



Metropolitan Transportation Authority

February 2020

MTA Board Action Items



MTA Board Meeting
2 Broadway
20th Floor Conference Room
New York, N.Y. 10004
Wednesday, 2/26/2020
10:00 AM - 2:00 PM ET

1. PUBLIC COMMENT PERIOD

2. APPROVAL OF MINUTES

MTA Regular Board Minutes - January 23, 2020

MTA Regular Minutes - January 23, 2020 - Page 5

NYCT/MaBSTOA/SIRTOA/MTA Bus Company Regular Board Minutes - January 23, 2020

NYCT Minutes - January 23, 2020 - Page 14

MTA Metro-North Railroad Regular Board Minutes - January 23, 2020

Metro-North Regular Minutes - January 23, 2020 - Page 21

MTA Long Island Rail Road Regular Board Minutes - January 23, 2020

LIRR Regular Minutes - January 23, 2020 - Page 29

Triborough Bridges & Tunnels Regular Board Minutes - January 23, 2020

TBTA Regular Minutes - January 23, 2020 - Page 38

MTA Construction & Development Regular Board Minutes - January 23, 2020

MTACD Regular Minutes - January 23, 2020 - Page 42

3. CAPITAL PLAN PRESENTATION

4. DIVERSITY PRESENTATION

5. FEBRUARY FINANCIAL PLAN STAFF SUMMARY

MTA 2020 Budget and 2020-2023 Financial Plan Staff Summary

MTA 2020 Budget and 2020-2023 Financial Plan Staff Summary - Page 46

6. TRANSFORMATION PRESENTATION

7. COMMITTEE ON FINANCE

Action Items

i. Ratification of Sales Tax Bond

Ratification of Sales Tax Bond - Page 59

ii. Issue New Money Bond Anticipation Notes (BANs) and Bonds

Approval to Issue New Money Bond Anticipation Notes (BANs) and Bonds - Page 62

iii. TBTA Reimbursement Resolution for Federal Tax Purposes

TBTA Reimbursement Resolution for Federal Tax Purposes - Page 65

iv. File for and Accept Federal Grants

Board Authorization to File for and Accept Federal Grants - Page 67

v. 2019 TBTA Operating Surplus

2019 TBTA Operating Surplus - Page 75

vi. Mortgage Recording Tax - Escalation Payments to Dutchess, Orange and Rockland Counties

Mortgage Recording Tax - Escalation Payments to Dutchess, Orange and Rockland Counties - Page 88

vii. Major Construction Review Unit

Major Construction Review Unit - Page 90

viii. NYC Outer Borough Rail Discount Pilot

NYC Outer Borough Rail Discount Pilot - Page 95

MTAHQ Procurements Report

MTAHQ Procurement Report - Page 101

i. Non-Competitive (no items)

ii. Competitive

MTAHQ Competitive Procurement - Page 104

iii. Ratifications (no items)

Real Estate Items

i. Real Estate Agenda and Staff Summaries

Real Estate Agenda and Staff Summaries - Page 107

8. COMMITTEE ON NYCT & BUS

NYCT & Bus Procurements Report

NYCTA Procurement Report - Page 119

i. Non-Competitive (no items)

ii. Competitive

NYCT Competitive - Page 124

iii. Ratifications

NYCT Ratifications - Page 132

C&D Competitive Action

C&D Procurement 53.9M - Page 136

9. COMMITTEE ON METRO-NORTH RAILROAD & LONG ISLAND RAIL ROAD

MNR Procurements Report (no items)

LIRR Procurements Report

LIRR Procurements - Page 144

i. Non-Competitive

LIRR Non-Competitive - Page 148

ii. Competitive (no items)

iii. Ratifications (no items)

MTA C&D Procurements Report

MTA C&D Procurements - Page 150

i. Non-Competitive (no items)

ii. Competitive

iii. Ratifications (no items)

C&D Competitive - Page 154

10. COMMITTEE ON MTA BRIDGES & TUNNELS OPERATIONS (no items)

11. FIRST MUTUAL TRANSPORTATION ASSURANCE CO (FMTAC) (no items)

Date of next meeting: Wednesday, March 25, 2020

**Metropolitan Transportation Authority
Minutes of
Regular Board Meeting
2 Broadway
New York, NY 10004
Thursday, January 23, 2020
10:00 a.m.**

The following members were present:

**Hon. Patrick Foye, Chairman & CEO
Hon. Andrew Albert
Hon. Sarah E. Feinberg
Hon. Rhonda Herman
Hon. Linda Lacewell
Hon. Kevin Law
Hon. Robert W. Linn
Hon. David Mack
Hon. Susan Metzger
Hon. Haeda B. Mihaltzes
Hon. Robert F. Mujica
Hon. Vincent Tessitore, Jr.
Hon. Lawrence Schwartz**

The following alternate non-voting members were also present:

**Hon. Norman Brown
Hon. John Samuelsen**

The following members were absent:

**Hon. David Jones
Hon. Neal Zuckerman**

Anthony McCord, Chief Transformation Officer, Mario Péroquin , Chief Operating Officer, Thomas J. Quigley, General Counsel, Janno Lieber, MTA Chief Development Officer, MTA Construction & Development, Andrew Byford, President, NYCT, Phillip Eng, President, Long Island Rail Road, Catherine Rinaldi, President, Metro-North Railroad, Daniel DeCrescenzo, Acting President, TBTA, Craig Cipriano, Acting President, MTA Bus/Senior Vice President, NYCT Department of Buses, and Leah Flax, Government Relations Specialist, NYCT, also attended the meeting.

The Board of the Metropolitan Transportation Authority also met as the Boards of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority, the Staten Island Rapid Transit Operating Authority, the Metropolitan Suburban Bus Authority, the Triborough Bridge and Tunnel Authority, the Long Island Rail Road, the Metro-North Commuter Railroad Company, the MTA Capital Construction Company, the MTA Bus Company, and the First Mutual Transportation Assurance Company.

Unless otherwise indicated, these minutes reflect items on the agenda of the Board of the Metropolitan Transportation Authority, the Metropolitan Suburban Bus Authority, and the First Mutual Transportation Assurance Company. Refer to the other agencies' minutes of this date for items on the agendas of the Boards of the other agencies.

1. PUBLIC SPEAKERS SESSION.

Following the Public Safety announcement, Leah Flax, Government Relations Specialist, NYCT, reminded speakers of the two (2) minute speaking limit, and called speakers attention to the countdown clock and the warning light, which will come on alerting speakers that thirty (30) seconds remain to conclude their remarks.

The following seventeen (17) speakers commented during the public speakers' session. Refer to the video recording of the meeting produced by the MTA and maintained in MTA records, and to the other agencies' minutes of this date, for the content of speakers' statements.

H.P. Schroerer, UMEWE
Gian Pedulla, Department of Education
Vincent Pedulla, UFT
Michael Howard, CIDNY
C.N., private citizen
Rachael Fauss, Reinvent Albany
Bruce Hain, Rail-NYC-Access
Ashley Pryce, Transit Center
Liam Blank, Tri-State Transportation
Charlton Dsouza, Passengers United
Jason Anthony, Passengers United
Tramell Thompson, Progressive Action
Omar Vera, private citizen
Collin Wright, Transit Center
John Ferretti, TWU, Local 100
Lisa Daglian, PCAC
Jessica Murray, Rise & Resist

2. CHAIRMAN FOYE'S REMARKS.

Chairman Foye welcomed the public and the Board Members to the regular Board meeting.

The Chairman stated that the MTA is beginning the new year with a bold vision to improve how the agency operates, and the agency remains laser focused on its core mission to keep the region moving.

With respect to on-time performance across the system, Chairman Foye stated that the MTA ended 2019 on a high note, all while completing major repairs and projects through the Fast Forward, Long Island Rail Road Forward, and Metro-North Way Ahead plans.

Chairman Foye stated that 2019 saw the best subway performance in six years. December was the seventh consecutive month with weekday OTP above 80 percent, and running times improved on nearly every non-shuttle line compared to the year prior. Preliminary full-year data also shows subway ridership slightly higher in 2019 for both weekdays and weekends. After several years of decreases, average weekday subway ridership increased year-over-year for six consecutive months and exceeded six million riders on two weekdays in November. Chairman Foye commended the entire team at New York City Transit for doing a great job on getting the subways back to an acceptable level of service. The Subway Action Plan played a key role in the success and a report will be posted online that fully details the accomplishments of the Subway Action Plan. The findings show improvements in every metric, including a 40 percent decrease in weekday delays.

Phase One of the Subway Action Plan sought to stabilize the system, while Phase Two focused on developing and institutionalizing successes to sustain progress going forward. The MTA has incorporated management practices from these emergency measures into long-term operations. For example, under Phase One of the Subway Action Plan, New York City Transit tripled the rate at which it replaced old jointed rail, installing 55 miles of continuous welded rail from 2017 to 2019, which resulted in a 55 percent decrease in track-related major incidents during the same period, from more than 15 per month in 2017 to fewer than seven per month in 2019. Phase Two saw the introduction of three rail grinders running through the system to remove rail imperfections and prevent defects.

Chairman Foye stated that Long Island Rail Road and Metro-North saw similar tangible benefits from their Long Island Rail Road Forward and Metro-North Way Ahead programs. For the Long Island Rail Road, OTP hit a three-year high of 92.4 percent in 2019, with 44 percent fewer train cancellations. Metro-North's OTP rose to 94.4 percent overall in 2019, recording 55 percent fewer train cancellations. Chairman Foye thanked Presidents Catherine Rinaldi and Phillip Eng for their leadership and the frontline employees for their hard work. Chairman Foye stated that the MTA will continue to maintain a close focus on operational performance for the coming year, while prioritizing Transformation and reform.

Chairman Foye welcomed Mario Pélouquin, the new MTA Chief Operating Officer ("COO"), to his first full Board meeting. Chairman Foye noted that, as COO, Mr. Pélouquin will play a key role in ensuring the MTA's agencies maintain safe, reliable operations, and continue to deliver excellent service. Chairman Foye also stated that the new Chief Transformation Officer ("CTO"), Anthony McCord, and the new Chief Innovation Officer, Mark Dowd, are working hard to implement Transformation and foster innovation at the MTA, charting the course to fundamentally change the way the MTA does business to become the modern 21st century transit system this region deserves.

Chairman Foye also acknowledged the following new members of the MTA's senior leadership team:

- Paul Fama, Chief People Officer. Mr. Fama has 25 years of experience with GE as a senior leader in human resources.
- Rafail Portnoy, Chief Technology Officer. Mr. Portnoy previously worked as Chief Information Officer at several leading non-profits including the Anti-Defamation League and Safe Horizons.
- Kuvesh Ayer, Chief Procurement Officer. Mr. Ayer has over 20 years of experience in strategic contracts management and procurement at GE and Alstom.

Chairman Foye asked the Board to join him in welcoming the new members of the executive team, who the Chairman stated will help ensure successful progress on Transformation.

Chairman Foye, commenting on upcoming priorities for 2020, stated that the reforms implemented through Transformation will go a long way towards supporting the on-time and on-budget execution of the MTA's historic \$51.5 billion Capital Plan, which will allow the MTA to better deliver on capital commitments through the newly consolidated Construction and Development division. The MTA is making a historic investment in infrastructure, from signal modernization projects, to new buses and trains, to East Side Access and Penn Station Access, to ensure the MTA is prepared to meet the needs of this region in the 21st century and beyond.

Chairman Foye stated that the Capital Plan was deemed approved on schedule for the first time since 1981. On the first business day of the new year, just a day after the Capital Plan was deemed approved, the MTA issued an RFQ to begin work on adding 70 new accessible stations to the subway system, which more than meets the MTA's goal to ensure that no rider is ever more than two stations away from an accessible station. Chairman Foye stated that the effort shows just how serious the MTA is about making the system accessible to all New Yorkers and ensuring the Capital Plan is accomplished on time. Chairman Foye stated that later in the meeting Janno Lieber, MTA Chief Development Officer, will give a presentation on the status of the 2015 Capital Plan and an update on the current 2020 Capital Plan.

Chairman Foye thanked Governor Cuomo and the state legislature for their support of the Capital Plan and the MTA agencies. The governor's executive budget accounts for billions in operating aid to support the MTA, and a \$3 billion state contribution to the Capital Plan, which will help the MTA fund accessibility projects. Chairman Foye stated that he is hopeful the city will match that amount, so the MTA can continue to deliver on its accessibility capital commitments.

Chairman Foye stated that the MTA's work at Grand Central Terminal is a prime example of the efficiencies and value the MTA expects to see with Transformation. The Chairman stated that last week the MTA unveiled the integrated 42nd Street connection project along the 42nd Street corridor. Eight separate rehabilitation projects, including a major overhaul of the 42nd Street Shuttle, were merged into one comprehensive plan. By consolidating this work under the new MTA Construction and Development division, the MTA is able to cut costs and expedite timelines. Chairman Foye noted that the MTA has been able to save \$10 million on these projects, and shave 13 months off the original schedule.

Chairman Foye stated that to help ease congestion and create a more environmentally friendly region, the MTA needs to draw people out of their cars and onto mass transit. To do that, the MTA needs to provide a transit system that New Yorkers can be proud of and a revitalized Penn Station will be key in winning over these customers. The Chairman stated that the MTA has a long history of partnering with key regional and governmental stakeholders to deliver on big and bold ideas for the region, and the same will be true for the Empire Station Complex, Governor Cuomo's bold plan to reimagine Penn Station, with a project led by Empire State Development in partnership with the MTA, Amtrak, and New Jersey Transit. The Empire Station Complex builds on the current Penn Station improvement projects, such as the 33rd Street corridor, and includes the addition of eight new tracks which will be a dramatic 40 percent expansion of track capacity to the south. If completed, the impact on the customer experience will be extraordinary.

Chairman Foye stated that the MTA's commitment to pursue bold new ideas extends to buses as well. The MTA wants to build on the momentum from last year with the rollout of the 14th Street Busway and automated bus lane enforcement. On the M14 buses, the opening of the Busway contributed to a 30 percent drop in travel time between Eighth and Third Avenues. The MTA looks forward to working with partners at the NYC Department of Transportation and the NYPD to add more transit priority corridors to further increase speeds. The MTA is also pushing forward with borough-by-borough bus network redesigns and embracing the challenge of designing new bus lines that serve this city as it exists today, not the way it was 100 years ago. Chairman Foye stated that the MTA is looking for input every step of the way as part of its robust outreach and community engagement efforts to make it a success.

Lastly, Chairman Foye reported that the Transport Workers Union Local 100 ratified a new contract earlier in January. The MTA believes this contract is a win for customers, taxpayers, and transit employees. The Chairman stated that the deal will help the MTA accomplish its core mission to keep the region moving while ensuring its hard-working employees are fairly recognized.

The details of the Chairman's remarks are contained in the video recording of the meeting, produced by the MTA and maintained in MTA records.

3. EXECUTIVE SESSION.

Upon motion duly made and seconded, the Board convened an executive session pursuant to Section 105(1)(a) of the New York State Public Officers Law to discuss matters that will imperil the public safety if disclosed, and Section 105(1)(e) of the New York State Public Officers Law to discuss matters relating to collective bargaining.

4. PUBLIC SESSION RESUMES.

Upon motion duly made and seconded, the Board voted to reconvene in public session.

Chairman Foye announced that while in executive session the Board discussed security matters and a number of collective bargaining agreements. With respect to the TWU Local 100 contract, Chairman Foye noted that Board Member Neal Zuckerman authorized him to announce that if he were present at today's meeting, he would vote to approve the TWU

contract.

5. APPROVAL OF COLLECTIVE BARGAINING AGREEMENTS.

Upon motion duly made and seconded, the Board approved:

- (1) Collective bargaining agreement between MTA New York City Transit/MaBSTOA, MTA Bus Company and the Transport Workers Union, Local 100;
- (2) Collective bargaining agreement between MTA Metro-North Railroad and the Association of Commuter Rail Employees, Division 1, Yardmasters;
- (3) Collective bargaining agreement between MTA Metro-North Railroad and the Association of Commuter Rail Employees, Division 9;
- (4) Collective bargaining agreement between New York City Transit and the United Federation of Law Enforcement Officers; and
- (5) Agreement to implement specific economic provisions of the 2017-2021 District Council 37/City of New York agreement for MTA Bridges and Tunnels employees represented by DC 37/AFSCME, Local 1655.

Refer to the video recording of the meeting produced by the MTA and maintained in MTA records for details of comments made by Board Members and staff.

6. APPROVAL OF MINUTES.

Upon motion duly made and seconded, the Board approved the Minutes of the Regular Board meeting held on December 18, 2019, as amended to correct the spelling of Assembly Member Amy Paulin's name.

7. COMMITTEE ON FINANCE.

A. Action Item. Upon motion duly made and seconded the Board approved the action item listed below. The specifics are set forth in the staff summary and documentation filed with the meeting materials. Board member Linda Lacewell abstained from the vote.

1. Capital Markets-Based Reinsurance. Approval the resolution authorizing placement of part of the First Mutual Transportation Assurance Company's (FMTAC") property insurance program through a catastrophe (cat) bond-based reinsurance transaction, as part of the continuing effort to reduce FMTAC'S reinsurance portfolio costs and seek competitive solutions for its reinsurance needs.

B. Procurement Items. Upon motion duly made and seconded the Board approved the following procurement items listed below. The specifics are set forth in the staff summaries and documentation filed with the meeting materials. Board Member Kevin Law abstained from the vote on item # 3 below.

1. New York State Industries for the Disabled – All Agency Janitorial, Grounds Keeping & Lawn Maintenance Services – No 0009000017. Approved an award of a non-competitive all-agency contract for the provision of janitorial services, snow removal, grounds, keeping and lawn maintenance at various MTA facilities to New York State Industries for the Disabled, a New York State Preferred Source Vendor.
2. Turtle & Hughes, Inc. – All-Agency Procurement of Maintenance, Repair and Operating Supplies & Related Products and Services – No. 11751-0500-1. Approved the award of the electrical category of the maintenance, repair and operating supplies and related products and services contract, pursuant to a competitively negotiated all-agency request for proposals, to Turtle & Hughes, a NYS Certified Women Owned Business Entity.
3. Various Contractors – Asbestos Consultant Services – No. 41678. Approved the award of indefinite quantity on-call asbestos consultant services contracts to Environmental Planning & Management Group (EPM), LIRO Engineers, and ATC Group Services LLC (ATC) for NYCT and LIRR, for three years, plus a unilateral MTA option to extend for an additional two years.
4. Guardian Services Industries, Inc. – Custodial Services – No. 19000. Approved the award of a competitively negotiated, miscellaneous services contract to Guardian Services Industries Inc, to provide custodial services for MTA facilities located at 2 Broadway, 420 Lexington Avenue, 525 North White Plains, 144-41 94th Avenue Jamaica, 48 East 50th Street Pocket Park Commons, 33-01 Northern Blvd, 14 Perlin Lane, 24 South MacQuesten Parkway, 10 West Suffolk Avenue, 70 Southside Place, and 7-11 Beekman Street, for a period of three-years commencing on December 1, 2019.
5. Guidehouse LLP – Timekeeping Modernization – No. 15489-0100. Approved an amendment to a competitively negotiated personal service contract to Guidehouse LLP to provide timekeeping modernization services.

- C. **Real Estate Items.** Upon motion duly made and seconded the Board approved the real estate items listed below. The specifics are set forth in the staff summaries and documentation filed with the meeting materials

Metropolitan Transportation Authority

1. License agreement with Hotel Chocolat (or an entity to be formed) for retail space for the sale of chocolate, confectionery and other associated products located at 2 Broadway, New York, N.Y.

Long Island Rail Road

2. Amendment of a pipeline license with LGA Fuel Inc for occupancy of LIRR Right of Way (ROW) for the purpose of operating and maintaining a net-fuel pipeline from Blissville Yard and Sunnyside Yard to LaGuardia Airport, Queens, N.Y.

3. Acquisition of permanent easements from the City of New York, at street level on the South side of West 33rd Street between Seventh and Eighth Avenues, to build the new West 33rd Street entrance to the LIRR's Level A Concourse in Penn Station, New York, N.Y.
4. Agreement with Vornado Realty to terminate certain subleases for portions of space along the North Side of the LIRR Level A Concourse at Penn Station, currently leased to One Penn Plaza, LLC (Vornado) and in turn subleased to retail subtenants.

New York City Transit Authority

5. License agreement with Khaja Shujauddin for the operation of a travel convenience store located in the free zone mezzanine level of the Woodlawn subway station, Jerome Avenue Line, Bronx, N.Y.

8. MTA TIMEKEEPING PRESENTATION.

Wael Hibri, Senior Vice President of Shared Services, provided an update on the MTA's biometric timekeeping efforts.

Refer to the video recording of the meeting produced by the MTA and maintained in MTA records for details of the presentation and comments made by Board Members and staff.

9. MTA CONSTRUCTION AND DEVELOPMENT PRESENTATION.

Janno Lieber, Chief Development Officer, provided a presentation on the upcoming 2020-2024 Capital Plan and anticipated quarterly commitments in 2020 from prior Capital Plans.

Refer to the video recording of the meeting produced by the MTA and maintained in MTA records for the details of the presentation and comments made by Board Members and staff.

10. ACKNOWLEDGEMENT OF NEW YORK CITY TRANSIT PRESIDENT ANDREW BYFORD'S DEPARTURE.

Chairman Foye acknowledged the departure of New York City Transit President Andrew Byford. The Chairman stated that President Byford has been instrumental in the recent success of the MTA and New York City Transit and he thanked him for his service.

President Byford thanked the Chairman, the Board Members, Governor Cuomo, and the legislature for their support and leadership. He also thanked the citizens of New York, his executive management team, and all the men and women working for New York City Transit.

Refer to the video recording of the meeting produced by the MTA and maintained in MTA records for the details of the comments made by the Chairman, President Byford, Board Members and staff.

11. **ADJOURNMENT.** Upon motion duly made and seconded, the Board voted to adjourn the meeting at 12:55 p.m.

Respectfully submitted,

Victoria Clement
Assistant Secretary

**Minutes of the
Regular Board Meeting
for the New York City Transit Authority,
Manhattan and Bronx Surface Transit Operating Authority,
Staten Island Rapid Transit Operating Authority and
MTA Bus Company
2 Broadway
New York, NY 10004
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The following members were present:

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Hon. Andrew Albert
Hon. Sarah E. Feinberg
Hon. Rhonda Herman
Hon. Linda Lacewell
Hon. Kevin Law
Hon. Robert W. Linn
Hon. David Mack
Hon. Susan Metzger
Hon. Haeda B. Mihaltses
Hon. Robert F. Mujica
Hon. Vincent Tessitore, Jr.
Hon. Lawrence Schwartz**

The following alternate non-voting members were also present:

**Hon. Norman Brown
Hon. John Samuelson**

The following members were absent:

**Hon. David Jones
Hon. Neal Zuckerman**

Anthony McCord, Chief Transformation Officer, Mario Pélouquin, Chief Operating Officer, MTA, Thomas J. Quigley, General Counsel, Janno Lieber, MTA Chief Development Officer, MTA Construction & Development, Andrew Byford, President, NYCT, Phillip Eng, President, Long Island Rail Road, Catherine Rinaldi, President, Metro-North Railroad, Daniel DeCrescenzo, Acting President, TBTA, Craig Cipriano, Acting President, MTA Bus/Senior Vice President, NYCT Department of Buses, and Leah Flax, Government Relations Specialist, NYCT, also attended the meeting.

1. CHAIRMAN FOYE CALLED THE MEETING TO ORDER

MTA Chairman & CEO Patrick Foye called the meeting to order.

2. PUBLIC COMMENT PERIOD

There were eighteen (18) registered public speakers. The following speakers spoke on MTA NYC Transit/Staten Island Rapid Transit Operating Authority /MTA Bus Company matters during the public speaker session.

H.P. Schroerer, UMEWE
Gian Pedulla, Department of Education
Vincent Pedulla, UFT
Michael Howard, CIDNY
C.N., private citizen
Rachael Fauss, Reinvent Albany
Bruce Hain, Rail-NYC-Access
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Please refer to the video recording of the meeting produced by the MTA and maintained in MTA records for the content of the speakers' statements.

3. CHAIRMAN FOYE'S REMARKS

Chairman Foye welcomed the public and the Board Members to the regular Board meeting.

Chairman Foye stated that the MTA is beginning the new year with a bold vision to improve how the agency operates. He stated that the MTA remains laser focused on its core mission to keep the region moving. He noted that the MTA ended 2019 on a high note when it came to on-time performance ("OTP") across the system and completing major repairs and projects through the Fast Forward, Long Island Rail Road Forward and Metro-North Way Ahead plans.

Chairman Foye commented that 2019 saw the best subway performance in six years. December was the seventh consecutive month with weekday OTP above 80 percent and running times improved on nearly every non-shuttle line compared to the year prior. Preliminary full-year data also showed subway ridership slightly higher in 2019 for both weekdays and weekends. After several years of decreases, average weekday subway ridership increased year-over-year for six consecutive months and exceeded six million riders on two weekdays in November. Chairman Foye commented that the entire team at New York City Transit has done a great job getting the subways back to an acceptable level of service. The Subway Action Plan played a key role in the

success and a report will be posted online that fully details the accomplishments of the Subway Action Plan. The findings show improvements in every metric, including a 40 percent decrease in weekday delays.

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Chairman Foye also acknowledged the following new members of the MTA’s senior leadership team:

- Paul Fama will serve as Chief People Officer. Mr. Fama has 25 years of experience with GE as a senior leader in human resources.
- Rafail Portnoy will serve as Chief Technology Officer. Mr. Portnoy previously worked as Chief Information Officer at several leading non-profits including the Anti-Defamation League and Safe Horizons.
- Kuvesh Ayer will serve as Chief Procurement Officer. Mr. Ayer has over 20 years of experience in strategic contracts management and procurement at GE and Alstom.

Chairman Foye asked the Board to join him in welcoming the new members of the executive team and remarked that these new leaders will help ensure successful progress on Transformation.

Chairman Foye also commented on upcoming priorities for 2020. He stated that the reforms implemented through Transformation will go a long way towards supporting the on-time and on-budget execution of the MTA’s historic \$51.5 billion Capital Plan, which will allow the MTA to better deliver on capital commitments through the newly consolidated Construction and Development division. The MTA is making a historic investment in infrastructure, from signal modernization projects to new buses and trains to East Side Access and Penn Station Access, to ensure the MTA is prepared to meet the needs of this region in the 21st century and beyond.

Chairman Foye remarked that the Capital Plan was deemed approved on schedule for the first time since 1981. On the first business day of the new year, just a day after the Capital Plan was deemed approved, the MTA issued an RFQ to begin work on adding 70 new accessible stations to the

subway system, which more than meets the MTA's goal to ensure that no rider is ever more than two stations away from an accessible station. The effort shows just how serious the MTA is about making the system accessible to all New Yorkers and ensuring the Capital Plan is accomplished on time. Chairman Foye also noted that there would be a presentation given by MTA Chief Development Officer Janno Lieber on the 2015 Capital Plan along with an update on the current Capital Plan.

Chairman Foye thanked Governor Cuomo and the state legislature for their support of the Capital Plan. The governor's executive budget accounts for billions in operating aid to support the MTA, and a \$3 billion state contribution to the Capital Plan, which will help the MTA fund accessibility projects. Chairman Foye stated that he is hopeful the city will match that amount so the MTA can continue to deliver on accessibility capital commitments.

Chairman Foye also commented that the MTA's work at Grand Central Terminal is a prime example of the efficiencies and value the MTA expects to see with Transformation. Last week, the MTA unveiled the integrated 42nd Street connection project along the 42nd Street corridor. Eight separate rehabilitation projects, including a major overhaul of the 42nd Street Shuttle, were merged into one comprehensive plan. By consolidating this work under the new MTA Construction and Development division, the MTA is able to cut costs and expedite timelines. Chairman Foye remarked that the MTA has been able to save \$10 million on these projects and shave thirteen months off the original schedule.

Chairman Foye also stated that the MTA needs to draw people out of their cars and onto mass transit to help ease congestion and create a more environmentally friendly region. To do that, the MTA needs to provide a transit system of which New Yorkers can be proud. A revitalized Penn Station will be key in winning over these customers. The MTA has a long history of partnering with key regional and governmental stakeholders to deliver on big and bold ideas for the region, and the same will be true for the Empire Station Complex, Governor Cuomo's bold plan to reimagine Penn Station, with the project being led by Empire State Development in partnership with the MTA, Amtrak, and New Jersey Transit. The Empire Station Complex builds on the current Penn Station improvement projects, such as the 33rd Street corridor, and includes the addition of eight new tracks which will be a dramatic 40 percent expansion of track capacity to the south. If completed, the impact on the customer experience will be extraordinary.

Chairman Foye also stated that the MTA's commitment to pursue bold new ideas extends to buses as well. The MTA wants to build on the momentum from last year with the rollout of the 14th Street Busway and automated bus lane enforcement. For the M14 buses, the opening of the Busway contributed to a 30 percent drop in travel time between Eighth and Third Avenues. Trips that once took 15 minutes now take just over 10 minutes. The MTA looks forward to working with partners at the NYC Department of Transportation and the NYPD to add more transit priority corridors to further increase speeds. The MTA is also pushing forward with borough-by-borough bus network redesigns. It is time to make a holistic change to bring bus routes into the 21st century. The MTA is embracing the challenge of designing new bus lines that serve this city as it exists today. Chairman Foye remarked that the MTA is looking for input every step of the way as part of its robust outreach and community engagement efforts to make it a success.

Finally, Chairman Foye reported that the Transport Workers Union Local 100 ratified a new contract earlier in January. He stated that the MTA believes this contract is a win for customers,

taxpayers and transit employees. He remarked that the deal will help the MTA accomplish its core mission to keep the region moving while ensuring its hard-working employees are fairly recognized.

The details of the remarks by Chairman Foye are contained in the video recording of the meeting, produced by the MTA and maintained in MTA records.

4. EXECUTIVE SESSION:

Upon motion duly made and seconded, the Board convened an executive session pursuant to Section 105(1)(a) of the New York State Public Officers Law to discuss matters that may imperil the public safety if disclosed and pursuant to Section 105(1)(e) of New York State Public Officers Law to discuss matters relating to collective bargaining.

5. PUBLIC SESSION RESUMES:

Upon motion duly made and seconded, the Board voted to reconvene in public session.

6. APPROVAL OF COLLECTIVE BARGAINING AGREEMENTS:

Upon motion duly made and seconded, the Board approved multiple collective bargaining agreements, including the agreements between: (i) the Transport Workers Union, Local 100 and MTA New York City Transit, Manhattan and Bronx Surface Transit Operating Authority and MTA Bus Company; and (ii) MTA New York City Transit and the United Federation of Law Enforcement Officers. With respect to the TWU Local 100 contract, Chairman Foye noted that Board Member Neal Zuckerman authorized him to announce that if he were present at today's meeting, he would vote to approve the TWU contract.

The video recording of the meeting produced by the MTA and maintained in MTA records contains a complete record of comments made by Board Members and staff on all the approved agreements.

7. APPROVAL OF MINUTES

Upon motion duly made and seconded, the Board approved the Minutes of the Regular Board meeting held on December 18, 2019 as amended to correct the spelling of Assembly Member Amy Paulin's name.

8. COMMITTEE ON FINANCE

Real Estate Items Upon motion duly made and seconded, the Board approved a license agreement with Khaja Shujauddin for the operation of a travel convenience store at the Woodlawn subway station in Bronx, New York.

The specifics of the above item are set forth in the staff summaries and documentation filed with the meeting materials.

**9. COMMITTEE ON TRANSIT & BUS OPERATIONS
MTA NYC Transit & MTA Bus Company**

Procurements:

Competitive Procurements: Upon motion duly made and seconded, the Board approved competitive procurements requiring a majority vote (Schedule G in the Agenda).

Details of the above items are set forth in staff summaries, copies of which are on file with the records of the meeting of the Board of MTA NYC Transit /Staten Island Rapid Transit Operating Authority /MTA Bus Company.

10. MTA TIMEKEEPING PRESENTATION:

Wael Hibri, Senior Vice President of Shared Services, provided an update on the MTA's biometric timekeeping efforts.

The video recording of the meeting produced by the MTA and maintained in MTA records contains a complete record of the presentation and comments made by Board Members and staff.

11. MTA CONSTRUCTION AND DEVELOPMENT PRESENTATION:

Janno Lieber, Chief Development Officer, MTA Construction & Development, gave a presentation on the upcoming 2020-2024 Capital Plan. He anticipated quarterly commitments in 2020 from prior Capital Plans including Metro-North Harlem River Lift Bridge and Penn Station Access project work.

The video recording of the meeting produced by the MTA and maintained in MTA records contains a complete record of the presentation and comments made by Board Members and staff.

12. NEW YORK CITY TRANSIT PRESIDENT ANDREW BYFORD'S FINAL REMARKS:

Chairman Foye acknowledged the departure of New York City Transit President Andrew Byford, thanked President Byford for his service and commented that he has been instrumental in the recent success of the MTA and New York City Transit. Board Members Samuelsen, Albert, Linn and Brown also expressed their appreciation and thanked President Byford for his service.

President Byford thanked the Board, Governor Cuomo and the legislature for their support and leadership. He also thanked the citizens of New York, his executive management team, and all the men and women working for New York City Transit.

13. **ADJOURNMENT:**

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 12:55p.m.

Respectfully submitted,
/s/Mariel A. Thompson
Mariel A. Thompson
Assistant Secretary

Minutes of the Regular Meeting
Metro-North Commuter Railroad Company
2 Broadway – 20th Floor
New York, NY 10004
Thursday, January 23, 2020
10:00 a.m.

The following members were present:

Hon. Patrick Foye, Chairman & CEO
Hon. Andrew Albert
Hon. Sarah E. Feinberg
Hon. Rhonda Herman
Hon. Linda Lacewell
Hon. Kevin Law
Hon. Robert W. Linn
Hon. David Mack
Hon. Susan Metzger
Hon. Haeda B. Mihaltses
Hon. Robert F. Mujica
Hon. Vincent Tessitore, Jr.
Hon. Lawrence Schwartz

The following alternate non-voting members were also present:

Hon. Norman Brown
Hon. John Samuelson

The following members were absent:

Hon. David Jones
Hon. Neal Zuckerman

Anthony McCord, Chief Transformation Officer, Mario Péroquin, Chief Operating Officer, Thomas J. Quigley, General Counsel, Janno Lieber, MTA Chief Development Officer, MTA Construction & Development, Andrew Byford, President, NYCT, Phillip Eng, President, Long Island Rail Road, Catherine Rinaldi, President, Metro-North Railroad, Daniel DeCrescenzo, Acting President, TBTA, Craig Cipriano, Acting President, MTA Bus/Senior Vice President, NYCT Department of Buses, and Leah Flax, Government Relations Specialist, NYCT, also attended the meeting. Unless otherwise indicated, these minutes reflect items on the agenda of the Metro-North Commuter Railroad Company Board (“Metro-North”). Refer to the other agencies’ minutes of this date for items on the agendas of the Boards of the other agencies.

Chairman Foye called the meeting to order and the electronic emergency safety procedure announcement was played.

1. **PUBLIC SPEAKERS:**

Leah Flax, Government Relations Specialist, NYCT, introduced the public speakers. There were 17 registered public speakers, none of whom spoke on matters specific to Metro-North.

Additional details of the comments made by the public speakers are contained in the other agencies' minutes of this date. The video recording of the meeting produced by the MTA and maintained in the MTA records contains a complete record of the public comments.

2. **CHAIRMAN FOYE'S REMARKS:**

Chairman Foye welcomed the public and the Board Members to the Board meeting.

Chairman Foye commented that the MTA is beginning the new year with a bold vision to improve how the agency operates. He stated that the MTA remains laser focused on its core mission to keep the region moving. With respect to on-time performance ("OTP") across the system, Chairman Foye stated that the MTA ended 2019 on a high note, all while completing major repairs and projects through the Fast Forward, Long Island Rail Road Forward, and Metro-North Way Ahead programs.

Chairman Foye commented that 2019 saw the best subway performance in six years. December was the seventh consecutive month with weekday OTP above 80 percent, and running times improved on nearly every non-shuttle line compared to the year prior. Preliminary full-year data also shows subway ridership slightly higher in 2019 for both weekdays and weekends. After several years of decreases, average weekday subway ridership increased year-over-year for six consecutive months and exceeded six million riders on two weekdays in November. Chairman Foye commended the entire team at New York City Transit for doing a great job on getting the subways back to an acceptable level of service. The Subway Action Plan played a key role in the success and a report will be posted online that fully details the accomplishments of the Subway Action Plan. The findings show improvements in every metric, including a 40 percent decrease in weekday delays.

Phase One of the Subway Action Plan sought to stabilize the system, while Phase Two focused on developing and institutionalizing successes to sustain progress going forward. The MTA has incorporated management practices from these emergency measures into long-term operations. For example, under Phase One of the Subway Action Plan, New York City Transit tripled the rate at which it replaced old jointed rail, installing 55 miles of continuous welded rail from 2017 to 2019, which resulted in a 55 percent decrease in track-related major incidents during the same period, from more than 15 per month in 2017 to fewer than seven per month in 2019. Phase two saw the introduction of three rail grinders running through the system to remove rail imperfections and prevent defects.

Chairman Foye commented that Long Island Rail Road and Metro-North saw similar tangible benefits from their Long Island Rail Road Forward and Metro-North Way Ahead

programs. For the Long Island Rail Road, OTP hit a three-year high of 92.4 percent in 2019, with 44 percent fewer train cancellations. Metro-North's OTP rose to 94.4 percent overall in 2019, recording 55 percent fewer train cancellations. Chairman Foye thanked Presidents Rinaldi and Eng for their leadership and the frontline employees for their hard work. Chairman Foye stated that the MTA will continue to maintain a close focus on operational performance for the coming year, while prioritizing Transformation and reform.

Chairman Foye also welcomed Mario Péroquin, the new MTA Chief Operating Officer ("COO"), to his first full board meeting. Chairman Foye remarked that, as COO, Mr. Péroquin will play a key role in ensuring the MTA's agencies maintain safe, reliable operations, and continue to deliver excellent service. Chairman Foye also stated that the new Chief Transformation Officer ("CTO"), Anthony McCord, and the new Chief Innovation Officer, Mark Dowd, are working hard to implement Transformation and foster innovation at the MTA, charting the course to fundamentally change the way the MTA does business to become the modern 21st century transit system this region deserves.

Chairman Foye also acknowledged the following new members of the MTA's senior leadership team:

- Paul Fama will serve as Chief People Officer. Mr. Fama has 25 years of experience with GE as a senior leader in human resources.
- Rafail Portnoy will serve as Chief Technology Officer. Mr. Portnoy previously worked as Chief Information Officer at several leading non-profits including the Anti-Defamation League and Safe Horizons.
- Kuvesh Ayer will serve as Chief Procurement Officer. Mr. Ayer has over 20 years of experience in strategic contracts management and procurement at GE and Alstom.

Chairman Foye asked the Board to join him in welcoming the new members of the executive team, who the Chairman stated will help ensure successful progress on Transformation.

Chairman Foye also commented on upcoming priorities for 2020. He stated that the reforms implemented through Transformation will go a long way towards supporting the on-time and on-budget execution of the MTA's historic \$51.5 billion Capital Plan, which will allow the MTA to better deliver on capital commitments through the newly consolidated Construction and Development division. The MTA is making a historic investment in infrastructure, from signal modernization projects, to new buses and trains, to East Side Access and Penn Station Access, to ensure the MTA is prepared to meet the needs of this region in the 21st century and beyond.

Chairman Foye remarked that the Capital Plan was deemed approved on schedule for the first time since 1981. On the first business day of the new year, just a day after the Capital Plan was deemed approved, the MTA issued an RFQ to begin work on adding 70 new accessible stations to the subway system, which more than meets the MTA's goal to ensure that no rider is ever more than two stations away from an accessible station. The effort shows just how serious the MTA is about making the system accessible to all New Yorkers and ensuring the Capital

Plan is accomplished on time. Chairman Foye also commented on a presentation to be given by Janno Lieber, MTA Chief Development Officer, at the Board Meeting on the 2015 Capital Plan, and an update on the current Capital Plan.

Chairman Foye thanked Governor Cuomo and the state legislature for their support of the Capital Plan and the MTA agencies. The governor's executive budget accounts for billions in operating aid to support the MTA, and a \$3 billion state contribution to the Capital Plan, which will help the MTA fund accessibility projects. Chairman Foye stated that he is hopeful the city will match that amount, so the MTA can continue to deliver on accessibility capital commitments.

Chairman Foye also commented that the MTA's work at Grand Central Terminal is a prime of example of the efficiencies and value the MTA expects to see with Transformation. Last week, the MTA unveiled the integrated 42nd Street connection project along the 42nd Street corridor. Eight separate rehabilitation projects, including a major overhaul of the 42nd Street Shuttle, were merged into one comprehensive plan. By consolidating this work under the new MTA Construction and Development division, the MTA is able to cut costs and expedite timelines. Chairman Foye remarked that the MTA has been able to save \$10 million on these projects, and shave 13 months off the original schedule.

Chairman Foye commented that to help ease congestion and create a more environmentally friendly region, the MTA needs to draw people out of their cars and onto mass transit. To do that, the MTA needs to provide a transit system that New Yorkers can be proud of and a revitalized Penn Station will be key in winning over these customers. The MTA has a long history of partnering with key regional and governmental stakeholders to deliver on big and bold ideas for the region, and the same will be true for the Empire Station Complex, Governor Cuomo's bold plan to reimagine Penn Station, with a project led by Empire State Development in partnership with the MTA, Amtrak, and New Jersey Transit. The Empire Station Complex builds on the current Penn Station improvement projects, such as the 33rd Street corridor, and includes the addition of eight new tracks which will be a dramatic 40 percent expansion of track capacity to the south. If completed, the impact on the customer experience will be extraordinary.

Chairman Foye stated that the MTA's commitment to pursue bold new ideas extends to buses as well. The MTA wants to build on the momentum from last year with the rollout of the 14th Street Busway and automated bus lane enforcement. For the M14 buses, the opening of the Busway contributed to a 30 percent drop in travel time between Eighth and Third Avenues. Trips that once took 15 minutes now take just over 10 minutes. The MTA looks forward to working with partners at the NYC Department of Transportation and the NYPD to add more transit priority corridors to further increase speeds. The MTA is also pushing forward with borough-by-borough bus network redesigns. It is time to make a holistic change to bring bus routes into the 21st century. The MTA is embracing the challenge of designing new bus lines that serve this city as it exists today. Chairman Foye remarked that the MTA is looking for input every step of the way as part of its robust outreach and community engagement efforts to make it a success.

Finally, Chairman Foye reported that the Transport Workers Union Local 100 ratified a new contract earlier in January. He stated that the MTA believes this contract is a win for

customers, taxpayers, and transit employees. He remarked that the deal will help the MTA accomplish its core mission to keep the region moving while ensuring its hard-working employees are fairly recognized.

The details of the remarks by Chairman Foye are contained in the video recording of the meeting, produced by the MTA and maintained in MTA records.

3. **EXECUTIVE SESSION:**

Upon motion duly made and seconded, the Board convened an executive session pursuant to Section 105(1)(a) of the New York State Public Officers Law to discuss matters that will imperil the public safety if disclosed, and Section 105(1)(e) of the New York State Public Officers Law to discuss matters relating to collective bargaining.

4. **RETURN TO PUBLIC SESSION:**

Upon motion duly made and seconded, the Board voted to reconvene in public session. In executive session the Board discussed security matters and a number of collective bargaining agreements.

5. **APPROVAL OF COLLECTIVE BARGAINING AGREEMENTS:**

Upon motion duly made and seconded, the Board approved multiple collective bargaining agreements including the agreements between Metro-North and the Association of Commuter Rail Employees (“ACRE”) Division 1 Yardmasters and Metro-North and the ACRE Division 9 Locomotive Engineers. The ACRE Division 1 Yardmasters agreement covers the period from January 16, 2017 through September 1, 2019, and the ACRE Division 9 Locomotive Engineers agreement covers the period of January 16, 2017 through June 30, 2019.

The video recording of the meeting produced by the MTA and maintained in MTA records contains a complete record of comments made by Board Members and staff on all the approved agreements.

6. **APPROVAL OF MINUTES:**

Upon motion duly made and seconded, the Board approved the Minutes of the Metro-North Regular Board meeting held on December 18, 2019.

7. **JOINT METRO-NORTH AND LONG ISLAND RAIL ROAD COMMITTEE:**

MTA Construction and Development Company Procurement:

The Board was presented with the following MTA Construction and Development Company competitive procurement that relates to Metro-North:

- Board approval to award a competitively solicited personal service contract to FXCollaborative/WSP Joint Venture for the development of a master plan for Penn

Station with a term of six months and a not-to-exceed amount of \$5,028,908, with an option to extend the contract for an additional six months for the additional not-to-exceed amount of \$4,458,742.

Board Member Metzger commented that, upon request, the Committee was provided with the scope of work for the procurement in response to Board Member inquiries about whether the scope included Metro-North's Hudson Line access to Penn Station. Upon review of the scope of work, she stated that nothing would prohibit future Hudson Line access to Penn Station and that long-term planning efforts to accomplish Hudson Line access to Penn Station are now underway.

Upon motion duly made and seconded, the Board approved the foregoing procurement. The details of the procurement are contained in a staff summary and documentation filed with the records of this meeting. The video recording of the meeting produced by the MTA and maintained in MTA records contains a complete record of Board Member Metzger's comments.

8. COMMITTEE ON FINANCE:

MTAHQ Procurements:

The Board was presented with the following non-competitive procurement recommended to it by the Committee on Finance that relates to Metro-North:

- Board approval to award a non-competitive All-Agency contract for the provision of janitorial services, snow removal, grounds keeping, and lawn maintenance at various MTA facilities to New York State Industries for the Disabled, a New York State Preferred Source Vendor. The proposed term is three years with two one-year renewal options and the estimated contract amount is \$93,385,062.

The Board was presented with the following competitive procurement recommended to it by the Committee on Finance that relates to Metro-North:

- Board approval to award the Electrical category of Maintenance, Repair and Operating Supplies and related products ("MRO") pursuant to a competitively negotiated All-Agency request for proposals to Turtles & Hughes, a NYS Certified Women Owned Business Entity, in the not-to-exceed amount of \$149,160,000. The contract period is five years with two one-year options to be exercised at the MTA's sole discretion.

Upon motion duly made and seconded, the Board approved the foregoing procurements. The details of the procurements are contained in staff summaries and documentation filed with the records of this meeting.

MTAHQ Ratifications:

The Board was presented with the following ratifications recommended to it by the Committee on Finance that relate to Metro-North:

- Board approval to ratify the award of a competitively negotiated, miscellaneous services contract to Guardian Services Industries Inc. to provide custodial services for MTA facilities located at 2 Broadway, 420 Lexington Avenue, 525 North White Plains, 144-41 94th Avenue Jamaica, 48 East 50th Street Pocket Park Commons, 33-01 Northern Blvd, 14 Perlin Lane, 24 South MacQuesten Parkway, 10 West Suffolk Avenue, 70 Southside Place, and 7-11 Beekman Street. The period of performance is three-years commencing on December 1, 2019 in the amount of \$27,089,915.05.
- Board approval to ratify an amendment to a competitively negotiated, personal services contract to Guidehouse LLP (“Guidehouse”) to provide timekeeping modernization services, increasing the total contract value to \$1,089,098. This contract rides a competitively awarded contract with New York State Division of Budget.

Upon motion duly made and seconded, the Board approved the foregoing ratifications. The details of the ratifications are contained in staff summaries and documentation filed with the records of this meeting.

9. MTA TIMEKEEPING PRESENTATION:

Wael Hibri, Senior Vice President of Shared Services, provided an update on the MTA’s biometric timekeeping efforts.

The video recording of the meeting produced by the MTA and maintained in MTA records contains a complete record of the presentation and comments made by Board Members and staff.

10. MTA CONSTRUCTION AND DEVELOPMENT PRESENTATION:

Janno Lieber, Chief Development Officer, gave a presentation on the upcoming 2020-2024 Capital Plan and anticipated quarterly commitments in 2020 from prior Capital Plans including Metro-North Harlem River Lift Bridge and Penn Station Access project work.

The video recording of the meeting produced by the MTA and maintained in MTA records contains a complete record of the presentation and comments made by Board Members and staff.

11. ACKNOWLEDGEMENT OF NEW YORK CITY TRANSIT PRESIDENT ANDREW BYFORD’S DEPARTURE:

Acknowledging the departure of New York City Transit President Andrew Byford, Chairman Foye commented that President Byford has been instrumental in the recent success of the MTA and New York City Transit and thanked him for his service.

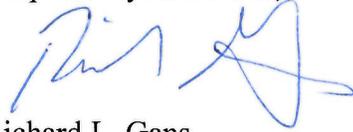
President Byford thanked the Chairman, the Board Members, Governor Cuomo, and the legislature for their support and leadership. He also thanked the citizens of New York, his executive management team, and all the men and women working for New York City Transit.

Refer to the video recording of the meeting produced by the MTA and maintained in MTA records for a complete record of the comments made by the Chairman, President Byford, and Board Members.

12. **ADJOURNMENT:**

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 12:55p.m.

Respectfully submitted,



Richard L. Gans
Vice President, General Counsel and
Secretary

January -2020 Board Minutes – FINAL

Legal/Corporate

**Minutes of the Regular Board Meeting
Long Island Rail Road Company
2 Broadway
New York, NY 10004
Thursday, January 23, 2020
10:00 a.m.**

The following members were present:

Hon. Patrick Foye, Chairman & CEO

Hon. Andrew Albert
Hon. Sarah E. Feinberg
Hon. Rhonda Herman
Hon. Linda Lacewell
Hon. Kevin Law
Hon. Robert W. Linn
Hon. David Mack
Hon. Susan Metzger
Hon. Haeda B. Mihaltses
Hon. Robert F. Mujica
Hon. Vincent Tessitore, Jr.
Hon. Lawrence Schwartz

The following alternate non-voting members were also present:

Hon. Norman Brown
Hon. John Samuelson

The following members were absent:

Hon. David Jones
Hon. Neal Zuckerman

Anthony McCord, Chief Transformation Officer, Mario Péroquin, Chief Operating Officer, Thomas J. Quigley, General Counsel, Janno Lieber, MTA Chief Development Officer and President, MTA Construction & Development, Andrew Byford, President, NYCT, Phillip Eng, President, Long Island Rail Road, Catherine Rinaldi, President, Metro-North Railroad, Daniel DeCrescenzo, Acting President, TBTA, Craig Cipriano, Acting President, MTA Bus/Senior Vice President, NYCT Department of Buses, Leah Flax, Government Relations Specialist, NYCT, also attended the meeting.

MTA Chairman & CEO (“Chairman”) Patrick Foye called the meeting to order.

1. PUBLIC SPEAKERS

Leah Flax, Government Relations Specialist, NYCT, stated that there were eighteen (18) public speakers registered to speak at the meeting. She reminded all public speakers about the two-minute time limit.

Five (5) public speakers spoke about matters relating to LIRR:

H. P. Schroer, UMEWE, spoke about the need for half-price MTA fares for veterans.

Rachael Fauss, Reinvent Albany, spoke about the need for greater transparency.

Bruce Hain, Rail-NYC-Access, spoke about errors in the Rockaway Beach study.

Charlton Dsouza, Passengers United, spoke about the need for pest control regarding bed bugs on wooden benches in the system.

Lisa Daglian, PCAC, thanked the Board for 2020 funding and expressed her opposition to the current contractor debarment rules.

The details of the speakers' comments are contained in the video recording of the meeting, produced by the MTA and maintained in MTA records, and in the minutes of the other agencies of this date.

2. CHAIRMAN FOYE'S REMARKS

After welcoming the public and fellow Board members to the meeting, Chairman Foye reiterated that we're beginning the new year with a bold vision to improve the MTA and how we operate as an Agency, remaining laser focused on our core mission to keep this region moving.

Chairman Foye stated that we ended last year on a high note for On-Time Performance ("OTP") across the system, all the while completing major repairs and projects through the Fast Forward, LIRR Forward and Metro-North Way Ahead programs.

Regarding NYC Transit, Chairman Foye reported that 2019 saw the best subway performance in six years. December was the seventh consecutive month with weekday OTP above 80 percent and running times improved on nearly every non-shuttle line compared to a year ago. Preliminary full-year data also shows subway ridership slightly higher in 2019 for both weekdays and weekends. After several years of decreases, average weekday subway ridership increased year-

over-year for six consecutive months and exceeded six million riders on two weekdays in November.

Chairman Foye congratulated Andy Byford, Sally Librera and the entire team at New York City Transit for their great job in getting the subways back to an acceptable level of service. The Subway Action Plan played a key role in that and we'll be posting a report online today that more fully details its accomplishments. The findings show improvements on every metric, including a 40 percent decrease in weekday delays.

Chairman Foye reported that LIRR and Metro-North have seen similar tangible benefits from their LIRR Forward and Metro-North Way Ahead programs. For LIRR, OTP hit a three-year high of 92.4 percent in 2019, with 44% fewer train cancellations. Metro-North's OTP rose to 94.4% overall in 2019, recording 55% fewer train cancellations. Chairman Foye thanked President Rinaldi and President Eng for their leadership and thanked our hardworking frontline employees.

Chairman Foye said that we will continue to maintain a close focus on operational performance for this coming year, while prioritizing Transformation and reform. He welcomed Chief Operating Officer (COO) Mario Pélouin, who will play a key role in ensuring that our agencies maintain safe, reliable operations, and continue to deliver excellent service. Chairman Foye said that alongside COO Pélouin, CTO Anthony McCord and Chief Innovation Officer Mark Dowd are working hard to implement Transformation and foster innovation at this Agency, charting the course to fundamentally change the way we do business to become the modern, 21st century transit system this region deserves.

Chairman Foye also welcomed the three new members of the senior management team. Chief People Officer Paul Fama, who has 25 years of experience with GE as a Senior Leader in human resources; Rafail Portnoy, who joins the MTA next month as Chief Technology Officer, was the Chief Information Officer at leading non-profits, including the Anti-Defamation League and Safe Horizons; and Kuvesh Ayer, the new Chief Procurement Officer, who has over 20 years of experience in strategic contracts management and procurement at GE and Alstom.

Regarding other priorities for this coming year, Chairman Foye stated that the reforms implemented through Transformation will go a long way towards supporting the on-time and on-budget execution of our historic \$51.5 billion Capital Plan, allowing us to better deliver on Capital commitments through the newly consolidated Construction and Development division.

Chairman Foye said that the Capital Plan was approved on schedule for the first time since 1981, and on the first business day of the New Year, we issued an RFQ to begin work on adding 70 new accessible stations to the subway system. Noting that this more than meets our goal to ensure that no rider is ever more than two stations away from an accessible station, Chairman Foye said that Janno Lieber will give a report later in the meeting.

Chairman Foye thanked Governor Cuomo and the state legislature for their support of the Capital Plan and our Agencies. The Governor's executive budget accounts for billions in operating aid to support the MTA and a \$3 billion state contribution to the Capital Plan, which will help us

fund accessibility projects. Chairman Foye stated that we're hopeful New York City will match that amount so we can continue to deliver on our accessibility capital commitments.

Chairman Foye reported on upgrades at Grand Central Terminal. Last week we unveiled the integrated 42nd Street Connection project along the 42nd Street Corridor. Eight separate rehabilitation projects – including a major overhaul of the 42nd Street Shuttle -- were merged into one comprehensive plan. Chairman Foye stated that by consolidating this work under the new MTA Construction & Development division, we're able to cut costs and expedite timelines: we've saved \$10 million on these projects and shaved 13 months off the original schedule.

Chairman Foye then discussed the Empire Station Complex, Governor Cuomo's bold plan to reimagine Penn Station in a project led by Empire State Development in partnership with the MTA, Amtrak and New Jersey Transit. Chairman Foye observed that the Empire Station Complex builds on our current Penn Station improvement projects, such as the 33rd St Corridor, and goes even further with eight new tracks, a dramatic 40 percent expansion of track capacity at Penn to the south. If completed, the impact on the customer experience would be extraordinary.

Chairman Foye stated that our commitment to pursuing bold new ideas extends to our buses as well. We want to build on the momentum we saw last year with the rollout of the 14th Street Busway and Automated Bus Lane Enforcement. On the M14, the opening of the Busway contributed to a 30 percent drop in travel time between Eighth and Third Avenues. Trips that once took 15 minutes now take just over 10 minutes. Chairman Foye said that we look forward to working with our partners at the New York City Department of Transportation and the New York City Police Department ("NYPD") to add more transit priority corridors to further increase speeds. He noted that we're also pushing forward with our borough-by-borough Bus Network Redesigns.

Chairman Foye said that he is pleased to report that the Transport Workers Union Local 100 ratified the new contract and that we believe this contract is a win-win-win for our customers, the taxpayers and transit employees. Chairman Foye encouraged the Board to give final approval to the new contract today, which will keep this region moving while ensuring our hard-working employees are fairly recognized.

The details of the remarks by Chairman Foye are contained in the video recording of the meeting, produced by the MTA and maintained in MTA records.

3. EXECUTIVE SESSION

Upon motion duly made and seconded, the Board convened an Executive Session, to discuss matters which will imperil the public safety if disclosed pursuant to Section 105(1)(a) of the New York State Public Officers Law, and matters relating to collective bargaining pursuant to Section 105(1)(e) of the New York State Public Officers Law.

4. PUBLIC SESSION RESUMES

Upon motion duly made and seconded, the Board voted to resume the public session. Chairman Foye reported that while in executive session, the Board discussed security matters and several collective bargaining agreements.

5. APPROVAL OF COLLECTIVE BARGAINING AGREEMENTS

Upon motion duly made and seconded, the Board approved the collective bargaining agreement between MTA New York City Transit/MaBSTOA, MTA Bus Company and the Transport Workers Union, Local 100. Chairman Foye said that he was authorized by Board Member Zuckerman to say that were he able to attend the meeting, he would have supported this agreement. Board Member Linn commented that this was a wise and good settlement which he supported but the process for providing the Board with information was flawed.

Upon motions duly made and seconded, the Board approved three additional collective bargaining agreements, two involving Metro-North and one involving New York City Transit.

The details of the Board Members' comments and questions with respect to the foregoing are included in the video recording of the meeting, produced by the MTA and maintained in MTA records.

6. APPROVAL OF MINUTES

Upon motion duly made and seconded, the minutes of the Regular Board Meeting of December 18, 2019 were approved with a correction by Board Member Albert of the spelling of the last name of Assembly Member Amy Paulin on Pages 5 and 15 of the Board Book.

7. JOINT METRO-NORTH AND LONG ISLAND RAIL ROAD COMMITTEE

The Board was presented with one (1) competitive Long Island Rail Road Committee procurement, with the contingency that funding for this contract is subject to finalization of a New York State/Empire State Development Corporation guarantee of payment of the full contract amount and subject to MTA Construction & Development review and approval of project schedule.

Judlau Contracting, Inc. LIRR requests MTA Board approval to award Contract No. 6353 in the amount of \$65,077,338.80 to Judlau Contracting Inc. for the design and construction of a new Elmont Station including the installation of North and South side 12

car platforms with a pedestrian overpass including the following station elements: canopies, lighting, entrance ways, stair/ramps, automatic snow melt system, CCTV/security equipment, audio/visual display boards/signage, elevators and associated machine, electrical, and communications rooms.

The Base Work includes the design and construction of a new, 8-car South Platform at Elmont. The Option Work includes the addition of capacity to the new South Platform for 4 additional cars, building a 12-car North Platform, and building a pedestrian overpass connecting the South and North Platforms.

Upon motion duly made and seconded, with Board Member Mihaltses abstaining, the Board approved the foregoing procurement, the details of which are contained in the minutes of the MTA Board meeting held this day, the staff summary filed with those minutes and in the video recording of the meeting produced by the MTA and maintained in MTA records.

8. PRESENTATION: MTA TIMEKEEPING INITIATIVE

Wael Hibri thanked the Agency presidents and labor partners for their support in progressing this project. He reported on active use for New York City Transit, Bridges and Tunnels, Metro-North, MTA Headquarters and LIRR, noting that at LIRR, the run the day before shows active use at 94 percent.

Board Member Tessitore commented that SMART General Chairman Anthony Simon has worked closely with LIRR leadership and Wael's group to get his committee on board moving this initiative. Board Member Tessitore also commented that the organization will continue to communicate and cooperate with LIRR's leadership regarding any challenges that we continue to face, including overtime, to achieve successful results.

The video recording of the meeting produced by the MTA and maintained in MTA records contains a complete record of the presentation and the comments of Board Members and staff.

9. PRESENTATION: CAPITAL PROGRAM

President Lieber first referred to Chairman Foye's remarks that on the first business day after the Capital Plan became effective, we put out an RFQ for contractors to do the first 20+ stations of the ADA program, of the 70 that have been identified for the 2020-2024 Capital Program. President Lieber reported that not limited to the prior program, the amount of work accomplished in the last five years is about \$32 Billion. He stated that the work we have going forward is roughly \$55 Billion contained in the 2020-2024 Capital Program, of which more than \$12 Billion remains from prior programs; this number includes rolling stock and bridges and tunnels. Three and a half years since the 2015-2019 Capital Program was formally approved, we are roughly 75% - 80% done excluding the two major projects waiting for full funding, 2nd Avenue Phase 2 and Penn Access.

President Lieber showed a series of slides to demonstrate how we are going about undertaking the next program. He said we must double the pace of our execution of the Program, based on commitments, not actual completion of work; he noted that commitments are the right measure of progress, since not all work can be done in the same time due to outage requirements and the logistics. President Lieber said that we've hit the ground running on the 2020-2024 Capital Program: the ADA stations are well underway as Chairman Foye previously noted; we have the Penn Station Access which is a 2020-2024 project in the middle of procurement which we're expecting to be completed this year; and the phase 2 scope for Third Track, the LIRR Expansion Program, is also underway. President Lieber said that it will take a little time for some of the preliminary designs and the procurement process for the 2020-2024 projects to ramp up.

President Lieber outlined what we are expecting to accomplish the work that remains to be done from prior capital programs in calendar year 2020. In the first quarter, we have a billion dollars of commitments which will start with the signal modernizations on the 8th Avenue line, a huge undertaking.

President Lieber said that in the second quarter, there are \$2.5 Billion of commitments, including the second phase of the Penn Station project; four ADA-accessible station projects, including Tremont which was accelerated to be in the 2015-2019 program and the double station complex at 149th Street Grand Concourse; and major elevator and escalator improvements at 11 stations. We are also going to be making the commitments on Elmont, a high priority project that this Board acted on this session.

In the third quarter, President Lieber said that more ADA projects are coming online from the 2015-2019 program, including the 14th Street Complex which is 3 separate stations and 3 other stations all at once.

President Lieber said that in the fourth quarter, \$1.3 Billion is projected on similar projects like getting new station accessibility work done. He projected that by the end of this year, the new C&D organization will be 90% done with the prior work that this Capital Plan will inherit while we're getting ready for all the 2020-2024 work.

President Lieber thanked the Agency Presidents for their assistance in starting the consolidation of some of the capital program expertise throughout the agency into the new MTA Construction & Development ("C&D") organization; we are also growing the organization by adding new people with expertise from outside the Agency. President Lieber also thanked the team at Headquarters for identifying some slots for Transformation and credited them with helping us get off the ground.

President Lieber concluded his presentation by observing that to do this program we need a lot more participation from contractors and we've been doing outreach to get the word out about opportunities to work with C&D now and in the years to come. He noted that last week the C&D team made a presentation to the General Contractors Association executive committee meeting and received favorable comments about how we work from a committee member who worked on the Third Track project.

Board Member Schwartz complimented President Lieber and his team, including getting the previous capital program finished. He asked for an update on the challenges recruiting new contractors, noting that one of our goals on the Board is to expand the universe of contractors bidding on these capital projects.

President Lieber responded commenting that we started this back with the cost containment working group in which Board Member Schwartz and others participated. He said that there are a lot of first class builders in New York who elect not to bid MTA work or not to bid a lot of it for various reasons which he summarized. President Lieber said that because this volume of work is going to require more capacity, he is thinking about outreach beyond the relatively small group of contractors who are accustomed to dealing with the MTA: we should go to the rest of the country, to Europe, to Asia, and tell our story,

Board Member Schwartz said that as Chair of Finance, he supports this proactive outreach initiative to find new qualified contractors and he is sure the other Board members support it as well.

President Lieber added that we are also looking to take advantage of the capacity of our in-house forces whenever we're bundling work that is available on outages, work that needs to be done for whatever reason for other projects. The capable inhouse people are here, capable, and very much part of this story.

Board Member Tessitore commented that we encourage the Agency to remember that we need to build up our workforce to help in supporting the program; we haven't hired in the Engineering side to support these contractors doing all this work and we've had many retirements.

Board Member Mihaltses asked about the involvement of New York City regarding cooperation.

President Lieber responded that former Board Member Trottenberg has been involved through the Deputy Mayor's Office to bring various issues to closure.

Board Member Metzger commended Janno on his track record and goals. She said that we should pay focused attention to what we have accomplished and where we have to go when he reports on progress to the Capital Program Oversight Committee. She also commented that the working groups, the cost containment group, had a profound impact in helping us get to where we are now and moving forward. She noted that if he needs help that the working groups can provide, to let the Board know as they are ready and willing to participate.

Board Member Albert said that he echoed Board Member Metzger's comments and that he is willing to work with him on the need to have really good communication with riders and/or motorists regarding alternative means of getting to their destinations when various places are under construction.

President Lieber responded with describing communications strategies involving various projects and said that we need more capacity with digital screens in terms of tailored communications.

Chairman Foye thanked President Lieber for the good report.

The video recording of the meeting produced by the MTA and maintained in MTA records contains a complete record of the presentation and the comments of Board Members and staff.

10. ANDY BYFORD

Chairman Foye said that he wanted to make an announcement, on behalf of the Board, that our colleague, Andy Byford, is departing the MTA. Chairman Foye said that we respect his decision and wish him well in his next chapters. President Byford has been instrumental in many of the successes at the MTA and NYCT over the last two years. Among his achievements was building a strong team at Transit who will continue the work of the Subway Action Plan and Fast Forward, which has resulted in tremendous benefits for our customers which we talked about today and at the Transit Committee meeting on Tuesday with Commissioner Feinberg, and in terms of on-time performance, fewer delays, and increases in ridership. Chairman Foye thanked President Byford for his service, on behalf of millions of customers, tens of thousands of employees at the MTA, and the Board.

Board Members Samuelson, Albert, Linn, and Brown also commented on President Byford's accomplishments, thanked him for his service and wished him the best in the future.

In response, President Byford thanked Governor Cuomo for the opportunity to head NYCT. He also thanked Chairman Foye, former Chairmen Lhota, former Acting Chairman Ferrer, Board Member Feinberg, his executive team and the 50,000 men and women of transit.

The video recording of the meeting produced by the MTA and maintained in MTA records contains a complete record of the foregoing discussion.

11. ADJOURNMENT

Chairman Foye stated that the next Board meeting is Wednesday, February 26th.

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 12:55 p.m.

Respectfully submitted,



Stephen N. Papandon,
Acting Secretary

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

BOARD MINUTES

January 23, 2020

Minutes of the Regular Meeting
Triborough Bridge and Tunnel Authority
January 23, 2020

Meeting Held at
2 Broadway, 20th Floor
New York, New York 10004

10:00 a.m.

The following members were present:

Hon. Patrick Foye, Chairman & CEO
Hon. Andrew Albert
Hon. Sarah E. Feinberg
Hon. Rhonda Herman
Hon. Linda Lacewell
Hon. Kevin Law
Hon. Robert W. Linn
Hon. David Mack
Hon. Susan Metzger
Hon. Haeda B. Mihaltzes
Hon. Robert F. Mujica
Hon. Vincent Tessitore, Jr.
Hon. Lawrence Schwartz

The following alternate non-voting members were also present:

Hon. Norman Brown
Hon. John Samuelson

The following members were absent:

Hon. David Jones
Hon. Neal Zuckerman

Anthony McCord, Chief Transformation Officer, Mario Pélouin, Chief Operating Officer, Thomas J. Quigley, General Counsel, Janno Lieber, MTA Chief Development Officer, MTA Construction & Development, Andy Byford, President, New York City Transit Authority, Phillip Eng, President, Long Island Rail Road, Catherine Rinaldi, President, Metro-North Railroad, Daniel F. DeCrescenzo, Jr., Acting President, Triborough Bridge and Tunnel Authority, Craig Cipriano, Acting President, MTA Bus Company and Senior Vice President, New York City Transit Department of Buses, and Leah Flax, Associate Staff Analyst, Strategy & Customer Experience, also attended the meeting.

The Board of the Metropolitan Transportation Authority also met as the Board of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority, the Staten Island Rapid Transit Operating Authority, the Metropolitan Suburban Bus Authority, the Triborough Bridge and Tunnel Authority, the Long Island Rail Road Company, the Metro-North Commuter Railroad Company, the MTA Capital Construction Company, the MTA Bus Company, and the First Mutual Transportation Assurance Company.

1. Public Speakers

There were seventeen (17) public speakers. None of the speakers specifically commented on issues regarding the Triborough Bridge and Tunnel Authority.

Refer to the video recording of the meeting produced by the Metropolitan Transportation Authority and maintained in MTA records, and to the other agencies' minutes of this date, for the content of the speakers' statements.

2. Chairman and Chief Executive Officer Foye's Opening Remarks

Chairman and CEO Foye opened his remarks by commenting on MTA's vision for improving the agency and its operations in 2020. He noted that 2019 ended on a high note with regard to on-time performance across the system while completing major repairs and projects. He also noted that 2019 saw the best subway performance in six years and thanked Andy Byford, Sally Librera and the entire team at New York City Transit. Chairman and CEO Foye welcomed Mario Pélouin, Chief Operating Officer, to his first full board meeting. He noted that Mr. Pélouin will play a key role in ensuring the MTA agencies maintain safe, reliable operations and continue to deliver excellent service. He also commented that Anthony McCord, Chief Transformation Officer, and Mark Dowd, Chief Innovation Officer, are working hard to implement transformation and foster innovation at the MTA. He also acknowledged three new members of the senior leadership team: Paul Fama, Chief People Officer; Rafail Portnoy, Chief Technology Officer; and Kuvesh Ayer, Chief Procurement Officer. Chairman and CEO Foye stated that the reforms implemented through transformation will go a long way toward supporting the on-time and on-budget executing of the historic \$51.5 billion Capital Plan – allowing MTA to better deliver on capital commitments through the newly consolidated Construction and Development division. The Capital Plan was deemed approved on schedule for the first time since 1981. Chairman and CEO Foye thanked Governor Cuomo and the state legislature for their support of the Capital Plan and the MTA agencies. He noted that the governor's executive budget accounts for billions in operating aid to support the MTA, and a \$3 billion state contribution to the Capital Plan, which helps MTA fund accessibility projects. MTA is hopeful that the City of New York will match that contribution so that MTA can continue to deliver on MTA's accessibility capital commitments.

The details of Chairman Foye's remarks are contained in the video recording of this meeting, produced by the MTA and maintained in MTA records, and the MTA's and other agencies' minutes of the meeting of this date.

3. Executive Session

Upon a motion duly made and seconded, the Board unanimously voted to convene in Executive Session pursuant to Public Officers Law §105(1)(a) and §105(1)(e) to discuss matters which will imperil the public safety if disclosed and matters relating to collective negotiations. After returning to public session, the Board voted to approve various collective bargaining agreements including the agreement to implement specific economic provisions of the 2017-2021 District Council 37 (DC 37) City of New York agreement for MTA Bridges and Tunnels employees represented by DC 37, Local 165.

4. Approval of Minutes of Regular Meeting December 18, 2019

Upon a motion duly made and seconded, the minutes of the Regular Board Meeting held on December 18, 2019 were approved.

5. Committee on MTA Bridges and Tunnels Operations

Commissioner Laceywell stated that there are no procurements this month.

6. **Timekeeping Modernization Update Presentation**

Wael Hibri, Deputy Chief Transformation Officer, thanked the agency presidents and labor partners for their cooperation and support in moving the project forward. Mr. Hibri provided statistics regarding the enrollment and usage of the Kronos timekeeping clocks at each MTA agency. MTA Bridges and Tunnels has 99% employee enrollment and 95% employee usage. Commissioner Tessitore commented that Anthony Simon, General Chairman of Sheet Metal, Air, Rail, and Transportation union (SMART) has worked closely with Mr. Hibri's group in implementing this project and called for continued cooperation and communication between union leadership and management.

The details of the presentation and the discussions with regard to same are contained in the minutes of the meeting of the Board of the Metropolitan Transportation Authority.

7. **MTA Construction and Development Update Presentation**

Janno Lieber, Chief Development Officer, stated that in the last five years, \$32 billion of work has been accomplished. The 2020-2024 Program is \$55 billion with an additional \$12 billion uncommitted from prior programs. Commissioner Schwartz requested a status update regarding the challenges in attracting new contractors in the industry inasmuch as one of the goals of the new capital plan was to widen the universe of contractors bidding on MTA capital projects. Mr. Lieber stated that his team built upon the work done by the Cost Containment Working Group, of which Commissioner Schwartz was a member. There are many first-class builders in New York who elect not to bid on MTA projects because they believe the dispute resolution process is unfair and the paperwork is excessive. MTA requires all paperwork to be resubmitted every time a company bids. Other issues include how MTA processes change orders and review submittals, how quickly MTA responds to contractor concerns, and the debarment issue. MTA needs to expand its scope to include contractors from other parts of the country and the world. Commissioner Schwartz stated he would support such efforts to find new contractors. Mr. Lieber also stated that MTA is considering in-house resources to deliver the work faster, better, and cheaper. Commissioner Tessitore stated that the agencies would need headcounts to support these efforts. Commissioner Mihaltses inquired whether MTA needs New York City Department of City Planning cooperation. Mr. Lieber stated that we need cooperation from various agencies for an easement below grade for the Canal Street substation. The property is owned by the New York City Parks and Recreation. Mr. Lieber has suggested to the City of New York that a methodology be developed for these repetitive easements. Polly Trottenberg has stepped in to assist.

The details of the presentation and the discussions with regard to same are contained in the minutes of the meeting of the Board of the Metropolitan Transportation Authority.

9. **Adjournment**

Upon a motion duly made and seconded, the Board unanimously voted to adjourn the meeting at 12:55 p.m.

Respectfully submitted,



Adana Savery
Assistant Secretary

Regular Board Meeting
MTA Construction and Development Company
2 Broadway
New York, NY 10004
Thursday January 23, 2020
10:00 AM

The following members were present:

Hon. Patrick Foye, Chairman & CEO
Hon. Andrew Albert
Hon. Sarah E. Feinberg
Hon. Rhonda Herman
Hon. Linda Lacewell
Hon. Kevin Law
Hon. Robert W. Linn
Hon. David Mack
Hon. Susan Metzger
Hon. Haeda B. Mihaltses
Hon. Robert F. Mujica
Hon. Vincent Tessitore, Jr.
Hon. Lawrence Schwartz

The following alternate non-voting members were also present:

Hon. Norman Brown
Hon. John Samuelson

The following members were absent:

Hon. David Jones
Hon. Neal Zuckerman

Janno Lieber President & Chief Development Officer, MTA Construction and Development Company; Anthony McCord, Chief Transformation Officer, Metropolitan Transportation Authority; Mario Peloquin, Chief Operating Officer, Metropolitan Transportation Authority; Thomas J. Quigley, General Counsel, Metropolitan Transportation Authority; Andrew Byford, President, New York City Transit Authority; Phillip Eng, President, Long Island Rail Road; Catherine Rinaldi, President, Commuter Railroad Company, Daniel DeCrescenzo, Acting President, Triborough Bridge and Tunnel Authority; Craig Cipriano, Acting President, MTA Bus Company/Senior Vice President, New York City Transit Authority Department of Buses; Evan Eisland, Executive Vice President, General Counsel and Secretary MTA Construction and Development Company; David K. Cannon, Vice President, Chief Procurement Officer and Assistant Secretary, MTA Construction and Development Company; and Leah Flax, Associate Staff Analyst, Strategy & Customer Experience, MTA Bus Company also attended the meeting.

The Board of the Metropolitan Transportation Authority (the "MTA") met as the Board of the New York City Transit Authority ("NYCT") the Manhattan and Bronx Surface Transit Operating Authority, the Staten Island Rapid Transit Operating Authority, the Triborough Bridge and Tunnel Authority ("TBTA"), the Long Island Rail Road ("LIRR"), the Metro-North Commuter Railroad Company ("Metro-North Railroad"), the MTA Construction and Development Company ("MTA C&D"), the MTA Bus Company ("MTA Bus"), and the First Mutual Transportation Assurance Company (collectively, the "Agencies").

Unless otherwise indicated, these minutes reflect items concerning the business of MTACC. Refer to the other Agencies' minutes of this date for items on the agendas of the Boards of the other Agencies.

Chairman and Chief Executive Officer (“Chairman”) Patrick Foye called the meeting to order.

Public Comment Period

There were seventeen public speakers.

Rachel Fauss of Reinvent Albany requested that MTA Staff must bring back the Quarterly Change Order Reports which were eliminated as part of the changes made to the MTA’s Procurement Guidelines approved by the Board in June 2019. Rachel stated that, with the elimination of these reports, the Board is no longer briefed on Change Orders like ones done on the L Train Project.

None of the other public speakers spoke on MTA C&D matters. The names of the public speakers and their remarks along with the remainder of Ms. Fauss remarks are contained in the minutes of the Regular Board Meeting of the MTA and in the minutes of the other Agencies of this date.

Chairman and Chief Executive Officer’s Remarks

Chairman Foye stated that the reforms implemented through the transformation will go a long way towards supporting the on-time and on-budget execution of the MTA’s historic \$51.5 billion Capital Plan – allowing the MTA to better deliver on capital commitments through the newly consolidated MTA Construction and Development. Chairman Foye further noted that the MTA is making an historic investment in infrastructure – from signal modernization projects, to East Side Access and Penn Station Access, which will ensure the MTA is prepared to meet the needs of this region in the 21st century and beyond.

Chairman Foye further reported that the Capital Plan was deemed approved on schedule for the first time since 1981. On the first business day of the new year, a day after the Capital Plan was deemed approved, the MTA issued a Request for Qualifications to begin work on adding 70 new accessible stations to the subway system.

Chairman Foye noted that the ongoing work at Grand Central Terminal is a prime example of the efficiencies and value that the MTA expects with the transformation. The 42nd Street Connection Project along with the 42nd Street Corridor Projects combined eight separate rehabilitation projects including a major overhaul of the 42nd St. Shuttle that have all been merged into one comprehensive plan under unitary leadership. Consolidating work with the new MTA Construction and Development organization has enabled the MTA to cut costs and expedite time lines, which has already shaved \$10M off of these projects and thirteen months off of the original schedule.

Chairman Foye remarked that to ease congestion and create a friendlier region, we need to draw people out of their cars and on to mass transit. In order to do that, we need to provide a transit system that New Yorkers can be proud of. A revitalized Penn Station and the entire Empire Station complex will be key in winning over customers.

Chairman Foye further remarked that the MTA has a long history of partnering with key regional and government stakeholders to deliver big and bold ideas for the region. The same will be true for the Empire Station Complex - Governor Cuomo’s bold plan to reimagine Penn Station in a project lead by the Empire State Development Corporation, in partnership with the MTA, AMTRAK and New Jersey Transit. The Empire Station Complex builds on our current Penn Station Improvement Projects, such as the 33rd Street Corridor, and goes even further, including a dramatic 40 percent expansion of track capacity at Penn Station to the south with eight new tracks into Penn Station. If completed, the impact on the customer experience and train capacity will be extraordinary.

The remainder of Chairman Foye’s remarks are contained in the minutes of the Regular Board Meeting of the MTA and in the minutes of the other Agencies of this date.

Executive Session

Upon motion duly made and seconded, the Board convened an executive session, pursuant to the New York State Public Officers Law Section 105(1)(a), to discuss matters that might imperil the public safety if disclosed, and Section 105(1)(e), to discuss matters relating to collective bargaining negotiations.

Upon motion duly made and second, the Board reconvened in public session.

Approval of Minutes

Upon motion duly made and seconded, the Board approved the minutes of the Regular Board Meeting of MTACC and the amended minutes of the Regular Board Meeting of the MTA held on December 18, 2019.

Committee on Finance

Real Estate Items

Upon motion duly made and seconded, the Board took the following actions:

Metropolitan Transportation Authority

Approved a license agreement for Hotel Chocolat for the retail sale of chocolate, confectionery and other associated products at ground floor retail space at 2 Broadway, New York, NY.

Long Island Rail Road

Authorized a new license agreement with LGA Fuel Inc. for the occupancy of LIRR Right of Way, which has been in possession since the early 1970's, for the purpose of operating and maintaining a jet-fuel pipeline from Blissville Yard and Sunnyside Yard to LaGuardia Airport.

MTA Construction & Development, MTA Bridges and Tunnels, Metropolitan Transportation Authority, Long Island Rail Road

Approved the acquisition of permanent easements by LIRR (through the TBTA) from the City of New York at street level to build the new 33rd Street entrance to LIRR's Level A Concourse in Penn Station. Award of nineteen competitively negotiated as-needed all agency contracts (Contract No. 0000102) for management consulting services for an aggregate \$25,000,000 and a duration of five years.

MTA Construction & Development, Metropolitan Transportation Authority, Long Island Rail Road

Authorized the MTA and LIRR to enter into an agreement with One Penn Plaza, LLC (aka "Vornado") to terminate certain retail subleases and amend another along the North Side of the LIRR Level A Concourse at Penn Station to facilitate improvements and widen the Concourse.

New York City Transit

Approved a license agreement for Khaja Shujauddin to operate a travel/convenience store in the free zone mezzanine level of the Woodlawn subway station, Jerome Avenue Line, Bronx.

Copies of the Staff Summaries for the above items are filed with the records of the Regular Board Meeting of the MTA of this date.

Committee on Metro-North Railroad and Long Island Rail Road

Upon motion duly made and seconded, the Board approved the following competitive items:

1. Award of a publicly advertised and competitively solicited contract (Contract No. 5353) to Judlau Contracting Inc. for the design and construction of a new Elmont Station in the amount of \$65,077,388.80 (\$23,085,000 Base Work, \$41,753,000 Option Work and \$239,338.80 Environmental Allowance) for a thirty-four-month duration. (Board Member Mihaltses recused.)
2. Award of a publicly advertised competitively solicited personal service contract (Contract No. PS875) to FXCollaborative/WSP Joint Venture for the development of a master plan for Penn Station for a cost not-to-exceed amount of \$9,487,651 (\$5,028,908 Base Work and \$4,458,742 Option Work) for a one-year duration (six-month base with a six-month option).

Copies of the Resolutions and the Staff Summaries for the above items are filed with the records of the Regular Board Meeting of the MTA of this date.

Presentation on the 2015 – 19 and 2020 – 24 Capital Programs

The Chief Development Officer, MTA/President, MTA C&D, Janno Lieber, gave a presentation on the 2015 – 2019 and 2020-2024 Capital Programs. Thereafter, a discussion among Board Members and the Inspector General ensued.

The details of the presentation, along with the Board Members' comments and discussion with the Inspector General, are filed with the records of the Regular Board Meeting of the MTA held on this date.

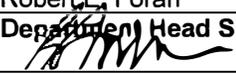
Adjournment

Upon motion duly made and seconded, the Board voted to adjourn the public meeting at 12:55 PM.

Respectfully submitted,

David K. Cannon
Assistant Secretary

Staff Summary

Subject MTA 2020 Budget and 2020-2023 Financial Plan (<i>Revised per February Financial Plan</i>)
Department Chief Financial Officer
Department Head Name Robert E. Foran
Department Head Signature 
Project Manager/Division Head David E. Keller

Date February 26, 2020
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Board	2/26	x		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal		
2	Chairman/CEO		

Purpose:

To secure MTA Board (i) adoption of the accompanying 2020 Adopted Budget and the February Financial Plan 2020-2023 (“February Plan” or “Plan”), which includes approving the 2019 Final Estimate and Plan Adjustments (items below the baseline), and (ii) authorization of Budget and Plan adjustments, including policy actions, as set forth in this Staff Summary. This Plan reflects the collectively bargained agreement with the Transport Workers Union Local 100, and along with the assumption of pattern-based settlements with the remainder of the MTA represented workforce. This Plan also reflects additional State subsidies to the MTA that were included in the Fiscal Year 2021 New York State Executive Budget, lower TBTA debt service from revised cash flow funding assumptions, and the restoration of \$68 million to Committed to Capital that was originally intended to assist in balancing the operating budget. With the approval of the 2020-2024 Capital Plan, this Plan also reflects a significant increase in debt issuance and debt service, although, since these bonds will be supported by Central Business District Toll lockbox revenues, there will have no impact on the MTA operating budget.

Discussion:

In December, the MTA Board approved the 2020 Budget and 2020-2023 November Financial Plan, which projected cash balances of \$11 million in 2020 and \$33 million in 2021, with deficits of \$212 million in 2022 and \$426 million in 2023. The November Plan included the implementation of the Transformation Plan to streamline MTA internal processes, no budget-driven service cuts, the maintenance of improvements from the Subway Action Plan, and projected biennial fare and toll increases that generate a four percent net increase in farebox and toll revenue. The November Plan also reflected the permanent capture of savings from vacant Administrative positions and the fiscal impact of actions being taken to reduce fare evasion and constrain “controllable” overtime. The November Plan further assumed a renegotiation with the City of New York for a more equitable sharing of Paratransit net operating deficits. To balance the budget for the remainder of 2019 and for 2020, the \$64 million earmarked for 2019 Committed to Capital and \$30 million of the 2020 Committed to Capital were pulled back into the operating budget.

Subsequent Events:

This Plan reflects the approved settlement with Local 100 of the Transport Workers Union, which represents approximately 37,000 employees at New York City Transit and MTA Bus. The agreement provides for annual wage increases of 2 percent retroactive to May 2019, 2.25 percent in May 2020, 2.5 percent in May 2021 and 2.75 percent in May 2022. Several contractual provisions, including changes in co-payments for emergency room visits and varying tiers of prescription medications, along with improvements in employee availability, result in an average annual net increase of 2.3 percent over the 48-month term of the contract. The November Financial Plan assumed annual 2 percent increases, and the February Plan reflects the net additional expense greater

than the 2 percent assumption in the NYCT and MTA Bus financial plans, totaling \$91 million over the Plan period.

The MTA expects the TWU agreement will set the pattern for eventual settlements with the remaining represented workforce. The incremental cost of the pattern settlement above the assumed annual two percent increases already incorporated in Agency financial plans is captured below the baseline, and is estimated to increase expenses by \$65 million over the Plan period.

The Fiscal Year 2021 New York State Executive Budget, released by Governor Cuomo in mid-January, includes provisions for additional Metropolitan Mass Transportation Operating Assistance (MMTOA) for the MTA totaling \$755 million over the Plan period, along with an improvement of \$11 million in projected Petroleum Business Tax receipts in 2020.

The Plan reflects debt service savings of \$145 million through the Plan period based on revised cash flow funding assumptions for TBTA's 2020-2024 Capital Program.

The February Plan reflects a significant increase in debt issuance and debt service, but will not impact the MTA operating budget. Financial support for the 2020-2024 Capital Program will include \$7.3 billion of bonds supported by Central Business District Tolling lockbox revenues, including Internet Marketplace Sales Tax and Mansion Tax receipts. Debt service is \$742 million over the Plan period, and will be paid directly from capital lockbox revenues. While this will result in increased debt service, MTA supported debt service will remain below 20 percent of operating revenue during the Plan period.

The February Plan will not require the anticipated pulling back of the \$64 million 2019 contribution to Committed to Capital and \$30 million of the 2020 contribution to Committed to Capital. The issuance of bonds that were anticipated to replace the pulled back Committed to Capital will no longer be necessary, and debt service expense on these bonds will not be incurred.

Factoring in the above-described adjustments, ending cash positions have changed from the November Plan. This Plan projects year-end cash balances of \$134 million in 2019, \$81 million in 2020, \$273 million in 2021 and \$157 million in 2022, with a projected cash deficit of \$130 million in 2023 (see attachment A).

Recommendation:

It is recommended that the Board:

- Adopted the 2020 Final Proposed Budget and Four-Year Financial Plan 2020-2023 (February Plan), which includes approving the 2019 Final Estimate and Plan Adjustments (items below the baseline). The approval of this Plan will supersede prior Board approvals covering this financial plan period, including that of December 2019. As stated in the December Staff Summary, the projected 2021 and 2023 fare and toll increase proposals will require separate Board action in advance of those dates.
- Reauthorize staff, under the guidance and direction of the Chairman/CEO and Chief Financial Officer, or their designees, to take actions to implement the policy actions set forth in the Plan.
- Reauthorize staff to carry out all actions, including budget and cash management, that were included with the recommendation section of the December Staff Summary (see attachment B), but excluding those references to the pullback of 2019 and 2020 Committed to Capital funds for use to balance the operating budget.

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2020 - 2023
Accrual Statement of Operations By Category
(\$ in millions)

	Actual 2018	Final Estimate 2019	Adopted Budget 2020	2021	2022	2023
<u>Non-Reimbursable</u>						
Operating Revenues						
Farebox Revenue	\$6,155	\$6,346	\$6,486	\$6,477	\$6,489	\$6,498
Toll Revenue	1,976	2,078	2,118	2,126	2,125	2,127
Other Revenue	643	700	692	717	731	738
Capital and Other Reimbursements	0	0	0	0	0	0
Total Revenues	\$8,774	\$9,124	\$9,296	\$9,320	\$9,346	\$9,363
Operating Expenses						
<u>Labor:</u>						
Payroll	\$5,211	\$5,334	\$5,486	\$5,574	\$5,725	\$5,820
Overtime	1,066	978	852	874	897	919
Health and Welfare	1,230	1,342	1,437	1,510	1,606	1,700
OPEB Current Payments	604	655	719	784	856	935
Pension	1,336	1,495	1,469	1,476	1,422	1,371
Other Fringe Benefits	881	898	941	987	1,029	1,064
Reimbursable Overhead	(528)	(490)	(432)	(416)	(419)	(413)
Total Labor Expenses	\$9,799	\$10,211	\$10,471	\$10,789	\$11,115	\$11,396
<u>Non-Labor:</u>						
Electric Power	\$482	\$452	\$481	\$495	\$530	\$559
Fuel	185	176	172	170	169	172
Insurance	(29)	7	8	12	14	14
Claims	438	418	413	403	409	417
Paratransit Service Contracts	455	488	489	521	550	585
Maintenance and Other Operating Contracts	678	804	758	781	777	798
Professional Services Contracts	544	587	681	637	586	581
Materials and Supplies	637	627	686	671	682	688
Other Business Expenses	221	241	240	227	236	238
Total Non-Labor Expenses	\$3,611	\$3,801	\$3,927	\$3,917	\$3,953	\$4,052
<u>Other Expense Adjustments:</u>						
Other	\$129	\$158	\$86	\$41	\$28	\$29
General Reserve	0	165	170	175	180	185
Total Other Expense Adjustments	\$129	\$323	\$256	\$216	\$208	\$214
Total Expenses Before Non-Cash Liability Adjs.	\$13,539	\$14,335	\$14,654	\$14,922	\$15,276	\$15,662
Depreciation	\$2,805	\$2,777	\$2,843	\$2,909	\$2,977	\$3,052
GASB 75 OPEB Expense Adjustment	1,048	1,457	1,628	1,749	1,823	1,898
GASB 68 Pension Expense Adjustment	(373)	(221)	(272)	(343)	(318)	(242)
Environmental Remediation	106	6	6	6	6	6
Total Expenses After Non-Cash Liability Adjs.	\$17,124	\$18,355	\$18,859	\$19,243	\$19,764	\$20,376
Conversion to Cash Basis: Non-Cash Liability Adj.	(\$3,585)	(\$4,020)	(\$4,205)	(\$4,320)	(\$4,488)	(\$4,714)
Debt Service (excludes Service Contract Bonds)	2,541	2,664	2,833	3,119	3,557	4,241
Total Expenses with Debt Service	\$16,079	\$16,999	\$17,487	\$18,042	\$18,833	\$19,903
Dedicated Taxes and State/Local Subsidies	\$7,177	\$7,272	\$7,758	\$7,868	\$8,212	\$8,664
Net Surplus/(Deficit) After Subsidies and Debt Service	(\$128)	(\$603)	(\$432)	(\$854)	(\$1,274)	(\$1,877)
Conversion to Cash Basis: GASB Account	\$0	\$0	\$0	\$0	\$0	\$0
Conversion to Cash Basis: All Other	379	354	16	142	122	177
Cash Balance Before Prior-Year Carryover	\$251	(\$249)	(\$416)	(\$712)	(\$1,153)	(\$1,699)
Adjustments	\$0	\$11	\$364	\$904	\$1,036	\$1,412
Prior Year Carryover Balance	121	372	134	81	273	157
Net Cash Balance	\$372	\$134	\$81	\$273	\$157	(\$130)

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2020 - 2023
Plan Adjustments
(\$ in millions)

	Actual 2018	Final Estimate 2019	Adopted Budget 2020	2021	2022	2023
Cash Balance Before Prior-Year Carryover	\$251	(\$249)	(\$416)	(\$712)	(\$1,153)	(\$1,699)
Fare and Toll Increases:						
<i>Fare and Toll Increase on 3/1/21 (4% Yield)</i>		\$0	\$0	\$279	\$328	\$328
<i>Fare and Toll Increase on 3/1/23(4% Yield)</i>		0	0	0	0	291
<i>Subsidy Impacts of 2021/2023 Fare/Toll Increase</i>		<u>0</u>	<u>0</u>	<u>(7)</u>	<u>(9)</u>	<u>(17)</u>
Subtotal:		\$0	\$0	\$272	\$319	\$603
Policy Actions:						
July 2019 Financial Plan:						
<i>Drawdown 2019 General Reserve</i>		0	165	0	0	0
<i>MTA Transformation Plan</i>		11	230	488	535	538
November 2019 Financial Plan:						
<i>MTA Transformation Plan - Re-estimates</i>		0	18	(26)	(63)	(63)
<i>Paratransit Subsidy - 5050 Share with the City</i>		0	47	99	103	111
<i>State Aid for the 2015-19 Capital Plan</i>		0	0	79	164	256
February 2020 Financial Plan:						
<i>Timing of Personnel Actions</i>		0	(58)	0	0	0
<i>TWU Pattern Wage Settlement Over 2% for all Other CBAs</i>		0	(3)	(8)	(22)	(32)
<i>Re-estimated NYC Transit Maintenance</i>		<u>0</u>	<u>(35)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal:		\$11	\$364	\$632	\$717	\$810
TOTAL ADJUSTMENTS		\$11	\$364	\$904	\$1,036	\$1,412
<i>Prior Year Carryover Balance</i>	\$121	\$372	\$134	\$81	\$273	\$157
Net Cash Surplus/(Deficit)	\$372	\$134	\$81	\$273	\$157	(\$130)

Staff Summary

Subject MTA 2020 Budget and 2020-2023 Financial Plan
Department Chief Financial Officer
Department Head Name Robert E. Foran
Department Head Signature 
Project Manager/Division Head David E. Keller

Date December 16, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	12/16			
2	Board	12/18			

Internal Approvals			
Order	Approval	Order	Approval
1	Legal		
2	Chief of Staff		
3	Chairman/CEO		

Purpose:

The MTA Board is required to adopt a balanced budget. The purpose of this staff summary is to secure MTA Board (i) adoption of the accompanying **2020 Final Proposed Budget and the Four-Year Financial Plan 2020-2023 (“November Plan” or “Plan”)**, which includes approving the 2019 November Forecast and Plan Adjustments (items below the baseline), and (ii) authorization of Budget and Plan adjustments, including MTA policy actions, as set forth below in this Staff Summary.

Discussion:

This document summarizes the **November Plan** presented to the Board for information purposes at the November Board meeting, which projects ending cash balances of \$143 million in 2019, \$11 million in 2020 and \$33 million in 2021, with projected cash deficits of \$212 million in 2022 and \$426 million in 2023 (see attachment A). Since 2010, MTA financial plans – which are developed in a disciplined, consistent, and transparent process – have included the impact of our continuous pursuit of operational efficiencies and recurring cost reductions and containments which are used to minimize the amount of revenues needed from biennial fare and toll increases and governmental subsidies, and provide funding for the capital program and enhanced maintenance. The Plans have added service when sustainable while also addressing long-term costs such as pensions, health care, paratransit, and debt service previously considered “uncontrollable.”

The November Plan captures the major assumptions that were first identified in the July Plan, and has been updated to reflect stakeholder input and the impact of new developments and risks. It includes the implementation of the Transformation Plan to streamline MTA internal processes, no budget-driven service cuts, the maintenance of improvements from the Subway Action Plan, and projected biennial fare and toll increases that generate a four percent net increase in farebox and toll revenue. The Plan permanently captures savings from currently vacant Administrative positions that will be eliminated and reflects the fiscal impact of actions being taken to reduce fare evasion and constrain “controllable” overtime. The Plan also assumes a renegotiation with the City of New York for a more equitable sharing of Paratransit net operating deficits. To bridge the transition period until the Transformation Plan is fully implemented and related savings are realized, the Plan uses several actions to balance the budget.

MTA’s finances are structurally imbalanced, with expenses surpassing revenues. Beginning with 2017, annual budgets have been balanced with a variety of “one-shot” actions. While the MTA has aggressively, since 2010, identified and acted on an extensive array of recurring cost reduction actions and containments resulting in annualized savings of \$2.5 billion through 2019, it has become increasingly difficult to identify and implement

additional savings initiatives. In this November Plan, Agency re-estimates of prior Budget Reduction Program (BRP) items have reduced previously identified savings by \$317 million over the Plan period.

The use of one-shots and additional recurring savings are insufficient to eliminate systemic budgetary shortfalls. To address this situation, the 2019-2020 New York State Enacted Budget included a series of MTA reforms, including the legislated requirement to develop an organizational restructuring plan to remedy institutional constraints. With an eye on streamlining the organization to more effectively provide safe, reliable, cost efficient service, the MTA procured the services of AlixPartners, a management consulting firm, to aid in the first step of this undertaking. The firm presented its report to the MTA earlier this year, and initial fiscal impacts of the report's recommendations were included in the July Financial Plan. Since the release of the recommendations, the MTA, with the assistance of a management consulting firm, has developed a functional reorganization plan that builds on the AlixPartners report and has created the Transformation Management Office, which will guide the MTA through the transformation process.

In addition to the Transformation savings, the **July Plan** was based on three key inter-related elements: (i) fare and toll price increases which net 4% yield in annual revenue in both 2021 and 2023; (ii) annually recurring cost reduction and containment targets that result in annual savings of \$2.7 billion per year by 2023; and (iii) maintaining major on-going initiative investments for the Long Island Rail Road "Forward" plan, the "Bus Plans" at New York City Transit and MTA Bus, the Metro-North Railroad "Way Ahead" plan, and the Subway Action Plan for New York City Transit.

The 2019 Mid-Year Forecast was balanced with the use of one-shot actions, including the release of the \$160 million General Reserve for 2018 at the end of 2018, the freeing up of \$40 million in excess fuel hedge collateral, and a reduction in 2019 Committed to Capital of \$64 million. The July Plan also included a fare evasion deterrence program for New York City Transit, which is partially funded by a grant from the Manhattan District Attorney. Lastly, the July Plan included funding for the replacement of New York City Transit's capital accounting system, the rollout of Kronos timekeeping throughout the MTA, and the expenses associated with State-mandated employee training. The 2019 July Plan projected cash balances of \$61 million in 2019 and \$55 million in 2020, with deficits of \$26 million in 2020, \$281 million in 2021 and \$433 million in 2022. The balances reflect significant favorable impacts from \$1.8 billion in estimated savings over the July Plan period initially identified in the AlixPartners report; without those savings, the 2023 deficit would grow to almost \$1 billion.

Changes from the July Plan

There have been revenue and expense re-estimates, and other changes, since the July Plan:

Changes and re-estimates improving financial results over the Plan period (2019-2023):

- Higher farebox revenues due to increased ridership (\$253 million)
- Higher real estate transaction taxes (\$203 million)
- Additional administrative vacancy control savings in 2019 (\$28 million)

Changes and re-estimates worsening financial results over the Plan period (2019-2023):

- Higher NYCT and MTA Bus wage adjustments (\$207 million)
- Changes in rates for energy, health & welfare, and pensions (\$145 million)
- Lower Payroll Mobility Tax receipt forecasts (\$144 million)
- Higher NYCT public liability and workers compensation (\$108 million)
- Higher paratransit service expenses (\$41 million)
- Lower toll revenue (\$24 million)

In total, these re-estimates, as well as other changes, are \$467 million unfavorable for the 2019 through 2023 Plan period.

Highlights of the November Plan

The November Plan continues to follow a similar approach to those reflected in earlier plans and incorporates additional actions necessary to achieve budget balance in the near-term and significantly reduce out-year deficits.

Implement the Transformation Plan to streamline MTA internal processes. The MTA is fundamentally changing the way business is conducted to more effectively deliver to our customers the modern, efficient system they deserve. This historic transformation includes the centralization of all operating support functions and focuses the operating agencies on core service delivery. Among the steps being taken that are reflected in the Plan are:

- The hiring of the Chief Transformation Officer, who will report directly to the MTA Board, to lead the transformation of the MTA.
- Through the Transformation Request for Proposals, outside experts will assist with the top-to-bottom restructuring of the MTA, re-engineering all major business processes, and implementing the transformation “roadmap”.
- The Transformation Management Office will support the Chief Transformation Officer with managing the outside experts and the Transformation effort, to ensure the changes are delivered effectively and successfully. Alongside the office, the MTA will onboard senior leadership positions, including the Chief Engineering Officer, the Director of Research and Development, the Chief People Officer, and the Chief Technology Officer.

As previously disclosed, the AlixPartners report recommends the reduction of up to 2,700 primarily administrative positions, with a focus on attrition, among other options, to meet this goal. Transformation net savings over the Plan period are estimated at \$1.6 billion.

No budget-driven service cuts. Service-related cuts that were proposed in 2018 and in the July Plan because of fiscal constraints are not being implemented. Adjustments based on Board-approved service guidelines, as well as those necessary for the scheduling of capital work, remain.

Maintain prior plan investments. The Plan maintains major on-going investment initiatives, including the Long Island Rail Road “Forward” plan, the “Bus Plans” at New York City Transit and MTA Bus, and the Metro-North Railroad “Way Ahead” plan. The Plan also sustains and expands upon the improvements of the Subway Action Plan, which was jump-started with funding jointly provided by New York State and New York City, and is now funded from the initial phase of congestion pricing, using revenues from the for-hire vehicle surcharge.

Hold projected fare/toll increases to 4% in 2021 and 2023. The Plan continues to project net 4% biennial fare/toll increases (the equivalent of 2% per year) which is lower than the projected two-year inflation rates of 4.9% and 4.7% in 2021 and 2023, respectively. Consistent with recent Plans, a March 1st implementation is assumed for both the 2021 and 2023 increases. The annualized yield of these increases is projected to be \$326 million and \$341 million, respectively.

Reduce Fare Evasion. Recently updated surveys estimate revenue loss from subway and bus fare evasion is approximately \$300 million annually. The renewed emphasis by MTA to gain significant control of and reduce fare evasion includes a series of actions designed to deter, rather than fine, fare evaders. MTA has completed the deployment of 500 officers to support these efforts, with MTA Police Department officers deployed in the subway and on bus routes, MTA Bridges and Tunnels officers deployed on bus routes, and New York Police Department officers deployed in the subway. NYCT has deployed “Eagle Team” special inspectors on bus routes. Enforcement has been focused on the top 50 subway stations and 50 bus routes where elevated levels of fare evasion and assaults occur. Further, 10 monitors providing customer images as a deterrent have been installed near fare arrays in a pilot project, and subway station exit gates are being redesigned to mitigate instances of fare avoidance. Initial analysis from a limited sample of locations indicate that the presence of police officers at fare arrays eliminates fare evasion when officers are present, and MTA is using these initial findings

and review of other actions to adjust the fare evasion mitigation strategy accordingly. These actions are estimated to cost \$62 million over the Plan period, which is being partially covered by a \$40 million grant from the Manhattan District Attorney's forfeiture fund.

Renegotiate with New York City for an "equitable" sharing of Paratransit costs. Since signing an agreement with the City of New York in 1993, New York City Transit has assumed the City's responsibility for providing paratransit service. Since then, registrants and ridership have significantly increased, with the net operating deficit growing from \$11 million in 1994 to \$549 million in 2019. The current agreement provides that the City will pay one-third of the net operating deficit, but it is limited to no more than a 20% increase over the City's payment in the prior year. Based on the 2019 projected net operating deficit, the City will only pay \$176 million, leaving NYCT to pay the remaining balance of \$372 million, which is more than twice as much as the City's share. MTA is proposing a renegotiation of the terms of the Paratransit Service agreement to provide a more equitable sharing of costs. An equal share of the net operating deficit would reduce NYCT's cost by over \$100 million a year.

Capture savings from the elimination of vacant Administrative positions. The MTA will permanently eliminate non-represented Administrative positions that became vacant through the third quarter of 2019 and have not been filled due to MTA policy which restricted new hiring.

Cost avoidance through fiscal constraints placed on "controllable" overtime. In response to the recommendations in the Morrison and Foerster overtime report, the MTA has convened an Overtime Task Force Working Group, and constraints are being implemented as part of a continuing effort to better utilize "controllable" overtime so its usage is fiscally responsible.

Address new maintenance requirements. Replace, upgrade or extend the useful life of critical components for the Metro-North and MTA Bus fleets, and cover additional right-of-way and station maintenance at the Long Island Rail Road.

Hiring of additional MTA police officers. Augment the MTA Police Department with the hiring of 500 new police officers in support of safety and security.

Fortify technology networks. Institute technology enhancements by fortifying operational technology networks and increasing risk management activities and controls.

Achieve annually recurring savings targets. The Plan reflects Agency re-estimates of prior Budget Reduction Program items, reducing previously identified savings by \$317 million over the Plan period. As noted in prior Plans, it has become more difficult to identify recurring savings actions, but MTA remains committed to identifying actions to replace the savings that remain to be achieved. Through 2019, the MTA has implemented initiatives with annualized savings of \$2.5 billion. These programs will result in annual savings of \$2.7 billion by 2023. Together with the savings from the Transformation Plan, the annual savings will increase to \$3.1 billion by 2023.

Other MTA Actions. To balance the budget for the remainder of 2019 and for 2020, several "one-shot" actions are being taken. At the end of 2018, a favorable year-end balance of \$372 million – mostly timing related – was carried over into 2019. In the July Plan, the \$64 million that had been earmarked for 2019 Committed to Capital was pulled back for use in covering 2019 operating expenses. Similarly, \$30 million of the 2020 Committed to Capital is being pulled back to help cover 2020 operating expenses. The July Plan also assumed the \$165 million 2019 General Reserve, a contingency fund set at approximately one percent of the operating expense budget, would not be required to cover 2019 expenses and will be carried over to cover 2020 expenses. Lastly, it is projected that 2019 will end with a favorable balance of \$143 million, which will carry over into 2020.

The "Bottom Line"

The above noted changes, combined with Agency baseline projections, result in a net improvement to MTA's financial forecast over the Plan period. Even with biennial 4% fare and toll increases, substantial cost reductions

and Transformation savings, the Plan remains out of balance in the later years, with the 2023 deficit reaching \$426 million. The Plan, however, becomes unmanageable without the Transformation Plan.

Significant Risks Remain

There are many risks to the 2020 Budget and the 2020-2023 Financial Plan:

Achieve the revised Transformation Plan savings targets assumed in the Plan. Without the savings from the Transformation Plan, the November Plan would worsen by \$1.6 billion over the 2019 through 2023 Plan period.

Maintain cost reductions. The MTA must remain focused on existing cost control efforts to avoid backsliding, as the MTA cannot afford to “give back” any of the savings that Headquarters and the Agencies have achieved to date.

Renegotiate the paratransit contract with the City of New York to achieve equitable cost sharing. The MTA is covering two-thirds of the paratransit net operating deficit, and the current financial sharing relationship is unsustainable.

Reduce fare evasion losses. The revenue uncollected because of fare evasion has a detrimental effect on the MTA’s bottom line, and the result is less available funds for maintenance and operations. Regaining control of fare collection will help address budgetary imbalance and the out-year deficits.

Maintain fiscal discipline over “controllable” overtime. While overtime can be a cost-effective and efficient means for addressing certain assignments, a consistent approach to managing and overseeing overtime usage is necessary. The Morrison and Foerster report emphasized specific recommendations to address existing deficiencies, and the MTA is diligently putting those recommendation in place.

Negotiate affordable labor contracts. Most collective bargaining agreements with represented employees expired earlier this year, and MTA is currently engaged in negotiations with labor representatives on both wages and work rules. An agreement that is fair to labor and provides management with the flexibility needed to operate and maintain the MTA transportation network is critical for fiscal stability.

Respond to developing economic environment. The finances of the MTA are highly influenced by economic factors. Passenger and toll revenues, dedicated taxes and subsidies (including real estate transaction revenue), debt service, pensions and energy costs are all impacted by the health of the economy. If the economic assumptions reflected in the Plan are unrealized, the November Plan’s projected results would be adversely affected.

Recommendation:

It is recommended that the Board:

- Adopt the 2020 Final Proposed Budget and Four-Year Financial Plan 2020-2023 (November Plan), which includes approving the 2019 November Forecast and Plan Adjustments (items below the baseline). The approval of this Plan will supersede prior Board Plan approvals for this period. Note that the projected 2021 and 2023 fare/toll increase proposals will require separate Board actions in advance of those dates.
- Authorize staff, under the guidance and direction of the Chairman/CEO, Chief Financial Officer, or their designees to take actions to implement the policy actions set forth in the Plan.
- Authorize staff to draw down the unexpended 2019 general reserve (\$165 million), which will be used to help balance the 2020 budget.

- Authorize technical adjustments to MTA budgets and forecasts of a non-material nature in the 2020 February Plan.
- Authorize adjustment of MTA budgets and forecasts to reflect labor settlements approved from time to time by the Board.
- Authorize staff, under the guidance and direction of the Chairman/CEO, the Chief Financial Officer, or their designees (including the MTA Treasurer) to take additional budget and cash management actions, as has been done in past budgets, to draw on the general reserve and/or make budget adjustments to respond to unexpected expenses or revenue/subsidy shortfalls, and other actions described below:

Advance of Bridges and Tunnels Operating Surplus

The Board is requested to authorize Bridges and Tunnels to advance to MTA and NYC Transit, to the extent funds are available, all or part of the estimated operating surplus for the year 2019.

Uses of MTA MRT-2 Corporate Account Monies

Unlike many other forms of intergovernmental aid, these subsidy monies, by statute, can be allocated at the Board's discretion. It is recommended that the Board authorize that these funds be used as set forth in the Plan, authorize staff to administer these funds in a manner consistent with the Plan, and to temporarily help stabilize cash-flow requirements. As in the past, the advance of funds to the MTA and its affiliates and subsidiaries to stabilize cash-flow requirements may be made, provided they are repaid prior to the end of the fiscal year in which made.

Uses of Payroll Mobility Tax (and Replacement Funds) and MTA Aid

Like the MRT-2 Corporate Account moneys, these subsidy monies, by statute, can be allocated at the Board's discretion. It is recommended that the Board authorize that the revenues from the PMT (and Replacement Funds) be released as needed: (i) for pledged revenues by MTA to secure and be applied to the payment of bonds to be issued in the future, to fund capital projects of MTA, its subsidiaries, and MTA New York City Transit and its subsidiary and (ii) to pay capital costs, including debt service of MTA, its subsidiaries, and MTA New York City Transit and its subsidiary. It is further recommended that the Board authorize that subject to the provisions of any such pledge, or in the event there is no such pledge, the PMT Revenues be used by MTA to pay for costs, including operating and capital costs of MTA, its subsidiaries and MTA New York City Transit and its subsidiary.

Further, it is recommended that the Board authorize that the revenues in the MTA Aid Trust Account (derived from four fees and taxes imposed in the Metropolitan Commuter Transportation District – a supplemental motor vehicle license fee, a supplemental motor vehicle registration fee, a tax on medallion taxicab rides, and a supplemental tax on passenger car rentals) be released as needed and used as pledged revenues by MTA or pledged to the Triborough Bridge and Tunnel Authority to secure debt of MTA Bridges and Tunnels. Further, subject to the provisions of such pledge, or in the event there is no such pledge, the Board authorizes the release of these funds to be used by MTA for the payment of operating and capital costs of the MTA and its subsidiaries, and New York City Transit, and its subsidiary.

Inter-Agency Loans

The Board is requested to authorize staff acting under Section 1266 (6-a) of the Public Authorities Law, to enter into inter-agency loan agreements among the MTA and its affiliates and subsidiaries. This authorization would allow the temporary movement of funds among agencies to meet cash flow requirements for operating or capital purposes resulting from a mismatch between the receipt of subsidies and other monies and cash flow needs. The statute requires that any such inter-agency loans be repaid no later than the end of the next succeeding calendar year.

Use of Stabilization Reserve: Provision for Prompt Payment of Contractual Obligations

In 1996, the Board approved the establishment of a Stabilization Reserve, to be held by the MTA Treasurer (the "Treasurer"), to stabilize MTA Agencies' cash flow requirements. The fund consists of two accounts, the MTA New York City Transit Account (the "Transit Account") and the MTA Commuter Railroad Account (the "Commuter Railroad Account"). The Board is requested to authorize the use of any balances in such accounts, plus any amounts authorized to be transferred to such accounts, to meet the cash flow requirements of MTA New York City Transit and the MTA Commuter Railroads and to authorize MTA New York City Transit to pay to the Treasurer for deposit in the Transit Account such amounts as it deems necessary to accomplish the purpose thereof, consistent with this Plan; and the Treasurer to pay into the Commuter Railroad Account, such amounts as are deemed necessary to accomplish the purpose thereof, consistent with this Plan. The Treasurer, upon request of MTA New York City Transit, shall pay to NYCT such amounts as are necessary to meet cash flow requirements of NYCT and shall transfer from the Commuter Railroad Account such amounts as are necessary to meet the cash flow requirements of MTA Commuter Railroads. The Treasurer shall also use such funds as from time to time may be necessary or convenient to timely make debt service payments on MTA bonds.

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2020 - 2023
Accrual Statement of Operations By Category
(\$ in millions)

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Other Revenue	643	689	682	708	724	739
Capital and Other Reimbursements	0	0	0	0	0	0
Total Revenues	\$8,774	\$9,113	\$9,237	\$9,261	\$9,288	\$9,314
Operating Expenses						
Labor:						
Payroll	\$5,211	\$5,334	\$5,525	\$5,610	\$5,744	\$5,833
Overtime	1,066	978	896	917	937	959
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Pension	1,336	1,495	1,467	1,481	1,425	1,373
Other Fringe Benefits	881	898	940	986	1,027	1,062
Reimbursable Overhead	(528)	(490)	(431)	(415)	(417)	(410)
Total Labor Expenses	\$9,799	\$10,211	\$10,568	\$10,893	\$11,198	\$11,471
Non-Labor:						
Electric Power	\$482	\$452	\$481	\$495	\$530	\$559
Fuel	185	176	172	170	169	172
Insurance	(29)	7	8	12	14	14
Claims	438	418	413	403	409	417
Paratransit Service Contracts	455	488	489	521	550	585
Maintenance and Other Operating Contracts	678	815	758	786	781	802
Professional Services Contracts	544	588	677	633	582	577
Materials and Supplies	637	632	676	672	683	689
Other Business Expenses	221	229	229	217	227	229
Total Non-Labor Expenses	\$3,611	\$3,805	\$3,901	\$3,909	\$3,945	\$4,045
Other Expense Adjustments:						
Other	\$129	\$158	\$86	\$41	\$28	\$29
General Reserve	0	165	170	175	180	185
Total Other Expense Adjustments	\$129	\$323	\$256	\$216	\$208	\$214
Total Expenses Before Non-Cash Liability Adjs.	\$13,539	\$14,339	\$14,725	\$15,019	\$15,352	\$15,730
Depreciation	\$2,805	\$2,777	\$2,843	\$2,909	\$2,977	\$3,052
GASB 75 OPEB Expense Adjustment	1,048	1,457	1,628	1,749	1,823	1,898
GASB 68 Pension Expense Adjustment	(373)	(221)	(272)	(343)	(318)	(242)
Environmental Remediation	106	6	6	6	6	6
Total Expenses After Non-Cash Liability Adjs.	\$17,124	\$18,359	\$18,930	\$19,339	\$19,840	\$20,444
Conversion to Cash Basis: Non-Cash Liability Adj.	(\$3,585)	(\$4,020)	(\$4,205)	(\$4,320)	(\$4,488)	(\$4,714)
Debt Service (excludes Service Contract Bonds)	2,541	2,664	2,837	3,140	3,457	3,848
Total Expenses with Debt Service	\$16,079	\$17,003	\$17,561	\$18,158	\$18,808	\$19,578
Dedicated Taxes and State/Local Subsidies	\$7,177	\$7,286	\$7,454	\$7,637	\$7,887	\$8,067
Net Surplus/(Deficit) After Subsidies and Debt Service	(\$128)	(\$603)	(\$871)	(\$1,261)	(\$1,633)	(\$2,197)
Conversion to Cash Basis: GASB Account	\$0	\$0	\$0	\$0	\$0	\$0
Conversion to Cash Basis: All Other	379	302	60	136	122	170
Cash Balance Before Prior-Year Carryover	\$251	(\$301)	(\$811)	(\$1,125)	(\$1,511)	(\$2,027)
Adjustments	\$0	\$73	\$679	\$1,146	\$1,266	\$1,601
Prior Year Carryover Balance	121	372	143	11	33	0
Net Cash Balance	\$372	\$143	\$11	\$33	(\$212)	(\$426)

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2020 - 2023
Plan Adjustments
(\$ in millions)

	Actual 2018	November Forecast 2019	Final Proposed Budget 2020	2021	2022	2023
Cash Balance Before Prior-Year Carryover	\$251	(\$301)	(\$811)	(\$1,125)	(\$1,511)	(\$2,027)
Fare and Toll Increases:						
<i>Fare and Toll Increase on 3/1/21 (4% Yield)</i>		\$0	\$0	\$278	\$326	\$326
<i>Fare and Toll Increase on 3/1/23(4% Yield)</i>		0	0	0	0	289
<i>Subsidy Impacts of 2021/2023 Fare/Toll Increase</i>		<u>0</u>	<u>0</u>	<u>(7)</u>	<u>(9)</u>	<u>(17)</u>
Subtotal		\$0	\$0	\$270	\$317	\$599
Policy Actions:						
July 2019 Financial Plan:						
<i>Reduction in Committed to Capital (2019)</i>		64	\$0	\$0	\$0	\$0
<i>Fare Evasion Deterrence</i>		(13)	(12)	(11)	(10)	(10)
<i>Fare Evasion Deterrence - Manhattan DA Forfeiture Fund</i>		11	11	10	9	0
<i>Drawdown 2019 General Reserve</i>		0	165	0	0	0
<i>MTA Transformation Plan</i>		11	230	488	535	538
November 2019 Financial Plan:						
<i>MTA Transformation Plan - Re-estimates</i>		0	18	(26)	(63)	(63)
<i>Paratransit Subsidy - 50/50 Share with the City</i>		0	47	99	103	111
<i>Improved Overtime Spending Controls</i>		0	44	44	44	44
<i>Additional revenue Achieved from Fare Evasion Initiatives</i>		0	50	50	50	50
<i>State Aid for the 2015-19 Capital Plan</i>		0	29	145	202	251
<i>Reduction in Committed to Capital (2020)</i>		0	30	0	0	0
<i>Debt Service Resulting from Reduction in Committed to Capital</i>		<u>0</u>	<u>(7)</u>	<u>(7)</u>	<u>(7)</u>	<u>(7)</u>
Subtotal		\$73	\$606	\$792	\$864	\$915
MTA Re-Estimates						
<i>Vacancy Savings</i>		<u>\$0</u>	<u>\$74</u>	<u>\$83</u>	<u>\$85</u>	<u>\$87</u>
Subtotal		\$0	\$74	\$83	\$85	\$87
TOTAL ADJUSTMENTS		\$73	\$679	\$1,146	\$1,266	\$1,601
<i>Prior Year Carryover Balance</i>	\$121	\$372	\$143	\$11	\$33	\$0
Net Cash Surplus/(Deficit)	\$372	\$143	\$11	\$33	(\$212)	(\$426)

Staff Summary

Subject
Ratification of Triborough Bridge and Tunnel Authority Special Obligation Resolution Authorizing Sales Tax Revenue Obligations (Statewide and Citywide Sales Tax)
Department
Finance
Department Head Name
Robert E. Foran, Chief Financial Officer
Department Head Signature

Project Manager Name
Patrick J. McCoy, Director, Finance 

Date
February 26, 2020
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	2/24/20	X		
2	Board	2/26/20	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal 	2	Deputy General Counsel 

PURPOSE:

The MTA Finance Department is seeking MTA Bridges and Tunnels Board ratification of the previously approved annexed resolution and supplemental resolutions to provide for the issuance of Triborough Bridge and Tunnel Authority (“TBTA” or “MTA Bridges and Tunnels”) Sales Tax Revenue Obligations (Statewide and Citywide Sales Tax) to finance central business district tolling program operating and maintenance expenses and capital needs, and approved Capital Program Transit and Commuter Projects for 2020-2024 and subsequent programs.

The annexed resolutions authorize TBTA to finance such expenditures through the issuance of bonds, notes, commercial paper or other form of indebtedness that are payable from the sales and compensating use taxes described below.

DISCUSSION AND BACKGROUND:

In April 2019, legislation was enacted in New York State providing additional sources of revenues to address the financial needs of the MTA, including portions of statewide and citywide sales and compensating use taxes. The legislation, among other things, provided that certain State and City sales and compensating use taxes be made available for deposit into the Central Business District Capital Lockbox Fund to be applied to the payment of operating, administration and other necessary expenses properly allocable to the central business district tolling program, including the planning, designing, constructing, installing or maintaining thereof, and the costs of any transit and commuter capital projects included within the 2020-2024 MTA Capital Program or any successor programs approved by the Capital Program Review Board (the “CPRB”). The legislation provided that the following taxes be made available for deposit into the Central Business District Capital Lockbox Fund:

- (1) Statewide sales and compensating use taxes in an amount equal to (a) \$125 million for State Fiscal Year 2019-2020, (b) \$150 million for State Fiscal Year 2020-2021, and (c) 101% of the preceding State Fiscal Year’s amount for each State Fiscal Year thereafter; and
- (2) Citywide sales and compensating use taxes in an amount equal to (a) \$127.5 million for State Fiscal Year 2019-2020, (b) \$170 million for State Fiscal Year 2020-2021, and (c) 101% of the preceding State Fiscal Year’s amount for each State Fiscal Year thereafter.

TBTA submitted the draft Special Obligation Resolution Authorizing Sales Tax Revenue Obligations (Statewide and Citywide Sales Tax), Standard Resolution Provisions and Supplemental Standard Resolution Provisions (collectively, the

Staff Summary

“Sales Tax Obligation Resolution”) to the CPRB for review and approval on January 13, 2020 pursuant to Section 553(20) of the Public Authorities Law. On January 28, 2020, the CPRB approved the Sales Tax Obligation Resolution.

Under separate staff summary, MTA Bridges and Tunnels Board will seek approval of the supplemental resolutions and activities in connection with the issuance of TBTA Sales Tax Revenue Obligations (Statewide and Citywide Sales Tax) in bonds, notes, commercial paper or other form of indebtedness.

With respect to the above-referenced financial transactions, MTA Bridges and Tunnels Board approval is sought:

(a) delegating authority to the Chairman, the Managing Director, the Chair of the Finance Committee, the Vice Chairman, the Chief Financial Officer or the Director, Finance of MTA to make revisions to the Sales Tax Obligation Resolution as necessary or convenient and to award the obligations either pursuant to competitive bid or to members (or entities related to such firms) of the Board-approved MTA underwriting syndicate and to execute and/or deliver in each case, where appropriate:

- o Notices of Sale and bid forms,
- o Purchase Agreements with underwriters,
- o Direct Purchase Agreements,
- o Revolving Credit Agreements or other Loan Agreements,
- o Official Statements and other disclosure documents,
- o Continuing Disclosure Agreements and related filings,
- o Remarketing Agreements and Firm Remarketing Agreements,
- o Dealer and Broker/Dealer Agreements,
- o Issuing and Paying Agent and Tender Agent Agreements,
- o Credit Facilities and related Parity Reimbursement Obligations and Parity Debt,
- o Related Subordinated Contract Obligations, and
- o Investment Agreements.

Any such documents will be in substantially the form of any document previously entered into by MTA or MTA Bridges and Tunnels for previous issues, with such changes as approved by any one or more of the foregoing officers.

(b) authorizing such officers to terminate, amend, supplement, replace or extend any such documents, including Credit Facilities (and related Parity Reimbursement Obligations and Parity Debt), as they shall deem advisable, and to take such other actions as may be necessary or desirable to effectuate the issuance of bonds, notes, commercial paper or other form of indebtedness and other financial transactions set forth above, on behalf of MTA or MTA Bridges and Tunnels.

(c) authorizing such officers to seek proposals for the appointment of a trustee and paying agent(s) and other fiduciaries necessary for the purposes of the Sales Tax Obligation Resolution and the activities thereunder.

ALTERNATIVES:

There are no viable alternatives to the immediate near-term funding needs of 2020-2024 Transit and Commuter capital projects with Central Business District Tolling Lockbox Fund revenues.

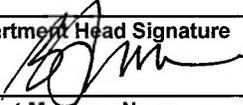
RECOMMENDATION:

MTA Bridges and Tunnels Board authorization of the above-referenced resolutions and documents and all other actions described above, including the execution and delivery of such other documents, and the taking of all other actions, from time to time deemed necessary or desirable by such officers in connection therewith, including the selection of a trustee and paying agent and other fiduciaries thereunder that meets the requirements of the resolution. The authorization to issue the bonds, notes, commercial paper or other form of indebtedness and take other related actions hereunder shall continue in effect without any further action by the MTA Bridges and Tunnels Board until the adoption by the MTA Bridges and Tunnels Board of subsequent bond supplemental resolutions relating to 2021 note and bond issues (except that bonds may

Staff Summary

still be issued to refinance 2020 BANs outstanding at any time) unless (a) the MTA Bridges and Tunnels Board shall have confirmed the effectiveness of this authorization for an additional period, or (b) the MTA Bridges and Tunnels Board shall have modified or repealed this authorization.

Staff Summary

Subject
Authorization to Issue New Money Triborough Bridge and Tunnel Authority Special Obligation Resolution Authorizing Sales Tax Revenue Obligations (Statewide and Citywide Sales Tax) Bonds and Bond Anticipation Notes
Department
Finance
Department Head Name
Robert E. Foran, Chief Financial Officer
Department Head Signature

Project Manager Name
Patrick J. McCoy, Director, Finance 

Date
February 26, 2020
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	2/24/20	X		
2	Board	2/26/20	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal 	2	Deputy General Counsel 

PURPOSE:

The MTA Finance Department is seeking MTA Bridges and Tunnels Board authorization and approval of the necessary documentation for the issuance of Triborough Bridge and Tunnel Authority (“TBTA” or “MTA Bridges and Tunnels”) Sales Tax Revenue Obligations (Statewide and Citywide Sales Tax) new money bond anticipation notes (BANs) and bonds to finance up to \$1.0 billion of capital projects in approved Capital Program Transit and Commuter Projects for 2020 to 2024 and subsequent programs, or to retire BANs issued for such programs when due, plus accrued interest, applicable issuance costs and any original issue discount. The MTA Finance Department will report to the Board on the status of the proposed debt issuance schedule and the results of each note and bond issue.

MTA Bridges and Tunnels Board approval is now sought for the following supplemental resolutions attached hereto and activities in connection with the issuance of TBTA Sales Tax Revenue Obligations (Statewide and Citywide Sales Tax) in bonds, notes, commercial paper or other form of indebtedness:

- Separate Supplemental Resolutions authorizing Sales Tax Revenue BANs (“STR BANs”) and Sales Tax Revenue Bonds (“STR Bonds”), including providing for the following:
 - The issuance of STR BANs and STR Bonds under the Sales Tax Obligation Resolution, in one or more series from time to time, in an amount not to exceed \$1.0 billion, necessary to finance approved Capital Program Transit and Commuter Projects for 2020 to 2024 and subsequent programs, or to retire STR BANs when due, plus accrued interest, applicable issuance costs and any original issue discount,
 - Issuance of such STR BANs or STR Bonds in competitive or negotiated public sales, by direct placement or in connection with a revolving credit or other loan agreement, and
 - Parity Obligations and other Parity Debt in an amount sufficient to secure any Credit Facilities entered into in connection with the issuance of the STR Bonds.

Staff Summary

DISCUSSION AND BACKGROUND:

TBTA submitted the draft Special Obligation Resolution Authorizing Sales Tax Revenue Obligations (Statewide and Citywide Sales Tax), Standard Resolution Provisions and Supplemental Standard Resolution Provisions (collectively, the “Sales Tax Obligation Resolution”) to the CPRB for review and approval on January 13, 2020 pursuant to Section 553(20) of the Public Authorities Law. On January 28, 2020, the CPRB approved the Sales Tax Obligation Resolution. In separate action today, MTA Bridges and Tunnels Board ratification of previously approved annexed resolution is being sought.

With respect to the above-referenced financial transactions, MTA Bridges and Tunnels Board approval is sought:

(a) delegating authority to the Chairman, the Managing Director, the Chair of the Finance Committee, the Vice Chairman, the Chief Financial Officer or the Director, Finance of MTA to make revisions to the Sales Tax Obligation Resolution as necessary or convenient and to award the obligations either pursuant to competitive bid or to members (or entities related to such firms) of the Board-approved MTA underwriting syndicate and to execute and/or deliver in each case, where appropriate:

- o Notices of Sale and bid forms,
- o Purchase Agreements with underwriters,
- o Direct Purchase Agreements,
- o Revolving Credit Agreements or other Loan Agreements,
- o Official Statements and other disclosure documents,
- o Continuing Disclosure Agreements and related filings,
- o Remarketing Agreements and Firm Remarketing Agreements,
- o Dealer and Broker/Dealer Agreements,
- o Issuing and Paying Agent and Tender Agent Agreements,
- o Credit Facilities and related Parity Reimbursement Obligations and Parity Debt,
- o Related Subordinated Contract Obligations, and
- o Investment Agreements.

Any such documents will be in substantially the form of any document previously entered into by MTA or MTA Bridges and Tunnels for previous issues, with such changes as approved by any one or more of the foregoing officers.

(b) authorizing such officers to terminate, amend, supplement, replace or extend any such documents, including Credit Facilities (and related Parity Reimbursement Obligations and Parity Debt), as they shall deem advisable, and to take such other actions as may be necessary or desirable to effectuate the issuance of bonds, notes, commercial paper or other form of indebtedness and other financial transactions set forth above, on behalf of MTA or MTA Bridges and Tunnels.

(c) authorizing such officers to seek proposals for the appointment of a trustee and paying agent(s) and other fiduciaries necessary for the purposes of the Sales Tax Obligation Resolution and the activities thereunder.

ALTERNATIVES:

There are no viable alternatives to the immediate near-term funding needs of 2020-2024 Transit and Commuter capital projects with Central Business District Tolling Lockbox Fund revenues.

RECOMMENDATION:

MTA Bridges and Tunnels Board authorization of the above-referenced resolutions and documents and all other actions described above, including the execution and delivery of such other documents, and the taking of all other actions, from time to time deemed necessary or desirable by such officers in connection therewith, including the selection of a trustee and paying agent and other fiduciaries thereunder that meets the requirements of the resolution. The authorization to issue the bonds, notes, commercial paper or other form of indebtedness and take other related actions hereunder shall continue in effect without any further action by the MTA Bridges and Tunnels Board until the adoption by the MTA Bridges and

Staff Summary

Tunnels Board of subsequent bond supplemental resolutions relating to 2021 note and bond issues (except that bonds may still be issued to refinance 2020 BANs outstanding at any time) unless (a) the MTA Bridges and Tunnels Board shall have confirmed the effectiveness of this authorization for an additional period, or (b) the MTA Bridges and Tunnels Board shall have modified or repealed this authorization.

Staff Summary



Subject TBTA Reimbursement Resolution for Federal Tax purposes	Date February 26, 2020
Department Chief Financial Officer	Vendor Name
Department Head Name Robert E. Foran, Chief Financial Officer	Contract Number
Department Head Signature 	Contract Manager Name
Project Manager Name Josiane Codio, Director of Treasury	Table of Contents Ref #

Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
	Finance Comm.	2/24	X			1	Legal	2	Deputy General
	Board	2/26	X						

To obtain TBTA adoption of the annexed reimbursement resolution, which is required by Federal tax law to preserve the ability to finance certain capital projects on a tax-exempt basis.

PURPOSE:

The Triborough Bridge and Tunnel Authority (“TBTA” or “MTA Bridges and Tunnels”) intends to issue Triborough Bridge and Tunnel Authority (“TBTA” or “MTA Bridges and Tunnels”) Sales Tax Revenue Obligations (Statewide and Citywide Sales Tax) to finance approved Capital Program Transit and Commuter Projects for 2020-2024 and subsequent programs.

It is important that MTA Bridges and Tunnels preserve the ability to finance capital projects in such programs on a tax-exempt or tax-advantaged basis. To maintain the ability of MTA Bridges and Tunnels to finance capital projects in the approved Capital Program Transit and Commuter Projects for 2020-2024 and subsequent programs on such tax-exempt or tax-advantaged basis, consistent with Federal tax law, the TBTA Board periodically adopts reimbursement resolutions. Federal tax law requires that official action that sets forth the issuer’s intent to spend tax-exempt bond proceeds on a project must be taken by an issuer that wants to reimburse itself from tax-exempt bond proceeds for capital project costs that were funded from another source of revenue. A copy the 2020 reimbursement resolution submitted for Board adoption is attached hereto.

For purposes of the attached reimbursement resolution, in the case of TBTA, the Sales Tax Project refers to the Capital Program Transit and Commuter Projects for 2020-2024 and subsequent programs.

ALTERNATIVES:

There is no alternative to preserve the ability to finance certain capital projects on a tax-exempt or tax-advantaged basis under Federal tax law.

RECOMMENDATION:

The TBTA Board approve the above-referenced resolution. This authorization shall continue in effect until the adoption by the TBTA Board of a subsequent reimbursement resolution for calendar year 2021.

RESOLUTION

WHEREAS, Triborough Bridge and Tunnel Authority (“MTA Bridges and Tunnels”) intends to finance the capital projects included in the approved 2020-2024 Transit and Commuter Capital Program, as more fully described in the accompanying staff summary and capital program documents referenced therein (the “Sales Tax Project”);

WHEREAS, MTA Bridges and Tunnels desires to finance the Sales Tax Project through the issuance of tax-exempt debt or tax-advantaged debt, if available, and other sources, including moneys deposited into the Central Business District Tolling Capital Lockbox Fund established pursuant to Section 553-j of the New York Public Authorities Law, and expects to reimburse expenditures made from such other sources with proceeds of such tax-exempt or tax-advantaged debt;

NOW THEREFORE, BE IT:

RESOLVED, that the statements contained in this Resolution with respect to the reimbursement of the expenditures described in this resolution are intended to be statements of official intent as required by, and in conformance with, the provisions of Treasury Regulation Section 1.150-2(e); and

RESOLVED, that the expenditures in connection with the Sales Tax Project to be reimbursed pursuant to this Resolution have been incurred and paid not more than 60 days prior to the date hereof or will be incurred and paid after the date hereof in connection with the Sales Tax Project; and

RESOLVED, that MTA Bridges and Tunnels reasonably expects that the maximum principal amount of tax-exempt or tax-advantaged debt (including bonds, commercial paper and bond anticipation notes) to be issued by MTA Bridges and Tunnels subsequent to the date hereof to pay Sales Tax Project expenditures in 2020 (whether directly or as a reimbursement) is \$1.0 billion (plus associated financing costs); and

RESOLVED, that this Resolution shall take effect immediately.

February 26, 2020

Staff Summary

Subject Board Authorization to File for and Accept Federal Grants
Department Capital Programs
Department Head Name Stephanie DeLisle
Department Head Signature 
Project Manager Name Catherine Corless

Date February 26, 2020
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action-					
Order	To	Date	App	Info	Other
1	Finance	2/24/2020	x		
2	Board	2/26/2020	x		

Internal Approvals			
Order	Approval	Order	Approval
1	Capital Program Funding		
2	CFO		
3	Legal		
4	Dep. General Counsel		

Narrative

Purpose
To secure MTA Board approval to file for and accept Federal grants for Federal Fiscal Year (FFY) 2020.

Discussion
Enclosed is a resolution for Board action prepared in conformance with past practices to:

- 1) Authorize filing of applications in request of Federal capital assistance for the FFY 2020.
- 2) Authorize the Chairman or any of his designees to make required certifications.
- 3) Authorize acceptance of grants.

Projects authorized to be submitted for Federal funding are those referenced in the published Notice of Public Hearing and described in the MTA Description of Projects for FFY 2020. A copy of the resolution requesting MTA Board approval and the list of the projects are attached to this staff summary.

A Public Hearing inviting public comment on the projects proposed to be submitted for federal funding was held in accordance with FTA regulations on Wednesday, January 15, 2020 at the MTA, at which the Deputy Director of Grants Management read into the record the amounts of Federal funds and dollar amounts of work covered by the Notice.

A transcript of the hearing and written statements submitted in conjunction with the hearing are available on the Director's Desk. Seven members of the public spoke at the Public Hearing and one person offered written and/or online comments. There were comments from speakers about accessibility at subway stations, service improvements as well as comments about the proposed capital projects. In accordance with applicable federal requirements, MTA and agency staff have reviewed and considered all substantive public comments concerning the proposed program of capital projects for federal funding.

Recommendation
It is recommended that the MTA Board approve the attached resolution in order to permit the filing and acceptance of Federal capital assistance for FFY 2020.

**RESOLUTION ADOPTED AT A MEETING OF
METROPOLITAN TRANSPORTATION AUTHORITY
Wednesday, February 26, 2020**

WHEREAS, on and after December 16, 2019, a Notice of Public Hearing on the projects to be considered for inclusion in applications to the United States Department of Transportation (USDOT) for Federal financial assistance under Section 5307, Section 5309, Section 5324, Section 5337, Section 5339 and Section 5340 of Title 49, Chapter 53, United States Code, as well as funds available for transit use under Title I of the Fixing America's Surface Transportation Act (FAST Act) was published in newspapers of general circulation (including newspapers oriented to minority communities) in the geographic area to be served thereby, which Notice contained a summary of the capital improvement program for federal fiscal year 2020 for the New York City Transit Authority, Manhattan and Bronx Surface Transit Operating Authority, Long Island Rail Road, Metro-North Commuter Railroad, MTA Capital Construction Company, MTA Bus Company, Staten Island Rapid Transit Operating Authority; and

WHEREAS, the full program of projects, including descriptions of individual projects, for federal fiscal year 2020, was available to the public, as indicated in the notices published in newspapers, either by request or at public offices in the area served by the Metropolitan Transportation Authority (the "Authority"); and

WHEREAS, all of the principal elected officials of each general purpose unit of government within the service areas of the public transportation operators for whom assistance is being sought under the said project application were notified by mail of such application; and

WHEREAS, on Wednesday, January 15, 2020, the Public Hearing was conducted by the Authority affording to all concerned the opportunity to present their views, and to submit written statements concerning the projects, including consideration of the economic and social effects of the projects, their impact on the environment and their consistency with the goals and objectives of such urban planning as has been promulgated by the affected communities; and

WHEREAS, the members of the Authority have had an opportunity to review the testimony given at the said Public Hearing, and the statements submitted in connection therewith.

NOW, THEREFORE, BE IT RESOLVED BY METROPOLITAN TRANSPORTATION AUTHORITY:

1. The Chairman, or any of his designees, be and each of them hereby is, with respect to applications for grants for projects under Section 5307, Section 5309, Section 5324, Section 5337, Section 5339 and Section 5340 of Title 49, Chapter 53, United States Code, as well as funds available for transit under Title I of FAST Act, authorized to certify to the United States Department of Transportation that the Authority has (a) afforded an adequate opportunity for a Public Hearing on the projects pursuant to adequate prior notice, and has held such Hearing; (b) considered the economic and social effects of the projects and their

impact on the environment, including requirements under the Clean Air Act, the Federal Water Pollution Control Act and other applicable federal environmental statutes, and their consistency with goals and objectives of such urban planning as has been promulgated by the affected communities; (c) found that the projects are consistent with the official plans for the comprehensive development of the urban area to be affected; and (d) found that the projects are in the best overall public interest taking into consideration the need for fast, safe and efficient public transportation services, and conservation of environment, historic sites and natural resources and the cost of eliminating or minimizing any adverse effects.

2. The Chairman, or any of his designees be, and each of them hereby is, authorized to deliver to the said department a copy of the published notices of and transcript of the said Hearing, including those written statements submitted in connection therewith, and to advise the said department (a) that it may consider the applications as the Authority's final applications, subject to such revisions as the Chairman, or his designees may deem acceptable; (b) that the views, if any, concerning the projects of those principal elected officials of each general purpose unit of government within the service areas of the mass transportation operators for whom assistance is being sought under the said applications, are as set forth in the transcript of the said Public Hearing and those written statements submitted in connection therewith.
3. The Chairman, or any of his designees be, and each of them hereby is, authorized to execute and file applications and accept from the United States of America, on behalf of the Authority, grants of financial assistance under successor legislation to Section 5307, Section 5309, Section 5324, Section 5337, Section 5339 and Section 5340 of Title 49, Chapter 53, United States Code, as well as funds available for transit use under Title I of Fast Act (in such amounts as may become available) in connection with the projects upon such terms and conditions as the Chairman, or any of their designees shall deem acceptable.

CERTIFICATION

The undersigned hereby certifies that she is the Assistant Secretary of Metropolitan Transportation Authority, a public benefit corporation of the State of New York, and that the foregoing is a true and correct copy of a resolution adopted at a meeting of the said Authority duly held on the 26th day of February 2020, at 2 Broadway, New York, New York at which meeting a quorum of the said Authority was present and acting throughout.

Victoria Clement
Assistant Secretary

Dated: _____

**Proposed Program of Projects
Federal Fiscal Year 2020**

ACEP ID/Agency PIN	Project/Project Description	Estimated Federal Request (\$M)	Page
NEW YORK CITY TRANSIT			
Subway Cars			
T8010101	A-Division Car Purchases	\$1,500.00	1
	Subtotal	\$1,500.00	
Bus Replacement			
T7030216	Purchase 45 All-Electric Buses	\$54.52	2
T8030207	Advanced Tech Bus Development	\$3.00	3
	Subtotal	\$57.52	
Stations			
T60412C2	Station Components: Aqueduct - North Conduit Ave / Rockaway (RKY)	\$4.35	4
T7041213	Station Renewal: Woodhaven Boulevard / Jamaica (JAM)	\$45.13	5
T7041231	Station Lighting: 3 Locations / Various [SBMP]	\$5.25	6
T7041245	Mezz Ceiling Finishes: 2 Locs/Archer (ARC), Flushing (FLS) [SBMP]	\$4.57	7
T7041274	Station Lighting: 8 Locations / Various	\$7.66	8
T8041201	Station Renewals at 10 ADA Locations	\$50.00	9
T8041203	Plat, Mezz, & Interior Stair Comps: ADA Locations	\$2.16	10
T8041204	Platform Components: Various Locations	\$10.60	11
T8041205	Station Ventilators: Various Locations	\$9.86	12
T7041338	ADA: Tremont Avenue / Concourse (BXC)	\$46.80	13
T80413A1	ADA: Various Stations	\$5,108.60	14
	Subtotal	\$5,294.98	
Track			
T8050201	Mainline Track Replacement	\$160.72	15
	Subtotal	\$160.72	
Line Equipment			
T7060505	Rehab Vent Plant Damper System - Various Locations	\$40.70	16
T8060502	Fan Plants: Various Locations	\$39.99	17
T8060504	Additional Work: Line Equipment	\$35.00	18
	Subtotal	\$115.69	
Line Structures			
T8070301	Subway Structure Repairs: Various Locations	\$165.46	19
T8070302	Elevated Structure Repairs: Various Locations	\$245.68	20
T8070303	Line Structure Overcoating: Various Locations	\$38.30	21
	Subtotal	\$449.44	
Signals and Communications			
T8080302	System-Wide Signal Improvements	\$55.97	22
T8080601	Comm Network Upgrades: Various Locations	\$33.05	23
T8080609	Passenger ID: Various Locations	\$9.62	24
T8080610	Security Technology Upgrades: Various Locations	\$113.00	25
	Subtotal	\$211.64	

**Proposed Program of Projects
Federal Fiscal Year 2020**

ACEP ID/Agency PIN	Project/Project Description	Estimated Federal Request (\$M)	Page
Power			
T6090217	Reconstruct 6 Negative Manholes - Central Substation / 6 AV	\$2.10	26
T7090203	Central Substation Renewal Including New Rectifier / 6AV	\$47.51	27
T7090219	New Substation: Canal Street / 8AV	\$68.17	28
T8090201	Substation Renewals: Various Locations	\$80.81	29
T8090204	Power Improvements for SigMod: Various Locations	\$46.36	30
T8090401	Circuit Breaker Houses: Various Locations	\$41.30	31
T8090402	Traction Power Cables: Various Locations	\$50.30	32
T8090403	Miscellaneous Power Investments	\$19.44	33
	Subtotal	\$355.99	
Shops			
T7100441	Rail Car Acceptance and Testing Facility, Brooklyn	\$78.80	34
	Subtotal	\$78.80	
Depots			
T7120418	Automated Fuel and Fluid Management Systems Phase 1	\$2.40	35
T8120301	Depot Component Repairs: Various Locations	\$45.85	36
T8120401	Automatic Bus Lane Enforcement (ABLE), Phase 2	\$85.00	37
	Subtotal	\$133.25	
Misc./Emergency			
T8160402	Information Systems Upgrades	\$20.00	38
T8160701	Subways Employee Facility Repairs: Various Locs	\$33.86	39
T8160703	Misc./Administrative Facility Investments	\$20.00	40
	Subtotal	\$73.86	
New York City Transit Total		\$8,431.89	
LONG ISLAND RAILROAD			
Rolling Stock			
L8010102	Purchase Dual Mode Locomotives	\$50.00	41
L8010103	Purchase Coaches	\$30.00	42
	Subtotal	\$80.00	
Stations			
L8020402	Station Platform Components Various Locations	\$38.40	43
L8020403	Station Building Components Various Locations	\$4.12	44
L8020408	Mentor Allowance - Stations	\$7.59	45
L8020501	Parking Rehabilitation & Access Improvements	\$12.80	46
L8020601	Penn Station HVAC, Platform & Building Improvement	\$7.20	47
	Subtotal	\$70.11	
Track			
L8030101	Construction Equipment & Geometry Cars	\$40.00	48
L8030102	Retaining Walls/Right-of-Way Projects	\$5.40	49
L8030103	Yard Track Rehabilitations	\$24.00	50
L8030104	Annual Track Program	\$262.60	51
EL0303ZT	Long Beach Branch Elevation Improvements	\$10.00	52
L8030403	E Yard Extension	\$100.00	53
	Subtotal	\$442.00	

**Proposed Program of Projects
Federal Fiscal Year 2020**

ACEP ID/Agency PIN	Project/Project Description	Estimated Federal Request (\$M)	Page
Line Structures			
L8040101	Painting, Drainage & Waterproofing of Bridges	\$10.20	54
L8040102	Replacement and Rehabilitation of Bridges	\$40.80	55
L8040103	Miscellaneous Bridge Work	\$8.30	56
L8040104	Small Business Mentoring Program - Bridges	\$7.78	57
	Subtotal	\$67.08	
Communications and Signals			
L8050101	Communication Pole Line	\$4.00	58
L8050102	Comm Component Replacement	\$4.00	59
L8050103	Fiber Optic Network	\$7.60	60
L8050201	Babylon Interlocking Renewal & New Sidings	\$52.90	61
L8050205	Signal Replacement and Interlocking Improvements	\$37.00	62
	Subtotal	\$105.50	
Shops and Yards			
L8060101	Rolling Stock Support Shop Equipment	\$4.00	63
L8060102	Shop Improvements at Various Locations	\$1.04	64
L8060103	Yard Improvements at various locations	\$6.80	65
L8060104	Small Business Mentoring Program - Shops & Yards	\$0.96	66
L8060401	Rehabilitation of Employee Facilities - Various Locations	\$12.00	67
L8060405	Small Business Mentoring Program Emp. Facs.	\$8.16	68
	Subtotal	\$32.96	
Power			
L8070101	Substation Replacements	\$32.00	69
L8070102	Lighting Improvements	\$14.00	70
L8070103	Power Component Repairs and Replacements	\$22.20	71
L8070104	Third Rail Upgrades	\$16.60	72
L8070105	Central Branch Electrification	\$230.00	73
	Subtotal	\$314.80	
Miscellaneous			
L8090410	Program Administration	\$138.00	74
TranTech	Transit Technical Assistance	\$0.40	75
	Subtotal	\$138.40	
Long Island Rail Road Total		\$1,250.85	

METRO-NORTH RAILROAD

Stations			
M702-01-06	GCT Elevator Improvements	\$7.12	76
M702-01-08	Mentoring -Grand Central Terminal (GCT)	\$6.00	77
M702-01-09	Park Avenue Tunnel Emergency Exits/GCT Column Painting	\$1.91	78
M802-01-03	GCT Building Component Repairs/Replacements	\$60.89	79
M702-02-04	Harlem Line Station Improvements	\$16.25	80
M702-02-09	Mentoring Program – Stations	\$8.96	81
M802-02-01	Upper H&H Station Priority Repairs	\$21.05	82
M802-02-02	Harlem Line Station Renewals	\$21.59	83
M802-02-07	Station Mentoring Program	\$3.00	84
M702-03-01	Strategic Facilities -Upper Harlem Parking Improvements at Croton Falls	\$6.60	85
M702-03-02	Mentoring Program – Strategic Facilities	\$2.05	86
M802-03-02	Parking Mentoring Program	\$3.00	87
	Subtotal	\$158.42	

**Proposed Program of Projects
Federal Fiscal Year 2020**

ACEP ID/Agency PIN	Project/Project Description	Estimated Federal Request (\$M)	Page
Track and Structures			
M803-01-01	2020 Cyclical Track Program	\$18.00	88
M803-01-03	Turnouts- Mainline, GCT & Yards	\$15.85	89
M803-01-06	ROW Drainage Improvements	\$8.57	90
M803-01-07	Purchase of Maintenance of Way Equipment	\$8.03	91
M703-02-03	Undergrade Bridge Rehab. - East of Hudson	\$16.60	92
M703-02-09	Harlem River Lift Bridge	\$8.22	93
M703-02-15	Mentoring Program - Structures	\$6.00	94
M803-02-02	Undergrade Bridge Rehab. - East of Hudson	\$4.66	95
M803-02-03	Overhead Bridge Program East of Hudson	\$38.80	96
M803-02-04	Railtop Culverts	\$0.55	97
M803-02-05	Bridge Walkways	\$0.91	98
M803-02-09	Mentoring Program - Structures	\$0.60	99
M803-03-03	West of Hudson Undergrade Bridge Program	\$1.97	100
M803-03-04	Moodna/Woodbury Viaducts	\$30.00	101
	Subtotal	\$158.76	
Power			
M805-01-02	Substation Rehabilitation	\$10.70	102
	Subtotal	\$10.70	
Metro-North Railroad Total		\$327.88	
MTA BUS			
Facilities			
U7030210	Paint Booths - Eastchester and College Point	\$4.89	103
	Subtotal	\$4.89	
Bus Replacement			
U7030219	Purchase 25 Standard Buses	\$16.81	104
U8030201	Purchase 25 Standard All-Electric Buses	\$42.38	105
	Subtotal	\$59.19	
MTA Bus Total		\$64.08	
CAPITAL CONSTRUCTION COMPANY			
G81101XX	Penn Station Access	\$904.76	106
	Subtotal	\$904.76	
MTA Capital Construction Company Total		\$904.76	
MTA GRAND TOTAL		\$10,979.46	

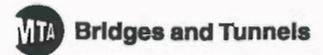


Bridges and Tunnels

2019 B&T Operating Surplus (Action Item)



Staff Summary



Subject: 2019 TBTA Operating Surplus
Department: Finance
Department Head Name Dore Abrams
Department Head Signature
Project Manager Name Lloyd Jairam

Date February 24, 2020
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	MTA B&T Committee	02/24/20			
2	MTA Finance Committee	02/24/20			
3	MTA Board	02/26/20			

Internal Approvals			
Order	Approval	Order	Approval
2	President		VP Staff Services
	Executive Vice President		VP Procurement & Materials
	General Counsel		VP Labor Relations
	VP Operations		VP & Chief Engineer

Internal Approvals (cont.)							
Order	Approval	Order	Approval	Order	Approval	Order	Approval
1	Chief Financial Officer		Chief Technology Officer		Chief Health & Safety Officer		Chief EEO Officer
	Chief Security Officer		Chief Maintenance Officer		MTA Office of Civil Rights		Other

PURPOSE:

To obtain MTA Board approval of resolutions which will:

- Certify and transfer \$779,075,275 operating surplus to the MTA and NYCTA pursuant to Section 1219-a(2)(b) of the Public Authorities Law of the State of New York.
- Transfer \$3,688,754 representing 2019 investment income to the MTA pursuant to Section 569-c of the Public Authorities Law of the State of New York.
- Advance the 2020 TBTA Surplus as per attached Resolution.

DISCUSSION:

The attached calculation and letter from Deloitte & Touche LLP represents the Triborough Bridge and Tunnel Authority's operating surplus for fiscal year ending December 31, 2019. The amount of surplus available for transfer to the MTA and NYCTA is \$779,075,275. The amount of investment income that is surplus funds and available to transfer to MTA for fiscal year 2019 is \$3,688,754.

BUDGET IMPACT: None.

ALTERNATIVES: None.

The legal name of MTA Bridges and Tunnels is Triborough Bridge and Tunnel Authority.

RESOLVED, that the Chairman and Chief Executive Officer or their related designees are hereby authorized to certify to the Mayor of the City of New York and to the Chairman of the Metropolitan Transportation Authority, that for the purposes of Section 1219-a (2) (e) of the Public Authorities Law of the State of New York, the amount of the Authority's operating surplus for its fiscal year ending December 31, 2019 is \$779,075,275.

RESOLVED, that this Authority hereby makes the following determination in respect of its operating surplus for its fiscal year ending December 31, 2019, for the purposes of Section 1219-a (2) (e) of the Public Authorities Law of the State of New York:

Operating Revenue	\$2,103,210,540
Operating Expense	<u>(511,426,608)</u>
Net Operating Revenue	\$1,591,783,932
Debt Service on Bonds	(669,908,826)
Contribution to the Capital Program	(132,981,000)
Interest Income on Unexpended Bond Proceeds and Debt Service Fund	5,730,611
Purchase of Capital Assets Funded from Operations	(11,842,209)
(Increase) in Prepaid Expenses and other Adjustments	<u>(3,707,233)</u>
Operating Surplus	<u>\$ 779,075,275</u>

February 24, 2020

RESOLVED, that the amount of \$3,688,754 representing the Authority's investment income for the year 2019 is determined to be surplus funds of the Authority; and be it further

RESOLVED, that the amount of \$3,688,754 be transferred and paid over to Metropolitan Transportation Authority in a lump sum as soon as practicable pursuant to Section 569-c of the Public Authorities Law.

RESOLVED, pursuant to the provisions of paragraphs (b), (c), and (d) of subdivision 2 of Section 1219-a of the Public Authorities Law, that the Acting Chairman and Chief Executive Officer or their related designees are authorized in his discretion, to advance to Metropolitan Transportation Authority and New York City Transit Authority monthly, out of funds in the General Fund created by the General Revenue Bond Resolution which are attributable to the operations of the 2020 fiscal year (other than funds arising out of the investment of monies of the Authority) and which have been released and paid over to the Authority free and clear of the lien and the pledge of the General Revenue Bond Resolution as provided in Section 506 thereof, an aggregate amount not to exceed 90% of the Chairman's estimate of the sum which that month's operations, if available, will contribute to the "operating surplus" of the Authority which he anticipates will or may be certified and transferred for the fiscal year in which such month falls; and

RESOLVED, that the monies thus authorized to be advanced monthly shall be apportioned between Metropolitan Transportation Authority and New York City Transit Authority and paid as follows:

1. The first \$1.8 million to New York City Transit Authority;
2. Fifty percentum of the remainder to New York City Transit Authority (less applicable bond service); and
3. The remainder to Metropolitan Transportation Authority (less applicable bond service).

Triborough Bridge and Tunnel Authority

(A Component Unit of the Metropolitan Transportation Authority)

Agreed Upon Procedures Performed in
Connection with the Schedule of Operating
Surplus for the Year Ended December 31, 2019

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Members of the Board
Metropolitan Transportation Authority
New York, New York

We have performed the procedures enumerated in Exhibit B, which were agreed to by the Triborough Bridge and Tunnel Authority (the "Authority"), a component unit of the Metropolitan Transportation Authority ("MTA"), the MTA and the New York City Transit Authority, solely to assist the Authority in agreeing financial information presented in the Schedule of Operating Surplus for the year ended December 31, 2019 (Exhibit A) to the accounting records of the Authority. The Authority's management is responsible for the Authority's accounting records and the preparation of the Schedule of Operating Surplus (Exhibit A) and the Supporting Schedule to the Schedule of Operating Surplus (Exhibit C) for the year ended December 31, 2019. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated in Exhibit B either for the purpose for which this report has been requested or for any other purpose.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The agreed-upon procedures do not constitute an audit of the financial statements or any part thereof, the objective of which is the expression of an opinion on the financial statements or a part thereof. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Directors of the Metropolitan Transportation Authority and managements of Triborough Bridge and Tunnel Authority, Metropolitan Transportation Authority, and the New York City Transit Authority and is not intended to be and should not be used by anyone other than the specified parties.

Deloitte & Touche LLP

February 10, 2020

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

SCHEDULE OF OPERATING SURPLUS YEAR ENDED DECEMBER 31, 2019

OPERATING REVENUES (Procedure 1)	\$ 2,103,210,540
OPERATING EXPENSES (Procedure 2)	<u>(511,426,608)</u>
NET OPERATING REVENUE	1,591,783,932
(INCREASE) IN PREPAID EXPENSES AND OTHER ADJUSTMENTS (Procedure 2)	(3,707,233)
DEBT SERVICE ON BONDS (Procedure 3)	(669,908,826)
INTEREST INCOME ON UNEXPENDED BOND PROCEEDS AND DEBT SERVICE FUNDS (Procedure 4)	5,730,611
ESTABLISHMENT OF GASB 43 RESERVE ACCOUNT (Procedure 7)	-
PURCHASE OF CAPITAL ASSETS FUNDED FROM OPERATIONS (Procedure 5)	(11,842,209)
CAPITAL CONTRIBUTION - PAYGO (Procedure 8)	(132,981,000)
ESTABLISHMENT OF NECESSARY RECONSTRUCTION RESERVE ACCOUNT (Procedure 6)	<u>-</u>
OPERATING SURPLUS	<u>\$ 779,075,275</u>

See Independent Accountants' Report on Applying
Agreed-Upon Procedures and accompanying notes.

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

NOTES TO THE SCHEDULE OF OPERATING SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2019 (Exhibit A)

1. OPERATING SURPLUS CALCULATION REQUIREMENTS

- The operating surplus is calculated based upon Section 1219-a (2)(e) of the New York Public Authorities Law (“PAL”) and various bond resolutions. This surplus is transferred to the Metropolitan Transportation Authority (“MTA”) and the MTA New York City Transit Authority (“Transit”). The initial \$24 million in operating surplus is provided to Transit and the balance is divided equally between Transit and the MTA. Transit and the MTA are operationally and legally independent of the Triborough Bridge and Tunnel Authority (the “TBTA”), however, Transit and the TBTA are included in the MTA’s consolidated financial statements because they operate under the direction of the MTA Board and the MTA is financially accountable for these entities.

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

AGREED-UPON PROCEDURES PERFORMED IN CONNECTION WITH THE SCHEDULE OF OPERATING SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2019 (Exhibit A)

1. OPERATING REVENUES

- We compared the “Operating Revenues” (net of other revenues) of the Triborough Bridge and Tunnel Authority (“TBTA”) appearing on the Schedule of Operating Surplus (Exhibit A) to the general ledger of the TBTA which excludes Central Business District (CBD) Tolling activities. We discussed with management their policy for recording operating revenue and they indicated that operating revenues were recorded using the accrual basis of accounting. We have been informed that operating revenues excluded interest income and other non-operating revenue.

We found no exceptions as a result of the procedures.

2. OPERATING EXPENSES

- We compared the aggregate “Operating Expenses” of the TBTA appearing on the Schedule of Operating Surplus (Exhibit A) to the general ledger of the TBTA which excludes CBD Tolling activities. We discussed with management their policy for recording operating expenses and they indicated that operating expenses were recorded using the accrual basis of accounting. We have been informed that operating expenses excluded depreciation.

We found no exceptions as a result of the procedures.

- We compared the following expense items to the general ledger of the TBTA which excludes CBD Tolling activities: “Non-Operating Expenses” and “Reimbursement of Personnel Costs,” as noted on Exhibit C.

We found no exceptions as a result of the procedures.

- We recalculated the “(Increase) Decrease in Prepaid Expenses and Other Adjustments” appearing on the Schedule of Operating Surplus (Exhibit A) and compared it to the general ledger of the TBTA which excludes CBD Tolling activities. We inquired whether the operating expense was adjusted to include amounts charged to prepaid expenses and deferred charges on a cash basis of accounting and we have been informed that the operating expenses were adjusted to include amounts charged to prepaid expenses and deferred charges on a cash basis of accounting. We inquired whether any cash adjustments were made for changes in accounts payable, accrued expenses, or accounts receivable and we have been informed that no cash adjustments were made for changes in accounts payable, accrued expenses or accounts receivable.

We found no exceptions as a result of the procedures.

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

AGREED-UPON PROCEDURES PERFORMED IN CONNECTION WITH THE SCHEDULE OF OPERATING SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2019 (Exhibit A)

3. DEBT SERVICE ON BONDS

- We compared the “Debt Service” on the following bonds appearing on the Schedule of Operating Surplus (Exhibit A) to the TBTA debt service schedules:
 - General Revenue Bonds, and
 - Subordinate Revenue Bonds.

We found no exceptions as a result of the procedures.

- We compared the “Debt Service on Bonds” on the TBTA’s portion of debt service on the 2 Broadway Certificates of Participation to the TBTA debt service schedules.

We found no exceptions as a result of the procedures.

- We verified that in all cases, the debt service represents interest paid and/or accrued applicable to calendar year 2019 and the principal payment due January 1, 2020, on all bond indebtedness and certificates.

We found no exceptions as a result of the procedures.

4. INTEREST INCOME

- We compared the aggregated amounts of “Interest Income on Unexpended Bond Proceeds and Debt Service Funds” appearing on the Schedule of Operating Surplus (Exhibit A) to the debt service schedules and noted no differences. We inquired whether interest income is excluded from operating revenue on the Schedule of Operating Surplus and we have been informed that interest income is excluded from “Operating Revenues” on the Schedule of Operating Surplus.

We found no exceptions as a result of the procedures.

- We inquired whether interest income on the debt service fund consists of income from (1) the debt service funds established in connection with the 2 Broadway Certificates of Participation to the extent attributable to the TBTA’s portion of debt service thereon, and (2) the debt service funds established in connection with the TBTA Bonds from their respective dates of issuance and we have been informed that interest income on the debt service fund investments consists of income from (1) the debt service funds established in connection with the 2 Broadway Certificates of Participation to the extent attributable to the TBTA’s portion of debt service thereon, and (2) the debt service funds established in connection with the TBTA bonds from their respective dates of issuance. We inquired whether this amount was included in the computation of operating surplus as a reduction of debt service cost (therefore increasing

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

AGREED-UPON PROCEDURES PERFORMED IN CONNECTION WITH THE SCHEDULE OF OPERATING SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2019 (Exhibit A)

operating surplus) and we have been informed that this amount was included in the computation of operating surplus as a reduction of debt service cost therefore, increasing operating surplus.

We found no exceptions as a result of the procedures.

- We inquired whether unexpended bond proceeds consist of bond moneys on deposit with the TBTA until expended for either transit or commuter projects or on the TBTA's bridges and tunnels and we have been informed that unexpended bond proceeds consist of bond moneys on deposit with the TBTA until expended for either transit or commuter projects or on the TBTA's bridges and tunnels.

We found no exceptions as a result of the procedures.

5. CAPITAL ASSETS FUNDED FROM OPERATIONS

- We compared the amount of "Purchase of Capital Assets Funded From Operations," which represents amounts paid and capitalized for vehicles and other fixed assets, appearing on the Schedule of Operating Surplus (Exhibit A) to the general ledger of the TBTA which excludes CBD Tolling activities and noted no differences. We inquired whether these amounts were funded from operations and that such amounts represent a reduction of operating surplus appearing on the Schedule of Operating Surplus and we have been informed that these amounts were funded from operations and that such amounts represent a reduction of operating surplus appearing on the Schedule of Operating Surplus (Exhibit A).

We found no exceptions as a result of the procedures.

6. NECESSARY RECONSTRUCTION RESERVE

- We compared the amount appearing on the Schedule of Operating Surplus (Exhibit A) as "Establishment of Necessary Reconstruction Reserve Account" to the TBTA Financial Plan which was approved by the Finance Committee to set aside and reduce the operating surplus by \$0 (The Necessary Reconstruction Reserve Account was established by the TBTA by resolution adopted March 29, 1968) and noted no differences. We inquired whether this amount, together with interest income thereon, is to be used to fund reconstruction of present facilities within the meaning of TBTA's General Revenue Bond Resolution and we have been informed that this amount, together with interest income thereon, is to be used to fund reconstruction of present facilities within the meaning of the TBTA's General Revenue Bond Resolution.

We found no exceptions as a result of the procedures.

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

AGREED-UPON PROCEDURES PERFORMED IN CONNECTION WITH THE SCHEDULE OF OPERATING SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2019 (Exhibit A)

7. GASB 43 RESERVE

- We compared the amount appearing on the Schedule of Operating Surplus (Exhibit A) as “Establishment of GASB 43 Reserve Account” to the TBTA Financial Plan which was approved by the Finance Committee, to set aside and reduce the operating surplus by \$0 and noted no differences.

We found no exceptions as a result of the procedures.

8. CAPITAL CONTRIBUTION-PAYGO

- We compared the amount appearing on the Schedule of Operating Surplus as “Capital Contribution- PAYGO” to the TBTA July Financial Plan 2020-2023 which was approved by the Finance Committee to set aside and reduce the operating surplus by \$132,981,000 and noted no differences.

We found no exceptions as a result of the procedures.

* * * * *

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

SUPPORTING SCHEDULE TO THE SCHEDULE OF OPERATING SURPLUS YEAR ENDED DECEMBER 31, 2019

TOTAL REVENUES		\$	2,110,167,662
LESS: Interest Income	\$	3,688,754	
Other Non-Operating Revenue		<u>3,268,368</u>	<u>6,957,122</u>
OPERATING REVENUES (Exhibit A)		\$	<u>2,103,210,540</u>
TOTAL EXPENSES (excluding depreciation)		\$	812,518,300
LESS: Non-Operating Expenses	\$	284,424,631	
Reimbursement of Personnel Costs		<u>16,667,061</u>	<u>301,091,692</u>
OPERATING EXPENSES (Exhibit A)		\$	<u>511,426,608</u>
PREPAID EXPENSES AND OTHER ADJUSTMENTS:			
Balance December 31, 2018	\$	25,247,405	
Balance December 31, 2019		<u>28,954,638</u>	
DECREASE IN PREPAID EXPENSES AND OTHER ADJUSTMENTS (Exhibit A)		\$	<u>3,707,233</u>
DEBT SERVICE:			
TBTA	\$	308,178,621	
MTA		110,526,201	
NYCTA		<u>245,473,393</u>	
Subtotal		664,178,215	
INTEREST INCOME ON UNEXPENDED BOND PROCEEDS AND DEBT SERVICE FUNDS (Exhibit A)		<u>5,730,611</u>	
TOTAL DEBT SERVICE ON BONDS (Exhibit A)		\$	<u>669,908,826</u>

Staff Summary

Subject Mortgage Recording Tax – Escalation Payments to Dutchess, Orange and Rockland Counties						Date February 24, 2020			
Department Chief Financial Officer / Treasury Department						Vendor Name			
Department Head Name Robert E. Foran , Chief Financial Officer						Contract Number			
Department Head Signature 						Contract Manager Name			
Division Head Name Josiane P Codio						Table of Contents Ref #			
Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
1	Finance Comm.	2/24/2020	X			1	Legal 	2	Dep General Council 
2	Board	2/26/2020	X						

I. Purpose

To seek Finance Committee and MTA Board approval to authorize MRT-2 escalator payments to Dutchess, Orange and Rockland counties.

II. Discussion

The MTA statute requires that certain “mass transportation operating assistance” payments be made by the MTA to Dutchess, Orange and Rockland counties from MTA’s MRT-2 receipts. (These payments are made from funds established by PAL §1270-a, the Metropolitan Transportation Authority Special Assistance Fund, from which monies are transferred to the Metropolitan Transportation Authority Dutchess, Orange and Rockland Fund created by PAL §1270-b.) Under the statute, Dutchess and Orange Counties are each to receive no less than \$1.5 million annually, and Rockland County is to receive no less than \$2.0 million annually. The counties were paid these amounts in quarterly installments during 2019.

In addition to providing these minimum mass transportation operating assistance payments, the statute provides for an “escalator payment” based on the percentage by which total MRT-1 and MRT-2 receipts attributable to such county exceeds the receipts received in 1989 from such county. Pursuant to PAL §1270-a (4)(c), the MRT-1 increase is to be calculated as if the MRT-1 tax was 25 cents per \$100 of mortgage recorded and not the current 30 cents per \$100 of mortgage recorded. The escalator payment due each county based on the FY 2019 MRT receipts is determined as follows:

$$(\text{FY2019 MRT Receipts} - \text{FY1989 Base Year MRT Receipts}) / \text{FY1989 Base Year MRT Receipts} = \text{Escalator Rate}$$

$$\text{Escalator Rate} \times \text{Minimum Mass Transit Operating Assistance Payment} = \text{Escalator Payment}$$

The results of the above formulas for each county are:

<u>County</u>	<u>1989 Base Year MRT Receipt</u>	<u>2019 MRT Receipts Adj.¹</u>	<u>Escalator Rate</u>	<u>Escalator Payments</u>
Dutchess Cty	\$3,569,702.51	\$6,445,631.92	80.56%	\$1,208,474.40
Orange Cty	\$4,433,935.06	\$9,722,036.84	119.26%	\$1,788,964.56
Rockland Cty	\$4,524,064.27	\$9,762,607.67	115.79%	<u>\$2,315,857.20</u>
			Total	<u>\$5,313,296.16</u>

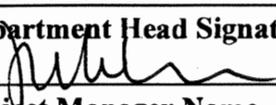
III. Recommendations

It is recommended that the Board authorizes escalator payments totaling \$5,313,296.16 to Dutchess, Orange and Rockland counties from available funds on deposit in the MRT-2 Corporate Transportation Account.

¹ The actual 2019 gross receipts for each of the counties was:

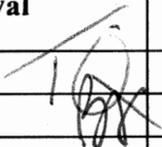
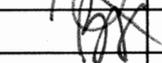
Dutchess Cty	\$ 7,223,637.54
Orange Cty	\$10,864,687.34
Rockland Cty	\$10,898,835.44

Staff Summary

Subject Major Construction Review Unit
Department Chief Development Officer
Department Head Name John N. Lieber
Department Head Signature 
Project Manager Name Catherine Sheridan

Date February 26, 2020
Vendor Name N/A
Contract Number N/A
Contract Manager Name N/A
Table of Contents Ref. # N/A

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance		X		
2	Board		X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal 		
2	CFO 		

Purpose:

To obtain the Board's adoption and approval of the attached resolution establishing the MTA Major Construction Review Unit ("MCRU") and an initial MCRU panel of internal and external experts.

Discussion:

New York Public Authorities Law §1279-g requires the MTA Board to establish the MCRU. Programs and projects with the following characteristics are mandated for MCRU review:

1. Large-scale (\$500 million as a guide); or
2. Signal system upgrades for NYC Transit: communications-based train control or ultra-wideband technology.

The MCRU will provide peer review of MTA major capital programs and projects, bringing fresh eyes and knowledge of best industry practices to improve outcomes. This role is advisory, providing objective advice and recommendations to the program or project CEO (PCEO). The MCRU process will ensure that the program or project team are aware of the latest tools, techniques, materials, methods and practices, and all possibilities for bringing this knowledge to bear on the program or project are considered. The PCEO of the program or project to be peer reviewed will work with the Director of the MCRU to establish the scope of the peer review, the appropriate areas of expertise to be included, and which specific members of the pool MCRU experts will serve on the peer review panel for that program or project. Typically, three (3) to five (5) experts will be chosen.

Staff Summary

FINANCE COMMITTEE MEETING

MCRU Members:

The MCRU will comprise a wide-ranging pool of experts recruited from within and outside the MTA, who will be called upon from time to time to serve on specific peer review panels for programs or projects to which their expertise and experience is relevant. Outside experts will be recruited from academia, the research community, the consultant and advisory sectors, and the construction and construction management industry.

Areas of expertise may include:

1. Engineering disciplines;
2. System and software design;
3. Architecture;
4. Construction and construction management;
5. Program and project management;
6. Project delivery methods;
7. Scheduling and cost estimating;
8. Risk management;
9. Transit operations;
10. Commercial management;
11. Financing and funding;
12. Government relations; and
13. Stakeholder outreach.

Any changes, new appointments or replacements to the MCRU shall be the responsibility of Janno Lieber, Chief Development Officer, or his designee. Updates to the composition of the panel will be provided to the MTA Board. Outside experts will be paid an honorarium of \$5,000 for each peer review panel they serve on and may be reimbursed for reasonable travel and related expenses if they are based beyond 50 miles from the MTA service area. The service provided by the outside experts will be considered a limited engagement and their conclusions will be recommendations only, not design or project directives. All those serving as outside experts will be conflicted out from participating in a reviewed project after serving on a peer review panel for that specific project. Outside experts may decline to serve on a specific program or project panel at their discretion. The time commitment for service on a specific peer review panel will typically be 20-40 hours.

Recommendation: It is recommended that the MTA Board adopt the Resolution attached to this Staff Summary and appoint as initial members of the MCRU panel those internal and external experts recommended by the MTA as forth in Resolution Attachment 1.

RESOLUTION

WHEREAS, Public Authorities Law Section 1279-g (“PAL 1279-g”) requires the Metropolitan Transportation Authority (the “MTA”) to develop a Major Construction Review Unit (“MCRU”) consisting of a panel of internal and external experts each with background or experience in at least one of the areas of engineering, design, construction or project management (the “Panel”);

WHEREAS, consistent with the requirements of PAL 1279-g, the MCRU must review all large-scale projects of the MTA, its subsidiary and affiliate agencies and the subsidiaries of its affiliates (collectively, with the MTA, the “MTA Agencies”), in addition to any plans involving signal system upgrades with the New York City subway system;

WHEREAS, the MTA has recommended to the Board an initial Panel of internal and external experts who meet the requirements of PAL 1279-g;

NOW, THEREFORE, BE IT RESOLVED, that the Board approves the formation of the MCRU; and it is further

RESOLVED, that the Board appoints as the initial members of the Panel those internal and external experts recommended by the MTA, as set forth in Attachment 1; and it is further

RESOLVED, the authority to make any changes, new appointments or replacements to the initial Panel shall be delegated to the MTA’s Chief Development Officer (“CDO”); and it is further

RESOLVED, that each large-scale project and plan involving signal system upgrades will be reviewed by a team of experts drawn from the Panel; and it is further

RESOLVED, that any Panel member who is external to the MTA Agencies shall be paid a \$5,000.00 honorarium fee for each team on which they serve and, if approved by the CDO, may also be reimbursed for reasonable travel and related expenses if they reside more than fifty (50) miles from an MTA service area; and it is further

RESOLVED, that this resolution shall take effect immediately.

Dated: February 26, 2020

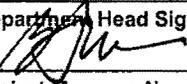
**Major Construction Review Unit
Initial Panel of Experts (2/24/2020)**

Name	Title	Current Employer	Summary of Relevant Experience
Benjamin Prosky	Executive Director	American Institute of Architects New York / Center for Architecture	Architecture, Urban Planning
Babak Dastgheib-Beheshti, PhD	Dean	College of Engineering & Computing Sciences, New York Institute of Technology	Electrical Engineering, Communications Systems
Ali Touran, Ph.D., P.E., F.ASCE	Professor	Department of Civil & Environmental Engineering, Northeastern University	Civil Engineering, Construction Management, Project Delivery
Baris Salman, Ph.D.	Assistant Professor	Department of Civil & Environmental Engineering, Syracuse University	Civil Engineering, BIM, Construction Management, Asset Management & Life-Cycle Management
Richard Thorpe, P.E.	Senior Advisor – Rail Infrastructure	Independent Consultant	Rail & Transit Infrastructure, Project Delivery
Melvin (Mickey) Kupperman	Vice Chairman-Chief Operating Officer	Silverstein Properties, Inc.	Design-Build & P3 Project Delivery, Mega-Project Management, Structural Engineering
Robert Sanna	President	Sanna Consultants, LLC	Real Estate Development, Project Delivery
Lucius Riccio, PhD, P.E.	Lecturer	Columbia University	Public Policy, Industrial Engineering, Transportation, former MTA Board of Directors
Andrew Whittaker, PhD	Distinguished Professor	Department of Civil, Structural, & Environmental Engineering, School of Engineering & Applied Science, SUNY Buffalo	Structural Engineering, Performance Based Engineering
Steven Plate	Chief of Major Capital Programs	PANYNJ	World Trade Center and Major Project Delivery
Peter Zuk	President	Zuk International, LLC	Transit Project Delivery
John C. Lewis	Operations Executive	Independent Consultant	Transit/Rail Signaling Technology, Communications, Fixed Guideway, Operations & Asset Management
Palmina Teta-Whelen	Managing Director – Real Estate	American Airlines	Project Delivery, Construction Management, Real Estate

**Major Construction Review Unit
Initial Panel of Experts (2/24/2020)**

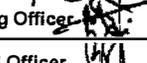
Mark Dowd	Chief Innovation Officer	MTA HQ	Public Policy, Strategic Initiatives, Technology Innovation, P3 Project Delivery, Transportation & Mobility Innovative Solutions
Mark D. Hoffer	Senior Advisor	MTA C&D	Legal & Business Advisor & Counsel for Infrastructure Projects
Paul Dietlin	Chief Engineer - Program Management	MTA LIRR	Rail Project Delivery
John Kennard	VP Capital Programs	MTA MNR	Rail Project Delivery
Michael Loney	AVP Infrastructure	MTA MNR	Rail Operations, Construction Management
Frank Jezycki	EVP & COO	MTA NYCT DOS	Transit Operations & Maintenance, Railcars, Customer Service, Testing & Commissioning
George Menduina	VP & Chief Facilities Officer	MTA/NYCT Buses	Project Delivery, Facility Operations, Facility Commissioning, Cost Containment
Catherine T. Sheridan, P.E.	Project Manager - Transformation	MTA HQ	Project Delivery, Enterprise Asset Management, Strategic Initiatives

Staff Summary

Subject NYC Outer Borough Rail Discount Pilot
Department Finance
Department Head Name Robert E. Foran, Chief Financial Officer
Department Head Signature 
Project Manager Name David Keller

Date February 26, 2020
Vendor Name N/A
Contract Number N/A
Contract Manager Name N/A

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	2/24/20	X		
2	Board	2/26/20	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal 		
2	Chief Operating Officer 		
3	Chief Financial Officer 		

Purpose:

To obtain Board approval to conduct the NYC Outer Borough Rail Discount pilot. During the pilot the MTA will lower the cost of travel within New York City for customers of both Long Island Rail Road (“LIRR”) and Metro-North Railroad (“Metro-North”) on certain eligible ticket types.

Discussion:

Funds from the Outer Borough Transportation Account established under Section 1270-i(3) of the Public Authorities Law are being allocated to the MTA, pursuant to agreement between the Governor and the State Legislative leaders, to support the NYC Outer Borough Rail Discount pilot. These funds will be used to provide a 20% discount on eligible LIRR monthly tickets, a 10% discount on other eligible LIRR ticket types, and a 10% discount on eligible Metro-North ticket types. Eligible ticket types and applicable railroad stations are detailed in Exhibit A. All existing fares and tickets will continue to be offered.

Eligible discounted tickets will be available on all modes of purchase including on board, through eTix, and from ticket windows and ticket vending machines (where available) at the applicable New York City stations.

The pilot is designed to provide additional customer travel options within New York City. Due to the discounted railroad fares, and potential time savings and convenience, some NYCT customers may switch modes from subway and bus to LIRR and Metro-North. The duration of the pilot will be 6-12 months, and could begin as early as May 1, 2020. Evaluation of the pilot will include analysis of its financial, ridership, operational and train capacity impacts. Ticket sales and train count data will also be analyzed. Riders will be surveyed to determine usage patterns, prior mode of travel for these trips, typical fare media purchased, and attitudes regarding the service. Information gathered on the NYC Outer Borough Rail Discount pilot will be used to further evaluate the market for LIRR and Metro-North services for travel within New York City.

Staff Summary

FINANCE COMMITTEE MEETING

Borough Transportation Account funds allocated to the MTA for this purpose are not received or guaranteed, the NYC Outer Borough Rail Discount pilot will cease until the next such allocation of funds from the Outer Brough Transportation Account are dedicated to the MTA for this purpose.

There will be changes in revenue and ridership, which are expected to vary throughout the course of the pilot as customers adjust to ticket options and new travel patterns.

Recommendation: It is recommended that the MTA Board adopt the Resolution attached to this Staff Summary.

Staff Summary

FINANCE COMMITTEE MEETING

EXHIBIT A

Applicable NYC LIRR Stations	Applicable NYC Metro-North Stations
Atlantic Terminal Auburndale Bayside Broadway Douglaston East New York Flushing-Main Street Forest Hills Hollis Hunterspoint Avenue Jamaica Kew Gardens Laurelton Little Neck Locust Manor Long Island City Mets-Willets Point Murray Hill Nostrand Avenue Penn Station Queens Village Rosedale St. Albans Woodside	Botanical Garden Fordham Grand Central Terminal Harlem-125th Street Marble Hill Melrose Morris Heights Riverdale Spuyten Duyvil Tremont University Heights Wakefield Williams Bridge Woodlawn Yankees-East 153rd Street

Eligible LIRR Tickets	Eligible Metro-North Tickets
Daily/Single-Ride Tickets <ul style="list-style-type: none"> • One-Way Peak • One-Way Off-Peak • Round-Trip Multiple-Ride Tickets <ul style="list-style-type: none"> • Monthly • Weekly • 10-Trip Peak • 10-Trip Off-Peak 	Daily/Single-Ride Tickets <ul style="list-style-type: none"> • One-Way Peak • One Way Off-Peak • Round-Trip Multiple-Ride Tickets <ul style="list-style-type: none"> • Monthly • Weekly • 10-Trip Peak • 10-Trip Off-Peak

RESOLUTION

NYC OUTER BOROUGH RAIL DISCOUNT PILOT

WHEREAS, funds from the Outer Borough Transportation Account established under Section 1270-i(3) of the Public Authorities Law are being allocated to the MTA, pursuant to agreement between the Governor and the State Legislative leaders, to support the NYC Outer Borough Rail Discount pilot (“Pilot”); and

WHEREAS, funds from the Outer Borough Transportation Account will be used to provide a twenty percent discount on eligible Long Island Rail Road (LIRR) monthly tickets, a ten percent discount on either eligible LIRR ticket types, and a ten percent discount on eligible Metro North Railroad (“Metro-North”) ticket – types; and

WHEREAS, the Pilot will only be implemented for such time period in which funds from the Outer Borough Transportation Account has been provided to the MTA or will be provided to the MTA to support such discounted tickets; and

WHEREAS, this program is designed to offer additional customer travel options within New York City as a pilot program to determine usage patterns, prior modes of travel for these trips, fare media for purchases and attitudes regarding the service beginning as early as May 1, 2020; and

NOW, THEREFORE, upon motion duly made and seconded, the following resolution was adopted by the Board of the Metropolitan Transportation Authority:

RESOLVED, that the Board hereby approve the delegation to the MTA Chairman and Chief Executive Officer, and his designees, authority to take such actions as he may deem necessary or appropriate in connection with the proposed NYC Outer Borough Rail Discount pilot, the fare structures and applicable stations and eligible tickets as set forth in Attachment A hereto and that the Presidents of Metro-North and LIRR and their designees are hereby authorized and directed to take such steps as may be necessary or desirable to implement the Pilot.

February 26, 2020
New York, New York

**PROPOSED GCT/125TH STREET FARES
REFLECTING 10% CITY ZONE MTA FARE DECREASE EFFECTIVE 5/1/2020**

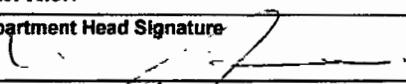
PRELIMINARY						
Fare Zone	Monthly Comm	Weekly Comm.	Peak Ten-Trip	Off-Peak Ten-Trip	One Way Peak	One Way Off-Peak
<u>CURRENT</u>						
HUDSON LINE						
Harlem-125th St	\$186.00	\$59.50	\$82.50	\$53.25	\$8.25	\$6.25
Yankees-Riverdale	\$216.00	\$68.00	\$97.50	\$61.75	\$9.75	\$7.25
HARLEM LINE						
Melrose-Wakefield	\$216.00	\$68.00	\$97.50	\$61.75	\$9.75	\$7.25
<u>PROPOSED</u>						
HUDSON LINE						
Harlem-125th St	\$167.00	\$53.50	\$75.00	\$49.00	\$7.50	\$5.75
Yankees-Riverdale	\$194.00	\$62.00	\$87.50	\$55.25	\$8.75	\$6.50
HARLEM LINE						
Melrose-Wakefield	\$194.00	\$62.00	\$87.50	\$55.25	\$8.75	\$6.50
<u>FARE REDUCTION</u>						
HUDSON LINE						
Harlem-125th St	-\$19.00	-\$6.00	-\$7.50	-\$4.25	-\$0.75	-\$0.50
Yankees-Riverdale	-\$22.00	-\$6.00	-\$10.00	-\$6.50	-\$1.00	-\$0.75
HARLEM LINE						
Melrose-Wakefield	-\$22.00	-\$6.00	-\$10.00	-\$6.50	-\$1.00	-\$0.75
<u>PERCENT CHG.</u>						
HUDSON LINE						
Harlem-125th St	-10%	-10%	-9%	-8%	-9%	-8%
Yankees-Riverdale	-10%	-9%	-10%	-11%	-10%	-10%
HARLEM LINE						
Melrose-Wakefield	-10%	-9%	-10%	-11%	-10%	-10%

	Monthly	Weekly	Peak Ten-Trip	Off-Peak Ten-Trip	Peak One-Way	Off-Peak One-Way
<u>Current</u>						
Zone 3 to 1 or Zone 1 to 3	\$234.00	\$75.00	\$107.50	\$66.00	\$10.75	\$7.75
<u>Proposed</u>						
Zone 3 to 1 or Zone 1 to 3	\$188.00	\$67.50	\$97.50	\$59.50	\$9.75	\$7.00
<u>Fare Reduction</u>						
Zone 3 to 1 or Zone 1 to 3	-46.00	-7.50	-10.00	-6.50	-1.00	-0.75
<u>% Change</u>						
Zone 3 to 1 or Zone 1 to 3	-20%	-10%	-9%	-10%	-9%	-10%

PROCUREMENTS

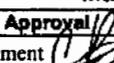
The Procurement Agenda this month includes 1 action for a proposed expenditure of \$2.4 M.

Staff Summary

Subject Request for Authorization to Award Various Procurements
Department MTA Business Service Center
Department Head Name Wael Hibri
Department Head Signature 
Division Head Name David N. Ross

Date February 7, 2020
Vendor Name Various
Contract Number Various
Contract Manager Name Various
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance	02/24/2020	X		
2	Board	02/26/2020	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Procurement 	3	CFO 
2	Legal 		

PURPOSE:

To obtain approval of the Board to award various contracts/contract modifications and purchase orders, as reviewed by the MTA Finance Committee.

DISCUSSION:

MTAHQ proposes to award Competitive procurements in the following categories:

Schedules Requiring Majority Vote:

	<u># of</u> <u>Actions</u>	<u>\$ Amount</u>
Schedule H: Modifications to Personal Service Contracts and Miscellaneous Service Contracts	1	\$ 2,381,294
SUBTOTAL	1	\$ 2,381,294
TOTAL	1	\$ 2,381,294

BUDGET IMPACT: The purchases/contracts will result in obligating MTAHQ operating and capital funds in the amount listed. Funds are available in the current MTAHQ 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

METROPOLITAN TRANSPORTATION AUTHORITY

WHEREAS, in accordance with Section 1265-a and Section 120 of the Public Authorities Law and the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive purchase and public work contracts, and the solicitation and award of request for proposals in regard to purchase and public work contracts; and

WHEREAS, in accordance with the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive miscellaneous procurement contracts, and certain change orders to procurement, public work, and miscellaneous procurement contracts; and

WHEREAS, in accordance with Section 2879 of the Public Authorities Law and the All Agency Guidelines for Procurement of Services, 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 the 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. The Board ratifies each action taken set forth in Schedule D 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 works 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.
7. The Board authorizes the budget adjustments to estimated quantity contracts set forth in Schedule L.

FEBRUARY 2020

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

H. Modifications to Personal Service Contracts and Miscellaneous Service Contracts Awarded as Contracts for Services

(Approvals/Staff Summaries required for substantial change orders and change orders that cause the original contract to equal or exceed the monetary threshold required for Board approval.)

- | | | | |
|-----------|--|--|--------------------------------------|
| 1. | Cambridge Systematics, Inc.
Bus CIS Server Hosting,
Maintenance and Enhancements
Contract No. 11084-0100, Modification No. 5
Base Amount = \$7,526,026
Current Contract Value = \$11,939,351
Proposed New Contract Value = \$14,320,645 | \$2,381,294
(not-to-exceed) | <u>Staff Summary Attached</u> |
|-----------|--|--|--------------------------------------|

Board approval is sought to extend a service agreement with Cambridge Systematics, Inc. for 24 months for continued hosting, maintenance and improvements to the central server subsystem of the Bus Customer Information System (BusCIS).

Staff Summary

Schedule H: Modifications to Personal Service & Miscellaneous Service Contracts

Item Number: **1**

Page 1 of 1

Vendor Name (& Location): Cambridge Systematics, Inc.	Contract Number: 11084-0100	AWO/Modification # 5
Description: Bus CIS Server Hosting, Maintenance, and Enhancements	Original Amount:	\$ 7,526,026
Contract Term (including Options, if any): 124 Months	Prior Modifications:	\$ 4,413,325
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Prior Budgetary Increases:	\$ -
Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	Current Amount:	\$ 11,939,351
Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	This Request:	\$ 2,381,294
Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	% of This Request to Current Amount:	19.9%
Requesting Dept/Div & Dept/Div Head Name: Bus Technology Systems – Sunil Nair	% of Modifications (including this request) to Original Amount:	90%

DISCUSSION:

Board approval is sought to extend a service agreement with Cambridge Systematics Inc. (Cambridge) for continued hosting, maintenance and improvements to the central server subsystem of the Bus Customer Information System (BusCIS). This subsystem is referred to as the BCS (BusCIS Central Server subsystem).

BusCIS was undertaken pursuant to the Governor’s initiative to improve customer communications. It serves as the MTA’s Automatic Vehicle Location (AVL) system by generating and exposing real time locations for every active bus in the MTA fleet every 30 seconds. The BCS is one of three main subsystems that make up BusCIS. The other two are: i) The BusCIS Hardware Subsystem (BHS), comprising the terminals, GPS devices and modems on each bus that transmit the real-time bus location information to the BCS, and ii) the Short Messaging Services (SMS) Gateway that translates BCS information to and from commonly used mobile device platforms (such as Android or iOS) so that customers can receive text messages.

The BCS itself is comprised of the software, networking and online servers that process and combine real-time data such as bus identification and geographic location data with static data such as schedules routes and stops. The BCS organizes and formats this information into a meaningful context. It also includes the web-based MTA Bus Time application, a historical database of bus locations, and is the source of the real-time vehicle location data feeds that are used for several applications to support projects including Digital Information Signs (DIS), Automatic Passenger Counting (APC), Transit Signal Priority (TSP), MyMTA, Open Trip Planner, Fleetview, and Bus Trek.

The base contract was awarded in September 2011 pursuant to a competitive RFP for development, maintenance and ongoing improvements to the BCS in the amount of \$7,526,026. Modifications to the contract included expansion of Open Trip Planner for use with the mta.info website, and increased usage of Amazon Web Services and Google Maps Services. In 20[year], the contract was extended for an additional 24 months during which time Cambridge Systematics continued to support, host, maintain and enhance the BCS according to requests by the MTA.

This change order will provide for a second 24-month extension, during which Cambridge will continue to support, host, maintain and enhance the BCS. Cambridge will provide improved customer feedback following cancelled or detoured trips, upgrade the user interface to show scheduled-but-non-reporting buses, integrate the BCS with real time bus dispatching information to improve predictions, update the outdated Java framework and other end-of-life software libraries, develop and host a uniform and secure framework for administrative functions and troubleshooting tools, and perform other tasks to keep the BCS secure and up to date.

Cambridge rates for this extension are less than the negotiated rates that were deemed fair and reasonable for the award of the base contract in September 2011. For this two-year extension, Cambridge has agreed to reduce the hourly rates by 5% from last year’s rates (resulting in an overall price reduction from \$2,522,309 to \$2,381,294). These rates are on average 13% lower than the market rates associated with Principal Engineers, Software Developers and QA Specialists. In addition, these rates are in line with or lower than current rates associated with similar services on other MTA contracts. Based on the above, the negotiated amount of \$2,381,294 is deemed fair and reasonable. A responsibility review revealed no significant adverse information regarding the firm within the All-Agency Responsibility Guidelines.

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FEBRUARY 2020
MTA REAL ESTATE
LIST OF REAL ESTATE ACTION ITEMS FOR BOARD APPROVAL

MTA METRO-NORTH RAILROAD

License with Part of the Solution LLC for land at 197th Street and Webster Avenue, Bronx, NY

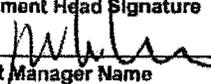
MTA LONG ISLAND RAIL ROAD

Amendment to Penn Station Concourse Improvements

MTA NEW YORK CITY TRANSIT

License Agreement with Transit Wireless for a Telecommunications System in the Canarsie Tunnel

Staff Summary

Subject LICENSE WITH PART OF THE SOLUTION FOR LAND AT 197TH STREET AND WEBSTER AVENUE, BRONX, NY
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name ALICIA BIGGS

Date FEBRUARY 24, 2020
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	2/24/20	X		
2	Board	2/26/20	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal		
2	Chief Development Officer		
3	Deputy General Counsel		
4	Chief Financial Officer		

AGENCY: MTA Metro-North Railroad ("Metro-North")

LICENSEE: Part of the Solution, a New York non-profit corporation

LOCATION: Vacant land located at Webster Avenue between East 197 and 198 Street, Bronx, NY

ACTIVITY: License agreement for use of vacant land for non-commuter parking

ACTION REQUESTED: Authorization to enter into a license agreement

TERM: Five-year license agreement, with one 5-year renewal option, terminable at will by Metro-North with 60 days' notice, at no cost

SPACE: 3,200 square foot parcel of vacant land at the Location

COMPENSATION: \$14,400 in year one with 1% annual increases

COMMENTS:

In response to a recent request for proposals ("RFP") for vacant land on Webster Avenue, between East 197 and 198 Street in the Bronx, three proposals were received as follows:

Proposer	First Year's Rent	Present Value (5-year Term; 7% Discount Rate)
Park Pro Systems	\$30,000.00	\$130,089.40
The Hangar Parking	\$21,600.00	\$93,664.94
Part of the Solution	\$14,400.00	\$60,154.64

While Park Pro Systems submitted the highest proposal, it did not provide additional documentation, including financial statements, required by the RFP. Its proposal was therefore determined to be unresponsive based on the criteria set forth in the RFP. With regard to the proposal submitted by The Hangar Parking, a determination was made after due diligence that neither the proposer nor the proposed personal guarantor had sufficient financial resources to meet its obligations under the proposed license agreement. It was therefore determined that the incumbent licensee Part of the Solution should be awarded the license agreement pursuant to the RFP.

Staff Summary

FINANCE COMMITTEE MEETING

LICENSE WITH PART OF THE SOLUTION FOR LAND AT 197TH STREET AND WEBSTER AVENUE, BRONX, NY

(Cont'd.)

Page 2 of 2

Part of the Solution has occupied this parking lot since September 2008 after purchasing the nearby building at 2759 Webster Avenue. Part of the Solution is a non-profit organization that utilizes the Location for parking for its staff, clients and volunteers. It provides various services to the community including a community kitchen, food pantry, case management, legal clinic and employment services.

Part of the Solution's proposed license compensation exceeds our independent broker's opinion of value. Part of the Solution has demonstrated that it has the financial resources to continue to operate and maintain the Location as required by the RFP. In recognition of its non-profit status, Part of the Solution will be providing a six months' security deposit in lieu of a personal guaranty.

Based on the foregoing, MTA Real Estate requests authorization for MTA and Metro-North to enter into a license agreement with Part of the Solution on the above-described terms and conditions.

Subject PENN STATION CONCOURSE IMPROVEMENTS
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature
Project Manager Name PETER MATUSEWITCH

Date FEBRUARY 24, 2020
Vendor Name
Contract Number LIRR Contract GEC 6168A-02-01
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	2/24/20	X		
2	Board	2/26/20	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal		
2	Chief Development Officer		
3	Deputy General Counsel		
4	Chief Financial Officer		

AGENCIES: MTA Construction and Development ("MTA C&D")
MTA Long Island Rail Road ("LIRR")

LOCATION: The LIRR Main Concourse, running approximately beneath 33rd Street, between Seventh and Eighth Avenues (the "Concourse") and connecting corridors located within a portion of Pennsylvania Station (the "Station").

ACTIONS REQUESTED: Approval of a modification to Long Island Rail Road Contract GEC 6168A-02-01 with AECOM USA, Inc. in the amount of \$11.1M

COMMENTS:

Approval is sought to execute a modification of the above-referenced contract, in the amount of \$11.1 million, to fund the design work necessary to continue the implementation, and address expanded scope, of the East End Gateway and LIRR Concourse Project (the "Project") in coordination with the Development Agreement with One Penn Plaza LLC ("Vornado").

Background

In December 2016, LIRR awarded Contract GEC 6168A-02-01 to AECOM in the amount of \$6.7 million to provide a preliminary design for the Project. Developing the preliminary design throughout 2017 and 2018 included functional and operational evaluation of the LIRR portion of Penn Station, including extensive pedestrian modeling, which revealed worsening overcrowding and projected complete breakdown of pedestrian flow in the future. This led to the decision to construct a new entrance and expanded entry hall at the congested east end of the Concourse, which was not part of the scope of the AECOM Contract. The identification of these additional needs for the station resulted in an expansion in the scope of the Project beyond the work initially anticipated.

In February 2019, the Board approved a Memorandum of Understanding (the "MOU") with Vornado, the Operators of 1 and 2 Penn Plaza and the retail on the north side of the Concourse, for an exchange of retail space with Vornado to allow MTA to widen the Concourse and for Vornado to act as MTA's Developer for the Project. To facilitate the timeline for the new entrance, the Board approval also included a modification to this Contract, in the amount of \$4.5 million, for AECOM to complete a 30% design and associated documents for the new entrance, along with developing preliminary layouts of certain spaces that the MTA will lease from Vornado pursuant to the MOU and a lease agreement that was being negotiated by the parties. In May 2019, the Board approved a Development Agreement with Vornado for the new entrance and entry hall (Phase I of the Project).

In March 2019, the Board approved a revised MOU with Vornado and a further modification to this Contract, in the amount of \$6 million, for AECOM to produce design-build contract documents for Phase II of the Project (the improvements to the Concourse, corridors, back-of-house space and building systems). After the Phase I design was completed, AECOM began

FINANCE COMMITTEE MEETING PENNSTATION CONCOURSE IMPROVEMENTS (Cont'd.)

Page 2 of 2

the development of the Phase II design documents. As the design for Phases I and II progressed, a number of issues arose that have expanded the scope of the design work.

Unknown Conditions

As part of the Phase I design, to provide adequate circulation space for LIRR customers around the new entrance and to accommodate larger air-handling units, additional structural modifications were found to be necessary to remove obstructions and remove and relocate a large mechanical mezzanine. Likewise, as the Phase II design progressed, a number of issues arose, previously unknown because of the lack of as-built drawings and documentation for Penn Station, that significantly increased the magnitude of the design work. In particular the HVAC system was determined to be undersized and requires modernization to comply with current standards. This required the routing of additional ventilation and air conditioning ducts through spaces owned by both Amtrak and Vornado. The electrical system was also found to be undersized, and the existing Con Ed service needed to be more than doubled. Although the systems design work was originally anticipated to be done by the design-builder, both Amtrak and Vornado insisted on MTA progressing the systems designs sufficiently for them to confidently enter into agreements with MTA for the previously unanticipated use of their spaces, which again has expanded the scope of this Contract.

Coordination with other Penn Station Development Projects and the Renovation of 1 and 2 Penn Plaza by Vornado

Additional effort was required to align the new architecture of the Concourse and entry hall with that of the evolving architectural plans for the Moynihan Train Hall to unify the two facilities. Similarly, Vornado's developing plans progressed for the renovation of the 1 and 2 Penn Plaza properties required additional coordination to avoid conflicts between Vornado's plans for replacing their building systems and improving pedestrian access to their lobbies and MTA's design for its back-of-house expansion and the routing of new ventilation and air conditioning ducts.

A benefit of the added design work needed to address these unanticipated systems issues and to accommodate Vornado's renovation work is that MTA will realize lower design costs during final design by the selected design-builder, as a significant amount of design work that would otherwise have to be done by the design-builder will already have been done.

Re-Design to Lower Costs

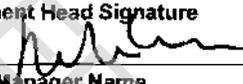
As a result of the expanded scope of the Project, when bids were solicited for the Phase II design-build work, the bids came in above the available budget. Therefore, it is necessary to re-evaluate various design decisions to achieve the Project goals more simply and at a lower cost. As part of this Contract Modification, AECOM will substantially revise the Phase II design documents to reduce the cost of the Phase II work.

Coordination with the Penn Station Master Plan

Finally, to coordinate the Project with ongoing plans for further expansion and development of the Penn Station Complex and other development plans for the surrounding area, the design documents must be further modified to reserve certain scope as options, allowing MTA to maintain the flexibility needed to coordinate this Work with the final Penn Station Master Plan, once it is developed.

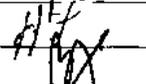
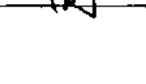
Negotiations were held and the parties agreed to a cost of \$11.1M for the added cost of the work required by this Contract Modification.

Staff Summary

Subject PENN STATION CONCOURSE IMPROVEMENTS
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name Mark Roche

Date MARCH 25, 2019
Vendor Name
Contract Number LIRR CONTRACT GEC 6168A-02-01
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	3/25/19	X		
2	Board	3/27/19	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal		
2	Chief Development Officer		
3	Chief of Staff		
4	Chief Financial Officer		

- AGENCIES:** MTA Capital Construction ("MTACC")
Long Island Rail Road ("LIRR")
- LOCATION:** The LIRR Main Concourse, running approximately beneath 33rd Street, between Seventh and Eighth Avenues (the "Concourse") and connecting corridors located within a portion of Pennsylvania Station (the "Station").
- ACTIONS REQUESTED:**
- (1) Authorization to enter into Memorandum of Understanding with One Penn Plaza LLC, as modified.
 - (2) Approval of a modification to Long Island Rail Road Contract GEC 6168A-02-01 with AECOM USA, Inc. in the amount of \$6 Million

COMMENTS:

In February, the Board authorized MTACC and LIRR to enter into a Memorandum of Understanding (the "MOU") with One Penn Plaza LLC ("Vornado") that will provide for, among other things, widening of and improvements to the Concourse and a new entrance from street level into the Concourse on 33rd Street. Subsequently, Vornado agreed to certain changes to the program that will allow for a better process and earlier completion. Consequently, MTACC and LIRR seek authorization to enter the previously authorized MOU, with the modification set forth below. In addition, and as further described below, MTACC and LIRR seek approval to award a further contract modification to LIRR Contract GEC 6168A-02-01 with AECOM USA, Inc. in the amount of \$6 Million, to prepare a design-build contract package for the Concourse work.

A. Concourse Improvements

The MOU presented to the Board in February contemplated delivery to Vornado by MTACC of a complete (100%) design for the Concourse before Vornado would solicit proposals from prospective contractors. Vornado has now agreed to undertake a design-build project based on a preliminary (30%) design. This change to a design-build approach based on a 30% design provides the advantage of reducing the project duration by up to nine months without increasing the cost of the improvements.

B. Modification to AECOM's Contract

Contract GEC 6168A-02-01 with AECOM was awarded in December 2016 to provide for a 30% design for the Concourse program. In February, the Board approved a modification to that contract to add the 30% design-build package for the new entrance, escalator specifications that will allow the early procurement of long-lead material and equipment, and developing a preliminary layout of certain spaces that MTA will lease from Vornado. Because the MOU contemplated that Vornado would be delivered a 100% design of the Concourse improvements, the Board was advised at that time that the design for the remainder of the Concourse improvements would be procured separately by the MTA through a competitive Request for Proposals.

Staff Summary

FINANCE COMMITTEE MEETING Penn Station Concourse Improvements

Now that Vornado has agreed to the design-build approach for the Concourse as well as the entrance, it is no longer necessary to provide the 100% design. Rather, MTA must deliver a design-build contract package for the Concourse work based on a 30% design. In addition, to meet the accelerated program schedule, which contemplates full concourse completion in the first quarter of 2022, the design-build contract package must be delivered by May 31, 2019.

Accordingly, MTACC and LIRR seek authorization to modify the AECOM contract to address design elements not contemplated in the original scope of work for the Concourse and to bring the 30% design for the Concourse to a design-build contract package by April 11, 2019. Modifying the AECOM contract is the only way to achieve this program in the desired timeframe.

In accordance with terms of the MOU, MTACC and LIRR intend to return to the Board in the next couple of months to seek approval to enter into a more definitive contract(s) with Vornado for the construction of the New Entrance and Concourse Improvements.

FUNDING:

LIRR has a \$170 Million project in the capital program to support this effort. The balance will be funded by the State of New York, as reflected in the written commitment of the Budget Director last month.

Staff Summary

Subject PENN STATION CONCOURSE IMPROVEMENTS
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name ROBERT PALEY

Date FEBRUARY 25, 2019
Vendor Name
Contract Number LIRR CONTRACT GEC 6168A-02-01
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	2/25/19	X		
2	Board	2/27/19	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal		IQ
2	Chief Development Officer		
3	Chief of Staff		AF
4	Chief Financial Officer		

- AGENCIES:** MTA Capital Construction ("MTACC")
Long Island Rail Road ("LIRR")
- LOCATION:** The LIRR Main Concourse, running approximately beneath 33rd Street, between Seventh and Eighth Avenues (the "Concourse") and connecting corridors located within a portion of Pennsylvania Station (the "Station").
- ACTIONS REQUESTED:**
- (1) Authorization to enter Memorandum of Understanding with One Penn Plaza LLC
 - (2) Approval of a modification to Long Island Rail Road Contract GEC 6168A-02-01 with AECOM USA, Inc. in the amount of \$4.5 Million

COMMENTS:

This program will renovate and improve LIRR's facilities on the lower level of the Station. It improves emergency egress and addresses pedestrian overcrowding and the aging and obsolescence of operational systems and architectural finishes.

To accomplish this, MTACC and LIRR seek authorization to enter into a Memorandum of Understanding (the "MOU") with One Penn Plaza LLC ("Vornado"), which controls much of the real estate in and around the Concourse, that will provide for widening of the Concourse and adding egress. In addition, MTACC and LIRR seek approval to award a contract modification to LIRR Contract GEC 6168A-02-01 with AECOM USA, Inc. in the amount of \$4.5 Million, to complete a 30% design and associated contract documents for a new entrance from street level into the Concourse on 33rd Street.

1. The MOU

Set forth below is a summary of certain material terms of the proposed transactions contemplated by the MOU:

a. Concourse Improvements Project

The Concourse improvements, upon completion, are expected to result in a Concourse that is 57 feet wide (up from approximately 37 feet) with approximately 18-foot ceilings and a high-quality, transit-oriented retail program on the North and South frontages of the Concourse and are expected to consist of:

- widening of the Concourse improvements to four (4) connecting corridors, including the Main Gate Corridor, Central Corridor, Exit Corridor and 34th Street Corridor;
- reconfiguration of the K-Mart premises, currently located on the north side of the Concourse within Vornado controlled space, to accommodate the widened Concourse and (x) back-of-house operating space for LIRR and Metro-North and (y) retail space, and (z) new circulation for the premises to be leased by K-Mart;

Staff Summary

FINANCE COMMITTEE MEETING

Penn Station Concourse Improvements

- Generally, all costs are to be paid by MTA, including payments to Vornado to reimburse it for lost retail revenue resulting from the project, costs it incurs for construction and for overseeing the project. Vornado will (x) competitively bid the work pursuant to a to be agreed process; and (y) build the Concourse improvements for an agreed fixed price; and (z) deliver the completed project by December 2022.

b. New LIRR Entrance

- MTA and Vornado have agreed to design and complete a new entrance from street level into the Concourse on 33rd Street proximate to Seventh Avenue (the "New LIRR Entrance");
- The New LIRR Entrance will include stairs and 3 escalators to the Concourse and possibly a new elevator to provide additional access to the station;
- MTA will provide the preliminary design for the New LIRR Entrance; Vornado will then assume responsibility for completing the design, construction and delivery of the New LIRR Entrance on or before December 31, 2020 and MTA will pay Vornado an agreed fixed price; and
- In consideration of to be agreed amounts, Vornado will convey to MTA property rights necessary to accommodate the New LIRR Entrance and elevator to the Concourse.

c. Exchange of Space

- MTA and Vornado will swap an approximately 15,000 SF portion of the Station fronting on the North side of the Concourse (the "Concourse Widening Strip") conveyed to MTA for an additional approximately 19,000 SF of retail space on the South side of the Concourse (the "South Side Space") conveyed to Vornado;
- A portion of the amounts payable to Vornado will be in the form of a recurring rent credit, expected to be approximately \$1,800,000 per year (with a to be agreed upon annual inflation metric, the "Recurring Rent Credit"), subject to recalculation when costs are closer to being finalized. Vornado will lease to MTA approximately 43,750 SF of office space for LIRR and Metro-North operations, 14,750 SF of which will be located in the Concourse and 29,000 SF of which will be located on Lower Level 3 or in such other location(s) as mutually agreed (the "New MTA Operations Space").

2. Modification to AECOM's Contract

In December 2016, LIRR awarded Contract GEC 6168A-02-01 to AECOM to provide a 30% design for the Concourse program in the amount of \$6.7 million. Design studies and development performed throughout 2017 and 2018 included extensive pedestrian modeling which revealed worsening overcrowding and the need for a new entrance.

During this same period, Vornado announced its plans for re-developing 2 Penn Plaza, adding new street level retail along West 33rd Street up to their property line and moving their main entrance to West 33rd Street. Vornado is negotiating with the City of New York to design, pay for and maintain this new plaza. Vornado's plans have created both the opportunity and the necessity to work with Vornado to develop the MTA's new entrance, which was not part of AECOM's original contract.

To facilitate the current timeline for the entrance, the MTA must deliver a 30% design of the entrance and associated contract documents by April 1, 2019. MTACC and LIRR intend to return to the Board in April to seek approval to enter into a contract with Vornado for the construction of the entrance in accordance with the terms of the MOU.

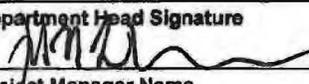
The added scope to AECOM's contract includes the 30% design package for the new entrance, escalator specifications that will allow the early procurement of long-lead material and equipment, and developing a preliminary layout of certain spaces that MTA will lease from Vornado pursuant to the MOU and a lease agreement contemplated by the MOU.

The design for the remainder of the Concourse improvements will be procured separately by the MTA through a competitive Request for Proposals.

FUNDING:

LIRR has a \$170 Million project in the capital program to support this effort. The balance will be funded by the State of New York.

Staff Summary

Subject LICENSE AGREEMENT FOR WIRELESS SERVICES ALONG NYCT'S RIGHT OF WAY IN THE CANARSIE TUNNEL
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name MARLON HOLFORD

Date FEBRUARY 24, 2020
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	2/24/20	X		
2	Board	2/26/19	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal		
2	Chief Development Officer		
3	Chief Financial Officer		
4	Dep Gen Counsel		

AGENCY: MTA Construction and Development ("MTAC&D") and MTA New York City Transit ("NYCT")

LICENSEE: Transit Wireless

LOCATION: NYCT's Canarsie Line right of way from the L-Train's 1st Avenue Station in Manhattan to Bedford Avenue Station in Brooklyn, excluding the actual stations ("CLT")

ACTION REQUESTED: Approval to enter into an exclusive license to design, build, operate, maintain and sublicense a wireless communication connection system for the benefit of NYCT customers, and a dark fiber network, within the Canarsie Line Tunnel (the "Project")

TERM: 10 years with 2 consecutive 5-year renewal options

COMPENSATION: **Annual License Fees:**

The Annual License Fee will be the greater of a Minimal Annual Guarantee ("MAG") or an amount equal to the aggregate percentages of annual gross revenues described below as "Revenue Share"

- MAG:**
- MAG of \$150,000

- Revenue Share:**
- Fifty-one percent (51%) of annual gross revenues derived directly or indirectly from the dark fiber network portion of the Project
 - Forty percent (40%) of annual gross revenues derived from the use of any other portion of the Project (e.g. sublicensing of cellular capacity, etc.), including sublicense fees from other cellular telecommunications carriers

Staff Summary

FINANCE COMMITTEE MEETING

LICENSE AGREEMENT FOR WIRELESS SERVICES ALONG NYCT'S RIGHT OF WAY IN THE CANARSIE TUNNEL (Cont'd)

Page 2 of 3

One-time Fees:

- Year 1-4 Carrier participation: \$100,000 per each sublicensee carrier, totaling \$400,000
- Year 1-10 Initial Term Fee: \$ 2,500,000, payable upon execution *
- Year 11-15 Renewal Fee - \$1,000,000, payable upon exercising the option
- Year 16-20 Renewal Fee - \$1,000,000, payable upon exercising the option

COMMENTS:

To improve the customer experience and enable cellular connectivity to support NYCT operations within the Canarsie Tunnels, MTAC&D launched a wireless planning effort to incorporate cellular and dark fiber infrastructure into the Canarsie Line rehabilitation project. MTAC&D identified project parameters, requisite equipment, vent shaft requirements, and opportunities for integration into existing plans. Based on this analysis, select CLT facility design and construction modifications were advanced to build-out infrastructure vital for the future installation of a cellular and dark fiber system.

Subsequently, a Request for Proposals ("RFP") was developed by MTA Real Estate ("MTARE"), MTAC&D, MTA Legal ("Legal"), and the NYCT, to offer a real estate license to a provider that will furnish wireless communication services to the CLT Facility. The RFP, issued in December of 2019, was intended to solicit proposals from which the Selection Committee (defined below) would select a licensee to be granted the exclusive right to implement the Project described above. The Project will be a design/build wireless system allowing our customers to enjoy voice and data reception throughout the CLT while ensuring NYCT operations can simultaneously utilize the wireless platforms for its own wireless communications needs. Key requirements of the license include, at no cost to the MTA:

- (i) Ownership title to the Project: the infrastructure, including conduit, and fiber optic wiring, will be vested in MTA upon installation.
- (ii) Provision of cellular services for NYCT customers.
- (iii) Provision of a dark fiber network for re-sale to commercial users, reserving 288 fiber strands, at no cost, for the MTA's use.
- (iv) The requirement that the licensee perform as a non-exclusive, neutral-host, sub-licensing telecommunications platform to the major cellular carriers. This is intended to insure maximum coverage for our customers.
- (v) Having the licensee be responsible for on-going operation and maintenance of the Project, including providing technical upgrades and future capital repairs, at the licensee's expense.
- (vi) Recovery of the MTA's initial capital expense for the CLT facility design and construction modification (against which the \$2,500,000 initial term fee will be credited), and generation of new non-fare box revenue.

In response to the RFP, proposals were received from Boingo, Crown Castle, Extenet and Transit Wireless. The technical portions of the proposals were evaluated by representatives of MTAC&D, NYCT, and MTA Information Technology, (the "Technical Committee"). With the Technical Committee's input, the submissions (both financial and technical components) were evaluated by representatives from MTAC&D and Legal (the "Selection Committee"). Meetings with the proposers were held to discuss the proposals and to further clarify RFP requirements. Subsequent requests for best and final offers ("BAFO's") were solicited and received.

Each proposer presented financial and technical concepts that were reviewed and evaluated. Transit Wireless presented the highest combined revenue share for both dark fiber and cellular service. In addition, Transit Wireless added an additional one-time payment of \$100,000 for each sublicensed carrier that participates in the Project. This was not an RFP requirement.

Staff Summary

FINANCE COMMITTEE MEETING

LICENSE AGREEMENT FOR WIRELESS SERVICES ALONG NYCT'S RIGHT OF WAY IN THE CANARSIE TUNNEL (Cont'd.)

The initial analysis by the Technical Committee was that all the proposers were capable of building the Project. However, Transit Wireless' design was ranked highest and most efficient by the Technical Committee.

This information was evaluated by the Selection Committee. In choosing Transit Wireless, the Selection Committee favorably viewed:

- (i) its ability to complete the Project in a short timespan;
- (ii) its past performance and ability to deliver on urban transportation projects of similar size, scope and complexity;
- (iii) its demonstrated understanding of the complex CLT site working conditions; and
- (iv) its financial package.

Transit Wireless currently has a contract with the MTA for the provision of wireless services in NYCT subway stations.

Based on the foregoing, MTA Real Estate requests authorization for the NYCT to enter into a license agreement with Transit Wireless on the above described terms and conditions.

Procurement & Supply Chain

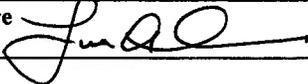
Louis Montanti, Acting Senior Vice President



Pictured above on the left is a mid-1980s rendering of an R62 subway car. The R62 and R62A cars were delivered between 1984 and 1987 and are near the end of their 40-year useful life. Therefore, they are scheduled for replacement. On the right is a rendering of what the new A Division R262 replacement subway cars might look like. The request to begin that procurement is part of this month's Board package. The purchase of up to 1,364 cars will be funded, in part, by the 2020–2024 Capital Plan.

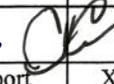
PROCUREMENTS

The Procurement Agenda this month includes 8 actions for a proposed expenditure of \$1,322.2M.

Subject	Request for Authorization to Award Various Procurements
Department	Procurement & Supply Chain
Department Head Name	Louis A. Montanti
Department Head Signature	
Project Manager Name	Rose Davis

February 19, 2020
Department
Department Head Name
Department Head Signature

Board Action					
Order	To	Date	Approval	Info	Other
1	Committee	2/24/20			
2	Board	2/26/20			

Internal Approvals		
Approval		Approval
 President NYCT 2/19/20		Acting Pres. MTA Bus/ SVP DOB
 SVP Operations Support	X	Subways
X Capital Prog. Management	X	Diversity/Civil Rights
X Law		

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

NYC Transit proposes to award Noncompetitive procurements in the following categories: None

MTA Bus Company proposes to award Noncompetitive procurements in the following categories: None

NYC Transit proposes to award Competitive procurements in the following categories:

<u>Procurements Requiring Two-Thirds Vote:</u>	<u># of Actions</u>	<u>\$ Amount</u>
Schedule B: Competitive Requests for Proposals (Solicitation of Purchase and Public Work Contracts)	1	\$ TBD M
<u>Schedules Requiring Majority Vote</u>		
Schedule G: Miscellaneous Service Contracts	4	\$ 1312.8 M
Schedule H: Modifications to Personal/Miscellaneous Service Contracts	1	\$ 6.0 M
SUBTOTAL	6	\$ 1318.8 M

MTA Bus Company proposes to award Competitive procurements in the following categories: None

MTA Bus Company proposes to award Ratifications in the following categories: None

NYC Transit proposes to award Ratifications in the following categories:

<u>Schedules Requiring Majority Vote:</u>		
Schedule K: Ratification of Completed Procurement Actions:	2	\$ 3.4 M
SUBTOTAL	2	\$ 3.4 M
TOTAL	8	\$ 1322.2 M

BUDGET IMPACT: The purchases/contracts will result in obligating NYC Transit, MTA Capital Construction Co. and MTA Bus Co. 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 in regard to 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.

FEBRUARY 2020

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

B. Competitive Requests for Proposals (Solicitation of Purchase and Public Work Contracts)

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

- | | | |
|---|---------------------|---|
| <p>1. Contractor To Be Determined</p> <p>Contract Term To Be Determined</p> <p>Contract# R-34262</p> | <p>\$TBD</p> | <p><u>Staff Summary Attached</u></p> |
|---|---------------------|---|

RFP Authorizing Resolution for the purchase of 504 A Division Rapid Transit Open Gangway Cars with an option to purchase 445 additional cars and a second option to purchase up to 415 additional cars.

Procurements Requiring Majority Vote:

G. Miscellaneous Service Contracts

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

- | | | |
|--|--|--|
| <p>2. ALL Transit, LLC</p> <p>3. MV Transportation, Inc.</p> <p>4. NY Paratransit Group</p> <p>5. PTM Management Corp.</p> | <p>\$1,312,764,649 (Est. Aggregate)</p> <p>\$228,797,431</p> <p>\$423,254,738</p> <p>\$485,509,613</p> <p>\$175,202,867</p> | <p><u>Staff Summary Attached</u></p> <p>↓</p> <p>↓</p> <p>↓</p> |
|--|--|--|

Five years with an option to extend up to 2 years
Contract # SSE 179562
 Access-A-Ride Paratransit Primary Carrier Transportation Service.

H. Modifications to Personal Service Contracts and Miscellaneous Service Contracts Awarded as Contracts for Services

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

- | | | |
|--|----------------------------------|---|
| <p>6. CH2M HILL New York, Inc.</p> <p>Contract# CM-1868.11</p> | <p>\$5,961,327 (Est.)</p> | <p><u>Staff Summary Attached</u></p> |
|--|----------------------------------|---|

Modification to the contract for consulting services for the R211 subway cars, in order to provide consultant support services for additional scope of work tasks for the R262 subway cars.

Staff Summary

Item Number 1			
Department, Department Head Name: Procurement & Supply Chain, Louis A. Montanti			
Internal Approvals			
Order	Approval	Order	Approval
1	Materiel		
2	X Law		
3	X Subways		
4	CFO		
5	President		

SUMMARY INFORMATION	
Vendor Name RFP Authorizing Resolution	Contract No. R-34262
Description Purchase of 949 A Division Rapid Transit Open Gangway Cars configured as a base of 504 Cars and an option of 445 Cars with a second option to purchase up to an additional 415 cars	
Total Amount TBD	
Contract Term (including Options, if any) TBD	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

Purpose

To request that the Board determine competitive bidding impractical or inappropriate for the procurement of 949 A Division Rapid Transit Open Gangway cars, configured as a base of 504 cars and an option of 445 cars with a second option to purchase up to an additional 415 cars, and that it is in the public interest to issue competitive Requests for Proposals (“RFPs”) pursuant to subdivision 9(g) of Section 1209 of the NYS Public Authorities Law.

Discussion

Subdivision 9(g) of Section 1209 of the NYS Public Authorities Law permits NYC Transit to use a competitive RFP in lieu of competitive bidding to award a contract for the purchase or rehabilitation of rapid transit cars or omnibuses. NYC Transit is desirous of utilizing such a procedure with respect to the procurement of 949 cars, configured as a base of 504 cars and an option of 445 cars. This purchase of 949 cars will be supported by the 2020–2024 capital budget funds allocated for new train procurements. This solicitation will include a second option of up to an additional 415 cars and is anticipated to progress as part of the subsequent 2025–2029 Capital Program, once its funding is approved.

This purchase supports NYC Transit’s Fast Forward Plan to re-signal the NYC Transit wayside and to equip the existing subway cars with communication-based train control (“CBTC”) for the Lexington Avenue line. Since the R62 and R62A cars delivered between 1984 and 1987 are nearing the end of their useful life and do not have the required network and equipment infrastructure to be converted to CBTC, a decision was made to replace these cars with new CBTC-equipped cars. The base quantity of 504 cars plus the 445 cars from the option, and up to an additional 415 cars for the second option for NYC Transit’s A Division (totaling 1,364 51-foot cars) will be purchased to replace the 1,139 R62 and R62A cars scheduled for retirement. This second option will support ridership growth as well as other operational needs.

The latest R211 technical specification will be used as a baseline for the R262 open gangway cars; therefore, features such as updated Crash Energy Management standards, state-of-the-art communications and signage, and an Ethernet network backbone will also be employed on the R262s. New features unique to the R262s include open gangway for the A Division and added hearing loops for hearing-impaired customers.

Utilizing the RFP process will allow NYC Transit to select the proposal that offers the best overall value through negotiations and evaluation based on criteria that reflect the critical needs of NYC Transit. More specifically, NYC Transit will be able to consider factors including: (1) the technical proposal, overall technical qualifications including the quality of product, experience of proposer, delivery schedule; (2) overall project cost and financial benefit to NYC Transit; and (3) other relevant matters. Upon completion of the RFP process, NYC Transit intends to obtain Board approval for the actual contract award.

Impact on Funding

The procurement of the 949 cars, configured as 504 cars (Base) and 445 cars (Option 1), is funded as part of the MTA NYC Transit approved 2020–2024 Capital Program. Award of the 949 cars will be subject to the availability of funding within that program. A second option of up to an additional 415 cars is anticipated to progress as part of the subsequent 2025–2029 Capital Program once its funding is approved. This contract is anticipated to be federally funded.

Alternative

Issue a competitive Invitation for Bid. Not recommended, given the complexity of this procurement and the advantages discussed above offered by the RFP process.

Recommendation

It is recommended that the Board determine competitive bidding impractical or inappropriate for the procurement of 949 A Division Rapid Transit Open Gangway cars, configured as a base of 504 cars and an option of 445 cars with a second option to purchase up to an additional 415 cars for NYC Transit and that it is in the public interest to issue competitive RFPs pursuant to subdivision 9(g) of Section 1209 of the NYS Public Authorities Law.

Schedule G: Miscellaneous Service Contracts



Item Number: 2-5

Vendor Names (Locations) ALL Transit, LLC (Lake Success, New York) MV Transportation, Inc. (Dallas, Texas) NY Paratransit Group (Garden City, New York) PTM Management Corp. (Lake Success, New York)	Contract Number(s) SSE 179562	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Description Access-A-Ride Paratransit Primary Carrier Transportation Service	Total Estimated Amount: \$1,312,764,649 ALL Transit, LLC: \$228,797,431 MV Transportation, Inc: \$423,254,738 NY Paratransit Group: \$485,509,613 PTM Management Corp: \$175,202,867	
Contract Term (including Options, if any): Five years with an option to extend up to two years	Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a	Requesting Dept./Div., Dept./Div. Head Name: Department of Buses, Craig Cipriano	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive		
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: Negotiation		

Discussion:

NYC Transit is seeking Board approval to award four 5-year estimated quantity, miscellaneous service contracts with options to extend the term(s) for up to an additional two years, for Access-A-Ride Paratransit Primary Carrier Transportation Service, to ALL Transit, LLC (“ALL Transit”) in the estimated total amount of \$228,797,431, MV Transportation, Inc. (“MVT”) in the estimated total amount of \$423,254,738, NY Paratransit Group (“NYPG”) in the estimated total amount of \$485,509,613, and PTM Management Corp. (“PTM”) in the estimated total amount of \$175,202,867. This contract includes an option for up to two additional years, that, if determined to be in the Authority’s best interest, will be exercised through a future Board action.

NYC Transit’s Division of Paratransit (“Paratransit”) provides origin-to-destination shared-ride transportation services under the name Access-A-Ride (“AAR”) for disabled individuals who meet the eligibility criteria in accordance with the Americans with Disabilities Act of 1990. AAR service is provided through two different approaches: dedicated service and non-dedicated service. Dedicated service providers are known as Primary Carriers whose business is to transport NYC Transit AAR customers using NYC Transit-owned vehicles. Non-dedicated service providers, such as Broker Car Service and e-Hail on-demand, perform AAR service in concert with their existing operations using taxi and for-hire vehicles.

Over the past 10 years, demand for Paratransit trips has dramatically increased, from approximately 20,000 trips per day in 2009, to over 30,000 currently. Innovative changes to the paratransit operation were needed to reduce program costs and improve the customer experience. NYC Transit implemented several initiatives to reduce paratransit costs and right-size its Primary Carrier operation. These initiatives included the following:

- Procurement and MTA Audit Services performed a review of the operating costs of the Primary Carriers. This exercise provided valuable insights which were utilized in developing the Request for Proposal (“RFP”).
- Paratransit has eliminated all sedans (approximately 500) from the dedicated fleet, as trips were shifted to the less expensive non-dedicated mode of transportation (i.e., Broker and e-Hail) leaving only lift-equipped vans for use by the Primary Carriers.
- Three of the 13 Primary Carriers were eliminated between July and October 2019 (two were terminated and one expired), in order to eliminate excess capacity.
- As of December 2019, only 34 percent of all AAR trips are completed by Primary Carriers (down from 46 percent in the fourth quarter of 2019), and non-dedicated carriers are performing 66 percent of AAR trips.

Based on the above initiatives, NYC Transit developed a new price schedule that provides an all-in rate structure, which reduces fixed costs and proportionately scales the carriers' fleet size and facility capacity. This structure ensures that the MTA is not paying for excess fixed capacity (i.e., facility overhead costs).

In January 2019, RFP 179562 was competitively solicited to continue the Primary Carrier mode of transportation as a fundamental element for Paratransit's AAR customers who require a wheelchair-equipped vehicle and/or a lift. In an effort to generate more competition, NYC Transit aggressively canvassed the marketplace for potential new contractors. In addition, Procurement informed the proposers of the plan to award fewer Primary Carrier contracts, creating aggressive competition, as there is now a mature marketplace.

After the February 2019 pre-proposal conference, 40 firms requested the RFP package. Eighteen firms submitted proposals, including incumbents: ALL Transit; CareRide Paratransit, LLC ("CareRide"); CBT Para Transit, Inc. ("CBT"); Columbus Transit, LLC ("Columbus"); MVT; Premier; PTM; Star Cruiser Transportation, Inc. ("Star"); NYPG [consisting of incumbents Empire, Maggies Paratransit Corp. ("Maggies"), and GVC II, Inc. ("GVC")]; and new proposers: All Dedicated, Inc.; Broadway Transportation, Inc. ("Broadway"); Coling Transportation Group, Inc.; First Transit Inc.; Flatiron Transit, LLC; Royalty Bus, LLC; Transdev Services, Inc. ("Transdev"); Trans Express, Inc.; and Windsor Leasing Corp.

Selection Committee ("SC") members were drawn from Paratransit, Systemwide Accessibility, the Department of the Chief Financial Officer, and Procurement. Proposals were evaluated against the following criteria: (1) overall technical qualifications to include proposer's and its key personnel's knowledge, (2) relevant experience and demonstrated ability to perform the full range of tasks associated with providing paratransit service, (3) proposer's approach and methodology to satisfy performance requirements under the Scope of Work, (4) overall price, and (5) other relevant matters.

On May 24, 2019, the SC made its first evaluation and ascertained that five of the proposers (All Dedicated, Inc.; Coling Transportation Group, Inc.; Flatiron Transit, LLC; Royalty Bus, LLC; and Windsor Leasing Corp.) were not technically qualified as their proposals did not clearly demonstrate that the firms possessed the experience and resources necessary to perform the work, and whose submissions did not address all requirements. Oral presentations were held with the remaining proposers throughout May and June of 2019, followed by facility site visits conducted between June 25, 2019 and July 12, 2019. The SC met to reevaluate all the firms and recommended that four additional proposers be eliminated. First Transit, Inc. and Trans Express, Inc., were eliminated from further consideration as they did not demonstrate a sufficiently detailed approach to the work. Although they were performing acceptably under the current contract, Columbus and Premier were eliminated as the SC determined that they did not demonstrate an ability to improve performance to meet the more stringent performance requirements contained in the RFP. The remaining nine proposers were ALL Transit, Broadway, CareRide, CBT, MVT, NYPG, PTM, Star, and Transdev. Among them, fifteen facility locations were proposed.

Negotiations took place with the remaining nine proposers between October 2, 2019 and January 13, 2020. Negotiations focused on the proposers' demonstrated ability to perform the work including experience and project management team(s); as well as overall price, i.e., the operational rate(s) per Vehicle Service Hour ("VSH") of each tiered fleet size (encompassing the capacity of the facility location(s), fixed costs, and profit); vehicle maintenance categorized by mileage; and any applicable ramp up period for revenue service.

Best and Final Offers ("BAFOs") were received on January 27, 2020 from the nine remaining proposers. The price proposal was structured to provide the rates for Contract Year 1 only, which will be adjusted annually based on the U.S. Department of Labor, Bureau of Labor Statistics; Consumer Price Index for All Urban Consumers ("CPI") for New York. Pricing for the option period, if exercised, will be calculated from the Contract Year 5 price, subject to the CPI adjustment. For budgeting purposes, estimated annual CPI multiplier amounts have been utilized to derive the five-year contract award total. Actual CPI rates will be utilized for each annual price adjustment as they become available.

On February 4, 2020, the SC evaluated the BAFOs in accordance with the evaluation criteria. All companies that submitted BAFOs were deemed technically qualified taking into account performance, relevant experience, quality of the facility and geographic location and sufficient vehicle capacity to meet operating coverage, and management approach to meet performance requirements. The SC unanimously recommended awards to the following four proposers (operating a total of eight locations): ALL Transit operating two Queens facilities – one in Far Rockaway and the other in College Point; MVT operating three facilities – two in Brooklyn and one in Staten Island; NYPG operating two facilities – one in Brooklyn and one in the Bronx; and PTM operating one facility in Queens. The SC determined this combination would offer the best value for the Authority. This combination also offered the lowest price. As a result, the number of carriers have been reduced from ten to four and the number of facilities reduced from eleven to eight.

The below chart denotes the BAFO results of each proposer’s average VSH rate for the facility being offered.

BAFO RESULTS

Proposer by Location	Average VSH Rate (including ramp up, if applicable)
Recommended for Award:	
MVT Greenpoint, Brooklyn	\$ 57.21
MVT Dean Street, Brooklyn	\$ 57.41
MVT Staten Island	\$ 58.74
NYPG (Maggies), Brooklyn	\$ 61.72
NYPG (GVC), Bronx	\$ 61.73
PTM, Queens	\$ 62.49
ALL Transit, College Point	\$ 62.74
ALL Transit, Far Rockaway	\$ 63.31
Not Recommended for Award:	
Transdev, Bronx	\$ 63.78
Broadway (shared facility), Bronx	\$ 64.12
Star Cruiser, Brooklyn	\$ 65.90
NYPG (Empire), Brooklyn	\$ 67.26
CareRide, Queens	\$ 67.86
Broadway (dedicated facility), Bronx	\$ 71.14
CBT, Bronx	\$ 77.71

The price proposal format was entirely restructured from that of prior RFPs to allow for an all-in operating rate per VSH, as opposed to the prior schedule, which allowed for specific vehicle and non-vehicle related fixed and variable cost itemization. The restructured price schedule format is comprised of total operating expenses per VSH pricing (tiered by minimum and maximum number of vehicles and by ranges of service hours performed per vehicle, per month), and maintenance pricing per VSH. The average rate per VSH for Year 1 (operating plus maintenance) of the new contracts is \$57.35, which is 2.5 percent lower than the current average VSH rate of \$58.83.

Converted to a per trip calculation, the average cost per trip for Year 1 of the new contracts is \$83.47, as compared to the average current cost per trip of \$85.63. Based on this year one calculation (including escalation), these renewal contracts will provide a five-year total estimated savings of \$32.3M. Based on the competitive pricing received, all four proposers’ pricing has been found to be fair and reasonable.

Due to the insufficient availability of M/WBE firms in the marketplace, zero goals were recommended. While DDCR suggested the implementation of a mentoring program prior to this procurement, it was not approved due to budgetary constraints. Additionally, due to the significant reduction in primary carrier service, a mentoring program would have been infeasible.

In connection with a previous contract awarded to MVT, MVT was found to be responsible notwithstanding significant adverse information (“SAI”) pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the MTA Chief Operating Officer in consultation with the MTA General Counsel in January 2020. No new SAI has been found relating to MVT, and MVT has been found to be responsible.

Item Number: 6

Vendor Name (Location) CH2M HILL New York, Inc. (New York, New York)
Description Consulting Services for the R211 Subway Cars
Contract Term (including Options, if any) December 14, 2012–December 31, 2020
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:
Requesting Dept./Div., Dept./Div. Head Name: Department of Subways, Sally Librera

Contract Number CM-1868	AWO/Mod. #: 11
Original Amount:	\$ 4,321,069
Prior Modifications	\$ 5,662,870
Prior Budgetary Increases:	\$ 1,030,000
Current Amount:	\$ 11,013,939
This request:	\$ 5,961,327 (Est.)
% of This Request to Current Amount:	54.1%
% of Modifications (including This Request) to Original Amount:	292.9%

Discussion:

This modification will extend the contract term for an additional 12 months, from January 1, 2021 to December 31, 2021, and add funding in the estimated amount of \$5,961,327.

The base contract was awarded to CH2M HILL New York, Inc. (“CH2M”) in December 2012 as the result of a competitive Request for Proposal (“RFP”) to provide consultant services for the development of specifications and pre-award support for the R211 subway car contract.

There have been 10 previous modifications to this contract (two of which, valued at \$1,139,263 and \$3,923,607, were approved by the Board), resulting in (1) additional modification and budgetary funding in the combined amount of \$6,692,870; (2) additional scope-of-work tasks; and (3) the extension of the contract term through December 31, 2020.

Under this modification, the Department of Subways is requesting consultant services for pre-award support for the upcoming A-Division subway car procurement (designated the R262 with an RFP release projected for the first quarter of 2020) to replace the existing R62 and R62A cars which are approaching the end of their useful life. This project is part of the Fast Forward Plan to re-signal the NYC Transit wayside and to equip existing subway cars with communication-based train control (“CBTC”). Since the R62 and R62A cars do not have the required network and equipment infrastructure to be converted to CBTC, a decision was made to replace these cars with new CBTC-equipped cars.

Utilizing this contract for the R262 pre-award support was determined to be the most expeditious and efficient approach based on the following: (1) the R262 technical specification will be based on the R211 specification adapted and modified for A-Division cars; (2) through research of successful prototypes of subway cars/components in other transit properties, CH2M assisted NYC Transit in defining a new class of subway car (R211), whose specification will serve as a model for future subway car orders; (3) CH2M is uniquely qualified to provide the R262 pre-award support based on its prior work for pre-award support for the R211 subway car contract, and CBTC implementation for both wayside and carborne applications; and (4) immediate availability to support the compressed timeframe for the release of the R262 RFP.

Under this modification, CH2M will assist NYC Transit in the development of the technical specification and the RFP documentation to support the launch of the R262 RFP. In addition, CH2M will support NYC Transit in the review of the terms and conditions, proposal evaluations, negotiations with prospective carbuilders, and price analysis.

CH2M's proposal was in the amount of \$6,372,367. The proposed labor rates were based on the competitively established rates in the base contract. Negotiations resulted in the final estimated price of \$5,961,327, which represents a 6.5 percent decrease from the initial pricing of \$6,372,367 and savings of \$411,040. Procurement and NYC Transit's Cost Price Analysis Unit have determined that the pricing is fair and reasonable.

It should be noted that the rates established under this modification will be subject to a 10 percent cost reduction pursuant to the Consultant Cost Reduction Initiative. The actual savings will be calculated based on the actual expenditures.

In connection with a previous contract awarded to CH2M, CH2M was found to be responsible notwithstanding significant adverse information ("SAI") pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the MTA Chairman and CEO in consultation with the MTA General Counsel in October 2018. No new SAI has been found relating to CH2M¹, and CH2M has been found to be responsible.

¹CH2M was acquired by Jacobs Engineering Group Inc. ("Jacobs") on December 15, 2017. Jacobs has no direct SAI outside of the SAI associated with the acquisition of CH2M.

FEBRUARY 2020

LIST OF RATIFICATIONS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

K. Ratification of Completed Procurement Actions (Involving Schedule E-J)

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

- | | | |
|---|--------------------|--------------------------------------|
| 1. L.K. Comstock & Co., Inc.
Contract# C-32397.2 | \$2,200,000 | <u>Staff Summary Attached</u> |
| <p>Modification to the contract for the replacement of negative cables and low resistance contact rail on the Queens Boulevard line; in order to replace negative cable system and low resistance contact rail.</p> | | |
| 2. Masterpiece US, Inc.
Contract# A-37686.6 | \$1,229,000 | <u>Staff Summary Attached</u> |
| <p>Modification to the contract for internal station hardening at six stations; in order to perform flood mitigation for hardening communication room MR-436 at the 148th Street Lenox Terminal.</p> | | |

Schedule K: Ratification of Completed Procurement Actions



Item Number: 1

Vendor Name (Location) L.K. Comstock & Co., Inc. (East Farmingdale, New York)
Description Replacement of Negative Cable System and Low Resistance Contact Rail – Queens Boulevard Line
Contract Term (including Options, if any) October 16, 2018–October 17, 2021
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:
Requesting Dept./Div., Dept./Div. Head Name: Capital Program Management, Alok Saha

Contract Number C-32397	AWO/Mod. # 2
Original Amount:	\$ 23,515,000
Prior Modifications:	\$ 63,500
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 23,578,500
This Request:	\$ 2,200,000
% of This Request to Current Amount:	9.3%
% of Modifications (including This Request) to Original Amount:	9.6%

Discussion:

This retroactive modification is for the installation of a new 3000KVA(kilovolt-ampere) rectifier and transformer at the 78th Street substation, Queens Boulevard Line (“QBL”).

The base contract is for the replacement of negative cables and low resistance contact rail on the QBL in the boroughs of Queens and Manhattan. Work under this contract includes (1) the removal of 150-pound contact rail; (2) replacement of negative equalizer cables from Union Turnpike Station to 7th Avenue Station; and (3) the installation of new 84C low-resistance composite contact rails from Northern Boulevard to the 7th Avenue Station to the 53rd Street Tunnel on all four tracks of the QBL.

On July 13, 2019, the Department of Subways (“Subways”) lost power to several substations along the QBL between the Jackson Heights/Roosevelt Avenue station and Forest Hills/71st Avenue station. Substations are a component in the subway’s electrical distribution network that receive high-voltage alternating current (“AC”) power from Con Edison’s electric utility grid and convert it to 600-volt direct current (“DC”) power for use in train propulsion. To accomplish this conversion, each substation includes one or more transformers (to reduce voltage), rectifiers (to convert from AC to DC), and switchgear (to control the connection to the external power). Power is then transmitted to the third rail by means of the power distribution system, which includes positive and negative cables and circuit breaker houses (“CBHs”). CBHs are small trackside enclosures that feed power to the third rail and include remotely actuated circuit breakers to disconnect power when necessary.

The rectifier and transformer located at the 78th Street substation suffered a catastrophic failure. As a result, the remaining substations supplying traction power to the QBL were over stressed, as they compensated for the outage. Subways identified the 78th Street substation as a critical component to the traction power network on the QBL, and considered its restoration a priority. To resolve this issue, the failed 3000KVA rectifier and transformer at the 78th Street substation must be replaced expeditiously. Due to the urgent nature, a modification was issued to L.K. Comstock & Company, Inc. (“Comstock”) under this contract since it was performing electrical work on the third rail along the QBL and is currently performing substation work at the Maspeth and Harrison substations in Queens.

Comstock began work immediately to survey the area and procure the rectifier and transformer both of which held long lead times for delivery. The SVP, Capital Program Management subsequently approved a retroactive waiver memorializing that the work had begun. The work is anticipated to be completed in the spring of 2020.

The Vice President, Materiel, authorized payment to the contractor for the additional work under this modification prior to its approval for an amount up to the NYC Transit estimate of \$1 million for material and equipment.

Comstock’s proposal was in the amount of \$2,797,448; the in-house estimate was for \$2,014,300. Negotiations resulted in the agreed-upon lump-sum price of \$2,200,000. Savings of \$597,448 were achieved. This price is found to be fair and reasonable.

Schedule K: Ratification of Completed Procurement Actions



In connection with a previous contract awarded to Comstock, Comstock was found to be responsible notwithstanding significant adverse information (“SAI”) pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the MTA Chairman and Chief Executive Officer in consultation with the MTA General Counsel in February 2016. No new SAI has been found relating to Comstock and Comstock has been found to be responsible.

Schedule K: Ratification of Completed Procurement Actions



Item Number: 2

Vendor Name (Location) Masterpiece US Inc. (Astoria, New York)
Description Flood Mitigation: Internal Hardening at Six Stations in the Boroughs of Manhattan, Brooklyn, and Queens
Contract Term (including Options, if any) March 18, 2019–May 17, 2020
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive
Solicitation Type <input type="checkbox"/> RFP <input checked="" type="checkbox"/> Bid <input type="checkbox"/> Other:
Funding Source <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:
Requesting Dept./Div., Dept./Div. Head Name: Capital Program Management, Alok Saha

Contract Number A-37686	AWO/Mod. # 6
Original Amount:	\$ 6,284,594
Prior Modifications:	\$ 355,142
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 6,639,736
This Request:	\$ 1,229,000
% of This Request to Current Amount:	19.0%
% of Modifications (including This Request) to Original Amount:	26.0%

Discussion:

This retroactive modification is for hardening Communication Room MR-436 (“MR-436”), located at the 148th Street station on the 3 line (IRT) in Manhattan.

The base contract is a Superstorm Sandy Repair and Resiliency project that provides for internal station hardening at six stations in the boroughs of Manhattan, Queens, and Brooklyn. The stations include: 148th Street, 86th Street, Stillwell Avenue, Howard Beach, Beach 116th Street, and Broad Channel Station. Hardening each station involves protecting critical rooms vulnerable to flooding. The work includes strengthening existing walls, constructing new flood walls, providing debris impact protection systems, and installing stop log protection systems. Once the work is completed, the stations critical rooms will be fortified to withstand a 100-year storm with flood elevations up to 12 feet. The contract also calls for work to be performed on the signal room of the 148th Street station. This work includes anchoring steel plates to the concrete wall foundation around the signal room, installing stop logs at roll-up doors, and sealing any openings.

South of the signal room is Communication Room MR-436, which is located on the southbound end at the 148th Street Station between tracks F1 and F4 near the Harlem River. Prior to award, the work to harden MR-436 was removed from the base contract because of concerns that the level of protection afforded MR-436 (under the contract) would be insufficient because of its proximity to the Harlem River. In the event of a flood, the likelihood of flood elevations exceeding 12 feet increases because MR-436 is so close to the river. Removal of the MR-436 hardening until it could be redesigned avoided a delay to the larger project.

Once the protection for MR-436 was redesigned, the decision was made to issue the work as a modification in lieu of awarding a separate contract since Masterpiece US Inc. was already performing work at the station. Doing so mitigates impact to the riding public and will harden MR-436 against future storms more quickly while utilizing existing General Orders. Once completed, the work to harden MR-436 will protect the structure from a Category 2 hurricane with flood elevations up to 19 feet.

The work includes constructing a perimeter wall around the structure; removal and replacement of staircase concrete pads; fabrication and installation of stop logs; installation of watertight enclosures around air conditioners; and repairing roof drains.

The SVP, Capital Program Management approved a retroactive waiver on November 20, 2019. Masterpiece U.S. Inc. was directed to commence the work immediately to purchase long lead items, and to prepare to work during scheduled General Orders. The work is (1) ongoing and presently 10 percent complete; and (2) on schedule and expected to be completed in May 2020.

Masterpiece submitted its proposal in the amount of \$1,744,818; the in-house estimate was for \$1,156,000. Negotiations resulted in the agreed-upon lump-sum price of \$1,229,000. Savings of \$588,818 were achieved. The price was found to be fair and reasonable.

Contracts

Stephen Plochochi, Senior Vice President



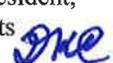
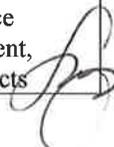
Pictured above on the left is a rendering of the new Elevator EL-2 at the Passageway of the Canarsie Line's Livonia Avenue Station. The picture on the right is the new passageway enclosure looking Northwest. The request to award the Contract for this work is contained within this month's Board package.

PROCUREMENTS

The Procurement Agenda this month includes one action for a proposed expenditure of \$53.9M

Staff Summary

Subject Request for Authorization to Award a Procurement					
Department Contracts					
Department Head Name & Title Evan M. Eisland, EVP & General Counsel					
Department Head Signature 					
Board Action					
Order	To	Date	Approval	Info	Other
1	NYCT & Bus Committee	2/24/20	X		
2	Board	2/26/20	X		

Date: February 12, 2020			
Internal Approvals			
	Approval		Approval
2	Vice President & Chief Financial Officer 	4	President 
1	Vice President, Contracts 	3	Sr. Vice President, Contracts 

PURPOSE

To obtain the approval of the Board to award one contract and, to inform New York Transit and Bus Committee of this procurement action.

DISCUSSION

MTA Capital Construction proposes to award one Competitive Procurement in the following category:

	<u># of Actions</u>	<u>\$ Amount</u>
<u>Schedules Requiring Two Thirds Vote</u>		
C. Competitive Requests for Proposals (Award of Purchase/ Public Work Contracts)	1	\$53,900,000
TOTAL	1	\$53,900,000

Budget Impact:

The approval of the contract will obligate MTA Construction & Development Company capital funds in the amount listed. Funds are available in the capital budget for this purpose.

Recommendation:

That the Contract be approved as proposed. (The item is included in the resolution of approval at the beginning of the Procurement Section.)

MTA Construction And Development Company

BOARD RESOLUTION

WHEREAS, in accordance with Section 1265-a and 1209 of the Public Authorities Law and the All Agency Procurement guidelines, the Board authorizes the award of certain non-competitive purchase and public works contracts, and the solicitation and award of request for proposals in regard to purchase and public work contracts; and

WHEREAS, in accordance with the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive miscellaneous service and miscellaneous procurement contracts, certain change orders to purchase, public work, and miscellaneous service and miscellaneous procurement contracts;

WHEREAS, in accordance with Section 2879 of the Public Authorities Law and the All-Agency Guidelines for Procurement of Services, 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; 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.

FEBRUARY 2020

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

Schedule C. Competitive Requests for Proposals (Award of Purchase and Public Work Contracts)

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

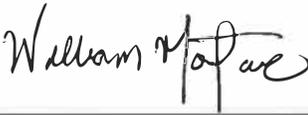
- | | | | |
|----|---|---------------------|--------------------------------------|
| 1. | Citnalta-TAP JV
Contract Term: 23.6 Months
Contract No. A-37150D | \$53,900,000 | <u>Staff Summary Attached</u> |
|----|---|---------------------|--------------------------------------|

MTA C&D requests Board approval to award a contract for the design and construction of accessibility upgrades at the Livonia Avenue Station on the Canarsie Line in the borough of Brooklyn .

Schedule C Competitive Requests for Proposals (Award of Purchase/Public Work Contracts)
Staff Summary

Item No. 1

Page 1 of 3

Dept/Dept. Head Name: Delivery/Mark Roche 						SUMMARY INFORMATION	
Div. & Division Head Name: Stations/William Montanile 						Vendor Name	Contract Number
Board Reviews						Citnalta-TAP, JV	A-37150D
Order	To	Date	Approval	Info	Other	Description	
1	NYCT & Bus Committee	2/24/2020	X			Design and Construction of Accessibility Upgrades at Livonia Avenue Station on the Canarsie Line in the Borough of Brooklyn (Design-Build)	
2	Finance Committee	2/24/2020	X			Total Amount	
3	Board	2/26/2020	X			\$53,900,000	
Internal Approvals						Contract Term	
Order	Approval	Order	Approval			23.6 Months	
2	VP & Chief Financial Officer	4	President 			Option(s) included in Total Amount?	
1	Sr, Vice President, Contracts	3	EVP & General Counsel			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
						Renewal?	
Procurement Type						<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive						Solicitation Type	
Funding Source						<input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
<input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:							

Purpose

To obtain approval of the Board to award a contract for the design and construction of accessibility upgrades at the Livonia Avenue Station on the Canarsie Line in the borough of Brooklyn to Citnalta-TAP, JV (“CTJV”) in the amount of \$53,900,000 and a duration of 23.6 months. In accordance with MTA policy regarding the use of design-build, and to enhance competition and defray proposal costs, this solicitation includes a stipend of \$88,000 to be paid to the unsuccessful proposer in the amount of \$88,000.

Discussion

An Authorizing Resolution requesting the use of a two-step competitive RFP procurement process was approved by the Board to award multiple design/build contracts for the design and construction of Americans with Disabilities Act (“ADA”) improvements, including the installation of elevators in stations. A request for letters of interest and qualification packages was advertised, resulting in the submission of 14 responses. The Step 1 qualification packages were evaluated against preestablished selection criteria addressing relevant experience, general responsibility, financial resources, and safety record. The following six teams were selected because of their favorable, relevant experience on design-build projects; ADA improvements; and projects for NYC Transit and other MTA agencies: Citnalta-TAP, Joint Venture (“CTJV”); ECCO III Enterprises, Inc. (“ECCO III”); Halmar International, LLC (“Halmar”); John P. Picone (“Picone”); Skanska USA Civil Northeast, Inc. (“Skanska”); and Tully Construction Co., Inc. (“Tully”). Only these pre-qualified teams are eligible to propose on all RFPs in Step 2.

Schedule C Competitive Requests for Proposals (Award of Purchase/Public Work Contracts)

Staff Summary

Item No. 1

Page 2 of 3

Pursuant to the Authorizing Resolution, a Step 2 RFP was issued to the six pre-qualified teams. This project will introduce elevators to the Livonia Avenue Station for the first time. The ADA improvements will include full vertical accessibility through the installation of one new elevator connecting the street, southbound platform, and new passageway above the platforms; one new elevator connecting the new passageway with the northbound platform; reconstruction of two mezzanine-to-platform stairs; construction of two new platform-to-passageway stairs; and other required improvements to architectural, structural, mechanical, and electrical components. Additionally, in order to emphasize schedule as a critical component of this ADA project, the contract includes an early completion incentive for reductions to the project duration as well as liquidated damages for extended durations resulting from contractor delays.

In response to the RFP, two proposals were received: CTJV – \$60,921,515, and Tully – \$55,605,300.

Both proposals were evaluated by a Selection Committee (“SC”) utilizing preestablished selection criteria addressing the proposers’ design and construction approach; overall project schedule; project management, safety and quality control/quality assurance plans; team experience; current record of performance; qualifications and coordination of subcontractors; other relevant matters; and diversity practices. Supporting the SC evaluation was a subcommittee comprised of members of the RFP Design Team and Construction Management Team.

The SC reviewed the technical proposals, observed the oral presentations, and subsequently reviewed the price proposals submitted by each proposer. Both CTJV and Tully submitted responsive technical proposals with qualified design and construction teams and a total project duration of 24 months. Although Tully submitted a good proposal offering greater reductions to the TA Services required to complete the work, the SC unanimously preferred CTJV’s technical proposal as it demonstrated an in-depth knowledge and approach to elevator installations in NYCT stations including communications work, fire alarm work and commissioning. CTJV’s and Tully’s Cost Proposals were approximately 19 percent and 9 percent respectively above the revised in-house estimate. As part of their review the SC also determined that a design alternate proposed by CTJV did not merit further consideration. After review and consideration of both proposals, the SC recommended that both CTJV and Tully be invited for negotiations.

Negotiations were conducted with both firms and included discussions of the project schedule and overall cost, including pricing assumptions and scope clarifications. At the conclusion of negotiations, both firms submitted their Best and Final Offer (“BAFO”). CTJV’s BAFO was \$57,367,000, which represented a reduction of \$3,554,515 (6 percent) from its initial proposal and included a schedule reduction of 10 days, revising the project duration to 23.6 months. Tully’s BAFO was \$54,405,300, which represented a reduction of \$1,200,000 (2 percent) from its initial proposal. No schedule reductions were offered by Tully.

After receipt of BAFOs and subsequent line by line review of the cost elements to the revised in-house estimate, it was determined that additional reductions should be pursued. Both firms were contacted by Senior Procurement staff and requested to revisit their BAFOs and consider whether any additional price concessions could be offered. As a result, CTJV offered a revised BAFO of \$53,900,000, which represented a further reduction of \$3,467,000 (6 percent) for a total reduction of \$7,021,515 (11.5 percent). Tully did not propose any changes to their BAFO, which is \$3,343,331 or 6.5 percent above the revised in-house estimate.

Upon review of the final offer submitted by each team, the SC unanimously recommended CTJV for award, determining that its proposal offered the best overall value as it was the highest technically ranked at the lowest price. In addition to the schedule reduction of 10 days to the project duration, CTJV also proposed a reduction from 4 months to 3.5 months to each station bypass associated with the closure of the northbound and southbound platforms. The SC determined that the CTJV team demonstrated a more comprehensive understanding of the project. CTJV’s price of \$53,900,000 is \$505,300 (or 1%) below the proposal submitted by Tully. CTJV’s price is considered fair and reasonable.

Bonds, financial, and insurance approval are pending. No award will be made until all such approvals are received.

M/W/DBE Information

The MTA Department of Diversity and Civil Rights has established goals of 15 percent MBE, 15 percent WBE, and 6 percent SDVOB. Award will not be made until the Department of Diversity and Civil Rights’ approval is obtained. CTJV has achieved the M/W/DBE goals on previous MTA contracts.

Capital Program Reporting

This contract has been reviewed for compliance with the requirements of the 1986 legislation applicable to Capital Contract Awards and the necessary inputs have been secured from the responsible functional departments.

Schedule C Competitive Requests for Proposals (Award of Purchase/Public Work Contracts)**Staff Summary**

Item No. 1

Page 3 of 3

Impact on Funding

This project is funded by the MTA Capital Program. This contract will not be awarded until funding is in place and a WAR Certificate is received.

Alternatives

Perform the work using in-house personnel. Not recommended as in-house forces do not have the resources to perform the scope of this project.

Recommendation

That the Board approve the award of a contract for the design and construction of accessibility upgrades at the Livonia Avenue station on the Canarsie line in the borough of Brooklyn to CTJV in the amount of \$53,900,000 and a duration of 23.6 months. The Board is also requested to approve the payment of a total stipend of \$88,000 to Tully.

LONG ISLAND RAIL ROAD

PROCUREMENTS

FOR

BOARD ACTION

February 24, 2020



Staff Summary

Subject: Request for Authorization to Award Various Procurements						Date February 26, 2020			
Department Procurement and Logistics									
Department Head Name Dennis L. Mahon, Chief Procurement and Logistics Officer									
Department Head Signature									
Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
1	LI Committee	2.24.20				X	President		
2	MTA Board	2.26.20							

PURPOSE:

To obtain approval of the Board to award various contracts and purchase orders, and to inform the Long Island Rail Road Committee of these procurement actions.

DISCUSSION:

LIRR proposes to award Non-Competitive Procurements in the following	<u># of Actions</u>	<u>\$ Amount</u>
<u>Schedules Requiring Two-Thirds Vote</u>		
Schedule A: Non-Competitive Purchases and Public Works Contracts	1	\$85,000,000
SUBTOTAL:	1	\$85,000,000

LIRR proposes to award Competitive Procurements in the following	<u># of Actions</u>	<u>\$ Amount</u>
	None	

LIRR proposes to award Ratifications in the following categories:	<u># of Actions</u>	<u>\$ Amount</u>
	None	
TOTAL:	<u>1</u>	<u>\$85,000,000</u>

BUDGET IMPACT:

The purchases/contracts will result in obligating LIRR operating and capital funds in the amounts listed. Funds are available in the current operating budget 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.)

METROPOLITAN TRANSPORTATION AUTHORITY

WHEREAS, in accordance with Section 1265-a and Section 1209 of the Public Authorities law and the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive purchase and public work contracts, and the solicitation and award of request for proposals in regard to purchase and public work contracts; and

WHEREAS, in accordance with the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive miscellaneous procurement contracts, and certain change orders to procurement, public work, and miscellaneous procurement contracts; and

WHEREAS, in accordance with Section 2879 of the Public Authorities Law and the All Agency Guidelines for Procurement of Services, 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 the 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 it is deemed in the public interest to obtain authorization to solicit competitive proposals through a publicly advertised RFP for the reasons specified therein the Board declares it to be impractical or inappropriate to utilize a procurement process inviting sealed bids with award to the lowest responsive/responsible bidder.
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. The Board ratifies each action taken set forth in Schedule D 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.

FEBRUARY 2020

MTA LONG ISLAND RAIL ROAD

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote

Schedule A: Non-Competitive Purchases and Public Work Contracts

(Staff Summaries required for all items greater than: \$1,000,000 Sole Source; \$1,000,000 Other Non-Competitive)

- 1. Mitsubishi Electric Power Products, Inc. \$85,000,000 *Staff Summary Attached*
Non-Competitive, Sole Source (OEM)
Contract No. TBD**

The Long Island Rail Road, on behalf of itself and MetroNorth Railroad (the “Railroads”) requests Board approval to award a two (2) year Original Equipment Manufacturer (OEM) non-competitive contract to Mitsubishi Electric Power Products, Inc. (MEPPI) in the amount of \$85,000,000 (LIRR \$45,000,000 / MNR \$40,000,000).

MEPPI is the OEM and sole responsible source for propulsion system spare parts and systems utilized on the LIRR’s M-7 and M-9 electric railcars and MNR’s M-7 and M-8 electric railcars. No other vendors have access to the proprietary designs, specifications, and drawings for these systems or materials and therefore cannot readily provide these parts and services. This two-year contract will provide the Railroads the support it needs with ongoing maintenance, repair and upgrades on each fleet’s propulsion systems.

Schedule A: Non-Competitive Purchases and Public Works

Staff Summary



Item Number: 1

Vendor Name (& Location) Mitsubishi Electric Power Products Inc.
Description OEM Purchase Agreements for Spare Parts- LIRR MNR
Contract Term (including Options, if any) 2 Years (February 2020 – February 2022)
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-Competitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: OEM Sole Source

Contact Number	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total Amount:	\$85,000,000
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Maintenance of Equipment – Craig Daly / John Gariti	
Contract Manager: Jim Lorig	

Discussion:

The Long Island Rail Road, on behalf of itself and MetroNorth Railroad (the “Railroads”) requests Board approval to award a two (2) year Original Equipment Manufacturer (OEM) non-competitive contract to Mitsubishi Electric Power Products, Inc. (MEPPI) in the amount of \$85,000,000 (LIRR \$45,000,000 / MNR \$40,000,000).

MEPPI is the OEM and sole responsible source for propulsion system spare parts and systems utilized on the LIRR’s M-7 electric railcars and MNR’s M-7 and M-8 electric railcars. No other vendors have access to the proprietary designs, specifications, and drawings for these systems or materials and therefore cannot readily provide these parts and services. This two-year contract will provide the Railroads the support it needs with ongoing maintenance, repair and upgrades on each fleet’s propulsion systems.

This parts agreement permits the LIRR to add or delete parts from the original list as needed. The current parts list has been increased to include the additional inventory required to support the Railroad’s Reliability Centered Maintenance (RCM) program geared towards improving fleet performance. Pricing and/or additions to the parts list is based on a determination of fair and reasonable pricing and most favored customer pricing. MEPPI is the sole responsible source for the systems, parts and components for its proprietary railcar propulsion systems that will be provided under this purchase agreement. MEPPI will supply these materials on an as needed basis. LIRR conducted a responsibility check utilizing information and data from the comptroller’s office and MTA designated list of background check databases (NYCT Debarred list, Passport, VENDEVAL, VENDEX, ACE). The results of that review identified no new adverse information related to MEPPI. Prior SAI associated with Mitsubishi Electric Company (Melco), the parent company of MEPPI, was the subject of a previous waiver approved in 2019 by the MTA Executive Director in consultation with the MTA General Counsel. As a result, MEPPI was found to be a responsible vendor.

Utilizing a joint procurement approach for this contract combines the buying power of the two railroads to achieve most favorable uniform pricing and better supply chain management. Additional benefits are the process efficiencies that reduce the number and frequency of small purchase activities. This contract assures the Railroads that the OEM’s will continue to maintain their tooling and manufacturing capabilities necessary to produce the parts, which are not available from any other sources. The total dollars outlined above are based upon historical data and projected usage.

Funding for this purchase agreement is included in each Railroads’ Operating Budget.

PROCUREMENT PACKAGE
February 2020

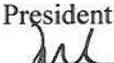


Above is a picture of the East Side Access B02 Substation taken in January 2020 prior to its energization. This work was performed under the CS179 Systems Contract.

PROCUREMENT

The Procurement Agenda this month includes one action for a proposed expenditure of \$5.29M

Staff Summary

Subject		Request for Authorization to Award a Procurement				Date: February 12, 2020			
Department		Contracts							
Department Head Name		Evan M. Eisland							
Department Head Signature									
Board Action									
Order	To	Date	Approval	Info	Other				
1	Joint LIRR and Metro-North Committee	2/24/20	X			2	Vice President & CFO 	4	President 
2	Board	2/26/20	X			1	Vice President, Program Controls	 3	Vice President, Contracts 

PURPOSE

To obtain the approval of the Board to award one contract modification and, to inform the Joint Long Island Rail Road and Metro-North Committee of this procurement action.

DISCUSSION

MTA Capital Construction proposes to award one Competitive Procurement in the following category:

	<u># of Actions</u>	<u>\$ Amount</u>
<u>Schedules Requiring Majority Vote</u>		
Schedule I Modifications to Purchase and Public Work Contracts	1	\$5,287,635
TOTAL	1	\$5,287,635

Budget Impact:

The approval of this modification will obligate MTA Construction & Development Company capital funds in the amount listed. Funds are available in the capital budget for this purpose.

Recommendation:

That the modification be approved as proposed. (The item is included in the resolution of approval at the beginning of the Procurement Section.)

MTA Construction And Development Company

BOARD RESOLUTION

WHEREAS, in accordance with Section 1265-a and 1209 of the Public Authorities Law and the All Agency Procurement guidelines, the Board authorizes the award of certain non-competitive purchase and public works contracts, and the solicitation and award of request for proposals in regard to purchase and public work contracts; and

WHEREAS, in accordance with the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive miscellaneous service and miscellaneous procurement contracts, certain change orders to purchase, public work, and miscellaneous service and miscellaneous procurement contracts;

WHEREAS, in accordance with Section 2879 of the Public Authorities Law and the All-Agency Guidelines for Procurement of Services, 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; 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.

FEBUARY 2020

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

**Schedule I. Modification To Purchase and Public Work Contracts
(Staff Summaries required for all items greater than \$1M)**

- | | | | |
|----|---------------------------------|--------------------|--------------------------------------|
| 1. | Tutor Perini Corporation | \$5,287,635 | <u>Staff Summary Attached</u> |
| | Contract No. CS179 | | |
| | Modification No. 290 | | |

In accordance with Article VIII of the All-Agency General Contract Procurement Guidelines, MTA C&D requests that the Board approve a modification to establish a Power Director team that will be responsible for overseeing and coordinating the operation of all high-voltage electrical equipment within the ESA territory.

Schedule I Modifications to Purchase and Public Work Contracts
Item No. 1

Vendor Name (& Location) Tutor Perini Corporation (Peekskill, New York)	Contract Number CS179	AWO/Modification # 290
Description Systems Facilities Package No. 1	Original Amount:	\$ 333,588,000
Contract Term (including Options, if any) 75 Months	Prior Modifications:	\$ 136,503,282
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	Exercised Options:	\$ 216,800,001
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	Current Amount:	\$ 686,891,283
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	This Request	\$ 5,287,635
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	% of This Request to Current Amount:	0.8 %
Requesting Dept/Div & Dept/Div Head Name: East Side Access, Rob Troup <i>RT</i>	% of Modifications (including This Request) to Original Amount:	43 %

Discussion:

This Contract provides the systems for the East Side Access (“ESA”) project, including the fire detection, tunnel ventilation, facility power, signal power, tunnel lighting and SCADA systems. In accordance with Article VIII of the All-Agency General Contract Procurement Guidelines, MTA C&D requests that the Board approve a modification to establish a Power Director team that will be responsible for overseeing and coordinating the operation of all high-voltage electrical equipment within the ESA territory. The Power Director team will establish a process for the ESA Contractors to apply for permits to perform work on high-voltage electrical equipment and will issue and enforce such permits for all construction activities within the ESA territory.

The Power Director team is necessary because, with the imminent energization of substations throughout the ESA territory, there are concerns about the safety of multiple contractors carrying out their work simultaneously and near live electrical equipment. The construction and testing of the ESA traction power network, signal power network and facility power network is spread across six main contracts; CM014B, CS179, CM007, CS086, CQ033 and CS084. There is a need for single point of contact for coordination and communication between the Project’s contractors and also Con Edison. The permitting system to be established and enforced by the Power Director team, and the permit enforcement process that the team will be performing, will ensure that the operation of electrical equipment by the various ESA contractors remains safe for the personnel performing work within the ESA territory.

The Power Director team will support construction activities within the ESA territory up to 24 hours per day through June 30, 2021 (approximately 17 months).

The Contractor’s proposal was in the amount of \$5,673,580 and the parties agreed to \$5,287,635 for the costs of all work under this Modification, which is deemed to be fair and reasonable. The negotiated amount is based on a variety of unit rates for different personnel to be involved in the work and an anticipated level of required labor. The payments will be made monthly, based on submitted time and material records.

In connection with previous contracts awarded, the Tutor Perini Corporation was found to be responsible, notwithstanding significant adverse information (“SAI”) pursuant to the All-Agency Responsibility Guidelines, and such responsibility findings were approved by the MTA Chairman/CEO in consultation with the MTA General Counsel in February 2017. No new significant adverse information has been found relating to Tutor Perini Corporation. Therefore, Tutor Perini Corporation has been determined to be responsible.