:

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

Justification for Proprietary/Sole Source:

Horne products provides third rail uses, 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 when built; they are used only on rapid transit cars and have no other application in industry. I know of no other suppliers of these type products. I am familiar with several other agencies which use the same type of fuse equipment, which include Long Island Railroad, Metro North, New York City Transit and PATH on their PA1 - 4 cars. All of these agencies use Horne Products.

Cost:

$85,000

John Barrett Acting, 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 - Railroad Friction Products

PURCHASE REQUISITION:

DATE: Thursday, October 03, 2019

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 E. Barrett, Division Director/Project Manager

SUBJECT: SOLE SOURCE APPROVAL - Hoppecke

PURCHASE REQUISITION: 

DATE: Thursday, October 03, 2019

Background:

Hoppecke is the OEM of the NiCad batteries used on the Transit cars. ALSTOM specified Hoppecke batteries based on the electrical load calculation of the newly refurbished transit cars.

Justification for Proprietary/Sole Source:

Hoppecke batteries are a proprietary vendor of our NiCad battery which are in a balanced 25 cell set. Hoppecke has specified a three-month inspection period which requires voltage checks of each cell. If any of the cells are out of tolerance, they must be repaired using only Hoppecke parts and put through a rigorous high rate charging and discharging cycles before being reinstalled into the train. This high rate of charging and discharging causes the batteries to outgas hydrogen which is extremely flammable and requires following specific safety protocols when performing. Our facility is not properly equipped for performing these tests and would require additional shop upgrades and employee safety training. The cost associated with performing this work in house is negated by the potential safety risks. Therefore, I am requesting sole source approval.

Cost:

$75,000

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, Division Director/Project Manager: Equipment

SUBJECT: SOLE SOURCE APPROVAL - UKM Transit Products

PURCHASE REQUISITION: [Redacted]

DATE: Thursday, October 03, 2019

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 25 transit car trucks for its fleet, specifically when the wheels become too small for use. 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:

$75,000

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 - Kustom Seating

PURCHASE REQUISITION: [Redacted]

DATE: Monday, October 28, 2019

Background:

Kustom Seating is the OEM of the passenger seats on the newly refurbished traincars.

Justification for Proprietary/Sole Source:

Kustom Seating is the sole manufacturer for replacement parts required for making repairs to the passenger seats of the newly refurbished cars. Kustom has proprietary rights to drawings and tooling for manufacturing replacement seat covers and cushions.

The only alternate vendor who can provide these components is Alstom Transport. Alstom Transport is the system integrator of the refurbished trains, and while they are unable to manufacture these components, they can resell. We have sent RFO's to both Alstom and the OEM and found that Alstom's pricing is astronomically high, typically 80% or more mark-up. Alstom also takes exceptionally long to provide quotes that make an already lengthy process even longer.

Cost:

$75,000

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
John T. Hanson, CEO-DRPA/President-PATCO
Jamea White, Chief Financial Officer

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

SUBJECT: SOLE SOURCE APPROVAL - ITT Enidline

PURCHASE REQUISITION: [Blank]

DATE: Thursday, October 03, 2019

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 Endoline manufactures the damper used on our trucks, they are the successor to the original manufacturer, 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: Thursday, October 03, 2019

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
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: Equipment

SUBJECT: SOLE SOURCE APPROVAL - Bombardier Mass Transit

PURCHASE REQUISITION:

DATE: Thursday, October 03, 2019

Background:

Purchase rolling stock inventory of suspension system components for PATCO Operations

Justification for Proprietary/Sole Source:

Bombardier bought the rights to PATCO's car design from the Budd company and is their successor as OEM. Components purchased from Bombardier are elastomeric bumpers and snubbers for the cars' suspension system; they are critical safety components.

Cost:

$35,000

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, Division Director/Project Manager: Equipment

SUBJECT: SOLE SOURCE APPROVAL - Penetone

PURCHASE REQUISITION:

DATE: Thursday, October 03, 2019

Background:
The car wash uses a combination of acid and alkaline to clean the exteriors.

Justification for Proprietary/Sole Source:
Penetone supplies the acid and alkaline used to clean the stainless steel exterior of the rail cars. These acids are automatically diluted and then applied by the carwash. Additionally, these acids are further used for waste water neutralization. This process and chemicals used was set up by the original car wash manufacturer and has been in use since it was put in operation. Mixing and matching competitors acids will be problematic and would require involving the car wash manufacturer to review the proposed chemicals. Also sampling and testing of these products would be required to verify the products can clean the trains and don’t cause any compatibility issues or damage to the train cars. The costs associated with finding and validating a substitute product by far outweigh any potential savings. Therefore, I am requesting sole source approval.

Cost:

$26,000

John Barrett, Equipment Division Director

John Rink, GM-PATCO

James White, CFO

John T. Hanson, CEO-DRPA/ President-PATCO