

## March 2020

**MTA Board Action Items** 



#### MTA Board Meeting

2 Broadway, 20th Floor Board Room New York, N.Y. 10004 Wednesday, 3/25/2020 10:00 AM - 5:00 PM ET

#### 1. PUBLIC COMMENT PERIOD

#### 2. APPROVAL OF MINUTES

#### MTA Regular Board Minutes - February 26, 2020

MTA Regular Minutes - February 26, 2020 - Page 5

## NYCT/MaBSTOA/SIRTOA/MTA Bus Company Regular Board Minutes - February 26, 2020

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### MTA Metro-North Railroad Regular Board Minutes - February 26, 2020

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#### MTA Long Island Rail Road Regular Board Minutes - February 26, 2020 LIRR Regular Minutes - February 26, 2020 - Page 26

#### Triborough Bridges & Tunnels Regular Board Minutes - February 26, 2020 TBTA Regular Minutes - February 26, 2020 - Page 33

MTA Construction & Development Regular Board Minutes - February 26, 2020 MTA C&D Regular Minutes - February 26, 2020 - Page 39

#### 3. COMMITTEE ON FINANCE

#### **Action Item**

#### i. Transportation Revenue Anticipation Notes

Approval of Transportation Revenue Anticipation Notes - Page 43

## ii. All Agency Procurement Report (Report available in Document Center and MTA.Info)

All Agency Procurement Report (Full report available in the Document Center and MTA.Info) - Page 47

#### iii. Increase of MTA All Agency Investment Limits

Increase of MTA All Agency Investment Limits Staff Summary - Page 48
Increase of MTA All Agency Investment Limits Resolution and Guidelines - Page 49

#### Information Item

#### i. MTA Prompt Payment Annual Report

MTA Prompt Payment Annual Report - Page 61

#### **MTAHQ Procurements Report**

MTAHQ Procurement Staff Summary and Resolution - Page 68

#### i. Non-Competitive

MTAHQ Non-Competitive - Page 71

#### ii. Competitive

MTAHQ Competitive - Page 73

iii. Ratifications (no items)

#### **Real Estate Items**

#### i. Real Estate Agenda and Staff Summaries

Real Estate Agenda and Staff Summaries - Page 86

#### 4. COMMITTEE ON NYCT & BUS

#### **NYCT & Bus Procurements Report**

NYCT Procurement Staff Summary and Resolution - Page 94

i. Non-Competitive

NYCT Non-Competitive Actions - Page 99

- ii. Competitive (no items)
- iii. Ratifications (no items)

MTA C&D Procurements Report (no items)

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

#### **MNR Procurements Report**

MNR Procurements - Page 102

- i. Non-Competitive (no items)
- ii. Competitive

MNR Competitive - Page 107

iii. Ratifications (no items)

LIRR Procurements Report (no items)

MTA C&D Procurements Report (no items)

#### 6. COMMITTEE ON MTA BRIDGES & TUNNELS OPERATIONS

#### **Action Items**

#### i. Split Tolling for Verrazzano-Narrows Bridge

Split Tolling at VNB (Action Items) - Page 109

Split Tolling at VNB and Adoption of a New Crossing Charge Schedule - Page 110 Split Tolling at VNB Under New Crossing Charge Schedule (Environmental Determination) - Page 117

#### ii. VNB Rebate Programs for Split Tolling at the VNB

Changes to the VNB Rebate Programs for Split Tolling at the VNB (Action Items) - Page 137

Changes to the VNB Rebate Programs for Split Tolling at the VNB - Page 138 Changes to the VNB Rebate Programs for Split Tolling at VNB (Environmental Determination) - Page 142

#### **B&T Procurements Report**

B&T Procurements - Page 162

- i. Non-Competitive (no items)
- ii. Competitive

  B&T Competitive Page 165
- iii. Ratification (no items)

#### 7. COMMITTEE ON AUDIT

#### 8. FIRST MUTUAL TRANSPORTATION ASSURANCE CO (FMTAC) (no items)

Date of Next Meeting: Wednesday, April 22, 2020

Metropolitan Transportation Authority
Minutes of
Regular Board Meeting
2 Broadway
New York, NY 10004
Wednesday, February 26, 2020
10:00 a.m.

#### The following members were present:

Hon. Patrick Foye, Chairman & CEO

Hon. Randolph Glucksman

Hon, Rhonda Herman

Hon. Linda Lacewell

Hon. Kevin Law

Hon, Robert W. Linn

Hon. David Mack

Hon. Susan Metzger

Hon. Robert F. Mujica

**Hon. Lawrence Schwartz** 

Hon. Vincent Tessitore, Jr.

Hon. Neal Zuckerman

#### The following alternate non-voting members were also present:

Hon, Andrew Albert

Hon. Norman Brown

Hon, John Samuelsen

#### The following members were absent:

Hon. David Jones

Hon. Haeda B. Mihaltses

Anthony McCord, Chief Transformation Officer, Mario Péloquin, Chief Operating Officer, Thomas J. Quigley, General Counsel, Janno Lieber, MTA Chief Development Officer, MTA Construction & Development, Robert Foran, MTA Chief Financial Officer, Michael J. Garner, Chief Diversity Officer, Hon. Sarah E. Feinberg, Acting 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 Cate Contino, Assistant Director, Government Affairs 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, Cate Contino, Assistant Director, Government Affairs, 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 thirty-five (35) 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.

Jim Harding, former MTA Board Member/Chairman Diversity Committee

Renee Sacks, Woman Builder's Council

Walter Edwards, Harlem Business Alliance

Bill Howell, Howell Industries

Derek Perkinson, National Action Network

Rev. Jacques DeGraff, NYC MWBE Advocate of the Year

Johanna Climeko, CIDNY

Tousif Khan, May Day Student Organization (MDSO)

Miguel Hamidjojo, MDSO

Robert Griswold, MDSO

Justin Wood, NYPLI

Emani Rimawi, NYPLI

Jean Ryan, Disabled in Action (DIA)

Miriam Fisher, private citizen

Robert Acevedo, DIA

Lisa Daglian, PCAC

Rick Horan, Queenslink

Omar Vera, private citizen

Rachael Fauss, Reinvent Albany

Jason Anthony, Passengers United

Ashley Pryce, Transit Center

Vincent Pedulla, UFT

Tramell Thompson, TWU Local 100

Joe Rapport, BCID

Kevin Zeng, private citizen
Collin Wright, Transit Center
Phillip Mark Plotch, St. Peters University
Gian Carlo Pedualla, private citizen
Jenean Frans, private citizen
Jessica Murray, Rise & Resist
Victor Nunez, TWU Local 100
Valerie Joseph for Suzhen Chi, private citizens
W. Dwight McLeod, Capstone
C.N., private citizen
HP Schroer, UMEWE

#### 2. CHAIRMAN FOYE'S REMARKS.

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

Chairman Foye welcomed Sarah Feinberg as the interim president of New York City Transit, effective March 9, 2020. The Chairman stated that Acting President Feinberg will serve in an interim capacity, overseeing operations on New York City Transit subways, buses, paratransit, and the Staten Island Railway, as the MTA conducts a search for a permanent replacement. Ms. Feinberg has a tremendous track record, serving in leadership roles in transportation and the public sector. Ms. Feinberg was the second woman to lead the Federal Railroad Administration, where she developed and enforced rail safety regulations for both freight and passenger rail and managed a multi-billion-dollar rail investment portfolio. Ms. Feinberg also served as Chief of Staff at the United States Department of Transportation, providing strategic advice and counsel to the Secretary of Transportation on operational and legislative initiatives, leading the agency and its more than 57,000 employees. Chairman Foye also stated that Ms. Feinberg has served on the MTA Board for the last year and brings a wealth of experience to her new role. Ms. Feinberg has proven to be an active and engaged member of the MTA Board who has focused closely on understanding the important work the MTA accomplishes every day. Ms. Feinberg has shown a deep commitment to safe, reliable operations, a world-class customer experience, and strong financial management. Chairman Foye stated that he is thrilled to have Ms. Feinberg lead New York City Transit at this important time in the agency's history.

Chairman Foye also acknowledged and welcomed the following new staff members:

- Rafail Portnoy, Chief Technology Officer. Mr. Portnoy joins the MTA from the Anti-Defamation League; and
- Kuvesh Ayer, Chief Procurement Officer. Mr. Ayer joins the MTA from General Electric.

With respect to on-time performance ("OTP"), Chairman Foye stated that the MTA had a strong start to the new year and he thanked agency leaders Sally Librera, Craig Cipriano, Cathy Rinaldi, Phillip Eng, Daniel DeCrescenzo, and Mario Péloquin for their leadership in driving the excellence in operations. Chairman Foye stated that safety and reliability remain

the MTA's highest priorities. The MTA's performance systemwide in January is setting a high bar for the rest of the year. Weekday subway OTP reached 83.3% and rush hour train trips were faster on nearly every line despite dealing with multiple New York City water main breaks that flooded parts of the system. Chairman Foye stated that the incredibly hardworking New York City Transit employees deserve full credit for getting service back up and running quickly for customers.

Chairman Foye stated that President Rinaldi and President Eng are overseeing similarly impressive operational gains on Metro-North and Long Island Rail Road while remaining focused on safety. In 2019, Metro-North carried a record 86.6 million customers while also maintaining an impressive 97.4 percent OTP in January, which was Metro-North's best performing month since April of 2014. The Long Island Rail Road posted its best performance in January in eight years; with 93.3 percent of trains running on-time. The Long Island Rail Road also broke ridership records in 2019, serving 91.1 million customers, the most since 1949. MTA Bridges and Tunnels generated a record \$1.1 billion in 2019 to support mass transit operations and capital programs, with an all-time high of 329.3 million paid vehicles crossing its facilities.

Chairman Foye stated that while the subways are safe and overall crime remains low, the latest statistics from the New York Police Department Transit Bureau show a disconcerting uptick in certain categories of crime on the subway, including robberies. The MTA's plan to hire 500 new MTA police officers is progressing and the MTA has sworn in 138 of the new officers, who are receiving top-of-the line training and will be patrolling the system soon. Chairman Foye reiterated that it is the MTA's obligation and goal to provide a safe and secure environment for customers and employees and that he believes the additional police will serve as a deterrent. He encouraged the public to report to the police any incidents, including hate crimes.

Chairman Foye stated that the MTA is also preparing a tremendous reinvestment in the system with the historic Capital Program. This program will be funded in large part by funds generated through Central Business District Tolling. The MTA is doing everything in its power to deliver this first-in-the-nation program on time and is currently waiting on the federal government to act. Chairman Foye stated that federal inaction would result in worsening congestion on city streets, delayed improvements to air quality in the region, and would put the MTA's historic Capital Program at risk. The Chairman stated that the MTA is the lifeblood of New York City's economy, which contributes nearly \$1 trillion in gross domestic product annually. The MTA's portion of the project remains on track and ahead of schedule. The selection of the contractor and notice to proceed with work were each completed a month ahead of schedule.

Chairman Foye stated that Robert Foran, Chief Financial Officer, will be presenting the February Financial Plan at the meeting today and that the state budget shows higher-than-expected operating aid projections. Chairman Foye also stated that the MTA must remain laser-focused on Transformation because the MTA's financial constraints are still very real. Therefore, the MTA remains focused on achieving the \$1.6 billion savings the agency needs. Chairman Foye announced that Anthony McCord, Chief Transformation Officer, will make a presentation on Transformation at the meeting today as well.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for the details of the Chairman's remarks.

#### 3. APPROVAL OF MINUTES.

Upon motion duly made and seconded, the Board approved the Minutes of the Regular Board meeting held on January 23, 2020.

#### 4. CAPITAL PLAN PRESENTATION.

Janno Lieber, MTA Chief Development Officer, presented progress updates on the 2020-2024 Capital Plan, focusing on commitment highlights relating to some projects.

Refer to video recording of the meeting, produced by the MTA and maintained in MTA records, for the details of Mr. Lieber's presentation and Board Members' comments.

#### 5. **DIVERSITY PRESENTATION.**

Chairman Foye stated that he is proud of the MTA's commitment to creating economic opportunities for MWBE firms across the New York region, and the MTA celebrates and supports diversity. The Chairman acknowledged MTA's recent celebration of the centennial of the Harlem Renaissance and the New York City Transit Veteran Employee Resource Group's honoring the service of the Tuskegee Airmen at the Tuskegee Airmen Bus Depot in Harlem.

Michael Garner, Chief Diversity Officer, Michael Collins, Assistant Vice President, NYCT, and Dr. Rosalyn Green, Chief EEO Officer, MTA C&D, provided presentations relating to the ongoing diversity initiatives and goals the MTA is focused on.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for the details of the Chairman's remarks, Board Members' comments and the presentations.

#### 6. MTA 2020 BUDGET AND 2020-2023 FEBRUARY FINANCIAL PLAN.

Chairman Foye introduced Robert Foran, Chief Financial Officer ("CFO"), who presented a summary of the MTA 2020 Budget and 2020-2023 February Financial Plan in anticipation of the Board's vote to approve adjustments to both.

Upon motion duly made and seconded, the Board approved the adoption of the MTA 2020 Budget and 2020-2023 February Financial Plan. Board Member Robert Linn voted in opposition. The approval of the financial plan supersedes prior Board approvals covering this financial plan period, including that in December 2019.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for the details of the Chairman's remarks, Board Members' comments and the presentation.

#### 7. TRANSFORMATION PRESENTATION.

Anthony McCord, Chief Transformation Officer, presented an update on transformation and the plan for reductions in force during 2020.

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

#### 8. <u>COMMITTEE ON FINANCE</u>.

- **A.** <u>Action Items.</u> Upon motion duly made and seconded the Board approved the action items listed below. The specifics are set forth in the staff summaries and documentation filed with the meeting materials.
  - 1. <u>Ratification of Sales Tax Bond</u>. Approved resolutions and documents 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.
  - 2. Authorization to Issue New Money Triborough Bridge and Tunnel Authority Special Obligations Resolution Authorizing Sales Tax Revenue Obligations (Statewide and Citywide Sales Tax) Bonds and Bond Anticipation Notes. Approved 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 2020-20204 and subsequent programs, or to retire BANs issued for such programs when due, plus accrued interest, applicable issuance costs and any original issue discount.
  - 3. <u>TBTA Reimbursement Resolution for Federal Tax</u>. Approved reimbursement resolution, which is required by Federal tax law to preserve the ability to finance certain capital projects on a tax-exempt basis, which shall continue in effect until the adoption by the TBTA Board of a subsequent reimbursement resolution for calendar year 2021.
  - 4. <u>Authorization to File for and Accept Federal Grants</u>. Approved resolution to permit the filing and acceptance of Federal capital assistance for FFY 2020.
  - 5. <u>2019 TBTA Operating Surplus</u>. Approved resolutions which will (i) certify and transfer operating surplus to the MTA and NYCTA pursuant to Section 1219-a(2)(b) of the Public Authorities Law ("PAL") of the State of New York; (ii) transfer funds representing 2019 investment income to the MTA pursuant to Section 569-c of the PAL; and (iii) advance the 2020 TBTA Surplus in accordance with the resolution.

- 6. Mortgage Recording Tax Escalation Payments to Dutchess, Orange and Rockland Counties. Approved escalator payments to Dutchess, Orange and Rockland counties from available funds on deposit in the MRT-2 Corporate Transportation Account.
- 7. <u>Major Construction Review Unit</u>. Approved resolution establishing the MTA major Construction Review Unit ('MCRU") and an initial MCRU panel of internal and external experts.

Following Board Members discussions, and upon motion duly made and seconded, the Board approved the following action item. The specifics are set forth in the staff summary and documentation filed with the meeting materials. Board members Herman, Metzger and Zuckerman voted in opposition.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for details of Board Members' discussion.

- 8. NYC Outer Borough Rail Discount Pilot. Approved the resolution authorizing the delegation to the MTA Chairman and Chief Executive Officer, and his designees, authority to take such actions as 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, 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.
- **B.** Procurement Item. Upon motion duly made and seconded the Board approved the following procurement item listed below. The specifics are set forth in the staff summary and documentation filed with the meeting materials.
  - 1. <u>Cambridge Systematics, Inc. Bus CIS Server Hosting, Maintenance and Enhancements No, 11084-0100, Modification No. 5</u>. Approval 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).
- **C.** Real Estate Items. Upon motion duly made and seconded the Board approved the real estate items listed below. Board Member Kevin Law abstained from the vote on item #2 below. The specifics are set forth in the staff summaries and documentation filed with the meeting materials.

#### Metro-North Railroad

1. License Part of the Solution, LLC, a New York non-profit corporation, for vacant land for non-commuter parking located at Webster Avenue, between East 197<sup>th</sup> and 198<sup>th</sup> Street, Bronx, N.Y.

#### **Long Island Rail Road**

2. Modification to LIRR contract GEC 6168A-02-01 with AECOM USA, Inc. in connection with the Penn Station Concourse Improvements Project.

#### **New York City Transit Authority**

- 3. License agreement with Transit Wireless 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 right-of-way from the L-Train's 1<sup>st</sup> Avenue Station in Manhattan to Bedford Avenue Station in Brooklyn, excluding the actual stations.
- **9. ADJOURNMENT.** Upon motion duly made and seconded, the Board voted to adjourn the meeting at 1:50 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

Wednesday, February 26, 2020 10:00 a.m.

#### The following members were present:

Hon. Patrick Foye, Chairman & CEO

Hon. Randolph Glucksman

Hon. Rhonda Herman

Hon. Linda Lacewell

Hon. Kevin Law

Hon. Robert W. Linn

Hon. David Mack

Hon. Susan Metzger

Hon. Robert F. Mujica

**Hon. Lawrence Schwartz** 

Hon. Vincent Tessitore, Jr.

Hon. Neal Zuckerman

#### The following alternate non-voting members were also present:

Hon. Andrew Albert

Hon. Norman Brown

Hon. John Samuelsen

#### The following members were absent:

Hon, David Jones

Hon. Haeda B. Mihaltses

Anthony McCord, Chief Transformation Officer, Mario Péloquin, Chief Operating Officer, Thomas J. Quigley, General Counsel, Janno Lieber, MTA Chief Development Officer, MTA Construction & Development, Robert Foran, MTA Chief Financial Officer, Michael J. Garner, Chief Diversity Officer, Sarah E. Feinberg, Acting 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 Cate Contino, Assistant Director, Government Affairs 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 thirty-five (35) 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.

Jim Harding, former MTA Board Member/Chairman Diversity Committee

Renee Sacks, Woman Builder's Council

Walter Edwards, Harlem Business Alliance

Bill Howell, Howell Industries

Derek Perkinson, National Action Network

Rev. Jacques DeGraff, NYC MWBE Advocate of the Year

Johanna Climeko, CIDNY

Tousif Khan, May Day Student Organization (MDSO)

Miguel Hamidjojo, MDSO

Robert Griswold, MDSO

Justin Wood, NYPLI

Emani Rimawi, NYPLI

Jean Ryan, Disabled in Action (DIA)

Miriam Fisher, private citizen

Robert Acevedo, DIA

Lisa Daglian, PCAC

Rick Horan, Queenslink

Omar Vera, private citizen

Rachael Fauss, Reinvent Albany

Jason Anthony, Passengers United

Ashley Pryce, Transit Center

Vincent Pedulla, UFT

Tramell Thompson, TWU Local 100

Joe Rapport, BCID

Kevin Zeng, private citizen

Collin Wright, Transit Center

Phillip Mark Plotch, St. Peters University

Gian Carlo Pedualla, private citizen

Jenean Frans, private citizen

Jessica Murray, Rise & Resist

Victor Nunez, TWU Local 100

Valerie Joseph for Suzhen Chi, private citizens

W. Dwight McLeod, Capstone

C.N., private citizen

HP Schroer, UMEWE

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. <u>CHAIRMAN FOYE'S REMARKS</u>

Chairman Foye welcomed the public and the Board Members to the Board meeting. He introduced Sarah Feinberg as the interim president of New York City Transit effective March 9, 2020. The Chairman stated that acting President Feinberg will serve in an interim capacity, overseeing operations on New York City Transit subways, buses, paratransit and the Staten Island Railway, as the MTA conducts a search for a permanent replacement.

Chairman Foye stated that Ms. Feinberg has a tremendous track record, serving in leadership roles in transportation and the public sector. Ms. Feinberg was the second woman to lead the Federal Railroad Administration, where she developed and enforced rail safety regulations for both freight and passenger rail and managed a multi-billion-dollar rail investment portfolio. Ms. Feinberg also served as Chief of Staff at the United States Department of Transportation, providing strategic advice and counsel to the Secretary of Transportation on operational and legislative initiatives and leading the agency and its more than 57,000 employees. Chairman Foye also stated that Ms. Feinberg has served on the MTA Board for the last year and brings a wealth of experience to her new role. Ms. Feinberg has proven to be an active and engaged member of the MTA Board who has focused closely on understanding the important work the MTA accomplishes every day. Ms. Feinberg has shown a deep commitment to safe, reliable operations, a world-class customer experience and strong financial management. Chairman Foye commented that he is thrilled to have Ms. Feinberg lead New York City Transit at this important time in the agency's history. Board Member Lacewell thanked Acting President Feinberg for taking on the responsibility.

Chairman Foye also welcomed the following new staff members:

- Rafail Portnoy, Chief Technology Officer. Mr. Portnoy joins the MTA from the Anti-Defamation League; and
- Kuvesh Ayer, Chief Procurement Officer. Mr. Ayer joins the MTA from General Electric.

Regarding on-time performance ("OTP"), Chairman Foye stated that the MTA had a strong start to the new year and thanked agency leaders Sally Librera, Craig Cipriano, Cathy Rinaldi, Phillip Eng, Daniel DeCrescenzo, and Mario Péloquin for their leadership in driving the excellence in operations. Chairman Foye commented that safety and reliability remain the MTA's highest priorities. The MTA's performance systemwide in January is setting a high bar for the rest of the year. Weekday subway OTP reached 83.3% and rush hour train trips were faster on nearly every line despite dealing with multiple New York City water main breaks that flooded parts of the system. Chairman Foye commented that the incredibly hard-working New York City Transit employees deserve full credit for getting service back up and running quickly for customers.

Chairman Foye also remarked that President Rinaldi and President Eng are overseeing similarly impressive operational gains on Metro-North and Long Island Rail Road while remaining focused

on safety. In 2019, Metro-North carried a record 86.6 million customers while also maintaining an impressive 97.4 percent OTP in January, which was Metro-North's best performing month since April of 2014. The Long Island Rail Road posted its best performance in January in eight years with 93.3 percent of trains running on-time. The Long Island Rail Road also broke ridership records in 2019, serving 91.1 million customers, the most since 1949. MTA Bridges and Tunnels generated a record \$1.1 billion in 2019 to support mass transit operations and capital programs, with an all-time high of 329.3 million paid vehicles crossing its facilities.

Chairman Foye stated that while the subways are safe and overall crime remains low, the latest statistics from the New York Police Department Transit Bureau show a disconcerting uptick in certain categories of crime on the subway, including robberies. The MTA's plan to hire 500 new MTA police officers is progressing and the MTA has sworn in 138 of the new officers, who are receiving top-of-the line training and will be patrolling the system soon. Chairman Foye reiterated that it is the MTA's obligation and goal to provide a safe and secure environment for customers and employees and that he believes the additional police will serve as a deterrent. He encouraged the public to report to the police any incidents including hate crimes.

Chairman Foye stated that the MTA is also preparing a tremendous reinvestment in the system with the historic Capital Program. This program will be funded in large part by funds generated through Central Business District Tolling. The MTA is doing everything in its power to deliver this first-in-the-nation program on time and is currently waiting on the federal government to act. Chairman Foye stated that federal inaction would result in worsening congestion on city streets, delayed improvements to air quality in the region, and would put the MTA's historic Capital Program at risk. He stated that the MTA is the lifeblood of New York City's economy, which contributes nearly \$1 trillion in gross domestic product annually. The MTA's portion of the project remains on track and ahead of schedule. The selection of the contractor and notice to proceed with work were each completed a month ahead of schedule.

Chairman Foye stated that Robert Foran, the Chief Financial Officer, will be presenting the February Financial Plan at the meeting today and that the state budget shows higher-than-expected operating aid projections. Chairman Foye also stated that the MTA must remain laser-focused on Transformation because the MTA's financial constraints are still very real. Therefore, the MTA remains focused on achieving the \$1.6 billion savings the agency needs. He stated that Anthony McCord, Chief Transformation Officer, will make a presentation on Transformation at the meeting as well.

The video recording of the meeting, produced by the MTA and maintained in MTA records, contains a complete record of Chairman Foye's remarks and Board Member Lacewell's comments.

#### 4. <u>APPROVAL OF MINUTES</u>

Upon motion duly made and seconded, the Board approved the Minutes of the Regular Board meeting held on January 23, 2020.

#### 5. MTA CONSTRUCTION AND DEVELOPMENT PRESENTATION:

Janno Lieber, MTA Chief Development Officer, gave a presentation about the 2020-2024 Capital Plan and highlighted 2020 commitments including the Penn Station Access project. The Penn Station Access project design-build contract is projected to be awarded in late 2020.

The video recording of the meeting, produced by the MTA and maintained in MTA records, contains a complete records of Mr. Lieber's presentation and Board Members' comments.

#### **6. DIVERSITY PRESENTATION:**

Michael Garner, Chief Diversity Officer, Michael Collins, Assistant Vice President, NYCT, and Dr. Rosalyn Green, Chief EEO Officer, MTA C&D, gave presentations about ongoing diversity initiatives and goals the MTA is focused on. Prior to the presentations, Chairman Foye remarked that he is proud of the MTA's commitment to creating economic opportunities for MWBE firms across the New York region and that the MTA celebrates and supports diversity. He stated that the MTA recently celebrated the centennial of the Harlem Renaissance and a New York City Transit Veteran Employee Resource Group honored the service of the Tuskegee Airmen at the Tuskegee Airmen Bus Depot in Harlem.

#### 7. MTA 2020 BUDGET AND 2020-2023 FEBRUARY FINANCIAL PLAN:

Robert Foran, Chief Financial Officer, presented a summary of the MTA 2020 Budget and 2020-2023 February Financial Plan in anticipation of the Board's vote to approve adjustments to both.

Upon motion duly made and seconded, the Board approved the adoption of the MTA 2020 Budget and 2020-2023 February Financial Plan. Board Member Linn opposed. The approval of the financial plan supersedes prior Board approvals covering this financial plan period including that in December 2019.

The video recording of the meeting, produced by the MTA and maintained in MTA records, contains a complete record of Mr. Foran's presentation and Board Members' comments and discussions.

#### 8. TRANSFORMATION PRESENTATION:

Anthony McCord, Chief Transformation Officer, presented an update on transformation and the plan for reductions in force during 2020.

The video recording of the meeting, produced by the MTA and maintained in MTA records, contains a complete record of Mr. McCord's presentation and Board Members' comments and discussions.

#### 9. <u>COMMITTEE ON FINANCE</u>

**Real Estate Item:** Upon motion duly made and seconded, the Board approved a license agreement with Transit Wireless for a Telecommunications System in the Canarsie Tunnel.

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

## 10. <u>COMMITTEE ON TRANSIT & BUS OPERATIONS</u> MTA NYC Transit & MTA Bus Company

#### **Procurements:**

<u>Competitive Procurements</u>: Upon motion duly made and seconded, the Board approved competitive procurements requiring a two-thirds vote (Schedule B in the Agenda) and a majority vote (Schedules G and H 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.

The video recording of the meeting, produced by the MTA and maintained in MTA records, contains a complete record of Board Members' comments along with the other Board Members' comments and discussions.

<u>Ratifications</u>: Upon motion duly made and seconded, the Board approved the ratifications requiring a majority vote (Schedule C 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. The video recording of the meeting, produced by the MTA and maintained in MTA records, contains a complete record of any comments by Board Members.

#### 11. ADJOURNMENT:

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 1:50 p.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 Wednesday, February 26, 2020 10:00 a.m.

#### The following members were present:

Hon. Patrick Foye, Chairman & CEO

Hon. Randolph Glucksman

Hon. Rhonda Herman

Hon. Linda Lacewell

Hon. Kevin Law

Hon. Robert W. Linn

Hon. David Mack

Hon. Susan Metzger

Hon. Robert F. Mujica

Hon. Lawrence Schwartz

Hon. Vincent Tessitore, Jr.

Hon. Neal Zuckerman

The following alternate non-voting members were also present:

Hon. Andrew Albert

Hon. Norman Brown

Hon. John Samuelsen

The following members were absent:

Hon. David Jones

Hon. Haeda B. Mihaltses

Anthony McCord, Chief Transformation Officer, Mario Péloquin, Chief Operating Officer, Thomas J. Quigley, General Counsel, Janno Lieber, MTA Chief Development Officer, MTA Construction & Development, Robert Foran, MTA Chief Financial Officer, Michael J. Garner, Chief Diversity Officer, Sarah E. Feinberg, Acting 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 Cate Contino, Assistant Director, Government Affairs 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:

Cate Contino, Assistant Director, Government Affairs, introduced the public speakers. There were 35 registered public speakers. The following public speakers spoke on matters specific to Metro-North:

Lisa Daglian, Executive Director of the Permanent Citizen's Advisory Committee, commented on the New York City Outer Borough Rail Discount pilot program. She stated that under the program, riders from fifteen (15) Metro-North stations in New York City will be eligible for discounted fares as early as May 1, 2020. She commented that she looks forward to reviewing the statistics and data gathered from the pilot and expressed concern over capacity issues and the potential estimated costs to the railroads. She also commented that she looks forward to working with all stakeholders to develop an equitable program that will benefit all users.

Rachael Fauss, with Reinvent Albany, requested greater transparency on New York City Outer Borough Transit Fund projects.

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. <u>CHAIRMAN FOYE'S REMARKS</u>:

Chairman Foye welcomed the public and the Board Members to the Board meeting. Chairman Foye introduced Sarah Feinberg as the interim president of New York City Transit, effective March 9, 2020. Acting President Feinberg will serve in an interim capacity, overseeing operations on New York City Transit subways, buses, paratransit, and the Staten Island Railway, as the MTA conducts a search for a permanent replacement. Chairman Foye stated that Ms. Feinberg has a tremendous track record, serving in leadership roles in transportation and the public sector. Ms. Feinberg was the second woman to lead the Federal Railroad Administration, where she developed and enforced rail safety regulations for both freight and passenger rail and managed a multi-billion-dollar rail investment portfolio. Ms. Feinberg also served as Chief of Staff at the United States Department of Transportation, providing strategic advice and counsel to the Secretary of Transportation on operational and legislative initiatives, leading the agency and its more than 57,000 employees. Chairman Foye also stated that Ms. Feinberg has served on the MTA Board for the last year and brings a wealth of experience to her new role. Ms. Feinberg has proven to be an active and engaged member of the MTA Board who has focused closely on understanding the important work the MTA accomplishes every day. Ms. Feinberg has shown a deep commitment to safe, reliable operations, a world-class customer experience, and strong financial management. Chairman Foye commented that he is thrilled to have Ms. Feinberg lead New York City Transit at this important time in the agency's history. Board Member Lacewell thanked Acting President Feinberg for taking on the responsibility.

Chairman Foye also welcomed the following new staff members:

- Rafail Portnoy, Chief Technology Officer. Mr. Portnoy joins the MTA from the Anti-Defamation League; and
- Kuvesh Ayer, Chief Procurement Officer. Mr. Ayer joins the MTA from General Electric.

With respect to on-time performance ("OTP"), Chairman Foye stated that the MTA had a strong start to the new year and thanked agency leaders Sally Librera, Craig Cipriano, Cathy Rinaldi, Phillip Eng, Daniel DeCrescenzo, and Mario Péloquin for their leadership in driving the excellence in operations. Chairman Foye commented that safety and reliability remain the MTA's highest priorities. The MTA's performance systemwide in January is setting a high bar for the rest of the year. Weekday subway OTP reached 83.3% and rush hour train trips were faster on nearly every line despite dealing with multiple New York City water main breaks that flooded parts of the system. Chairman Foye commented that the incredibly hard-working New York City Transit employees deserve full credit for getting service back up and running quickly for customers.

Chairman Foye also remarked that President Rinaldi and President Eng are overseeing similarly impressive operational gains on Metro-North and Long Island Rail Road while remaining focused on safety. In 2019, Metro-North carried a record 86.6 million customers while also maintaining an impressive 97.4 percent OTP in January, which was Metro-North's best performing month since April of 2014. The Long Island Rail Road posted its best performance in January in eight years; with 93.3 percent of trains running on-time. The Long Island Rail Road also broke ridership records in 2019, serving 91.1 million customers, the most since 1949. MTA Bridges and Tunnels generated a record \$1.1 billion in 2019 to support mass transit operations and capital programs, with an all-time high of 329.3 million paid vehicles crossing its facilities.

Chairman Foye stated that while the subways are safe and overall crime remains low, the latest statistics from the New York Police Department Transit Bureau show a disconcerting uptick in certain categories of crime on the subway, including robberies. The MTA's plan to hire 500 new MTA police officers is progressing and the MTA has sworn in 138 of the new officers, who are receiving top-of-the line training and will be patrolling the system soon. Chairman Foye reiterated that it is the MTA's obligation and goal to provide a safe and secure environment for customers and employees and that he believes the additional police will serve as a deterrent. He encouraged the public to report to the police any incidents, including hate crimes.

Chairman Foye stated that the MTA is also preparing a tremendous reinvestment in the system with the historic Capital Program. This program will be funded in large part by funds generated through Central Business District Tolling. The MTA is doing everything in its power to deliver this first-in-the-nation program on time and is currently waiting on the federal government to act. Chairman Foye stated that federal inaction would result in worsening congestion on city streets, delayed improvements to air quality in the region, and would put the MTA's historic Capital Program at risk. He stated that the MTA is the lifeblood of New York City's economy, which contributes nearly \$1 trillion in gross domestic product annually. The MTA's portion of the project remains on track and ahead of schedule. The selection of the contractor and notice to proceed with work were each completed a month ahead of schedule.

Chairman Foye stated that Robert Foran, Chief Financial Officer, will be presenting the February Financial Plan at the meeting today and that the state budget shows higher-than-expected operating aid projections. Chairman Foye also stated that the MTA must remain laser-focused on Transformation because the MTA's financial constraints are still very real. Therefore, the MTA remains focused on achieving the \$1.6 billion savings the agency needs. Anthony McCord, Chief Transformation Officer, will make a presentation on Transformation at the meeting today as well.

The video recording of the meeting, produced by the MTA and maintained in MTA records, contains a complete record of Chairman Foye's remarks and Board Member Lacewell's comments.

#### 3. <u>APPROVAL OF MINUTES</u>:

Upon motion duly made and seconded, the Board approved the Minutes of the Metro-North Regular Board meeting held on January 23, 2020.

#### 4. MTA CONSTRUCTION AND DEVELOPMENT PRESENTATION:

Janno Lieber, MTA Chief Development Officer, gave a presentation about the 2020-2024 Capital Plan and highlighted 2020 commitments including the Penn Station Access project. The Penn Station Access project design-build contract is projected to be awarded in late 2020.

The video recording of the meeting, produced by the MTA and maintained in MTA records, contains a complete records of Mr. Lieber's presentation and Board Members' comments.

#### 5. <u>DIVERSITY PRESENTATIONS</u>:

Michael Garner, Chief Diversity Officer, Michael Collins, Assistant Vice President, NYCT, and Dr. Rosalyn Green, Chief EEO Officer, MTA C&D, gave presentations about ongoing diversity initiatives and goals the MTA is focused on. Prior to the presentations, Chairman Foye remarked that he is proud of the MTA's commitment to creating economic opportunities for MWBE firms across the New York region and that the MTA celebrates and supports diversity. He stated that the MTA recently celebrated the centennial of the Harlem Renaissance and a New York City Transit Veteran Employee Resource Group honored the service of the Tuskegee Airmen at the Tuskegee Airmen Bus Depot in Harlem.

The video recording of the meeting, produced by the MTA and maintained in MTA records, contains a complete records of the Chairman's remarks, Board Members' comments, and the presentations.

#### 6. MTA 2020 BUDGET AND 2020-2023 FEBRUARY FINANCIAL PLAN:

Chairman Foye introduced Robert Foran, Chief Financial Officer, who presented a summary of the MTA 2020 Budget and 2020-2023 February Financial Plan in anticipation of the Board's vote to approve adjustments to both.

Upon motion duly made and seconded, the Board approved the adoption of the MTA 2020 Budget and 2020-2023 February Financial Plan. Board Member Linn voted in opposition. The approval of the financial plan supersedes prior Board approvals covering this financial plan period, including that in December 2019.

The video recording of the meeting, produced by the MTA and maintained in MTA records, contains a complete records of Mr. Foran's presentation and Board Members' comments and discussions.

#### 7. TRANSFORMATION PRESENTATION:

Anthony McCord, Chief Transformation Officer, presented an update on transformation and the plan for reductions in force during 2020.

The video recording of the meeting, produced by the MTA and maintained in MTA records, contains a complete record of Mr. McCord's presentation and Board Members' comments and discussions.

#### 8. <u>COMMITTEE ON FINANCE</u>:

#### Action Items:

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

- Board authorization to file for and accept Federal grants for Federal fiscal year 2020.
- Board authorization for 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 as required by Public Authorities Law Sections 1270-a and 1270-b.
- Board approval of the MTA Major Construction Review Unit ("MCRU") and initial MCRU panel of internal and external experts.
- 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
  Long Island Rail Road and Metro-North on certain eligible ticket types. Funds from
  the Outer Borough Transportation Account established under Section 1270-i(3) of the
  Public Authorities Law are being allocated to support this pilot program. Funds will
  be used to provide a 20% discount on eligible Long Island Rail Road monthly tickets,

a 10% discount on other eligible Long Island Rail Road ticket types, and a 10% discount on eligible Metro-North ticket types.

Board Member Zuckerman stated that the NYC Outer Borough Rail Discount pilot is a legislatively mandated program and commented on the significant commuting expenses incurred by customers in Putnam, Dutchess, and Suffolk counties. He stated that the discounts are not equitable because they are not similarly distributed to those customers who use the system and pay the most, and that he will be fighting for an alternative fare structure in the future. Board Member Brown questioned why the Board was required to vote on the pilot. Thomas Quigley, General Counsel, explained that while the pilot was legislatively mandated, the Board still had to vote to implement it. Board Member Albert commented on the pilot's lack of an assessment of needs and accounting for transit deserts. Board Member Metzger expressed her support for Board Member Zuckerman's comments and stated that the MTA has a vast knowledge of structuring and implementing fares and tolls and was not properly consulted during the legislative process. Both Board Members Metzger and Herman stated that they would vote against the pilot. Board Member Glucksman indicated that if he had a vote, he would vote against the pilot as well. Board Member Law stated that he would vote for the pilot due to his fiduciary obligation to the system.

Upon motion duly made and seconded, the Board approved the foregoing action items. Board Members Zuckerman, Metzger, and Herman voted in opposition to the NYC Outer Borough Rail Discount pilot. The details of the action items are contained in staff summaries 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 records of Board Members' comments and discussions.

#### Real Estate Item:

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

• Board approval for a five-year license agreement, with one five-year renewal option, for the use of vacant land for non-commuter parking with Part of the Solution LLC for land at 197th Street and Webster Avenue, Bronx NY. Compensation will be \$14,400 in year one with 1% annual increases.

Upon motion duly made and seconded, the Board approved the foregoing real estate item. The details of the real estate item are contained in a staff summary and documentation filed with the records of this meeting.

#### 9. JOINT METRO-NORTH AND LONG ISLAND RAIL ROAD COMMITTEE:

#### Long Island Rail Road Procurement:

The Board was presented with the following non-competitive procurement that relates to Metro-North:

• Board approval to award a two-year non-competitive contract to Mitsubishi Electric Power Product, Inc. ("MEPPI") in the amount of \$85,000,000 (Long Island Rail Road \$45,000,000/Metro-North \$40,000,000) for propulsion system spare parts and systems utilized on the Long Island Rail Road's M-7 and M-9 electric railcars and Metro-North's M-7 and M-8 electric railcars.

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.

#### 10. **ADJOURNMENT:**

Upon motion duly made and seconded, the Board voted to adjourn the meeting.

Respectfully submitted,

/s/ Richard L. Gans

Richard L. Gans Vice President, General Counsel and Secretary

February 2020 Board Minutes – FINAL

#### Minutes of the Regular Board Meeting Long Island Rail Road Company 2 Broadway New York, NY 10004 Wednesday, February 26, 2020 10:00 a.m.

#### The following members were present:

#### Hon. Patrick Foye, Chairman & CEO

Hon. Rhonda Herman

Hon. Ralph Glucksman

Hon, Linda Lacewell

Hon. Kevin Law

Hon, Robert W. Linn

Hon. David Mack

Hon. Susan Metzger

Hon. Robert F. Mujica

Hon. Lawrence Schwartz

Hon. Vincent Tessitore, Jr.

Hon. Neal Zuckerman

#### The following alternate non-voting members were also present:

Hon, Andrew Albert

Hon. Norman Brown

Hon. John Samuelson

#### The following members were absent:

Hon. David Jones

Hon. Haeda B. Mihaltes

Anthony McCord, Chief Transformation Officer, Mario Péloquin, Chief Operating Officer, Thomas J. Quigley, General Counsel, Janno Lieber, MTA Chief Development Officer, MTA Construction & Development, Robert Foran, MTA Chief Financial Officer, Michael J. Garner, Chief Diversity Officer, Hon. Sarah E. Feinberg, Acting 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 Cate Contino, Assistant Director, Government Affairs, NYCT, also attended the meeting.

MTA Chairman & CEO ("Chairman") Patrick Foye called the meeting to order. MTA's pre-recorded safety public address announcement reviewed the emergency safety procedures.

#### 1. PUBLIC SPEAKERS

Cate Contino, Assistant Director, Government Affairs, NYCT, stated that there were 36 public speakers registered to speak at the meeting. She reminded all public speakers about the two-minute time limit.

Five public speakers spoke about matters relating to LIRR:

Lisa Daglian, Executive Director, PCAC, commented on the outer borough transit rail discount pilot program under which riders from 15 Metro North stations and 24 LIRR stations in the City will be eligible for discounted fares as soon as May 1. She said that we look forward to the detailed analysis of financial ridership operational and train capacity impacts along with ticket sales and train count data. Ms. Daglian said that that the railroads estimated that the pilot programs could cost almost \$21 Million, potentially without adding new riders, but conceivably including people who drive over the borders. Ms. Daglian expressed concerns about the crossover commuter and how that will affect traffic and parking in nearby stations; and about riders who pay hundreds of dollars a month to travel into the City, potentially having to stand on the way home. She said that when the NYCT Riders Council proposed the Atlantic Ticket, a capacity analysis had been undertaken to ensure there would not be undue burden on riders coming from Nassau and Suffolk Counties, while benefiting Southeast Queens and Brooklyn riders with lower fares and shorter commutes. Ms. Daglian said that we look forward to working collaboratively with the Board, the Railroads, elected officials, and other stakeholders, to develop an equitable program that benefits all users of our amazing transportation system based on the data that is gathered from this pilot.

Rick Horan, Queenslink, commented on the Rockaway Beach Branch Feasibility Study dated September 21, 2019, released on October 8, 2019. He said that the consultant who performed the study said that 47,000 people would be using this rail every day and it will crucially reconnect south Queens with central Queens. He asked the MTA for data regarding this study that was the subject of a FOIL request he had made which was denied under the intra-agency exception.

Omar Vera commented that he is waiting for a LIRR Joint AirTrain/JFK ticket at Flatbush avenue.

Rachel Fauss, Reinvent Albany, commented that the MTA can increase transparency about the organizational changes related to Transformation by providing a written description of the new role of agency presidents; and about the outer borough transit fund by releasing a detailed list of all projects.

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

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

Chairman Foye welcomed the public and fellow Board members to the meeting and welcomed Board Member Sarah Feinberg as interim President of New York City Transit, effective March 9<sup>th</sup> as we conduct a search for a permanent replacement.

Chairman Foye stated that Board Member Feinberg brings a wealth of experience to her new role. She was the second woman to lead the Federal Railroad Administration ("FRA"); she served as Chief of Staff at USDOT; and she has served on the MTA Board for the last year.

Chairman Foye also welcomed two new members of the MTA team who have joined since the January Board meeting: Rafail Portnoy, our Chief Technology Officer, who joins us from the Anti-Defamation League; and Kuvesh Ayer, our Chief Procurement Officer, who joins the MTA from General Electric.

Chairman Foye stated that we've had a strong start to the new year. He thanked Sally Librera, Craig Cipriano, Cathy Rinaldi, Phil Eng, Danny DeCrescenzo and Mario Péloquin for their leadership in driving this excellence in operations.

Chairman Foye reported on Agency On-Time Performance ("OTP"), including regarding LIRR, offering kudos to the leadership and workforce. Chairman Foye stated that LIRR posted its best performance in January in eight years – with 93.3 percent of trains running on-time. LIRR also broke ridership records in 2019, serving 91.1 million customers, the most since 1949.

Chairman Foye stated that our plan to hire 500 new MTA police officers is progressing and at this point, we've sworn in 138 of the new officers, who are receiving top-of-the line training and will be patrolling the system.

Chairman Foye reiterated that that we have an obligation to provide safe and secure environment for our customers and employees. He stated that our goal is to keep the system safe for our employees and the millions of New Yorkers who travel with the MTA every day. We believe the additional police will serve as a deterrent and encourage the reporting to the police any incidents, including hate crimes.

Chairman Foye stated that later in the meeting, Janno Lieber, Chief Development Officer, will provide an update about our historic Capital Program; Chief Financial Officer Bob Foran will report on the February Financial Plan; and Anthony McCord, Chief Transformation Officer, will report on Transformation.

Chairman Foye stated that we're pleased to see that the state budget shows higher-than-expected operating aid projections, but even as we look to approve this updated budget, the MTA must remain laser-focused on Transformation and on achieving the \$1.6 billion savings the agency needs, which is critical to our financial health.

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. APPROVAL OF MINUTES

Upon motion duly made and seconded, the minutes of the Regular Board Meeting of January 23, 2020 were approved.

#### 4. MTA CAPITAL PLAN

Chief Development Officer ("CDO") Lieber gave a presentation about the Capital Plan with a focus on 2020 commitment highlights.

Regarding a slide about the Penn Station East End Gateway, CDO Lieber said that the image showed the work in progress for the new entrance at Seventh Avenue to the Long Island Railroad corridor in Penn Station. He said that we're determined to deliver for the customers and equally important this enables us to continue to move forward on the Governor's vision of an expanded Empire Station complex that is going to give us more capacity at the track level to move more trains.

Regarding a slide on Penn Station Access, CDO Lieber said that this project will, among other things, give Metro-North a connection into Penn Station. He reported that the projected RFP is Spring 2020 and the projected award is late 2020. He said that we have many issues to get through with Amtrak to commit to outages and provide personnel to support outages and we're determined to deliver on a Design-build commitment for this project this year.

Regarding LIRR Expansion, CDO Lieber said that we have had an extraordinary run of success on the weekend outages, supported by the LIRR's personnel, for which he thanked the workforce at the Long Island Railroad, Board Member Tessitore and President Eng's team.

He noted that the Nassau 1 Interlocking was a huge milestone for the LIRR expansion, also known as Third Track Project. CDO Lieber said that we've closed the busiest grade crossing in New Hyde Park Road; we came up with a plan which the town embraced, which created much greater safety, and in the meantime, to make sure that the people in New Hyde Park continued to have service, we built an entire temporary platform so that service could continue there, even as we're doing this major project.

The details of the foregoing presentation are included 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.

#### 5. DIVERSITY PRESENTATION

MTA Chief Diversity Officer Michael J. Garner and staff gave a presentation and showed a video about the MTA's Diversity initiatives.

The details of the foregoing presentation are included in the video recording of the meeting, produced by the MTA and maintained in MTA records.

#### 6. FEBRUARY FINANCIAL PLAN

Chairman Foye asked MTA Chief Financial Officer ("CFO") Bob Foran to introduce the action item related to the February Financial Plan and to respond to any questions.

CFO Foran said that what we're asking is to secure MTA Board adoption of the accompanied 2020 adopted Budget and February Financial Plan, as contained in the staff summary on Page 46 of the Board Book. He said that the approval of this Plan will supersede prior Board approvals covering this Financial Plan period, including that of December 2019.

CFO Foran noted that as stated in the December staff summary, the projected 2021 and 2020 fare and toll increase proposals will require separate Board action in advance of those dates.

Chairman Foye and Board Members Samuelson, Schwartz, Zuckerman, Brown, Mujica and Lacewell commented and CFO Foran responded to their questions.

Upon motion duly made and seconded, the Board adopted the February Financial Plan, with Board Member Linn voting no.

The details of CFO Foran's presentation and the Board Members' comments and questions with respect thereto are included in the video recording of the meeting, produced by the MTA and maintained in MTA records and in the agencies' minutes of this date.

#### 7. TRANSFORMATION

Chief Transformation Officer ("CTO") Anthony McCord gave a presentation concerning updates on Transformation and a Reduction in Force.

Board Members Law, Linn, Tessitore, Zuckerman, Metzger, Schwartz, Brown, Herman and Lacewell commented and CTO McCord responded to their questions.

The details of CTO McCord's presentation and the Board Members' comments and questions with respect thereto are included in the video recording of the meeting, produced by the MTA and maintained in MTA records and in the agencies' minutes of this date.

#### 8. COMMITTEE ON FINANCE

The Board was presented with one (1) Action Item related to LIRR:

• NYC Outer Borough Rail Discount Pilot: To obtain Board approval to conduct the NYC Outer Borough 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 Rail Road ("Metro-North") on certain eligible ticket types.

Board Members Zuckerman, Brown, Metzger, Glucksman, Law and Herman commented on the foregoing action item.

Upon motion duly made and seconded, the Board approved the foregoing action item, with Board Members Zuckerman, Metzger and Herman voting no. The details of this action item are contained in the minutes of the MTA Board meeting held this day, the staff summaries filed with those minutes, and in the video recording of the meeting produced by the MTA and maintained in MTA records.

#### 9. JOINT METRO-NORTH AND LONG ISLAND RAIL ROAD COMMITTEE

The Board was presented with one (1) Non-Competitive Joint Procurement item:

• Mitsubishi Electric Power Products, Inc. in the amount of \$85,000,000. (Items are included in the resolution of approval Page 139 of the Board Book.) Request for 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).

Upon motion duly made and seconded, 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 summaries filed with those minutes, and in the video recording of the meeting produced by the MTA and maintained in MTA records.

#### 10. ADJOURNMENT

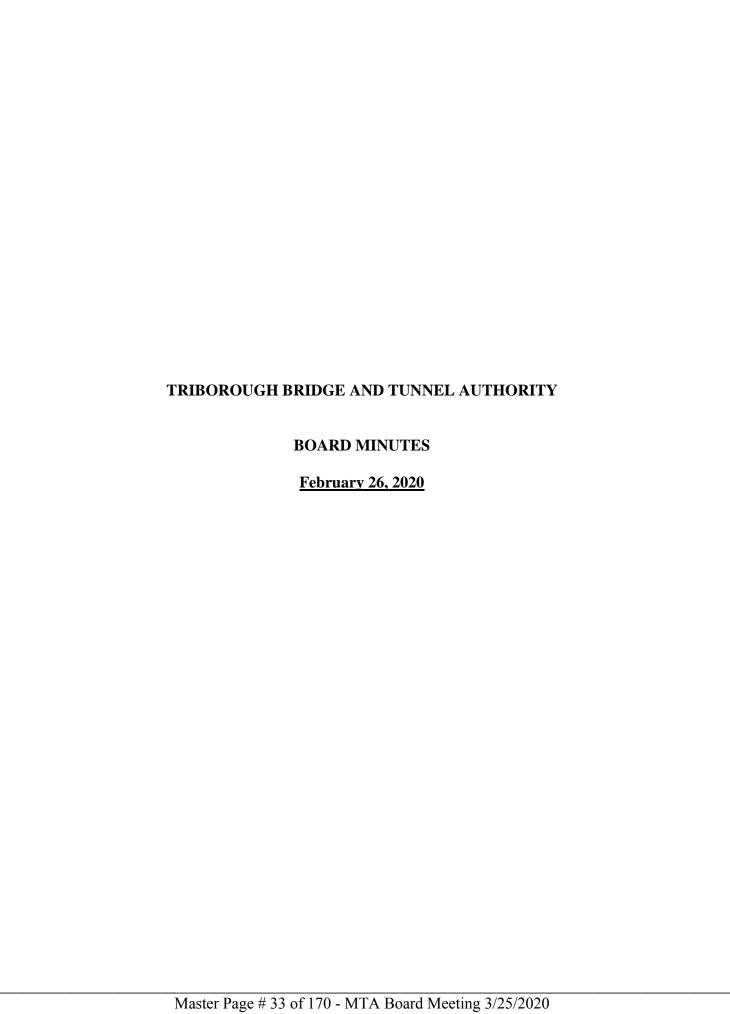
Chairman Foye stated that the next Board meeting is Wednesday, February 26<sup>th</sup>.

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 1:50 p.m.

Respectfully submitted,

Paige Graves

Secretary



#### Minutes of the Regular Meeting Triborough Bridge and Tunnel Authority February 26, 2020

Meeting Held at 2 Broadway, 20<sup>th</sup> Floor New York, New York 10004

10:00 a.m.

The following members were present:

Hon. Patrick Foye, Chairman & CEO

Hon. Randolph Glucksman

Hon. Rhonda Herman

Hon. Linda Lacewell

Hon. Kevin Law

Hon. Robert W. Linn

Hon. David Mack

Hon. Susan Metzger

Hon. Robert F. Mujica

Hon. Lawrence Schwartz

Hon. Vincent Tessitore, Jr.

Hon. Neal Zuckerman

The following alternate non-voting members were also present:

Hon. Andrew Albert

Hon. Norman Brown

Hon. John Samuelsen

The following members were absent:

Hon. David Jones

Hon. Haeda B. Mihaltses

Anthony McCord, Chief Transformation Officer, Mario Péloquin, Chief Operating Officer, Thomas J. Quigley, General Counsel, Janno Lieber, MTA Chief Development Officer, MTA Construction & Development, Robert Foran, MTA Chief Financial Officer, Michael J. Garner, Chief Diversity Officer, Hon. Sarah. E. Feinberg, Acting 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 Cate Contino, Assistant Director, Government Affairs, 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 thirty-five (35) 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 Fove's Opening Remarks

Chairman and CEO Foye opened his remarks by welcoming Sarah Feinberg as interim president of New York City Transit, effective March 9th. He noted that Ms. Feinberg has served on the MTA Board for the last year and brings a wealth of experience to her new role. Chairman and CEO Foye also acknowledged two new members of the MTA team who have joined since the January Board meeting: Rafail Portnoy, Chief Technology Officer, who joins the MTA from the Anti-Defamation League, a premier international civil rights organization; and Kuvesh Ayer, Chief Procurement Officer, who joins the MTA from General Electric. Chairman and CEO Foye acknowledged that TBTA generated a record \$1.1 billion in 2019 to support mass transit operations and capital programs – with an all-time high of 329.3 million paid vehicles crossing its facilities. He thanked Mr. DeCrescenzo and the TBTA team. About Central Business District Tolling (CBDT), Chairman and CEO Foye stated that MTA is preparing a tremendous reinvestment in its system with the historic \$51.5 billion Capital Program. This program will be funded in part by funds generated through Central Business District Tolling. MTA is doing everything in its power to advance and deliver this first-in-the-nation program on time. Right now, MTA is waiting on the federal government to act. Federal inaction would result in worsening congestion on city streets, delay improvements to air quality in the region and put the MTA's historic Capital Plan at risk. CBDT accounts for \$15 billion of the \$51.5 billion 2020-2024 Capital Program. The MTA is the lifeblood of New York City's economy, which contributes nearly \$1 trillion in gross domestic product annually. The MTA portion of the project remains on track and ahead of schedule. Chairman and CEO Foye stated that Robert Foran, Chief Financial Officer, would present the February Financial Plan and the state budget showed higher-than-expected operating aid projections. The MTA must remain laser-focused on Transformation and achieving the \$1.6 billion savings the agency needs. Anthony McCord, Chief Transformation Officer, will provide an update on Transformation.

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. Approval of Minutes of Regular Meeting January 23, 2020

Upon a motion duly made and seconded, the minutes of the Regular Board Meeting held on January 23, 2020 were approved.

#### 4. MTA Capital Plan Presentation

Janno Lieber, Chief Development Officer, stated that the 2020-2024 Capital Plan has commitments of \$13.5 billion per year whereas in the 2015-2019 Capital Plan the average commitments were \$6.5 billion per year. With regard to TBTA, Mr. Lieber mentioned that Central Business District Tolling is moving forward.

The details of the presentation and the discussions with regard to same 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.

#### 5. <u>Diversity Presentation</u>

Chairman and CEO Foye stated that he is proud of the MTA's commitment to supporting and serving every New Yorker, and especially the ways we are able to create economic opportunities for Minority/Women-owned Business Enterprise (MWBE) firms across the region. At the MTA, we also celebrate and support diversity. Most recently, we had the opportunity to mark the centennial of the Harlem Renaissance and celebrate Black History Month, with an event that featured Congressman Hakeem Jeffries and Spectrum News reporter Cheryl Wills last week.

Michael Garner, Chief Diversity Officer, stated that out of 97 New York State Agencies and Authorities, the MTA is ranked number one with payments made to certified MWBEs totaling \$736 million. There were additional payments made to New York State-certified MWBEs on FTA funded projects totaling \$207 million. Overall, \$943 million was paid to New York State-certified MWBEs. Governor Cuomo has established annual MWBE goals of 30%. MTA is currently at 26% for the fiscal year and working towards reaching the goal. There is an FTA annual goal of 18% for Disadvantaged Business Enterprise (DBE) and MTA is currently at 26%. The national average is 14%.

The details of the presentation and the discussions with regard to same 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.

#### 6. MTA 2020 Budget and 2020-2023 Financial Plan

Robert Foran, Chief Financial Officer, discussed proposed revisions to the Adopted 2020 Budget and 2020-2023 Financial Plan. In December 2019, with \$1.2 billion of budget reductions and \$1.6 billion of Transformation savings, there were projected deficits of \$212 million in 2022 and \$426 million in 2023. Changes and re-estimates that improved the financial results include higher Metropolitan Mass Transportation Operating Assistance (MMTOA) and lower TBTA debt service (\$145 million savings). MTA will sell an additional \$7.3 billion worth of lockbox-funded bonds supported by Central Business District Tolling lockbox revenues and MTA debt service will increase by \$742 million over the Plan period, but there will be zero impact to the operating budget because the money to support that debt service has been given to MTA and can only be used for capital purposes. Commissioner Albert inquired whether these estimates were based on congestion pricing going into effect on a specific date. Mr. Foran stated that the lockbox revenues included three sources: congestion pricing, toll revenues, and \$10 billion from sales tax revenues; Commissioner Schwartz will be presenting resolutions and action items that let MTA sell sales tax revenue bonds and also mansion tax receipts. The February Financial Plan is more favorable than the Plan adopted in December. Now, there is a \$157 million surplus projected in 2022 and a \$130 million deficit in 2023. With regard to the equitable cost sharing for paratransit services, Commissioner Linn stated that MTA should review all reimbursement arrangements including E-ZPass, elderly fares, disabled discounts, etc., not just paratransit if the term "equitable" is being used, since New Yorkers contribute 73% of the MTA's non-fare and toll and non-federal revenue. Commissioner Lacewell stated that a budget is a set of priorities and she does not feel it is inappropriate for the Board or MTA to ask that New York City make it a priority. Commissioner Schwartz stated that he will have a working group in conjunction with the Finance Committee to determine if other funding sources can be found other than automatic biennial fare and toll increases. Commissioner Albert asked whether a vote to approve would be a vote for removal of 2,700 positions or whether some of the positions would be through attrition. Chairman and CEO Foye stated a significant amount of positions will be reduced through attrition.

The details of the presentation and the discussions with regard to same 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.

After the presentations and discussions, the Board voted to adopt the 2020 Final Proposed Budget and Four-Year Financial Plan 2020-2023 and authorized the Chairman and CEO and his designees to proceed with the steps necessary to implement the policy actions set forth in the Plan as described in the staff summary.

#### 7. <u>Transformation Presentation</u>

Anthony McCord, Chief Transformation Officer, provided an update regarding Transformation and Reduction In Force (RIF). The goal of this Transformation is for MTA to become the center of excellence worldwide in mass transportation based here in New York State in the 21<sup>st</sup> century. Transformation will focus on three areas:

- Consolidating shared activities across all agencies, drive scale economies, create and leverage internal centers of excellence and get rid of silos
- Put in place better processes, utilize technology to streamline processes, reduce systematic error, better implementation and better talent recognition across the MTA, better cost control, more efficient and more customer friendly services
- Make better decisions getting better information systems and utilize better decision-making
  processes at all levels and across the MTA to think about how we can make and implement
  decisions better.

The key principles that MTA values above all others are safety, customer service, and routine maintenance to enable safety and customer service. Some functions have already started consolidating including legal, compliance, finance, audit, human resources and FOIL.

With regard to the Reduction In Force (RIF), Mr. McCord stated that 2,700 positions are expected to be reduced by the end of 2020. The AlixPartners plan included a hiring freeze since April 1, 2019. Attrition has reduced resource levels by 788 positions as of the end of January 2020. During the Second Quarter 2020, MTA will initiate a RIF of approximately 1,900 positions. The RIF process will take about six months to complete. The Chief Operating Officer, Mario Péloquin, Agency Presidents, Human Resources, and Transformation will determine which positions are in the scope of the RIF. If the operating agencies can identify other verifiable savings, those which can be reconciled back to the budget, MTA can incorporate those and adjust the headcount and resource levels accordingly. Throughout the year, attrition and RIF implementation will be monitored and, based on the results and the readiness of our business systems, will determine what further action may be required to meet the Financial Plan. MTA will do everything it can to keep talented and highly engaged staff. In addition to following all policies and agreements, MTA will conduct the RIF with sensitivity and respect for its employees

The details of the presentation and the discussions with regard to same 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.

#### 8. Committee on Finance

Upon a motion duly made and seconded, the Board approved the following recommended to it by the Committee on Finance that pertained to the Triborough Bridge and Tunnel Authority:

(a) Action Items:

- Ratification of TBTA Special Obligation Resolution Authorizing Sales Tax Revenue Obligations.
- Authorization to Issue New Money TBTA Special Obligation Resolution Authorizing Sales Tax Revenue Obligations Bonds and Bond Anticipation Notes.
- TBTA Reimbursement Resolution for Federal Tax purposes.
- Transfer of the 2019 TBTA operating surplus as described in the Staff Summary and Resolution distributed at the Bridges and Tunnels and Finance Committee meetings.

#### 9. <u>Committee on MTA Bridges and Tunnels Operations</u>

Commissioner Lacewell stated that there are no procurements this month.

### 10. Adjournment

Upon a motion duly made and seconded, the Board unanimously voted to adjourn the meeting at 1:50 p.m.

Respectfully submitted,

Adana Savery

**Assistant Secretary** 

# Regular Board Meeting MTA Construction and Development Company 2 Broadway New York, NY 10004 Thursday February 26, 2020 10:00 AM

#### The following members were present:

Hon. Patrick Foye, Chairman & CEO

Hon. Randolph Glucksman

Hon. Rhonda Herman

Hon. Linda Lacewell

Hon. Kevin Law

Hon. Robert W. Linn

Hon. David Mack

Hon. Susan Metzger

Hon. Robert F. Mujica

Hon. Lawrence Schwartz

Hon. Vincent Tessitore, Jr.

Hon. Neal Zuckerman

The following alternate non-voting members were also present:

Hon. Andrew Albert

Hon. Norman Brown

Hon. John Samuelsen

The following members were absent:

Hon. David Jones

Hon. Haeda B. Mihaltses

Janno Lieber, President MTA Construction and Development Company/Chief Development Officer, Metropolitan Transportation Authority; Anthony McCord, Chief Transformation Officer, Metropolitan Transportation Authority; Mario Péloquin, Chief Operating Officer, Metropolitan Transportation Authority; Thomas J. Quigley, General Counsel, Metropolitan Transportation Authority; Robert Foran, Chief Financial Officer, Metropolitan Transportation Authority, Michael J. Garner, Chief Diversity Officer, Metropolitan Transportation Authority; Hon. Sarah E. Feinberg, Acting President, New York City Transit Authority; Phillip Eng, President, Long Island Rail Road; Catherine Rinaldi, President, Metro-North 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 & Secretary, MTA Construction and Development Company; David Cannon, Vice President, Contracts and Assistant Secretary, MTA Construction and Development Company; Rosalyn Green, Chief Equal Employment Opportunity Officer, Metropolitan Transportation Authority; Michael Collins, Assistant Vice President, Diversity & Inclusion, New York City Transit and; Cate Contino, Assistant Director, Government Affairs, New York City Transit Authority 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 MTA C&D. 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 thirty-five public speakers, none of whom spoke on MTA C&D matters. The names of the public speakers and their remarks are contained in the minutes of the Regular Board Meeting of the MTA and the other agencies of this date.

#### Chairman and Chief Executive Officer's Remarks

Chairman Foye's remarks are contained in the minutes of the Regular Board Meeting of the MTA held on this date.

#### **Approval of Minutes**

Upon motion duly made and seconded, the Board approved the minutes of the Regular Board Meeting of MTA C&D and the amended minutes of the Regular Board Meeting of the MTA held on January 23, 2020.

#### Presentation on the Capital Program

The Chief Development Officer of the MTA/President of MTA C&D, Janno Lieber, gave a presentation that provided an update on projects from the 2014 – 19 and the 2020-24 Capital Programs.

Board Member Albert thanked Mr. Lieber for recognizing the short time opportunity that is available between the installation of CBTC on the Eighth Avenue subway lines and the ability to repair the Rutgers Tube, and scheduling the Rutgers Tube rehabilitation prior to the Eighth Avenue CBTC work. Board Member Albert recognized that Mr. Lieber's actions take advantage of the fact that the Sixth and Eighth Avenue subway lines were constructed so that service on the lines are interchangeable between West 4<sup>th</sup> St. Station in Manhattan and Jay Street Station in Brooklyn. Board Member Albert further noted that these actions will allow rerouting of the A and C Lines through the rehabilitated Rutgers Tube during CBTC outages on Eighth Avenue. Mr. Lieber responded that the credit goes to the Development organization within C&D which intensely thinks about outages and how to bundle work so that they can maximize opportunities for logistical and time savings.

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

#### **Presentations on Diversity**

MTA Chief Diversity Officer, Michael Garner; NYCT Assistant Vice President, Diversity & Inclusion, Michael Collins, and MTA C&D Chief Equal Employment Opportunity Officer, Acting MTA Chief Equal Employment Opportunity Officer, Dr. Roslyn Greene all gave presentations on Diversity within the MTA.

The details of the presentations are filed with the records of the Regular Board Meeting of the MTA held on this date.

#### 2020 Budget and 2020 - 2023 Financial Plan

The Chief Financial Officer, MTA, Bob Foran gave a presentation on revisions to the MTA's 2020 Adopted Budget and 2020-2023 Financial Plan. Discussions amongst the Board Members and Mr. Foran followed.

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

#### Action Item

Upon motion duly made and seconded, 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.
- 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 2019 Staff Summary but excluding those references to the pullback of
  2019 and 2020 Committed to Capital funds for use to balance the operating budget.

Board Member Lin voted no on all of the above.

A copy of the Staff Summary and for the above item is filed with the records of the Regular Board Meeting of the MTA of this date.

#### **Transformation Presentation**

MTA Chief Transformation Officer, Anthony McCord, gave a presentation updating the Board on the transformation and the plan for a reduction in force. A discussion was then held amongst Mr. McCord and the Board Members.

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

#### **Committee on Finance**

#### **Action Items**

Upon motion duly made and seconded, the Board:

- 1. Approved the filing for and acceptance of Federal grants for the Federal Fiscal Year ("FFY") 2020
  - a. Authorize filing of applications in request for Federal capital assistance for the FFY 2020
  - b. Authorized the Chairman or Any of his designees to make required certifications.
  - c. Authorized the acceptance of grants
- 2. Adopted and approved a resolution establishing the MTA Major Construction Review Unit ("MCRU") and an initial MCRU panel of twenty internal and external experts.

A copy 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.

#### Real Estate Items

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

#### MTA Metro-North Railroad

Approved a license agreement with Part of the Solution, a New York non-profit corporation, for the use of vacant land located at Webster Avenue between East 197<sup>th</sup> and 198<sup>th</sup> Streets, Bronx, NY for non-commuter purposes.

#### MTA Construction & Development and MTA Long Island Rail Road

Approved a modification with to GEC 6168A-02-01 with AECOM USA for additional work associated with the Penn Corridor Improvement Project for \$11.1M. (Board Member Law recused.)

MTA Construction & Development and MTA New York City Transit

Approved the entering into an exclusive license agreement with Transit Wireless 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.

A copy 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 New York City Transit and Bus

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

Award of a publicly advertised and competitively solicited contract (Contract No. A-37150D) to Citnalta-TAP, JV for the design and construction of accessibility upgrades at Livonia Avenue Station on the Canarsie Line for the amount of \$53,900,000 and a duration of 23.6 months, and the payment of a stipend of \$88,000 to be paid to the unsuccessful proposer.

A copy of the Resolution and the Staff Summary for the above item is 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 item:

A modification to the East Side Access Systems Contract (CS179) 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, for the amount of \$5,287635.

A copy of the Resolution and the Staff Summary for the above item is filed with the records of the Regular Board Meeting of the MTA of 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** 



Subject
Transportation Revenue Anticipation Notes
Department
Finance
Department Head Name
Robert E. Foran, Chief Financial Officer
Department Head Signature
Project Manager Name
Patrick J. McCoy, Director of Finance

Date
March 25, 2020
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

		Board	Action		
Order	То	Date	Approval	Info	Other
1	Finance Comm.	3/25			
2	Board	3/25			

Internal Approvals			
Order	Approval	Order	Approval
1	Legal		

#### **PURPOSE**

The MTA Finance Department is seeking MTA Board authorization of the necessary documentation and activities to increase its authorization to issue revenue anticipation notes under the Transportation Revenue General Resolution ("RANs") to provide for short-term liquidity. The Board previously approved the issuance of RANs of up to \$1.0 billion. The Finance Department is seeking authorization to increase the amount of RANs up to \$3.0 billion. The notes will be used from time to time, and may be repaid and reissued, to address immediate operating funding needs.

#### **DISCUSSION**

As part of MTA's response to the COVID-19 health crisis, general overall preparedness efforts and in order to provide operating and financing flexibility, MTA Finance believes it to be fiscally prudent to secure additional expanded operating liquidity. Due to the unprecedented impacts of the COVID-19 crisis, MTA's operations have been, and are expected to continue to be, severely impacted by reduced transit and commuter rail ridership and bridge and tunnel crossings. MTA Finance believes it is in the best interests of the Authority to expand its capacity of standing liquidity available to provide a secure level of resources to help operate the system during this time of acute stress.

The existing liquidity program of \$1.0 billion is comprised of two revolving credit agreements as follows: \$800 million with JPMorgan Chase Bank, National Association (JPMorgan); and \$200 million with Bank of America, N.A. (BANA). As reported in the March 18 Supplement to the Annual Disclosure Statement, MTA has fully drawn the available capacity from both JPMorgan and BANA. The agreements include the terms and conditions under which the RANs may be issued, and repaid and reissued, through their current termination date which is August 24, 2022 for each agreement.

MTA Finance staff is currently in discussions with JPMorgan to increase its capacity under the agreement in an amount yet to be determined by the bank. BANA has agreed to increase its available commitment from \$200 million to \$410 million. MTA is also in discussions with a number of other



commercial banks to provide expanded liquidity capacity up to the proposed authorized amount of up to \$3.0 billion.

RANs will be issued in compliance with MTA's existing General Resolution Authorizing Transportation Revenue Obligations, as supplemented and amended to the date hereof (the "General Resolution") and the Series 2013 Transportation Revenue Anticipation Note Resolution (Working Capital Revolving Credit Facility), as amended (the "RAN Resolution") and will be payable from (1) operating subsidies received by the MTA, and (2) farebox operating revenues to the extent such subsidies are delayed or insufficient to repay the RANs.

Board approvals are sought as follows:

- 1. MTA Board approval of the annexed amendatory resolution (the "Amendatory Resolution"), documents and activities in connection with the issuance of RANs in an aggregate principal amount necessary to finance, on a short-term basis, up to \$3.0 billion of operating needs for MTA wide systems. The Resolution authorizes MTA to issue RANs in one or more subseries in an aggregate principal amount at any time outstanding necessary to finance, on a short-term basis, up to \$3.0 billion of operating costs of the MTA system, including amounts needed to provide for applicable issuance costs and any original issue discount.
- 2. With respect to the above-referenced authorization set forth in paragraph 1, MTA Board approval delegating authority to the Chairman and CEO, the Chair of the Finance Committee, the Chief Financial Officer or the Director, Finance to:
  - (a) (i) increase the revolving credit agreement with JPMorgan to an amount yet to be determined:
    - (ii) enter into an expanded revolving credit agreement in an amount of \$410 million with BANA;
    - (iii) enter into a new revolving credit agreement with one or more other financial institutions which are members of the Federal Home Loan Bank System and rated at least investment grade by any two nationally recognized rating agencies to execute and/or deliver in each case, where appropriate the documents listed below. In no case shall the collective agreements between MTA and the consortium of banks exceed the authorized amount of up to \$3.0 billion, and
  - (b) take such other actions as may be necessary or desirable to effectuate such transactions. The anticipated documents consist of:
    - Revolving Credit Agreements or similar loan arrangements with financial institutions.
    - Required disclosure documents,
    - Deposit Agreement
    - Paying Agent Agreement

Any such documents will be in substantially the form of any document previously entered into by MTA for previous issues and programs or otherwise substantially conform to the terms of the RAN Resolution with such changes as approved by any one or more of the foregoing officers. In addition,



such officers are hereby authorized to terminate, amend, supplement, replace or extend any such documents.

- 3. In addition, with respect to the above referenced transaction set forth in paragraph 1, approval of the respective Boards of NYCTA, MaBSTOA, LIRR, MNCRC, and MTA Bus and TBTA, delegating authority to the Chairman and CEO, the Chair of the Finance Committee, the Vice Chairman, the Chief Financial Officer or the Director, Finance of MTA to (a) execute and deliver a Deposit Agreement in substantially the form of the Deposit Agreement attached as Exhibit B to the RAN Resolution referred to in paragraph 1, with such changes as approved by any one or more of the foregoing officers; and (b) to perform the obligations of such respective entities under the Deposit Agreement and to take such other actions as may be necessary or desirable to effectuate such transaction.
- 4. On behalf of Boards of MTA and its subsidiaries and affiliates, to authorize the Chairman and CEO, the Chair of the Finance Committee, the Vice Chairman, the Chief Financial Officer or the Director, Finance of MTA and its subsidiaries and affiliates, as appropriate, and in each case, the Chief Financial Officer of the MTA to take such other actions as may be necessary or desirable to effectuate the issuance of the operating liquidity notes.

#### **ALTERNATIVES:**

MTA has sought Federal support of \$4 billion in aid to address the substantial revenue loss and additional expenses resulting from the COVID-19 health crisis. No assurance of the provision of such support has been provided and there are no other viable alternatives to MTA seeking support from the largest commercial banks to provide liquidity during this crisis.

#### **RECOMMENDATION:**

The relevant Boards approve the above-referenced resolution 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.



#### 2020 AMENDMENT TO SERIES 2013 TRANSPORTATION REVENUE ANTICIPATION NOTE RESOLUTION (WORKING CAPITAL REVOLVING CREDIT FACILITY), ADOPTED JULY 24, 2013

BE IT RESOLVED by the Metropolitan Transportation Authority (the "Issuer"), as follows:

#### **ARTICLE I**

#### **DEFINITIONS AND STATUTORY AUTHORITY**

Section 1.01 Amendment to Supplemental Resolution. This Amendment (the "Amendment") to Series 2013 Transportation Revenue Anticipation Note Resolution (Working Capital Revolving Credit Facility) adopted July 24, 2013, as amended (the "2013 RAN Resolution") is supplemental to, and is adopted, in accordance with Article A-VIII and Article A-IX of a resolution of the Issuer adopted on March 26, 2002, entitled "General Resolution Authorizing Transportation Revenue Obligations" (the "Resolution").

**Section 1.02 Definitions**. All capitalized terms which are used but not otherwise defined

in this Amendment shall have the same meanings, respectively, as such terms are given by Section 102 of the Resolution.

**Section 1.03 Authority for this Amendment**. This Amendment is adopted pursuant to the provisions of the Issuer Act and the Resolution.

#### **ARTICLE II**

#### AMENDMENT TO AUTHORIZATION OF NOTES

**Section 2.01 Amendment to Authorized Principal Amount of 2013 RAN Resolution**. Section 1 of the 2013 RAN Resolution is hereby amended by deleting "One Billion Dollars (\$1,000,000,000)" and replacing it with "Three Billion Dollars (\$3,000,000,000)".

**Section 2.02 Effective Date**. This Amendment shall take effect immediately upon its adoption by the Issuer's Board.



	Page 1 of
Subject	Date
2019 Annual Procurement Report	March 6, 2020
Department	Vendor Name
MTA Business Service Center	Various
Department Head Nerss	Contract Number
Wael Hibri	Various
Department Heed Signature	Contrast Manager Name
Division Head Name	Table of Contents Ref #
David N. Ross	

Inançe	3/23/20	X		
ioand	3/25/20	X		
	ioara	Joana 3/23/20	Oard 3/23/20 X	Oaru 3/23/40 X

Order	Approval /	Order	Approval
1	Chief Procurement Offices	5	CFO
2	Chief Compliance Office	-	
3	General Counsel		
4	Chief of Staff Maw		

#### Purpose:

To authorize the filing with the State of New York of the annual MTA All-Agency Procurement report for the period January 1, 2019- December 31, 2019 as required under Section 2879 of the Public Authorities Law ("PAL").

This report includes the following required material:

- 1. Contracts awarded with payments made in 2019 as prepared by each agency and
- 2, Contracts awarded prior to 2019 with payments made in 2019 as prepared by each agency.

The report, which is being submitted separately, conforms to the format/content requirements of both PAL Section 2879 as well as the Public Authorities Reporting Information System (PARIS) overseen by the New York State Independent Authorities Budget Office. Once approved by the Curporate Governance Committee, the All-Agency Procurement Guidelines will be attached to the report prior to filing, as required by PAL Section 2879.

Many of the contracts on this list came before the Board during the course of the calendar year. The active contracts that were awarded prior to this calendar year were also included in the prior years' annual procurement reports, which have previously been reviewed by the Board.

MEA Form ROOSS - MOT



Staff Summary Page 1 of 1

Subject
Increase of MTA All Agency Investment Limit
Department
CFO/Treasury
Department Head Name
Robert E. Foran, Chief Financial Officer
Department Head Signature
Project Manager/Division Head
Josiane P Codio, Director of Treasury

		Board A	Action		
Order	То	Date	Approval	Info	Other
1	Finance Comm.		Х		
2	Board		Х		

Date	
March 25, 2020	
Vendor Name	
Contract Number	
Contract Manager Name	
Table of Contents Ref#	

	Internal A	pprovals	;
Order	Approval	Order	Approval
1	Legal	2	Chief of Staff

<u>Purpose</u>: To obtain approval to increase the limit to be invested in any one bank or corporation from \$250,000,000.00 to \$500,000,000.00.

**Background:** The MTA All Agency Investment Guidelines were adopted by the Board in May 2003. The MTA Treasury Department is seeking MTA Board approval to increase the limit to be invested in any one bank or corporation from \$250,000,000.00 to \$500,000,000.00.

The impact of the Coronavirus Pandemic on the MTA's revenue and the decline in the market are forcing us to adapt to new investment strategies in order to maintain the needed liquidity. The Treasury Bills market rate is currently negative for short-term investments with the earliest positive rate of 0.01% most likely in September. The current limit of \$250,000,000.00 makes it difficult to invest with the available options.

An increase of the investment limit will provide us with greater investment flexibility. It will allow us to maintain the required liquidity and to match our investments need.

**Recommendation(s):** The Board approves the increase of the MTA All Agency investment limit.

MTA ALL AGENCY
INVESTMENT GUIDELINES
Operating and Capital Program Funds

WHEREAS the Treasury Department of the Metropolitan Transportation Authority manages the investment of the operating and capital program funds of the Metropolitan Transportation Authority (MTA), The Long Island Rail Road Company (LIRR), the Metro North Commuter Railroad Company (MN), the Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA), the Metropolitan Suburban Bus Authority (MSBA), the New York City Transit Authority (NYCTA), the Staten Island Rapid Transit Authority (SIRTOA), the MTA Bus Company, and the Triborough Bridge and Tunnel Authority (TBTA) (collectively the related entities), and

WHEREAS the investment of funds are regulated by the New York State Public Authorities Law, the State Comptroller's Investment Guidelines for Public Authorities, and in accordance with the Bond Resolutions of the MTA and TBTA,

BE IT RESOLVED, that the following investment guidelines be adopted by the related entities.

#### I. GENERAL GUIDELINES

- 1. The MTA Treasury Department (Treasury) shall be responsible for the execution and management of all operating and capital program investment activity for each of the related entities. The Treasury Department will report to the Chief Financial Officer. The following guidelines do not apply to investments of MTA First Mutual Transportation Assurance Corporation, MTA's Defined Benefit Pension Plan, the MaBSTOA Pension Plan, the MTA Retiree Welfare Benefits Trust or to accounts established to hold employee and employer contributions under the New York State Voluntary Defined Contribution Program these funds are subject to separately established guidelines. All investment decisions will meet the following requirements:
  - a. Safeguard the Investment Principal.
  - b. Meet expected cash flow requirements.
  - c. Maximize yield.
- 2. Federal Statutory Requirements, New York State Statutory Requirements, and Bond Resolutions of the related entities supercede these guidelines.
  - a. Federal Statutory requirements include compliance with any existing or future statute or administrative ruling that may affect the tax-exempt status of related entities' debt.
  - b. New York State statutory requirements include, but are not limited, to the following sections:
    - i. Public Authorities Law Sections 1265(4) (MTA), 1204(19) (Transit Authority) and 553(21) (TBTA)
    - ii. Public Authorities Law Section 2925 Investment of funds by public authorities and public benefit corporations; general provisions
    - iii. State Finance Law Article 15 EXCELSIOR LINKED DEPOSIT ACT
- 3. Authorized Investment Obligations will be limited to the following:
  - a. obligations of the state or the United States government,
  - b. obligations the principal and interest of which are guaranteed by the state or the United States government,
  - c. certificates of deposit of banks or trust companies in this state, secured, if the authority shall so require, by obligations of the United States or of the state of New York of a market value equal at all times to the amount of the deposit,
  - d. banker's acceptances with a maturity of ninety days or less which are eligible for purchase by the federal reserve banks and whose rating at the time of purchase is in the highest rating category of two nationally recognized independent rating agencies, provided, however, that the amount of banker's acceptances of any one bank shall not exceed five hundred million dollars,

- e. obligations of any bank or corporation created under the laws of either the United States or any state of the United States maturing within two hundred seventy days, provided that such obligations receive the highest rating category of two nationally recognized independent rating agencies such as, A1 from Standard and Poor's, P1 from Moody's and F1+ from Fitch Ratings, provided further, that no more than five hundred million dollars may be invested in such obligations of any one bank or corporation,
- f. as to any such moneys held in reserve and sinking funds, other securities in which the trustee or trustees of any public retirement system or pension fund has the power to invest the monies thereof pursuant to article four a of the retirement and social security law, each such reserve and sinking fund being treated as a separate fund for the purposes of article four a of the retirement and social security law,
- g. notes, bonds, debentures, mortgages and other evidences of indebtedness, issued or guaranteed at the time of the investment by the United States postal service, the federal national mortgage association, the federal home loan mortgage corporation, the student loan marketing association, the federal farm credit system, or any other United States government sponsored agency, provided that at the time of the investment such agency or its obligations are rated and the agency receives, or its obligations receive, the highest rating of all independent rating agencies that rate such agency or its obligations, provided, however, that no more than five hundred million dollars or such greater amount as may be authorized for investment for the state comptroller by section ninety-three of the state finance law may be invested in the obligations of any one agency,
- h. general obligation bonds and notes of any state other than the state, provided that such bonds and notes receive the highest rating of at least one independent rating agency, and bonds and notes of any county, town, city, village, fire district or school district of the state, provided that such bonds and notes receive either of the two highest ratings of at least two independent rating agencies,
- i. mutual funds registered with the United States securities and exchange commission whose investments are limited to obligations of the state described in paragraph (a) of this subdivision, obligations the principal and interest of which are guaranteed by the state described in paragraph (b) of this subdivision, and those securities described in paragraph (h) of this subdivision and that have received the highest rating of at least one independent rating agency, provided that the aggregate amount invested at any one time in all such mutual funds shall not exceed ten million dollars, and, provided further, that the authority shall not invest such funds, accounts or other monies in any mutual fund for longer than thirty days,
- j. financial contracts in a foreign currency entered into for the purpose of minimizing the foreign currency exchange risk of the purchase price of a contract with a vendor chosen through competitive process for the acquisition of capital assets for the benefit of the capital program of the Triborough

- Bridge and Tunnel Authority or either the transit or transportation capital programs, and
- k. repurchase agreements with any dealer or bank, which agreement is secured by any one or more of the securities described in clauses (a), (b) or (g) above, which securities shall (A) at all times have a market value of not less than the full amount held or invested pursuant to the agreement and (B) be delivered to a Bank as defined in clause (i) or (ii) of the definition thereof, as custodian, that is independent from the dealer or bank with whom the repurchase agreement is executed.
- 4. Bank shall mean any (i) bank or trust company organized under the laws of any state of the United States of America, (ii) national banking association, (iii) savings bank or savings and loan association chartered or organized under the laws of any state of the United States of America, or (iv) federal branch or agency pursuant to the International Banking Act of 1978 or any successor provision of law, or domestic branch or agency of a foreign bank which branch or agency is fully licensed or authorized to do business under the laws of any state or territory of the United States of America.
- 5. Trading Authorization The board delegates to the Chairman the power to authorize certain individuals to buy and sell securities and enter into investment agreements on behalf of the related entities. The trading authorization will take the form of attachment A to these guidelines.
- 6. Investment Limitations All dollar limitations for investment will be based on the original cost of the investment including accrued interest purchased at the time of investment.

#### II. CUSTODIAN

- 1. All Investment Obligations and collateral is to be held by a custodian who is not a party to the Investment Obligation.
- 2. A custodian must meet one of the following three criteria:
  - a. A bank as the term is defined in either clauses (i) or (ii) in section I.4 of these guidelines, and which the MTA Board has adopted a resolution establishing the bank as a depository of the MTA or any of its related entities.
  - b. A bank appointed as a trustee under a specific MTA board resolution.
  - c. A bank designated as a trustee by an authorized officer who has been delegated the authority by the MTA Board to appoint a custodian as part of a specific transaction.
- 3. Each bank acting as a custodian, except for a custodian established for a specific transaction, must have the following capabilities;
  - a. Daily electronic reporting of all investment and cash activity,
  - b. Acceptance of electronic instructions to buy, sell, deliver or receive securities,
  - c. Acceptance of electronic instructions to transfer funds, and
  - d. Electronic Access to current Investment Inventory position statements.
- 4. The Treasury Department will maintain at least \$100 million of its portfolio (subject to cash flow requirements) with a separate emergency custodian bank. The purpose of this deposit is in the event that the MTA's main custodian cannot execute transactions due to an emergency outside of the custodian's control, the MTA has an immediate alternate source of liquidity. Securities held in the separate emergency custodian bank are subject to the following conditions;
  - a. The securities will be included in the MTA portfolio, and
  - b. All security activity in the emergency custodian bank will be governed by these guidelines.

#### III. REPURCHASE AGREEMENTS

- 1. An executed Master Repurchase Agreement, approved as to form by the MTA General Counsel, must be executed between the dealer or bank and the MTA. The Director of Treasury is authorized to execute the agreement on behalf of the related entities.
  - a. A dealer must be listed on the "LIST OF THE GOVERNMENT SECURITIES DEALERS REPORTING TO THE MARKET REPORTS DIVISION OF THE FEDERAL RESERVE BANK OF NEW YORK", published by the Federal Reserve Bank of New York.
  - b. Agreements currently signed with firms meeting the requirements contained in the current Investment Guidelines will remain in effect.
- 2. The market value of the collateral must at all times be not less than the principal amount of the repurchase agreement plus the accrued interest of the repurchase agreement. MTA Treasury will use as its primary source its mark-to-market report based upon the prior day closing prices.
  - a. A mark-to- market of the collateral will be done each morning. The market value will include the accrued interest on the collateral securities.
  - b. For repurchase agreements having a term of more than 1 business day, if the market value of the collateral is less than 102%, rounded to the nearest 1%, additional collateral must be delivered to the MTA's custodian.
  - c. For the purpose of the mark- to- market calculation, the market value for all repurchase agreements with any one dealer, having a maturity of more than 1 business day, may be aggregated against the total collateral requirement for all of the repurchase agreements, having a maturity of more than 1 business day, with the one dealer.
  - d. The Treasury Department may waive the requirement for additional collateral if the amount of additional collateral is less than \$100,000.00 and the market value, as determined in the daily mark to market referred to in subsection (a) of this section, of the collateral held by the MTA's custodian is greater than the sum of the principal amount of the repurchase agreement plus the accrued interest of the repurchase agreement.
  - e. On the purchase date, which is the date on which the repurchase agreement is entered into, the Treasury Department will test a minimum of 20% of the repurchase agreements to ensure that the collateral being delivered is sufficient for the repurchase agreement.
  - f. For overnight, including weekends and holidays, repurchase agreements, the Treasury Department will be responsible for monitoring dealer performance and will take corrective action with regard to chronic problems. Such corrective action will consist of notifying in writing the dealer who has developed a pattern of not providing adequate collateral. If the problem

- persists, the Treasury Department will discontinue doing business with the dealer.
- g. For repurchase agreements longer than overnight, including weekends and holidays, the Treasury Department will contact any under collateralized dealer and require additional collateral or the return of cash as required in the written repurchase agreement. Request for additional collateral should be made by 10:00AM.
- i. In the event of a dispute, a revised mark-to-market report may be used based upon current day pricing provided by a 3rd party, such as Bloomberg LLP. Documentation for such a revised report will consist of a screen pricing out of each collateral security at the current bid price plus the accrued interest on the collateral security.

Nothing in these guidelines prohibit entering into 3rd party repurchase agreements if the custodian meets the above criteria and all segregation requirements for the MTA funds are maintained.

- 3. Dealer limits for repurchase agreements are to be determined by a tier level based on a firm's capital.
  - a. The tier levels are:

1st Tier \$1,000.0 million or more in capital 2nd Tier \$200.0 to \$999.9 million in capital 3rd Tier Less than \$200.0 million in capital

- b. Capital will be defined as the sum of the firm's equity plus subordinated long-term debt. If the dealer is a wholly owned subsidiary of another dealer, and is included in a consolidated balance sheet of the parent broker, the parent's capital will be the basis for determining the capitalization. If the parent organization is not primarily a dealer/broker type of firm, but does have a major portion of its revenues generated by other than security type transactions, the parent's capital will not be included. This would exclude firms owned by insurance companies, and other non security investment institutions. Only audited financial statements will be used for determining the firm's capital.
  - i. Capital for a bank or dealer owned by a bank shall mean the bank's equity only.
  - ii. The capital of those holding companies which are foreign based cannot be applied for the purpose of determining capitalization except and unless the holding company has provided an unconditional guarantee in writing and any necessary supporting documents in a form acceptable to the MTA General Counsel against any losses incurred as a result of the domestic subsidiary being unable to fulfill its Contractual Obligations with the MTA.
  - iii. Only audited financial statements will be used for determining a firm's capital.

c. The total maximum exposure for repurchase agreements to any Dealer/Banks will be limited by Tier as follows for any one day:

1st Tier \$300.0 million 2nd Tier \$250.0 million

3rd Tier amount of firm's capital

- 4. Investment in repurchase agreements will be further governed by the following operational requirements:
  - a. The Treasury Department will maintain a record of the results of its monitoring of overnight repurchase agreement collateral for each dealer.
  - b. All repurchase agreements shall be in the form of cash versus delivery.
  - c. The MTA Treasury Department will determine the final maturity of repurchase agreements based upon cash needs of the Authority.
  - d. A minimum of three solicitations will be made prior to the awarding of any repurchase agreement. The award of the investment will be made in order of the highest yields, and in accordance with the exposure constraints established in Section III.3. A written record of the quotes received and awards made will be maintained by the Treasury Department.

#### IV. SECURITY PURCHASES AND SALES

- 1. The direct purchase of investment obligations securities covers the purchase of securities listed in sections I.3.a, b, d, e, g and h above.
- 2. All securities will be delivered to a designated MTA Custodian against cash payment. Delivery instructions will be sent to the MTA Custodian electronically or via telecopied letter signed by an authorized signer
- 3. A minimum of three (3) bids or offers will be solicited for direct purchases or sales of securities. The award will be based on lowest cost for purchases or highest price for sales. A written record of the quotes received will be maintained by the Treasury Department.
- 4. Nothing in this section prohibits the use of electronic trading screens, provided that the requirements of III.2 and III.3 are met.
- 5. The authority may participate directly in US Treasury government security auctions. This participation takes the form of placing an order through one of the dealers listed on the "LIST OF THE GOVERNMENT SECURITIES DEALERS REPORTING TO THE MARKET REPORTS DIVISION OF THE FEDERAL RESERVE BANK OF NEW YORK", published by the Federal Reserve Bank of New York. The award of securities is determined by the results of the auction process, and is based on the rates received and the amount of securities offered for sale. The pricing results of the auction are published, and such published notices will be included in the record of the trade.

#### V. REPORTING REQUIREMENTS

- 1. The Treasury Department will prepare reports as scheduled by the Finance Committee's work plan, investment reports covering the investment activity of all MTA Treasury Department funds. These reports will contain a detailed listing of all broker activity for the period. A listing of dealers with whom the MTA does repurchase agreements including limits set for each broker, will also be included.
- 2. An annual investment report shall be submitted to the Finance Committee consisting of the following:
  - a. Investment Guidelines and amendments to those guidelines since the last report, and an explanation of the guidelines and amendments.
  - b. Investment income for the year.
  - c. List of total fees, commissions or other charges paid to each investment banker, broker, agent, dealer, custodian bank and adviser rendering investment associated services to the MTA.

Following receipt of approval of the Board, copies of the annual report shall be submitted to:

- 1. State Division of the Budget
- 2. State Department of Audit and Control
- 3. State Senate Finance Committee
- 4. Assembly Ways and Means Committee
- 5. Independent Authority Budget Office

#### VI. PORTFOLIO MANAGERS

- 1. Due to the various portfolio requirements of the MTA, it may be advantageous to structure a specific portfolio and contract with outside portfolio managers for the management of these funds. The awarding of a portfolio management contract will be controlled by the MTA's procurement policy covering personal services contracts. The criteria for awarding these contracts will include, but not limited by, the following provisions:
  - a. Experience of the portfolio manager.
  - b. Concepts and ideas for the management of the funds, including the identification of an appropriate benchmark for the portfolio.
  - c. The ability to provide regular and timely reports, consistent with internal reporting requirements of the MTA All Agency Investment Guidelines.
  - d. Fees.
  - e. Capitalization and financial strength of the firm.
- 2. Each portfolio manager will be required to operate within the structure of these guidelines except for the reporting requirement of competition with regards to the purchase and sale of securities. This exception is made because it would be impossible to monitor compliance. In addition, an outside manager would also have to comply with the following:
  - a. All transactions will be made from an MTA controlled Custody Account on a cash vs. delivery basis.
  - b. All Bank Statements and Broker advices will be mailed to the Comptroller for the MTA.
  - c. The MTA will designate to the custodian the representatives of the portfolio manager authorized to conduct business on behalf of the MTA.

#### VII. MISCELLANEOUS

The following guidelines will also be adhered to with regard to the investment of MTA Operating and Capital Program Funds.

- 1. AUTHORIZATION The Chairman, or any person or persons who may from time to time be designated in writing by the Chairman, may purchase or sell securities and/or enter into repurchase agreements for the MTA and its related entities.
- 2. BANK RECONCILIATIONS All bank confirmations and statements will be addressed to the Comptroller. The Comptroller will be responsible for all investment custody account reconciliations.
- 3. INDEPENDENT AUDITOR. The MTA's independent auditor will include as part of its annual audit a statement on the compliance of the investment activity with these investment guidelines.
- 4. CONFLICTS OF INTEREST. MTA's policy regarding conflicts of interest shall be followed regarding the investment of funds. Business may not be transacted with any institution or dealer of which an MTA Board Member, senior agency official, or any other officer or employee authorized to participate in the selection of such institution or dealer is an officer, a director or a substantial stockholder.
- 5. BROKER ADVICES. All broker advices will be mailed to the Treasury Department for safekeeping. All broker advices will be made available by the Treasury Department to the Comptroller and Audit Department as requested.
- 6. STOCK TRANSACTIONS. Due to the reorganization of mutual insurance firms into stock firms, the MTA and its related entities receive stock in reorganized corporations. The Chairman, or any person or persons who may from time to time be designated in writing by Chairman, may sell this stock for the MTA and its related entities.
  - a. If the corporation has a stock buy back plan that will purchase the stock, the stock will be sold using the plan.
  - b. If the corporation does not have a stock buy bank plan, the Treasury Department will solicit commission fee bids from at least 3 members of the MTA's senior underwriting management firms. The firm with the smallest commission will be awarded the sale trade. In case of a tie, the trade may be divided among the firms with the same commission fee bid.
  - c. Proceeds from the sale of the stock will be distributed back to the related entities in proportion to the shares of securities and/or enter into repurchase agreements originally owned by each of the related entities.

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Subject
MTA Prompt Payment Annual Report 2019
Department
Chief Financial Officer
Department Head Name
Bob Foran
Department Head Signature
Project Manager/Division Head /
James Sirna http://www.
// -

	Board Action							
Order	То	Date	Approval	Info	Other			
1	Finance	3/23/20		х				
2	Board	3/25/20		х				

Date	
March 6, 2020	
Vendor Name	
Contract Number	
Contract Manager Name	•
Table of Contents Ref#	

	Internal Approvals						
Order	Approval	Order	Approval				
1	Legal		770				
2	Dep General Counsel		WITM				

#### Purpose:

To report to the Board the compliance by the MTA Business Service Center with the New York State Prompt Payment Legislation.

#### Discussion:

The Prompt Payment Legislation, implemented in April 1988 requires that the Authority must pay amounts due under its contracts within 30 days of the receipt of a proper invoice or the receipt of the goods or services, whichever is later. When payment of a proper invoice is delayed beyond the allotted time, the agency must pay interest at the rate set forth by the New York State Commission of Taxation and Finance which is currently at 8.0%, if such interest payment exceeds a ten dollars threshold.

Additionally, the Prompt Payment Legislation requires that the MTA issue an annual report within ninety days after each fiscal year. This report shall include the following:

- A listing of the types of categories of contracts which the Authority entered into during the twelvemonth period covered by the report, together with a brief description of whether each such type or category of contract was subject to the prompt payment requirements promulgated by the Authority and, if not, the reasons why;
- 2) The total amount and number of interest payments made to vendors for contracts allocated to the type or category;
- 3) The number of interest "chargeable" days and the total number of days required to process each delayed/late contract vendor payment; and
- 4) A summary of the "principal" reasons why such delayed/late payments occurred.



Page 2 of 2

For the current period, the total amount of prompt payment interest paid, Agency-wide is \$202,670 on a total invoice value paid of \$13,813,035,176. This is a significant increase in the amount of prompt payment interest compared to the 2018 amount paid which was \$69,190.

The principal reasons for the late payments is as follows:

- 1) Over one half of the 2019 increase was due to the Federal Government shut down in early 2019.
- 2) Public works (Capital) related invoices are approved in a capital system outside of the PeopleSoft environment. On occasion (0.00026%) invoices are not remitted timely to PeopleSoft for payment.

The Legislation requires the MTA to file the report with the State Comptroller, State Director of the Budget, the Chairman of the Senate Finance committee, and the Chairman of the Assembly Ways and Means Committee.

Enclosed is a copy of the Annual Prompt Payment Report for 2019, which will be filed by the MTA in accordance with the legislation requirement.

	<del>                                     </del>	MTA AND CON	10	TITUENT AGEN	ICIES	+		
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							PERCENTAGE	PERCENTAGE
	TOTAL	TOTAL	L	NUMBER OF	VALUE OF	L	FOR NUMBER	FOR VALUE
	NUMBER OF	VALUE OF	L	INTEREST	INTEREST	L	OF INTEREST	OF INTEREST
AGENCY	INVOICES PAID	INVOICES PAID	H	INVOICES PAID	INVOICES PAID	L	INVOICES PAID	INVOICES PAID
LIRR	68,760	748,822,248	-	<del>  -</del>	-	-	0.0000%	0.0000%
	00,100	7 10,022,210	H			r	0.0007/	0.000070
MNCRR	51,176.00	714,115,692		-	-		0.0000%	0.0000%
			L			_	0.44000/	0.00050/
MTA	48,047	8,255,865,393.92	┝	53	202,670	-	0.1103%	0.0025%
LIB	976.00	7,002,508	┝	-	-	H	0.0000%	0.0000%
NYCTA	229,274.00	3,636,922,666	L	-	-		0.0000%	0.0000%
SIRTOA	2,770.00	13,009,579	-			-	0.0000%	0.0000%
SIRTOA	2,770.00	13,009,579	H	-	-		0.000078	0.0000 78
BRTUN	7,743.00	175,305,688	-	-	-		0.0000%	0.0000%
BUS	59,171.00	261,991,400	_	•		_	0.0000%	0.0000%
TOTALS	467,917	13,813,035,176	-	53	202,670	-	0.0113%	0.0015%
TOTALS	407,317	13,013,033,170	-	- 55	202,070	-	0.017070	0.0010,70
			-					
			-	TITUENT AGEN				
		ANALYSIS OF 2	01	8 TOTAL PAYN	IENTS	L		
			-			_		
			-				PERCENTAGE	PERCENTAGE
	TOTAL	TOTAL		NUMBER OF	VALUE OF		FOR NUMBER	FOR VALUE
	NUMBER OF	VALUE OF		INTEREST	INTEREST		OF INTEREST	OF INTEREST
AGENCY	INVOICES PAID	INVOICES PAID		INVOICES PAID	INVOICES PAID	-	INVOICES PAID	INVOICES PAID
LIRR	68,240	727,033,886	_	-	-	Н	0.0000%	0.0000%
LIKK	00,240	121,033,000	-	-			0.0000 /6	0.000070
MNR	51,850	668,560,391	_	-	-		0.0000%	0.0000%
MTA	47,938	7,830,844,705	_	41	69,190		0.0855%	0.0009%
LIB	1,072	7,289,751		-	_	Н	0.0000%	0.0000%
LID	1,072	7,200,101						
NYCTA	236,787	3,582,838,744		-			0.0000%	0.0000%
		10.010.001	_				0.00000	0.0000%
SIRTOA	2,696	18,019,271		-	-	Н	0.0000%	0,000076
B&T	9,290	182,918,164		-	-	Н	0.0000%	0.0000%
341	0,200	702,010,101						
BUS	57,167	239,881,185		-	-		0.0000%	0.0000%
	475.046	40 057 000 000			60 400	Н	0.0086%	0.0005%
TOTALS	475,040	13,257,386,098		41	69,190	H	0.0000%	. 0,0005%
						Н		

			I					
				TITUENT AGEN		L		
		ANALYSIS OF 2	20	17 TOTAL PAYN	MENTS	_		
	***************************************	***************************************	$^{\dagger}$			-		
			T				PERCENTAGE	PERCENTAGE
	TOTAL	TOTAL	I	NUMBER OF	VALUE OF		FOR NUMBER	FOR VALUE
	NUMBER OF	VALUE OF	L	INTEREST	INTEREST		OF INTEREST	OF INTEREST
AGENCY	INVOICES PAID	INVOICES PAID	┝	INVOICES PAID	INVOICES PAID	-	INVOICES PAID	INVOICES PAID
LIRR	47,139	679,198,385		-	-		0.0000%	0.0000%
MNR	51,482	607,837,528	F	-	-	_	0.0000%	0.0000%
МТА	44,489	6,716,423,997	F	21	51,706		0.0472%	0.0008%
LIB	1,149	6,699,369	F	-			0.0000%	0.0000%
NYCTA	234,289	3,362,085,581	F	-	-		0.0000%	0.0000%
SIRTOA	2,579	27,589,397		-	-		0.0000%	0.0000%
B&T	10,144	168,201,620	-	-	as a second seco		0.0000%	0.0000%
BUS	59,890	237,990,118		-			0.0000%	0.0000%
TOTALS	451,161	11,806,025,995		21	51,706		0.0047%	0.0004%
			_					
			_			1		
		MTA AND CON				1		
***************************************	******************************	ANALYSIS OF 20	UI	6 TOTAL PAYIN	ENIS	1		
						4	PERCENTAGE	PERCENTAGE
	NUMBER OF	TOTAL VALUE OF	-	NUMBER OF INTEREST	VALUE OF INTEREST	$\dashv$	FOR NUMBER OF INTEREST	FOR VALUE OF INTEREST
AGENCY	INVOICES PAID	INVOICES PAID		INVOICES PAID	INVOICES PAID		INVOICES PAID	INVOICES PAID
LIRR	67,488	614,110,700		-	-	+	0.0000%	0.0000%
MNR	55,411	627,515,338		-	-	7	0.0000%	0.0000%
MTA	41,985	5,869,943,547		21	57,514	-	0.0500%	0.0010%
LIB	1,463	9,282,799		-			0.0000%	0.0000%
NYCTA	445,629	3,254,522,929	_	-		-	0.0000%	0.0000%
SIRTOA	2,552	21,701,140		-	-	1	0.0000%	0.0000%
3 & T	8,616	160,467,752		_			0.0000%	0.0000%
BUS	62,963	216,643,103		-	-	-	0.0000%	0.0000%
						1		
TOTALS	686,107	10,774,187,309		21	57,514		0.0031%	0.0005%

		MTA AND CON	VS	TITUENT AGEN	ICIES	-		
		ANALYSIS OF 2	20	15 TOTAL PAYN	MENTS	F		
	TOTAL	TOTAL		NUMBER OF	VALUE OF		PERCENTAGE FOR NUMBER	PERCENTAGE FOR VALUE
AGENCY	NUMBER OF INVOICES PAID	VALUE OF INVOICES PAID	+	INTEREST INVOICES PAID	INTEREST INVOICES PAID	+	OF INTEREST INVOICES PAID	OF INTEREST INVOICES PAID
			T			T		
LIRR	64,700	624,946,896	F	-	-	F	0.0000%	0.0000%
MNR	53,955	575,501,954		•	-		0.0000%	0.0000%
MTA	40,736	5,613,537,875	-	28	62,988	L	0.0687%	0.0011%
LíB	1,797	7,620,940			_		0.0000%	0.0000%
NYCTA	223,211	3,223,859,144		-			0.0000%	0.0000%
SIRTOA	2,623	14,587,833	_	-	_	-	0.0000%	0.0000%
B&T	8,917	156,970,014		-	-		0.0000%	0.0000%
BUS	69,024	195,617,416	_	-			0.0000%	0.0000%
TOTALS	464,963	10,412,642,072		28	62,988		0.0060%	0.0006%
		MTA AND CON ANALYSIS OF 20		TITUENT AGEN 4 TOTAL PAYM				
							PERCENTAGE	PERCENTAGE
	TOTAL	TOTAL		NUMBER OF	VALUE OF		FOR NUMBER	FOR VALUE
AGENCY	NUMBER OF INVOICES PAID	VALUE OF INVOICES PAID	_	INTEREST INVOICES PAID	INTEREST INVOICES PAID	+	OF INTEREST INVOICES PAID	OF INTEREST INVOICES PAID
LIRR	65,270	637,429,808		-			0.0000%	0.0000%
MNR	51,934	564,529,466	_		ph.		0.0000%	0.0000%
MTA	37,108	5,126,502,319		44	80,011		0.1186%	0.0016%
LIB	2,232	10,136,842	_	•		1	0.0000%	0,0000%
NYCTA	222,782	3,166,783,660		-	-	1	0.0000%	0.0000%
SIRTOA	2,903	13,704,655	_	-		1	0.0000%	0.0000%
3&T	9,400	159,047,875	_	-	*	+	0.0000%	0.0000%
BUS	62,233	182,398,455			•	+	0.0000%	0.0000%
TOTALS	453,862	9,860,533,080		44	80,011	1	0.0097%	0.0008%
			-			1		

			Т	T				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
			ļ					
			1					
		MTA AND CON	NS	TITUENT AGEN	ICIES			· · · · · · · · · · · · · · · · · · ·
		ANALYSIS OF 2						
	***************************************		H					
***************************************		70.71				_	PERCENTAGE	PERCENTAGE
	NUMBER OF	TOTAL VALUE OF	+	NUMBER OF	VALUE OF	_	FOR NUMBER OF INTEREST	FOR VALUE OF INTEREST
AGENCY	INVOICES PAID	INVOICES PAID	F	INVOICES PAID	INVOICES PAID		INVOICES PAID	INVOICES PAID
LIRR	61,184	565,556,397		-	-		0.0000%	0.0000%
MNR	48,980	515,614,865	-	ļ			0.0000%	0.0000%
MTA	35,383	5,215,253,125		40	54,068		0.1130%	0.0010%
LIB	2,610	14,204,653	-	_			0.0000%	0.0000%
NYCTA	207,523	3,007,265,756	-	-	-	-	0.0000%	0.0000%
SIRTOA	2,793	15,391,092		_	-	-	0,0000%	0.0000%
B&T	8,548	101,980,089		-			0.0000%	0.0000%
BUS	53,481	172,748,169					0.0000%	0.0000%
				- 40	54.000			
TOTALS	420,502	9,608,014,147	H	40	54,068	-	0.0095%	0.0006%
						-		
			_			-		
3		MTA AND CON	6	TITUENT AGEN	CIES	1		
		ANALYSIS OF 2	_			1		
						+		
			_			1	PERCENTAGE	PERCENTAGE
	NUMBER OF	TOTAL VALUE OF	_	NUMBER OF	VALUE OF INTEREST	+	FOR NUMBER OF INTEREST	FOR VALUE OF INTEREST
AGENCY	INVOICES PAID	INVOICES PAID			INVOICES PAID		INVOICES PAID	INVOICES PAID
LIRR	58,585	545,055,919		-	-		0.0000%	0.0000%
MNR	50,241	516,797,806		-		+	0.0000%	0.0000%
MTA	34,096	5,337,984,957	_	106	103,204	-	0.3109%	0.0019%
LIB	4,333	15,885,627	_	-	-	1	0.0000%	0.0000%
NYCTA	192,630	2,792,783,178	_	1	11,106	+	0.0005%	0.0004%
	1,450		_			1	0.0000%	0.0000%
SIRTOA		8,803,844			-	+	0.0000%	0.0000%
B&T	9,476	88,776,621	_	-	-	+		
BUS	48,753	143,155,892	_	-	-	+	0.0000%	0.0000%
TOTALS	399,564	9,449,243,844		107	114,310	1	0.0268%	0.0012%
	,					-		
						1		

[.			Γ	· · · · · · · · · · · · · · · · · · ·				
ļ		MTA AND CON	IS	I TITUENT AGEN	CIES	-		
		ANALYSIS OF 2	01	1 TOTAL PAYN	IENTS			
							PERCENTAGE	PERCENTAGE
	TOTAL	TOTAL	_	NUMBER OF	VALUE OF		FOR NUMBER	FOR VALUE
AGENCY	NUMBER OF INVOICES PAID	VALUE OF INVOICES PAID	-	INTEREST INVOICES PAID	INTEREST INVOICES PAID	-	OF INTEREST INVOICES PAID	OF INTEREST INVOICES PAID
ACCION	INVOICES   AID	INTOIOLO I AID			IIIVOIOEOT AID		INVOIGEGIAGE	INVOIGED ! PAD
LIRR	55,915	469,672,581		193	6,636		0.3452%	0.0014%
MNR	55,475	442,413,198	_	158	3,848		0.2848%	0.0009%
MTA	31 500	4 572 224 422		24	607	_	0.00919/	0.0000%
MTA	31,590	4,573,334,432	_	31	607	-	0.0981%	0.0000%
LIB	13,655	73,634,145		3	4.29	_	0.0220%	0.0000%
NYCTA	194,520	2,869,352,413		-			0.0000%	0.0000%
SIRTOA	455	581,052	_	-			0.0000%	0.0000%
B & T	9,238	95,215,104		57	1,650	-	0.6170%	0.0017%
BUS	49,284	115,563,716	-	28	18,424	-	0.0568%	0.0159%
							0.1146%	0.0004%
TOTALS	410,132	8,639,766,641		470	31,170		0.1146%	, 0,000476
								-
			-			-		
			-	-		-		
		MTA AND CONS	ST	TUENT AGEN	CIES	1		
		ANALYSIS OF 20	01	0 TOTAL PAYM	ENTS	_		
	TOTAL	TOTAL	$\dashv$	NUMBER OF	VALUE OF	+	PERCENTAGE FOR NUMBER	PERCENTAGE FOR VALUE
	NUMBER OF	VALUE OF		INTEREST	INTEREST	+	OF INTEREST	OF INTEREST
AGENCY	INVOICES PAID	INVOICES PAID		INVOICES PAID	INVOICES PAID		INVOICES PAID	INVOICES PAID
LIRR	52,031	1,057,285,548	$\dashv$	-56	5,970	-	0.1076%	0.0006%
MNR	65,880	359,061,186	+	-		+	0.0000%	0.0000%
MTA	35,209	5,371,540,551		6	369	1	0.0170%	0.0000%
_IB	13,475	52,716,872	1	71	2278	1	0.5269%	0.0043%
NYCTA	86,623	1,059,400,000	1	512	32,667	1	0.5911%	0.0031%
SIRTOA	2,147	15,334,580	+	-		-	0.0000%	0.0000%
			1		1	1	0.0078%	0.0000%
B&T	12,776	466,311,223	+	1	1	+	0.0078%	0.0000%
	268,141				41,285	-4	0.2409%	0.0005%

Page 1 of 1

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						

	. ago . o
Date	
March 20, 2020	
Vendor Name	
Various	
Contract Number	
Various	
Contract Manager Name	
Various	
Table of Contents Ref #	

	Board Action						
Order	То	Date	Approv al	Info	Other		
1	Finance	03/23/2020	X				
2	Board	03/25/2020	X				

	Internal Approvals								
Order	Approv al	Order	Approv al						
1	Procurement	3	CFO						
2	Legal								

#### **PURPOSE:**

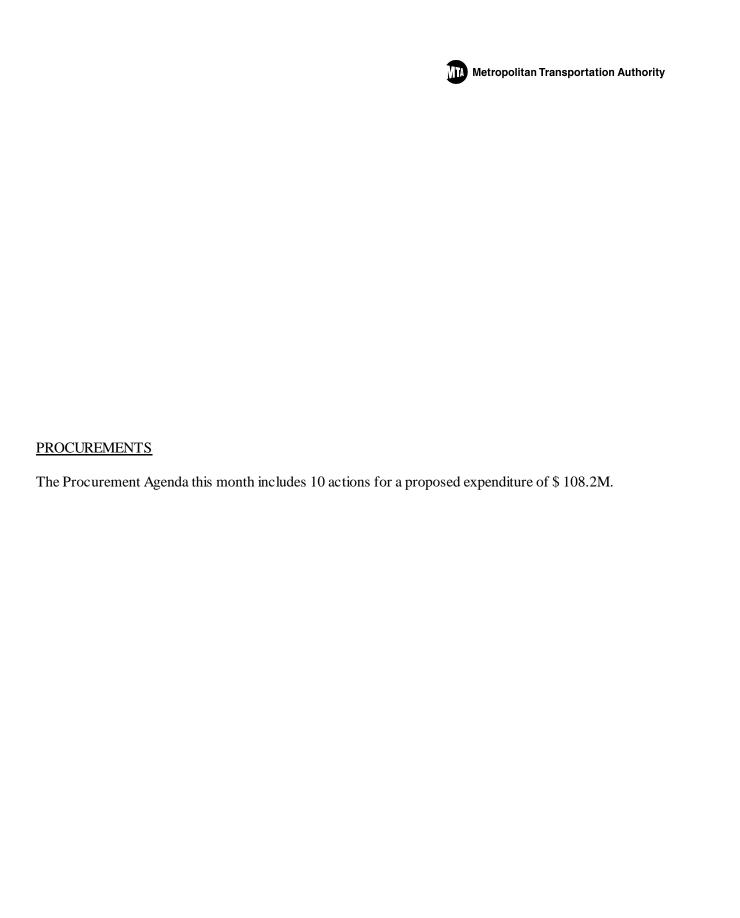
To obtain approval of the Board to award various contracts/contract modifications and purchase orders, as reviewed by the MTA Finance Committee.

L DISCUSSION:	# <b>of</b>		\$ Amount
	Actions		
MTAHQ proposes to award Non-competitive procurements in the following categories:			
Schedules Requiring Majority Vote:			
Schedule H: Modifications to Personal Service Contracts and Miscellaneous Service Contracts	2	\$	12,903,869
	2	-	12,903,869
MTAHQ proposes to award Competitive procurements in the following categories:			
Schedules Requiring Majority Vote:			
Schedule F: Personal Service Contracts	7	\$	92,298,131
Schedule H: Modifications to Personal Service Contracts and Miscellaneous Service Contracts	1		3,000,000
SUBTOTAL	8	-\$	95,298,131
TOTAL	10	\$	108,202,000

**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.

MTA Form R0059 - 8/97



#### **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.



#### **MARCH 2020**

#### LIST OF NON-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.)

1-2. New York State Industries for the Disabled Janitorial and Window Cleaning Services (estimated)

Contract Nos. 060000000006413 (NYCT)

\$12,903,869 <u>Staff Summary Attached</u>

0400000000000006413 (NYC1) 0400000000001062 (LIRR) Base Amount = \$48,158,120

Current Contract Value = \$64,068,485 Proposed New Contract Value = \$76,972,354

Board approval is sought to extend and increase the contract values for two miscellaneous service contracts with New York State Industry for the Disabled (NYSID) for janitorial and window cleaning services an additional six months ending June 30, 2020 with an option to extend for an additional six months ending December 31, 2020. The total increase in the value of these contracts will not exceed \$12,903,869, including \$8,010,980 for NYC Transit/MTA Bus and \$4,892,889 or Long Island Rail Road (LIRR).

# Schedule H: Modifications to Personal Service & Miscellaneous Service Contracts



Item Number: 1-2 Page 1 of 1

Vendor Name (& Location):	Contract Number:	AWO/Modification
New York State Industries for the Disabled (NYSID)	0600000000006413-NYCT 040000000001062-LIRR	5
<b>Description:</b> Janitorial and Window Cleaning Services	Original Amount:	\$48,158,120
Contract Term (including Options, if any):	Prior Modifications:	\$15,910,365
November 1, 2013 to December 31, 2020	Current Amount:	\$64,068,485
Option(s) included in Total Amount? ☐ Yes ☐ No		
Procurement Type: ☐ Competitive X Non-competitive		
Solicitation Type:   RFP Bid X Other Preferred Source	This Request:	\$12,903,869
Funding Source:	1	
x Operating ☐ Capital ☐ Federal ☐ Other:	% of This Request to Current Amount:	20%
Requesting Dept/Div & Dept/Div Head Name:  Department of Subways Project Manager – Joseph Ewald	% of Modifications (including This Request) to Original Amount:	60%
	•	

#### PURPOSE/RECOMMENDATION:

Board approval is sought to extend and increase the contract values for two miscellaneous service contracts with New York State Industry for the Disabled (NYSID) for janitorial and window cleaning services an additional six months ending June 30, 2020, with an option to extend for an additional six months ending December 31, 2020. The total increase in the value of these contracts with the additional six-month option will not exceed \$12,903,869, including \$8,010,980 for NYC Transit/MTA Bus and \$4,892,889 or Long Island Rail Road (LIRR).

#### **DISCUSSION:**

The original contracts were approved for 5 years ending October 2013 for \$48,158,120 on a non-competitive basis pursuant to Section 162 of the New York State Finance Law for the following services: cleaning of lavatories, carpets, windows, trash, snow, graffiti removal, dusting, landscaping and other services throughout Brooklyn, Queens, the Bronx, Manhattan, Staten Island, Dutchess and Westchester Counties. To date, four modifications totaling \$15,910,365 million have added an MTA Bus facility, added funds required to account for prevailing wage increases, increased staffing at various locations and extended the contract to December 31, 2019.

The proposed additional extensions are required because the New York State Office of General Services (OGS) has not approved a Preferred Source Service Application that was submitted by NYSID in order for the new contract to commence. Since said approval has not occurred yet, it is necessary to extend the current service agreements. These extensions will align the contracts to ensure continuity of services pending NYS OGS and NYS Comptroller approval that are anticipated to occur within the next six months. In the event that NYS OGS and NYS Comptroller approval has not been obtained before June 30, 2020, MTA Procurement will exercise the options and extend the contracts for an additional six months until December 31, 2020,

The value of this modification, including the option, is based on historical spend and NYC/NYS Prevailing Wage Rates. Pricing is consistent with the pricing deemed fair and reasonable for the original contract award and, thus, is considered fair and reasonable.



# **MARCH 2020**

# LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

# Procurements Requiring Majority Vote:

# F. Personal Service Contracts

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

3. TruView BSI, LLC \$4,255,883

Staff Summary Attached

**Background Verification and Investigation** (not-to-ex ceed)

Services

Contract No. 201882

Competitively negotiated – 12 proposals – 60 months

Board approval is sought to award a competitively negotiated, all-agency personal service contract to TruView BSI, LLC (TruView) for background verification and related investigative services for five years. The estimated contract amount is \$4,255,883.

4. Ernst & Young US, LLP \$64,941,800 (not-to-ex ceed)

Staff Summary Attached

**MTA Transformation** 

**Implementation – Category 1** 

Contract No. 0009000015-10

Competitively negotiated – 19 proposals – 24 months plus 1 three-year option

Board approval is sought to award one (1) competitively negotiated contract to Ernst & Young US LLP.

5-8. Various \$18,000,000

Staff Summary Attached

**MTA** Transformation

(not-to-ex ceed)

**Implementation – Category 2** 

Contracts Nos. 0009000015-21, 22, 23, 24

Competitively negotiated – 19 proposals – 24 months plus 1 three-year options

- a. Argo, Inc.
- **b.** Boston Consulting Group
- c. Ernst & Young US, LLP
- d. HNTB New York Engineering and Architecture, PC

Board approval is sought to award competitively procured as needed consulting contracts to Argo, Inc (Argo), The Boston Consulting Group (BCG), Ernst & Young US, LLP (EY), and HNTB New York Engineering and Architecture, P.C. (HNTB). Each base contract will be awarded for zero dollars and individual work assignments will be awarded pursuant to a competitive mini-RFP process wherein the awardees will submit technical and cost proposals that will be evaluated by a selection committee prior to the award of any tasks.



# **MARCH 2020**

# LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

9. Alexander Proudfoot Company \$5,100,448 Staff Summary Attached
MTA Transformation (not-to-ex ceed)
Implementation - Category 3
Contract No. 0009000015-30
Competitively negotiated - 19 proposals - 24 months plus 1 three-year option

Board approval is sought to award a competitively negotiated contract to Alexander Proudfoot Company for \$5,100,448 inclusive of a 10% contingency.

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.)

10. CorVel Healthcare Corporation \$3,000,000 Staff Summary Attached
All-Agency Medical Bill Review and Payment Services
Contract No. C908341-0100, Modification No. 14
Base Amount = \$6,419,982
Current Contract Value = \$23,259,567
Proposed New Contract Value = \$26,259,567

Board approval is sought to extend a competitively negotiated, all-agency, personal service contract with CorVel Healthcare Corporation (CorVel) for an additional 9 months ending December 31, 2020. The extension will require an increase in the contract value in an amount not-to-exceed \$3,000,000.

# **Schedule F: Personal Service Contracts**



Item Number: 3					SUMMARY INFORMATION	
Dept & Dept Head Name:					Vendor Name:	Contract Number:
Deputy Director Transform	nation Initia	tives, Jenn	ifer Joh	ın	TruView BSI, LLC	201882
Division & Division Head					Description:	
Human Resources, Donald	Jackson				Background Verification and Investigation S	ervices
					Total Amount:	
E	Board Revie	ews			\$4,255,883	
Order To [	Date	Approv al	Info	Other	Contract Term (including Options, if any):	
1 Finance					60 months	
2 Board					Option(s) included in Total Amount?	☐ Yes
					Renewal?	☐ Yes
<u> </u>	l .				Procurement Type:	
In	ternal Appro	ovals			□ Competitive □ Non-competitive	
Order Approval	Order	Approv	al		Solicitation Type:	
1 Procurement	4	Legal			☐ RFP ☐ Bid ☐ Other:	
2 DDCR	5				Funding Source:	
3 CFO	6				☐ Operating ☐ Capital ☐ Federal	☐ Other:
Narrative						
II. DISCUSSION  Pursuant to federal and verification and related such as previous emplo  A Request for Proposals Worldwide Investigativ Risk Services, LLC (Ethe Inc. (Western), Secure Tru View and Yale Asso  The selection committee departments and from Nincluded the following: similar size and scope; r Management Team; Cos  Following the evaluation based on their relevant investigators and experi	state laws investigating state laws investigating the state laws investigating the state laws investigating the Group, Irros), IPROV atch24, Libroiates Inc. The pool of the pool of the state in of the teaperience of the gotiations	and mandons of information, considered and mandons of information, considered and mandons of information (Alliar/EIT.COMLC (SW2-4). The senior material of staff with perience of the considered and in service of the s	dates, format riminal vadve ace), Bit LLC 4), Pre-ru View anagen yee Bah relevon the povob	as well as ag ion provided l record, professed and provided and provided and provided as a NYS-cemploy.com as a NYS-cemploy.com are the proposer with status.	ency guidelines, all MTA agencies condu- by candidates for employment, transfer a fessional and trade licenses, military servi- coposals were received from the following apliance Inc. (BCI), Castle Branch, Inc. (Ca- thn Cutter Investigations (John Cutter), W., Inc. (Pre-Employ), Sterling Infosystems, retified Service-Disabled Veteran-Owned En- towestigations Unit. Proposals were evaluated and, particularly, personnel experience in contracts of similar size and scope; the services and scope, sufficient number of the ement teams. After oral presentations, Sterier process integrating between online pos-	act background and/or promotion, ce, etc.  12 firms: Alliance astle Branch), Ethos Vestern Reporting, Inc. (Sterling), Business (SDVOB).  Iman Resources ated on criteria that d with contracts of proposer's Project oral presentations qualified erling, TruView and

Contract No. 201882 Page 2 of 2

After price negotiations, all three remaining firms were invited to submit best and final offers (BAFOs). TruView's BAFO is 12% higher than the lowest BAFO and about 1% higher than the second-lowest vendor proposal. Price notwithstanding, TruView was ranked highest overall. The selection committee noted that TruView had a particularly knowledgeable and experienced Project Management team, a record of success working with a roster of large government employers and a modern, user-friendly portal. TruView also garnered credit in the evaluation for its SDVOB status and their BAFO is within 5% of the MTA estimate.

TruView's included an annual price escalation of 4% which is acceptable given that TruView will perform background checks based on fixed prices for bundled services regardless of the number of jurisdictions involved and will absorb any price increases levied by such jurisdictions. In contrast, the MTA currently pays for background checks from each jurisdiction separately. This change to the billing structure responds to a recommendation from the MTA Office of the Inspector General. Based on the foregoing, as well as adequate price competition, TruView's pricing is considered fair and reasonable.

A responsibility review of TruView conducted pursuant to the All-Agency Responsibility Guidelines revealed no significant adverse information and TruView has been found to be responsible for award.

# III. D/M/WBEINFORMATION

IV. ALTERNATIVES

The MTA Department of Diversity and Civil Rights assigned 0% MBE/WBE/SDVOB participation goals due to the highly confidential nature of the information being reviewed and the need for such information to remain secure. TruView, a certified SDVOB, has not completed any MTA contracts; therefore, no assessment of the firm's MWDBE performance can be determined at this time.

# None. MTA agencies lack the expertise and number of qualified staff able to perform all aspects of the work.

MTA Form R0058

# Schedule F: Personal Service Contracts



Item Nu	mber: 4					SUMMARY INFORMATION	
Dept &	Dept Head Name:					Vendor Name:	Contract Number:
Chief T	ransformation Off	icer / Anthony	McCord			Ernst & Young US LLP	0009000015-10
Divisio	n & Division Head	Name:				Description:	•
Deputy	Chief Transforma	tion Officer / V	Wael Hibri			Transformation Implementation – Category 1	
						Total Amount:	
		Board Rev	iews			\$64,941,800 inclusive of 10% contingency	
Order	То	Date	Approv al	Info	Other	Contract Term (including Options, if any):	
1	Finance	3/23/20	X			60 months	
2	Board	3/25/20	X			Option(s) included in Total Amount?	⊠Yes □ No
						Renewal?	☐ Yes ☒ No
						Procurement Type:	
		Internal App	rovals			☐ Competitive ☐ Non-competitive	
Order	Approv al	Orde	er Approv	al		Solicitation Type:	
1	Procurement	4	Legal			☑ RFP ☐ Bid ☐ Other:	
2	Strategic Initiat	ves 5	CFO			Funding Source:	
3	DDCR					☑ Operating ☐ Capital ☐ Federal	☐ Other:

### Narrative:

# I. PURPOSE/RECOMMENDATION

Board approval is sought to award one (1) competitively negotiated contract to Ernst & Young US LLP.

### II. DISCUSSION

A publicly advertised RFP was is sued on October 25, 2019 seeking proposals for seven tasks related to transformation implementation, including:

- 1. Business Process Reengineering (BPR) & Management Consulting
- Technology Enhancements to PeopleSoft
- 3. Technology Systems Assessment & Requirements
- 4. Category-Specific Project Management & Organizational Change Management
- 5. Transformation Program Management Support & Governance
- 6. Other Identified Projects
- 7. Additional Consultant Support (as needed)

Firms were able to propose on one or multiple categories which included:

- a. Safety, Operations & Engineering Function
- b. Support Functions
- c. Police & Security
- d. External Affairs & Customer Communications

Twenty-eight proposals were received from eighteen firms across the four categories. Category award determinations were made independently, as determined by their respective selection committees. The selection committees consisted of cross-functional and cross-MTA Agency teams with expertise in the respective tasks. Guidehouse, LLP was hired to assist with the development of the RFP scope and review and negotiations of the proposals.

This Staff Summary is for Support Functions, the most comprehensive category based on the breadth of tasks (all 1-7, as outlined above) and functions, which include Finance, Procurement, Human Resources, Training, Labor Relations, Legal & Compliance, Diversity & EEO, advisory support to MTA Agencies, and centralized IT transformation. This category reaches across these tasks, functions and MTA Agencies to modernize and standardize business processes, as well as enhance the data and technologies underpinning the MTA, from performing application and infrastructure rationalization to developing the MTA's data management and advanced analytics capabilities. The selected firm requires deep expertise in project management and transformation, BPR, and IT capabilities with PeopleSoft and leading cloud platforms. The selected proposer should also demonstrate experience with transportation agencies and unionized workforces.

Seven firms proposed. One of these proposals was late and incomplete, so six proposals were evaluated by the selection committee: Ernst & Young (EY), Boston Consulting Group (BCG), North Highland, Center for Strategy Realization, Proudfoot, and Business Models. The selection committee reviewed initial submissions and selected EY, BCG, and North Highland for oral presentations. These three shortlisted proposers demonstrated proven technical expertise, relevant qualifications in past work, and a deep

Contract No. 0009000015



understanding of the complexity of public sector transformations. Further, the proposers each presented an agile approach necessary for this type of complex and public-facing work. After oral presentations, extensive negotiations were held with each of the shortlisted proposers.

Best and Final Offers (BAFO) with updated technical and cost proposals were received from all three and the selection committee recommended EY for award.

EY's approach is based on a merger benefit realization model, designed to capitalize on the transformation and consolidation, and the selection committee found its approach and team experience to be the strongest among the proposals. EY's approach incorporated automation to improve efficiency that the selection committee looked upon favorably. EY and their lead IT teaming partner International Business Machines (IBM) demonstrated understanding of the complexities on the transformation project, institutional knowledge, and vast expertise in public sector transformations with other regional transportation authorities. These attributes prompted confidence that EY fully understood the requirements and that EY would be able to complete the project fully, on budget and on time. In addition, EY has extensive resources in the New York City metropolitan area, providing the ability to quickly mobilize and adapt resources. The selection committee was reassured by EY that its project managers were appropriately senior and experienced and that key decision makers will be on premises to guide this pivotal project.

The base contract will be awarded for \$64,941,800 including a project contingency of 10%. This contract is comprised of \$56,060,000 for mandatory tasks and \$2,978,000 for optional tasks, totaling \$59,038,000, with an additional \$5,903,800 for the 10% contingency. Cost proposals required a fixed price for Tasks 1-6, broken down to the price for each deliverable within that task, including the resource hours and rate per hour that comprised the deliverable price quoted. A fully loaded hourly rate card was provided for all key resources as part of Task 7. These rates will give the MTA the ability to award additional contract deliverables outside of the fixed price portion of the scope of the RFP as deemed necessary for Transformation.

One of MTA's goals is better talent acquisition, assessment, development, and retention. To that end, EY's current state assessment may result in a recommendation to migrate these processes from the legacy PeopleSoft environment to a modern cloud hosted solution. If that is the case, the Transformation Management Office in coordination with the Chief People Officer will prepare a staff summary to acquire such license and seek Board approval to add the implementation scope to this project.

Negotiations reduced EY's proposal for all mandatory and optional tasks from \$77,595,629 to \$66,014,032, reflecting a 14.9% price reduction (prior to the addition of the contingency). The blended hourly rate for mandatory and optional tasks was reduced from \$305 per hour to \$270 per hour, a 12% decrease. The EY best and final offer (BAFO) proposal was the highest cost proposal of the three shortlisted vendors. The other two proposals were 3.4% and 23.6% lower (including optional work) but the selection committee recommended EY for award based on the technical factors discussed above. EY's higher price notwithstanding, it is noteworthy that the firm offering the lowest price had the highest blended rate. Notably, the lowest BAFO offering proposed far fewer hours across most tasks, suggesting a lack of appreciation of the level of effort required to complete the project. The second lowest priced proposal included more junior personnel that the selection committee considered less than optimal for significant portions of the complex scope. In contrast, the blend of staff and rates EY proposed is in line with similar projects that the MTA has performed in the past and comparable to other MTA consulting agreements. The price proposal for EY was also consistent with the cost estimate.

Due to COVID-19, the ensuing economic crisis and degradation of the MTA's finances, the MTA sought an additional, post-BAFO price concession. EY agreed to reduce their prices by an additional 10.6% vis-à-vis their BAFO, decreasing their proposed overall price from \$66,014,032 to \$59,038,000. The final price is 13% lower than the original cost estimate (\$68,066,916) for Support Functions. Additionally, EY has offered to provide a Crisis Recovery Team of at least eight individuals for six weeks at no cost to the MTA.

Based on the foregoing, the negotiated proposed pricing is considered fair and reasonable.

The contract that has been negotiated with EY includes provisions that have specifically been added to deal with the COVID-19 pandemic, including a right to delay the start of the contract through the end of the year, pause the contract once it has begun, and terminate as a direct or indirect result of the pandemic.

A responsibility review of EY was conducted pursuant to the All-Agency Responsibility Guidelines. EY was found to be responsible notwithstanding significant adverse information (SAI), and such responsibility finding was approved by the MTA Chairman and CEO or the Managing Director in consultation with the MTA General Counsel in June 2015. No new SAI or adverse information has been found thereafter.

MT A Form R0058 - 3/07

Contract No. 0009000015



# III. D/M/WBEINFORMATION

The MTA Department of Diversity and Civil Rights has established 15% MBE, 15% WBE and 6% SDVOB goals on this contract. Ernst & Young US LLP has submitted a utilization plan that meets 36% MWBE/SDVOB requirement. Ernst & Young has not achieved its MWDBE goals on all previous MTA contracts; however, it has demonstrated good faith effort towards meeting these goals.

### IV. IMPACT ON FUNDING

The total not to exceed budget of \$64,941,800 for this contract will be funded with general operating funds budgeted for Transformation.

# V. ALTERNATIVES

- 1. Perform services in-house This alternative is not practical, due to the magnitude and haste at which all of the tasks proposed by the Transformation Implementation RFP must be executed. The MTA does not have the specialized expertise in the existing workforce for the types of projects contemplated under this contract series. Hiring full and part time employees, including associated overhead costs would not be cost effective. The services to be performed under this contract are managed best by independent outside firms capable of providing recommendations and advice, which are unbiased and supported by market expertise.
- 2. <u>Do not approve award</u> This would result in opportunity lost for the MTA to implement change, improve efficiencies and identify potential costs avings through the Transformation Implementation. All dates, although aggressive, related to the Transformation have been met thus far and not continuing with the Transformation process by not approving this award is not recommended.

MTA Form R0058 - 3/07

### Schedule F: Personal Service Contracts



14 NI-							OUMMARY INFORMATION
Item Nu							SUMMARY INFORMATION
Dept &	Dept Head Name	:					Vendor Name: Argo Inc., The Boston Contract Number:
Chief T	ransformation Of	ficer / A	Anthony	McCord			Consulting Group, Ernst & Young US LLP; HNT B New York Engineering & 23, 24
Divisio	n & Division Head	d Name	<b>:</b>				Description:
Deputy	Chief Transforma	ation O	fficer / W	ael Hibri			Transformation Implementation – Category 2
							Total Amount:
		Board	d Revie	ws			\$18,000,000 (aggregate not to exceed budget)
Order	То	Date	Α	pprov al	Info	Other	Contract Term (including Options, if any):
1	Finance	3/23/2	20	X			60 months
2	Board	3/25/2	20	X			Option(s) included in Total Amount? ☐ Yes ☐ No
							Renewal? ☐ Yes ☒ No
							Procurement Type:
		Interna	al Approv	als			☐ Competitive ☐ Non-competitive
Order	Approv al		Order	Approv	al		Solicitation Type:
1	Procurement		4	DDCR			☐ RFP ☐ Bid ☐ Other:
2	Strategic Initiativ	es	5	Legal			Funding Source:
3	CFO						☐ Operating ☐ Capital ☐ Federal ☐ Other:
Norrat	1/0			-			

# I. PURPOSE/RECOMMENDATION

Board approval is sought to award competitively procured as needed consulting contracts to Argo, Inc (Argo), The Boston Consulting Group (BCG), Ernst & Young US, LLP (EY), and HNTB New York Engineering and Architecture, P.C. (HNTB).

Each base contract will be awarded for zero dollars and individual work assignments will be awarded pursuant to a competitive mini-RFP process wherein the awardees will submit technical and cost proposals that will be evaluated by a selection committee prior to the award of any tasks. When mini-RFPs are issued, proposers will be required to submit resourcing transparency which, at a minimum, will include hours by experience level and hourly rates used to arrive at their proposed fee. Thus, the MTA will be able to evaluate pricing options proposed against other vendors' rates and the MTA project manager's independent estimate to assure that pricing is fair and reasonable. The selection of a limited pool of vendors and the negotiation of not-to-exceed pricing will expedite the procurement process for task awards in support of transformation and transformation related initiatives as they arise.

### II. DISCUSSION

A publicly advertised RFP was issued on October 25, 2019 seeking proposals for seven tasks related to transformation implementation, including:

- 1. Business Process Reengineering (BPR) & Management Consulting
- 2. Technology Enhancements to PeopleSoft
- 3. Technology Systems Assessment & Requirements
- 4. Category-Specific Project Management & Organizational Change Management
- 5. Transformation Program Management Support & Governance
- 6. Other Identified Projects
- 7. Additional Consultant Support (as needed)

Firms were able to propose on one or multiple Categories which include:

- a. Safety, Operations & Engineering Functions
- b. Support Functions
- c. Police & Security
- d. External Affairs & Customer Communications

Twenty-eight proposals were received from eighteen firms across the four categories. Category award determinations were made independently, as determined by their respective selection committees. The selection committees consisted of cross-functional and cross-MTA Agency teams with expertise in the respective tasks. Guidehouse, LLP was retained to assist with the development of the RFP scope and review and negotiations of the proposals.

This Staff Summary is for Safety, Operations & Engineering Functions, which includes Tasks 1, 3, 4, 6, and 7, and spans Central Engineering; Construction & Development; Safety, Health, & Environment; and Operating Standards & Service Design functions. Additionally, this category includes on-call agency advisory support. This advisory support will be provided through Task 7: Additional Consultant Support to provide asneeded services to HQ and the other MTA Agencies.

This category reaches across these functions and agencies to centralize core processes and functions, modernize and standardize business processes, and enhance the data and technologies underpinning the MTA. The proposed firms demonstrated experience in general management, business process reengineering, and technology assessment and requirements gathering. They also demonstrated the ability to offer leading practices in design-build and capital project delivery; deep experience in the in-scope operational, maintenance, asset management, and engineering functional areas; and expertise with transportation agencies and organizations with union employees.

Thirteen vendors proposed: Accenture, Amey Consulting, Arcadis, Argo, BCG, CBTS, Center for Strategy Realization, EY, HNTB, Network Rail, Proudfoot, Seamless World Consulting, and WSP. The Selection Committee reviewed initial submissions and selected six proposers for oral presentations: Accenture, Argo, BCG, EY, HNTB, and WSP. These six proposers demonstrated full comprehension of the project, featured personnel and subcontracts with specific and necessary expertise, and articulated a focused plan on organizational transformation. The Selection Committee entered into rate negotiations with four shortlisted proposers: Argo, BCG, EY, and HNTB. The selected firms surpassed the other competitive proposers by demonstrating the practical application of their prior experience to the MTA Transformation challenges and goals; understanding of the MTA's complex infrastructure; expertise in change management and functional area specializations, including health, safety, capital construction, and engineering; and their ability to execute on the project requirements on a fast-paced timeline.

The RFP made it clear that it was the MTA's intent to make multiple awards in the Safety, Operations & Engineering Functions category. It was intended and the Selection Committee recommended contract awards to the four highest ranked vendors based on technical qualifications and diversity scores. Four was considered an optimally sized pool for establishing a cadre of technically strong firms that would still be required to compete for task awards as needs are identified.

The contracted rates will be maximum hourly rates by level, expediting the award process through the fast-paced transformation timeline. The rates are aligned with comparable contracts and represent the maximum a firm may charge – the firms may propose lower rates during the competitive bidding process for task order awards. The total cost of these task orders will be monitored based on the firm's proposed number of hours, and each task order released by the MTA will be evaluated by a task order selection committee before award.

The vendor's proposed Best and Final Offer (BAFO) hourly rates range from \$90 to \$320 for junior titles, \$122 to \$427 for intermediate titles, \$304 to \$460 for senior titles, and \$410 to \$746 for advanced titles. Rates were negotiated by comparing proposer's rates to other market pricing received in connection with this RFP, as well as previous MTA and state contracts for like services. The negotiated rates will remain firm for a five-year period if the MTA exercises all available extension options. The negotiated rates are generally comparable to the rates under current MTA contracts for similar services, but the Selection Committee noted Argo's higher rates compared with the other vendors. Their higher rates not with standing, the Committee believed that Argo should be included in the vendor pool based on their extensive industry expertise at the executive level and their potential to bring a valuable and innovative voice to transformation decisions.

Due to COVID-19, the ensuing economic crisis, and degradation of the MTA's finances, the MTA sought additional, post-BAFO price concessions. Argo, EY, BCG and HNTB all agreed to do so with Argo offering to reduce their rates by 15% vis-à-vis their BAFO submission. EY, HNTB and BCG all agreed to reduce their rates by 10%

Based on the foregoing, the negotiated proposed fully loaded hourly rates are considered fair and reasonable.

The contracts that have been negotiated with these three selected firms include provisions that have specifically been added to deal with the COVID-19 pandemic, including a right to delay the start of the contract through the end of the year, pause the contract once it has begun, and terminate as a direct or indirect result of the pandemic.

Responsibility reviews of Argo, BCG, EY, and HNTB conducted pursuant to the All-Agency Responsibility Guidelines revealed no significant adverse information (SAI) and the four firms have been found to be responsible for award. EY was found to be responsible notwithstanding SAI, and such responsibility finding was approved by the MTA Chairman and CEO, in consultation with the MTA General Counsel in June 2015.

# III. D/M/WBE INFORMATION

The MTA Department of Diversity and Civil Rights has established 15% MBE, 15% WBE and 6% SDVOB goals on this contract. Argo, Inc., Ernst & Young, and HNTB New York Engineering and Architecture, P.C. have submitted MWBE/SDVOB utilization plans that meets requirement. Argo has not completed any MTA contracts; therefore, no assessment of the firm's MWDBE performance can be determined at this time. Ernst & Young and HNTB New York Engineering and Architecture, P.C. have not achieved its MWDBE goals on all previous MTA contracts; however, it has demonstrated good faith effort towards meeting these goals.

### IV. IMPACT ON FUNDING

The total not to exceed budget is \$18 million, of which up to \$7,622,000 will be funded through the budget for Transformation. The remainder will be funded through agency budgets on an as needed basis.

# V. ALTERNATIVES

1. Perform services in-house – This alternative is not practical, due to the magnitude and haste at which all of the tasks proposed by the Transformation Implementation RFP must be executed. The MTA does not have the specialized expertise in its existing workforce for the types of projects contemplated under this contract series. Hiring full and part time employees, including associated overhead costs would not be cost effective. The services to be performed under this contract would be best handled by independent firms capable of providing recommendations and advice that are unbiased and supported by market expertise.

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2.	Do not approve award – This would result in opportunity lost for the MTA to implement change, improve efficiencies and identify
	potential cost savings through the Transformation Implementation. All dates, although aggressive, related to the Transformation have been met thus far and not continuing with the Transformation process by not approving this award is not recommended.
	been met thus fair and not continuing with the Fransiormation process by not approving this award is not recommended.

# Schedule F: Personal Service Contracts



Item Nu	mber: 9					SUMMARY INFORMATION
Dept & I	Dept Head Name:					Vendor Name: Contract Number:
Chief T	ransformation Offi	icer / Anthon	y McCord			Alexander Proudfoot Company 0009000015-30
Division	n & Division Head	Name:				Description:
Deputy	Chief Transformat	tion Officer /	Wael Hibri			Transformation Implementation, Police & Security – Category 3
						Total Amount:
		Board Re	views			\$5,100,448 inclusive of 10% contingency
Order	То	Date	Approval	Info	Other	Contract Term (including Options, if any):
1	Finance	3/23/20	X			60 months
2	Board	3/25/20	X			Option(s) included in Total Amount?
						Renewal?
						Procurement Type:
		Internal Ap	provals			☐ Competitive ☐ Non-competitive
Order	Approv al	Ord	der Approv	al al		Solicitation Type:
1	Procurement		4 Legal			☑ RFP ☐ Bid ☐ Other:
2	Strategic Initiati	ves	5 CFO			Funding Source:
3	DDCR					☐ ☐ Operating ☐ Capital ☐ Federal ☐ Other:
	<u> </u>					

### Narrative:

### I. PURPOSE/RECOMMENDATION

Board approval is sought to award a 60 month competitively negotiated contract to Alexander Proudfoot Company for \$5,100,448 inclusive of a 10% contingency.

### II. DISCUSSION

A publicly advertised RFP was issued on October 25, 2019 seeking proposals for seven tasks related to transformation implementation, including:

- 1. Business Process Reengineering (BPR) & Management Consulting
- 2. Technology Enhancements to PeopleSoft
- 3. Technology Systems Assessment & Requirements
- 4. Category-Specific Project Management & Organizational Change Management
- 5. Transformation Program Management Support & Governance
- 6. Other Identified Projects
- 7. Additional Consultant Support (as needed)

Vendors were able to propose on one or multiple Categories which include:

- a. Safety, Operations & Engineering Functions
- b. Support Functions
- c. Police & Security
- d. External Affairs & Customer Communications

Twenty-eight proposals were received from eighteen proposers across the four categories. Category award determinations were made independently, as determined by their respective Selection Committees. The Selection Committees consisted of cross-functional and cross-MTA Agency teams with expertise in the respective tasks. Guidehouse, LLP was hired to assist with the development of the RFP scope and review and negotiations of the proposals.

This Staff Summary is for Police and Security. This category encompasses tasks 1, 3, 4, 6, and 7, as outlined above. The proposed contract aims to modernize and standardize policing and security business processes across agencies, as well as enhance the data and technologies underpinning the MTA security apparatus and systems infrastructure. The RFP sought a proposer with deep expertise in project management and transformation, business process reengineering, and IT capabilities. Prospective firms were required to demonstrate experience with law enforcement agencies, transportation services, and unionized workforces.

Four firms submitted proposals: Accenture, Center for Strategy Realization, Proudfoot, and T&M Protection Services. The Selection Committee selected Accenture, Proudfoot and T&M Protection services for oral presentations, finding they offered experience working with police and security and knowledge of complex security IT environments. Afteroral presentations, Accenture and Proudfoot were short listed for negotiations based on their having demonstrated relevant project qualifications, sophisticated technical expertise, and experienced project teams capable of addressing MTA's multifaceted security considerations. Both proposers also demonstrated extensive knowledge and experience with New York City Police and key institutional procedures and offered robust business process reengineering methodologies.

Contract No. 0009000015



Ultimately, the Selection Committee favored Proudfoot's approach and team experience. Proudfoot has subject matter experts who have deep experience working with police departments, knowledge of local law enforcement issues, and familiarity with the new Criminal Justice Reform Act. Proudfoot also offered more than double the number of hours at an only modestly higher price vis-à-vis the proposal from Accenture. Further, Proudfoot demonstrated an understanding of decentralized IT systems and provided information regarding specific past engagements that demonstrated Proudfoot's ability to complete this project fully and within the desired timeframe.

Firms were required to submit cost proposals with fixed pricing for Tasks 1, 3, 4, and 6, broken down to the price for each deliverable within that task, including the resource hours and rate per hour that comprised the deliverable price quoted. Fully loaded hourly rates were provided for all key resources in Task 7; these rates will give the MTA the ability to award additional contract deliverables outside of the fixed price portion of the scope of the RFP as deemed necessary for Transformation.

Negotiations reduced Proudfoot's original proposal from \$7,204,872 to \$5,239,290, reflecting a 27% price reduction when they submitted their best and final offer (BAFO). Proudfoot's blended hourly rate was reduced from \$282 per hour to \$221 per hour, a 22% decrease. While Proudfoot's BAFO cost proposal was higher than Accenture's by 9.7%, it received a higher overall score when all evaluation criteria were taken into consideration. As mentioned above, Accenture estimated far fewer hours overall and provided a higher blended rate. The base contract will be awarded exclusive of ad-hoc services to be later defined as part of Task 7 with a contingency of 10%. The negotiated BAFO price was 6.6% higher than the MTA's projected cost estimate for Police and Security but well within the range of expectation considering the complexity of the engagement and pricing offered by the most viable alternative proposal.

Due to COVID-19, the ensuing economic crisis and degradation of the MTA's finances, the MTA sought additional, post-BAFO price concession. Proudfoot agreed to reduce their prices by an additional 11.5% vis-à-vis their BAFO, decreasing their proposed overall price from \$5,239,290 to \$4,636,771. In all, Proudfoot reduced their pricing by 35.6% from the originally proposed amount (\$7,204,872). The final price is 5.7% lower than the original cost estimate for Police and Security.

Based on the foregoing, the negotiated proposed pricing is considered fair and reasonable.

The contract that has been negotiated with Proudfoot includes provisions that have specifically been added to deal with the COVID-19 pandemic, including a right to delay the start of the contract through the end of the year, pause the contract once it has begun, and terminate as a direct or indirect result of the pandemic. The contract will only be executed after Proudfoot has completed its registration to do work in the State of New York, which is currently in process.

A responsibility review for Proudfoot was conducted pursuant to the All-Agency Responsibility Guidelines and Proudfoot was found to be responsible.

### III. D/M/WBE INFORMATION

The MTA Department of Diversity and Civil Rights has established 15% MBE, 15% WBE and 6% SDVOB goals on this contract. Proudfoot has submitted an utilization plan that meets 36% MWBE/SDVOB requirement. Proudfoot has not completed any MTA contracts; therefore, no assessment of the firm's MWDBE performance can be determined at this time.

# IV. IMPACT ON FUNDING

The total not to exceed budget of \$5,100,448 (inclusive of 10% contingency) for this contract will be funded with general operating funds budgeted for Transformation.

### V. ALTERNATIVES

- 1. Perform services in-house This alternative is not practical, due to the magnitude and haste at which all of the tasks proposed by the Transformation Implementation RFP must be executed. The MTA does not have the specialized expertise in its existing workforce for the types of projects contemplated under this contract series. Hiring full and part time employees, including associated overhead costs would not be cost effective. The services to be performed under this contract are best handled by independent outside firms capable of providing recommendations and advice, which are unbiased and supported by market expertise.
- 2. <u>Do not approve award</u> This would result in opportunity lost for the MTA to implement change, improve efficiencies and identify potential cost savings through the Transformation Implementation. All dates, although aggressive, related to the Transformation have been met thus far and not continuing with the Transformation process by not approving this award is not recommended.

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# Schedule H: Modifications to Personal Service & Miscellaneous Service Contracts



Item Number: Page 1 of 1 Vendor Name (& Location): AWO/Modification # Contract Number: C908341-0100 CorVel Healthcare Corporation **Description:** All-Agency Medical Bill Review and Payment Services **Original Amount:** \$ 6,419,982 Contract Term (including Options, if any): \$16.839.585 **Prior Modifications:** August 1, 2009 - March 31, 2020 **Prior Budgetary Increases:** Option(s) included in Total Amount? ⊠ Yes  $\square$  No **Current Amount:** \$23,259,567 Procurement Type: ☐ Non-competitive ⊠ RFP \$3,000,000 Solicitation Type: □ Bid ☐ Other: This Request: Funding Source: □ Operating □ Capital □ Federal ☐ Other: % of This Request to Current Amount: 13% Requesting Dept/Div & Dept/Div Head Name: % of Modifications (including This 309% Finance/Robert Foran & RIM/Phyllis Rachmuth Request) to Original Amount:

### **DISCUSSION:**

Board approval is sought to extend a competitively negotiated, all-agency, personal service contract with CorVel Healthcare Corporation (Corvel) for an additional nine months ending December 31, 2020. The extension will require an increase in the contract value in an amount not-to-exceed \$3,000.000.

MTA and its agencies pay medical expenses for employees injured on duty and no-fault expenses for customers and third parties injured in motor vehicle accidents involving MTA vehicles. A competitively negotiated contract to review billings and pay these medical expenses was awarded to CorVel in 2009 at a total cost not-to-exceed \$6,419,982. Healthcare provider fees are monitored and negotiated by CorVel to ensure that the MTA pays at or below the statutory rates. Thirteen (13) modifications totaling \$16,839,585 were awarded to extend the contract duration, implement updated rates, establish pharmacy management solutions, and provide diagnostic medical imaging, durable medical equipment, home healthcare and medical transportation services for claimants.

In November 2017, the Board approved a competitively negotiated replacement contract with CorVel that would continue its medical bill review and payment services, but the ensuing contract was put on hold pending the resolution of matters relating to a solicitation for a Workers' Compensation PPO Network. Specifically, and following conclusion of collective bargaining, the MTA and various unions agreed to implement a mandatory Workers' Compensation PPO Network with the goal of achieving (i) improved services for the diagnosis, treatment, and rehabilitation for employees who file claims for injuries on duty; and (ii) associated savings and network doctors for the initial diagnosis and treatment for work-related injuries or illnesses, and for diagnoses, treatment and rehabilitation services in the thirty-day period following such initial diagnosis or treatment.

Following a review of the matter, it was decided that the MTA needed to re-solicit the entire scope of bill review and payment services, including the mandatory Workers' Compensation PPO Network. The new RFP is currently under evaluation, award is planned to occur by the expiration of the extension proposed here.

This contract extension will permit CorVel to continue to provide medical bill review and payment services, pharmacy benefit management solutions, as well as other essential services described in the contract to support the MTA and its agencies' compliance with New York State Workers' Compensation and No-Fault Laws, while NYCT continues to work on transitioning to Origami, the system platform that will replace WCIS and interface with the vendor selected to provide services currently provided by CorVel. There is a critical business need to keep the feed going with CorVel during the Origami transition to avoid disruption of key services.

MTA Risk and Insurance Management (RIM) estimated this modification to be valued at \$3,000,000 based on CorVel's unit pricing of \$3.15 per bill for review and evaluation of medical claims and all ancillary services. Scope discussions verified that CorVel's pricing reflects the average caseload for 2019. CorVel's pricing utilizes rates resulting from negotiations for the replacement contract previously approved by the Board and are CorVel's most favorable customer pricing. Thus, pricing is deemed fair and reasonable.

# MARCH 2020 MTA REAL ESTATE LIST OF REAL ESTATE ACTION ITEMS FOR BOARD APPROVAL

# MTA NEW YORK CITY TRANSIT

Lease agreement with Raffie Hadi Bhai & Aziz Mavani at 34th Street-Penn Station (8th Avenue)

Lease Agreement with Sudhir Patel at 34th Street-Penn Station (7th Avenue)

# METROPOLITAN TRANSPORTATION AUTHORITY

All-Agency Real Property Disposition Guidelines and All-Agency Personal Property Disposition Guidelines required by Public Authorities Law Sections 2895-2897 (Available on Director's Desk Exhibit Book & MTA.INFO)

Page 1 of 2

Subject LEASE AGREEMENT WITH RAFFIE HADI BHAI & AZIZ MAVANI AT 34 <sup>th</sup> STREET-PENN STATION (8 <sup>th</sup> AVENUE)
Department
REAL ESTATE
Department Head Name
JOHN N. LIEBER
Department Head Signature
Mul
Project Manager Name
ANGELA SZU

		Board Act	ion		
Order	То	Date	Approval	Info	Other
1	Finance Committee	3/23/20	х		
2	Board	3/25/20	х		
		-			

	Internal	Approvals	
Order	Approval	Order	Approval
1	Legal		
2	Chief Development Office	1	
3	Deputy General Counsel		
4	Chief Financial Officer	8	

AGENCY: MTA New York City Transit ("NYCT")

LESSEE: A corporate entity to be formed by Raffie Hadi Bhai (75% ownership) and Aziz Mavani

(25% ownership)

LOCATIONS: Four separate units: (1) express platform; (2) uptown local mezzanine (near Control Area

N72); (3) uptown local platform (near Control Area N70); and (4) lower mezzanine (near

Control Area N67) at the 34th Street-Penn Station subway station, 8th Avenue Line,

Manhattan

ACTIVITY: Operation of four travel convenience stores

**ACTION REQUESTED:** Authorization to enter into four (4) related lease agreement(s), one for each Location

TERM: Ten years

SPACE: Four separate units: (1) express platform: 93± SF; (2) uptown local mezzanine (near

Control Area N72); 112± SF; (3) uptown local platform (near Control Area N70): 128± SF;

and (4) lower mezzanine (near Control Area N67): 112± SF

\$81,000 in the aggregate for the first Lease Year allocated as follows: (1) \$28,350 (35% of COMPENSATION:

the aggregate) for the express platform; (2) 20,250 (25% of the aggregate) for the uptown local mezzanine (near Control Area N72); (3) 16,200 (20% of the aggregate) for the uptown local platform (near Control Area N70); and (4) 16,200 (20% of the aggregate) for

the lower mezzanine (near Control Area N67), with annual escalations as described below

# COMMENTS:

The Location was publicly offered pursuant to a Request for Proposals ("RFP") in July 2019 seeking an operator for a 10year lease, and reoffered in November 2019 when there were no responsive proposals. The RFP called for demolition and renovation of the spaces for each Location. One proposal was received by the RFP deadline as summarized below:

Proposer Name	Present Value at 7%
Raffie Hadi Bhai & Aziz Mavani	\$644,795

At a 7% discount, the net present value of the compensation proposed by Mr. Bhai is \$644,795. In addition, Mr. Bhai proposes to make capital improvements to the Locations totaling \$475,000. A one-time, rent credit will be given to defray

### Metropolitan Transportation Authority FINANCE COMMITTEE MEETING LEASE AGREEMENT WITH SUDHIR PATEL AT 34th STREET-PENN STATION (8th AVENUE) (Cont'd.) Page 2 of 2

the cost of demolition of each Location allocated as follows: (1) \$5,000 for the express platform; (2) \$3,500 for the uptown local mezzanine (near Control Area N72); (3) \$3.500 for the uptown local platform (near Control Area N70); and (4) \$3,500 for the lower mezzanine (near Control Area N67). In addition, a one-time, rent credit will be given toward tenant's cost of construction in an amount equal to the lesser of (i) the actual amount of construction costs for all Locations and \$181,115. Mr. Bhai's compensation offer equals or exceeds the independent valuation received by MTA Real Estate.

The compensation schedule is summarized in the table below:

Lease Year	Annual	PSF	(1) Express Platform	(2) Uptown Local Mezz	(3) Uptown Local Platform	(4) Lower Mezzanine
Teal	Compensation					
11	\$ 81,000.00	\$ 182.02	\$ 28,350.00	\$ 20,250.00	\$ 16,200.00	\$ 16,200.00
2	\$ 83,430.00	\$ 187.48	\$ 29,200.50	\$ 20,857.50	\$ 16,686.00	\$ 16,686.00
3	\$ 85,932.90	\$ 193.11	\$ 30,076.52	\$ 21,483.23	\$ 17,186.58	\$ 17,186.58
4	\$ 88,510.88	\$ 198.90	\$ 30,978.81	\$ 22,127.72	\$ 17,702.18	\$ 17,702.18
5	\$ 91,166.20	\$ 204.87	\$ 31,908.17	\$ 22,791.55	\$ 18,233.24	\$ 18,233.24
6	\$ 93,901.18	\$ 211.01	\$ 32,865.41	\$ 23,475.30	\$ 18,780.24	\$ 18,780.24
7	\$ 96,718.21	\$ 217.34	\$ 33,851.37	\$ 24,179.55	\$ 19,343.64	\$ 19,343.64
8	\$ 100,586.93	\$ 226.04	\$ 35,205.43	\$ 25,146.73	\$ 20,117.39	\$ 20,117.39
9	\$ 104,610.40	\$ 235.08	\$ 36,613.64	\$ 26,152.60	\$ 20,922.08	\$ 20,922.08
10	\$ 108,794.81	\$ 244.48	\$ 38,078.18	\$ 27,198.70	\$ 21,758.96	\$ 21,758.96

Mr. Bhai and Mr. Mayani are the current operators of the Gateway newsstands at The Fulton Center (under the franchisees Marcus Grouping Inc. and RAA Group Inc.) and at WTC Oculus (under the franchise Freedom Tower News Inc.). Recent background and credit investigations indicated that both Mr. Bhai and Mr. Mavani have excellent credit scores and no evidence of criminal records. Mr. Bhai supplied evidence that he has the financial capacity to self-finance and implement the proposed capital investments.

Separate lease agreements will be prepared for each of the four Locations. Each lease will include cross-default provisions and each will be prepared in a form approved by MTA Legal. A corporate entity will be formed following award in which Mr. Bhai and Mr. Mayani will be principals with the above-referenced ownership percentage interests. In addition to the standard security deposit, [both Mr. Bhai and Mr. Mavani] will provide personal guarantees, with joint and several liability, of tenant's obligations under the lease agreements, prepared in a form approved by MTA Legal.

Based on the foregoing, MTA Real Estate requests authorization for NYCT to enter into four separate lease agreements on the above-described terms and conditions.

Page 1 of 2

Subject
LEASE AGREEMENT WITH SUDHIR PATEL AT 34 <sup>th</sup> STREET-PENN STATION (7 <sup>th</sup> AVENUE)
Department
REAL ESTATE
Department Head Name
JOHN N. LIEBER
Department Head Signature
Project Manager Name
ANGELA SZU

<u></u>	 

Board Action											
Order	Order To Date Approval Info Other										
1	Finance Committee	3/23/20	х								
2	Board	3/25/20	х								
_											

Internal Approvals								
Order	Approval	Order	Approval					
1	Legal		-					
2	Chief Development Officer	_						
3	Deputy General Counse	W						
4	Chief Financial Officer	A						

AGENCY: MTA New York City Transit ("NYCT")

LESSEE: Jai Bajrang Newsstand Corp. (a corporate entity owned and controlled by Sudhir Patel)

LOCATIONS: Three separate units: (1) downtown local platform near Control Area R142; (2) uptown

local platform near Control Area R141; and (3) express platform at the 34th Street-Penn

Station subway station, Broadway/7th Avenue Line, Manhattan

ACTIVITY: Operation of three (3) travel convenience stores

ACTION REQUESTED: Authorization to enter into three (3) related lease agreement(s), one for each Location

TERM: Ten years

SPACES: Three separate units: (1) downtown local platform near Control Area R142: 156± SF; (2)

uptown local platform near Control Area R141: 231± SF; and (3) express platform at the

34th Street-Penn Station subway station, Broadway/7th Avenue Line: 98± SF

COMPENSATION: \$20,600 in the aggregate for each Lease Year (\$42.47 PSF based on total square footage)

allocated as follows: (1) \$2,060 (10% of the aggregate) for the downtown local platform near Control Area R142; (2) \$3,090 (15% of the aggregate) for the uptown local platform near Control Area R141; and (3) \$15,450 (75% of the aggregate) for the express platform

at the 34th Street-Penn Station subway station, Broadway/7th Avenue Line.

### COMMENTS:

The Location was publicly offered pursuant to a Request for Proposals ("RFP") in July 2019 seeking an operator for a 10-year lease. The RFP called for demolition and renovation of the spaces for each Location. Two proposals were received which are summarized below:

Proposer Name	Present Value at 7%
Sudhir Patel	\$144,686
Shi Li	\$110,095

At a 7% discount, the net present value of the compensation proposed by Mr. Patel is \$144,686, which is the higher of the two proposals. In addition, Mr. Patel proposes to make capital improvements to each Location totaling \$265,000. A one-time, rent credit will be given to defray the cost of demolition of each Location allocated as follows: (1) \$3,500 for the downtown local platform near Control Area R142; (2) \$4,200 for the uptown local platform near Control Area R141; and

# FINANCE COMMITTEE MEETING LEASE AGREEMENT WITH SUDHIR PATEL AT 34th STREET-PENN STATION (7th AVENUE) (Cont'd.)

Page 2 of 2

(3) \$5,000 for the express platform. Although Mr. Patel's compensation offer is below the independent valuation received by MTA Real Estate, the fact that the Locations were competitively bid with two or more motivated prospects is indicative of the true fair market value of the Locations. Additionally, the permanent improvements that the Lessee will invest will provide NYCT with immediate and continuing value throughout the term of the related leases.

Mr. Patel is the current newsstand operator at several major NYCT station complexes including 42<sup>nd</sup> Street-Port Authority and 34<sup>th</sup> Street-Herald Square. A recent background and credit investigation indicated that Mr. Patel has an excellent credit score and no criminal record. Mr. Patel also provided evidence that he has the financial capacity to implement the proposed capital investments required for these concessions. He has extensive experience with overseeing and managing design, construction, and operation of newsstands within the NYCT system.

Separate lease agreements will be prepared for each of the four Locations. Each lease will include cross-default provisions and each will be prepared in a form approved by MTA Legal. Mr. Patel is the principal and majority stakeholder of the Lessee. In addition to the standard security deposit, Mr. Patel will provide a personal guaranty of the Lessee's obligations under the lease agreements, prepared in a form approved by MTA Legal.

Based on the foregoing, MTA Real Estate requests authorization for NYCT to enter into the related lease agreements for the Locations on the above-described terms and conditions.

Page 1 of 2

Subject	
PROPERTY DISPOSITION GUIDELINES	
Department	
REAL ESTATE / CORPORATE COMPLIANCE	
Department Head Name	
JOHN N. LIEBER / LAMOND KEARSE	
Department Head Signature	
Malla	
Project Manager Name	
ANDREA TEDESCHE-GOMEZ/ NICOLE HOWAR	D

		Board Act	ion		
Order	То	Date	Approval	Info	Other
1	Finance Committee	3/23/20	x		
2	Board	3/25/20	х		

 	<u> </u>

Internal Approvals								
Order	Approval	1	Order	Approval				
1	Legal 1	9	_					
2	Chief Development Offi	erl						
3	Chief of Staff	W						
4	Chief Financial Officer	n						

# Purpose:

To obtain MTA Board approval of (i) revised and updated MTA Real Estate Department's Real Property Disposition Guidelines (the "2020 Real Property Disposition Guidelines") and the appointment of the Chief Development Officer of MTA as the Real Property Disposition Contracting Officer responsible for compliance with and enforcement of such Guidelines, and (ii) updated MTA's All-Agency Guidelines for the Disposal of Personal Property (the "2020 Personal Property Disposition Guidelines"), and the appointment of the MTA staff persons designated as the Personal Property Disposition Contracting Officers listed on Attachment C to this staff summary, each promulgated in accordance with Section 2895-2897 of the Public Authorities Law.

### Discussion:

Section 2896 of the Public Authorities Law, enacted in 2005, requires that public authorities annually review and approve "comprehensive guidelines" adopted by resolution that detail its "operative policy and instructions" regarding disposals of real and personal property, and designate a contracting officer responsible for complying with and enforcing the guidelines. Each year the statute requires each public authority's governing board to review and approve its guidelines by March 31st and to file a copy of the Guidelines with the State Comptroller. The proposed 2020 Real Property Disposition Guidelines, prepared by the MTA Real Estate Department and designating the Chief Development Officer of MTA as the Real Property Disposition Contracting Officer are annexed as Attachment A to this staff summary. The proposed 2020 Personal Property Disposition Guidelines, prepared by MTA Corporate Compliance in consultation with MTA Agency procurement departments, are annexed as Attachment B to this staff summary. A list of the MTA staff persons designated as the Personal Property Disposition Contracting Officers is annexed as Attachment C to this staff summary. The attachments are available for review by the MTA Board members in the Director's Desk Exhibit Book and on MTA.INFO.

### Real Property Disposition Guidelines:

In March 2019, the MTA Board approved the MTA Real Estate Department's current real property disposition guidelines, which (i) detailed MTA Real Estate's policies and procedures for the disposal of real property, and (ii) designated the Chief Development Officer of MTA as the Real Property Disposition Contracting Officer for the MTA and the MTA agencies.

The proposed 2020 Real Property Disposition Guidelines (see Attachment A) are substantially the same as those approved last year, but with minor changes to reflect organizational changes.

# **Personal Property Disposition Guidelines:**

# FINANCE COMMITTEE MEETING PROPERTY DISPOSITION GUIDELINES (Cont'd.)



Page 2 of 2

In March 2019, the MTA Board approved the current All-Agency Guidelines for the Disposal of Personal Property to provide a consistent set of personal property disposal policies and practice, across the MTA agencies.

The proposed 2020 Personal Property Disposition Guidelines (see Attachment B), are substantially the same as the 2019 Guidelines.

### Recommendation:

It is recommended that the Board adopt the resolution attached to this Staff Summary approving the 2020 Real Property Guidelines and the 2020 Personal Property Guidelines, designating the Chief Development Officer as the Real Property Disposition Contracting Officer for the MTA and MTA Agencies, and designating the MTA and MTA agency staff members listed on Attachment C to this Staff Summary as the Contracting Officers for the MTA and MTA Agencies as the officers responsible for disposition of real property.

# **RESOLUTION**

WHEREAS, the Public Authorities Law in Section 2896 requires annual review and approval of guidelines detailing a public authority's operative policy and instructions regarding the disposition of property and designating a contracting officer responsible for complying with and enforcing such disposition guidelines;

WHEREAS, the Boards of the Metropolitan Transportation Authority and its subsidiaries and affiliates (collectively, the "MTA Agencies"), have reviewed and by this resolution wish to approve the MTA Real Estate Department's Real Property Disposition Guidelines (the "2020 Real Property Disposition Guidelines") and the MTA All-Agency Guidelines for the Disposal of Personal Property (the "2020 Personal Property Guidelines") referred to in the Staff Summary to which this Resolution is attached (the "Staff Summary") and to designate the MTA Chief Development Officer as the Real Property Disposition Contracting Officer, and to designate the MTA Agency staff persons listed in Attachment C to the Staff Summary as Personal Property Disposition Contracting Officers;

NOW THERFORE, BE IT:

RESOLVED, that the 2020 Real Property Disposition Guidelines annexed to the Staff Summary as Attachment A are hereby approved; and

RESOLVED, that the 2020 Personal Property Guidelines annexed to the Staff Summary as Attachment B are hereby approved; and

RESOLVED, that the MTA Chief Development Officer is hereby designated as the Real Property Disposition Contracting Officer for the MTA; and

RESOLVED, that the persons listed on Attachment C to the Staff Summary are hereby designated as Personal Property Disposition Contracting Officers.

Dated: March 25, 2020



# Procurement & Supply Chain Louis Montanti, Acting Senior Vice President

# **NYCT Procurements**

<u>PROCUREMENTS</u>
The Procurement Agenda this month includes 1 action for a proposed expenditure of \$14.0M.
Master Page # 95 of 170 - MTA Board Meeting 3/25/2020

Subject	Subject Request for Authorization to Award Various Procurements					March 20, 2020				
Departr	nent						Depart	tment		
•	Procure	ement & S	upply Chain	- NYCT			•			
Departr	nent Head Nam	ie					Depart	tment Head Name		
•		. Montani	ti				_			
Departr	nent Head Sign	ature					Depart	tment Head Signature		
Project	Manager Name Rose Da							Internal A	pprovals	
		Board	Action							
Order	То	Date	Appro	oval Info	Other			Approval		Approval
1	Committee	3/23/20						President NYCT		Acting Pres. MTA Bus/SVP DOB
2	Board	3/25/20	0					SVP Operations Support	X	Subways
							X	Capital Prog. Management	X	Diversity/Civil Rights
							X	Law		
			•		Internal A	\pp	rovals (c	ont.)		
Order	Approva	al	Order	Appro	val	0	rder	Approval	Order	Approval
				-						
PURPO	OSE									

To obtain approval of the Board to award various contracts and purchase orders, and to inform the NYC Transit Committee of these procurement actions.

# **DISCUSSION**

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

Schedules Requiring Majority Vote:

Schedule J: Modifications to Miscellaneous Procurement Contracts

• Siemens Mobility, Inc. \$ 14.0 M

SUBTOTAL 1 \$ 14.0 M

TOTAL 1 \$ 14.0 M

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

NYC Transit proposes to award Competitive procurements in the following categories: NONE
MTA Bus Company proposes to award Competitive procurements in the following categories: NONE
NYC Bus Company proposes to award Ratifications in the following categories: NONE
MTA Transit proposes to award Ratifications in the following categories: NONE
<b>COMPETITIVE BIDDING REQUIREMENTS</b> : The procurement actions in Schedules A, B, C and D are subject to the competitive bidding requirements of PAL 1209 or 1265-a relating to contracts for the purchase of goods or public work. Procurement actions in the remaining Schedules are not subject to these requirements.
<b>BUDGET IMPACT</b> : The purchases/contracts will result in obligating funds in the amounts listed. Funds are available in the current operating/capital budgets for this purpose.
<b>RECOMMENDATION:</b> 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.



# **MARCH 2020**

# LIST OF NONCOMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

# Procurements Requiring Majority Vote:

- J. <u>Modification to Miscellaneous Procurement Contracts</u>
  (Staff Summaries required for items estimated to be greater than \$1,000,000.)
- 1. Siemens Mobility, Inc. \$14,000,000 (Est.) <u>Staff Summary Attached</u> Contract # CMM-589.2

Modification to the contract to provide software and systems support services for NYC Transit's Public Address/Customer Information Screens Phase II ("PA/CIS II"); in order to (1) extend the contract term for a period of five years; and (2) add funding.

# **Schedule J: Modifications to Miscellaneous Procurement Contracts**



Item Number: 1			
Vendor Name (Location)	Contract Number	AWC	)/Mod. #
Siemens Mobility, Inc (New York, New York)	CMM-589	2	
Description			
Cyctom Coffware and Enhancement, Cumpart Consider For the	Original Amount:	\$	7,727,800
System Software and Enhancement Support Services For the	Option Amount:	\$	5,110,671
PA/CIS Phase II System	Total Amount:	\$	12,838,471
Contract Term (including Options, if any)	Prior Modifications:	\$	0
May 1, 2014-April 30, 2020	Prior Budgetary Increases:	\$	0
Option(s) included in Total Amount? ⊠ Yes ☐ No ☐ n/a	Current Amount:	\$	12,838,471
Procurement Type ☐ Competitive ☒ Noncompetitive			
Solicitation Type ☐ RFP ☐ Bid ☒ Other: Modification	This Request:	\$	14,000,000
Funding Source			(Est.)
☐ Operating ☐ Capital ☐ Federal ☐ Other:	% of This Request to Current Amount:		109.1%
Requesting Dept./Div., Dept./Div. Head Name: MTA-IT, Michael Moran	% of Modifications (including This Request) to Total Amount:	5	109.1%

### Discussion:

This modification is to obtain Board approval to (1) extend the contract term for a period of five years (May 1, 2020 – April 30, 2025) for Siemens Mobility, Inc. ("Siemens") to continue to provide software and systems support services for NYC Transit's Public Address/Customer Information Screens Phase II ("PA/CIS II"); and (2) add funding in the estimated amount of \$14,000,000.

PA/CIS II is a public-facing system that delivers real-time train arrival as well as service disruption information and public service announcements to NYC Transit's ridership. PA/CIS II is an integrated system of hardware and software with operator consoles and software test facility at the Rail Control Center, with backup systems at the Backup Command Center. The system software was developed by Siemens and uses the SONET/ATM Network for its communications backbone. The system delivers audio and visual train location/movement data to platform and control area signs along with public announcements. PA/CIS II now delivers audio and visual data to 177 stations along the A Division lines including 21 stations on the Flushing line. Audio only is delivered to 99 stations along the B Division lines.

The original PA/CIS II contract was competitively awarded to Siemens with full deployment of the system on the 156 A Division stations completed in 2012 and included a one-year warranty. The design allows for expansion of the system to all NYC Transit's subway stations. The system was expanded to 99 B Division stations in 2018 and 2019, and to the Flushing line stations in 2019. Over the next five years, 100 additional B Division stations, including the 24 stations along the Canarsie line, will be converted to PA/CIS II. Visual a lert of train arrival for the B Division is provided through the Beacon system.

In December 2013, the Board approved the award of this noncompetitive miscellaneous procurement contract to Siemens to provide software and systems support services for the PA/CIS II system. The award was made on a noncompetitive basis because Siemens (1) designed and developed the software system that is configured to NYC Transit signaling procedures and rules; and (2) is uniquely qualified to provide assistance to NYC Transit personnel. (As developer and integrator of the system software, Siemens initia tes and issues all software updates and upgrades for which it is the only source.) This service contract was awarded in the estimated amount of \$12,838,471, and consisted of a three-year base in the amount of \$7,727,800 and a two-year option in the amount of \$5,110,671. The option was exercised and extended the contract through April 30, 2019. The contract was further extended for one additional year under Modification 1, through April 30, 2020. No additional funding was required for Modification 1.

The contract covers software support and emergency response as well as a provision for task orders for system enhancements. While the in-house staff is able to respond to a wide range of situations, and provides much of the support, Siemens support is necessary for complex and critical failures, patch development, and software upgrades. Under this contract, Siemens provides software support and emergency response services related to critical system failures. Software enhancements and new initiative support services are handled under task orders. Task orders address the need for system enhancements and changes to the software environment resulting from design and field changes to the signal system. All support services and task orders are based on labor rates and terms and conditions established in the contract.

The contract includes a provision for a software support monthly service fee averaging \$14,038 valued at the amount of \$842,3 19 for the five-year extension. This provision ensures availability and guaranteed response times from Siemens for 24/7 emergency support and covers all administrative, resourcing, and licensing expenses. Siemens is required to respond to emergency calls within 90 minutes and start work within two hours. In addition to the monthly service fee, this contract extension includes \$13,157,681 for planned task orders for various system upgrades and enhancements over the five-year period. Of this value, a pool of 35,760 hours spread among six engineering titles valued at the amount of \$9,046,522 has been established for this extension to ensure availability of engineering resources. This value is guaranteed to Siemens and will be used toward task orders issued under the contract. Monies will be deducted from the pool amount with each task order until the pool is reduced to zero and no more guaranteed amount remains.

Siemens' labor rates were negotiated with input and analysis from MTA Audit and the Cost Price Analysis unit. Those rates are subject to annual escalation based on an established Producer Price Index. These negotiated rates have been used in a number of contracts with Siemens including this contract. Additionally, the rates have been compared to rates charged by two other contractors who per form similar work and are competitive with those rates. The price for this extension has been deemed fair and reasonable.

This contract extension is subject to review and approval of the Office of the New York State Comptroller, and an award will not be made prior to this approval.

In connection with a previous contract awarded to Siemens, Siemens 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 Office in consultation with the MTA General Counsel in August 2016. No new SAI has been found relating to Siemens and Siemens has been found to be responsible. A Contractor Compliance Program was put in place for Siemens in April 2018.



# **Procurements**



	, 5										
Subjec	r Reques		iorization to	Aw ard Var	ious	Date					
Department Procurement and Material Management						_	Vendor Name Various				
Department Head Name Anthony Gardner, Sr Director							Contract Number Various				
Department Head Signature						Cont	Contract Manager Name				
Project Manager Name							Various Table of Contents Ref#				
Board Action							Internal Approvals				
Order	То	Date	Approv	al Info	Other		Approval	iai Appi ovaic	Approval		
1	MNR Comm. Mtg.	3-23-20	X			Х	President	Х	Executive Director Management & Budget		
2	MTA Board Mtg.	Board 3-25-20 X				Х	X Executive Vice X President		V.P. Capital Programs		
						Х	Sr. V.P. Operations				
						Х	V.P. & General Counsel				
	I	ļ.	1	In	iternal Ap	provals (		ı.			
Order	Approv	al	Order	Appro	val	Order	Approval	Order	Approval		
To obtain approval of the Board to award various contracts/contract modifications and purchase orders, and to inform the MTA Metro-North Railroad Committee of these procurement actions.  DISCUSSION: MNR proposes to award non-competitive procurements in the following categories:											
								# of Actions \$ Amount			
Schedules Requiring Two-Thirds Vote (or more, where noted)  NONE								<u>IE</u>			
Schedules Requiring Majority Vote NONE								<u>IE</u>			
	SUB TOTAL:										



MNR proposes to award competitive procurements in the following categories:								
	# of Actions	\$ Amount						
Schedules Requiring Two-Thirds Vote (or more, where noted)	<u>NONE</u>							
Schedules Requiring Majority Vote								
Schedule H: Modifications to Personal/Miscellaneous Service Contracts  • Clearway Industries, LLC \$2,000,000	1	\$2,000,000						
SUB TOTAL:	1	\$2,000,000						
MNR presents the following procurement actions for Ratification:								

SUB TOTAL:

TOTAL: 1 \$2,000,000

**NONE** 

NONE

The contractors noted above and on the following Staff Summary Sheets have been found in all respects responsive and responsible, and are in compliance with State laws and regulations concerning procurements.

Schedules Requiring Two-Thirds Vote (or more, where noted

Schedules Requiring Majority Vote

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

### 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.

# **MARCH 2020**

# METRO-NORTH RAILROAD

# LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

# Schedules Requiring Majority Vote:

# H. Modifications to Personal/Miscellaneous Service Contracts

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

# 1. Clearway Industries, LLC \$2,000,000 (not-to-exceed) <u>Staff Summary</u> Attached

# Brush and Tree Cutting and Removal Services for Harlem and Hudson Lines

Approval is requested for a contract modification in the not-to-exceed amount of \$2,000,000 to the existing miscellaneous service contract with the firm Clearway Industries, LLC (Clearway). This contract modification is for on-going scheduled brush and tree cutting including debris removal services for Metro-North's Harlem and Hudson Lines as well as emergency services to remove tree and brush that are deemed dangerous, damaged or has fallen throughout Metro-North's entire territory.

The original 24-month contract was competitively solicited and awarded to Clearway Industries, LLC in September 2018 in the amount of \$1,658,893. In 2019, there were a number of unforeseen adverse weather conditions causing multiple fallen trees, which resulted in unexpected suspended train service due to loss of wayside power and/or signal communications; therefore, repair and emergency as-needed cutting and removal of tree services was required throughout Metro-North's territory. As a result, there is an on-going effort to aggressively continue this work to mitigate potential hazards for maintenance workers along the wayside as well as disruption of service due to unexpected falling trees.

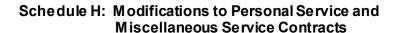
Based on the current contractual rates which has not changed, the additional funding requested will be required for continuation of these services for the remaining contract term through August 2020.

Metro-North completed a responsibility review of Clearway Industries, LLC. as defined in the All Agency Responsibility Guidelines in connection with this award recommendation, which yielded no significant adverse information (SAI).

This total not-to-exceed amount of \$2,000,000 is to be funded by the MNR Operating Budget.



# Competitive Procurements





Contract Number	AWO/Modification#
10000000080346	6
Original Amount:	\$1,658,893
Prior Modifications:	\$2,113,508
Prior Budgetary Increases:	\$0.00
Current Amount:	\$3,772,400
	#2.000.000 (not to
This Request:	\$2,000,000 (not-to- exceed)
	,
% of This Request to Current Amount:	53%
% of Modifications (including This Request) to Original Amount:	250%
	Original Amount: Prior Modifications: Prior Budgetary Increases: Current Amount: This Request: % of This Request to Current Amount: % of Modifications (including This

### Discussion:

Approval is requested for a contract modification in the not-to-exceed amount of \$2,000,000 to the existing miscellaneous service contract with the firm Clearway Industries, LLC (Clearway). This contract modification is for on-going scheduled brush and tree cutting including debris removal services for Metro-North's Harlem and Hudson Lines as well as emergency services to remove tree and brush that are deemed dangerous, damaged or has fallen throughout Metro-North's entire territory.

The original 24-month contract was competitively solicited and awarded to Clearway Industries, LLC in September 2018 in the amount of \$1,658,893. In 2019, there were a number of unforeseen adverse weather conditions causing multiple fallen trees, which resulted in unexpected suspended train service due to loss of wayside power and/or signal communications; therefore, repair and emergency as-needed cutting and removal of tree services was required throughout Metro-North's territory. As a result, there is an on-going effort to aggressively continue this work to mitigate potential hazards for maintenance workers along the wayside as well as disruption of service due to unexpected falling trees.

Based on the current contractual rates which has not changed, the additional funding requested will be required for continuation of these services for the remaining contract term through August 2020.

Metro-North completed a responsibility review of Clearway Industries, LLC. as defined in the All Agency Responsibility Guidelines in connection with this award recommendation, which yielded no significant adverse information (SAI).

This total not-to-exceed amount of \$2,000,000 is to be funded by the MNR Operating Budget.



# Split Tolling at Verrazzano-Narrows Bridge (Action Items)

# **Staff Summary**



Subject	Split Tolling at VNB and Adoption of a New Crossing Charge Schedule
Department	Law
Department Head Name	M. Terry
Department Head Signature	
Project Manager Name	

Date	March 25, 2020
Vendor Name	N/A
Contract Number	N/A
Contract Manager Name	N/A
Table of Contents Ref. #	N/A

Board Action								
Order	То	Date	Approval	Info	Other			
2	Board	3/25/20						
1	TBTA Committee	3/23/20						

Internal Approvals							
Order	Approval	Order	Approval				
3	Acting President		VP Staff Services				
	General Counsel		VP Procurement & Materials				
2	Senior Vice President, Business Operations and Transformation Officer		VP Labor Relations				
	VP Operations		VP & Chief Engineer				

	Internal Approval (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 Board approval and adoption of the annexed Resolution which will (i) change the method of toll collection at the Verrazzano-Narrows Bridge (VNB) so that tolls are collected in the Staten Island-bound and Brooklyn-bound directions (split tolling), in accordance with federal law; (ii) repeal the prior Crossing Charge Schedule and adopt a new Crossing Charge Schedule to implement split tolling at the VNB by eliminating the provision that doubles the VNB toll under the VNB's one-way crossing charge collection program; and (iii) authorize the Acting President of the Authority or his designee to take all such steps that may be necessary and desirable to establish, implement and permanently adopt, pursuant to law, the new Crossing Charge Schedule.

<u>DISCUSSION</u>: Tolls have been collected on the VNB in only one direction, Staten Island-bound, since 1986, initially in accordance with Section 324 (a) of the federal *Department of Transportation and Related Agencies Appropriations Act of 1986.* As a result, the current Crossing Charge Schedule states, in footnote (a), that all per crossing charges shown in the Schedule shall be doubled at the VNB under the VNB's one-way crossing charge collection program.

In December 2019, however, Section 126 of the federal *Further Consolidated Appropriations Act*, 2020 (2020 Appropriations Act), which eliminates one-way tolling and restores split tolling at the VNB, was enacted by Congress and signed by the President. The 2020 Appropriations Act provides that "[n]otwithstanding any other provision of law, tolls collected for motor vehicles on any bridge connecting the boroughs of Brooklyn, New York, and Staten Island, New York, shall be collected for any such vehicles exiting from such bridge in both Staten Island and Brooklyn."

As a result, the Authority seeks approval to change the method of toll collection at the VNB so that tolls are collected in the Staten Island-bound and Brooklyn-bound directions and to revise the Authority's Crossing Charge Schedule by deleting footnote (a), which states: "(a) Under Verrazzano-Narrows one-way crossing charge collection program, all per crossing charges shown should be doubled. Presently paid in westbound direction only."

A copy of the proposed Crossing Charge Schedule (Attachment 1) is attached.

If approved, split tolling at the Verrazzano-Narrows Bridge is planned for implementation by the end of 2020.

The Board has separately adopted a Resolution (i) finding that the proposed implementation of split tolling at the Verrazzano-Narrows Bridge under the new Crossing Charge Schedule constitutes a "non-discretionary" Type II action under the State Environmental Quality Review Act (SEQRA) and, moreover, will have no significant adverse effect on the environment within the meaning of the SEQRA; and (ii) adopting and approving a Type II Determination/Determination of No Significance.

Finally, the Board is asked to delegate to the Acting President of the Authority or his designee authority to take all necessary and desirable steps to repeal the prior Part 1021.1 of Title 21 of the New York Codes, Rules and Regulations (NYCRR) and implement and permanently adopt a new Part 1021.1 of Title 21 NYCRR to reflect the new Crossing Charge Schedule.

**IMPACT ON FUNDING**: Implementation of split tolling at the VNB under the new Crossing Charge Schedule is estimated to generate additional net operating income of \$10 million annually.

**RECOMMENDATION**: It is recommended that the Board adopt and approve the attached Resolution authorizing the Authority to change the method of toll collection at the Verrazzano-Narrows Bridge so that tolls are collected in the Staten Island-bound and Brooklyn-bound directions, repeal the prior Crossing Charge Schedule, establish the new Crossing Charge Schedule to implement split tolling at the VNB by eliminating the provision that doubled the per crossing charges under the former one-way crossing charge collection program, and authorize the Acting President or his designee to take all steps to establish, implement and permanently adopt the Schedule, pursuant to law.

#### RESOLUTION

WHEREAS, tolls have been collected by the Triborough Bridge and Tunnel Authority (Authority) on the Verrazzano-Narrows Bridge (VNB) in only one direction, Staten Island-bound, since 1986, initially in accordance with Section 324 (a) of the federal *Department of Transportation and Related Agencies Appropriations Act of 1986.* To implement one-way tolling, the current Crossing Charge Schedule states, in footnote (a), that all per crossing charges shown for the VNB in the Schedule should be doubled under the VNB's one-way crossing charge collection program; and

WHEREAS, in December 2019, Section 126 of the federal *Further Consolidated Appropriations Act, 2020* (2020 Appropriations Act), which eliminates one-way tolling and restores split tolling at the VNB, was enacted by Congress and signed by the President. The 2020 Appropriations Act provides that "[n]otwithstanding any other provision of law, tolls collected for motor vehicles on any bridge connecting the boroughs of Brooklyn, New York, and Staten Island, New York, shall be collected for any such vehicles exiting from such bridge in both Staten Island and Brooklyn"; and

**WHEREAS,** the Authority proposes to change the method of toll collection at the VNB so that tolls are collected in the Staten Island-bound and Brooklyn-bound directions (split tolling), in accordance with federal law; and

**WHEREAS**, the Authority proposes to revise the Crossing Charge Schedule to implement split tolling at the VNB by deleting from the current Crossing Charge Schedule its footnote (a), which states: "(a) Under Verrazzano-Narrows one-way crossing charge collection program, all per crossing charges shown should be doubled. Presently paid in westbound direction only"; and

WHEREAS, the Board, by resolution adopted March 25, 2020, found that the proposed implementation of split tolling at the Verrazzano-Narrows Bridge under the new Crossing Charge Schedule constitutes a "non-discretionary" Type II action under the State Environmental Quality Review Act (SEQRA) and, moreover, will have no significant adverse effects on the environment under the meaning of SEQRA and adopted and approved a Type II Determination/Determination of No Significance, and authorized and directed the Acting President of the Authority, or his designee, to execute said Type II Determination/Determination of No Significance.

#### NOW, THEREFORE, IT IS:

**RESOLVED**, that provided the Type II Determination/Determination of No Significance has been duly executed by the Acting President of the Authority, or his designee, the Authority is authorized to change the

method of toll collection at the Verrazzano-Narrows Bridge to collect tolls in the Staten Island-bound and Brooklyn-bound directions; and be it further

**RESOLVED,** that the Crossing Charge Schedule in the prior Part 1021.1 of Title 21 New York Codes, Rules and Regulations shall be and hereby is repealed and the new Crossing Charge Schedule in the new Part 1021.1 of Title 21 New York Codes, Rules and Regulations, providing for implementation of split tolling at the Verrazzano-Narrows Bridge, as set forth in the attachment to this Resolution, shall be and hereby is adopted to be implemented by the end of 2020; and be it further,

**RESOLVED,** that the Acting President of the Authority or his designee is hereby fully authorized and directed to take such steps as may be necessary or desirable to repeal the prior Part 1021.1 of Title 21 of the New York Codes, Rules and Regulations and establish, implement and adopt the proposed Crossing Charge Schedule, annexed hereto, in the new Part 1021.1 of Title 21 of the New York Codes, Rules and Regulations, pursuant to law.

March 25, 2020 New York, New York



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#### Part 1021.1 Crossing Charges

See Footnotes on next page

#### TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY CROSSING CHARGES

A	E-ZPass Charges For E-ZPass New York Customer Service Center Customers	VERRAZZANO- NARROWS BRIDGE	ROBERT F. KENNEDY, BRONX-WHITESTONE, AND THROGS NECK BRIDGES AND QUEENS MIDTOWN AND HUGH L CAREY TUNNELS	HENRY HUDSON BRIDGE	MARINE PARKWAY-GIL HODGES MEMORIAL, AND CROSS BAY VETERANS MEMORIAL BRIDGES
	CLASSIFICATION		Crossing (	Charges	
1	Two-axle vehicles, including: passenger vehicles, station wagons, self-propelled mobile homes, ambulances, hearses, vehicles with seating capacity of not more than 15 adult persons (including the driver) and trucks with maximum gross weight (MGW) of 7,000 lbs. and under	\$6.12	\$6.12	\$2.80	\$2.29
	Registered Staten Island Residents using an eligible vehicle taking 3 or more trips per month	\$3.44			
	Registered Staten Island Residents using an eligible vehicle taking less than 3 trips per month	\$3.63			
	Registered Staten Island Residents using an eligible vehicle with three or more occupants (HOV)	\$1.70			
	Registered Rockaway Residents using an eligible vehicle				\$1.49
	Each additional axle costs	\$4.00	\$4.00	\$3.00	\$3.00
2	All vehicles with MGW greater than 7,000 lbs. and buses (other than franchise buses using E-ZPass and motor homes)				
	Two-axle vehicles	\$11.06	\$11.06		\$5.53
	Three-axle vehicles	\$18.12	\$18.12		\$9.06
	Four-axle vehicles	\$23.16	\$23.16		\$11.58
	Five-axle vehicles Six-axle vehicles	\$30.19 \$35.23	\$30.19 \$35.23		\$15.10 \$17.62
	Seven-axle vehicles Seven-axle vehicles	\$42.26	\$42.26		\$17.62 \$21.13
	Each additional axle	\$7.06	\$7.06		\$3.53
3	Two-axle franchise buses	\$4.43	\$4.43		\$2.21
4	Three-axle franchise buses	\$5.26	\$5.26		\$2.77
5	Motorcycles Each additional axle	\$2.66 \$1.59	\$2.66 \$1.59	\$1.91 \$1.59	\$1.91 \$1.59

The Authority reserves the right to determine whether any vehicle is of unusual or unconventional design, weight or construction and therefore not within any of the listed categories. The Authority also reserves the right to determine the crossing charge for any such vehicle of unusual or unconventional design, weight or construction.

Bicycles are not permitted over Bronx-Whitestone, Throgs Neck, and Verrazzano-Narrows Bridges, or through the tunnels. Such vehicles may cross the Robert F. Kennedy, Henry Hudson, Marine Parkway-Gil Hodges Memorial and Cross Bay Veterans Memorial Bridges without payment of crossing charge, but must be walked across the pedestrian paths of such bridges.

Only vehicles authorized to use parkways are authorized to use the Henry Hudson Bridge. An unauthorized vehicle using the Henry Hudson Bridge must pay the Marine Parkway-Gil Hodges Memorial Bridge rate.

E-ZPass crossing charges apply to New York E-ZPass Customer Service Center customers only and are available subject to terms, conditions and agreements established by the Authority.

There are no residential restrictions with regard to enrollment as a TBTA Customer in the New York Customer Service Center.

#### TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY CROSSING CHARGES

B.	For Fare Media Other Than E-ZPass Charges for E-ZPass New York Customer Service Center Customers	VERRAZZANO- NARROWS BRIDGE	ROBERT F. KENNEDY, BRONX-WHITESTONE, AND THROGS NECK BRIDGES AND QUEENS MIDTOWN AND HUGH L CAREY TUNNELS	HENRY HUDSON BRIDGE	MARINE PARKWAY-GIL HODGES MEMORIAL, AND CROSS BAY VETERANS MEMORIAL BRIDGES
	CLASSIFICATION		Crossing	Charges	
1	Two-axle vehicles, including: passenger vehicles, station wagons, self-propelled mobile homes, ambulances, hearses, vehicles with seating capacity of not more than 15 adult persons (including the driver) and trucks with maximum gross weight (MGW) of 7,000 lbs. and under	\$9.50	\$9.50	\$7.00	\$4.75
	The following discounted charges are available for eligible class 1 vehicles: Charge per crossing for E-Tokens				\$3.17
	Charge per crossing for E-Tokens for registered Staten Island Residents using an eligible vehicle Charge per crossing for E-Tokens for registered Rockaway Peninsula/Broad Channel Residents	\$4.90			
	using an eligible vehicle Each additional axle costs	\$4.00	\$4.00	\$3.00	\$2.05 \$3.00
2	All vehicles with MGW greater than 7,000 lbs. and buses (other than franchise buses using E-ZPass and motor homes)				
	Two-axle vehicles	\$19.00	\$19.00		\$9.50
	Three-axle vehicles	\$31.29	\$31.29		\$15.65
	Four-axle vehicles	\$39.12	\$39.12		\$19.56
	Five-axle vehicles	\$51.41	\$51.41		\$25.71
	Six-axle vehicles	\$59.24	\$59.24		\$29.62
	Sev en-axle vehides	\$73.76	\$73.76		\$36.88
	Each additional axle	\$11.18	\$11.18		\$5.59
3	Two-axle franchise buses	\$9.25	\$9.25		\$4.50
4	Three-axle franchise buses	\$10.25	\$10.25		\$5.25
5	Motorcycles	\$4.00	\$4.00	\$4.00	\$4.00
	Each additional axle	\$1.68	\$1.68	\$1.68	\$1.68
	See Footnotes on next page	-			

The Authority reserves the right to determine whether any vehicle is of unusual or unconventional design, weight or construction and therefore not within any of the listed categories. The Authority also reserves the right to determine the crossing charge for any such vehicle of unusual or unconventional design, weight or construction.

Bicycles are not permitted over Bronx-Whitestone, Throgs Neck, and Verrazzano-Narrows Bridges, or through the tunnels. Such vehicles may cross the Robert F. Kennedy, Henry Hudson, Marine Parkway-Gil Hodges Memorial and Cross Bay Veterans Memorial Bridges without payment of crossing charge, but must be walked across the pedestrian paths of such bridges.

Only vehicles authorized to use parkways are authorized to use the Henry Hudson Bridge. An unauthorized vehicle using the Henry Hudson Bridge must pay the Marine Parkway-Gil Hodges Memorial Bridge rate.

# **Staff Summary**



**VP Operations** 

Subject	Split Tolling at VNB Under
	New Crossing Charge
	Schedule
	(Environmental
	Determination)
Department	Law
Department Head Name	M. Margaret Terry
Department Head Signature	
Project Manager Name	

Board Action								
Order	То	Date	Approval	Info	Other			
2	Board	3/25/20						
1	TBTA Committee	3/23/20						

Date		Ma	arch 25, 2020	
Vendor N	Name	N//	4	
Contract	Number	N/A		
Contract	Manager Name	N/A		
Table of	Contents Ref. #	N//	4	
	Internal A	pproval	 S	
Order	Approval	Order	Approval	
3	Acting President		VP Staff Services	
	General Counsel		VP Procurement & Materials	
2	Senior Vice President, Business Operations and Transformation Officer		VP Labor Relations	

VP & Chief Engineer

	Internal Approval (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		

#### **ENVIRONMENTAL DETERMINATION**

<u>PURPOSE</u>: To obtain the Board's approval and adoption of the annexed Resolution which will (i) find and determine that the proposed change in the method of toll collection at the Verrazzano-Narrows Bridge (VNB) so that tolls are collected in the Staten Island-bound and Brooklyn-bound directions (split tolling) and required revisions to the Crossing Charge Schedule constitute Type II Actions under the State Environmental Quality Review Act (SEQRA) and, moreover, will have no significant adverse effect on the environment within the meaning of SEQRA; and (ii) adopt and approve the Type II Determination/Determination of No Significance in accordance with SEQRA and authorize and direct the Acting President of the Authority or his designee to execute it.

<u>DISCUSSION</u>: Tolls have been collected on the VNB in only one direction, Staten Island-bound, since 1986, initially in accordance with Section 324 (a) of the federal *Department of Transportation and Related Agencies Appropriations Act of 1986.* As a result, the current Crossing Charge Schedule states, in footnote (a), that all per crossing charges shown in the Schedule shall be doubled at the VNB under the VNB's one-way crossing charge collection program.

In December 2019, however, Section 126 of the federal *Further Consolidated Appropriations Act,* 2020 (2020 Appropriations Act), which eliminates one-way tolling and restores split tolling at the VNB, was enacted by Congress and signed by the President. The 2020 Appropriations Act provides that "[n]otwithstanding any other provision of law, tolls collected for motor vehicles on any bridge connecting the boroughs of Brooklyn, New York, and Staten Island, New York, shall be collected for any such vehicles exiting from such bridge in both Staten Island and Brooklyn."

A copy of the proposed new Crossing Charge Schedule (Attachment 1) is attached.

The Authority is planning to implement split tolling at the VNB and to revise its current Crossing Charge Schedule under the State Administrative Procedure Act by deleting footnote (a), which states: "(a) Under Verrazzano-Narrows one-way crossing charge collection program, all per crossing charges shown should be doubled. Presently paid in westbound direction only."

Because the implementation of split tolling at the VNB and required revisions to the Crossing Charge Schedule are mandated by federal law, they constitute Type II "non-discretionary" actions that are exempt from SEQRA. Nevertheless, TBTA has elected to go beyond the requirements of SEQRA to undertake an environmental review of these actions consistent with SEQRA procedures to determine whether the implementation of split tolling under the new Crossing Charge Schedule would have a significant adverse effect on the environment.

Under SEQRA, prior to the Board's adoption of a Resolution approving this proposed change in Authority tolling policy and adopting the new Crossing Charge Schedule, the Board would consider the potential environmental impacts of the proposed implementation of split tolling at the VNB under the new Crossing Charge Schedule and determine whether there may be a significant adverse impact resulting from such implementation. If there are none, the Board would approve a Type II Determination/Determination of No Significance finding that the proposed implementation of split tolling at the VNB under the new Crossing Charge Schedule will have no significant adverse impacts on the environment.

An environmental assessment ("EA") therefore was performed to analyze the potential environmental impacts (particularly traffic and air quality) at the VNB and along the diversion routes of the proposed implementation of split tolling at the VNB, including proposed changes to the MTA's VNB Rebate Programs to accommodate split tolling. The EA analyzed in detail the potential environmental impacts of the proposed implementation of split tolling at the VNB under the new Crossing Charge Schedule and associated changes to the MTA's VNB Rebate Programs and concluded that no significant adverse impacts to the environment would arise at the VNB or along the diversion routes from such actions.

The results of this SEQRA analysis are described in the EA separately provided to the Board and the attached Type II Determination/Determination of No Significance (Attachment 2). The EA provides a basis for concluding that there would be no significant adverse environmental impacts at the VNB or along the diversion routes from the proposed implementation of split tolling at the VNB under the new Crossing Charge Schedule and thus no Environmental Impact Statement is required in connection with the Board action.

The Resolution also authorizes the Acting President of the Authority or his designee to execute the Type II Determination/Determination of No Significance.

<u>IMPACT ON FUNDING</u>: Approval and adoption of the attached Resolution will permit the Board to consider and adopt a separate resolution changing the method of toll collection at the VNB to split tolling and adopting a Crossing Charge Schedule that has been revised accordingly. Implementation of split tolling at the VNB under the new Crossing Charge Schedule is estimated to generate additional net operating income of \$10 million annually.

**RECOMMENDATION**: It is recommended that the Board separately approve and adopt the attached Resolution finding that the proposed change in the method of toll collection at the Verrazzano-Narrows Bridge so that tolls will be collected in the Staten Island-bound and Brooklyn-bound directions and required revisions to the Crossing Charge Schedule constitute Type II actions under SEQRA and,

	have no signifi					
	termination of No				dent or his	designee
to execute the Ty	pe II Determination	n/Determination	of No Significan	ce.		



#### **RESOLUTION**

**WHEREAS**, tolls have been collected by the Triborough Bridge and Tunnel Authority (Authority) on the Verrazzano-Narrows Bridge (VNB) in only one direction, Staten Island-bound, since 1986, initially in accordance with Section 324 (a) of the federal *Department of Transportation and Related Agencies Appropriations Act of 1986;* and

WHEREAS, in December 2019, Section 126 of the federal *Further Consolidated Appropriations Act, 2020* (2020 Appropriations Act), which restores split tolling at the VNB, was enacted by Congress and signed by the President. The 2020 Appropriations Act provides that "[n]otwithstanding any other provision of law, tolls collected for motor vehicles on any bridge connecting the boroughs of Brooklyn, New York, and Staten Island, New York, shall be collected for any such vehicles exiting from such bridge in both Staten Island and Brooklyn"; and

**WHEREAS**, the Authority proposes to change the method of toll collection at the VNB so that tolls are collected in the Staten Island-bound and Brooklyn-bound directions (split tolling), in accordance with federal law; and

**WHEREAS,** the Authority proposes to implement split tolling at the VNB and revise the Authority's Crossing Charge Schedule by deleting its footnote (a), which states: "(a) Under Verrazzano-Narrows one-way crossing charge collection program, all per crossing charges shown should be doubled. Presently paid in westbound direction only"; and

**WHEREAS**, the implementation of split tolling at the VNB and required revisions to the Crossing Charge Schedule are mandated by federal law and thus constitute Type II "non-discretionary" actions that are exempt from SEQRA; and

**WHEREAS**, TBTA nonetheless has elected to go beyond the requirements of SEQRA to undertake an environmental review of these actions consistent with SEQRA procedures to determine whether the implementation of split tolling under the new Crossing Charge Schedule would have a significant adverse effect on the environment; and

**WHEREAS**, there has been distributed to the Board an Environmental Assessment ("EA") regarding the effects on the environment of implementing split tolling at the VNB under the new Crossing Charge Schedule (Attachment 1); and

**WHEREAS**, the EA analyzed in detail the potential environmental impacts of the proposed implementation of split tolling at the VNB under the new Crossing Charge Schedule and proposed changes to the MTA's VNB Rebate Programs to accommodate split tolling and concluded that no significant adverse impacts to the environment would arise at the VNB or along the diversion routes from such actions; and

**WHEREAS**, the EA provides the basis for finding that there would be no resulting significant adverse environmental effects from the implementation of split tolling at the VNB under the new Crossing Charge Schedule; and

WHEREAS, a proposed Type II Determination/Determination of No Significance (Attachment 2) has been prepared regarding the implementation of split tolling at the VNB under the new Crossing Charge Schedule in accordance with the State Environmental Quality Review Act; and

WHEREAS, the EA provides a basis for approving and adopting the Type II Determination/Determination of No Significance as it applies to the implementation of split tolling at the VNB under the new Crossing Charge Schedule; and

**WHEREAS**. the Board has considered all of the above.

NOW, THEREFORE, upon motion duly made and seconded, the following resolution is adopted by the Board:

> **RESOLVED**, that the Authority hereby determines, for the reasons set forth in the EA and the Type II Determination/Determination of No Significance, that the change in the method of toll collection at the Verrazzano-Narrows Bridge to collect tolls in the Staten Island-bound and Brooklyn-bound directions and required revisions to the new Crossing Charge Schedule constitute Type II "non-discretionary" actions exempt from SEQRA and, moreover, will not have a significant adverse impact on the environment and, accordingly, that no Environmental Impact Statement is required to be prepared in connection with such action. A Type II Determination/Determination of No Significance as it applies to the implementation of split tolling at the Verrazzano-Narrows Bridge under the new Crossing Charge Schedule is hereby approved and adopted and the Acting President of the Authority or his designee is hereby authorized and directed to execute, file and publish such Type II Determination/Determination of No Significance, as may be required by law.

New York, New York March 25, 2020

# **ATTACHMENT 1**

Part 1021.1	Crossing	Charges
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#### TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY CROSSING CHARGES

	ass Charges For E-ZPass New York Customer to Center Customers	VERRAZZANO- NARROWS BRIDGE	ROBERT F. KENNEDY, BRONX-WHITESTONE, AND THROGS NECK BRIDGES AND QUEENS MIDTOWN AND HUGH L CAREY TUNNELS	HENRY HUDSON BRIDGE	MARINE PARKWAY-GIL HODGES MEMORIAL, AND CROSS BAY VETERANS MEMORIAL BRIDGES
	CLASSIFICATION		Crossing	Charges	
wagor vehick persor	oxide vehicles, including: passenger vehicles, station ns, self-propelled mobile homes, ambulances, hearses, es with seating capacity of not more than 15 adult ns (including the driver) and trucks with maximum weight (MGW) of 7,000 lbs. and under	\$6.12	\$6.12	\$2.80	\$2.29
	tered Staten Island Residents using an eligible vehicle 3 or more trips per month	\$3.44			
	tered Staten Island Residents using an eligible vehicle less than 3 trips per month	\$3.63			
_	tered Staten Island Residents using an eligible vehicle nree or more occupants (HOV)	\$1.70			
Regist	tered Rockaway Residents using an eligible vehicle				\$1.49
Each a	additional axle costs	\$4.00	\$4.00	\$3.00	\$3.00
(other	hicles with MGW greater than 7,000 lbs. and buses than franchise buses using E-ZPass and motor homes)				
	uxle vehicles -axle vehicles	\$11.06	\$11.06		\$5.53
	-axie venicies axie vehicles	\$18.12 \$23.16	\$18.12 \$23.16		\$9.06 \$11.58
	ixle vehicles	\$30.19	\$30.19		\$15.10
Six-ax	de vehicles	\$35.23	\$35.23		\$17.62
	n-axle vehicles	\$42.26	\$42.26		\$21.13
	additional axle	\$7.06	\$7.06		\$3.53
	xle franchise buses	\$4.43	\$4.43		\$2.21
4 Three	-axle franchise buses	\$5.26	\$5.26		\$2.77
5 Motoro Each a	cycles additional axle	\$2.66 \$1.59	\$2.66 \$1.59	\$1.91 \$1.59	\$1.91 \$1.59

The Authority reserves the right to determine whether any vehicle is of unusual or unconventional design, weight or construction and therefore not within any of the listed categories. The Authority also reserves the right to determine the crossing charge for any such vehicle of unusual or unconventional design, weight or construction.

Bicycles are not permitted over Bronx-Whitestone, Throgs Neck, and Verrazzano-Narrows Bridges, or through the tunnels. Such vehicles may cross the Robert F. Kennedy, Henry Hudson, Marine Parkway-Gil Hodges Memorial and Cross Bay Veterans Memorial Bridges without payment of crossing charge, but must be walked across the pedestrian paths of such bridges.

Only vehicles authorized to use parkways are authorized to use the Henry Hudson Bridge. An unauthorized vehicle using the Henry Hudson Bridge must pay the Marine Parkway-Gil Hodges Memorial Bridge rate.

E-ZPass crossing charges apply to New York E-ZPass Customer Service Center customers only and are available subject to terms, conditions and agreements established by the Authority.

There are no residential restrictions with regard to enrollment as a TBTA Customer in the New York Customer Service Center.

See Footnotes on next page

#### TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY CROSSING CHARGES

В.	For Fare Media Other Than E-ZPass Charges for E-ZPass New York Customer Service Center Customers	VERRAZZANO- NARROWS BRIDGE	ROBERT F. KENNEDY, BRONX-WHITESTONE, AND THROGS NECK BRIDGES AND QUEENS MIDTOWN AND HUGH L CAREY TUNNELS	HENRY HUDSON BRIDGE	MARINE PARKWAY-GIL HODGES MEMORIAL, AND CROSS BAY VETERANS MEMORIAL BRIDGES
	CLASSIFICATION		Crossing	Charges	
1	Two-axle vehicles, including: passenger vehicles, station wagons, self-propelled mobile homes, ambulances, hearses, vehicles with seating capacity of not more than 15 adult persons (including the driver) and trucks with maximum gross weight (MGW) of 7,000 lbs. and under	\$9.50	\$9.50	\$7.00	\$4.75
	The following discounted charges are available for eligible class 1 vehicles: Charge per crossing for E-Tokens Charge per crossing for E-Tokens for registered				\$3.17
	Staten I sland Residents using an eligible vehicle Charge per crossing for E-Tokens for registered Rockaway Peninsula/Broad Channel Residents	\$4.90			
	using an eligible vehide Each additional axle costs	\$4.00	\$4.00	\$3.00	\$2.05 \$3.00
2	All vehicles with MGW greater than 7,000 lbs. and buses (other than franchise buses using E-ZPass and motor homes)				
	Two-axle vehicles	\$19.00	\$19.00		\$9.50
	Three-axle vehicles	\$31.29	\$31.29		\$15.65
	Four-axle vehicles	\$39.12	\$39.12		\$19.56
	Five-axle vehicles	\$51.41	\$51.41		\$25.71
	Six-axle vehicles	\$59.24	\$59.24		\$29.62
	Seven-axle vehicles	\$73.76	\$73.76		\$36.88
	Each additional axle	\$11.18	\$11.18		\$5.59
3	Two-axle franchise buses	\$9.25	\$9.25		\$4.50
4	Three-axle franchise buses	\$10.25	\$10.25		\$5.25
5	Motorcycles	\$4.00	\$4.00	\$4.00	\$4.00
_	Each additional axle	\$1.68	\$1.68	\$1.68	\$1.68
		-			

The Authority reserves the right to determine whether any vehicle is of unusual or unconventional design, weight or construction and therefore not within any of the listed categories. The Authority also reserves the right to determine the crossing charge for any such vehicle of unusual or unconventional design, weight or construction.

Bicycles are not permitted over Bronx-Whitestone, Throgs Neck, and Verrazzano-Narrows Bridges, or through the tunnels. Such vehicles may cross the Robert F. Kennedy, Henry Hudson, Marine Parkway-Gil Hodges Memorial and Cross Bay Veterans Memorial Bridges without payment of crossing charge, but must be walked across the pedestrian paths of such bridges.

Only vehicles authorized to use parkways are authorized to use the Henry Hudson Bridge. An unauthorized vehicle using the Henry Hudson Bridge must pay the Marine Parkway-Gil Hodges Memorial Bridge rate.

See Footnotes on next page

# **ATTACHMENT 2**

Type II Determination/	Determination of	No Significance
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#### Triborough Bridge and Tunnel Authority

#### TYPE II DETERMINATION/DETERMINATION OF NO SIGNIFICANCE

Under the State Environmental Quality Review Act

For the Implementation of Two-Way Tolling on the Verrazzano-Narrows Bridge

#### I. Introduction

From its opening in 1964 through 1986, tolls at the Verrazzano-Narrows Bridge ("VNB") were collected in the eastbound (Brooklyn-bound) and westbound (Staten Island-bound) directions. Congress changed this system in the Department of Transportation and Related Agencies Appropriations Act of 1986, by requiring the Triborough Bridge and Tunnel Authority ("TBTA") to collect tolls on the VNB only in the westbound direction. This one-way tolling mandate was extended by Congress on an annual basis each year from 1986 until one-way tolling at the VNB was permanently adopted in 1995 in Section 352 of the National Highway System Designation Act of 1995, P.L. 104-59.

In December 2019, Congress reversed this requirement in the Further Consolidated Appropriations Act of 2020, P.L. 116-94, by repealing the prior one-way tolling provisions and mandating that TBTA return to its original system of collecting tolls at the VNB in the eastbound and westbound directions (referred to as "two-way tolling").

In order to implement the federally mandated two-way tolling system, TBTA must construct a new eastbound toll collection point and revise its toll schedule under the State Administrative Procedure Act (collectively, the "TBTA Actions") so that tolls can be collected in the eastbound (Brooklyn-bound) direction, in addition to the existing collection of tolls in the westbound (Staten Island-bound) direction.

The Metropolitan Transportation Authority ("MTA") also proposes to adjust the existing Staten Island Resident ("SIR") Rebate and VNB Commercial Rebate Programs (together, the "VNB Rebate Programs" which constitute the "MTA Actions") to accommodate two-way tolling on the VNB. The SIR rebate would be adjusted so that the effective post-rebate SIR toll on the VNB is \$2.75 in each direction (to replace the \$5.50 post-rebate SIR toll currently collected in the westbound direction only), while the eligibility threshold for the VNB Commercial Rebate would be doubled to more than 20 trips per month in either direction by trucks and other commercial vehicles using the same New York Customer Service Center ("NYCSC") E-ZPass account.

The TBTA Actions and the MTA Actions are collectively referred to as the "Proposed Action" for purposes of this determination.

#### II. State Environmental Quality Review Act Compliance and Other Actions

Because the TBTA Actions are mandated by federal law, such actions are exempt from the State Environmental Quality Review Act, Environmental Conservation Law Section 8-0101 et seq. ("SEQRA"), and SEQRA's implementing regulations appearing at 6 New York Code, Rules and Regulations ("N.Y.C.R.R.") Part 617. See New York Environmental Conservation Law, Article 8, Section 8-0105(5)(ii) (excluding from agency "actions" subject to SEQRA "official acts of a ministerial nature involving no exercise of discretion ..."); see also 6 N.Y.C.R.R. Section 617.5(c)(25), which incorporates such non-discretionary acts into the list of "Type II" actions that are "not subject to review" under SEQRA; and 6 N.Y.C.R.R. Section 617.3(f) ("No [SEQRA] determination of significance ... is required for actions which are Type II."). Nevertheless, TBTA has elected to go beyond the requirements of SEQRA to undertake an environmental review of the Proposed Action in its entirety consistent with SEQRA procedures in order to determine whether the Proposed Action would have a significant adverse impact on the environment. The MTA Actions are being treated as "unlisted" actions pursuant to the SEQRA regulations. See 6 N.Y.C.R.R. Section 617.2(al).

To assist in performing the environmental review of the Proposed Action, TBTA retained WSP and AKRF, Inc. ("AKRF") to complete Environmental Assessment Forms ("EAFs") for TBTA and MTA and to prepare supplemental studies analyzing its environmental effects in more detail. Together, the studies along with the EAFs constitute the March 2020 Environmental Assessment ("EA") for the Proposed Action. The EA is fully incorporated by reference into TBTA's Type II Determination/Determination of No Significance and MTA's Negative Declaration, respectively. The analyses and results of those analyses as set forth in the EA are summarized briefly in Section III below.

As discussed in Section III below, the EA demonstrates that the Proposed Action would not result in any large and/or important impacts and, as a result, the Proposed Action would not have any significant adverse environmental impacts.

#### 1. Future Toll and Fare Increases.

Each July MTA issues a preliminary budget for the next year and a financial plan for the three years that follow, which projects revenues, subsidies and expenses for the four-year period. The preliminary budget and financial plan are revised and updated in November, adopted by the MTA Board in December, and reissued as an adopted budget and financial plan in February of the following year to reflect additional adjustments and to establish a 12-month allocation of the adopted budget. This four-year financial planning process helps MTA identify its long-range goals and objectives for the operation of its services and facilities, and develop and refine its plan for funding those activities. The plan undergoes periodic review and adjustment throughout the year.

To help address projected deficits for future years, the 2020-2023 Financial Plan anticipates potential toll increases in March 2021 and March 2023. For purposes of forecasting revenues, this financial plan assumes that any such toll increases would be coupled with a fare increase, and forecasts the additional revenue from a potential 2021 toll/fare increase (assuming a combined 4 percent yield) as \$279 million in 2021 and \$328 million in 2022, and forecasts the additional revenue from a potential 2023 toll/fare increase (also assuming a combined 4 percent yield) as \$291 million in 2023. However, no specific 2021 or 2023 toll or fare schedule has been identified or proposed.

Due to the breadth and scale of the MTA system and the many sources of funds used to support it, virtually every element in the four-year financial plan is an estimate that is subject to further refinement. For example, revenues are a direct result of system usage, and certain subsidies are tied to taxes that fluctuate in response to economic

conditions. To predict future income from such sources requires complex financial modeling involving present-day economic indicators that are constantly being updated. A similar approach is employed in predicting costs. Accordingly, MTA's financial plan is an evolving document which projects expenses, revenues and subsidies at a particular point in time, but is revised on an ongoing basis. It is for this reason that MTA updates its four-year financial plan periodically as each year progresses, as described above, to provide the most accurate predictions of its financial condition.

The identification of a possible future action in MTA's financial planning documents does not obligate TBTA or MTA to institute the projected 2021 or 2023 toll/fare increase. At present, there is no specific proposal for a 2021 or 2023 toll/fare increase under consideration by TBTA or MTA and any such increase may or may not ultimately be adopted. A toll or fare increase may be proposed sooner or later than 2021 or 2023, and the amount of any required toll or fare increase has not been determined.

In accordance with the federal mandate in the Further Consolidated Appropriations Act of 2020 discussed above, TBTA must implement two-way tolling at the VNB; TBTA's and MTA's implementation of the Proposed Action flow from that requirement and collectively have independent utility from any future toll/fare increase that may be implemented across the MTA and TBTA system. In light of that requirement and the considerable uncertainties that exist with respect to any such future toll/fare increase in 2021, 2023 or other time, TBTA and MTA find that any such future proposal should be analyzed and considered through a separate environmental review. Moreover, implementation of the Proposed Action does not make it any more or less likely that a future toll/fare increase may be implemented. Finally, considering the Proposed Action separately from any future toll/fare increase is no less protective of the environment because two-way tolling and the other aspects of the Proposed Action will be taken into account in any subsequent environmental review.

#### III. Consideration of Impacts Resulting from the Proposed Action

#### A. The Proposed Action

Implementation of two-way tolling at the VNB as part of the Proposed Action would have both physical and operational elements.

With respect to the physical elements, construction would involve the installation of an all-electronic Cashless Tolling system over the Brooklyn-bound lanes within the existing TBTA right-of-way to collect tolls from vehicles crossing the VNB and entering Brooklyn. The Cashless Tolling system would consist of two sets of triple gantries (each about 30 feet apart) that would be located approximately 130 feet to the southwest of the existing gantries above the westbound lanes. Like the existing gantries, the proposed gantries would be a pipe or tubular style about 20 feet tall. The gantry foundations would generally consist of six caisson foundations with each caisson shaft (about four feet in diameter) drilled into the ground. The required electronic equipment for the Brooklyn-bound Cashless Tolling system would be located in the existing access tunnel beneath the roadway. One set of new gantries would span the traffic lanes approaching both the upper level of the VNB from the Staten Island Expressway ("SIE") and the other set of gantries would span the traffic lanes approaching both the upper and lower levels of the VNB from the SIE and Narrows Road South to the west, and ramps from both Lily Pond Avenue/Father Capodanno Boulevard near the bridge. The eastbound Cashless Tolling system is expected to be operational at the VNB by the end of 2020. See EA at 2.

<sup>&</sup>lt;sup>1</sup> While TBTA has followed the practice of performing an environmental review of periodic toll adjustments in accordance with SEQRA procedures, such adjustments are matters of routine agency administration. *See* Type II list at 6 N.Y.C.R.R. Section 617.5(c)(26).

The Proposed Action would also have a number of operational elements. With the Cashless Tolling system in place, tolls would be collected in the eastbound direction of the VNB, as well as the current westbound direction. The current toll schedule regulations, 21 N.Y.C.R.R. Section 1021.1, would be revised in accordance with the State Administrative Procedure Act to eliminate footnote "a", so that tolls on the VNB would no longer be doubled and collected only in the Staten Island-bound direction.

The Cashless Tolling system on the Brooklyn-bound approach to the VNB would function in the same way as the system installed Staten Island-bound. Equipment on overhead gantries would read E-ZPass tags so that pre-existing E-ZPass accounts would be debited and for vehicles without E-ZPass tags, license plate images would be taken and matched with the applicable Department of Motor Vehicle registration data, and toll bills would be sent to the registered owner.

The SIR Rebate Program currently results in an effective post-rebate toll of \$5.50 in the westbound direction for eligible Staten Island residents using a SIR E-ZPass account with the NYCSC. Under the current VNB Commercial Rebate Program, there is an initial rebate of 16.25 percent of the tolls for trucks or other commercial vehicles with more than 10 trips a month on the same NYCSC E-ZPass account, collected in the Staten Island-bound direction. With the Proposed Action MTA would adjust the SIR Rebate Program so that the effective, post-rebate SIR toll on the VNB would be \$2.75 in each direction and would double the eligibility threshold for the VNB Commercial Rebate Program to more than 20 trips a month in either direction by trucks and other commercial vehicles using the same NYCSC E-ZPass account.

#### **B.** Potential Impacts of the Proposed Action

The physical and operational elements of the Proposed Action have the potential to impact the following aspects of the environment: land use, zoning, and community character; natural resources; historic and cultural resources; urban design; transportation; air quality; noise and vibration; and hazardous wastes and contaminated materials. The EA examines each of these impact areas, and also considers the temporary impacts that the Proposed Action would have during the period of construction. EA at 5.

Following is a summary discussion of the analyses and conclusions set forth in the EA.

#### 1. Land Use, Zoning, Community Character, and Public Policy

The gantry-based Cashless Tolling system associated with the Proposed Action would be contained entirely within the existing roadways at the VNB which are owned and operated by TBTA. The Cashless Tolling system would represent a continuation of the existing transportation use of the area and would not introduce infrastructure that would substantially alter adjacent land uses. Because the proposed construction of overhead gantries is consistent with the current land use and character of the project site, and because the Proposed Action would not require any land outside of the TBTA right-of-way, the Proposed Action would not adversely affect the use or character of surrounding properties. The Proposed Action would also not adversely impact land uses or local land use plans.

As noted above, the gantry-based Cashless Tolling system associated with the Proposed Action would be contained entirely within the roadways at the VNB which are owned and operated by TBTA, a state public benefit corporation, and as such are not subject to New York City zoning requirements. Moreover, the Proposed Action would not impact the current or potential future zoning of adjacent areas.

In addition, as discussed in the EA, the Proposed Action would result in no significant adverse environmental impacts to traffic, air quality, noise, and other factors that affect community character. The Proposed Action would be consistent with the relevant smart growth criteria required by the New York State Smart Growth Infrastructure Act. The project site falls within the New York state coastal area boundary, established under the authority of New York Executive Law Article 42, Waterfront Revitalization of Coastal Areas and Inland Waterways Act, as implemented by the New York State Department of State ("NYSDOS") under 19 N.Y.C.R.R. Part 600. Coastal Assessment Forms ("CAF") were prepared for the TBTA and MTA Actions and submitted to NYSDOS.. As shown in the CAFs, the Proposed Action would be consistent with applicable policies established under the Coastal Management Program.

Accordingly, the Proposed Action would not cause any significant adverse impacts relating to land use, zoning, community character, or public policy. *See* EA at 5-8.

#### 2. Natural Resources

The project site is located entirely within the existing roadways at the VNB and consists of paved areas associated with the existing roadways, bridges, or vegetated areas characteristic of highway medians or shoulders. Due to the developed nature of the project site, natural resources such as surface waters and wetlands are not present and habitat potential and wildlife within the project site would be extremely limited. Moreover, the VNB project site is not located within any 100-year or 500-year floodplain. In summary, the Proposed Action would not result in significant adverse impacts to natural resources. *See* EA at 9.

#### 3. Historic and Cultural Resources

In accordance with Section 14.09 of the New York State Historic Preservation Act, TBTA initiated consultation with the New York State Office of Parks, Recreation, and Historic Preservation ("OPRHP," which serves as the State Historic Preservation Officer ("SHPO")) regarding the Proposed Action's potential impacts on historic and cultural resources. By letter dated February 20, 2020, OPRHP determined that the project would have No Adverse Effect on historic resources, including archaeological resources. Therefore, the Proposed Action would not result in significant adverse impacts to archaeological and architectural resources. *See* EA at 9-10.

#### 4. Urban Design

While the erection of Cashless Tolling gantry structures would alter views at the Brooklyn-bound VNB, the gantry structures would be in close proximity (approximately 130 feet to the southwest) to the existing Cashless Tolling gantries above the westbound lanes of the SIE. At the VNB, views of the new gantries would be primarily limited to motorists as there is limited pedestrian access to the site. The single-pipe design of the gantries and location near other roadway infrastructure would be the same design as the existing Cashless Tolling gantries above the westbound lanes, rendering them consistent with existing highway infrastructure. The proposed design of the gantries would result in highway infrastructure (gantries with minimal lighting) that is similar to existing infrastructure and would not add obstructive structures to the roadways. Therefore, the Proposed Action would not result in significant adverse impacts to visual and aesthetic resources or views to visual and aesthetic resources. *See* EA at 11-12.

#### 5. Transportation

The shift to two-way tolling from the current one-way tolling conditions (and elimination of the double toll in the westbound direction) at the VNB would encourage some drivers to change their current trip routes and use the

westbound VNB instead of traveling through lower Manhattan and across Port Authority of New York and New Jersey ("PANYNJ") facilities, which are toll-free when crossing westbound from New York into New Jersey. With two-way tolling under the Proposed Action, it is expected that some eastbound trips would move away from the VNB, reducing traffic on the SIE and Gowanus Expressway. The net impacts of these changes on the affected corridors are expected to be minimal and there would not be a significant adverse traffic impact as a result of the Proposed Action. *See* EA at 5, 13.

These conclusions are based on a detailed traffic study (initially prepared in 2018, finalized in 2020 and incorporated into the EA), which analyzes how restoring the VNB to two-way toll collection and adjusting the VNB Rebate Programs to accommodate two-way collection would impact regional travel patterns. The study, based on fall 2017 traffic data, concluded that changing toll collection at the VNB to two-way tolling would not result in significant adverse traffic impact impacts. This conclusion is still valid and considered to be conservative since the average weekday traffic volumes at the VNB declined between 2017 and 2019 based on TBTA transaction data. Therefore, potential traffic impacts would be expected to be slightly lower if the analyses were updated using more recent traffic data. *See* EA at 12-13.

As explained in the 2018 study, under the existing one-way westbound tolling system, there is a daily directional imbalance with approximately 7,000 more vehicles traveling eastbound on an average weekday and Saturdays and 10,000 more vehicles traveling eastbound on Sundays as compared to westbound vehicle volumes. The eastbound-westbound imbalance at the VNB is attributable to one-way tolling because some drivers divert from the VNB to toll-free crossings in the westbound direction to avoid the double toll, causing increased traffic volumes westbound along Canal Street as well as eastbound along the Gowanus Expressway. In addition, some drivers divert to take advantage of the toll-free eastbound VNB. The traffic imbalance affects not only the VNB but also travel patterns on regional crossings, connecting highways and local streets, affecting delays, speed, and level of service ("LOS"), which are key measures of congestion. EA at 13.

The traffic analysis incorporated in the EA examined traffic impact locations based on the anticipated diversion routes and where traffic impacts would be most likely to occur. These locations included key intersections along Canal Street and in lower Manhattan, which are considered the worst-case scenario locations for diversions; bridge and tunnel approaches; key highway segments along the Gowanus Expressway in Brooklyn; and key roadway segments along the SIE in Staten Island. *Id*.

#### a. <u>Diversion Analysis</u>.

#### 1. Canal Street

As discussed in the EA, traffic volume changes along Canal Street would vary by direction and time of day, with small decreases in traffic westbound and small increases in traffic eastbound. The largest changes would occur during the off-peak periods when congestion is lower. Under a VNB two-way tolling scenario, average speeds along Canal Street would increase up to 0.3 mph in the westbound direction and decrease up to 0.3 mph in the eastbound direction during the peak periods. Speed impacts during the off-peak periods would be smaller since there is less overall traffic in the off-peak periods, and, therefore, less congestion and delay. During off-peak periods, the roads and bridges have a greater capacity to accept additional traffic without affecting travel speeds. The overall speed changes would be relatively small and would not be expected to be noticeable to motorists during any hour of the day. EA at 16.

Operations at 17 intersections on Canal Street were analyzed for impacts associated with the Proposed Action; none of the intersections analyzed would experience an increase in delays that would be over 5.0 seconds at LOS E or F, which is the New York State Environmental Quality Review Act ("SEQRA") criteria used by the New

York State Department of Transportation ("NYSDOT") to determine the significance of traffic impacts. Therefore, there would not be a significant adverse traffic impact along Canal Street under SEQRA. *Id.* 

The 17 intersections in Manhattan were also analyzed in accordance with the more stringent New York City Environmental Quality Review ("CEQR") Technical Manual<sup>2</sup> procedures which require the analysis of traffic impacts for each movement at each intersection. Of the 201 movements analyzed during the AM, MD, and PM peak hours, 76 movements would experience a decrease in delay, 53 movements would experience an increase in delay, and 72 movements would not experience any change in delay. The relative number of movements that would experience a decrease in delay, increase in delay, or no change in delay are consistent throughout the day. EA at 16-17.

Since the increases in total intersection volumes would be less than the CEQR Technical Manual screening threshold of 50 vehicles at all locations during the AM, Midday, and PM peak hours, the intersections analyzed would screen out under the CEQR screening volume threshold and would have no significant adverse traffic impact. EA at 17.

Based on both the SEQRA and CEQR Technical Manual analyses of traffic impacts along Canal Street, it is unlikely that the change from one-way tolling to two-way tolling at the VNB would result in a noticeable change in traffic operations along Canal Street and in lower Manhattan. Canal Street will likely continue to operate at conditions very similar to current conditions with only minor speed changes—a slight improvement in speeds in the westbound direction and a slight decrease in speeds in the eastbound direction—and no change in overall LOS. As there would be no significant adverse impacts at Canal Street, which as noted above is considered the worst case location for diversions, there would be no adverse traffic impacts related to diversions. EA at 13, 16-19.

#### b. <u>Highway/Freeway Segments</u>

As noted above, the EA presented the analysis of traffic impacts on three highway segments that currently experience frequent congestion to determine impacts to highway traffic flow under a two-way VNB toll scenario. The density, speed, and LOS were evaluated for both one-way and two-way tolling at the key highway segments, which were analyzed along the Gowanus Expressway and the SIE during the AM, Midday, and PM peak hours in both the eastbound and westbound directions considering the changes in traffic volumes, geometry, and operating characteristics of the highway. EA at 13, 15

#### 1. Gowanus Expressway/Prospect Expressway/HLCT Weave

Traffic volume changes along the Gowanus Expressway Weave area in Brooklyn (on/off ramps to the Gowanus Expressway, Prospect Expressway and Hugh L. Carey Tunnel ("HLCT") approach road) would vary by direction and time of day, with relatively small increases in traffic westbound (*i.e.*, Staten Island-bound) and small decreases in traffic eastbound (*i.e.*, Manhattan-bound). The highest changes in traffic volumes would occur during the off-peak periods when congestion is lower. The projected changes in traffic volumes would be small and would not be noticeable to drivers. EA at 20.

Speeds along the Gowanus Expressway between the Prospect Expressway and the Brooklyn-Queens Expressway may increase or decrease up to about 0.1 mph during any hour of the day, with most hours showing no change in

<sup>&</sup>lt;sup>2</sup> As public benefit corporations, TBTA and MTA are not subject to CEQR; nevertheless, TBTA and MTA will consider relevant CEQR Technical Manual criteria as one factor in determining whether their actions may result in significant environmental impacts.

speed. The LOS is based on the *vehicle density* which is calculated as vehicles/per lane/mile. Projected changes in vehicle density under two-way tolling would be small during all hours of the day, would fall within normal daily fluctuations, would not be noticed by drivers and would be well below the applicable SEQRA threshold for significance used by NYCDOT. *Id*.

#### 2. Gowanus Expressway at 92nd Street

Traffic volume changes along the Gowanus Expressway at 92<sup>nd</sup> Street would vary by direction and time of day, with small increases in traffic westbound and small decreases in traffic eastbound. The highest changes in traffic volumes would occur during the off-peak periods when congestion is lower. The projected changes in traffic volumes would be small and would not be noticeable to drivers. *Id*.

Speeds along the Gowanus Expressway at 92<sup>nd</sup> Street may increase or decrease up to about 0.1 mph during any hour of the day, with most hours showing no change in speed. The LOS is based on the density of vehicles/per lane/mile. Projected changes in vehicle density under two-way tolling would be small during all hours of the day, would fall within normal daily fluctuations, would not be noticed by drivers and would be well below the applicable SEQRA threshold for significance used by NYCDOT. EA at 20-21.

#### 3. Staten Island Expressway

Traffic volume changes along the SIE at Mosel Avenue would vary by direction and time of day, with small increases in traffic westbound and small decreases in traffic eastbound. The highest changes in traffic volumes would occur during the off-peak periods when congestion is lower. The projected changes in traffic volumes would be within the normal fluctuation of traffic volumes. EA at 21.

Speeds along the SIE at Mosel Avenue may increase or decrease less than 0.1 mph during any hour of the day, with most hours showing no change in speed. The LOS is based on the density of vehicles/per lane/mile. Projected changes in vehicle density under two-way tolling would be small during all hours of the day, would fall within normal daily fluctuations, would not be noticed by drivers and would be well below the applicable SEQRA threshold for significance used by NYCDOT. *Id*.

#### c. Vehicle Miles Traveled

It is predicted that there will be a daily reduction of close to 45,000 vehicle miles traveled ("VMT"), an approximately 0.02 percent reduction for vehicles traveling on the VNB, in the New York–New Jersey–Long Island area for an average weekday due to the Proposed Action. Weekend numbers are expected to be close to this value. The daily number represents approximately a 5-mile decrease in average travel distance. The annualized net reduction in VMT is projected to be approximately 16 million. EA at 25.

#### 8. Air Quality

The potential effect of the predicted changes in traffic volumes and speed on air quality from the Proposed Action, as well as the overall potential change in region-wide emissions due to the Proposed Action, was examined in the EA. The air quality analyses focus on the potential for local (microscale) impacts along diversion routes and on the potential region-wide (mesoscale) change in emissions due to diversion of traffic associated with the Proposed Action. *Id.* 

#### a. Microscale Analyses of Local Impacts Along Diversion Routes

As with transportation impacts, the Canal Street corridor is the worst case location for diversion-related air quality impacts. Therefore microscale impacts were assessed in the Canal Street area for carbon monoxide ("CO"), particulate matter ("PM"), which is regulated in two size categories: particles with an aerodynamic diameter of less than or equal to 2.5 micrometers ("PM $_{2.5}$ "), and particles with an aerodynamic diameter of less than or equal to 10 micrometers ("PM $_{10}$ ") which includes PM $_{2.5}$  concentrations, and nitrogen dioxide ("NO $_2$ "). EA at 37.

The EA found that no significant adverse impacts on CO or PM concentrations would occur at the reasonable worst-case analysis locations due to the projected diversion of vehicles resulting from the Proposed Action. The potential local air quality impacts along all other diversion routes would be less than those predicted for the reasonable worst-case locations because total traffic volumes and congestion, and the traffic increments due to implementation of two-way tolling at the VNB, would be less than those projected in the reasonable worst-case analyses. Therefore, the local impacts along all other diversion routes are also not projected to result in significant adverse local impacts on CO or PM levels. Moreover, a qualitative analysis of NO<sub>2</sub> impacts indicated that the traffic associated with implementation of the Proposed Action would not be expected to change concentrations of that pollutant appreciably, since the vehicular traffic diversion associated with the proposed implementation of two-way tolling at the VNB would be a small percentage of the total number of vehicles in the area. The Proposed Action would therefore have no significant adverse impact on local air quality along the diversion routes. *See* EA at 39-41.

#### b. Mesoscale Analyses of Region-Wide Air Quality Impacts

As noted in Section 7.c. [Transportation, VMT] above, the Proposed Action is projected to result in a net decrease in VMT in the New York–New Jersey–Long Island nonattainment area. *See* EA at 25, 38. As a result, the Proposed Action would result in a net decrease in on-road regional emissions of volatile organic compounds ("VOCs"), CO, nitrogen oxides (nitric oxide, NO, and NO<sub>2</sub>, collectively referred to as "NO<sub>x</sub>") PM<sub>10</sub>, and PM<sub>2.5</sub> (along with the precursors to PM<sub>2.5</sub>). Therefore, the Proposed Action is not expected to interfere with the State Implementation Plan for region-wide attainment of the ozone National Ambient Air Quality Standards ("NAAQS"), maintenance of the CO NAAQS, or current and future State Implementation Plans for attaining or maintaining the PM<sub>2.5</sub> NAAQS. Greenhouse Gas ("GHG") emissions are also estimated to decrease as a result of the Proposed Action, which would be consistent with current plans for reducing GHG emissions in New York City and New York State. The Proposed Action would therefore have no significant adverse impact on regional air quality. *See* EA at 42-44.

#### 9. Noise and Vibration

The area surrounding the proposed Cashless Tolling gantries at the project site includes a variety of land uses, with some noise-sensitive uses such as residences and office buildings. However, implementation of Cashless Tolling in the Brooklyn-bound direction would not have the potential to result in significant noise level increases, and it is expected that noise levels would remain comparable to those in the existing condition. At locations along roadways where traffic volumes may be affected by implementation of Cashless Tolling in the Brooklyn-bound direction, Proposed Action-generated vehicle diversions would not have the potential to result in an increase in noise levels. The implementation of Cashless Tolling in the Brooklyn-bound direction would also not result in substantial changes in traffic patterns, or associated ambient noise, on alternate travel routes. Consequently, the proposed implementation of Cashless Tolling in the Brooklyn-bound direction would not result in any significant adverse impacts due to noise. Vibration is typically not a substantial concern for roadways in good condition, so the Proposed Action is not expected to have any substantial effect on vibration at nearby sensitive receptors. *See* EA at 44.

#### 10. Hazardous Waste and Contaminated Materials

The Proposed Action would not require substantial soil disturbance at the project site, since construction would entail only limited soil disturbance for construction of gantry foundations and support posts, and potentially limited shallow trenching for installation of utilities. Typical ground disturbance would include installation of six caisson foundations for each set of gantries (total of 12 caissons for 6 gantries) with each caisson comprised of a drilled shaft about four feet in diameter. Existing TBTA construction standards (and contract specifications) address requirements for proper management of any unexpectedly encountered subsurface contaminated materials in accordance with applicable federal, state and local requirements, including those for dust control, temporary on-site storage, off-site transportation and disposal, and safety and other measures to minimize the potential for impacts to the community and construction workers. With compliance with applicable regulatory and contractual requirements and procedures for the subsurface work, the Proposed Action would not result in any significant adverse impacts related to hazardous waste and contaminated materials. *See* EA at 44-45.

#### 11. Construction Impacts

Construction of the Proposed Action would include the installation of the gantry-based Cashless Tolling system over the Brooklyn-bound lanes crossing the VNB, approximately 130 feet to the southwest of the existing gantries. The Proposed Action would be completed by the end of 2020 or earlier.

Construction and implementation at the Proposed Action would generally take place over a period of about six months, or less. The installation of the Cashless Tolling structures and equipment is expected to take four to five months, followed by an integration and testing period of approximately one month. Since traffic, air, and noise effects during construction would be limited in duration and of modest magnitude, significant adverse impacts would not be expected. All construction activities would remain within the TBTA right-of-way and the noise, emission, dust and erosion control practices routinely imposed under the environmental provisions of TBTA's construction contracts would be followed. Among other things, those provisions require the following:

- Construction activities must comply with the noise level requirements and limits set forth in the New York City Noise Control Code, Title 24 of the Administrative Code of the City of New York;
- Activities must be conducted so that dust, debris, waste materials, and construction materials are not released or spilled into the soil, water, sediment, and/or sewers;
- Erosion and sediment control measures must be provided to protect catch basins, drainage channels, waterways, etc.;
- Control devices and methods must be implemented to prevent water pollution and soil erosion in accordance with the accepted Storm Water Pollution Prevention Plan; and
- Industry standard best practices must be employed to protect the work zone during construction activities.

The construction staging layout would be focused on maintaining traffic through existing toll lanes until the new Cashless Tolling gantries are constructed. Protective measures to be used during construction would include the placement of barriers, roadway striping, lane closures, speed restrictions, and signing. Maintenance and Protection of Traffic ("MPT") Plans for each site would be developed in accordance with TBTA policies and NYSDOT and FHWA standards, which would also require a resident engineer or supervisor to be on site during all construction activities to ensure that all safety procedures are followed. With these measures in place, no significant adverse impacts during construction are expected to occur as a result of the Proposed Action. See EA at 45-46.

#### IV. Conclusions and Finding

Having undertaken a thorough environmental analysis, TBTA finds and concludes that based on the foregoing analysis and the EA incorporated herein by reference, the Proposed Action, including the TBTA Actions, will not result in any large and/or important impacts and that the Proposed Action will have no significant adverse environmental impact. This Type II Determination/Determination of No Significance regarding the TBTA Actions has been prepared in accordance with Article 8 of the New York State Environmental Conservation Law.

Dated:	New York, New York		
	March, 2020		
			_
		Name:	
		Title:	



# Changes to the VNB Rebate Programs for Split Tolling at the VNB (Action Items)



# **Staff Summary**

Subject	Changes to the VNB
	Rebate Programs for
	Split Tolling at the VNB
Department	Law
Department Head Name	Robert Foran, Chief
	Financial Officer
Department Head	
Signature	
Project Manager Name	

Date	March 25, 2020
Vendor Name	N/A
Contract Number	N/A
Contract Manager Name	N/A
Table of Contents Ref. #	N/A

Board Action						
Order	То	Date	Approval	Info	Other	
1	MTA B&T Comm	3/23/20	х			
2	Board.	3/25/20	Х			

Internal Approvals					
Order	Approval	Order	Approval		
1	General Counsel		VP Staff Services		
2	Chief of Staff		VP Procurement & Materials		

**PURPOSE:** To obtain Board approval of the annexed Resolution which will (i) change two Metropolitan Transportation Authority (MTA) toll rebate programs on the Verrazzano-Narrows Bridge (VNB) to accommodate the implementation of split tolling on the VNB, in accordance with federal law.

**DISCUSSION:** Since 2014, the MTA has had two toll rebate programs partially funded by the State at the VNB, which is owned and operated by the Triborough Bridge and Tunnel Authority (TBTA): the Staten Island Resident (SIR) Rebate Program, available for residents of Staten Island participating in the SIR E-ZPass toll discount plan, and the Verrazzano-Narrows Bridge (VNB) Commercial Rebate Program, available for trucks and other commercial vehicles meeting the trip eligibility threshold.

Under the current SIR Rebate Program, Staten Island Residents pay an effective, post-rebate toll of \$5.50 per trip, collected only in the Staten Island-bound direction. Under the current VNB Commercial Rebate Program, the initial rebate is 16.25% of the E-ZPass toll for trucks and other commercial vehicles with more than ten trips per month across the VNB using the same New York Customer Service Center (NYCSC) E-ZPass Account, collected only in the Staten Island-bound direction.

Tolls have been collected on the VNB in only one direction, Staten Island-bound, since 1986, initially in accordance with a federal law enacted in 1986. In December 2019, however, the one-way tolling law was eliminated and a new federal law was enacted to restore split tolling at the VNB, providing that "[n]otwithstanding any other provision of law, tolls collected for motor vehicles on any bridge connecting the boroughs of Brooklyn, New York, and Staten Island, New York, shall be collected for any such vehicles exiting from such bridge in both Staten Island and Brooklyn." TBTA is planning to change the method of toll collection at the VNB to collect tolls in the Staten Island-bound and Brooklyn-bound directions (split tolling), in accordance with federal law, and is seeking the necessary approvals from the Board this month. If approved, split tolling at the VNB is planned for implementation by the end of 2020.

Here, the MTA seeks approval for changes to the VNB Rebate Programs needed to accommodate split tolling at the VNB. Specifically, the MTA proposes to change the SIR Rebate Program so that the effective, post-rebate toll for Staten Island Residents on the VNB is \$2.75 in each direction and to double the eligibility threshold for the VNB Commercial Rebate Program to more than 20 trips per month in either direction across the VNB by trucks and other commercial vehicles using the same NYCSC E-ZPass account.

If approved, the changes to the VNB Rebate Programs will go into effect with the implementation of split tolling at the VNB, expected by the end of 2020.

The Board has separately adopted a Resolution (i) finding that the proposed changes to the VNB Rebate Programs to accommodate split tolling will have no significant adverse effects on the environment within the meaning of the State Environmental Quality Review Act (SEQRA); and (ii) adopting and approving a Negative Declaration.

<u>IMPACT ON FUNDING</u>: There would be no impact on funding as a result of the proposed changes to the VNB Rebate Programs to accommodate split tolling at the VNB.

**RECOMMENDATION**: It is recommended that the Board separately approve and adopt the attached Resolution authorizing the MTA to accommodate split tolling at the VNB by changing the VNB Rebate Programs to provide Staten Island Residents with an effective, post-rebate toll on the VNB of \$2.75 in each direction and to double the eligibility threshold for the VNB Commercial Rebate Program to more than 20 trips per month in either direction across the VNB by trucks and other commercial vehicles using the same NYCSC E-ZPass account.

#### RESOLUTION

WHERAS, since 2014, the Metropolitan Transportation Authority (MTA) has had two toll rebate programs partially funded by the State at the VNB, which is owned and operated by the Triborough Bridge and Tunnel Authority (TBTA): the Staten Island Resident (SIR) Rebate Program, available for residents of Staten Island participating in the SIR E-ZPass toll discount plan, and the Verrazzano-Narrows Bridge (VNB) Commercial Rebate Program, available for trucks and other commercial vehicles meeting the trip eligibility threshold; and

WHEREAS, under the current SIR Rebate Program, Staten Island residents pay an effective, post-rebate toll of \$5.50 per trip, collected only in the Staten Island-bound direction. Under the current VNB Commercial Rebate Program, the initial rebate is 16.25% of the E-ZPass toll for trucks and other commercial vehicles with more than ten trips per month across the VNB using the same New York Customer Service Center (NYCSC) E-ZPass Account, collected only in the Staten Island-bound direction; and

WHEREAS, tolls have been collected on the VNB in only one direction, Staten Island-bound, since 1986, initially in accordance with a federal law enacted in 1986. In December 2019, however, the one-way tolling law was eliminated and a new federal law was enacted to restore split tolling at the VNB, providing that "[n]otwithstanding any other provision of law, tolls collected for motor vehicles on any bridge connecting the boroughs of Brooklyn, New York, and Staten Island, New York, shall be collected for any such vehicles exiting from such bridge in both Staten Island and Brooklyn"; and

WHEREAS, TBTA is planning to change the method of toll collection at the VNB by the end of 2020 to collect tolls in the Staten Island-bound and Brooklyn-bound directions (split tolling), in accordance with federal law, and is seeking the necessary approvals from the Board this month; and

WHEREAS, the MTA is seeking approval for changes to the VNB Rebate Programs needed to accommodate split tolling at the VNB, to wit: changing the SIR Rebate Program so that the effective, post-rebate toll for Staten Island Residents on the VNB is \$2.75 in each direction and doubling the eligibility threshold for the VNB Commercial Rebate Program to more than 20 trips per month in either direction across the VNB by trucks and other commercial vehicles using the same NYCSC E-ZPass account; and

**WHEREAS**, the Board has considered all of the above.

**NOW, THEREFORE,** upon motion duly made and seconded, the following resolution is adopted by the Board:

**RESOLVED**, that provided the Negative Declaration has been duly executed by the Chairman, or his designee, the VNB Rebate Programs are hereby changed to provide Staten Island Residents with an effective, post-rebate toll on the Verrazzano-Narrows Bridge of \$2.75 in each direction and to double the eligibility threshold for the VNB Commercial Rebate Program to more than 20 trips per month in either direction across the VNB by trucks and other commercial vehicles using the same New York Customer Service Center E-ZPass account.

New York, New York March 25, 2020



# **Staff Summary**

Subject	Changes to the VNB Rebate Programs for Split Tolling at the VNB (Environmental Determination)
Department	Law
Department Head Name	Robert Foran, Chief Financial Officer
Department Head Signature	
Project Manager Name	

Date	March 25, 2020
Vendor Name	N/A
Contract Number	N/A
Contract Manager Name	N/A
Table of Contents Ref. #	N/A

Board Action							
Order	Order To Date Approval Info Other						
1	MTA B&T Comm	3/23/20	Х				
2	Board	3/2520	X				
			х				

Internal Approvals			
Order	Approval	Order	Approval
1	General Counsel		VP Staff Services
2	Chief of Staff		VP Procurement & Materials

#### **ENVIRONMENTAL DETERMINATION**

**PURPOSE:** To obtain the Board's approval and adoption of the annexed Resolution which will (i) find and determine that the proposed changes to the two Metropolitan Transportation Authority (MTA) toll rebate programs at the Verrazzano-Narrows Bridge (VNB) to accommodate the implementation of split tolling at the VNB will have no significant adverse effects on the environment within the meaning of the State Environmental Quality Review Act (SEQRA); and (ii) adopt and approve the Negative Declaration in accordance with SEQRA and authorize and direct the Chairman or his designee to execute it.

**DISCUSSION:** Since 2014, the Metropolitan Transportation Authority (MTA) has had two toll rebate programs partially funded by the State at the VNB, which is owned and operated by the Triborough Bridge and Tunnel Authority (TBTA): the Staten Island Resident (SIR) Rebate Program, available for residents of Staten Island participating in the SIR E-ZPass toll discount plan, and the Verrazzano-Narrows Bridge (VNB) Commercial Rebate Program, available for trucks and other commercial vehicles meeting the trip eligibility threshold.

Under the current SIR Rebate Program, Staten Island residents pay an effective, post-rebate toll of \$5.50 per trip, collected only in the Staten Island-bound direction. Under the current VNB Commercial Rebate Program, the initial rebate is 16.25% of the E-ZPass toll for trucks and other commercial vehicles with more than ten trips per month across the VNB using the same New York Customer Service Center (NYCSC) E-ZPass Account, collected only in the Staten Island-bound direction; and

Tolls have been collected on the VNB in only one direction, Staten Island-bound, since 1986, initially in accordance with a federal law enacted in 1986. In December 2019, however, the one-way tolling law was eliminated and a new federal law was enacted to restore split tolling at the VNB, providing that "[n]otwithstanding any other provision of law, tolls collected for motor vehicles on any bridge connecting the boroughs of Brooklyn, New York, and Staten Island, New York, shall be collected for any such vehicles exiting from such bridge in both Staten Island and Brooklyn." TBTA is planning to change the method of toll collection at the VNB to collect tolls in the Staten Island-bound and Brooklyn-bound directions (split tolling), in accordance with federal law, and is seeking the necessary approvals from the Board this month.

Here, the MTA seeks approval for changes to the VNB Rebate Programs needed to accommodate split tolling at the VNB. Specifically, the MTA proposes to change the SIR Rebate Program so that the effective, post-rebate toll for Staten Island Residents on the VNB is \$2.75 in each direction and to double the eligibility threshold for the VNB Commercial Rebate Program to more than 20 trips per month in either direction across the VNB by trucks and other commercial vehicles using the same NYCSC E-ZPass account.

Under SEQRA, prior to the Board's adoption of a Resolution approving these changes to the VNB Rebate Programs to accommodate split tolling, the Board would consider the potential environmental impacts of the proposed changes to the VNB Rebate Programs and determine whether there may be a significant adverse impact resulting from such changes. If there are none, the Board would approve a Negative Declaration that the proposed changes to the VNB Rebate Programs to accommodate split tolling will have no significant adverse impacts on the environment.

An environmental assessment ("EA") therefore was performed to analyze the potential environmental impacts (particularly traffic and air quality) at the VNB and along the diversion routes of implementing split tolling at the VNB, including the proposed changes to the MTA's VNB Rebate Programs to accommodate split tolling. The EA analyzed in detail the potential environmental impacts of the proposed implementation of split tolling at the VNB and associated changes to the VNB Rebate Programs and concluded that no significant adverse impacts to the environment would arise at the VNB or along the diversion routes from such actions.

The results of this SEQRA analysis are described in the EA separately provided to the Board and the Negative Declaration (Attachment 1). The EA provides a basis for

concluding that there would be no significant adverse environmental impacts at the VNB or along the diversion routes from the proposed changes to the VNB Rebate Programs to accommodate split tolling and thus no Environmental Impact Statement is required in connection with the Board action.

The Resolution also authorizes the Chairman or his designee to execute the Negative Declaration.

<u>IMPACT ON FUNDING</u>: There would be no impact on funding as a result of the proposed changes to the VNB Rebate Programs to accommodate split tolling at the VNB.

**RECOMMENDATION**: It is recommended that the Board separately approve and adopt the attached Resolution finding that the proposed changes to the VNB Rebate Programs to provide Staten Island Residents with an effective, post-rebate toll on the VNB of \$2.75 in each direction and to double the eligibility threshold for the VNB Commercial Rebate Program to more than 20 trips per month in either direction across the VNB by trucks and other commercial vehicles using the same NYCSC E-ZPass account to accommodate split tolling will have no significant adverse environmental effects; adopt the Negative Declaration; and authorize the Chairman or his designee to execute the Negative Declaration.

#### **RESOLUTION**

WHEREAS, since 2014, the Metropolitan Transportation Authority (MTA) has had two toll rebate programs partially funded by the State at the VNB, which is owned and operated by the Triborough Bridge and Tunnel Authority (TBTA): the Staten Island Resident (SIR) Rebate Program, available for residents of Staten Island participating in the SIR E-ZPass toll discount plan, and the Verrazzano-Narrows Bridge (VNB) Commercial Rebate Program, available for trucks and other commercial vehicles meeting the trip eligibility threshold; and

WHEREAS, under the current SIR Rebate Program, Staten Island residents pay an effective, post-rebate toll of \$5.50 per trip, collected only in the Staten Island-bound direction. Under the current VNB Commercial Rebate Program, the initial rebate is 16.25% of the E-ZPass toll for trucks and other commercial vehicles with more than ten trips per month across the VNB using the same NYCSC E-ZPass Account, collected only in the Staten Island-bound direction; and

WHEREAS, tolls have been collected on the VNB in only one direction, Staten Island-bound, since 1986, initially in accordance with a federal law enacted in 1986. In December 2019, however, the one-way tolling law was eliminated and a new federal law was enacted to restore split tolling at the VNB, providing that "[n]otwithstanding any other provision of law, tolls collected for motor vehicles on any bridge connecting the boroughs of Brooklyn, New York, and Staten Island, New York, shall be collected for any such vehicles exiting from such bridge in both Staten Island and Brooklyn"; and

**WHEREAS,** TBTA is planning to change the method of toll collection at the VNB to collect tolls in the Staten Island-bound and Brooklyn-bound directions (split tolling), in accordance with federal law, and is seeking the necessary approvals from the Board this month; and

WHEREAS, the MTA seeks approval for changes to the VNB Rebate Programs needed to accommodate split tolling at the VNB, to wit: changing the SIR Rebate Program so that the effective, post-rebate toll for Staten Island Residents on the VNB is \$2.75 in each direction and doubling the eligibility threshold for the VNB Commercial Rebate Program to more than 20 trips per month in either direction across the VNB by trucks and other commercial vehicles using the same NYCSC E-ZPass account; and

**WHEREAS**, there has been distributed to the Board an Environmental Assessment ("EA") regarding the effects on the environment of changing the VNB Rebate Programs to accommodate split tolling at the VNB; and

WHEREAS, the EA analyzed in detail the potential environmental impacts of the proposed implementation of split tolling and changes to the VNB Rebate Programs to accommodate split tolling at the VNB and concluded that no significant adverse impacts to the environment would arise at the VNB or along the diversion routes from such actions; and

**WHEREAS**, the EA provides the basis for finding that there would be no resulting significant adverse environmental effects from changing the VNB Rebate Programs to accommodate split tolling; and

**WHEREAS**, a proposed Negative Declaration (Attachment 1) has been prepared regarding the changes to the VNB Rebate Programs to accommodate split tolling in accordance with the State Environmental Quality Review Act; and

**WHEREAS**, the EA provides a basis for approving and adopting the Negative Declaration as it applies to the changes to the VNB Rebate Programs to accommodate split tolling; and

**WHEREAS**, the Board has considered all of the above.

**NOW, THEREFORE,** upon motion duly made and seconded, the following resolution is adopted by the Board:

**RESOLVED**, that the MTA hereby determines, for the reasons set forth in the EA and the Negative Declaration, that changing the VNB Rebate Programs to accommodate split tolling by providing Staten Island Residents with an effective, post-rebate toll on the Verrazzano-Narrows Bridge of \$2.75 in each direction and doubling the eligibility threshold for the VNB Commercial Rebate Program to more than 20 trips per month in either direction across the VNB by trucks and other commercial vehicles using the same New York Customer Service Center E-ZPass account will not have a significant adverse impact on the environment and, accordingly, that no Environmental Impact Statement is required to be prepared in connection with such action. A Negative Declaration as it applies to the changes to the VNB Rebate Programs to accommodate split tolling is hereby approved and adopted and the Chairman or his designee is hereby authorized and directed to execute, file and publish such Negative Declaration, as may be required by law.

New York, New York March 25, 2020

# **ATTACHMENT 1**

Negative	<b>Declaration</b>
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#### Metropolitan Transportation Authority

#### **NEGATIVE DECLARATION**

#### Under the State Environmental Quality Review Act

#### For Adjustments to the VNB Rebate Programs

For Implementation of Two-Way Tolling on the Verrazzano-Narrows Bridge

#### I. Introduction

From its opening in 1964 through 1986, tolls at the Verrazzano-Narrows Bridge ("VNB") were collected in the eastbound (Brooklyn-bound) and westbound (Staten Island-bound) directions. Congress changed this system in the Department of Transportation and Related Agencies Appropriations Act of 1986, by requiring the Triborough Bridge and Tunnel Authority ("TBTA") to collect tolls on the VNB only in the westbound direction. This one-way tolling mandate was extended by Congress on an annual basis each year from 1986 until one-way tolling at the VNB was permanently adopted in 1995 in Section 352 of the National Highway System Designation Act of 1995, P.L. 104-59.

In December 2019, Congress reversed this requirement in the Further Consolidated Appropriations Act of 2020, P.L. 116-94, by repealing the prior one-way tolling provisions and mandating that TBTA return to its original system of collecting tolls at the VNB in the eastbound and westbound directions (referred to as "two-way tolling").

In order to implement the federally mandated two-way tolling system, TBTA must construct a new eastbound toll collection point and revise its toll schedule under the State Administrative Procedure Act (collectively, the "TBTA Actions") so that tolls can be collected in the eastbound (Brooklynbound) direction, in addition to the existing collection of tolls in the westbound (Staten Islandbound) direction.

The Metropolitan Transportation Authority ("MTA") also proposes to adjust the existing Staten Island Resident ("SIR") Rebate and VNB Commercial Rebate Programs (together, the "VNB Rebate Programs" which constitute the "MTA Actions") to accommodate two-way tolling on the VNB. The SIR rebate would be adjusted so that the effective post-rebate SIR toll on the VNB is \$2.75 in each direction (to replace the \$5.50 post-rebate SIR toll currently collected in the westbound direction only), while the eligibility threshold for the VNB Commercial Rebate would be doubled to more than 20 trips per month in either direction by trucks and other commercial vehicles using the same New York Customer Service Center ("NYCSC") E-ZPass account.

The TBTA Actions and the MTA Actions are collectively referred to as the "Proposed Action" for purposes of this determination.							

#### II. State Environmental Quality Review Act Compliance and Other Actions

Because the TBTA Actions are mandated by federal law, such actions are exempt from the State Environmental Quality Review Act, Environmental Conservation Law Section 8-0101 et seq. ("SEQRA"), and SEQRA's implementing regulations appearing at 6 New York Code, Rules and Regulations ("N.Y.C.R.R.") Part 617. See New York Environmental Conservation Law, Article 8, Section 8-0105(5)(ii) (excluding from agency "actions" subject to SEQRA "official acts of a ministerial nature involving no exercise of discretion ..."); see also 6 N.Y.C.R.R. Section 617.5(c)(25), which incorporates such non-discretionary acts into the list of "Type II" actions that are "not subject to review" under SEQRA; and 6 N.Y.C.R.R. Section 617.3(f) ("No [SEQRA] determination of significance ... is required for actions which are Type II."). Nevertheless, TBTA has elected to go beyond the requirements of SEQRA to undertake an environmental review of the Proposed Action in its entirety consistent with SEQRA procedures in order to determine whether the Proposed Action would have a significant adverse impact on the environment. The MTA Actions are being treated as "unlisted" actions pursuant to the SEQRA regulations. 6 N.Y.C.R.R. Section 617.2(al).

To assist in performing the environmental review of the Proposed Action, TBTA retained WSP and AKRF, Inc. ("AKRF") to complete Environmental Assessment Forms ("EAFs") for TBTA and MTA and to prepare supplemental studies analyzing its environmental effects in more detail. Together, the studies along with the EAFs constitute the March 2020 Environmental Assessment ("EA") for the Proposed Action. The EA is fully incorporated by reference into TBTA's Type II Determination/Determination of No Significance and MTA's Negative Declaration, respectively. The analyses and results of those analyses as set forth in the EA are summarized briefly in Section III below.

As discussed in Section III below, the EA demonstrates that the Proposed Action would not result in any large and/or important impacts and, as a result, the Proposed Action would not have any significant adverse environmental impacts.

#### 1. Future Toll and Fare Increases.

Each July MTA issues a preliminary budget for the next year and a financial plan for the three years that follow, which projects revenues, subsidies and expenses for the four-year period. The preliminary budget and financial plan are revised and updated in November, adopted by the MTA Board in December, and reissued as an adopted budget and financial plan in February of the following year to reflect additional adjustments and to establish a 12-month allocation of the adopted budget. This four-year financial planning process helps MTA identify its long-range goals and objectives for the operation of its services and facilities, and develop and refine its plan for funding those activities. The plan undergoes periodic review and adjustment throughout the year.

To help address projected deficits for future years, the 2020-2023 Financial Plan anticipates potential toll increases in March 2021 and March 2023. For purposes of forecasting revenues, this financial plan assumes that any such toll increases would be coupled with a fare increase, and forecasts the additional revenue from a potential 2021 toll/fare increase (assuming a combined 4 percent yield) as \$279 million in 2021 and \$328 million in 2022, and forecasts the additional revenue from a potential 2023 toll/fare increase (also assuming a combined 4 percent yield) as \$291 million in 2023. However, no specific 2021 or 2023 toll or fare schedule has been identified or proposed.

Due to the breadth and scale of the MTA system and the many sources of funds used to support it, virtually every element in the four-year financial plan is an estimate that is subject to further refinement. For example, revenues are a direct result of system usage, and certain subsidies are tied to taxes that fluctuate in response to economic conditions. To predict future income from such sources requires complex financial modeling involving present-day economic indicators that are constantly being updated. A similar approach is employed in predicting costs. Accordingly, MTA's financial plan is an evolving document which projects expenses, revenues and subsidies at a particular point in time, but is revised on an ongoing basis. It is for this reason that MTA updates its four-year financial plan periodically as each year progresses, as described above, to provide the most accurate predictions of its financial condition.

The identification of a possible future action in MTA's financial planning documents does not obligate TBTA or MTA to institute the projected 2021 or 2023 toll/fare increase. At present, there is no specific proposal for a 2021 or 2023 toll/fare increase under consideration by TBTA or MTA and any such increase may or may not ultimately be adopted. A toll or fare increase may be proposed sooner or later than 2021 or 2023, and the amount of any required toll or fare increase has not been determined.

In accordance with the federal mandate in the Further Consolidated Appropriations Act of 2020 discussed above, TBTA must implement two-way tolling at the VNB; TBTA's and MTA's implementation of the Proposed Action flow from that requirement and collectively have independent utility from any future toll/fare increase that may be implemented across the MTA and TBTA system. In light of that requirement and the considerable uncertainties that exist with respect to any such future toll/fare increase in 2021, 2023 or other time, TBTA and MTA find that any such future proposal should be analyzed and considered through a separate environmental review. Moreover, implementation of the Proposed Action does not make it any more or less likely that a future toll/fare increase may be implemented. Finally, considering the Proposed Action separately from any future toll/fare increase is no less protective of the environment because two-way tolling and the other aspects of the Proposed Action will be taken into account in any subsequent environmental review.

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<sup>&</sup>lt;sup>1</sup> While TBTA has followed the practice of performing an environmental review of periodic toll adjustments in accordance with SEQRA procedures, such adjustments are matters of routine agency administration. *See* Type II list at 6 N.Y.C.R.R. Section 617.5(c)(26).

#### III. Consideration of Impacts Resulting from the Proposed Action

#### A. The Proposed Action

Implementation of two-way tolling at the VNB as part of the Proposed Action would have both physical and operational elements.

With respect to the physical elements, construction would involve the installation of an all-electronic Cashless Tolling system over the Brooklyn-bound lanes within the existing TBTA right-of-way to collect tolls from vehicles crossing the VNB and entering Brooklyn. The Cashless Tolling system would consist of two sets of triple gantries (each about 30 feet apart) that would be located approximately 130 feet to the southwest of the existing gantries above the westbound lanes. Like the existing gantries, the proposed gantries would be a pipe or tubular style about 20 feet tall. The gantry foundations would generally consist of six caisson foundations with each caisson shaft (about four feet in diameter) drilled into the ground. The required electronic equipment for the Brooklyn-bound Cashless Tolling system would be located in the existing access tunnel beneath the roadway. One set of new gantries would span the traffic lanes approaching the upper level of the VNB from the Staten Island Expressway ("SIE") and the other set of gantries would span the traffic lanes approaching both the upper and lower levels of the VNB from the SIE and Narrows Road South to the west, and ramps from both Lily Pond Avenue/Father Capodanno Boulevard near the bridge. The eastbound Cashless Tolling system is expected to be operational at the VNB by the end of 2020. See EA at 2.

The Proposed Action would also have a number of operational elements. With the Cashless Tolling system in place, tolls would be collected in the eastbound direction of the VNB, as well as the current westbound direction. The current toll schedule regulations, 21 N.Y.C.R.R. Section 1021.1, would be revised in accordance with the State Administrative Procedure Act to eliminate footnote "a", so that tolls on the VNB would no longer be doubled and collected only in the Staten Island-bound direction.

The Cashless Tolling system on the Brooklyn-bound approach to the VNB would function in the same way as the system installed Staten Island-bound. Equipment on overhead gantries would read E-ZPass tags so that pre-existing E-ZPass accounts would be debited and for vehicles without E-ZPass tags, license plate images would be taken and matched with the applicable Department of Motor Vehicle registration data, and toll bills would be sent to the registered owner.

The SIR Rebate Program currently results in an effective post-rebate toll of \$5.50 in the westbound direction for eligible Staten Island residents using a SIR E-ZPass account with the NYCSC. Under the current VNB Commercial Rebate Program, there is an initial rebate of 16.25 percent of the

tolls for trucks or other commercial vehicles with more than 10 trips a month on the same NYCSC E-ZPass account, collected in the Staten Island-bound direction. With the Proposed Action MTA would adjust the SIR Rebate Program so that the effective, post-rebate SIR toll on the VNB would be \$2.75 in each direction and would double the eligibility threshold for the VNB Commercial Rebate Program to more than 20 trips a month in either direction by trucks and other commercial vehicles using the same NYCSC E-ZPass account.

#### **B.** Potential Impacts of the Proposed Action

The physical and operational elements of the Proposed Action have the potential to impact the following aspects of the environment: land use, zoning, and community character; natural resources; historic and cultural resources; urban design; transportation; air quality; noise and vibration; and hazardous wastes and contaminated materials. The EA examines each of these impact areas, and also considers the temporary impacts that the Proposed Action would have during the period of construction. EA at 5.

Following is a summary discussion of the analyses and conclusions set forth in the EA.

#### 1. Land Use, Zoning, Community Character, and Public Policy

The gantry-based Cashless Tolling system associated with the Proposed Action would be contained entirely within the existing roadways at the VNB which are owned and operated by TBTA. The Cashless Tolling system would represent a continuation of the existing transportation use of the area and would not introduce infrastructure that would substantially alter adjacent land uses. Because the proposed construction of overhead gantries is consistent with the current land use and character of the project site, and because the Proposed Action would not require any land outside of the TBTA right-of-way, the Proposed Action would not adversely affect the use or character of surrounding properties. The Proposed Action would also not adversely impact land uses or local land use plans.

As noted above, the gantry-based Cashless Tolling system associated with the Proposed Action would be contained entirely within the roadways at the VNB which are owned and operated by TBTA, a state public benefit corporation, and as such are not subject to New York City zoning requirements. Moreover, the Proposed Action would not impact the current or potential future zoning of adjacent areas.

In addition, as discussed in the EA, the Proposed Action would result in no significant adverse environmental impacts to traffic, air quality, noise, and other factors that affect community character. The Proposed Action would be consistent with the relevant smart growth criteria required by the New York State Smart Growth Infrastructure Act. The project site falls within the New York state coastal area boundary, established under the authority of New York Executive Law Article 42, Waterfront Revitalization of Coastal Areas and Inland Waterways Act, as implemented by the New York State Department of State ("NYSDOS") under 19 N.Y.C.R.R. Part 600. Coastal Assessment Forms ("CAF") were prepared for the TBTA and MTA Actions and

submitted to NYSDOS.. As shown in the CAFs, the Proposed Action would be consistent with applicable policies established under the Coastal Management Program.

Accordingly, the Proposed Action would not cause any significant adverse impacts relating to land use, zoning, community character, or public policy. *See* EA at 5-8.

#### 2. Natural Resources

The project site is located entirely within the existing roadways at the VNB and consists of paved areas associated with the existing roadways, bridges, or vegetated areas characteristic of highway medians or shoulders. Due to the developed nature of the project site, natural resources such as surface waters and wetlands are not present and habitat potential and wildlife within the project site would be extremely limited. Moreover, the VNB project site is not located within any 100-year or 500-year floodplain. In summary, the Proposed Action would not result in significant adverse impacts to natural resources. *See* EA at 9.

#### 3. Historic and Cultural Resources

In accordance with Section 14.09 of the New York State Historic Preservation Act, TBTA initiated consultation with the New York State Office of Parks, Recreation, and Historic Preservation ("OPRHP," which serves as the State Historic Preservation Officer ("SHPO")) regarding the Proposed Action's potential impacts on historic and cultural resources. By letter dated February 20, 2020, OPRHP determined that the project would have No Adverse Effect on historic resources, including archaeological resources. Therefore, the Proposed Action would not result in significant adverse impacts to archaeological and architectural resources. *See* EA at 9-10.

#### 4. Urban Design

While the erection of Cashless Tolling gantry structures would alter views at the Brooklyn-bound VNB, the gantry structures would be in close proximity (approximately 130 feet to the southwest) to the existing Cashless Tolling gantries above the westbound lanes of the SIE. At the VNB, views of the new gantries would be primarily limited to motorists as there is limited pedestrian access to the site. The single-pipe design of the gantries and location near other roadway infrastructure would be the same design as the existing Cashless Tolling gantries above the westbound lanes, rendering them consistent with existing highway infrastructure. The proposed design of the gantries would result in highway infrastructure (gantries with minimal lighting) that is similar to existing infrastructure and would not add obstructive structures to the roadways. Therefore, the Proposed Action would not result in significant adverse impacts to visual and aesthetic resources or views to visual and aesthetic resources. See EA at 11-12.

#### 5. Transportation

The shift to two-way tolling from the current one-way tolling conditions (and elimination of the double toll in the westbound direction) at the VNB would encourage some drivers to change their current trip routes and use the westbound VNB instead of traveling through lower Manhattan and across Port Authority of New York and New Jersey ("PANYNJ") facilities, which are toll-free when crossing westbound from New York into New Jersey. With two-way tolling under the Proposed Action, it is expected that some eastbound trips would move away from the VNB, reducing traffic on the SIE and Gowanus Expressway. The net impacts of these changes on the affected corridors are expected to be minimal and there would not be a significant adverse traffic impact as a result of the Proposed Action. See EA at 5, 13.

These conclusions are based on a detailed traffic study (initially prepared in 2018, finalized in 2020 and incorporated into the EA), which analyzes how restoring the VNB to two-way toll collection and adjusting the VNB Rebate Programs to accommodate two-way collection would impact regional travel patterns. The study, based on fall 2017 traffic data, concluded that changing toll collection at the VNB to two-way tolling would not result in significant adverse traffic impact impacts. This conclusion is still valid and considered to be conservative since the average weekday traffic volumes at the VNB declined between 2017 and 2019 based on TBTA transaction data. Therefore, potential traffic impacts would be expected to be slightly lower if the analyses were updated using more recent traffic data. *See* EA at 12-13.

As explained in the 2018 study, under the existing one-way westbound tolling system, there is a daily directional imbalance with approximately 7,000 more vehicles traveling eastbound on an average weekday and Saturdays and 10,000 more vehicles traveling eastbound on Sundays as compared to westbound vehicle volumes. The eastbound-westbound imbalance at the VNB is attributable to one-way tolling because some drivers divert from the VNB to toll-free crossings in the westbound direction to avoid the double toll, causing increased traffic volumes westbound along Canal Street as well as eastbound along the Gowanus Expressway. In addition, some drivers divert to take advantage of the toll-free eastbound VNB. The traffic imbalance affects not only the VNB but also travel patterns on regional crossings, connecting highways and local streets, affecting delays, speed, and level of service ("LOS"), which are key measures of congestion. EA at 13.

The traffic analysis incorporated in the EA examined traffic impact locations based on the anticipated diversion routes and where traffic impacts would be most likely to occur. These locations included key intersections along Canal Street and in lower Manhattan, which are considered the worst-case scenario locations for diversions; bridge and tunnel approaches; key highway segments along the Gowanus Expressway in Brooklyn; and key roadway segments along the SIE in Staten Island. *Id*.

#### a. Diversion Analysis.

1. Canal Street

As discussed in the EA, traffic volume changes along Canal Street would vary by direction and time of day, with small decreases in traffic westbound and small increases in traffic eastbound. The largest changes would occur during the off-peak periods when congestion is lower. Under a VNB two-way tolling scenario, average speeds along Canal Street would increase up to 0.3 mph in the westbound direction and decrease up to 0.3 mph in the eastbound direction during the peak periods. Speed impacts during the off-peak periods would be smaller since there is less overall traffic in the off-peak periods, and, therefore, less congestion and delay. During off-peak periods, the roads and bridges have a greater capacity to accept additional traffic without affecting travel speeds. The overall speed changes would be relatively small and would not be expected to be noticeable to motorists during any hour of the day. EA at 16.

Operations at 17 intersections on Canal Street were analyzed for impacts associated with the Proposed Action; none of the intersections analyzed would experience an increase in delays that would be over 5.0 seconds at LOS E or F, which is the New York State Environmental Quality Review Act ("SEQRA") criteria used by the New York State Department of Transportation ("NYSDOT") to determine the significance of traffic impacts. Therefore, there would not be a significant adverse traffic impact along Canal Street under SEQRA. *Id*.

The 17 intersections in Manhattan were also analyzed in accordance with the more stringent New York City Environmental Quality Review ("CEQR") Technical Manual<sup>2</sup> procedures which require the analysis of traffic impacts for each movement at each intersection. Of the 201 movements analyzed during the AM, MD, and PM peak hours, 76 movements would experience a decrease in delay, 53 movements would experience an increase in delay, and 72 movements would not experience any change in delay. The relative number of movements that would experience a decrease in delay, increase in delay, or no change in delay are consistent throughout the day. EA at 16-17.

Since the increases in total intersection volumes would be less than the CEQR Technical Manual screening threshold of 50 vehicles at all locations during the AM, Midday, and PM peak hours, the intersections analyzed would screen out under the CEQR screening volume threshold and would have no significant adverse traffic impact. EA at 17.

Based on both the SEQRA and CEQR Technical Manual analyses of traffic impacts along Canal Street, it is unlikely that the change from one-way tolling to two-way tolling at the VNB would result in a noticeable change in traffic operations along Canal Street and in lower Manhattan. Canal Street will likely continue to operate at conditions very similar to current conditions with only minor speed changes—a slight improvement in speeds in the westbound direction and a slight decrease in speeds in the eastbound direction—and no change in overall LOS. As there would be

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<sup>&</sup>lt;sup>2</sup> As public benefit corporations, TBTA and MTA are not subject to CEQR; nevertheless, TBTA and MTA will consider relevant CEQR Technical Manual criteria as one factor in determining whether their actions may result in significant environmental impacts.

no significant adverse impacts at Canal Street, which as noted above is considered the worst case location for diversions, there would be no adverse traffic impacts related to diversions. EA at 13, 16-19.

#### b. Highway/Freeway Segments

As noted above, the EA presented the analysis of traffic impacts on three highway segments that currently experience frequent congestion to determine impacts to highway traffic flow under a two-way VNB toll scenario. The density, speed, and LOS were evaluated for both one-way and two-way tolling at the key highway segments, which were analyzed along the Gowanus Expressway and the SIE during the AM, Midday, and PM peak hours in both the eastbound and westbound directions considering the changes in traffic volumes, geometry, and operating characteristics of the highway. EA at 13, 15

#### 1. Gowanus Expressway/Prospect Expressway/HLCT Weave

Traffic volume changes along the Gowanus Expressway Weave area in Brooklyn (on/off ramps to the Gowanus Expressway, Prospect Expressway and Hugh L. Carey Tunnel ("HLCT") approach road) would vary by direction and time of day, with relatively small increases in traffic westbound (*i.e.*, Staten Island-bound) and small decreases in traffic eastbound (*i.e.*, Manhattan-bound). The highest changes in traffic volumes would occur during the off-peak periods when congestion is lower. The projected changes in traffic volumes would be small and would not be noticeable to drivers. EA at 20.

Speeds along the Gowanus Expressway between the Prospect Expressway and the Brooklyn-Queens Expressway may increase or decrease up to about 0.1 mph during any hour of the day, with most hours showing no change in speed. The LOS is based on the *vehicle density* which is calculated as vehicles/per lane/mile. Projected changes in vehicle density under two-way tolling would be small during all hours of the day, would fall within normal daily fluctuations, would not be noticed by drivers and would be well below the applicable SEQRA threshold for significance used by NYCDOT. *Id*.

#### 2. Gowanus Expressway at 92nd Street

Traffic volume changes along the Gowanus Expressway at 92<sup>nd</sup> Street would vary by direction and time of day, with small increases in traffic westbound and small decreases in traffic eastbound. The highest changes in traffic volumes would occur during the off-peak periods when congestion is lower. The projected changes in traffic volumes would be small and would not be noticeable to drivers. *Id.* 

Speeds along the Gowanus Expressway at  $92^{nd}$  Street may increase or decrease up to about 0.1 mph during any hour of the day, with most hours showing no change in speed. The LOS is based

on the density of vehicles/per lane/mile. Projected changes in vehicle density under two-way tolling would be small during all hours of the day, would fall within normal daily fluctuations, would not be noticed by drivers and would be well below the applicable SEQRA threshold for significance used by NYCDOT. EA at 20-21.

#### 3. Staten Island Expressway

Traffic volume changes along the SIE at Mosel Avenue would vary by direction and time of day, with small increases in traffic westbound and small decreases in traffic eastbound. The highest changes in traffic volumes would occur during the off-peak periods when congestion is lower. The projected changes in traffic volumes would be within the normal fluctuation of traffic volumes. EA at 21.

Speeds along the SIE at Mosel Avenue may increase or decrease less than 0.1 mph during any hour of the day, with most hours showing no change in speed. The LOS is based on the density of vehicles/per lane/mile. Projected changes in vehicle density under two-way tolling would be small during all hours of the day, would fall within normal daily fluctuations, would not be noticed by drivers and would be well below the applicable SEQRA threshold for significance used by NYCDOT. *Id*.

#### c. Vehicle Miles Traveled

It is predicted that there will be a daily reduction of close to 45,000 vehicle miles traveled ("VMT"), an approximately 0.02 percent reduction for vehicles traveling on the VNB, in the New York–New Jersey–Long Island area for an average weekday due to the Proposed Action. Weekend numbers are expected to be close to this value. The daily number represents approximately a 5-mile decrease in average travel distance. The annualized net reduction in VMT is projected to be approximately 16 million. EA at 25.

#### 8. Air Quality

The potential effect of the predicted changes in traffic volumes and speed on air quality from the Proposed Action, as well as the overall potential change in region-wide emissions due to the Proposed Action, was examined in the EA. The air quality analyses focus on the potential for local (microscale) impacts along diversion routes and on the potential region-wide (mesoscale) change in emissions due to diversion of traffic associated with the Proposed Action. *Id*.

#### a. Microscale Analyses of Local Impacts Along Diversion Routes

As with transportation impacts, the Canal Street corridor is the worst case location for diversion-related air quality impacts. Therefore microscale impacts were assessed in the Canal Street area for carbon monoxide ("CO"), particulate matter ("PM"), which is regulated in two size categories:

particles with an aerodynamic diameter of less than or equal to 2.5 micrometers (" $PM_{2.5}$ "), and particles with an aerodynamic diameter of less than or equal to 10 micrometers (" $PM_{10}$ ") which includes  $PM_{2.5}$  concentrations, and nitrogen dioxide (" $NO_2$ "). EA at 37.

The EA found that no significant adverse impacts on CO or PM concentrations would occur at the reasonable worst-case analysis locations due to the projected diversion of vehicles resulting from the Proposed Action. The potential local air quality impacts along all other diversion routes would be less than those predicted for the reasonable worst-case locations because total traffic volumes and congestion, and the traffic increments due to implementation of two-way tolling at the VNB, would be less than those projected in the reasonable worst-case analyses. Therefore, the local impacts along all other diversion routes are also not projected to result in significant adverse local impacts on CO or PM levels. Moreover, a qualitative analysis of NO<sub>2</sub> impacts indicated that the traffic associated with implementation of the Proposed Action would not be expected to change concentrations of that pollutant appreciably, since the vehicular traffic diversion associated with the proposed implementation of two-way tolling at the VNB would be a small percentage of the total number of vehicles in the area. The Proposed Action would therefore have no significant adverse impact on local air quality along the diversion routes. *See* EA at 39-41.

#### b. Mesoscale Analyses of Region-Wide Air Quality Impacts

As noted in Section 7.c. [Transportation, VMT] above, the Proposed Action is projected to result in a net decrease in VMT in the New York–New Jersey–Long Island nonattainment area. *See* EA at 25, 38. As a result, the Proposed Action would result in a net decrease in on-road regional emissions of volatile organic compounds ("VOCs"), CO, nitrogen oxides (nitric oxide, NO, and NO<sub>2</sub>, collectively referred to as "NO<sub>x</sub>") PM<sub>10</sub>, and PM<sub>2.5</sub> (along with the precursors to PM<sub>2.5</sub>). Therefore, the Proposed Action is not expected to interfere with the State Implementation Plan for region-wide attainment of the ozone National Ambient Air Quality Standards ("NAAQS"), maintenance of the CO NAAQS, or current and future State Implementation Plans for attaining or maintaining the PM<sub>2.5</sub> NAAQS. Greenhouse Gas ("GHG") emissions are also estimated to decrease as a result of the Proposed Action, which would be consistent with current plans for reducing GHG emissions in New York City and New York State. The Proposed Action would therefore have no significant adverse impact on regional air quality. *See* EA at 42-44.

#### 9. Noise and Vibration

The area surrounding the proposed Cashless Tolling gantries at the project site includes a variety of land uses, with some noise-sensitive uses such as residences and office buildings. However, implementation of Cashless Tolling in the Brooklyn-bound direction would not have the potential to result in significant noise level increases, and it is expected that noise levels would remain comparable to those in the existing condition. At locations along roadways where traffic volumes may be affected by implementation of Cashless Tolling in the Brooklyn-bound direction, Proposed Action-generated vehicle diversions would not have the potential to result in an increase in noise levels. The implementation of Cashless Tolling in the Brooklyn-bound direction would also not result in substantial changes in traffic patterns, or associated ambient noise, on alternate travel

routes. Consequently, the proposed implementation of Cashless Tolling in the Brooklyn-bound direction would not result in any significant adverse impacts due to noise. Vibration is typically not a substantial concern for roadways in good condition, so the Proposed Action is not expected to have any substantial effect on vibration at nearby sensitive receptors. *See* EA at 44.

#### 10. Hazardous Waste and Contaminated Materials

The Proposed Action would not require substantial soil disturbance at the project site, since construction would entail only limited soil disturbance for construction of gantry foundations and support posts, and potentially limited shallow trenching for installation of utilities. Typical ground disturbance would include installation of six caisson foundations for each set of gantries (total of 12 caissons for 6 gantries) with each caisson comprised of a drilled shaft about four feet in diameter. Existing TBTA construction standards (and contract specifications) address requirements for proper management of any unexpectedly encountered subsurface contaminated materials in accordance with applicable federal, state and local requirements, including those for dust control, temporary on-site storage, off-site transportation and disposal, and safety and other measures to minimize the potential for impacts to the community and construction workers. With compliance with applicable regulatory and contractual requirements and procedures for the subsurface work, the Proposed Action would not result in any significant adverse impacts related to hazardous waste and contaminated materials. See EA at 44-45.

#### 11. Construction Impacts

Construction of the Proposed Action would include the installation of the gantry-based Cashless Tolling system over the Brooklyn-bound lanes crossing the VNB, approximately 130 feet to the southwest of the existing gantries. The Proposed Action would be completed by the end of 2020 or earlier.

Construction and implementation at the Proposed Action would generally take place over a period of about six months, or less. The installation of the Cashless Tolling structures and equipment is expected to take four to five months, followed by an integration and testing period of approximately one month. Since traffic, air, and noise effects during construction would be limited in duration and of modest magnitude, significant adverse impacts would not be expected. All construction activities would remain within the TBTA right-of-way and the noise, emission, dust and erosion control practices routinely imposed under the environmental provisions of TBTA's construction contracts would be followed. Among other things, those provisions require the following:

- Construction activities must comply with the noise level requirements and limits set forth in the New York City Noise Control Code, Title 24 of the Administrative Code of the City of New York;
- Activities must be conducted so that dust, debris, waste materials, and construction materials are not released or spilled into the soil, water, sediment, and/or sewers;

- Erosion and sediment control measures must be provided to protect catch basins, drainage channels, waterways, etc.;
- Control devices and methods must be implemented to prevent water pollution and soil erosion in accordance with the accepted Storm Water Pollution Prevention Plan; and
- Industry standard best practices must be employed to protect the work zone during construction activities.

The construction staging layout would be focused on maintaining traffic through existing toll lanes until the new Cashless Tolling gantries are constructed. Protective measures to be used during construction would include the placement of barriers, roadway striping, lane closures, speed restrictions, and signing. Maintenance and Protection of Traffic ("MPT") Plans for each site would be developed in accordance with TBTA policies and NYSDOT and FHWA standards, which would also require a resident engineer or supervisor to be on site during all construction activities to ensure that all safety procedures are followed. With these measures in place, no significant adverse impacts during construction are expected to occur as a result of the Proposed Action. *See* EA at 45-46.

#### IV. <u>Conclusions and Finding</u>

Having undertaken a thorough environmental analysis, MTA finds and concludes that based on the foregoing analysis and the EA incorporated herein by reference, the Proposed Action, including the MTA Actions, will not result in any large and/or important impacts and that the Proposed Action will have no significant adverse environmental impact. This Negative Declaration regarding the MTA Actions has been prepared in accordance with Article 8 of the New York State Environmental Conservation Law.

Dated:	New York, New York March, 2020		
		Name:	
		Title:	



# Procurements March 2020



Subject:	Request for Authorization to Award Various Procurements					
Departme	nt:					
	Procurement					
Departme	ent Head Name M. Margaret Terry					
Departme	ent Head Signature					
Project M	anager Name Various					

Date	
3/9/2020	
Vendor Name	
Contract Number	
Contract Manager Name	
Table of Contents Ref #	

Board Action									
Order	То	Date	Approval	Info	Other				
1	President	3/9/2020							
2 .	MTA B&T Committee	3/23/2020							
3	Board	3/25/2020							
				-					

Internal Approvals						
Order	Approval	Order	Approval			
	President		VP & Chief Financial Officer			
	SVP & General Counsel		VP Operations			
	VP & Chief of Staff		VP & Chief Engineer			
			VP & Chief Procurement Officer			

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

#### **PURPOSE:**

To obtain approval of the Board to award various contracts and purchase orders, and to inform the MTA B&T Committee of these procurement actions.

#### **DISCUSSION:**

MTA B&T proposes to award Non-Competitive procurements in the following categories: None MTA B&T proposes to award Competitive procurements in the following categories:

		# of Actions	<b>Dollar Amount</b>
Schedule Requiring Two-Third Vote: Schedule C: Competitive Requests for Propose Public Work Contracts)	sals (Award of Purchase and	1	\$30.000M
Schedule Requiring Majority Vote: Schedule F: Personal Service Contracts (Staff Board Approval)	Summaries Requiring	1	\$10.740M
	SUBTOTAL	2	\$40.740M
MTA B&T presents the following proc	urement actions for Rat	ification: None	
	TOTAL	2	\$40.740M

#### **BUDGET IMPACT:**

The purchases/contracts will result in obligating MTA B&T and Capital funds in the amount listed. Funds are available in the current MTA B&T 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.)

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

#### MTA BRIDGES & TUNNELS

#### TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

WHEREAS, in accordance with §559 and §2879 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 §2879 of the Public Authorities Law and the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive miscellaneous procurement contracts, and certain changes orders to procurement, public work, and miscellaneous procurement contracts; and

**WHEREAS**, in accordance with § 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; and

**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. The Board ratifies each action 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; 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.

# LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL MARCH 2020

#### **MTA BRIDGES & TUNNELS**

#### **Procurements Requiring Two-Third Vote:**

# C: Competitive Requests for Proposals (Award of Purchase and Public Work Contracts) (Staff Summaries requiring Board approval)

1. Various Contractors Contract No. GFM-534 \$30,000,000.00

Staff Summary Attached

4 yr. contract – Competitive RFP

B&T is seeking Board approval under the All-Agency General Procurement Guidelines to award public work contracts via the competitive RFP process for Miscellaneous Electrical Construction on an As-Needed Basis.

#### **Procurements Requiring Majority Vote:**

#### **F:** Personal Service Contracts

(Staff Summaries requiring Board approval)

2. WSP USA, Inc. \$3,283,140.00 Staff Summary Attached

Hardesty & Hanover, LLC \$2,681,161.00 HNTB New York Engineering and Architecture, P.C. \$3,164,330.00 \$1,611,132.00

\$10,739,763.00

Contract No. (s): PSC-19-3035A

PSC-19-3035B PSC-19-3035C PSC-19-3035D

2 yr. 9 months Contract – Competitive RFP

B&T is seeking Board approval under the All-Agency Service Procurement Guidelines to award four personal service contracts for the 2020 Biennial Bridge Inspections at the: (i) Robert F. Kennedy Bridge: Main Line, (ii) Robert F. Kennedy Bridge Approach Ramps & Lift Span, (iii) Verrazzano-Narrows Bridge Main Spans and (iv) Verrazzano-Narrows Bridge Approach Ramps.



Page 1 of 2

Item Nu	nber	****				7.91 7.00 <b>280</b> 30 Y	SUMMARY INFORMATION	
Dept & D	ept Head Name:						Vendor Name	Contract Number
Enginee	ering and Constru	/ //	eph K		P.E.		Various	GFM-534
Division	& Division Head	Name:	-	-	A	*	Description	
Engine	ering and Constr	uction, April	s Stath	nopoulo	s, P.E.	,	Miscellaneous Electrical Construction on a at Various B&T Facilities	ın As-Needed Basis
		Board Rev	views				Total Amount Aggregate Total: \$30,000,000	1.11
Order	То	Date	App	roval	Info	Other	Contract Term (including Options, if any)	
1	President	3/09/20					Four (4) years	
2	MTA B&T Committee	3/23/20					Option(s) included in Total Amount?	☐ Yes         No
3	MTA Board	3/25/20			6		Renewal?	☐ Yes          No
	, , , , , , , , , , , , , , , , , , , ,						Procurement Type	
-		nternal App	orovals	5			Competitive Non-competitive	
Order	Approval	3	Order	Appro	val		Solicitation Type	
1	Vice President & Chief Financial O		4 .	Presid	ent	7	⊠ RFP ☐ Bid ☐ Other:	
2	Sr. Vice Presider General Counsel						Funding Source	
3	Vice President & Chief Procureme	nt Officer	4				☑ Operating ☑ Capital ☑ Federal Source to be allocated by Work Order.	Other: Funding

#### I. PURPOSE/RECOMMENDATION

B&T is seeking Board approval under the All-Agency General Procurement Guidelines to award public work contracts via the competitive RFP process for Miscellaneous Electrical Construction on an As-Needed Basis at Various B&T Facilities to the nine (9) firms listed below for the aggregate amount of \$30,000,000 for a duration of four (4) years.

#### Contract GFM-534 – Nine (9) firms selected:

- E-J Electric Installation Co.(EJ)
- Hellman Electrical LLC (Hellman)
- JEMCO Electrical Contractors, Inc. (JEMCO)
- Mass Electric Construction Co. (Mass)
- PJS Electric, Inc. (PJS)
- TAP Electrical Contracting Service Inc. (TAP)
- TC Electric, LLC (TC)
- Voltamp Electrical Contractors, Inc. (Voltamp)
- Welsbach Electric Corp (Welsbach)

#### II. DISCUSSION

In July 2019, the Board authorized the use of the competitive Request for Proposal (RFP) process in order to procure miscellaneous electrical construction services on an as-needed basis. The requirements were publicly advertised. A RFP was issued and the committee selection process was conducted.

(rev. 1/22/14)



Staff Summary Page 2 of 2

During the term of the contract, the selected contractors will be invited to bid on specific scope of electrical construction work which will be awarded to the lowest bidder. Funds from the aggregate amount will be allocated to individual contracts. Projected requirements under these contracts include but may not be limited to (i) removal, construction and maintenance of overhead and underground electrical power transmission and distribution lines; (ii) installation and removal of transformers, switchboards, panelboards, disconnect switches, conduits and associated materials; (iii) maintenance, calibration and commissioning of electrical equipment; (iv) construction of indoor/outdoor electrical and lighting and maintenance of roadway lighting, traffic signals and intelligent transportation systems; (v) installation and maintenance of fiber optic network; (vi) systems integration and troubleshooting; (vii) critical response and emergency restoration services. Since most of the electrical projects are small-scale and/or involve urgently needed repairs, it would be inefficient, time-consuming and not meet the agency's expedited needs to conduct separate competitively bid solicitations for each project.

The selection of contractors to be awarded these as-needed contracts was accomplished by a one-step RFP process. The firms were evaluated against established criteria including proposer's record of performance, qualifications of firm's specific personnel proposed, safety record and quality assurance program. Nine (9) proposals were received on November 14, 2019. Based on the established criteria, B&T's Selection Committee chose all nine (9) firms.

E-J 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 Managing Director in consultation with the MTA General Counsel on August 13, 2018. Mass was found to be responsible notwithstanding SAI pursuant to All-Agency Guidelines and such responsibility finding was approved by the MTA Chairman/CEO in consultation with the B&T General Counsel in February 07, 2014.PJS was found to be responsible notwithstanding SAI pursuant to All-Agency Guidelines and such responsibility finding was approved by the MTA Chairman/CEO in consultation with the B&T General Counsel on February 23, 2016. TC was found to be responsible notwithstanding SAI pursuant to All-Agency Guidelines and such responsibility finding was approved by the MTA Interim Executive Director in consultation with the MTA General Counsel on May 10, 2017. Welsbach was found to be responsible notwithstanding significant (SAI) pursuant to All-Agency Guidelines and such responsibility finding was approved by the MTA Chairman/CEO in consultation with the B&T General Counsel in March 10, 2015. All the selected firms were determined to be responsive and responsible contractors with extensive backgrounds of prior and current public agency work.

Based on anticipated additional electrical needs and projects, an increase of \$10M to the original budgeted amount of \$20M was determined to be in the Authority's best interest. It is recommended that the Board authorize B&T to enter into contracts with the above selected firms.

#### III. D/M/WBE INFORMATION

The Department of Diversity and Civil Rights (DDCR) has established goals of 10% MBE and 10% WBE on this contract due to the emergency as-needed contract requirements. TC Electric, EJ Electric, PJS Electrical, TAP Electrical, Voltamp Electrical, Hellman Electric, Jemco Electric, Mass Electric, and Welsbach Electric have all submitted MWBE utilization plans to meet the MWBE requirement. All firms except Welsbach have achieved their MWDBE goals on previous contracts. Welsbach has not achieved its previous MWDBE goals however; it has demonstrated good faith effort towards meeting these goals.

#### IV. IMPACT ON FUNDING

Funding under B&T contract GFM-534 will be provided in the Capital and Operating budgets in the amount of \$30,000,000.00 and will be established for each individual work order prior to their issuance.

#### **V. ALTERNATIVES**

There are no recommended alternatives. The Authority does not have the resources to perform this work with in-house forces.

(rev. 1/22/14)



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Item N	umber						SUMMARY IN	FORM	MATION	A STATE OF THE STA		
	ept & Dept Head Name: Ingineering and Construction, Joe Keane, P.E.  Touteum						Vendor Name  A) WSP USA, Inc. B) Hardesty & Hanover, LLC C) HNTB New York Engineering and Architecture, P.C. D) KB Group of NY, Inc.  Control PSC-1					
	n & Division H pering and Co		2.5	mir Salal	n, P.E.					a & Design of Miscellaneous zzano Narrows Bridges	Structural	Repairs at
	ami	Board R	eviev	vs			Total Amount PSC-19-3035 PSC-19-3035	5A, \$3	- A			
Order	То	Date	Α	pproval	Info	Other	Contract Term	(incl	uding Opt	ions, if any)		
1	President	3/9/20					Two years, ni	ne m	onths (thr	ough 12/31/22)		
2	MTA B&T Committee	3/23/20					Option(s) inclu	uded	in Total Aı	mount?	☐ Yes	⊠ No
3	MTA Board	3/25/20					Renewal?					☐ No
							Procurement 7	Туре				
		internal A <sub>l</sub>	pprov	vals				/e 🗀	Non-con	npetitive		
Order	Approval	Or	rder	Approva	al		Solicitation Ty	ре				
1	Chief Financia Officer		4	Acting P	resider	)	⊠ RFP		] Bid	☐ Other:		
2	General Coun	sel Qu	m Fi	0	10 0		Funding Source	ce				
3	Chief Procure Officer	ment 6	B				☑ Operating		] Capital	☐ Federal ☐ Other:		

#### **Narrative**

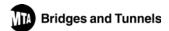
#### I. PURPOSE/RECOMMENDATION

B&T is seeking Board approval under the All-Agency Service Procurement Guidelines to award four personal service contracts for the 2020 Biennial Bridge Inspections at the: (i) Robert F. Kennedy Bridge: Main Line (Contract PSC-19-3035A) to WSP USA, Inc. (WSP), (ii) Robert F. Kennedy Bridge Approach Ramps & Lift Span (Contract PSC-19-3035B) to Hardesty & Hanover, LLC (H&H), (iii) Verrazzano-Narrows Bridge Main Spans (Contract PSC-19-3035C) to HNTB New York Engineering and Architecture, P.C. (HNTB), and (iv) Verrazzano-Narrows Bridge Approach Ramps (Contract PSC-19-3035D) to KB Group of NY, Inc. (KB). The negotiated contract amounts are: (A) \$3,283,140.00 (B) \$2,681,161.00 (C) \$3,164,330.00 (D) \$1,611,132.00. Each contract will be for a duration of two years, nine months.

#### II <u>DISCUSSION</u>

B&T requires the services of four consultant firms to provide biennial bridge inspection and miscellaneous design services at the Robert F. Kennedy and Verrazzano-Narrows Bridges. These inspections assist in our mission to keep B&T's assets in a state of good repair, and are required by the New York State Department of Transportation.

The requirements were publicly advertised. Seven firms submitted qualification information for review and evaluation by the Selection Committee. All seven firms were chosen to receive the RFP based on a review of those qualifications and six of those firms submitted proposals: Hardesty & Hanover, LLC (H&H); HNTB New York Engineering & Architecture, P.C. (HNTB); KB Group of NY, Inc. (KB); Parsons Transportation Group of NY, Inc. (Parsons); Thornton Tomasetti, Inc. (TT); and WSP USA, Inc. (WSP). The proposals were evaluated against established criteria set forth in the RFP including technical work proposed, depth of understanding of the project, qualifications of the firm for specific personnel proposed



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and cost. Based on the Committee's review of all submittals and its consideration of proposed costs, the Committee selected WSP for Group A (Robert F. Kennedy Bridge: Main Line), H&H for Group B (Robert F. Kennedy Bridge: Approach Ramps & Lift Span), HNTB for Group C (Verrazzano-Narrows Bridge: Main Spans) and KB for Group D (Verrazzano-Narrows Bridge: Approach Ramps).

The Committee's selections were based on the following:

- WSP has a knowledgeable Project Manager, Quality Control Engineer, Safety Officer and Inspection Team that
  have been working together for many years and have demonstrated a strong record of performance during previous
  facility inspections.
- H&H demonstrated strong experience with lift span inspections and proposed a team with a proven record of performance on prior biennial inspections.
- HNTB has a record of sound management of previous biennial inspections and a responsiveness to the Authority.
- KB submitted a practical approach to field inspections and proposed an experienced team to manage the project. They also proposed inspection teams with extensive prior experience inspecting these facilities, as well as staff with substantial expertise in the bridge inspection field.
- Parsons' presentation lacked detail and Parsons' proposed team hours and costs for all groups were high compared to the Engineer's Estimate, suggesting a lack of understanding of the project technical requirements.
- TT lacked some detail during their presentation and their man hours and costs for all groups were the highest proposed and were significantly above the Engineer's Estimate (between 25% and 40%). This indicated a lack of understanding of the level of effort required for all groups.

The following represents a summary of costs for the 2018 Biennial Contracts, and the costs proposed, estimated and negotiated for the recommended 2020 Biennial Contracts (all excluding allowances).

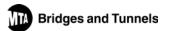
	2018 Contracts		2020 Contracts	Compa	arisons	
					2020 Negotiated	2020 Negotiated
Group	<u>Amount</u>	<b>B&amp;T Estimate</b>	<b>Proposed</b>	<b>Negotiated</b>	vs. 2018	vs. Estimate
Α	\$2,273,125.05	\$2,602,991.00	\$2,536,946.25	\$2,483,139.00	9.24%	-4.60%
В	\$1,901,195.19	\$2,157,426.00	\$2,245,119.00	\$2,081,161.00	9.47%	-3.53%
С	\$2,143,524.00	\$2,561,563.00	\$2,214,330.00	\$2,214,330.00	3.30%	-13.56%
D	\$1,192,893.20	\$1,280,450.00	\$1,250,072.00	\$1,211,132.00	1.52%	-5.41%

<sup>\*</sup> All costs above exclude allowances.

WSP's negotiated price for Group A is an increase of 9.24% over the prior contract. This is attributable to an increased level of effort to update the NYSDOT Bridge Data Information System (BDIS), as well as inspecting and documenting the conditions of the orthotropic deck superstructure and updating the facility inventory and load rating in the BDIS. H&H's negotiated price for Group B is an increase of 9.47% over the prior contract. This is attributable to an increased level of effort to update the NYSDOT Bridge Data Information System (BDIS) and updating the facility inventory and load rating in the BDIS, as well as the detailed level of inspection needed at the Harlem River Lift Span. The negotiated prices for Groups C and D are 3.30% and 1.52%, respectively, and are attributable to increased labor costs.

With the aggregate cost of all Groups being within 6.38% of the preceding 2018 Biennial Contracts (PSC-17-3005), and 7.12% below the Engineer's Estimate for all Groups, the negotiated amounts are considered fair and reasonable. H&H, HNTB and KB are each considered to be responsible consultants.

In connection with a previous contract awarded to the Consultant, WSP USA, Inc. was found to be responsible notwithstanding significant adverse information attributed to its acquisition of a wholly owned subsidiary, Louis Berger Group pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the MTA Chairman/CEO in consultation with the MTA General Counsel on April 29th, 2014. No new SAI has been found relating to the consultant and WSP USA, Inc. has been found to be responsible.



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Summary of 2020 Proposed Contracts			
	<b>Negotiated</b>		Contract Amount
Group	<u>Amount</u>	<u> Allowance</u>	with Allowance
Α	\$2,483,139.00	\$800,000.00	\$3,283,140.00
В	\$2,081,161.00	\$600,000.00	\$2,681,161.00
С	\$2,214,330.00	\$950,000.00	\$3,164,330.00
D	\$1,211,132.00	\$400,000.00	\$1,611,132.00

The total amount for each contract will include the assigned allowances as shown in the table above. Services under these allowances are to provide support based on the results of the inspection and include: (i) interim or special inspections; (ii) spalling concrete removal supervision; (iii) sign gantries and light pole inspections; (iv) auxiliary design services for the repair of defective structural conditions; (v) preliminary studies and scope development for future capital improvement projects; and (vi) auxiliary testing services for elements such as concrete cores, steel coupons, and cable wires. These services will be provided via work orders on an as-needed basis. The allowances are based on historical costs and will permit B&T to quickly respond to the needs of each facility.

#### **III. D/M/WBE INFORMATION:**

The Department of Diversity and Civil Rights (DDCR) has established goals of 15% MBE, 15% WBE and 6% SDVOB on this contract. WSP, H&H, HNTB and KB all submitted MWBE utilization plans to meet the MWBE requirement. All firms except KB have achieved their MWDBE goals on previous contracts. KB has not completed any MTA contract; therefore, no assessment of the firm's MWDBE or SDVOB performance can be determined at this time.

#### IV. IMPACT ON FUNDING

Funding in the amount of \$10,739,763.00 is available in the Operating Budget under GFM-535, General Ledger #711101.

#### V. ALTERNATIVES

There are no recommended alternatives. While B&T has the resources for smaller scale inspections of this nature, and have performed them in the past, it does not have the resources required to perform these large structure inspections pursuant New York State inspection requirements.