Metropolitan Transportation Authority

October 2010

MTA Board Action Items

MEETING AGENDA
METROPOLITAN TRANSPORTATION AUTHORITY BOARD
October 27, 2010 9:30 a.m.

347 Madison Avenue
Fifth Floor Board Room
New York, NY

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Date of next MTA Board meeting: Wednesday November 17, 2010 at 9:30 a.m.

Metropolitan Transportation Authority
Minutes of the
Regular Board Meeting
347 Madison Avenue
New York, NY 10017

Wednesday, September 29, 2010
9:30 a.m.

The following members were present:

Hon. Jay H. Walder, Chairman & CEO
Hon. Andrew M. Saul, Vice Chairman
Hon. Andrew Albert
Hon. John H. Banks, III
Hon. Robert C. Bickford
Hon. Allen P. Cappelli
Hon. Donald Cecil
Hon. Patrick J. Foye
Hon. Doreen M. Frasca
Hon. Jeffrey A. Kay
Hon. Mark D. Lebow
Hon. Susan Metzger
Hon. Mark Page
Hon. Mitchell H. Pally
Hon. Norman Seabrook
Hon. James L. Sedore, Jr.
Hon. Nancy Shevell
Hon. Vincent Tessitore, Jr.

The following member was absent:

Hon. Carl V. Wortendyke

Fredericka Cuenca, Chief of Staff, James B. Henly, General Counsel, Board Member James F. Blair, Board Member Norman Brown, Board Member Ira Greenberg, Thomas Prendergast, President of NYCTA, Helena E. Williams, President of Long Island Railroad, Howard Permut, President of Metro-North, James Ferrara, President of TBTA, Joseph A. Smith, President of LI Bus, MTA Bus & Sr. V.P. NYCT Department of Buses, Michael Horodniceanu, President of MTA Capital Construction, and Douglas Sussman, Director, Community 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, 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 (LI Bus), 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.

Chairman Walder called the meeting to order.

1. **PUBLIC SPEAKERS.** There were two public speakers, neither of whom addressed items on the MTA agenda. Refer to the MTA Agencies' minutes for speakers' comments.

2. **CHAIRMAN'S REMARKS.**

   Chairman Walder announced that a special Board meeting is scheduled for October 7, 2010 to discuss proposed fare and toll increases and to vote on a final fare proposal.

3. **MINUTES.** Upon motion duly made and seconded, the Board approved the minutes of regular Board meeting held on July 28, 2010.

4. **COMMITTEE ON FINANCE.**

   A. **Action Items.** Upon motion duly made and seconded, the Board approved the following action items. The specifics are set forth in the attached staff summaries and documentation.

      1. TBTA 2010A New Money Bond Issuance. Approved resolutions and necessary documentation and activities, including the execution and delivery of such documents, and the taking of other actions from time to time deemed necessary, in connection with issuance of new money bonds, notes or other obligations to provide net proceeds (exclusive of premiums) sufficient to fund up to $200 million of capital projects contained in approved capital programs of the TBTA.

      2. Qualification of Banks for Credit and/or Liquidity Facilities. Approved the list of commercial banks from which bids, from time to time, will be solicited for replacement of letters of credit or standby bond purchase agreements previously entered into in connection with an issuance of bonds pursuant to the MTA's Transportation Revenue Resolution, Dedicated Tax Fund Resolution, TBTA General Revenue Resolution, TBTA Subordinate Revenue Resolution, or for the 2 Broadway Certificates of Participation.

   B. **Real Estate Items.** Upon motion duly made and seconded, the Board approved the following real estate items. The specifics are set forth in the attached staff summaries and documentation.

      New York City Transit Authority:

1. Authorization to proceed with the acquisition of temporary and permanent easements in property located at 700 Esplanade Gardens Plaza (Block 1744, Lot 1) in support of the 148th Street Yard flood mitigation project (A-36111).

2. License agreement with Krishti & Papa, Inc. to operate a convenience store/newsstand located at 77-05 Roosevelt Avenue, Elmhurst, N.Y.

Metro-North Railroad:

3. License agreement with Metropolitan Fiber Systems of New York, Inc., a wholly-owned subsidiary of Verizon, for an existing underground fiber optic cable and conduit facility, and sublicense agreements with Lexent Metro Connect, LLC and AT&T Corporation for an existing fiber optic cable and a new fiber optic cable, respectively.

4. License agreement with Louis A. Albano for the operation of a mobile hair salon located at Golden's Bridge, Purdys and Southwest stations.

5. Lease with TOTO GCT, Inc., d/b/a TOTO, of Retail Space MC-81, Grand Central Terminal, for the retail sale of TOTO branded handbags, small leather wallets and cardholders, scarves and shawls.

6. Lease with BT Pantry LLC, d/b/a Beer Table Pantry, of Retail Space MC-36, Grand Central Terminal, for the retail sale of a rotating selection of beers from around the world, and a variety of fermented or otherwise naturally preserved foods that are either made by breweries or pair well with beer.

7. Lease with Tri Tip City LLC, d/b/a Tri Tip Grill, of Retail Space LC-25 and Storage Space LCS-1M, Grand Central Terminal, for the retail sale of grilled steak and chicken sandwiches, salads and breakfast menu items.

Long Island Railroad

8. License agreement with New York City Transit Authority for parking for NYCTA maintenance vehicles at 1941 Broadway, (Block 3472, Lot 1) Brooklyn, N.Y.

9. License agreement with the Village of Lindenhurst for commuter parking with a visitor's center and police substation located at the Lindenhurst Station, Lindenhurst, N.Y.

10. License agreement with Ron-Tom Food Services, Inc. for an employee cafeteria at the Jamaica Station Building, Jamaica, N.Y.

11. Lease with Khalhal Realty for office space for the Employee Assistance Program located at 300 Old Country Road, Mineola, N.Y.

12. License agreement with Prestone Press, LLC for Prestone employee and visitor parking located at LIRR former Degnon Terminal siding adjacent to 47-50 30th Street in Long Island City, N.Y.

Triborough Bridge and Tunnel Authority

13. Surrender of use and occupancy rights relating to a strip of land adjoining Battery Parking Garage (Block 17, Lot 118) in Manhattan, N.Y.

MTA Capital Construction Company

14. Lease with 333 West 34 SLG Owner LLC for office space located at 333 West 34th Street, Manhattan, N.Y for MTA Capital Construction Company to house construction management field office for the #7 line extension project.

5. COMMITTEE ON BUS – LI Bus.

A. **Procurement Item.** Upon motion duly made and seconded, the Board approved the following procurement item relating to LI Bus. The specifics are set forth in the attached documentation. Refer to the NYCTA's minutes for items relating NYC Transit Department of Buses and MTA Bus Company.

1. Daimler Buses North America – Diagnostic Laptop Computers – No. E-3790, sole source. Approved a non-competitive sole source purchase contract for four Panasonic Model CF74 Toughbook laptop computers and software.

6. ADJOURNMENT.

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 9:50 a.m.

Respectively 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

347 Madison Avenue
New York, NY 10017

Wednesday, September 29, 2010
9:30 a.m.

The following members were present:

Hon. Jay H. Walder, Chairman & CEO
Hon. Andrew M. Saul, Vice Chairman
Hon. Andrew Albert
Hon. John H. Banks, III
Hon. Robert C. Bickford
Hon. Allen P. Cappelli
Hon. Donald Cecil
Hon. Patrick J. Foye
Hon. Doreen M. Frasca
Hon. Jeffrey A. Kay
Hon. Mark D. Lebow
Hon. Susan Metzger
Hon. Mark Page
Hon. Mitchell H. Pally
Hon. Norman Seabrook
Hon. James L. Sedore, Jr.
Hon. Nancy Shevell
Hon. Vincent Tessitore, Jr.

The following member was absent:

Hon. Carl V. Wortendyke

Fredericka Cuenca, Chief of Staff, James B. Henly, General Counsel, Board Member James F. Blair, Board Member Norman Brown, Board Member Ira Greenberg, Thomas Prendergast, President of NYCTA, Helena E. Williams, President of Long Island Railroad, Howard Permut, President of Metro-North, James Ferrara, President of TBTA, Joseph A. Smith, President of LI Bus, MTA Bus & Sr. V.P. NYCT Department of Buses, Michael Horodniceanu, President of MTA Capital Construction, and Douglas Sussman, Director, Community 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, the Metro-North Commuter Railroad Company, the MTA Capital Construction Company, the MTA Bus Company, and the First Mutual Transportation Assurance Company.

1. CHAIRMAN JAY WALDER CALLED THE MEETING TO ORDER

2. PUBLIC COMMENT PERIOD

Two public speakers addressed NYC Transit/MTA Bus issues:

Judy Wolf, Track Worker Family Fund, urged the Board to invest in track worker safety and requested an update on where NYC Transit stands in regard to the implementation of secondary warning technology.

Matt Shotkin spoke against the elimination of station agents and token booths, and the proposed fare increases.

3. CHAIRMAN JAY WALDER'S COMMENTS

Details of Chairman Walder's comments are set forth in minutes recorded by the MTA, copies of which are on file with the records of the meeting of the Board of the NYC Transit/SIR/MTA Bus Company.

4. MINUTES

Upon motion duly made and seconded, the Board unanimously approved the minutes of the regular board meeting of MTA New York City Transit, the Manhattan and Bronx Surface Transit Operating Authority, the Staten Island Railway Transit Operating Authority, and MTA Bus Company held on July 28, 2010.

5. COMMITTEE ON FINANCE

Action Item

Qualification of Banks for Credit and/or Liquidity Facilities: Upon motion duly made and seconded, the Board voted to approve the list of commercial banks from which bids, from time to time, will be solicited for replacement of letters of credit or standby bond purchase agreements previously entered into in connection with an issuance of Bonds, and voted to grant authority to expand the list of eligible banks from time to time to qualify banks expressing an interest in bidding on replacement facilities provided minimum rating requirements are met. 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 the NYC Transit/SIR/MTA Bus Company.

6. COMMITTEE ON TRANSIT OPERATIONS
NYC Transit

Procurements

Non-Competitive Procurements: Upon motion duly made and seconded, the Board approved the non-competitive procurements requiring two-thirds vote (Schedule A in the Agenda). Details of the above item are set forth in staff summaries, copies of which are on file with the records of the meeting of the Board of the NYC Transit/SIR/MTA Bus Company.

Competitive Procurements: Upon motion duly made and seconded, the Board approved the competitive procurements requiring a majority vote (Schedules G and I in the Agenda) and those requiring two-thirds of the vote (Schedule B 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 the NYC Transit/SIR/MTA Bus Company.

Procurement Ratifications: Upon motion duly made and seconded, the Board approved the ratifications requiring a majority vote (Schedule K in the Agenda). Details of the above item are set forth in staff summaries, copies of which are on file with the records of the meeting of the Board of the NYC Transit/SIR/MTA Bus Company.

7. ADJOURMENT

Upon motion duly made and seconded, the Members unanimously voted to adjourn the meeting at 9:50 a.m.

Respectfully submitted,

Mariel Tanne
Assistant Secretary

Minutes of the Regular Meeting
Metro-North Commuter Railroad Company

Wednesday, September 29, 2010
9:30 a.m.

The following members were present:

Hon. Jay H. Walder, Chairman & CEO
Hon. Andrew M. Saul, Vice Chairman
Hon. Andrew Albert
Hon. John H. Banks, III
Hon. Robert C. Bickford
Hon. Allen P. Cappelli
Hon. Donald Cecil
Hon. Patrick J. Foye
Hon. Doreen M. Frasca
Hon. Jeffrey A. Kay
Hon. Mark D. Lebow
Hon. Susan Metzger
Hon. Mark Page
Hon. Mitchell H. Pally
Hon. Norman Seabrook
Hon. James L. Sedore, Jr.
Hon. Nancy Shevell
Hon. Vincent Tessitore, Jr.

The following member was absent:

Hon. Carl V. Wortendyke

Fredericka Cuenca, Chief of Staff, James B. Henly, General Counsel, Board Member James F. Blair, Board Member Norman Brown, Board Member Ira Greenberg, Thomas Prendergast, President of NYCTA, Helena E. Williams, President of Long Island Railroad, Howard Permut, President of Metro-North, James Ferrara, President of TBTA, Joseph A. Smith, President of LI Bus, MTA Bus & Sr. V.P. NYCT Department of Buses, Michael Horodniceanu, President of MTA Capital Construction, and Douglas Sussman, Director, Community Affairs, also attended the meeting.

1. Public Comment:

There were two public speakers. Judy M. Wolf of the Track Worker Family Fund discussed railway safety issues. The details of her comments are contained in Ms. Wolf's presentation and a Track Worker Family Fund brochure filed with the records of this meeting. The details of the remaining public comments are contained in the minutes of the meeting of the Board of the Metropolitan Transportation Authority held this day.

2. Chairman's Comments: The details of Chairman Walder's comments are contained in the minutes of the meeting of the Board of the Metropolitan Transportation Authority held this day.

3. Approval of Minutes – Upon motion duly made and seconded, the minutes of the Regular Board Meeting of July 28, 2010 meeting were unanimously approved.

4. Committee on Finance

Real Estate Action Items:

Upon motion duly made and seconded, the Board, among other items, approved the following real estate items recommended to it by the Committee on Finance.

- License agreement with Metropolitan Fiber Systems of New York, Inc. and sublicense agreements with Lexent Metro Connect LLC and AT&T, for the installation and operation of fiber optic facilities along Metro-North's Hudson Line, Bronx, New York.
- License agreement with Louis Albano for the operation of a mobile hair salon at Golden's Bridge, Purdys and Southeast stations.
- Lease with TOTO GCT, Inc. for the retail sale of handbags, small leather wallets and cardholders, scarves and shawls in Retail Space MC-81 at Grand Central Terminal.
- Lease with BT Pantry LLC for the retail sale of high-quality beers and related products in Retail Space MC-36 at Grand Central Terminal.
- Lease with Tri Tip City Grill LLC for the retail sale of grilled steak and chicken sandwiches, salads and breakfast menu items at Grand Central Terminal.

Staff summaries and reports setting forth the details of the above items are filed with the records of this meeting.

5. Committee on Metro-North Railroad Operations:

Procurements:

Upon motion duly made and seconded, the Board approved the following non-competitive procurement requiring majority vote by the Board.

Miscellaneous Service Contracts

- Railquip, Inc. – Annual inspection, maintenance and repair of carbody hoist system and turntables.

Upon motion duly made and seconded, the Board approved the following competitive procurements requiring majority vote by the Board.

Modifications to Personal/Miscellaneous Service Contracts

- Iron-Mountain, Inc. – All-agency, off-site record storage and retention service.
- Frontier Industrial Corporation – Disposal of passenger coaches and miscellaneous rail cars.
- Various Snow and Ice Removal Contractors – Snow and ice removal services MNR territory in NYS (incl. west of Hudson) and CT.

Staff summaries and reports setting forth the details of the above items are filed with the records of this meeting.

6. Chairman Walder noted that he went with the Board members and Howard Permut to see the new Metro-North trains in Grand Central Terminal. He stated that, in light of MTA's struggle with financial issues, seeing the new trains was a terrific reminder that MTA still has the opportunity to offer its customers better and better service through service improvements and its capital program.

7. Next Meeting – October 27, 2010 at 9:30 a.m.

8. Upon motion duly made and seconded, the Board unanimously voted to adjourn the meeting at 9:50 a.m.

Respectfully submitted,

Linda Montanino
Assistant Secretary

Sept 2010 Board Minutes
Legal/Corporate

MINUTES OF MEETING OF THE BOARD OF
THE LONG ISLAND RAIL ROAD COMPANY
Meeting Held At
347 Madison Avenue
New York, NY 10017

Wednesday, September 29, 2010
9:30 a.m.

The following members were present:

Hon. Jay H. Walder, Chairman & CEO
Hon. Andrew M. Saul, Vice Chairman
Hon. Andrew Albert
Hon. John H. Banks, III
Hon. Robert C. Bickford
Hon. Allen P. Cappelli
Hon. Donald Cecil
Hon. Patrick J. Foye
Hon. Doreen M. Frasca
Hon. Jeffrey A. Kay
Hon. Mark D. Lebow
Hon. Susan Metzger
Hon. Mark Page
Hon. Mitchell H. Pally
Hon. Norman Seabrook
Hon. James L. Sedore, Jr.
Hon. Nancy Shevell
Hon. Vincent Tessitore, Jr.

The following member was absent:

Hon. Carl V. Wortendyke

Fredericka Cuenca, Chief of Staff, James B. Henly, General Counsel, Board Member James F. Blair, Board Member Norman Brown, Board Member Ira Greenberg, Thomas Prendergast, President of NYCTA, Helena E. Williams, President of Long Island Rail Road, Howard Permut, President of Metro-North, James Ferrara, President of TBTA, Joseph A. Smith, President of LI Bus, MTA Bus & Sr. V.P. NYCT Department of Buses, Michael Horodniceanu, President of MTA Capital Construction, and Douglas Sussman, Director, Community 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, 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 two public speakers, none of whom addressed issues specific to the Long Island Rail Road.

2. **CHAIRMAN'S REMARKS**

The Chairman noted that there would be a special Board meeting in October with respect to a proposed increase in fares.

3. **APPROVAL OF MINUTES**

Upon motion duly made and seconded, the Board unanimously approved the minutes of the Board meeting held on July 28, 2010.

4. **COMMITTEE ON FINANCE**

Upon motion duly made and seconded, the Board approved items from the Committee on Finance. Included were the following real estate items:

- License Agreement with MTA New York City Transit for parking for NYCT maintenance vehicles at 1941 Broadway, Brooklyn, New York
- License Agreement with the Village of Lindenhurst for commuter parking and a visitors center and police substation, Lindenhurst, New York
- License agreement with Ron-Tom Food Services, Inc. for an employee cafeteria at Jamaica Station, Jamaica, New York
- Lease agreement with Khalhal Realty for Employees Assistance Program space at 300 Old Country Road, Mineola, New York
- Lease agreement with Prestone Press, LLC, for Prestone employee and visitor parking along LIRR's former Degnon siding in Long Island City, New York

5. **LONG ISLAND COMMITTEE/METRO-NORTH COMMITTEE**

Upon motion duly made and seconded, the Board approved the following procurement items recommended by the Long Island Committee:

Non-Competitive Procurements

1. **Bartley Machine & Mfg. Co., Inc.** — **$149,444**
Sole Source — **Fixed amount**
Contract No. TBD

Sole source contract in the fixed amount of $149,999 for five eight-channel Multi-Q filter systems to be installed by LIRR at its Medford, Sea Cliff, Little Neck and Northport communication tower sites. Bartley acquired the proprietary drawings and specifications of Multi-Q filters, previously manufactured by Aerocom. Aerocom is no longer in business; accordingly, Bartley is the sole responsible source capable of providing the filters required to interface with existing components also manufactured by Bartley.

2. **North American Equipment Sales Co., Inc.** — **$485,000 --LIRR**

Sole Source	**$150,000 – NYCT**
Contract No. IT05850	**$210,000 – MNR**
	$845,000 – Not to exceed

LIRR, on behalf of itself, New York City Transit and Metro-North, requests MTA Board approval to award individual sole source contracts to North American Equipment Sales Co., Inc. for the supply of parts required on an as-needed basis to maintain Little Giant/Badger cranes, Teleweld rail heaters and Airtec impact tools.

3.	**Cisco Systems**	**$265,052**
	Competitive	**Fixed Price**
	Contract No. TBD	

Sole source contract in the fixed price amount of $265,052 to CISCO Systems, Inc. through a "piggyback" of its New York State Office of General Services contract PT64525, entitled "Comprehensive Telecommunications Equipment and Solutions Master Agreement." This award is for support services, including project management, site survey, installation, verification and test of the Optical Network System, Aggregation Service Router, Integrated Service Router and CISCO Transport Manager installations.

4.	**Penta Corporation**	**$450,000 – LIRR**
	Sole Source	**$691,000 – NYCT**
	Contract No. TBD	**$1,141,000 – Total Award**

LIRR, on behalf of itself and NYCT, requests MTA Board approval of a sole source miscellaneous procurement contract with Penta Corporation to provide maintenance support services for all equipment and software for the LIRR's Audio Visual Paging System and NYCT's Penta Communication Exchange control system for a three-year time period.

In addition, included among the items recommended by the Metro-North committee and approved by the Board was a seven-month extension of a multi-agency, miscellaneous service contract with Iron Mountain, Inc., for off-site records storage and retention services.

Details of the above items are set forth in staff summaries, copies of which are on file with the records of this meeting.

6. ADJOURNMENT

Upon motion duly made and seconded, the Board unanimously voted to adjourn the meeting. The meeting was adjourned at 9:50 AM.

Respectfully submitted,

Catherine Rinaldi

Catherine A. Rinaldi
Secretary

Minutes of the Regular Meeting
Triborough Bridge and Tunnel Authority
September 29, 2010

Meeting Held at
347 Madison Avenue
New York, New York 10017

9:30 A.M.

The following members were present:

Hon. Jay H. Walder, Chairman & CEO
Hon. Andrew M. Saul, Vice Chairman
Hon. Andrew Albert
Hon. John H. Banks, III
Hon. Robert C. Bickford
Hon. Allen P. Cappelli
Hon. Donald Cecil
Hon. Patrick J. Foye
Hon. Doreen M. Frasca
Hon. Jeffrey A. Kay
Hon. Mark D. LeBow
Hon. Susan Metzger
Hon. Mark Page
Hon. Mitchell H. Pally
Hon. Norman Seabrook
Hon. James E. Sedore, Jr.
Hon. Nancy Shevell
Hon. Vincent Tessitore, Jr.

Not Present:

Hon. Carl V. Wortendyke

Frederick Cuenca, Chief of Staff; James B. Henly, General Counsel, MTA; Board Member James Blair; Board Member Norman Brown; Board Member Ira Greenberg; James Ferrara, President, MTA Bridges and Tunnels; Michael F. Horodniceanu, President MTA Capital Construction Company; Howard R. Permut, President, Metro-North Commuter Railroad;

Thomas Prendergast, President, New York City Transit; Joseph A. Smith, President Long Island Bus, MTA Bus & Senior Vice President, New York City Transit Department of Buses; Helena E. Williams, President, Long Island Rail Road; and Douglas R. Sussman, Director, Community Affairs, MTA 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, 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 two public speakers. None of the speakers specifically commented on issues regarding the Triborough Bridge and Tunnel Authority. The subject matter of the public comments is contained in the minutes of the meeting of the Board of the Metropolitan Transportation Authority.

2. **Chairman's Opening Comments**

   Chairman Walder stated that there would be a Special Board Meeting on October 7, 2010 to vote on the final fare and toll proposals. Board members have been provided with full transcripts of the public hearings and written comments submitted by members of the public for consideration in anticipation of the vote on the 7th.

3. **Approval of the Minutes of the Regular Meeting July 28, 2010**

   The Minutes of the meeting held July 28, 2010 were unanimously approved.

4. **Committee on Finance**

   Upon a motion duly made and seconded, the Board unanimously approved the following two items:

   TBTA 2010A New Money Bond Issuance Authorization

   - A "Series 2010A General Revenue Bond Supplemental Resolution", documents and activities in connection with the issuance of bonds in an aggregate principal amount of Triborough Bridge and Tunnel Authority General Revenue Bonds, in one or more series necessary to finance up to $200 million of capital projects of the Triborough Bridge and Tunnel Authority, plus applicable issuance costs, and any original issue discount.

     - With respect to the above-referenced financial transactions, the delegation of authority to the Chairman and Chief Executive Officer, the Vice-Chairman, and in each case, on behalf of the MTA and TBTA, the Chief Financial Officer of MTA, and the Director of Finance of MTA to award the obligations either pursuant to competitive bid or to members (or entities

related to such firms) of the MTA underwriting syndicate (as referred to in the Supplemental Resolution) and to execute and deliver in each case, where appropriate:

- Notices of Sale and bid forms,
- Purchase Agreements with underwriters,
- Official Statements and other disclosure documents,
- Continuing Disclosure Agreements and related filings, and
- Dealer and Broker-Dealer Agreements.

Any such documents will be in substantially the form of any documents previously entered into by MTA for previous issues and programs, with such changes as approved by any one or more of the foregoing officers, in addition, such officers are authorized to terminate, amend, supplement, replace or extend any such documents related thereto, as they shall deem advisable.

- On behalf of MTA and its subsidiaries and affiliates, authorized the Chairman and Chief Executive Officer, the Vice-Chairman, and in each case, on behalf of MTA Bridges and Tunnels, the Chief Financial Officer of MTA, and the Director of Finance of MTA to take such other actions as may be necessary or desirable to effectuate the issuance of the new money bonds.

Qualification of Banks for Credit and/or Liquidity Facilities

- A list of commercial banks from which bids, from time to time, will be solicited for replacement of letters of credit (LOC) or standby bond purchase agreements (SBPA) previously entered into in connection with an issuance of Bonds pursuant to the MTA's Transportation Revenue Resolution, Dedicated Tax Fund Resolution, TBTA General Revenue Resolution, TBTA Subordinate Revenue Resolution, or for the 2 Broadway Certificates of Participation. Staff is authorized to add commercial banks to such list providing they meet the minimum long-rating requirements of A2/A/A and carry the highest short-term ratings from Moody's, S&P and Fitch, respectively. The procedure for procuring pricing for expiring facilities is for staff to solicit at least three written bids from the list below, as may be amended, in conformance with timing and other such requirements as contained in the relevant expiring facility "expiration clause". To the extent deemed appropriate an LOC or SBPA issued by a single bank may be replaced with LOCS and SBPAs from more than one bank. The following nine banks were qualified by the MTA and TBTA Boards:
    1. Barclays Bank PLC
    2. Band if America Merrill Lynch
    3. Citibank, N.A.
    4. JP Morgan Chase Bank, N.A.
    5. KBC Bank, N.V.
    6. Morgan Stanley Bank, N.A.
    7. Sumitomo Mitsui Banking Corporation

8. U.S. Bank
9. Wells Fargo, N.A.

A copy of the resolutions, staff summaries and details of the above items are filed with the minutes of the Board of the Metropolitan Transportation Authority.

5. **Committee for MTA Bridges and Tunnels Operations**

Commissioner Lebow stated that there is one action item this month which would authorize the Authority to take the steps necessary to adopt a toll violation fee.

Toll Violation Fee

Upon a motion duly made and seconded, the Board unanimously approved a resolution authorizing the President of the Authority or his designee to take all preliminary steps as may be necessary and desirable for the adoption of a regulation which would impose an administrative fee, known as the toll violation fee, in the amount of $50 for each toll collection violation on the Authority's bridges and tunnels.

A copy of the resolution, staff summary and details of the above item are filed with the minutes of the Board of the Metropolitan Transportation Authority.

Procurements

Commissioner Lebow stated there are no non-competitive procurements or ratifications.

Competitive Procurements

Commissioner Lebow stated that there are three competitive procurements totaling $1.540 million.

Upon a motion duly made and seconded, the Board unanimously approved the following competitive procurement items recommended to it by the Committee for MTA Bridges and Tunnels Operations.

Competitive Procurements

Personal Service Contracts

Lexington Hearing and Speech Center, Inc.	Contract No. PSC-09-2867X Consultant to provide annual audiometric testing and training in the proper use of hearing protection to the Authority's Bridge and Tunnel Officers (BTOs), Sergeants and Lieutenants. B&T's Hearing Conservation Program is a part of their union agreement to track auditory health, avoid accidents due to poor hearing and also conforms to OSHA Federal Regulations.	$121,370.00

Miscellaneous Service Contracts

Royal Waste Services, Inc.	Contract No. 10-MNT-2867 Contractor to provide for the removal and transport of garbage and recycling materials from various B&T facilities.	$1,353,450.00
Continental Lift Truck, Inc.	Contract No. 10-MNT-2869 Contractor to provide all labor, materials and equipment necessary to perform scheduled and unscheduled maintenance and repair of approximately 83 of the Authority's "off road" heavy-duty vehicles and associated equipment located at various B&T facilities. The repairs are for B&T vehicles that are out of warranty, and require the use of specialized equipment and trained personnel with mechanical skills not currently available at B&T.	$65,250.00

Upon a motion duly made and seconded, the Board unanimously approved:

- A NYCT competitively bid miscellaneous service joint procurement for maintenance and repair of elevators at various MTA agency locations. B&T's contract will be with Richmond Elevator Co., Inc. for a three year period in an amount of $610,550.
- A Metro-North Railroad request for an extension under a competitive multi-agency, miscellaneous service contract with Iron Mountain, Inc., to continue off-

site records storage and retention services from January 1, 2011 - August 3, 2011. B&T's not-to-exceed amount is $150,000.

Chairman Walder stated that Bridges and Tunnels is on-the-way to all electronic tolling with a pilot program at Henry Hudson Bridge. This is another example of the MTA's ability to move forward despite the climate we are in. Mr. Walder stated that the fruits of the pilot will become apparent next year.

6. **Adjournment**

Upon a motion duly made and seconded, the Board unanimously voted to adjourn the meeting at 9:50 a.m.

Respectfully submitted,

Cindy L. Dugan
Assistant Secretary

Regular Board Meeting
MTA Capital Construction Company
347 Madison Avenue
New York, NY 10017

Wednesday, September 29, 2010
9:30 a.m.

The following members were present:

Hon. Jay H. Walder, Chairman & CEO
Hon. Andrew M. Saul, Vice Chairman
Hon. Andrew Albert
Hon. John H. Banks, III
Hon. Robert C. Bickford
Hon. Allen P. Cappelli
Hon. Donald Cecil
Hon. Patrick J. Foye
Hon. Doreen M. Frasca
Hon. Jeffrey A. Kay
Hon. Mark D. Lebow
Hon. Susan Metzger
Hon. Mark Page
Hon. Mitchell H. Pally
Hon. Norman Seabrook
Hon. James L. Sedore, Jr.
Hon. Nancy Shevell
Hon. Vincent Tessitore, Jr.

The following members were absent:

Hon. Carl V. Wortendyke

Fredericka Cuenca, Chief of Staff, James B. Henly, General Counsel, Board Member James F. Blair, Board Member Norman Brown, Board Member Ira Greenberg, Thomas Prendergast, President of NYCTA, Helena E. Williams, President of Long Island Railroad, Howard Permut, President of Metro-North, James Ferrara, President of TBTA, Joseph A. Smith, President of LI Bus, MTA Bus & Sr. V.P. NYCT Department of Buses, Michael Horodniceanu, President of MTA Capital Construction, and Douglas Sussman, Director, Community 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, the Metro-North Commuter Railroad Company, the MTA Capital Construction Company, the MTA Bus Company, and the First Mutual Transportation Assurance Company.

Chairman Walder called the meeting to order.

Public Comment Period

There were no public speakers on any issues regarding MTA Capital Construction.

Approval of Minutes

Upon motion duly made and seconded, the MTA Board unanimously approved the minutes of the regular Board meeting held on July 28, 2010.

MTA Capital Construction Action Items

There were no Capital Construction Items for the Board members to consider.

MTA Capital Construction Procurements

Upon motion duly made and seconded, the MTA board approved the following procurement items:

- A modification to the East Side Access Madison Yard Site Clearance contract with Gramercy Wrecking & Environmental Company
- A ratification of a contract award to Zetron Incorporated for IESS/C3 contract wrap-up support services
- A ratification of a modification to the East Side Access 50th Street Ventilation Facility contract with CCA Civil – Halmar International
- A request for authorization to procure the Second Avenue Subway project's Systems contract through a competitive Request for Proposal (RFP) process rather than competitive bidding
- A ratification of a modification to the Second Avenue Subway 96th Street Station Civil contract with E. E. Cruz / Tully Construction Company, JV
- A ratification of two modifications to the Second Avenue Subway TBM Tunneling contract with S3 Tunnel Constructors, JV.

Adjournment

Upon motion duly made and seconded, the MTA Board voted to adjourn the public meeting at 9:50 a.m.

Respectfully submitted,

Patrick Killackey
Secretary

Staff Summary

Metropolitan Transportation Authority

Subject Swap Novation (Transportation Revenue Bond 2005E)	**Date** October 27, 2010
Department Finance	**Vendor Name**
Department Head Name Robert E. Foran, Chief Financial Officer	**Contract Number**
Department Head Signature	**Contract Manager Name**
Project Manager Name Patrick J. McCoy, Director of Finance	**Table of Contents Ref #**

Board Action

Order	To	Date	Approval	Info	Other
1	Finance Comm.	10/25	X		
2	Board	10/27	X		

Internal Approvals

Order	Approval	Order	Approval
1	Legal	2	Chief of Staff

SUMMARY and BACKGROUND:
MTA has an outstanding swap with a notional amount of $100 million with AIG Financial Products Corp. (AIG) which is associated with Transportation Revenue Variable Rate Bonds Series 2005E. AIG's ratings are A3/A-/BBB from Moody's, Standard & Poor's and Fitch respectively. The swap is a synthetic fixed payor agreement based on 67% of one month LIBOR and has a fixed rate of 3.561% and a maturity of 11/01/2035. The mark-to-market value of this transaction as of September 30, 2010 was negative $21.074 million. AIG has expressed its desire to transfer its rights and obligations arising from the Swap to another counterparty. This action would effectively transfer the risk borne by AIG to the new counterparty. The negative mark-to-market value would be addressed by the new counterparty making a payment to AIG, while MTA's position in the contract would remain largely unchanged. This process is referred to as a "novation" and requires the consent of MTA as provided for the existing swap documentation.

PURPOSE:
To seek authorization to enter into negotiations with an eligible counterparty to explore novation of the AIG swap and execute such transaction if negotiations are successful. MTA Finance has provided to the Board recommendations to approve a list of twelve financial companies interested in serving as swap counterparty on MTA derivative transactions. This list of firms resulted from the issuance of a request for proposals (RFP) for underwriting and swap counterparty services. The novation process involves negotiations with an existing counterparty (AIG) and a potential counterparty or counterparties.

ALTERNATIVES:
MTA could opt to leave the existing agreement with AIG in place.

RECOMMENDATION:
Because of the long dated maturity of the swap and the existing ratings of AIG, staff recommends that the Board authorize and delegate to staff such authority to identify a specific, more highly rated counterparty to enter into novation negotiations and ultimate execution for the AIG swap consistent with the existing Board swap policy. The Board hereby authorizes the Chief Financial Officer and his designees to execute such documents and agreements as are necessary or desirable in connection with the novation.

Metropolitan Transportation Authority

Staff Summary

Subject Revisions to MTA All Agency Investment Guidelines	**Date** October 14, 2010
Department CFO/Treasury	**Vendor Name**
Department Head Name Robert E. Foran, Chief Financial Officer	**Contract Number**
Department Head Signature	**Contract Manager Name**
Project Manager/Division Head Vinay T. Dayal, Director of Treasury	**Table of Contents Ref #**

Board Action

Order	To	Date	Approval	Info	Other
1	Finance Comm.		X		
2	Board		X		

Internal Approvals

Order	Approval	Order	Approval
1	Legal		Chief of Staff

Purpose: The MTA All Agency Investment Guidelines were adopted by the Board in May 2003. The MTA Treasury Department is seeking MTA Board approval of the resolution requiring that the All Agency Investment Guidelines ("Guidelines"), as revised, be adopted by the related entities as defined in the resolution ("Resolution"), including the appropriate designations, authorizations and approvals for the taking of all necessary actions deemed necessary or desirable in connection therewith.

Discussion:

1. To obtain approval of the Resolution:

- MTA Bus has been added to the list of related entities that are governed by the "Guidelines";

2. To obtain approval of the following revisions to the "Guidelines":

- Add that the Treasury Department reports directly to the Chief Financial Officer.
- Clarify that the "Guidelines" do not apply to the MTA First Mutual Transportation Assurance Corporation or to the MTA's defined benefit pension plan. These programs are covered by separately established investment guidelines.
- The MTA investment objectives are set forth at the beginning of the "Guidelines".
- The Section II. 4. requirement that MTA maintain a minimum of $100 million deposit with a separate custodian is amended by adding that such deposit requirement be subject to availability of cash resources to make such a deposit.
- All references to Executive Director have been deleted.
- As required by statute, the Independent Authority Budget Office has been added to the list of entities that receive the annual investment report.

3. To obtain approval of the Corporate Trading Authorization as set forth as Attachment A to the "Guidelines".

Recommendation(s): The Board approves the "Resolution", the "Guidelines" and the Corporation Trading Authorization attached thereto, including the appropriate designations, authorizations and approvals for the taking of all necessary actions deemed necessary or desirable in connection therewith.

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 and MTA's defined benefit pension plan – 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 two hundred fifty 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 of two nationally recognized independent rating agencies and, provided further, that no more than two hundred fifty 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 two hundred fifty 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.

Attachment A
CORPORATE TRADING AUTHORIZATION

I, Jay H. Walder, the duly appointed Chairman of the Metropolitan Transportation Authority ("MTA"), in accordance with the "Metropolitan Transportation Authority All-Agency Investment Guidelines" adopted by the Board of the MTA on October 27, 2010 (the "Guidelines"), do hereby designate and authorize the following individuals to invest the funds of the MTA and its affiliated and subsidiary agencies, subject to the terms and conditions of the Guidelines, in certain Permitted Investments (defined below):

Robert E. Foran	Chief Financial Officer
Vinay T. Dayal	Director of Treasury
Edna Y. Vasquez	Deputy Director of Treasury
Stephen K. Bishop	Senior Investment Manager
John J. Martingale	Portfolio Manager

While the Guidelines may generally authorize investment in additional financial instruments, for the purposes of this authorization, Permitted Investments 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 two hundred fifty 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 of two nationally recognized independent rating agencies and, provided further, that no more than two hundred fifty 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 two hundred fifty 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, and

j. 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.

I hereby further authorize the individuals designated above to purchase and sell and/or enter into the Permitted Investments for the MTA and its affiliated and subsidiary agencies.

IN WITNESS WHEREOF, I have set my hand as of the _____ day of October 2010.

_____

Jay H. Walder
Chairman, MTA

S:\Investment Documents\Investment Guidelines\Corp TradingOctober2010.DOC
10/18/2010

Staff Summary

Metropolitan Transportation Authority

Subject Request for Authorization to Award Various Procurements	**Date** October 8, 2010
Department Administration	**Vendor Name** Various
Department Head Name Linda Kleinbaum	**Contract Number** Various
Department Head Signature	**Contract Manager Name** Various
Division Head Name Clifford Shockley	**Table of Contents Ref #**

Board Action

Order	To	Date	Approval	Info	Other
1	Finance	10/25/10			
2	Board	10/27/10			

Internal Approvals

Order	Approval	Order	Approval
			Office of Civil Rights
	Executive Director		Legal
3	Financial Management		EITG
1	Procurement	2	Administration

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

DISCUSSION:	**# of Actions**	**$ Amount**
MTAHQ proposes to award Non-competitive procurements in the following categories:		
Schedules Requiring Majority Vote		
Schedule E: Miscellaneous Procurement Contract		
• Activu Corporation = $402,050	1	$ 402,050
Schedule F: Personal Service Contract		
• Antenna Design = $200,000	1	$ 200,000
Schedule G: Miscellaneous Service Contract		
• Mango DSP, Inc. = $88,466	1	$ 88,466
Schedule H: Modifications to Personal Service Contract		
• George Kocur, Ph.D = $95,000	1	$ 95,000
SUBTOTAL	4	$ 785,516
MTAHQ proposes to award Competitive procurements in the following categories:		
Schedules Requiring Majority Vote		
Schedule C: Purchase Contracts	1	$ 136,500
Schedule F: Personal Service Contract	1	$ 535,100
SUBTOTAL	2	$ 671,600
MTAHQ presents the following procurement actions for Ratification:		
Schedules Requiring Two-Thirds Vote		
Schedule D: Ratifications (Involving Schedules A-C) SUBTOTAL	1	$ 219,580
TOTAL	**7**	**$1,676,696**

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 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 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 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.

7. The Board authorizes the budget adjustments to estimated quantity contracts set forth in Schedule L.

LIST OF PROCUREMENTS FOR BOARD APPROVAL, OCTOBER 2010
NON-COMPETITIVE PROCUREMENTS

METROPOLITAN TRANSPORTATION AUTHORITY

Procurements Requiring Majority Vote:

E. Miscellaneous Procurement Contracts

(Staff Summaries required for all items greater than: $100K Sole Source; $250K Other Non-Competitive)

1. Activu Corporation — **$402,049.68** (combined total for 3 agencies) — ***Staff Summary Attached***

Maintenance for Activu Software, Hardware, and As-Needed Technical Support
Contract No. 10187-0100

Sole Source – 60 months

Contractor to provide MTA PD, LIRR and B&T, under this multi-agency agreement, with maintenance for proprietary Activu software, hardware and as-needed technical support. Activu equipment consist of servers, data wall, display devices and acoustic panels, etc. This equipment is used to support the IESS/C3 systems (Integrated Electronic Security Systems/Command, Control and Communication) at the MTAPD Long Island City Central facility by allowing information from LIRR, MNR and MTAPD cameras, Cable TV, and C3 workstations to be viewed simultaneously in real time by Supervisors or Command Staff. (MTA PD and LIRR use this equipment to support the IESS/C3 program, and B&T uses this equipment to support the AW34 program.) Because Activu system is proprietary, Activu Corporation is the only company who can perform maintenance on this system. The maintenance fees and hourly rates are the same fees as NYS OGS and federal GSA contracts and are thus deemed fair and reasonable.

F. Personal Service Contracts

Staff Summaries required for items greater than: $100K Sole Source; $250K Other Non-Competitive, $1M Competitive)

2. Antenna Design — **$200,000** (not-to-exceed) — ***Staff Summary Attached***

Industrial Design Services
Contract No. 10199-0100

Sole Source – 36 months

Contractor to provide as needed industrial design services for customer-interface equipment and devices at MTA New York City Transit (NYCT) stations as follows: i) perform concept development studies, research and analysis; ii) evaluate other transit agency's existing customer-interface equipment and devices and those currently in place in the MTA system; iii) attend meetings and site visits to consolidate the requirements of various factions; iv) produce design drawings and plans; and v) advice with respect to all aspects of customer interface equipment and devices. The hourly rate of $200 for this contract compares favorably with hourly rates ranging from $177 to $293 for principal design services, and is thus deemed to be fair and reasonable.

METROPOLITAN TRANSPORTATION AUTHORITY
NON-COMPETITIVE PROCUREMENTS

G. Miscellaneous Service Contracts

(Staff Summaries required for all items greater than: $100K Sole Source; $250K Other Non-Competitive; $1M RFP; No Staff Summary required if Sealed Bid Procurement)

3. **Mango DSP, Inc.** **$88,466.15**
Maintenance for Mango Equipment, **(not-to-exceed)**
Spare Parts and Related As-Needed
Consulting Services
Contract No. 10107-0100

Sole Source – 60 months

Contractor to provide maintenance and as-needed technical support for proprietary Mango equipment, which consists of video encoders, encoder chassis, intelligent video software and object video software to monitor cameras. This equipment is used to support the IESS/C3 systems (Integrated Electronic Security Systems/Command, Control and Communication) at the MTAPD Long Island City Central facility. It operates by taking videos from analog cameras and converting them into digital images so that they can be viewed on the cameras that are connected to the Intergraph system. (The Intergraph software is the core system that provides video surveillance, alarm monitoring and situational awareness). Because the Mango system is proprietary, Mango DSP, Inc. is the only company who can perform maintenance on this system. The yearly maintenance and technical support costs are $12,693.23 and $5,000 respectively. The technical support services will be utilized on an as-needed basis at rates that range from $115 to $175 per hour. The hourly rates are consistent with the rates negotiated by New York State which range from $105.25 to $213.20 for similar work, and are thus deemed reasonable.

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 original contract to equal or exceed monetary or durational threshold required for Board approval.)

4. **George Kocur, Ph.D** **$95,000**
Consulting Services to Advise on Technology **(not-to-exceed)**
And Telecommunications Issues for the MTA
And Its Agencies
Contract No. 09228-0100

Base plus supplements - $115,000

In October 2009, the Board approved Dr. Kocur to provide consulting services for the following: i) implementation of automated fare collection technology based on bank card standards; ii) application of IT to improve operations at MTA agencies; iii) improvement of the efficiency and effectiveness of IT services MTA-wide; iv) architecture and integration of IT services MTA wide; v) such other technology and communications development projects as necessary; and vi) review and assess the state of NYCT's operations-related communications infrastructure strategy, identify deficiencies in the current and planned strategy and its execution, and propose corrective actions. MTA requires Dr. George Kocur to render additional technology advice to MTA on a range of information technology (IT) and fare collection system issues for the MTA and to extend the period of his performance by an additional twelve (12) months. Dr. Kocur will advise on issues including the following: i) automated fare collection technology based on bankcard standards; ii)

bus customer information system in conjunction with the fare collection system; iii) retail reload solution for fare and toll collection; iv) telecommunications technology and services to support the fare collection system; v) other technology development projects as necessary; and project management practices, etc.

Dr. Kocur, who is a senior lecturer at the Massachusetts Institute of Technology (MIT) concentrating on system integration, technology problem solving and transportation, is uniquely qualified to provide the technology consulting services required by MTA. He has over 35 years of experience in technology leadership and is an internationally recognized authority in fare collection systems. He has worked extensively in recent years with transit systems, including Chicago Transit Authority, Transport for London and the MTA, on issues related to smartcard-based fare collection systems, and has conducted automated fare collection seminars attended by transportation and industry professionals from around the world. Dr. Kocur has also worked in a variety of senior technology officer positions, with responsibility for systems development, implementation and optimization, in the private sector as well as for various state transportation departments and federal agencies. The total not-to-exceed amount for these additional services over the next 12-month period is $95,000. Dr. Kocur's hourly rate of $115 falls below the range of rates from $280 to $380 per hour for similar technology consulting services. Based on this comparison, the hourly rate of $115 is considered fair and reasonable.

Staff Summary

Metropolitan Transportation Authority

Schedule E: Miscellaneous Procurement Contracts

Item Number:

Vendor Name (& Location): Activu Corporation	**Contract Number:** 10187-0100 — **Renewal?** ☐ Yes ☒ No
Description: Maintenance and As-Needed Technical Support for Activu System	**Total Amount:** $402,049.68
Contract Term (including Options, if any): November 1, 2010 through October 31, 2015	**Funding Source:** ☒ Operating ☐ Capital ☐ Federal ☐ Other:
Option(s) included in Total Amount? ☐ Yes ☒ No	**Requesting Dept/Div & Dept/Div Head Name:** Security/MTA Police; William Morange/Kevin McConville
Procurement Type: ☐ Competitive ☒ Non-competitive	**Contract Manager:** Galina Brukman
Solicitation Type: ☐ RFP ☐ Bid ☒ Other: Sole Source	

DISCUSSION:

To recommend that the Board approve the award of this sole source multi-agency contract to provide MTA PD, LIRR and B&T with maintenance for proprietary Activu software, hardware and as-needed technical support for a period of five (5) years from November 1, 2010 through October 31, 2015 for a combined total not-to-exceed amount of $402,049.68.

Activu equipment consists of servers, data wall, display devices and acoustic panels, etc. This equipment is used to support the IESS/C3 systems (Integrated Electronic Security Systems/Command, Control and Communication) at the MTAPD Long Island City Central facility by allowing information from LIRR, MNR and MTAPD cameras, Cable TV, and C3 workstations to be viewed simultaneously in real time by Supervisors or Command Staff. MTA PD and LIRR use this equipment to support the IESS/C3 program, and B&T uses this equipment to support the AW34 program. .

Activu is the sole manufacturer of the proprietary equipment listed above, and thus is the only company that can perform maintenance on this system.

The maintenance fees obligated under this contract are the same fees as NYS OGS and federal GSA contracts and are thus deemed fair and reasonable. The hourly rates for as-needed technical support range from $105.28 to $213.20 and are the same rates as in New York State OGS Contract number PT64342. Based on the above, the total multi-agency amount of $402,049.68 is considered to be fair and reasonable.

MTA Form R0058E 3/07

Staff Summary

Schedule F: Personal Service Contracts

Metropolitan Transportation Authority

Item Number:	
Dept & Dept Head Name: Strategic Initiatives/Charles Monheim	
Division & Division Head Name: Charles Monheim	

Board Reviews

Order	To	Date	Approval	Info	Other
1	Finance	10/25			
2	Board	10/27			

Internal Approvals

Order	Approval	Order	Approval
1	Procurement	4	Office of Civil Rights
2	Executive	5	Legal
3		6	Budgets & Financial Mgmt.

SUMMARY INFORMATION

Vendor Name: Antenna Design New York	**Contract Number:** 10199-0100
Description: Industrial Design Services	
Total Amount: $200,000 not-to-exceed	
Contract Term (including Options, if any) Thirty-six (36) Months	
Option(s) included in Total Amount?	☐ Yes ☒ No
Renewal?	☐ Yes ☒ No
Procurement Type: ☐ Competitive ☒ Non-competitive	
Solicitation Type: ☐ RFP ☐ Bid ☒ Other:	
Funding Source: ☐ Operating ☐ Capital ☐ Federal ☐ Other:	

Narrative

I. PURPOSE/RECOMMENDATION

To recommend that the Board approve a non-competitive personal services contract to Antenna Design New York to provide as needed industrial design services for customer-interface equipment and devices at MTA New York City Transit (NYCT) stations for a period of thirty-six (36) months from November 1, 2010 through October 31, 2013 for a total not-to-exceed amount of $200,000.

II. DISCUSSION

MTA New York City Transit has initiated projects to improve security, travel information, communications and fare collection at stations. Separately, the Real Estate Department is seeking to increase revenue by making space available at station entrances and exits. To the greatest extent possible, these efforts should be undertaken in coordinated ways that function effectively, enhance the station environment and respect the design heritage of the subway system.

Antenna Design New York has an unparalleled record of assisting MTA New York City Transit achieve functionally superior and visually pleasing solutions to a variety of design problems. Previous successes include: i) guidance and design in the creation of effective and positive customer interface screens/hardware and equipment in automated Metrocard vending machines; ii) exterior and interior design elements in R142, R143 and R160 subway; and iii) help point intercoms. Antenna Design's principal, Mr. Masamichi Udagawa is uniquely qualified to provide industrial design consulting services since he was the principal behind the above-mentioned services.

Mr. Udagawa is an internationally recognized, award winning industrial designer with extensive experience, expertise and familiarity with NYCT requirements, stakeholders and customer interface. Mr. Udagawa received his MFA (Master of Fine Arts) from Cranbrook Academy of Art, was a senior designer at Apple Computer Industrial Design Group where he designed a number of products such as the PowerBook 5300/3400 series. He is the recipient of numerous design awards including: IDEA Gold Awards, ID Magazine's Best-of-Category and First Prize of Japan's Good Design Award, National Design Awards, Cooper-Hewitt National Design Museum and the Best of NeoCon 2010 Innovation Award.

Under this contract, Masamichi Udagawa will be: i) performing concept development studies, research and analysis; ii) evaluating other transit agency's existing customer-interface equipment and devices as well as those currently in place or intended for the MTA New York City Transit stations; iii) facilitating resolution among station initiatives of functional, visual and environmental design issues; iv) producing design drawings and plans; and v) advising on matters involving customer interfaces with equipment and devices in the station environment..

The hourly rate of $200 for this contract compares favorably with hourly rates ranging from $177 to $293 for principal design services for other consultants providing similar work, and is thus deemed to be fair and reasonable.

III. D/M/WBE INFORMATION

The MTA's Department of Diversity and Civil Rights established a 0% goal for MBE and WBE participation for this contract.

IV. IMPACT ON FUNDING

Funding for this contract will be made available from the operating budget of the executive budget.

V. ALTERNATIVES

1. Perform all services in-house: This alternative is not practical. The Authority does not have the resources or the trained personnel to perform industrial design services.

2. Do not approve award of this contract: This alternative is not feasible because MTAHQ will not be able to ensure a cohesive and coordinated approach to the various initiatives across the agencies.

3. Conduct a competitive process: It is not practical to conduct a competitive process. This project requires prior in-depth experience and expertise with specific and overall working knowledge of the design of the MTA and its Agencies' requirements to ensure a cohesive and coordinated approach for customer-interface equipment and devices at NYCT, which Mr. Udagawa has demonstrated based on his prior successfully completed projects with the MTA.

LIST OF PROCUREMENTS FOR BOARD APPROVAL, OCTOBER 2010
COMPETITIVE PROCUREMENTS

METROPOLITAN TRANSPORTATION AUTHORITY

Procurements Requiring Majority Vote:

C. Competitive Requests for Proposals (Award of Purchase and Public Work Contracts)
(Staff Summaries required for items requiring Board approval)

1. As-Needed Purchase of Canines **$136,500**
For MTA Police Department **(not-to-exceed)**
Contract Nos. 10106-0100 thru 0500

a. Alabama Canine Law Enforcement Officer's Training Center, Inc.
b. East Coast K-9 Academy, LLC
c. Elite K9 Security
d. North American K-9 Services, LLC.
e. Worldwide Canine, Inc.

Competitively negotiated - 5 proposals – 36 months

Contractors to provide, on an as needed basis, canines for dual purposes of explosive detection and patrol duties. Currently, the MTA Police Department (MTAPD) has a Canine Unit of forty-five (45) deployed canine teams (i.e. handler and canine). On an on going basis, canines will need to be replaced due to retirement or health issues. Prior to the purchase of any canine, all canines must undergo long and rigorous testing and evaluation to ensure that they meet the requirements to perform their duties in the MTA's environment. Because other government and private businesses compete for canines, it is necessary to award multiple contracts in order to provide MTAPD with multiple sources to ensure the ability to acquire qualified canines when needed. The acquisition of canines under these contracts will be based on an as needed basis and will be made to lowest-priced vendor. If qualified canines are not available from the lowest-priced vendor, then the MTA will go to the next lowest vendor. The initial unit costs from all vendors ranging from $6,250 to $8,300 were negotiated down to $6,000 to $7,800. In January 2010 MTAPD acquired canines at unit costs that ranged from $5,800 to $6,000. Based on the above and the negotiated savings ranging from $250 to $500, the above unit prices are deemed reasonable.

F. Personal Service Contracts
Staff Summaries required for items greater than: $100K Sole Source; $250K Other Non-Competitive, $1M Competitive)

2. Beth Israel **$535,100**
Medical Consulting and Administrative **(Not-to-exceed)**
Processing Members for the
MTA Defined Benefit Plan
Contract No 10174-0100

TBTA Contract Ride – 22 months

MTA seeks approval to ride TBTA's competitively awarded contract PSC-07-2828 that was approved by the Board on June 24, 2009 to provide 24/7 medical consulting services consisting of: i) determining the fitness for duty of Authority employees who may be absent due to illness or injury; ii) ensuring that absences are related to medical condition claimed by the employee; iii) determining whether employees are obtaining proper treatment; and iv) advising the Authority concerning medical issues raised. The MTA Defined Benefit Pension Plan (MTA DBPP) will utilize the services provided by this Contractor to assist in the process of reviewing and evaluating employees that submit applications for disability compensation. Once a disability application and supporting documentation is received from an employee and processed by the MTA DBPP, the

employee must be scheduled for a Medical Board examination. The MTA DBPP Medical Board is made up of: i) a physician representing MTA; ii) a physician representing the employee; and iii) an independent physician. The Contractor, Beth Israel, will act as the independent physician and will provide: i) evaluations and examinations for recommendation of disability retirement; ii) special examinations (Psychiatric, Psychological, Orthopedic, Neurological); iii) comprehensive independent medical evaluation; iv) review of records/preparation of full patient report(s); v) preparation and development of testimony and or testimony quality reports and/or time out-of-office for testimony preparation and appearances; vi) review of jobs, sites, visits, etc; and vii) consultation services. The pricing under this contract is the same pricing that was negotiated under TBTA's competitively, Board-approved contract and is thus deemed reasonable.

LIST OF PROCUREMENTS FOR BOARD APPROVAL, OCTOBER 2010
PROCUREMENTS FOR RATIFICATION

METROPOLITAN TRANSPORTATION AUTHORITY

Procurements Requiring Two-Thirds Vote:

D. Ratifications (Involving Schedules A-C)
(Ratifications are to be briefly summarized with staff summaries attached only for unusually large or especially significant items)

1. VeriFone Systems, Inc. **$219,580**
On-Board Equipment and Services for **(Not-to-exceed)**
MTA Bus Customer Information System Pilot
Contract No 10182-0100

NYC TLC Contract Ride – 6 months

MTA seeks approval to ride New York City Taxi and Limousine Commission's (TLC) competitively awarded contract 20060030231 to provide products and services consisting of hardware, software, technical support and documentation to prove the concept that the equipment being used for its Phase 2 Smart Card pilot (3G wireless modem, GPS, and contactless card reader/terminal) can be used to provide accurate bus location information to MTA and its customers. The MTA has successfully tested (on 34th Street) a proprietary single-vendor real-time Bus Customer Information System (Bus CIS), including on-board bus announcements and signs, display signs at bus stops, and internet and mobile applications. It is estimated that implementation of this system across New York City Transit's and MTA Bus Company's fleets would cost the MTA over $140 million and take at least five years to complete. Because of the extremely high estimated cost and financial risk associated with dependence on a single vendor, MTA is currently developing a different approach for providing a Bus CIS.

The MTA seeks to test and prove the concept that standard equipment being used for its Phase 2 Smart Card pilot (3G wireless modem, GPS, and secure payments terminal) can be used securely to provide accurate real-time bus location information to our customers. In addition, a commercial off-the-shelf "dead reckoning" unit will use additional sensors such as the bus odometer to provide accurate GPS locations even in dense Manhattan "urban canyons" where typical GPS can have problems (a unit has already been tested with satisfactory results). By developing a solution that is based on standard hardware technologies and open standard software interfaces, the MTA will be able to more easily integrate on-board equipment and add additional functionality in the future than would be possible with a proprietary solution. This approach will place the MTA in a better negotiating position with vendors as the commercial marketplace for these standard technologies are larger than the transit-focused market.

The pilot project currently under development requires modifications to the on-bus equipment developed by Verifone for MasterCard in the Phase 2 Smart Card pilot. This contract with Verifone is for design changes to incorporate the dead reckoning unit, additional programming to integrate with the Bus CIS Server, and for the manufacture and delivery of 35 units to be installed on buses serving the pilot route. This pilot, if successful, will: i) help the MTA create a system that when ultimately deployed will cost tens of millions of dollars less than other available proprietary systems; and ii) be able to deliver real-time information to its customers much sooner and at much lower operating and maintenance cost. If this pilot is deemed successful, MTA will issue a master competitive Request for Proposals to build this technology to deploy to its entire fleet of buses.

METROPOLITAN TRANSPORTATION AUTHORITY
RATIFICATION PROCUREMENTS

As result of negotiations, the proposed cost of $237,000 was negotiated down to $219,580, for a savings of $17,420 or 7.35 %. There is no prior contract for these products and services with which cost can be compared; however, based on the above, the pricing is deemed to be fair and reasonable. MTA has conducted a responsibility review and other due diligence on VeriFone and has deemed them to be responsible for award.

OCTOBER 2010
MTA REAL ESTATE
LIST OF REAL ESTATE ACTION ITEMS FOR BOARD APPROVAL

ACTION ITEMS

MTA METRO-NORTH RAILROAD

Permit with the New York State Department of Transportation in support of Metro-North's Harlem and Hudson Line Power Improvements Project in Hawthorne, New York

License agreement with Dutchess County for the construction and use of parking and access to the Dutchess County Rail Trail and the Hopewell Depot Station Building

Lease agreement with Eli's Manhattan Warehouse Inc., for retail operation of high-quality fresh fruits, vegetables, herbs, mushrooms and fresh cut flowers

Lease agreement with 25 Vanderbilt Corp. d/b/a Pylones, for retail of gifts and accessories relating to kitchens, bathrooms, children, office and pets and other similar items sold at other Pylones stores in Manhattan

MTA LONG ISLAND RAIL ROAD

Amendment to extend term of license agreement with National Grid Corporate Services, LLC for continued monitoring of track conditions along Montauk Branch in Brightwaters, New York

Placement of Informational and Directional Signs for Taxi Stand Operated by Greater Jamaica Development Corporation at Jamaica Station, New York

License agreement with the Town of Brookhaven for a bike path on LIRR right of way along River Road, Shirley, New York

Lease with Old Country Commons LLC for Medical Unit space at 300 Old Country Road, Mineola, New York

Staff Summary

Metropolitan Transportation Authority

Subject **PERMIT**	Date **OCTOBER 25, 2010**
Department **REAL ESTATE**	Vendor Name
Department Head Name **JEFFREY B. ROSEN**	Contract Number
Department Head Signature	Contract Manager Name
Project Manager Name **NEIL MASTROPIETRO**	Table of Contents Ref #

Board Action

Order	To	Date	Approval	Info	Other
1	Finance Committee	10/25/10	X		
2	Board	10/27/10	X		

Internal Approvals

Order	Approval	Order	Approval
		1	Legal
3	Chief of Staff		
2	Managing Director		
	Civil Rights		

Narrative

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

PERMITTOR: New York State Department of Transportation ("NYSDOT")

LOCATION: New York State Route 141, Hamlet of Hawthorne, Town of Mt. Pleasant, Westchester County

ACTIVITY: Permit for access

ACTION REQUESTED: Approval of terms

TERM: One month, automatically renewing

SPACE: 2,157± square feet of NYSDOT right-of-way for Route 141

COMPENSATION: One dollar, payment waived

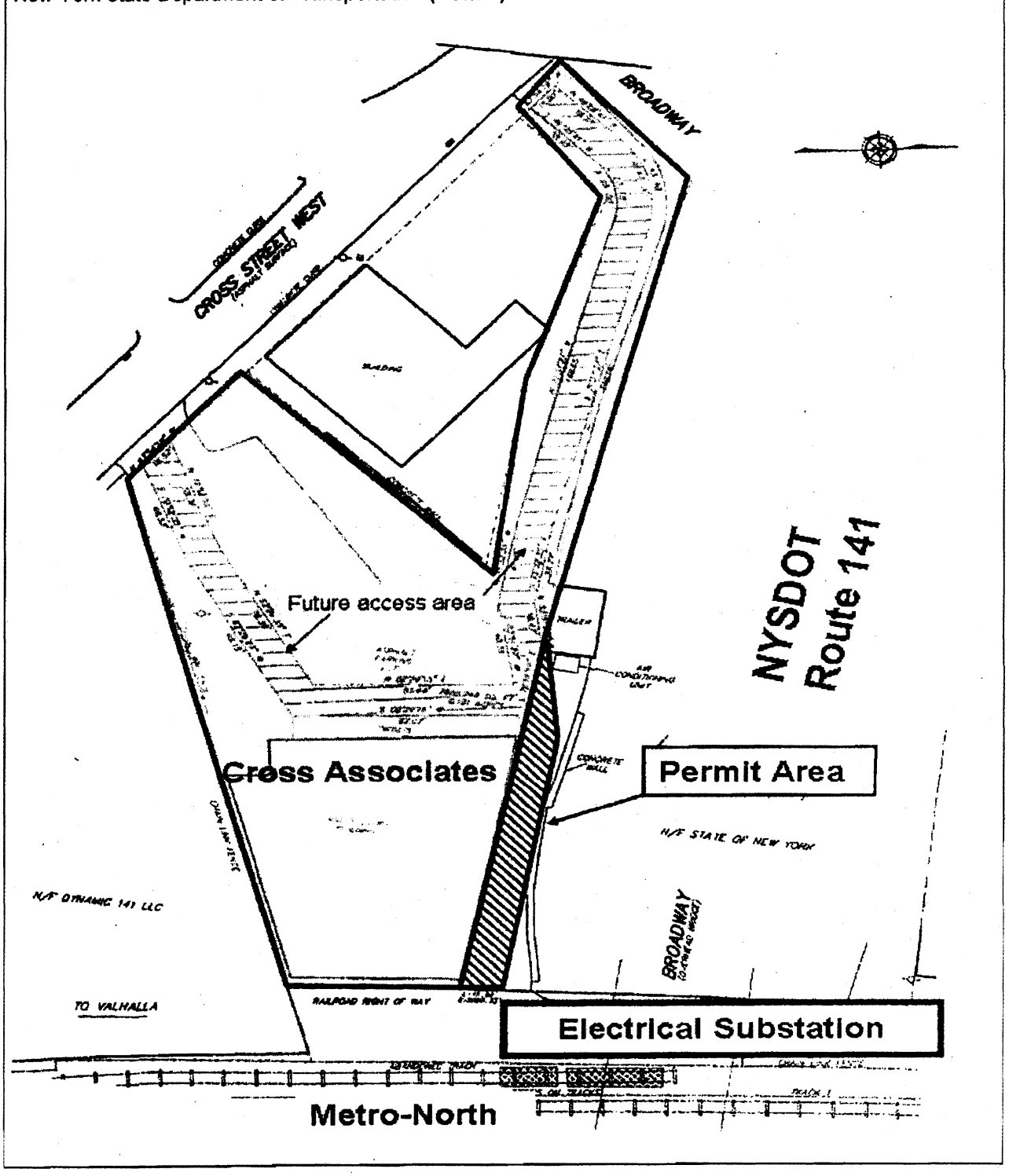
COMMENTS:

As part of Metro-North's Harlem and Hudson Line Power Improvements Project, ten new electrical power substations are required at specific locations on the Harlem Line from North White Plains to Brewster. The substation planned for this location in Hawthorne is adjacent to NYS Route 141 and property owned by Cross Associates.

The substation will be constructed on Metro-North's property underneath a bridge that carries Route 141 over Metro-North's Harlem Line. The closest public street is Cross Street West. Access to the substation site for construction, operation and long-term maintenance can be achieved by utilizing a portion of NYSDOT's property and Cross Associates' existing driveway, as shown on the attached map. MTA Real Estate is currently negotiating for the acquisition of access rights over the Cross Associates property that, when combined with the subject NYSDOT permit, will provide Metro-North with the required access.

Based on the foregoing, the Real Estate Department requests authorization to obtain a permit from NYSDOT on the above-described terms and conditions.

FINANCE COMMITTEE MEETING
New York State Department of Transportation **(Cont'd)**



Staff Summary

Metropolitan Transportation Authority

Subject LICENSE AGREEMENT	Date OCTOBER 25, 2010
Department REAL ESTATE	Vendor Name
Department Head Name JEFFREY ROSEN	Contract Number
Department Head Signature	Contract Manager Name
Project Manager Name BENSON GOODWYN	Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	CC/P/RE Committee	10/25/10	X		
2	Board	10/27/10	X		

Internal Approvals			
Order	Approval	Order	Approval
		1	Legal
3	Chief of Staff		
2	Managing Director		
	Civil Rights		

Narrative

AGENCY:	MTA Metro-North Railroad ("Metro-North")
LICENSEE:	County of Dutchess, New York ("Dutchess")
LOCATION:	Portion of the Maybrook-Beacon railroad right-of-way in the Village of Hopewell Junction in the Town of East Fishkill, New York
ACTIVITY:	Construction and use of parking lot and access to the adjacent Dutchess County Rail Trail and Hopewell Depot Station Building
ACTION REQUESTED:	Approval of terms
TERM:	Ten years, with one 10-year extension option, subject to termination on 60 days notice
SPACE:	Approximately 1.8 acres
COMPENSATION:	One thousand dollars ($1,000.00), one time payment

COMMENTS:

Dutchess is in the process of completing a twelve-mile-long recreational "Dutchess Rail Trail" that will run from Morgan Lake on the Poughkeepsie border through the towns of LaGrange and Wappinger and end in East Fishkill with a trailhead in the Hamlet of Hopewell Junction. Dutchess has requested the use of 1.8 acres to improve access to the Hopewell Depot Station Building, which is owned by Dutchess, and to construct and operate a parking lot for trail users.

The property in question was formerly leased for $6,000 per year to a tenant that stored construction materials and equipment materials on the site. The proposed compensation covers the legal costs the MTA incurred in connection with the termination of such occupany.

Metro-North will have no construction or maintenance responsibility or liability with respect to the subject property. The use of the property will not significantly impact Metro-North operations, and Dutchess will be required to submit plans for Metro-North review prior to commencing construction. Metro-North will retain approximately a half acre west of the parking area, which is sufficient for its operational needs related to the Beacon Line.

Based on the foregoing and in light of the public benefit to be provided, MTA Real Estate requests authorization to enter into a license agreement with Dutchess on the above terms and conditions.

Staff Summary

Metropolitan Transportation Authority

Subject **LEASE AGREEMENT**	Date **OCTOBER 25, 2010**
Department **REAL ESTATE**	Vendor Name
Department Head Name **JEFFREY B. ROSEN**	Contract Number
Department Head Signature	Contract Manager Name
Project Manager Name **NANCY MARSHALL**	Table of Contents Ref #

Board Action

Order	To	Date	Approval	Info	Other
1	Finance Committee	10/26/10	X		
2	Board	10/27/10	X		

Internal Approvals

Order	Approval	Order	Approval
		1	Legal
3	Chief of Staff		
2	Managing Director		
	Civil Rights		

Narrative

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

LICENSOR: Eli's Manhattan Warehouse Inc. dba Eli's Farm to Table Market ("Eli's")

LOCATION: Retail Spaces MKT-01, 02 and MKT-12, 13, 14

ACTIVITY: The retail operation of a green-grocer selling high-quality fresh fruits, vegetables, herbs, mushrooms and fresh cut flowers that will complement other uses in the Grand Central Market

ACTION REQUESTED: Approval of terms

TERM: Ten years

SPACE: A total of approximately 1,657 square feet, which includes:
-Spaces MKT-01 & MKT-02, consisting of approximately 656 sq. ft.
-Spaces MKT-12, MKT-13, & MKT-14, consisting of approximately 1,001 sq. ft.

COMPENSATION: Annual Base Rent plus 4% of gross sales over Breakpoint, as follows:

MKT-01, 02

Year	Annual Base Rent	PSF	Breakpoint
1	$78,720.00	$120.00	$1,968,000.00
2	$81,081.60	$123.60	$2,027,040.00
3	$83,514.05	$127.30	$2,087,851.20
4	$86,019.47	$131.12	$2,150,486.74
5	$88,600.05	$135.06	$2,215,001.34
6	$91,258.06	$139.11	$2,281,451.38
7	$93,995.80	$143.28	$2,349,894.92
8	$96,815.67	$147.58	$2,420,391.77
9	$99,720.14	$152.01	$2,493,003.52
10	$102,711.75	$164.19	$2,567,793.63

FINANCE COMMITTEE MEETING
Eli's Manhattan Warehouse Inc. dba Eli's Farm to Table Market **(Cont'd)**

MKT-12, 13, 14

Year	Annual Base Rent	PSF	Breakpoint
1	$125,125.00	$125.00	$3,128,125.00
2	$128,878.75	$128.75	$3,221,968.75
3	$132,745.11	$132.61	$3,318,627.81
4	$136,727.47	$136.59	$3,418,186.65
5	$140,829.29	$140.68	$3,520,732.25
6	$145,054.17	$144.90	$3,626,354.21
7	$149,405.79	$149.25	$3,735,144.84
8	$153,887.97	$153.73	$3,847,199.19
9	$158,504.61	$158.34	$3,962,615.16
10	$163,259.74	$163.09	$4,081,493.62

MARKETING: $10.00 per sq. ft. per year increasing annually by 3%

TRASH: $9.00 per sq. ft. per year increasing annually by 5%

SECURITY: Three months minimum rent plus the personal guaranty of Eli Zabar (limited to six months rent after vacating of premises)

INSURANCE: Standard

CONSTUCTION PERIOD: Sixty (60) days

COMMENTS:

In response to a recent MTA request for proposals for Retail Spaces MKT-01, MKT-02, MKT-12, MKT-13 and MKT-14 at Grand Central Terminal, three proposals were received. The proposals were received from Eli's, Good Froot LLC/Race West Co. Inc. dba Good Froot ("Good Froot") and Greenwich Produce Corp dba Greenwich Produce.

Per the Guidelines for Selection of Tenants for Grand Central Terminal approved by the MTA Board in November 2009, the proposals received were independently evaluated by Williams Jackson Ewing and Jones Lang LaSalle, and subsequently evaluated by the Director of GCT Development. When evaluating the proposals, two evaluation criteria were taken into account. Selection Criterion A, which accounts for 70% of the score, is designed to evaluate the direct economic value of a proposal. Selection Criterion B, which accounts for 30% of the score, is the evaluator's determination of a proposal's potential indirect benefit to the MTA. The Total Selection Criteria Score as evaluated by the Director of GCT Development was higher for Eli's than for the remaining proposers. However Eli's did not offer the highest Unadjusted Guaranteed Rent Amount (i.e. the proposed guaranteed minimum rent, on a present value basis determined using a discount rate of 6%); consequently a selection committee was convened.

FINANCE COMMITTEE MEETING
Eli's Manhattan Warehouse Inc dba Eli's Farm to Table Market **(Cont'd)**

COMMENTS: (Cont'd)

The selection committee reviewed and scored all three proposals. Each member of the selection committee awarded a higher Criterion B Score and Total Selection Criteria Score to Eli's than to the other proposers. The selection committee's scoring of the three proposals is shown in the attached chart. (The scores shown in columns B, E and I represent the sums of the scores from the three selection committee members divided by 3). The rent proposed by Eli's coincides with the estimated fair market rental value of the subject space, as determined by Williams Jackson Ewing.

Good Froot is a wholesaler of produce lacking any significant retail experience. The one store Good Froot operates, located in Scranton, PA, has been open only a few months, and is not of a quality commensurate with that of a typical New York City green grocer, or with the quality of the other tenants in the Grand Central Market. Moreover, Good Froot's economic proposal relative to estimated sales levels was unrealistic in light of the known sales levels this retail use is known to have achieved over the past twelve years and the selection committee therefore determined that Good Froot's Unadjusted Guaranteed Rent Amount should be discounted.

Eli Zabar is one of NYC's most innovative food entrepreneurs, known for selling the highest quality produce and gourmet foods at his Upper East Side food markets. Zagat Guides have consistently named Eli's produce departments "The Best". An Eli's Farm-to-Table Market at Grand Central will be a showcase for local and regional produce and will emphasize Eli's long-term commitment to the seasonal, organic, sustainable practices of farmers in the tri-state area. Eli's is expected to attract new clientele to the Grand Central Market and to bring renewed energy to the existing tenant mix.

Based on the foregoing, MTA Real Estate requests authorization to enter into a lease agreement with Eli's on the above-described terms and conditions.

Staff Summary

Metropolitan Transportation Authority

MKT-1,2

Scoring	A	B	C	D	E	F	G	H	I	J
	Unadjusted Guaranteed Rent Amount*	Guaranteed Rent Adjustment Factor**	Adjusted Guaranteed Rent Amount (A x B)	Unadjusted Percentage Rent Amount	Percentage Rent Adjustment Factor***	Adjusted Percentage Rent Amount (D x E)	Adjusted Total Rent Amount (C + F)	Selection Criterion A Score **** (0-70)	Selection Criterion B Score (0-30)	Total Selection Criterion Score (H + I)
Ell's Produce	$654,856	1	$654,856	0	0	0	$654,856	70	27.3	97.3
Good Frost	$733,437	.76	$561,813	$163,714	0	0	$561,813	60.1	7.3	67.05
Greenwich Produce	$654,854	1	$ 654,854	$1,526	0	0	$654,854	70	12.3	82.3

MKT-12,13,14

Scoring	A	B	C	D	E	F	G	H	I	J
	Unadjusted Guaranteed Rent Amount*	Guaranteed Rent Adjustment Factor**	Adjusted Guaranteed Rent Amount (A x B)	Unadjusted Percentage Rent Amount	Percentage Rent Adjustment Factor***	Adjusted Percentage Rent Amount (D x E)	Adjusted Total Rent Amount (C + F)	Selection Criterion A Score **** (0-70)	Selection Criterion B Score (0-30)	Total Selection Criterion Score (H + I)
Ell's Produce	$1,040,890	1	$1,040,890				$1,040,890	70	27.3	97.3
Good Frost	$1,165,797	.76	$ 886,006	$ 260,223	0	0	$ 886,006	59.6	7.3	66.58
Greenwich Produce	$1,040,887	1	$1,040,887				$1,040,887	70	12.3	82.3

*Calculated using 6% discount rate

**Guaranteed Rent Adjustment Factor: from 1.00 (no uncertainty about A) to as low as 0.50 (great uncertainty about A); however may be as low as 0 per guidelines

***Percentage Rent Adjustment Factor: as high as 0.50 (no uncertainty about D) to as low as zero (great uncertainty about D).

****Selection Criterion A Score: 70 multiplied by the ratio of the Adjusted Total Rent Amount for the proposer to the highest Adjusted Total Rent Amount (from column G)

Staff Summary

Metropolitan Transportation Authority

Subject **LEASE AGREEMENT**	Date **OCTOBER 25, 2010**
Department **REAL ESTATE**	Vendor Name
Department Head Name **JEFFREY B. ROSEN**	Contract Number
Department Head Signature	Contract Manager Name
Project Manager Name **NANCY MARSHALL**	Table of Contents Ref #

Board Action

Order	To	Date	Approval	Info	Other
1	Finance Committee	10/25/10	X		
2	Board	10/25/10	X		

Internal Approvals

Order	Approval	Order	Approval
		1	Legal
3	Chief of Staff		
2	Manager Director		
	Civil Rights		

Narrative

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

LESSEE: 25 Vanderbilt Corp dba Pylones ("Pylones")

LOCATION: Retail Space MC-08

ACTIVITY: The retail sale of gifts and accessories relating to kitchen, bathroom, children, office and pets and other similar items sold at other Pylones stores in Manhattan

ACTION REQUESTED: Approval of Terms

TERM: Ten years

SPACE: Approximately 2162 sq. ft.

COMPENSATION: Annual Base Rent plus 10% of gross sales over Breakpoint, as follows:

Year	Annual Base Rent	PSF	Breakpoint
1	$329,000	$152.17	$3,513,250
2	$338,870	$156.74	$3,618,647
3	$349,036	$161.44	$3,727,206
4	$359,507	$166.28	$3,839,023
5	$370,292	$171.27	$3,954,193
6	$381,401	$176.41	$4,072,819
7	$392,843	$181.70	$4,195,004
8	$404,628	$187.15	$4,320,854
9	$416,767	$192.76	$4,450,479
10	$429,270	$198.55	$4,583,994

MARKETING: $10.00 per sq. ft. per year increasing annually by 3%

TRASH: $6.00 per sq. ft. per year increasing annually by 5%

SECURITY: Three months minimum rent plus personal guaranties from Alan Ceppos and Frederic Rambaud (limited to six months rent after vacating of premises)

INSURANCE: Standard

CONSTRUCTION PERIOD: Sixty (60) days

FINANCE COMMITTEE MEETING
25 Vanderbilt Corp dba Pylones (cont.)

COMMENTS:

In response to a recent MTA request for proposals for Retail Space MC-08 at Grand Central Terminal, four proposals were received. The proposals were received from Pylones, Moskatel Group, Inc. dba Planet Kids, Brookstone Stores Inc. dba Brookstone and Afaze, Inc. dba Afaze.

Per the Guidelines for Selection of Tenants for Grand Central Terminal approved by the MTA Board in November 2009, the proposals received were independently evaluated by Williams Jackson Ewing and Jones Lang LaSalle, and subsequently evaluated by the Director of GCT Development. When evaluating the proposals, two evaluation criteria were taken into account. Selection Criterion A, which accounts for 70% of the score, is designed to evaluate the direct economic value of a proposal. Selection Criterion B, which accounts for 30% of the score, is the evaluator's determination of a proposal's potential indirect benefit to the MTA.

As indicated in the attached chart, the Unadjusted Guaranteed Rent Amount (i.e. the proposed guaranteed minimum rent, on a present value basis determined using a discount rate of 6%) and the Total Selection Criteria Score for Pylones were both higher than the Unadjusted Guaranteed Rent Amount and Total Selection Criteria Scores for each of the remaining three proposers; consequently a selection committee was not convened. The rent proposed by Pylones exceeds the estimated fair market rental value of the subject space, as determined by Williams Jackson Ewing prior to the issuance of the RFP.

Pylones has been a tenant in the Terminal since 2007 and has created a strong customer base. The Pylones product line is full of unique and fun merchandise, moderately priced and appealing to customers of all ages. The store is very well operated and visually exciting, which adds to its attraction for customers and other potential tenants.

Based on the foregoing, MTA Real Estate requests authorization to enter into a lease agreement with Pylones on the above-described terms and conditions.

Staff Summary

Metropolitan Transportation Authority

Scoring	A	B	C	D	E	F	G	H	I	J
	Unadjusted Guaranteed Rent Amount	Guaranteed Rent Adjustment Factor*	Adjusted Guaranteed Rent Amount (A x B)	Unadjusted Percentage Rent Amount	Percentage Rent Adjustment Factor**	Adjusted Percentage Rent Amount (D x E)	Adjusted Total Rent Amount (C + F)	Selection Criterion A Score *** (0-70)	Selection Criterion B Score (0-30)	Total Selection Criterion Score (H + I)
Pylones	$2,670,379	1	$2,670,379	$170,606	0	0	$2,670,379	70.0	25	95.00
Planet Kids	$2,338,085	1	$2,338,085		0	0	$2,338,085	61.3	10	71.29
Brookstone	$2,338,085	1	$2,338,085	$119,554	0	0	$2,338,085	61.3	15	76.29
Afaze	$2,338,085	1	$2,338,085		0	0	$2,338,085	61.3	5	66.29

* Guaranteed Rent Adjustment Factor: from 1.00 (no uncertainty about A) to as low as 0.50 (great uncertainty about A); however may be as low as 0.00 per guidelines

** Percentage Rent Adjustment Factor: as high as 0.50 (no uncertainty about D) to as low as zero (great uncertainty about D)

*** Selection Criterion A Score: 70 multiplied by the ratio of the Adjusted Total Rent Amount for the proposer to the highest Adjusted Total Rent Amount (from column G)

Staff Summary

Metropolitan Transportation Authority

Subject EXTENSION OF LICENSE AGREEMENT	Date OCTOBER 25, 2010
Department REAL ESTATE	Vendor Name
Department Head Name JEFFREY ROSEN	Contract Number
Department Head Signature	Contract Manager Name
Project Manager Name STEPHEN BROWN	Table of Contents Ref #

Board Action

Order	To	Date	Approval	Info	Other
1	Finance Committee	10/25/10	x		
2	Board	10/27/10	x		

Internal Approvals

Order	Approval	Order	Approval
		1	Legal
3	Chief of Staff		
2	Managing Director		
	Civil Rights		

Narrative

AGENCY:	MTA Long Island Rail Road ("LIRR")
LICENSEE:	National Grid Corporate Services, LLC ("National Grid")
LOCATION:	Portion of LIRR Montauk Branch right-of-way, west of Bay Shore Station, Brightwaters, New York
ACTIVITY:	Extension of license term
ACTION REQUESTED:	Approval of terms
TERM:	August 1, 2010 through July 31, 2011, subject to termination on 60 days notice
SPACE:	Approximately 12,180 square feet
COMPENSATION:	One dollar, payment waived

COMMENTS:

In July 2009, pursuant to the attached staff summary, the Board authorized MTA Real Estate to enter into a license agreement for a period of one year with National Grid, which provided for temporary relocation of track facilities to facilitate remediation of subsurface soils located within the LIRR right of way along the Montauk Branch in Brightwaters, New York.

The environmental remediation work and track restoration work has been completed. However, because further settling of the track may occur, LIRR and National Grid wish to extend the term for 12 months to allow for continued monitoring of track conditions. During the extended term, National Grid's contractor will continue to perform survey work to determine if there is any settling. If there is settling, LIRR forces will resurface the track bed as needed. All work (i.e. the survey work by National Grid's contractor and any required resurfacing work by LIRR forces) will be at National Grid's expense.

Based on the foregoing, MTA Real Estate requests authorization to extend the term of existing license agreement with National Grid on the above-described terms and conditions.

Staff Summary

Metropolitan Transportation Authority

Subject LICENSE AGREEMENT	Date July 22, 2009
Department REAL ESTATE	Vendor Name
Department Head Name LINDA KLEINBAUM / MICHAEL BADER	Contract Number
Department Head Signature Linda Kleinbaum	Contract Manager Name
Project Manager Name KRISTIN OLMSTED/ALLEN LOGALBO	Table of Contents Ref #

Board Action

Order	To	Date	Approval	Info	Other
1	CC/PRE Committee	7/22/09			
2	Board	7/29/09	X		

Internal Approvals

Order	Approval	Order	Approval
	Exec Director	2	Civil Rights
	Chief of Staff	1	Legal
	Director of B&FM		
	Deputy Exec Dir of Admin		

FOR REFERENCE PURPOSES ONLY

Narrative

AGENCY:	MTA Long Island Rail Road ("LIRR")
LICENSEE:	National Grid Corporate Services LLC ("National Grid")
LOCATION:	Portion of LIRR Montauk Branch Right of Way, west of the Bay Shore Station, Brightwaters, New York
ACTIVITY:	Access to LIRR property for remediation of contaminated soil on LIRR property
ACTION REQUESTED:	Approval of Terms
TERM:	One year, month to month thereafter
SPACE:	Approximately 12,180 sq. ft.
COMPENSATION:	One (1) dollar, payment waived

COMMENTS:

Hazardous substances from National Grid's adjacent operating yard at Brightwaters migrated onto a portion of the LIRR's Right of Way. In order for National Grid to perform environmental remediation work, LIRR will enter into a License Agreement allowing National Grid to have access to LIRR property for two phases of excavation work, covering approximately 12,180 square feet of property. Under a separate agreement, LIRR will be relocating its tracks and appurtenances to National Grid's property, while the remediation is being done.

LIRR will be reimbursed for all costs associated with the project, including relocation of tracks and Force Account work performed by LIRR forces and its representatives. Any and all work to be performed will require prior review and written approval of plans and specifications by LIRR's Chief Engineer. National Grid will be responsible for the removal of debris and vegetation, installation of a permanent sheet piling along and within the remediation area, providing temporary fencing and barriers during construction, noise and vibration monitoring, site restoration and any related remediation required by the LIRR. National Grid will also provide a work plan, cost estimates and proposed construction schedules. National Grid is proceeding under a NYSDEC Consent Order and will be working under DEC oversight.

Based on the above, the Real Estate Department recommends the approval of an agreement with National Grid to allow for access to LIRR property and perform all work associated with the remediation work.

Staff Summary

Metropolitan Transportation Authority

Subject PERMIT	Date OCTOBER 25, 2010
Department REAL ESTATE	Vendor Name
Department Head Name JEFFREY B. ROSEN	Contract Number
Department Head Signature	Contract Manager Name
Project Manager Name JOHN COYNE	Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	10/25/10	X		
2	Board	10/27/10	X		

Internal Approvals			
Order	Approval	Order	Approval
		1	Legal
3	Chief of Staff		
2	Managing Director		
	Civil Rights		

Narrative

AGENCY: MTA Long Island Rail Road ("LIRR")

PERMITEE: Greater Jamaica Development Corporation ("GJDC")

LOCATION: LIRR Jamaica Station

ACTIVITY: Placement of informational and directional signs

ACTION REQUESTED: Approval of terms

TERM: One year, subject to termination on 30 days notice

SPACE: Jamaica Station

COMPENSATION: One dollar, payment waived

COMMENTS:

GJDC, a not-for-profit local development corporation, has been authorized by the New York City Taxi and Limousine Commission to open a taxi stand and dispatch office for licensed taxis on property owned by the GJDC at 93-43 Sutphin Boulevard. The purpose of the taxi stand is to provide a safer, more reliable surface transportation alternative for LIRR customers arriving at Jamaica Station. Currently, a large number of unlicensed livery cabs idle in front of the station, creating traffic and safety concerns for both LIRR customers and the general public.

As part of this project, GJDC has requested that LIRR allow the placement of eight 15"x15" informational signs on the structural columns under the viaduct on Sutphin Boulevard in front of Jamaica Station. In addition, one 18"x24" directional sign will be placed on each LIRR platform. LIRR has agreed to allow these signs to be placed by LIRR staff at locations on the platforms and on the columns that are mutually agreeable to LIRR and GJDC. LIRR is not seeking compensation from GJDC because this taxi stand is a customer amenity.

Based on the foregoing, MTA Real Estate requests authorization to grant a permit to GJDC on the above-described terms and conditions.

Staff Summary

Metropolitan Transportation Authority

Subject LICENSE AGREEMENT	Date OCTOBER 25, 2010
Department REAL ESTATE	Vendor Name
Department Head Name JEFFREY B. ROSEN	Contract Number
Department Head Signature	Contract Manager Name
Project Manager Name JOHN COYNE	Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	10/25/10	X		
2	Board	10/27/10	X		

Internal Approvals			
Order	Approval	Order	Approval
		1	Legal
3	Chief of Staff		
2	Managing Director		
	Civil Rights		

Narrative

AGENCY: MTA Long Island Rail Road ("LIRR")

LICENSEE: Town of Brookhaven

LOCATION: River Road, Shirley, New York

ACTIVITY: Installation of traffic signals and equipment for a bike path

ACTION REQUESTED: Approval of terms

TERM: Ten years, subject to termination on 60 days notice

SPACE: Approximately 308 square feet (1' x 308')

COMPENSATION: One dollar, payment waived

COMMENTS:

The Town of Brookhaven is developing a 2.7 mile bike path along the west side of River Road adjacent to South Haven County Park in Shirley, New York. As part of the construction, the Town of Brookhaven approached the LIRR requesting use of the subject property to install traffic signals and equipment. The LIRR has no objection to the use of the subject property for this purpose.

Based on the foregoing, MTA Real Estate requests authorization to enter into a license agreement with the Town of Brookhaven on the above-described terms and conditions.

Staff Summary

Metropolitan Transportation Authority

Subject LEASE AGREEMENT	Date OCTOBER 25, 2010
Department REAL ESTATE	Vendor Name
Department Head Name JEFFREY B. ROSEN	Contract Number
Department Head Signature	Contract Manager Name
Project Manager Name MICHAEL DANIELS	Table of Contents Ref #

Board Action

Order	To	Date	Approval	Info	Other
1	Finance Committee	10/25/2010	X		
2	Board	10/27/2010	X		

Internal Approvals

Order	Approval	Order	Approval
		1	Legal
3	Chief of Staff		
2	Managing Director		
	Civil Rights		

Narrative

AGENCY/TENANT:	MTA Long Island Rail Road ("LIRR")
ACTIVITY:	Office space for LIRR medical unit
LANDLORD:	Old Country Commons LLC
LOCATION:	300 Old Country Road, Mineola, NY
ACTION REQUESTED:	Approval of terms
SPACE:	Approximately 6,200 rentable sq. ft.
TERM:	Seven years, to commence on possession
POSSESION:	On delivery of the space with Landlord's Work substantially complete
RENT COMMENCMENT:	Two months from possession
BASE RENT:	$103,850 ($16.75 per sq.ft.) per annum
REAL PROPERTY TAXES:	The space is already a separate condominium unit and tax lot. LIRR will assert its tax exemption as soon as possible. Until then, LIRR will be responsible for reimbursing the Landlord for any taxes attributable to the subject condominium unit, currently approximately $ 51,000.00 ($8.25 per sq. ft.) per annum.
ANNUAL RENT ESCALATION:	Two and one-half percent per annum
RENEWAL OPTION:	Six years with 180-days prior written notice. Upon exercise of option, Landlord will re-paint, re-carpet and re-tile, to the extent needed.
TERMINATION OPTION:	None
UTILITIES:	Directly metered for electric and water.
SERVICES:	Landlord will provide cleaning pursuant to agreed-upon specifications.
PARKING:	Free access to non-restricted open parking spaces.
LANDLORD'S WORK:	Landlord will at its own cost provide a turn-key initial fit-out (valued at approximately $155,000.00/$25.00 rsf) based on Tenant's preliminary plans and specifications.

FINANCE COMMITTEE MEETING
Old Country Commons LLC **(Cont'd)**

MAINTENANCE AND REPAIRS:	Tenant will be responsible for non-structural repairs within the leased space. Maintenance and repairs of building common areas, building systems and structural components of the building will be the condominium association's responsibility.
SECURITY DEPOSIT:	None

COMMENTS:

The Medical Unit provides occupational health services (including illness and on the job accident case management, pre-employment medical exams and drug/alcohol testing). It has been occupying space at 173 Mineola Boulevard since 1997 under a lease that is currently month-to-month. The owner of 173 Mineola Boulevard is unwilling to continue to extend such lease on a month-to-month basis.

Although LIRR desired ideally to leave the Medical Unit at its existing location, site visits were conducted at several locations in an effort to reduce costs. Evaluations based on proposed rents, operational needs and space configurations yielded a short list consisting of three buildings: 300 Old Country Road, 173 Mineola Boulevard and 169 Mineola Boulevard. The 173 and 169 Mineola Boulevard landlords were both asking $26.00 per sq. ft. with three percent annual increases. The 300 Old Country Road landlord is offering a lower rent ($16.75 per sq.ft.) in large part because it is able to offer condominium space. By occupying an entire tax lot, the MTA can take advantage of its tax exempt status and thereby further lower its occupancy costs. The LIRR will save approximately $54,000.00 per year by moving the Medical Unit to 300 Old Country Road rather than leaving it at 173 Mineola Boulevard.

LIRR evaluated the alternative of re-locating the Medical Unit to MTA-owned space at LIRR's Hillside facility or LIRR's "employment building" opposite Jamaica Station, but concluded that such alternative would not be cost effective, given that the estimated costs of building out a medical facility at either such location would substantially exceed the cost of customizing the subject unit at 300 Country Road (which is already built out as a medical office building).

Based on the foregoing, MTA Real Estate requests authorization to enter into a lease agreement on the above-described terms and conditions.

Staff Summary

Capital Construction

Item Number	
Dept & Dept Head Name: Law and Procurement, Jayne Czik	
Division and Division Head Name:	

Board Reviews

Order	To	Date	Approval	Info	Other
1	NYCT Committee	10/25/10	X		
2	Board	10/31/10	X		

Internal Approvals

Order	Approval	Order	Approval
3	Vice President, Project Controls	6	President
2	Acting General Counsel	5	Executive Vice President
1	Sr. VP. & Program Exec., No. 7 Ext.	4	Chief Financial Officer

SUMMARY INFORMATION	
S3II Tunnel Constructors	Contract Number C-26503 AWO 39
Description Construction of Running Tunnels & Station Structures #7 (Flushing) Line Extension (AWO 39 Interim Milestones)	
Total Amount $ 600,000.00	
Contract Term 57 Months	
Option(s) included in Total Amount?	☐ Yes ☒ No
Renewal?	☐ Yes ☒ No
Procurement Type ☒ Competitive ☐ Non-competitive	
Solicitation Type ☒ RFP ☐ Bid ☐ Other: None	
☐ Operating ☒ Capital ☐ Federal ☐ Other:	

I. PURPOSE/RECOMMENDATION:

To request authorization from the MTA Board for issuance of AWO 39 as a modification to establish new intermediate milestone dates for Contract C-26503, Construction of Running Tunnels & Station Structures for the #7 Line Extension, to S3II Tunnel Constructors, JV (S3II) to support the plan set forth in the current Integrated Project Schedule. The modification includes an incentive/disincentive provision that is described in more detail below. The amount compensable to S3II is dependent on its ability to achieve performance incentives against new intermediate milestone dates. The maximum incentive amount that can be earned is $600,000; the maximum disincentive is $1,500,000. There will be no change in the Substantial Completion date of September 12, 2012.

II. DISCUSSION:

This Contract (C-26503) provides for the construction of running tunnels and station structures for the No. 7 Line Extension project. The new tunnels will extend from the existing 7 Line Times Square Station and continue west under 41st Street and then south under 11th Avenue to 25th Street, with a new station structure at 34th Street and 11th Avenue. The construction includes shafts at Sites A (11th Avenue/26th Street), P (11th Avenue/34th Street) and K (11th Avenue/36th Street), underpinning of the existing 8th Avenue subway structure, and construction of facilities on the abandoned lower level of the 42nd Street station on the 8th Avenue Line. The project was designed by PB America.

The contractor is S3II. The construction is being administered in the field by the Consultant Construction Management team (Hill/LiRo/HDR, JV) and MTACC personnel. The contract has a 57 month duration with a substantial completion date of September 12, 2012. The construction is approximately 75 percent complete and is ahead of schedule.

Subject to Board approval, MTACC and S3II have reached agreement on the resolution of several open issues that will facilitate turnover of portions of the completed S3II structures to MTACC's follow-on contractors. The settlement imposes new intermediate milestone dates to the contract that require S3II to turn over portions of S3II's completed structure to MTA. This will allow MTA to award additional contracts to complete the remaining work on the project and maintain the overall project schedule. In consideration of the addition of these new intermediate milestone dates, MTACC will allow S3II to construct the work in an alternate method than contemplated by the Contract documents. The proposed modification includes the following terms:

1. MTACC's acceptance of S3II's proposed alternate approach to the contractually specified method to infill overexcavated areas in the cavern arch. MTACC will permit S3II to infill overexcavated areas of the Cavern Arch as shown on drawing GP-10022 from within 18 inches of the A-line to within 36 inches of the A-line.
   a. S3II will compensate MTACC up to $150,000 for MTACC's additional design costs to analyze the change.
   b. S3II will bear the costs for any additional reinforcing steel needed to satisfy MTACC's design concerns

2. MTACC's acceptance of S3II's proposed alternate approach to the Contractually specified construction of the running tunnel Cross-passages 2,3,4 and 5
3. MTACC's acceptance of S3II's proposed alternate approach to the Contractually specified construction of the Site A Starter and Tail Tunnel
4. Incorporation of a more rigid watertightness specification into the Contract for the station and tunnel structures so as to make the Contractor responsible for any potential remedial grouting required due to water infiltration.
5. Provisions to allow S3II extended use of the Site K area beyond June 12, 2010 (see item 10 below)
6. Addition of an intermediate milestone for S3II to vacate the area from the PABT to 100' north of Cross-passage #5 by November 15, 2010. This milestone includes a provision that:
   a. Provides an incentive of $5,000 for each day the work in this area is completed earlier than November 15, 2010 and a disincentive fee of $5,000 per day for each day that the work is completed later than November 15, 2010, and
   b. Caps the incentive and disincentive at 30 days. (The maximum amount that S3II could earn for early completion of this work is $150,000)
7. Addition of an intermediate milestone for S3II to complete all work in the tunnels north of the North Interlock by March 31, 2011. This milestone includes a provision that:
   a. Provides an incentive of $5,000 for each day the work in this area is completed earlier than March 31, 2010 and a disincentive fee of $5,000 per day for each day that the work is completed later than March 31, 2010.
   b. Caps the incentive and disincentive at 30 days. (The maximum amount that S3II could earn for early completion of this work is $150,000)
8. Addition of an intermediate milestone for S3II to complete all work by April 12, 2012. This milestone includes a provision that:
   a. Provides an incentive fee of $10,000 per day starting 30 days earlier than April 12, 2012 and is capped at 30 days . The maximum amount S3II could earn for early completion of this work is $300,000
   b. Provide a disincentive fee of $10,000 per day for each day the work is completed later than April 12, 2012. The disincentive fee is capped at 120 days.
9. Addition of an intermediate milestone for S3II to complete all work on the 34th Street Station mezzanine level by September 30, 2011 so as to provide access to the follow-on contract for station finishes.
10. Addition of an milestone for S3II to vacate Site K by September 30, 2010.
    a. Adding a fee of $5,000 per day if S3II does not vacate Site K by September 30, 2010 unless MTACC agrees to an extension of that date.

In sum, the maximum amount of incentive that S3II could earn for early completion of all the new intermediate milestones is $600,000. The maximum dis-incentive for late completion is $1,500,000; this amount would be in addition to any potential assessment of Liquidated Damages. These amounts are computed as follows:

Milestone (¶ above)	Daily Incentive/ Disincentive	Incentive Days	Maximum Incentive	Disincentive Days	Maximum Disincentive
¶ 6a	$5,000	30	$150,000	30	$150,000
¶ 7a	$5,000	30	$150,000	30	$150,000
¶ 8a/b	$10,000	30	$300,000	120	$1,200,000
Total			$600,000		$1,500,000

The Substantial Completion date of September 12, 2012 is unchanged as a result of this AWO.

III. ALTERNATIVES:

The plan for 7-Line completion has changed since C-26503 was awarded. Initially, there was to be a single turnover of the tunnel and station areas to a single follow-on contractor at Substantial Completion. The current plan calls for several follow-on contractors that will be dependent on turnover of discrete work areas from C-26503. Since the C-26503 contract does not require it to complete and turnover work areas until Substantial Completion; this settlement provides increased certainty that work areas will be turned over to the follow on contractors in a timely manner supporting the current Integrated Project Schedule. If this change was not implemented, C-26503 would not be obligated to turn over work areas until Substantial Completion which would expose MTACC to claims of delayed access from the follow-on contractors and decrease the likelihood of achieving the December 2013 revenue service date.

Staff Summary

MTA Capital Construction

Subject Design Services for 250 E. 87th Street (Block 1532, Lot 22)	**Date** October 2010
Department Second Avenue Subway Project	**Vendor Name** 250 E 87th Street Owners Corp.
Department Head Name William E. Goodrich	**Contract Number** N/A
Department Head Signature	**Contract Manager Name**
Program Manager / Project Manager Name Anil Parikh/Sant Singh	**Table of Contents Ref #**

Board Action					
Order	To	Date	Approval	Info	Other
1	NYCT Committee				
2	Finance Committee				
3	MTA Board				

Internal Approvals			
Order	Approval	Order	Approval
	President MTACC		10/22/10
	Executive Vice President		10/22/10
	Acting General Counsel		10/21/10
	Chief Financial Officer		10/22/10

BACKGROUND:

The Second Avenue Subway (SAS) project will require permanent and temporary easements for entrances, ventilation facilities and other support functions to be built partially or entirely within privately owned buildings. Agreements will, therefore, be required with building owners to cover engineering services and construction. It is anticipated that throughout the SAS project MTACC will be requesting that the Board approve a number of these types of agreements as they are negotiated and as design and construction proceeds.

- Board Authorization was obtained in September 2009 to enter into a design services agreement for a not-to-exceed amount of $1,300,000 (which includes construction administration) to advance the design to make changes to 250 E. 87th Street which is needed to accommodate this ancillary facility.
- During the preliminary design phase, it was determined that the potential construction costs for relocating significant building utilities and services was excessively high. Thus, additional design was proposed with a revised approach to minimize construction costs and impacts. In July 2010, Board Authorization was received to increase the not-to-exceed amount by $277,200 (for a total of $1,577,200) to reimburse the Owner for design service costs of the revised approach.

PURPOSE:

To seek Board Authorization for an additional sum of $465,000 for asbestos abatement design, monitoring, removal, and disposal to ensure timely completion of the changes needed to be made to 250 E. 87th Street to accommodate the ancillary facility.

DISCUSSION:

SAS will be building an ancillary facility at 250 E. 87th Street on 2nd Avenue between 87th Street & 86th Street. This ancillary will impact one privately owned building. The work included in the agreement approved by the Board in September 2009 includes, but is not limited to, the following items:

- Complete building survey of existing conditions: architectural, mechanical, electrical, plumbing, fire protection and structural member sizing. Perform additional surveying within the permanent easement area and to the extent required to trace building utility systems outside the permanent easement area.
- Planning and design for relocating Structural/ Mechanical/Electrical/Plumbing/Fire Protection impacted by the SAS facility.

The additional work is for asbestos abatement. During the design and construction planning, it was determined by the Owner and its consultants that it would be necessary to abate and remove asbestos contaminated materials in the

work area prior to the start of the planned construction in Feb 2011. As part of the work area affected includes the heating system for the building, it is necessary to shut down the system in order to complete this portion of the work. As the heating season is upon us, the Owner has requested this work be completed now in order not to impact the construction schedule in Feb 2011. The contract for the ancillary facility is on track for award in March 2011. It would be beneficial for SAS if the Owner completes the asbestos abatement work before the heat is turned on so as not incur any delay to the award of the ancillary facility contract.

ALTERNATIVES:

The alternative is to delay all of the work until April 2011 after the heating season and perform the work in conjunction with the main construction which will be part of a separate construction agreement. This is not recommended because the MTA's contractor's access to the easement areas for the ancillary facility will be delayed.

FUNDING IMPACT:

The work is funded from the MTA's 2005 - 2009 Capital Plan.

RECOMMENDATIONS:

MTA Board approval of additional funding for a not-to-exceed amount of $465,000 for asbestos abatement design, monitoring, removal, and disposal work at 250 E. 87th Street, to ensure timely completion of all required work.

Subject	Request for Authorization to Award Various Procurements	October 11, 2010	
Department	Materiel Division - NYCT	**Department**	Law and Procurement - MTACC
Department Head Name	Stephen M. Plochochi	**Department Head Name**	Jayne Czik
Department Head Signature		**Department Head Signature**	
Project Manager Name	Rose Davis	**Table of Contents Ref #**	

Board Action

Order	To	Date	Approval	Info	Other
1	Committee	10/25/10			
2	Board	10/27/10			

Internal Approvals

	Approval		Approval
	President NYCT		President MTACC.
	Executive VP	X	Subways
X	Capital Prog. Management	X	Buses
	Law	X	Off. Of Civil Rights

Internal Approvals (cont.)

Order	Approval	Order	Approval	Order	Approval	Order	Approval

PURPOSE:

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 Non-Competitive procurements in the following categories:

Schedules Requiring Majority Vote

Schedule E:	Miscellaneous Procurement Contracts	1	$	.1 M
	• **Ansys Incorporated** **$ .1 M**			
Schedule G:	Miscellaneous Service Contracts	1	$	.1 M
	• **American Railway Technologies, Inc.** **$ .1 M**			
Schedule H:	Modifications to Personal/Miscellaneous Service Contracts	1	$	1.0 M
	• **Hewlett Packard Company** **$ 1.0 M**			
	SUBTOTAL	3	$	1.2 M

MTA Capital Construction proposes to award Non-Competitive procurements in the following categories: NONE

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

Procurements Requiring Two-Thirds Vote:		# of Actions	$ Amount
Schedule C:	Competitive Requests for Proposals (Award of Purchase and Public Work Contracts)	5	$ 235.5 M
Schedules Requiring Majority Vote			
Schedule I:	Modifications to Purchase and Public Works Contracts	2	$ 2.2 M
Schedule L:	Budget Adjustments to Estimated Quantity Contracts	2	$ 2.0 M
	SUBTOTAL	9	$ 239.7 M

MTA Capital Construction proposes to award Competitive procurements in the following categories: NONE

NYC Transit proposes to award Ratifications in the following categories:

Schedules Requiring Majority Vote:			
Schedule K:	Ratification of Completed Procurement Actions:	2	$ 1.1 M
	SUBTOTAL	2	$ 1.1 M
	TOTAL	14	$ 242.0 M

MTA Capital Construction proposes to award Ratifications in the following categories: NONE

BUDGET IMPACT: The purchases/contracts will result in obligating NYC Transit funds in the amounts listed. Funds are available in the current operating/capital budgets for this purpose.

RECOMMENDATION: That the purchases/contracts be approved as proposed. (Items are included in the resolution of approval at the beginning of the Procurement Section.)

BOARD RESOLUTION

WHEREAS, in accordance with Section 1265-a and 1209 of the Public Authorities Law and the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive purchase and public 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 service and miscellaneous procurement contracts, certain change orders to purchase, public work, and miscellaneous service and miscellaneous procurement contracts, and certain budget adjustments to estimated quantity 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 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.
7. The Board authorizes the budget adjustments to estimated contracts set forth in Schedule L.

OCTOBER 2010

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

E. Miscellaneous Procurement Contracts
(Staff Summaries required for all items greater than: $100K Sole Source; $250K Other Non-Competitive; $1M Competitive.)

1. Ansys Incorporated **$109,235.00 (NTE)** ***Staff Summary Attached***
Sole Source – Three-year contract
Req. #U-A235482
Renewal of software support for Fluent Computational Fluid Dynamics software.

G. Miscellaneous Service Contracts
(Staff Summaries required for all items greater than: $100K Sole Source; $250K Other Non-Competitive; $1M RFP; No Staff Summary required if sealed bid procurement.)

2. American Railway Technologies, Inc. **$114,380.00** ***Staff Summary Attached***
Sole Source – Three-year contract
Contract #10B0237
Preventive maintenance and repair service for Dynamometers.

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 or durational threshold required for Board approval.)

3. Hewlett Packard Company **$1,094,451.00 (Est.)** ***Staff Summary Attached***
Contract #s 05J9290.2/05J9286.1
Modification to the contracts for hardware and software maintenance, in order to add funding and extend the contract term.

New York City Transit

OCTOBER 2010

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

C. Competitive Requests for Proposals (Award of Purchase and Public Work Contracts)
(Staff Summaries required for items requiring Board approval.)

1. **PAL Environmental Services** **$6,500,000.00 (Est.)** ***Staff Summary Attached***
   Four Proposals - Three-year contract, with a one-year option
   Contract #: C-31670
   Indefinite quantity contracts for asbestos removal and other environmental remediation.

2. **Trio Asbestos Removal Corp.** **$5,000,000.00 (Est.)** ***Staff Summary Attached***
3. **Hazardous Elimination Corp.** **$5,000,000.00 (Est.)** ↓
4. **Coastal Environmental Group, Inc.** **$5,000,000.00 (Est.)** ↓
   Five Proposals - Three-year contracts
   Contract #'s: C-31671, C-31672 and C-31674
   Federally funded indefinite quantity contracts for asbestos removal and other environmental remediation.

5. **Silverite Construction Company, Inc.** **$214,000,000.00** ***Staff Summary Attached***
   Six Proposals – Thirty-two month contract
   Contract # C-40455
   Design and construction of the Mother Clara Hale Bus Depot in Manhattan.

New York City Transit

OCTOBER 2010

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

I. Modifications to Purchase and Public Work Contracts
(Staff Summaries required for individual change orders greater than $250K. Approval without Staff Summary required for change orders greater than 15% of the adjusted contract amount which are also at least $50K.)

6. Granite Construction Northeast, Inc. **$285,000.00** ***Staff Summary Attached***
Contract #A-35870.39
Modification to the contract for the Rehabilitation of Five Stations on the Brighton Line, in order to install brick pavers in lieu of stamped concrete.

7. Schiavone – Citnalta, JV **$1,903,919.00** ***Staff Summary Attached***
Contract #A-35927.60
Modification to the contract for the rehabilitation of the Jay/Lawrence Street Station Complex, in order to perform an HVAC upgrade to communication rooms.

OCTOBER 2010

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

L. Budget Adjustments to Estimated Quantity Contracts

(Expenditures which are anticipated to exceed the lesser of $250,000 or $50,000 in the event such expenditures exceed 15% of the adjusted contract budget, including any contract modifications.)

8.	**Hepco Inc.**	**Original Amount:**	**$**	5,000,000
	Contract # CM-1298.4	**Prior Modifications:**	**$**	0
	July 11, 2005 – January 10, 2011	**Prior Budgetary Increases:**	**$**	7,000,000
		Current Amount:	**$**	12,000,000
		This Request:	**$**	1,000,000
		% of This Request to Current Amount:		8.3%
		% of Modifications (including This Request) to Original Amount:		160%

9.	**Rotator Staffing Services, Inc.**	**Original Amount:**	**$**	5,000,000
	Contract # CM-1299.3	**Prior Modifications:**	**$**	0
	July 11, 2005 – January 10, 2011	**Prior Budgetary Increases:**	**$**	2,000,000
		Current Amount:	**$**	7,000,000
		This Request:	**$**	1,000,000
		% of This Request to Current Amount:		14.2%
		% of Modifications (including This Request) to Original Amount:		60%

Discussion

These budget adjustments are for two of the six job shop consultant contracts. Under these estimated quantity contracts, job shop consultants provide in-house support during design and construction phases of various projects on an 'as-needed' basis. Utilizing temporary staff on an 'as-needed' basis is less expensive than using, or increasing, internal staff positions as the fully loaded rates of temporary staff are lower than in-house rates for these titles. Each position requested to be filled comes with individual funding at that time. Many of the requests are for highly skilled and difficult to fill positions such as Rail Road Signal Specialists, Fiber Optic Network Communication Engineers, Safety/Quality Engineers as well as Engineers, Inspectors, Architects.

These budget adjustments are for two of the six contracts originally awarded for $5 million each, for a total of $30 million. Each of the six consultants (Gonzer, Nesco, Hepco, Rotator, Peak and MetroTech) is asked to submit resumes in response to position requests. However, to date, two consultants, Hepco and Rotator, have submitted the largest number of resumes of qualified personnel resulting in a significant number of positions filled by these two firms. The spending authorization for Hepco was previously increased by $5 million by the September 2007 Board and $2 million by the December 2009 Board. Rotator's contract was increased by $2 million with approval of the October 2009 Board.

Together, Hepco and Rotator have committed $17,925,111 to date out of a total of $19 million authorized. In comparison, the other four consultant firms (Gonzer, Nesco, Peak and MetroTech) have used approximately 57% of their authorized budget. It is projected that the committed value for these four consultant firms will not reach the authorized limit by the end of the contract term. The amount requested for this budget adjustment will allow Hepco and Rotator to continue to maintain existing support as well as provide necessary funding to encumber new task orders for the duration of the contract. All six contracts were previously extended by six months to January 10, 2011. It is anticipated that a new RFP to replace this contract will be issued before the end of the year.

New York City Transit

OCTOBER 2010

LIST OF RATIFICATIONS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

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

(Staff Summaries required for items requiring Board approval.)

1. **Citnalta Construction Corporation $344,000.00** ***Staff Summary Attached***
   Contract #A-35985/A-35986.7
   Modification to the contract for the rehabilitation of the East 180th Street Station, in order to raise and re-align the tracks (running and contact rails) on the Northbound track.

2. **The Franklin Company Contractors, Inc $750,000.00** ***Staff Summary Attached***
   Contract # C-34878.8.6
   Modification to the contract for soil and groundwater remediation at various NYC Transit facilities, in order to extend the term of the contract.

Schedule E: Miscellaneous Procurement Contracts

New York City Transit

Item Number: 1

Vendor Name (& Location) Ansys Incorporated (Canonsburg, PA)	**Contract Number** U-A235482
Renewal? ☒ Yes ☐ No	
Description Renewal of software support for Fluent software	**Total Amount:** $109,235
Contract Term (including Options, if any) Three years	**Funding Source** ☐ Operating ☐ Capital ☐ Federal ☒ Other: Capital Reimbursable
Option(s) included in Total Amount? ☐ Yes ☐ No ☒ n/a	
Procurement Type ☐ Competitive ☒ Non-competitive	**Requesting Dept/Div & Dept/Div Head Name:** Technology & Information Services, Sidney Gellineau
Solicitation Type ☐ RFP ☐ Bid ☒ Other: Sole source	

Discussion:

This is a three year renewal contract for software support for four Computational Fluid Dynamics (CFD) software licenses used to model air flow patterns in station and tunnels. Ansys is the sole licensor for Fluent CFD software and is the only provider of support. The National Fire Protection Association requires that a software program be used in evaluating multi-dimensional airflow dynamics of smoke patterns of tunnel and station fires. CFD software enables Capital Program Management (CPM) to perform advanced numerical analysis in designing NYC Transit's fan plants for ventilation and fire safety in tunnels and train stations. CPM has been using CFD software for over 15 years. CFD is an advanced three-dimensional computer modeling tool that is used to analyze complex airflow and heat transfer phenomena. CFD can predict gas (air, smoke, pollutants) velocity, temperatures, pressures, concentrations, heat transfer, mass transfer, etc., using a numerical simulation tool to model air flow patterns for stations and tunnels. Currently CFD is used by consultants working on the 2nd Avenue Subway and the No. 7 Subway Line Extension projects, and NYC Transit will be performing additional modeling after the consultants submit their designs.

CPM is upgrading their current Fluent software from a Gambit program to a DesignModeler configuration, which is a faster and more robust program, allowing the user to generate a geometric model and reach solutions in less time. The upgrade to DesignModeler will not prohibit the user from reviewing and editing work that was created using the Gambit program.

Ansys submitted a price of $109,235 or $38,330 for the first year, which amount includes $34,720 for software support and $3,610 for the upgrade. The prices for support for years two and three are $35,206 and $35,699, respectively and reflect annual escalation of approximately 1.5% compared to the prior contract. Based on the documents provided by Ansys to support their proposal, Procurement finds Ansys's price of $109,235 to be fair and reasonable.

Schedule G: Miscellaneous Service Contracts

New York City Transit

Item Number: 2

Vendor Name (& Location) American Railway Technologies, Inc. (East Hartford, CT)	**Contract Number** 10B0237 — **Renewal?** ☒ Yes ☐ No
Description Preventive maintenance and repair services	**Total Amount:** $114,380
Contract Term (including Options, if any) Three years	
Option(s) included in Total Amount? ☐ Yes ☐ No ☒ n/a	**Funding Source** ☒ Operating ☐ Capital ☐ Federal ☐ Other:
Procurement Type ☐ Competitive ☒ Non-competitive	**Requesting Dept/Div & Dept/Div Head Name:** Department of Subways, Carmen Bianco
Solicitation Type ☐ RFP ☐ Bid ☒ Other: Sole Source	

Discussion:

This contract is for preventive maintenance support and repair service for four dynamometers located at NYC Transit's Coney Island Electric Motor Repair Shop. Dynamometers test and analyze DC and AC motors and produce test reports for subway car parts, including traction motors, air conditioning compressors, blower motors and brake system air compressors. These dynamometers are primarily used to test the reliability of subway car motors under load, but can also perform static tests, as well as wire and insulation current and resistance tests.

NYC Transit's motors are in the 2 to 200 HP range, some of which are not standard in the rail industry. As a result, NYC Transit requires dynamometers that test within that range and are able to accommodate the design of the motor. These dynamometers are computer controlled and were custom designed and manufactured by American Railway Technologies, Inc. (ART) to NYC Transit's specific requirements. The dynamometers were delivered as "turn key" systems with preloaded software and computerized controls. The software and designs are proprietary to ART, making competition non-existent due to restrictions concerning software maintenance and modification.

ART submitted an initial proposal of $118,380.00 and through negotiations agreed to reduce its price to $114,379.50. ART reduced its markup on parts from 20% to 10% and its rate for unscheduled maintenance from $150.00 per hour to $133.33 per hour. A weighted comparison of the new rates to those in the current contract reflects an overall increase of 2.01% over three years. The final price is considered fair and reasonable.

Schedule H: Modifications to Personal & Miscellaneous Service Contracts

New York City Transit

Item Number: 3

Vendor Name (& Location) Hewlett-Packard Co. (Roseville, CA)	
Description Provide hardware and software maintenance	
Contract Term (including Options, if any) January 1, 2006- December 31, 2010	
Option(s) included in Total Amount?	☐ Yes ☐ No ☒ n/a
Procurement Type	☐ Competitive ☒ Non-competitive
Solicitation Type	☐ RFP ☐ Bid ☒ Other: Modification
Funding Source Operating ☐ Capital ☐ Federal ☐ Other:	
Requesting Dept/Div & Dept/Div Head Name: Technology & Information Services, Sidney Gellineau	

Contract Number	**AWO/Modification #**
05J9290	2
05J9286	1

Original Amount:		
05J9290	$	3,676,920
05J9286	$	408,515
Prior Modifications (05J9290):	$	3,391,000
Prior Budgetary Increases:	$	0
Current Amount:	$	7,476,435
05J9290 Mod. 2	$	695,000
05J9286 Mod. 1	$	191,000
Total NYC Transit Request: (Est.)	$	886,000
Total Amount for all Agencies: (Est.)	$	1,094,451
% of This Request to Current Amount:		11.9%
% of Modifications (including This Request) to Original Amount:		104.7%

Discussion:

These two contract modifications will extend the contract terms for all Agencies by one year from January 1, 2011 to December 31, 2011 for additional hardware and software support. In December 2005, the Board approved the award of two 5-year non-competitive miscellaneous service contracts utilizing the New York State Office of General Services Contract (OGS) to Hewlett-Packard Co. (HP) to provide hardware and software maintenance. Separate contracts were issued due to different funding sources. In July 2009, the Board approved a modification to increase funding for additional hardware and software support, as well as modifications to existing contracts of Metro North Railroad (MNR), Bridges and Tunnels (B&T), and Long Island Railroad (LIRR) in order to make their contracts coterminous with NYC Transit's, and increase the level of discount for these agencies to the level NYCT has achieved due to its volume.

Since 1995, NYC Transit has been using HP equipment to support mission-critical applications. The Division of Technology and Information Services (TIS) has requested that Contract 05J9290 (Operating funded) and Contract 05J9286 (Capital reimbursable funded) for HP hardware and software support be extended for an additional year. The OGS Contract will expire on October 31, 2010, but permits extensions placed before that date for up to one additional year. In order to leverage the OGS discounts, the Agencies are seeking to extend their contracts for an additional year at this time. Under these contracts for NYC Transit, HP will provides 24/7 hardware and software support for 100+ servers, disk storage units and ancillary equipment located at Livingston Plaza Data Center and 2 Broadway and provides any software upgrades and updates as needed.

The HP blended discount rate for hardware and software is 41% off list price as NYC Transit negotiated a deeper discount from the 36% off list price rate the Agencies are currently paying. Based on this discount level, and a review of the remaining contract balances, NYC Transit will increase contract 05J9290 by $695,000 and contract 05J9286 by $191,000. In addition, the Board is requested to approve the following amounts that also reflect the deeper discount: MNR contract will increase by $73,343; LIRR contract will increase by $69,990 and B&T contract will increase by $65,118. The overall amount requested for approval is $1,094,451.

Staff Summary

New York City Transit

Item Number 1	
Division & Division Head Name: Materiel, Stephen Plochochi, Acting VP Division Head Signature & Date	

Board Reviews

Order	To	Date	Approval	Info	Other

Internal Approvals

Order	Approval	Order	Approval
1	Materiel	4 X	DDCR
2 X	Law	5 X	System Safety
3 X	Budget	6 X	Capital Program Management
X	Subways	7	Executive VP
X	Labor Relations	8	President

SUMMARY INFORMATION	
Vendor Name PAL Environmental Services	Contract Number C-31670
Description IQ Asbestos Removal & Other Environmental Remediation Services for Capital Projects (CPM)	
Total Amount $6.5M (estimated), including option	
Contract Term (including Options, if any) Three Years + One Year Option	
Option(s) included in Total Amount?	☒ Yes ☐ No
Renewal?	☒ Yes ☐ No
Procurement Type ☒ Competitive ☐ Non-competitive	
Solicitation Type ☒ RFP ☐ Bid ☐ Other:	
Funding Source ☐ Operating ☒ Capital ☐ Federal ☐ Other:	

I. PURPOSE/RECOMMENDATION:

To obtain Board approval to award an Indefinite Quantity (IQ) contract to PAL Environmental Services ("PAL") to perform Asbestos Removal & Other Environmental Remediation Services related to capital projects for Capital Program Management (CPM) at various MTA New York City Transit facilities. This contract joins the other two IQ contracts for the same services (C-31668 and C-31669) approved by the March 2010 Board and awarded in April 2010. PAL will also be awarded a base contract of $5M over a three-year contract term and an option of $1.5M for one year at the same unit prices for a total contract value of $6.5M over four years. PAL and the two prior awardees can each receive task orders up to the full contract value. The contract is 100% MTA funded through project specific WAR certificates. The Option will be exercised upon approval by the NYCT Assistant Chief Procurement Officer.

II. DISCUSSION:

As presented to the March 2010 Board, NYCT requires three contractors to provide asbestos removal and other environmental remediation services, including asbestos abatement, lead disturbance/abatement, battery removal, mercury containing bulb removal, PCB containing fluorescent light fixture ballast removal, rodent control, pigeon droppings abatement and hazardous waste removal. Work Orders under these IQ contracts will be managed by CPM and Procurement and assigned on the basis of price, contractor staff availability at the time of assignment and performance on current and prior work orders. The cost of each Work Order will be based on the unit prices established in the Contracts. These Contracts will support MTA-funded capital projects system-wide.

Asbestos, lead, PCBs, mercury and other substances that pose environmental issues can result in lengthy project delays if they are discovered after construction contract award. To prevent such delays, CPM sought contracts C-31668, C-31669, and C-31670 for on-call remediation services. These contracts were to replace three contracts with original expiration dates of January 2010 (C-34884), December 2009 (C-34885), and March 2010 (C-34886). NYCT also procured contracts C-33288 & C-33130 for asbestos abatement for the Office of System Safety (OSS). These were procured separately since OSS contracts are designed to respond to emergencies involving smaller quantities of asbestos only, whereas CPM contracts are for planned capital contracts involving large quantities of asbestos and other hazardous materials.

Opportunities for joint procurement with other MTA agencies were explored, as recommended by the Business Service Center (BSC). All contacted agencies declined. Either they had no foreseeable or urgent requirement or their requirements were not significant to warrant the need to enter into a joint procurement.

In October 2009, the Board approved an Authorizing Resolution to issue a Request for Proposal (RFP). Past experience has shown that it takes significantly longer to find qualified environmental remediation contractors due to the number of firms that prove to have problems that prevent them from being found responsible for award. To avoid this delay, the Board has approved award of abatement contracts through the competitive RFP process for many years.

As described in greater detail for the March 2010 Board, this solicitation was procured using a 2-Step RFP procedure. Six firms responded to Step 1 advertisements. The Selection Committee recommended five firms for Step 2. Four firms responded to the RFP: ETS Contracting, Inc. ("ETS"), TRIO Asbestos Removal Corp. ("TRIO"), PAL, and New York Environmental Systems, Inc. ("NYES"). The Selection Committee evaluated the technical proposals and oral presentations based on established evaluation criteria which include asbestos removal and other environmental remediation experience, safety record, financial stability, insurance and bonding, project management, and unit prices. All four firms were determined to be technically qualified and recommended for negotiations.

Following negotiations and based on the analysis of the Best and Final Offers (BAFOs): ETS - $5,769,919; TRIO - $5,927,528; PAL - $6,171,009; and NYES - $6,383,367, the Selection Committee recommended ETS, TRIO and PAL for award as these firms are technically qualified, very experienced, showed a good understanding of the work and had prices that are competitive. Their BAFOs were considered fair and reasonable both by Procurement and CPM and they took no exceptions to the terms and conditions of the RFP.

As stated in the Staff Summary for the March 2010 Board, only TRIO is an incumbent and for this four year contract term, their BAFO represented an annualized increase of 1.75%. ETS's BAFO was compared against the average pricing of the three contracts and represented a 3.5% price reduction or an annual decrease of 0.86% vs. current pricing. PAL's BAFO represented a 9.2% price increase or an annual increase of 2.23% vs. current pricing.

However, PAL was not recommended to the Board at the time due to the fact that the firm had disclosed information that could be considered Significant Adverse Information (SAI) within the meaning of the All Agency Responsibility Guidelines. Following a hearing and a review of relevant information, NYCT determined that PAL was a responsible proposer for this contract, notwithstanding the existence of significant adverse information, and obtained management approval to award this contract to PAL.

PAL is currently a subcontractor performing asbestos abatement work for contract A-35985/A-35986: Rehabilitation of East 180th Street Station, A-36154/A-36157/A-36065: Platform Edge Replacement at Five Stations/Replacement of Street Stairs at Five Stations- Broadway Line, A-35822: Rehabilitation of the 96th Street Station – Broadway/7th Avenue Line, C-33126: Broadway Line – Repair of Canopies, A-36065: Van Dyckman Street, and A-36149: Myrtle Line Platform Edge Repair at 6 Stations. They have performed satisfactorily on these and previous projects with NYCT.

III. ALTERNATIVES:

Perform the work using in-house personnel. At this time NYCT lacks available personnel to perform this work.

IV. MBE/WBE:

The Department of Diversity and Civil Rights (DCR) has established goals of 7% Minority-Owned Business Enterprise (MBE) and 0% Women-Owned Business Enterprise (WBE). PAL's MBE/WBE Utilization Plan was approved by DCR.

V. PREVIOUS WORK OF SELECTED CONTRACTOR FOR MTA OR AFFILIATES:

C-33252 / 33272 / 33292: IQ Environmental Remediation; R-50524: MTA/LIRR East Side Access; C-33244: SONET/ATM Communication Network System Manholes; E-31277: Rehabilitation of Three Fan Plants, Sixth Avenue Line between 13th Street and 30th Street; W-32658: PA/CIS Systems Phase II; P-36268: Manholes Associated with the Bushwick-Boerum Substation; P-36223: Rehabilitation of the Harlem Substation and Six Manholes.

VI. IMPACT ON FUNDING:

The cost of these contracts will be funded with 100% MTA funds. Individual WAR certificates will be sought on a task order basis.

VII. CAPITAL PROGRAM REPORTING:

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

Staff Summary

New York City Transit

Item Number 2-4	
Division & Division Head Name: Acting VP Materiel, S. Plochochi	
Division Head Signature & Date	

Board Reviews

Order	To	Date	Approval	Info	Other

Internal Approvals

Order	Approval	Order	Approval
1	Materiel	5 X	Civil Rights
2 X	CPM	6 X	Budget
3 X	System Safety	7	EVP
4 X	Law	8	President

SUMMARY INFORMATION	
Vendor Name Three Environmental Remediation Contracts (see below)	**Contract Number** C-31671, C-31672 & C-31674
Description IQ Federally Funded Asbestos Removal & Other Environmental Remediation	
Total Amount Three contracts, $5M each	
Contract Term (including Options, if any) Three (3) years	
Option(s) included in Total Amount?	☐ Yes ☒ No
Renewal?	☒ Yes ☐ No
Procurement Type ☒ Competitive ☐ Non-competitive	
Solicitation Type ☒ RFP ☐ Bid ☐ Other:	
Funding Source ☐ Operating ☐ Capital ☒ Federal ☐ Other:	

I. PURPOSE/RECOMMENDATION

To obtain Board approval to award three competitive Indefinite Quantity (IQ) Multi-Agency Contracts for environmental remediation of hazardous materials affecting federally funded projects system wide: C-31671 to Trio Asbestos Removal Corp., C-31672 to Hazardous Elimination Corp., and C-31674 to Coastal Environmental Group, Inc. Each is for an estimated cost of $5 million and thirty-six (36) month duration, within the overall budget of $12 million broken down as follows: NYCT $10 million, MTACC $1.5 million and MTABC $500,000. The work will be issued and performed on an "as-needed" basis through the issuance of Work Orders with project specific funding.

II. DISCUSSION

The three contractors will provide environmental remediation services including, asbestos abatement, lead abatement, battery removal, mercury containing bulb removal, PCB containing fluorescent light fixture ballast removal, rodent control, pigeon droppings abatement and hazardous waste removal. Currently, NYC Transit has no federally funded environmental remediation contracts in place to support federally funded projects. The federal contracts that were in place expired in December 2008 and were not re-solicited at that time because of underutilization during the contract period and the primary use of local funds to perform the Work Orders that arose. NYCT is now re-soliciting these contracts to utilize federal funds currently available for NYCT, MTA Capital Construction and MTA Bus. While there are currently MTA funded IQ contracts in place for environmental remediation of hazardous materials, it is fiscally prudent to make use of federal funds for hazardous materials found on federally funded projects.

Consistent with federal procurement practices for IQ contracts, Work Orders under these contracts will be competitively assigned primarily on the basis of price with the ability to also award based on contractor work load/staff availability at the time of assignment as well as performance on current and prior work orders. The cost of each Work Order will be based on the unit prices established in the respective contracts. Awarding three contracts will provide flexibility in assigning work based upon the above-mentioned criteria. The intent is to assure that NYCT, MTACC, and MTABC are able to respond rapidly and effectively to asbestos and other hazardous materials on federally funded projects.

In March 2010, the Board approved an Authorizing Resolution to issue a Request for Proposal (RFP) for this work to allow for the consideration of factors in addition to price in the evaluation of proposals. The RFP was processed using a one-step solicitation. The three lowest competitively priced firms were to be selected for award to ensure that participating agencies pay the best prices for the work required. Five contractors submitted proposals. The proposals were reviewed by a Selection Committee (SC) using established criteria, including overall responsibility to receive a contract award; asbestos and other hazardous materials abatement experience; licenses; safety and compliance records; financial qualifications; insurance & bonding capacity; project management and unit prices.

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After reviewing the proposals, the SC determined that all five firms are capable of performing the work. The five contractors are PAL Environmental Safety Corp. (PAL); Hazardous Elimination Corp. (HEC); Trio Asbestos Removal Corp. (Trio), ETS Contracting, Inc. (ETS) and Coastal Environmental Group, Inc. (Coastal).

Oral presentations were conducted and all five firms were invited for negotiations. Discussions focused on unit prices to perform the various work items, average market labor rates for the five firms and the Producer Price Index (PPI). The NYCT estimated cost per contract of $5,969,039 was based on estimated quantities of workload projections used for evaluation purposes only and makes no commitment of minimum or maximum quantities of work during the duration of the contract. However, the total combined amount NYCT has allocated to these contracts is $10 million. MTACC and MTABC provided no estimated workload other than a budget projection.

Best and Final Offers (BAFO) were received as follows: Trio $5,143,140; HEC $5,416,665; Coastal $5,419,935; PAL $5,651,037; and ETS $5,913,468. For the BAFO evaluation, the firms submitted unit prices for approximately 168 different work items with estimated quantities that commonly comprise environmental remediation and replacement work. Based on the established evaluation criteria, the Committee recommends Trio, HEC and Coastal for award. All three firms selected are considered equally technically qualified and their prices represent the three lowest. Both Trio and HEC have performed satisfactorily on previous NYCT environmental remediation contracts. Coastal has no MTA/NYCT experience but has the requisite experience with other public agencies. The BAFOs from the three selected firms are considered fair and reasonable and they took no exceptions to the terms and conditions of the RFP. The average price of the three lowest proposers was compared to the average price of the two previous contracts which expired in 2008. The average BAFO is approximately 10% below the average price of the previous contracts, after making adjustments for three new items added to the scope of work [Asbestos Safety Paint, Abatement Utilizing Work Trains and Non–Asbestos related work mobilization costs].

As is typical for IQ contracts, the contract amounts do not represent a commitment to any of the awardees. The total funding allocated is $12M. Based on history, the allocation of the $12M will not be evenly divided among the three contractors. Therefore, in order to provide for flexibility in the assignment of work and to prevent the need for modifications to the contract to obtain additional funding, a $5M cap was established for each of the three firms with aggregate expenditures not exceeding $12M.

Reference checks were performed on the three selected firms and revealed that their performance is satisfactory. Background investigations and materials submitted by the three selected firms disclosed no "significant adverse information" within the meaning of the All-Agency Responsibility Guidelines and they have been found fully responsible for award.

III. D/M/WBE INFORMATION

The Department of Diversity and Civil Rights established a goal of 10% DBE. These contracts will not be awarded until the requirements are satisfied.

IV. IMPACT ON FUNDING

The Work Orders for these contracts will utilize Federal Funds. The total estimated funding required is: NYCT - $10M, MTACC - $1.5M and MTABC - $500,000. A WAR Certificate will be obtained prior to the award of each work order chargeable to the specific capital project.

V. ALTERNATIVES

Perform the work using in-house personnel. At this time the Agencies lack available personnel to perform this work.

VI. CAPITAL PROGRAM REPORTING

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

Staff Summary

New York City Transit

Item Number 5	
Division & Division Head Name: Act'g. VP Materiel, Stephen Plochochi	
Division Head Signature & Date	

Board Reviews

Order	To	Date	Approval	Info	Other

Internal Approvals

Order	Approval	Order	Approval
1 X	Capital Prog. Mgm't.	5	Materiel
2 X	Law	6 X	Dept. of Buses
3 X	Dept.Div./Civil Rights	7	Executive Vice. Pres
4 X	Budget	8	President

SUMMARY INFORMATION

Vendor Name	Contract Number
Silverite Construction Company, Inc.	C-40455

Description Design and Construction of Mother Clara Hale Bus Depot, Borough of Manhattan

Total Amount
$214,000,000

Contract Term (including Options, if any)
32 months

Option(s) included in Total Amount? ☐ Yes ☒ No

Renewal? ☐ Yes ☒ No

Procurement Type
☒ Competitive ☐ Non-competitive

Solicitation Type
☒ RFP ☐ Bid ☐ Other:

Funding Source
☐ Operating ☒ Capital ☐ Federal ☐ Other:

I. PURPOSE/RECOMMENDATION

To obtain Board approval to award a combined Design and Construction contract on a competitive basis to Silverite Construction Company, Inc. (Silverite) for the Design-Build (d-b) of the Mother Clara Hale Bus (MCH) Depot in the amount of $214,000,000, with a contract duration of 32 months.

II. DISCUSSION:

NYCT's Department of Buses (DOB) is proposing to replace the existing MCH Bus Depot, 721 Lenox Ave., Manhattan, with a new bus facility on the existing site. As a component of NYCT's efforts to manage current and future demand for transit service, the new MCH Bus Depot would alleviate the present deficiencies of storage and service facilities, improve overall operating efficiencies, and provide a safe and improved working environment for depot staff.

The depot will include facilities for the service and maintenance of 150 buses with interior areas for bus queuing, parking, fueling, revenue extraction, bus washing, a maintenance area with 14 dedicated lift positions, offices, locker rooms, support areas and appropriate provisions for auto and support vehicle parking. The project is currently registered with the US Green Building Council under LEED® for new Construction (Leadership in Energy and Environmental Design) and will be the first NYCT LEED® Certified Bus Depot. Some of the features being considered to obtain certification are a partial green roof; street trees and landscaping; efficient equipment, motors and heat recovery units; recycled material content of new materials and recycling of construction waste.

A 2-Step Request for Proposals (RFP) procurement process for selecting a d-b team was approved by the Board in April 2009. The use of a sealed bid process in which factors other than cost cannot be considered was not recommended as it does not provide a means to evaluate technical matters or to consider or negotiate alternate proposals. Selection criteria included: Technical Proposal and Approach, General Responsibility, Relevant Experience, Financial Condition, Safety Record and Other Relevant Matters, Oral Presentations and Overall Project Cost.

In the 1st Step, eight teams submitted Qualification Questionnaires in response to advertisements in various publications as well as the MTA Website. The Selection Committee determined that six respondent teams met the Step 1 experience criteria. These teams were: (1) CCA-Civil Inc./Halmar LLC with WDF, Inc., a Joint Venture with Arup as designer (CHW); (2) Judlau Contracting Inc. with Henningson Durham & Richardson as designer (Judlau); (3) Leon D. DeMatteis Construction Corp. with Dewberry and Urbahn as designers (DeMatteis); (4) Silverite with STV, Inc. as designer; (5) Skanska USA Civil Northeast Inc. & Skanska USA Building Inc., a Joint Venture with AECOM as designer (Skanska J/V); and (6) Tully Construction Co., Inc. with PB Americas as designer (Tully). Two respondent teams were determined not to meet the Step 1 experience requirements: Hunter Roberts Construction Group with Greenberg Farrow; and Prismatic Development Corp. with Clarke Caton Hintz and Fay, Spofford and Thorndike.

The RFP was issued on 3/15/10 and on 6/30/10 proposals were received from the six short-listed contractors. CHW-$222,400,000; Silverite-$225,165,000; DeMatteis-$225,681,797; Skanska J/V-$229,990,000; Judlau-$248,888,000; and Tully-$265,973,225. The in house estimate was $258,024,000.

The Selection Committee reviewed the technical proposals, observed the oral presentations, participated in the interviews as well reviewed the price proposals for each proposer, and recommended three teams for negotiations: Silverite, Skanska J/V and Judlau.

Silverite's written proposal and oral presentation were the most complete and concise of all six teams. It addressed major elements of the design and construction and the approach to successfully complete the project on time and within budget. Although Silverite does not have d-b experience, the committee was satisfied that the design partner, STV has considerable NYCT experience including d-b experience for an equivalent sized bus depot. Silverite has extensive construction experience, most recently for the NYC School Construction Authority and NYC DEP. Silverite will be self-performing approximately 51% of the work including concrete, excavation, fireproofing and mechanical work.

Skanska J/V's written proposal and oral presentation was complete and well organized. Skanska J/V and AECOM possess a considerable amount of NYCT and MTA experience. AECOM has bus depot experience when they were formerly known as F.R. Harris and DMJM+Harris. Skanska has d-b experience, completing the Corona Maintenance Shop for NYCT, the Arch Street Yard and Shop Facility for LIRR; and the Croton Harmon Wheel Truing Facility for Metro North.

Judlau's proposal discussed major elements of the design and construction approach to successfully completing this project, including the phasing plan for the steel erection, concrete placement and enclosure of the building. Judlau's design partner, HDR is currently working on the #7 Extension Project. Judlau's NYCT experience has been in heavy structural/civil work; they have never completed a building of the magnitude of a bus depot. HDR's NYCT experience has been in station projects. However, Judlau and HDR have significant construction and design experience in completing large complex projects.

Although CHW proposed the lowest price they received no committee votes as their proposal did not meet some significant Owner's Project Requirements (OPR). CHW's sole proposal was viewed as an alternate proposal not meeting several NYCT key requirements as well as reducing the width of the ramp to the point where two-way bus traffic was only possible along the length of the ramp, but not at the corners. CHW's proposal also overlooked requirements for the configuration of various employee rooms/facilities within the depot as well as the HVAC requirements; the OPR unequivocally stated the maximum size heat recovery units; CHW proposed larger sized units. When questioned about the cost impact of complying with all of the RFP requirements, CHW stated that the ramp width was tied to the structural grid change and the cost impact would effect their entire proposal.

Despite proposing the third lowest price; DeMatteis received no committee votes as their technical proposal on the design and construction approach lacked essential information required to build a bus depot. Their proposal was not specific as to how the project would be phased and built and they provided no information on how they would manage their many subcontractors considering that they would be acting as Construction Manager. Further, their proposal did not address or include costs associated with Building Information Modeling (BIM) and commissioning activities, which if added, would increase their price. Tully received no committee votes as they were considered to be outside the competitive range due to their technical proposal being considered inferior to the three selected teams and their price being the highest of the six proposals and the only one to be above the in-house estimate.

Negotiations were conducted with Silverite, Skanska J/V and with Judlau. Discussions addressed all 35 line items in the price schedule for Skanska J/V's base proposal and for the base and alternate proposals for Silverite and Judlau. On 9/1/10, all three teams were requested to submit Best and Final Offers (BAFOs) for a base or a base and alternates. On 9/8/10 BAFO's were received from all three firms: Silverite submitted a base proposal of $215,500,000 with an alternate of $214,000,000, including a revised structural grid and depot height and volume reduction. The area of the building remains unchanged; however, the second to third floor height was reduced by three-feet (by relocating the administrative areas to the third floor) which will reduce the operating budget over its expected life span, due to having less volume to heat and ventilate. Skanska J/V submitted a base proposal only of $220,945,000. Judlau submitted a base proposal of $228,000,000 with an alternate of $224,000,000 including precast concrete planks for the 2nd & 3rd floor slabs; precast panels for the building façade; pervious (porous) paving material and savings opportunity for design professional liability insurance.

The Selection Committee determined that, based on the selection criteria, including cost and overall performance capability, Silverite's alternate proposal provides an innovative technical proposal and the best overall value to NYCT, and therefore unanimously recommends the alternate BAFO proposal of $214,000,000. Silverite's alternate proposal BAFO is 17.1% below the $258,024, 000 Engineer's estimate, and is considered fair and reasonable by Procurement and Capital Program Management, based on the competitive RFP. Current market conditions likely influenced the competitive range of the proposals to be well below the estimate.

Silverite's recent experience includes work for the NYC DEP-Newtown Creek Main Bldg. North ($225,400,000) and Manhattan Pump Station Upgrade [14th Street & Avenue D] ($142,446,972); MTA Bridges & Tunnels-Queens Midtown Tunnel, Tunnel Leak Repairs ($96,961,432); NYC SCA-Construction of West Queens High School ($73,000,000). Reference checks for Silverite provided satisfactory results. Silverite has satisfactorily completed multi million dollar construction projects.

A review of Silverite's insurance and M/WBE submissions is ongoing. This contract will not be awarded until approvals are obtained from the necessary departments. Silverite's Worker's Compensation Experience Rating is less than 1.2 and therefore acceptable. A review of the documents submitted, and Materiel's background checks and investigation disclosed no significant adverse information within the meaning of the All Agency Guidelines.

III. D/M/WBE INFORMATION

The goals for the project have been established at 10% for MBE and 5% WBE. This contract will not be awarded until the Department of Diversity and Civil Rights approval is obtained.

IV. CAPITAL PROGRAM REPORTING

The Contract has been reviewed for compliance with the requirements of the 1986 legislation applicable to capital contracts awards and the necessary inputs have been secured from the responsible functional departments.

V. IMPACT ON FUNDING

This Contract will be funded with MTA funds and will not be awarded until a WAR certificate has been received.

VI. ALTERNATIVES

Solicit the work as a traditional design-bid-build procurement. This is not recommended. The fast-track d-b method of procurement is necessary due to time constraints and the urgent need for this facility.

Schedule I: Modifications to Purchase and Public Work Contracts

New York City Transit

Item Number: 6

Vendor Name (& Location)	Granite Construction Northeast, Inc. (Tarrytown, NY)
Description	Rehabilitation of Five Stations – Brighton Line
Contract Term (including Options, if any)	October 30, 2008 – December 30, 2011
Option(s) included in Total Amount?	☐ Yes ☐ No ☒ n/a
Procurement Type	☒ Competitive ☐ Non-competitive
Solicitation Type	☐ RFP ☐ Bid ☒ Other: Modification
Funding Source	☐ Operating ☒ Capital ☐ Federal ☐ Other:
Requesting Dept/Div & Dept/Div Head Name:	Capital Program Management, Frederick E. Smith

Contract Number	**AWO/Modification #**
A-35870	39

Original Amount:	$	161,400,000
Prior Modifications:	$	5,968,906
Prior Budgetary Increases:	$	0
Current Amount:	$	167,368,906
This Request:	$	285,000
% of This Request to Current Amount:		0.2%
% of Modifications (including This Request) to Original Amount:		3.9%

Discussion:

This modification is for the furnishing and installation of brick pavers as a topping on the Newkirk Station Plaza, in lieu of a stamped concrete topping. This contract is for the rehabilitation of five elevated stations on the Brighton Line in Brooklyn: Newkirk Avenue, Avenue H, Avenue J, Avenue M and Kings Highway. Improvements will include platform reconstruction; platform canopy replacement; upgraded lighting, electrical, communications, mechanical, plumbing and storm drainage systems; new interior and exterior finishes. The project also includes the rehabilitation of the Newkirk Station Plaza.

Of the five stations, only Newkirk has a plaza. The plaza is at street level, above the tracks, and supported by a steel structure built over the tracks. The existing plaza is paved with asphalt pavers. The contract drawings called for the installation of new steel decking and a structural slab, with a 2-inch thick stamped concrete topping to be installed over the waterproofing membrane. The stamped topping simulates the appearance of brick paving. In April 2010, NYCT engineers determined that the concrete topping slab could crack. To avoid that problem, while maintaining an attractive finish and staying within the live load limitations of the steel supporting structure, the plaza must be topped with 1-1/4 inch thick brick pavers.

The area of this plaza is approximately 19,100 square feet. Under this modification, the contractor will provide the labor and materials necessary to furnish and install brick pavers, including expansion joints, setting bed and grout. The modification includes a credit for not providing stamped concrete. The contractor's revised proposal was $352,120; NYC Transit's revised estimate was $268,027. Following negotiations, the lump sum of $285,000 was agreed upon and found to be fair and reasonable. A savings of $67,120 was achieved.

NYC Transit's schedule analysis indicates this modification does not require an extension of time. The contractor does not agree, but has neither made a formal request for additional time nor provided any supporting schedule analysis. Accordingly, NYC Transit will unilaterally direct the contractor to proceed with no schedule impact. This contract was designed in-house. A study will be performed to determine whether this was a design error or omission.

Schedule I: Modifications to Purchase and Public Work Contracts

New York City Transit

Item Number: 7

Vendor Name (& Location) Schiavone – Citnalta, JV (Secaucus, NJ)	
Description Rehabilitation of the Jay/Lawrence Street Station Complex	
Contract Term (including Options, if any) March 26, 2007 – March 26, 2011	
Option(s) included in Total Amount?	☐ Yes ☐ No ☒ n/a
Procurement Type	☒ Competitive ☐ Non-competitive
Solicitation Type	☐ RFP ☐ Bid ☒ Other: Modification
Funding Source ☐ Operating ☒ Capital ☒ Federal ☐ Other:	
Requesting Dept/Div & Dept/Div Head Name: Capital Program Management, Frederick E. Smith	

Contract Number	**AWO/Modification #**	
A-35927	60	
Original Amount:	$	108,866,000
Prior Modifications:	$	3,599,419
Prior Budgetary Increases:	$	0
Current Amount:	$	112,465,419
This Request:	$	1,903,919
% of This Request to Current Amount:		1.7%
% of Modifications (including This Request) to Original Amount:		5.1%

Discussion:

This modification is for the installation of HVAC equipment and associated remaining work. This contract is for the rehabilitation of the Jay/Lawrence Street Station Complex, including the installation of ADA-compliant elevators and the construction of a passenger transfer connector between the Jay Street Station and the Lawrence Street Station.

As a separate initiative, NYC Transit has begun a program to cool and stabilize the operating environment in communication rooms throughout the system. As new technology projects have come on line, the associated electronic components are often installed in communication rooms. However, although many of these units have internal cooling systems, both the equipment, and its cooling apparatus disperse considerable heat into the room in which they are installed. Forced air fans have proven inadequate in achieving the required cooling. As a result, a program to cool communications rooms is underway. The rooms were ranked by priority, with key locations for network communications operations and security given priority. NYC Transit has employed a variety of procurement methods to contract for the installation of cooling equipment and associated power upgrades. In 2009, Federal Stimulus funds were used to contract for cooling of 37 rooms. In other locations, such as Jay/Lawrence, where a contractor was already working, this work will be added to the contract by change order.

The station complex has four communication rooms, none of which are air conditioned. The contract called for improved ventilation in only one room, by means of the installation of a ventilation duct and fan. After contract award, NYC Transit calculated that the cabinets and equipment presently installed, and to be installed under separate systems contracts, would elevate the rooms' temperature and jeopardize equipment functionality and lifecycle; therefore, these rooms need to be air conditioned. This is being handled under three modifications.

In February 2010, the Board approved the first of the three modifications, a retroactive $398K modification (AWO #39) that covered work that had to be performed during two weekend 53-hour General Orders (GO's) previously scheduled in January for base contract work. That modification consisted primarily of furnishing and installing new electrical cable and conduit over express tracks to the Jay Street rooms. In June 2010, the Board approved the second retroactive $560K modification (AWO #59), which was for the purchase and delivery of long-lead HVAC equipment; delivery of same is anticipated in mid-November 2010.

This modification is for the installation of the equipment previously purchased under AWO #59; completion of electrical work, power, fiber optics and control wiring; installation of ducts and refrigerant piping coupled with the balancing of each HVAC system; installation of new drains and water connections; removal of existing walls; installation of new walls with doors; installation of architectural finishes, paint and tile; installation of street vents as well as the testing and commissioning of the systems. The contractor's initial proposal was $2,739,413; NYC Transit's revised estimate was $1,761,000. Following negotiations, the lump sum of $1,903,919 was agreed upon and found to be fair and reasonable. A savings of $835,494 was achieved.

Schedule K: Ratification of Completed Procurement Actions

New York City Transit

Item Number: 1

Vendor Name (& Location) Citnalta Construction Corporation (Bohemia, NY)	
Description Rehabilitation of East 180th Street Station	
Contract Term (including Options, if any) September 9, 2009 – January 9, 2012	
Option(s) included in Total Amount?	☐ Yes ☐ No ☒ n/a
Procurement Type	☒ Competitive ☐ Non-competitive
Solicitation Type	☐ RFP ☐ Bid ☒ Other: Modification
Funding Source ☐ Operating ☒ Capital ☒ Federal ☐ Other:	
Requesting Dept/Div & Dept/Div Head Name: Capital Program Management, Frederick E. Smith	

Contract Number	**AWO/Modification #**	
A-35985/35986	7	
Original Amount:	$	42,972,000
Prior Modifications:	$	213,805
Prior Budgetary Increases:	$	0
Current Amount:	$	43,185,805
This Request:	$	344,000
% of This Request to Current Amount:		0.7%
% of Modifications (including This Request) to Original Amount:		1.3%

Discussion:

Under this modification, the contractor will raise and realign the tracks on the northbound track and replace the northbound platform's concrete topping. This contract is for the Rehabilitation of the East 180th Street Station on the Nos. 2 and 5 Lines in The Bronx. The contract calls for the rehabilitation of the historic station house and of employee facilities, the installation of ADA elevators, and track bed and rail work on 60 feet of the northbound and middle track on the thru-spans within the station limits.

This modification covers additional track bed and rail work and platform topping work on the northbound track adjacent to the platform. The additional work consists of the furnishing and installation of new ballast to raise 126 linear feet of existing northbound track bed; the replacement of approximately 650 square feet of concrete topping on the northbound platform to achieve proper vertical alignment;, the removal, realignment and reinstallation of approximately 400 linear feet of the existing running and third rails, using ties and hardware principally supplied by Subways; miscellaneous civil, power and signal work; the installation of safety netting under an elevated structure; and the protection of street traffic below. The contractor's initial proposal was $402,111; NYC Transit's estimate was $341,000. Following negotiations, the lump sum of $344,000 was agreed upon and found to be fair and reasonable. A savings of $58,111 was achieved.

GO's used by this contractor (Citnalta) must not interfere with work being performed at the same time by another contractor (Comstock) under a contract for the modernization of the East 180th Street signal system interlocking (contract S-32725). In 2010, Comstock's scheduled work allowed only a three week window (March 27 – April 19) during which Citnalta could use its GO's, and the next available window is years away. Accordingly, the construction manager directed Citnalta to perform this additional work under its GO's during the March/April 2010 window. The Acting SVP, CPM approved a retroactive waiver on April 19, 2010.

Schedule K: Ratification of Completed Procurement Actions

New York City Transit

Item Number: 2

Vendor Name (& Location) The Franklin Company Contractors, Inc. (College Point, NY)	
Description Soil and groundwater remediation at various NYC Transit facilities	
Work Order Term (including Options, if any) December 22, 2009 – August 3, 2010	
Option(s) included in Total Amount?	☐ Yes ☐ No ☒ n/a
Procurement Type	☒ Competitive ☐ Non-competitive
Solicitation Type	☐ RFP ☐ Bid ☒ Other: Modification
Funding Source ☐ Operating ☒ Capital ☐ Federal ☐ Other:	
Requesting Dept/Div & Dept/Div Head Name: Capital Program Management, Frederick E. Smith	

Contract Number C-34878, Work Order # 8	**AWO/Modification #** 6	
Original Work Order Amount:	$	3,969,338
Prior Modifications:	$	22,576
Prior Budgetary Increases:	$	0
Current Work Order Amount:	$	3,991,914
This Request:	$	750,000
% of This Request to Current Amount:		18.8%
% of Modifications (including This Request) to Original Amount:		19.5%

Discussion:

This modification is for the installation of columns and grout to support a subterranean retaining wall discovered at the Mother Clara Hale Bus Depot site and to extend the substantial completion date by 53 excusable, non-impactable working days to October 18, 2010.

This Call Agreement is for soil and groundwater remediation on an as-required basis. Qualified firms were selected by a request for proposals and, in December 2005, the Board authorized award of a contract to six firms providing for the solicitation of bids from the selected firms on an as-required basis. When a specific need is identified, a Work Order number is assigned; a site-specific scope is designed; and bids for the performance of the work are solicited from the signatories to the Call Agreement.

This Work Order # 8 was awarded to Franklin for the remediation of petroleum-contaminated soil at the Mother Clara Hale Bus Depot site. The scope calls for in-situ solidification and stabilization of the soil by means of open-pit mixing. This requires the soil to be excavated to a depth of about 13 feet, to loosen the soil. A batch plant is provided on site, in which grout, slag and dry chemical reagents are mixed with water, pumped, and mechanically mixed, into the loosened soil. This treatment renders the petroleum chemically inactive and immobile, making the soil safer for construction of the bus depot.

The in-situ method described above must be modified at one location on the site. An existing perimeter masonry wall on MTA property at the western boundary of the site secures the MTA property from a private alley behind an apartment building. In preparation for the open-pit mixing operation in that location, a test pit was dug near the existing perimeter wall. It was discovered that a below grade 75 foot long retaining wall had been added on the MTA property side of the perimeter wall for support. It was determined that excavating and loosening the soil adjacent to this retaining wall could compromise the structural integrity of the perimeter wall and the foundation of the nearby apartment building. Accordingly, the in-situ remediation method must be modified near the joined perimeter/retaining wall by strengthening the soil with columns and grout.

Under this modification, the contractor drilled and constructed soil/grout columns 13 feet deep along the 75 foot long retaining wall. This permitted remediation of the soil underneath the retaining wall, by penetrating the retaining wall's spread footing and injecting low pressure, high mobility grout through and beneath the footing. The existing retaining wall remains in place and is now additionally strengthened by the columns and grout. The modified procedure required 2 months of work, as opposed to only 2 days of work which would have been required if the simpler open-pit mixing procedure had been used for 300 cubic yards of soil adjacent to the masonry perimeter wall. The cost included hydrant permits, electric generators for the mixing plants, site security, drilling rig assembly and operations, assembly and operation of two batch plants, core drilling of the retaining wall footing, provision and operation of the injection grouting rig, and monitoring of the wall movements. The contractor's revised proposal was $954,026; NYC Transit's estimate was $763,064. Following negotiations, the lump sum of $750,000 was agreed upon and found to be fair and reasonable.

The Acting SVP, CPM approved a retroactive waiver on August 6, 2010 and the contractor was directed to proceed that day, in order to avoid delay in construction of the new bus depot. The current contractual substantial completion date for the Work Order is August 3, 2010. This modification provides an excusable and non-impactable extension of time to October 18, 2010.

Staff Summary

Subject Requests for Authorization to Award Various Procurements	**Date** October 18, 2010
Department MTA Bus Company/Long Island Bus/NYCT Department of Buses	**Vendor Name** N/A
Department Head Name Thomas Del Sorbo	**Contract Number** N/A
Department Head Signature Thomas Del Sorbo	**Contract Manager Name** N/A
Project Manager Name James P. Curry	**Table of Contents Ref #**

Board Action

Order	To	Date	Approval	Info	Other
1	Committee	10/25/10	X		
2	Board	10/27/10	X		

Internal Approvals

Order	Approval	Order	Approval
3	President		
2	Executive VP		
1	General Counsel		

PURPOSE:
To obtain (i) approval of the Board to award various contracts/contract modifications and purchase orders, as reviewed by the MTA Bus Operations Committee, and (ii) ratification of the procurements listed below.

DISCUSSION:

MTA Bus Company proposes to award Non-Competitive procurements in the following categories:

None

Long Island Bus proposes to award Non-Competitive procurements in the following categories:

None

NYC Transit Department of Buses proposes to award Non-Competitive procurements in the following categories:

Procurements Requiring Two-Thirds Vote	# of Actions	$ Amount
Schedule A: Non-Competitive Purchases and Public Work Contracts	1	**$40.5M**
	# of Actions	$Amount
Total Non-Competitive Procurements	1	**$40.5M**

MTA Bus Company proposes to award Competitive procurements in the following categories:

None

Long Island Bus proposes to award Competitive procurements in the following categories:

None

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

Procurements Requiring Majority Vote	# of Actions	$ Amount
Schedule G: Miscellaneous Service Contracts	24	$102.3M
Schedule H: Modifications to Personal Service Contracts and Miscellaneous Service Contracts Awarded as Contracts for Services	1	$8.5M
	# of Actions	$ Amount
Total Competitive Procurements	25	**$110.8M**

MTA Bus Company proposes seeks Ratifications in the following categories:

None

Long Island Bus proposes to award Ratifications in the following categories:

None

NYC Transit Department of Buses seeks Ratifications the following categories:

Procurements Requiring Majority Vote	# of Actions	$ Amount
Schedule K: Ratification of Completed Procurement Actions (Involving Schedule E-J)	1	$0.2M
	# of Actions	$ Amount
Total Ratifications	1	**$0.2M**
	# of Actions	$ Amount
Total Procurements	27	**$151.5M**

BOARD RESOLUTION

WHEREAS, in accordance with Section § 1265-a and § 1209 of the Public Authorities Law and the All-Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive purchase and public 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 Procurement Guidelines, the Board authorizes the award of certain non-competitive miscellaneous service and miscellaneous procurement contracts, certain change orders to purchase, public work, and miscellaneous service and miscellaneous procurement contracts, and certain budget adjustments to estimated quantity 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 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.

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.

7. The Board authorizes the budget adjustments to estimated contracts set forth in Schedule L.

New York City Transit

OCTOBER 2010

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-thirds Vote:

A. Non-Competitive Purchases and Public Work Contracts

(Staff Summaries required for all items greater than $100K Sole Source; $250K Other Non-Competitive)

1. **Nova Bus LFS** **$40,454,918.00 (Est.)** ***Staff Summary Attached***
a Division of Prevost Car (US) Inc. (Plattsburgh, NY)
Contract # B-31138
Purchase of 90 low floor 40 foot clean diesel buses.

OCTOBER 2010

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

G. Miscellaneous Service Contracts
(Staff Summaries required for all items greater than: $100K Sole Source; $250K Other Non-Competitive; $1M RFP; No Staff Summary required if sealed bid procurement.)

			Staff Summary Attached
1.	Sunline Transportation	$6,845,343.68 (Est.)	↓
2.	Page-A-Ride	$6,724,263.20 (Est.)	↓
3.	Communicar	$6,664,576.80 (Est.)	↓
4.	All City	$6,570,218.48 (Est.)	↓
5.	Skyline Credit Ride	$6,144,761.92 (Est.)	↓
6.	Lil'D Dispatch d/b/a Strictly	$6,106,375.51 (Est.)	↓
7.	Rainbow Radio Dispatch	$6,076,481.00 (Est.)	↓
8.	Executive Charge	$6,003,484.36 (Est.)	↓
9.	A Plus Worldwide Limo	$5,961,309.65 (Est.)	↓
10.	Sterling Ambulette	$5,745,312.15 (Est.)	↓
11.	A.M.N. Mgmt d/b/a Always Ready	$5,595,920.52 (Est.)	↓
12.	Concord Limo	$5,464,356.20 (Est.)	↓
13.	Kew Gardens Operating Corp.	$5,362,051.76 (Est.)	↓
14.	PF Management	$5,275,986.12 (Est.)	↓
15.	JJS d/b/a Grant City	$2,797,493.44 (Est.)	↓
16.	County Car Service	$2,686,887.75 (Est.)	↓
17.	N.J.M. d/b/a Mid Island Car	$2,653,343.13 (Est.)	↓
18.	Area's Two	$2,651,460.98 (Est.)	↓
19.	My Car Service	$2,330,837.33 (Est.)	↓
20.	Old Town Cars d/b/a Delta Cars	$2,075,520.24 (Est.)	↓
21.	NelPel d/b/a Newport Car Service	$877,002.86 (Est.)	↓
22.	FJA/Crosstown Livery d/b/a Village	$767,240.33 (Est.)	↓
23.	Let it Ride	$704,992.17 (Est.)	↓
24.	D&J Services	$173,829.18 (Est.)	↓

Three-year contracts
Contract # 10E0281A-Y
Voucher-based transportation services.

OCTOBER 2010

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote Cont'd:

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 or durational threshold required for Board approval.)

1. **Dedicated Services, Inc.** **$8,520,333.00 (Est.)** ***Staff Summary Attached***
Contract # 06D9374E.4
Modification to the contract for regional Access-A-Ride paratransit transportation services in order to extend the term of the contract.

OCTOBER 2010

LIST OF RATIFICATIONS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

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

(Staff Summaries required for items requiring Board approval.)

1. **Northeastern Bus Rebuilders, Inc.** **$249,900.00** ***Staff Summary Attached***
Contract # 09G0129
Immediate Operating Need
Purchase of a maintenance support program for 125 BAE Propulsion Control System units.

New York City Transit

Schedule A: Non-Competitive Purchases and Public Work Contracts

Item Number: A-1

Vendor Name (& Location) Nova Bus LFS, a Division of Prevost Car (US) Inc. (Plattsburgh, NY)	**Contract Number** B-31138
Renewal? ☐ Yes ☒ No	
Description Purchase of 90 low floor 40-foot clean diesel buses	**Total Amount:** **$40,454,918.00 (Est.)**
Contract Term (including Options, if any) **December 1, 2010-June 30, 2016**	
Option(s) included in Total Amount? ☐ Yes ☐ No ☒ n/a	**Funding Source** ☐ Operating ☒ Capital ☐ Federal ☐ Other:
Procurement Type ☐ Competitive ☒ Non-competitive	**Requesting Dept/Div & Dept/Div Head Name:** Department of Buses, Joseph Smith
Solicitation Type ☐ RFP ☐ Bid ☒ Other: Test and Evaluation	

Discussion:
The Board is hereby requested to determine that competitive bidding is impractical or inappropriate and approve the purchase of 90 low-floor 40-foot clean diesel buses outfitted with EPA 2010 compliant engines from Nova Bus LFS, a Division of Prevost Car (US) Inc. (Nova Bus) in the total estimated amount of $40,454,918. New York City Transit (NYCT) wishes to test a new product and technology, as well as to evaluate service and reliability of said product, pursuant to subdivision 9 (d) of Section 1209 of the Public Authorities Law.

Nova Bus provided a similar 40-foot bus of this type to NYCT on a no charge loan agreement basis during the first quarter of 2010. This bus was operated in Brooklyn, Queens and Manhattan and received favorable results. NYCT now wishes to test a greater number of these buses. The purchase of 90 buses will permit the test and evaluation in revenue service of a new bus type, ensure the manufacturer's ability not only to produce the bus but to provide aftermarket support for service, engineered solutions, and ensure that the bus meets the standards of NYCT's New Bus Qualification program. The purchase of larger test fleets of this size gives a more accurate indication of performance, miles per gallon, and Mean Distance Between Failures (MDBF) and enables more effective evaluations of major subsystems. Nova Bus has already successfully completed structural integrity testing which is a significant element in the qualification process and will provide a 12-year structural warranty. NYCT is presently conducting a similar test program on 90 60-foot low floor Nova articulated buses acquired under a previous procurement.

In early 2009 Nova Bus established a bus manufacturing facility in Plattsburgh, NY for the production of both 40-foot and 60-foot low-floor buses. This order will consist of a total of 90 buses with three different configurations, all of which will be manufactured in Plattsburgh and are scheduled to be delivered commencing in February 2011 and completing in June 2011. Sixty buses will have a standard configuration ($446,000/bus); 15 buses will substitute an Allison transmission and a Thermo King Athenia HVAC for standard Z-F transmission and Carrier HVAC ($453,319/per bus); and 15 buses will substitute an electric engine cooling system and LED headlights for the standard hydraulic engine cooling system and standard sealed beam headlights ($446,809/per bus). These variations within the test fleet will enable NYCT to evaluate their effects on fuel economy and maintainability.

The total Contract award of $40,454,918 will consist of $40,261,830 for the 90 buses, $67,240 for qualification testing, manuals, and diagnostic tools, $45,000 for tailpipe emission profile testing as well as $80,848 for an estimated quantity of training. The prices have been deemed fair and reasonable based on comparisons to quotes received from major competitors. Funds are available for this procurement as part of the 2010-2014 Capital Plan. In accordance with Public Authorities Law, Section 1209, paragraph 9, this contract will not be awarded earlier than 30 days from the date on which the Authority declares competitive bidding to be impractical or inappropriate.

There was significant adverse information concerning affiliated companies, Prevost Parts and Volvo Trucks North America within the meaning of the All-Agency Responsibility Guidelines. However, senior management approval was received on September 19, 2006 to continue to do business with Prevost and its affiliates barring any new significant adverse information.

Schedule G: Miscellaneous Service Contracts

New York City Transit

Item Number: *G 1-24*

Vendor Name (& Location) Various Contractors	**Contract Number** 10E0281 A-Y **Renewal?** ☒ Yes ☐ No
Description Voucher-based transportation services	Various See Below **Total Amount:** **$102,259,048.75 (Est.)**
Contract Term (including Options, if any) Three years	**Funding Source** ☒ Operating ☐ Capital ☐ Federal ☐ Other:
Option(s) Included in Total Amount? ☐ Yes ☐ No ☒ n/a	**Requesting Dept/Div & Dept/Div Head Name:** Division of Paratransit, Thomas J. Charles
Procurement Type ☒ Competitive ☐ Non-competitive	
Solicitation Type ☐ RFP ☒ Bid ☐ Other:	

Discussion:

These contracts provide voucher based car service for Paratransit customers and applicants. Trips may be "Miscellaneous/Recurring" which are trips provided to customers on an as needed or recurring basis throughout New York City and some areas of Nassau and Westchester Counties or "Applicant" trips for individuals applying for Paratransit service going to and from eligibility certifier centers in the applicant's borough. Miscellaneous/Recurring trips represent 94% of the estimated value of these contracts while Applicant trips represent 6%.

Voucher based car service plays a major role in an overall plan by Paratransit to increase service capacity during peak times and utilize a more cost effective approach than the utilization of the primary and regional carriers. It allows contractors to provide service utilizing their own vehicles dispatched from their own facilities. Currently, voucher based car service provides over 58,000 trips per month, or 10.3% of all trips completed. As existing contracts are expiring, award of the contracts that are the subject of this request will permit continued service and expansion of the use of the voucher program.

Procurement and Paratransit collaborated with the Department of Diversity and Civil Rights to conduct a major outreach with the intention of maximizing participation from the minority and women owned business (M/WBE) community. Additionally the scope of work was modified to increase participation by smaller sized companies and to include ambulette and commuter van service providers in addition to traditional black car and livery service firms. Bids were received from 33 vendors. Twenty four companies are being recommended for award, 8 of which (identified with an asterisk below) are M/WBE firms (3 have obtained NYS certification and 5 are currently in the process of applying for certification) totaling an estimated $34.6M (or 34%) of the total award.

The Office of the Controller performed financial reviews on all 24 companies and found 16 to be financially responsible. Eight of the 24 companies are being recommended based on a business decision in order to meet Paratransit's service demand (6 of which are M/WBE firms). Paratransit monitors and cultivates companies that are new to the Paratransit voucher car service program as well as smaller firms of limited financial strength through incremental work assignments, and has historically been successful in developing these companies through measured growth. On a daily basis Paratransit assigns a specific number of trips to each awardee based on known capacity. Performance is monitored to assess whether the trips were completed successfully, without passenger complaints and within time constraints. If successfully performed and the awardee has the desire, capability and capacity to take on more work, additional trips are offered and are also monitored. If unsuccessful, the trip assignments will be reduced and monitored accordingly.

The final pricing is considered fair and reasonable based on adequate price competition and a favorable comparison to pricing of the existing voucher contracts. The average price for an Applicant trip depending on the borough ranges from $18.91 to $25.20. The Miscellaneous/Recurring average price per trip, (citywide excluding Staten Island) is $34.81. The Miscellaneous/Recurring average price per trip for Staten Island alone is $20.21.

Price concessions were requested from all 24 recommended awardees (of which 12 offered concessions), resulting in a 1% (or $1,152,982) overall reduction of the total contract amount. Weighted average pricing achieved as a result of these awards will range from 6.5% to 37% less than the weighted average pricing under the existing voucher contracts.

	Awardee	Contract Value		Awardee	Contract Value
1	Sunline Transportation *	$6,845,343.68	13	Kew Gardens Operating Corp.	$5,362,051.76
2	Page-A-Ride *	$6,724,263.20	14	PF Management	$5,275,986.12
3	Communicar	$6,664,576.80	15	JJS d/b/a/ Grant City *	$2,797,493.44
4	All City	$6,570,218.48	16	County Car Service *	$2,686,887.75
5	Skyline Credit Ride *	$6,144,761.92	17	N.J.M. d/b/a/ Mid-Island Car	$2,653,343.13
6	Lil' D Dispatch, Inc.	$6,106,375.51	18	Area's Two Transportation *	$2,651,460.98
7	Rainbow Radio Dispatch *	$6,076,481.00	19	My Car Service	$2,330,837.33
8	Executive Charge, Inc.	$6,003,484.36	20	Old Town Cars d/b/a/ Delta Cars	$2,075,520.24
9	A Plus Worldwide Limo	$5,961,309.65	21	NelPel d/b/a Newport Car Service	$877,002.86
10	Sterling Ambulette	$5,745,312.15	22	FJA/Crosstown Livery d/b/a Village *	$767,240.33
11	A.M.N. Mgmt. d/b/a/ Always Ready	$5,595,920.52	23	Let it Ride	$704,992.17
12	Concord Limousine	$5,464,356.20	24	D&J Services	$173,829.18

Schedule H: Modifications to Personal Service & Miscellaneous Contracts

New York City Transit

Item Number: *H-1*

Vendor Name (& Location) Dedicated Services, Inc. (Richmond Hill, NY)	
Description Regional Paratransit Transportation Service (Access-A-Ride)	
Contract Term (including Options, if any) November 30, 2006 – October 31, 2010	
Option(s) included in Total Amount?	☐ Yes ☐ No ☒ n/a
Procurement Type	☒ Competitive ☐ Non-competitive
Solicitation Type	☐ RFP ☐ Bid ☒ Other: Modification
Funding Source ☒ Operating ☐ Capital ☐ Federal ☐ Other:	
Requesting Dept/Div & Dept/Div Head Name: Division of Paratransit – Thomas Charles, VP	

Contract Number 06D9374E	**AWO/Modification #** 4	
Original Amount:	$	23,656,391
Prior Modifications:	$	5,689,655
Prior Budgetary Increases:	$	0
Current Amount:	$	29,346,046
This Request:	$	**8,520,333 (Est.)**
% of This Request to Current Amount:		29.0%
% of Modifications (including This Request) to Original Amount:		60.1%

Discussion:

This modification will extend the contract for an additional ten months from November 1, 2010 to August 31, 2011 and add funding.

NYC Transit's Division of Paratransit (Paratransit) provides citywide origin-to-destination, shared-ride paratransit transportation services under the name Access-A-Ride (AAR) for disabled individuals who meet the eligibility criteria in accordance with the Americans with Disabilities Act of 1990 (ADA).

In April 2006, Procurement solicited proposals on an expedited basis to provide additional service within specific regions (Bronx/Northern Manhattan, Brooklyn/Queens and Rockaway) in order to meet projected ridership demand. It was determined that the best method would be to utilize a simplified contract based primarily on a guaranteed per-trip basis within specific regions, i.e. Regional service, as opposed to contracts based on vehicle service hours, i.e. citywide Primary service. A total of six Regional contracts were awarded throughout 2006 and 2007, for a contract term of three years. In September 2007, a new Request for Proposal was advertised to solicit proposals for new Primary contracts to provide citywide AAR service.

One of the six Regional contractors, Dedicated Services, Inc. (Dedicated) did not make the transition to a Primary Carrier, due to its lack of submission requirements. Dedicated's Regional contract was due to expire on February 25, 2010, but was subsequently extended through October 31, 2010 due to continued demand in the Brooklyn/Queens region for non-ambulatory customers and the fact that Dedicated's pricing is lower than that of Primary Carriers. As demand continues in this region it is beneficial to continue to utilize Dedicated's services while alternative means of lower cost service provision is explored.

Dedicated's cost per trip is $35.78 which reflects an 8% discount obtained through the MTA's Rapid Procurement Initiative, implemented in early 2010. Dedicated's price is approximately 25% less per trip than the approximate $48.00 average cost per trip for a Primary Carrier. An extension of this contract will yield savings of approximately $2.0M during the ten month extension period, as Dedicated averages 15,610 trips per month. Based upon the aforementioned, the final price was found to be fair and reasonable.

Schedule K: Ratification of Completed Procurement Actions

New York City Transit

Item Number: *K-1*

Vendor Name (& Location) Northeastern Bus Rebuilders, Inc. (Deer Park, NY)	**Contract Number** 09G0129
Renewal? ☐ Yes ☒ No	
Description Maintenance support program on 125 BAE Propulsion Control Systems units	**Total Amount:** **$249,900**
Contract Term (including Options, if any) Twelve months	**Funding Source** ☒ Operating ☐ Capital ☐ Federal ☐ Other:
Option(s) Included in Total Amount? ☐ Yes ☐ No ☒ n/a	
Procurement Type ☐ Competitive ☒ Non-competitive	**Requesting Dept/Div & Dept/Div Head Name:** Department of Buses, Joseph Smith
Solicitation Type ☐ RFP ☐ Bid ☒ Other: Immediate Operating Need	

Discussion:

On March 30, 2010 the Acting Vice President, Materiel, declared an Immediate Operating Need (ION) and waived formal competition pursuant to Article XIV, paragraph A, of the All Agency Guidelines for the Procurement of Services. It is requested that the Board ratify the award of a miscellaneous service contract to Northeastern Bus Rebuilders, Inc. (NEBR) for a maintenance support program on 125 British Aerospace Engineering (BAE) Hybrid Drive Propulsion Control System (PCS) units utilized on Orion low-floor hybrid diesel electric buses.

In 1999, Contract B-31169 was executed for the purchase of 125 Low Floor Hybrid diesel electric buses from Orion Bus Industries, Inc., later taken over by Daimler Buses North America (DBNA). The BAE PCS manages the distribution of power between the generator, batteries, engine and traction motors to maximize fuel management, battery life and reduce overall emissions. The original warranty term for the 125 PCS units was two years and expired in 2007; however, BAE extended the warranty period, at no charge, by an additional three years to March 31, 2010.

Subsequent to the original price submission from BAE in connection with a post warranty support contract, BAE designated authorized regional service representatives, NEBR & DBNA, capable of performing this work. On March 30, 2010, the Department of Buses requested that an ION be declared to assure uninterrupted post warranty maintenance support. While quotations were requested from NEBR and DBNA, DBNA was unable to provide pricing in a timely manner. NEBR's offer was $100 less than BAE's original proposal, and found fair and reasonable.

A purchase order was issued to NEBR for coverage for up to 12 months while a formal solicitation for post warranty maintenance support for the propulsion system components on these and all other Orion Hybrid buses is conducted.

Long Island Rail Road

Subject Joint Special Services/ Commissary Price Increase	**Date** October 5, 2010
Department MNR – Business Development, Facilities & Marketing LIRR - Transportation	**Vendor Name**
Department/Division Head Name Mark Young, VP/CFO of Management and Finance – LIRR Randall J. Fleischer, Senior Director, Business Development, Facilities & Marketing - MNR	**Contract Number**
Department Head Signature MNR LIRR	**Contract Manager Name**
Project Manager Name Barry Kaufman, LIRR Thomas Celli, MNR	**Table of Contents Ref #**

Board Action

Order	To	Date	Approval	Info	Other
1	LIRR LI Committee	10/25/10	X		
2	MNR Committee	10/25/10	X		
3	MTA Finance Committee	10/25/10	X		
4	MTA Board	10/27/10	X		

Internal Approvals

Order	Approval	Order	Approval
3	LIRR President		10/6/10
2	LIRR Vice President & CFO		10/6/10
1	LIRR Sr. VP Operations		10/6/10
3	MNR President		
1	MNR VP Finance Admin.		10/6/10
2	MNR General Counsel		10/6/10

Internal Approvals (cont.)

Order	Approval	Order	Approval	Order	Approval	Order	Approval
1	Exec Dir Mgmt & Budget						

Purpose

The proposed action seeks MTA Board approval for revised Special Services/Commissary prices effective January 1, 2011 for both the Long Island Rail Road and Metro-North Railroad

Description

In order to generate additional revenue, while at the same time remaining competitive with private vendors, both Railroads are proposing to increase the price of selected commissary products beyond the 1.4% of consumer price index (CPI) growth since the last increase.* The new prices will help the railroads to offset higher labor and supplier costs for beer, wine, spirits and liquor. For example, since 2005, MNR's labor costs have grown by almost 21% and LIRR's by 18%, while the average CPI has risen a cumulative 12.8% from 2005 to 2009.
Because of the low CPI and the desire to maintain $0.25 pricing increments for Commissary products, MNR is proposing an approximately 3.8% increase and LIRR is proposing an approximately 4.2% increase effective January 1, 2011. MNR's last increase in July 2009 was 4.2%, while LIRR's last increase in July 2009 was 3.6%. The percentage increase varies slightly between the Railroads due to the different pricing structures at Penn Station and Grand Central Terminal, and the need to remain competitive at both stations.

*Per MTA Board policy/price changes adopted in May 2008, the commuter Railroads have the authority to increase Commissary prices up to the rate of annual consumer price index (CPI) growth September to September (cumulative since the prior increase) without further Board approval. CPI growth from July 2009 through August 2010, the most recent data available, is approximately 1.4%.

Benefits

LIRR's and MNR's proposed increase will be strategically priced for only select items. The proposed MNR pricing, which will affect top shelf and house call liquor, wine, imported beer and non-alcoholic beverages, will be competitive with other vendors in Grand Central Terminal. The proposed LIRR pricing, which will affect only imported and domestic beer, will be competitive with other vendors in Penn Station. Details are shown in Table 1, 2 and 3.

Impact on Budget

LIRR: In 2009, the Special Services operations generated $2.4 million in revenues with a net profit of $0.5 million after expenses. Additional net revenue from the 2011 price increase is estimated to be $100K.

MNR: In 2009, the Commissary operations generated $6.4 million in revenues with a net profit of $1.5 million after expenses. Additional net revenue from the 2011 price increase is estimated to be $150K.

Recommendation

The LIRR and MNR recommend that the MTA Board approve this proposal.

TABLE 1

LIRR PROPOSED COMMISSARY PRICE MODIFICATIONS

LIRR Menu Item	NEW PRICE	CURRENT PRICE	PRICE CHANGE
Imported Fosters Beer 25 oz	$4.75	$4.50	$0.25
Imported Beer	$3.50	$3.25	$0.25
Domestic Beer	$2.50	$2.25	$0.25

TABLE 2

LIRR PROPOSED HAMPTON RESERVE COMMISSARY PRICE MODIFICATIONS

LIRR Menu Item	NEW PRICE	CURRENT PRICE	PRICE CHANGE
Imported Fosters Beer 25 oz	n/a	n/a	n/a
Imported Beer	$5.00	$4.75	$0.25
Domestic Beer	$3.75	$3.50	$0.25

TABLE 3

MNR PROPOSED COMMISSARY PRICE MODIFICATIONS

MNR Menu Item	NEW PRICE	CURRENT PRICE	PRICE CHANGE
Top Shelf	$6.75	$6.50	$0.25
House Call	$6.50	$6.25	$0.25
Wines	$5.75	$5.50	$0.25
Imported Beer-Foster's	$5.25	$5.00	$0.25
Imported Beer	$3.75	$3.50	$0.25
Spring Water	$1.75	$1.50	$0.25
Soda	$1.75	$1.50	$0.25

Long Island Rail Road
Metro-North Railroad
Capital Construction

Subject: Request for Authorization to Award Various Procurements	Date: October 27, 2010
Department: Procurement & Logistics - LIRR	Department: Law and Procurement - MTACC
Department Head Name: Dennis L. Mahon, Chief Procurement & Logistics Officer	Department Head Name: Jayne Czik, Acting General Counsel
Department Head Signature	Department Head Signature
Department: Procurement & Material Management - MNR	
Department Head Name: Anthony Bombace, Director, Procurement & Material Management	
Department Head Signature	

Board Action

Order	To	Date	Approval	Info	Other
1	LIRR/MNR Committee	10.25.10			
2	MTA Board	10.27.10			

Internal Approvals

Order	Approval	Order	Approval
X	President, LIRR		
X	President, MNR		
X	President, MTACC		

PURPOSE:

To obtain approval of the Board to award various contracts and purchase orders, and to inform the Metro-North/Long Island Committee of these procurement actions.

DISCUSSION:

LIRR proposes to award Non-Competitive procurements in the following categories:

Schedules Requiring Two-Thirds Vote

		# of Actions	$ Amount
Schedule A:	Non-Competitive Purchase and Public Works Contracts	1	$0.050M
	SUBTOTAL:	1	$0.050M

MNR proposes to award Non-Competitive procurements in the following categories:

	# of Actions	$ Amount
Schedules Requiring Two-Thirds Vote (or more, where noted)	NONE	
Schedules Requiring Majority Vote		
Schedule E: Miscellaneous Procurement Contracts	1	$0.120M
SUBTOTAL:	1	$0.120M

MTACC proposes to award Non-Competitive procurements in the following categories: NONE.

LIRR proposes to award Competitive procurements in the following categories:

		# of Actions	$ Amount
Schedules Requiring Two-Thirds Vote			
Schedule C:	Competitive Request for Proposals (Award)	1	$18.852M
Schedules Requiring Majority Vote			
Schedule F:	Personal Service Contracts	2	$1.511M
Schedule G:	Miscellaneous Service Contracts	2	$1.345M
Schedule H :	Mods. to Personal Service Contracts and Misc. Service Contracts	1	$2.281M
	SUBTOTAL:	6	$23.989M

MNR proposes to award Competitive Procurements in the following categories:

		# of Actions	$ Amount
Schedules Requiring Two-Thirds Vote (or more, where noted)		NONE	
Schedules Requiring Majority Vote			
Schedule E:	Miscellaneous Procurement Contracts	1	$0.407M
Schedule I:	Modifications to Purchase and Public Work Contracts	1	$1.486M
	SUBTOTAL:	2	$1.893M

MTACC proposes to award Competitive Procurements in the following categories:

		# of Actions	$ Amount
Schedules Requiring Majority Vote			
Schedule I:	Modifications to Purchase and Public Work Contracts:	2	$0.825M
	SUBTOTAL:	2	$0.825M

LIRR proposes to award Ratifications in the following categories: NONE

MNR proposes to award Ratifications in the following categories: NONE

MTACC proposes to award Ratifications in the following categories: NONE

TOTAL:	**12**	**$26.877M**

BUDGET IMPACT:

The purchases/contracts will result in obligating Long Island Rail Road, Metro-North Railroad and MTA Capital Construction operating and capital funds in the amount listed. Funds are available in the current operating/capital budgets for this purpose.

RECOMMENDATION:

That the purchases/contracts be approved as proposed. (Items are included in the resolution of approval at the beginning of the Procurement Section.)

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.

Long Island Rail Road

OCTOBER 2010

MTA LONG ISLAND RAIL ROAD

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote

Schedule A: Non-Competitive Purchase and Public Works Contracts
(Staff Summaries required for all items greater than: $100K Sole Source: $250K Other Non-Competitive)

1. VAE Nortrak North America, Inc. $50,106
Sole Source Fixed Amount
Contract No. TBD

LIRR requests MTA Board approval to award a Sole Source Contract to VAE Nortrak North America, Inc. (Nortrak) in the fixed amount of $50,106 for the purchase of two knuckle rail assemblies. Nortrak is the Original Equipment Manufacturer and the sole responsible source to provide these items, which must be compatible with previously installed slip switches, also manufactured by Nortrak. A failure of an assembly would render the switch inoperable and affect train movement through Jay and Hall Interlockings. LIRR has scheduled replacement of two switches with knuckle rail assemblies that have significant wear. The original switches, purchased from Nortrak from 1980 to 1995 as part of LIRR's operating maintenance programs that included knuckle rail assemblies, are unique to the location at which they are installed due to the intersecting angles of the tracks to the switches. LIRR advertised its intent to award a Sole Source Contract in the NYS Contract Reporter and the New York Post and no other vendor expressed an interest in competing for this procurement. Negotiations with Nortrak resulted in a 7% reduction in their proposed pricing. Adjusting for the changes in the price of steel as reported by the Product Price Index (PPI), the offer by Nortrak is comparable to previous purchased knuckle assemblies. Further, Nortrak has certified that the prices being charged LIRR are not greater than prices charged their most favored transit customer. As a result of the above, pricing is determined to be fair and reasonable.

OCTOBER 2010

METRO-NORTH RAILROAD

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedules Requiring Majority Vote:

E. Miscellaneous Procurement Contracts
(Staff Summaries required for all items greater than: $100K Sole Source; $250K Other Non-Competitive)

1. Nathan Air Chime (NAC) $120,000 (not-to-exceed)
Lease of Air Horn Testing Chambers

Non-competitive miscellaneous procurement contract for 18 mos. to the firm, Nathan Air Chime (NAC), to lease two (2) Air Horn Testing Chambers for the testing and certification of existing MNR Railcar air horns. MNR will retain an option for a six month period at the same pricing.

In August 2006, the Federal Railroad Administration issued a federal regulation (49 CFR Parts 222 and 229 – "Use of Locomotive Horns at Highway – Rail Grade Crossings; Final Rule") in regard to air horns on railcars. Section 229 of the regulation stipulates the rules for the testing of locomotive horns in a manner designed to address the complex and conflicting issues of public safety and noise pollution. MNR surveyed the RR infrastructure and territory and determined that the only FRA-compliant location for the required open air testing is in Croton-on-Hudson adjacent to a densely populated residential area, making it impractical for that location to be used to test more than 800 horns over a multi-year period.

Utilizing an acoustical consultant, MNR performed the testing necessary to identify an alternate test method acceptable to the FRA. Concurrently, Nathan Air Chime (NAC) developed a self-contained chamber that would allow horns to be tested in an enclosed environment with no noise impact to the community. MNR entered into a no-cost product test agreement with NAC allowing the validation of the NAC Air Horn Testing Chamber utilizing MNR rail equipment. MNR petitioned the FRA to allow the use of this chamber as an alternate test method to open air testing, and the NAC Air Horn Testing Chamber was conditionally accepted as a valid alternative testing method by the FRA on June 24, 2010.

The total cost for the 18 month contract (Nov. 2010-April 2012) is not-to-exceed $120,000 and prices are fixed for the period. MNR will retain an option for six months at the same pricing. MNR will begin using the testing chambers (one will be in Harmon and one will be in New Haven) immediately to have the entire EMU fleet profiled, tested and fully compliant with the federal regulation. This testing is a one-time procedure for each unit; after the initial testing is completed, use of these chambers is no longer required. This procurement is to be funded by the MNR Operating Budget.

Long Island Rail Road

OCTOBER 2010

MTA LONG ISLAND RAIL ROAD

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote

Schedule C: Competitive Request for Proposals (Award of Purchase and Public Work Contracts)
(Staff Summaries only required for items requiring Board approval)

2. Kiewit Constructors, Inc. **$17,397,000 (Base)** *Staff Summary Attached*
Competitive **+$1,455,000 (Option)**
Contract No. 6055 **$18,852,000**

LIRR requests MTA Board approval to award a Design/Build Contract to Kiewit Constructors, Inc., in the amount of $17,397,000, to perform structural rehabilitation of a portion of the Atlantic Avenue Viaduct.

Procurements Requiring Majority Vote

Schedule F: Personal Service Contracts
(Staff Summaries required for all items greater than: $100K Sole Source; $250K Other Non-Competitive; $1M Competitive)

3. American Systems Registrar (ASR) **$26,030**
Competitive **Not-to-Exceed**
Contract No. BP03743

LIRR requests MTA Board approval to award a competitively bid, two-year, personal service contract to American Systems Registrar ("ASR"), in the not-to-exceed amount of $26,030, to perform ISO 9001:2008 compliance audits and certification renewals for LIRR's Engineering department. An independent ISO 9001 assessor approved by the American National Standards Institute (ANSI) and the American Society for Quality (ASQ) National Accreditation Board (ANAB) must conduct this certification process. The assessor performs audits on organizations in accordance with the rules established by the ISO9001 Registrar Board to determine if good business practices and effective management controls are being utilized. Prior to soliciting a competitive bid, LIRR reached out to MTA sister agencies to identify a similar contract that could be piggybacked, or to join in the procurement. No other agency offered similar contracts, or expressed interest in joining this solicitation. This renewal contract was advertised in the Contract Reporter on August 2, 2010, and the NY Post on August 5, 2010. The bid price schedule required the contractor to provide the number of days required for the work, and was based on the total aggregate of daily rates for recertification assessment audits, travel per diem, and annual recertification fees required during the two-year term. LIRR received three bids: ASR - $26,030, the incumbent Perry Johnson Registrars (PJR) - $32,200, and Gorlyn I.T. Management ("GITM") - $3,721,163. ASR's bid of $26,030 is $6,170, or 19.2% less than PJR's bid of $32,200, and $8,774, or 25.2% less than the current contract price of $34,804. ASR's pricing is therefore considered fair & reasonable. Funding for the contract is included in LIRR's Operating Budget.

4. **Booz Allen Hamilton, Inc.** **$1,484,862** *Staff Summary Attached*
Competitive **Not-to-Exceed**
Contract No. 6059

LIRR requests MTA Board approval to award a nine month contract to Booz Allen Hamilton, Inc. (BAH), in the not-to-exceed amount of $1,484,862, to undertake the analysis of the MTA's Police Department radio system and develop recommendations for its improvement (Base Work). The requested amount also includes separate options for (i) a 30% design package and (ii) construction phase services during installation and implementation. BAH was selected pursuant to a competitive RFP process, which included LIRR's qualified Signal & Communications GECs.

Procurements Requiring Majority Vote

Schedule G: Miscellaneous Service Contracts
(Staff Summaries required for all items greater than: $100K Sole Source; $250K Other Non-Competitive; $1M RFP; No Staff Summary required if Sealed Bid Procurement)

5. **Industrial Process Measurements, Inc.** **$70,688**
Competitive **Not-to-Exceed**
Contract No. BP03742

LIRR requests approval to award a competitively bid, Miscellaneous Services contract to Industrial Process Measurement, Inc, ("IPM"), for renewal of as-needed, signal meter calibrations and repairs in support of the Railroad's Signal Dept. This contract will be effective for a period of thirty-six (36) months, from January 1, 2011, through December 31, 2013, in the total, not-to-exceed amount of $70,688. Prior to solicitation, LIRR reached out to NYCT, MNR and SIRTOA to see if other signal meter calibration contracts were available for LIRR to piggyback or if any of the agencies were interested in joining the procurement. NYCT performs these services in-house, but is not equipped to service additional LIRR meters. MNR uses different meters than LIRR. SIRTOA does not presently have these requirements. The solicitation was advertised in the NYS Contract Reporter on August 9, 2010, and the NY Post on August 12, 2010. The LIRR received two bids: IPM (incumbent) - $70,688, and Instrumentation Technical Services ("ITS") - $123,695. The price schedule was based on the total aggregate of fixed unit prices for estimated calibrations, and hourly labor rates for estimated, as-required meter repairs. IPM's bid of $70,688 represents 0% increase in unit prices from their current three-year contract with LIRR, is $53,007, or 42.8% less than the second bidder (ITS), and $19,312, or 21.4% less than the Railroad's estimate of $90,000. Based on the above, IPM's price is considered to be fair & reasonable. Funding for the contract is included in LIRR's Operating Budget.

6. **Snow Removal Services** **$1,274,370**
Brook Valley Investments, Inc. **Not-to-Exceed**
Contract No. TBD

LIRR requests approval to award a Miscellaneous Service Contract, pursuant to a formal competitive bid solicitation, to Brook Valley Investments, Inc. (Brook Valley), for snow removal services at fourteen train yards, in the total not-to-exceed total amount of $1,274,370. This renewal contract is for a three-year period, beginning December 1, 2010. The solicitation was advertised in both the NYS Contract Reporter and New York Post, beginning the week of July 15, 2010, and allowed bidders to submit bids on any or all of the yards specified in the bid documents. Twenty-one contractors expressed an initial interest in this solicitation, but only seventeen attended the mandatory site tours. Of those potential contractors (including the two incumbents), six submitted bids: Atlas, Brook Valley, DeLuca, Double Nickel, NAC and RBR. Only Brook Valley bid on every yard. Reasons for no-bids included disinterest in geographic locations, and/or lack of resources (manpower/equipment) to perform the work. Pricing for each location was based on an estimated number of hours and a defined number of resources (provided by LIRR) per five "Response Level" call-out scenarios. Per the contract, LIRR may also request additional manpower/equipment, when deemed necessary. Prices under the proposed contract are fixed for

the full 3-year term. Brook Valley's rates are more than 300% less than the next lowest bidder, in each yard. After meeting with Brook Valley to discuss its bid, Brook Valley has demonstrated to the satisfaction of the Railroad that it has sufficient equipment and resources to perform the work within the bid price, and has successfully held large snow removal contracts with military and educational institutions, airports and retail entities. The LIRR's Operating Budget will fund this contract.

Procurements Requiring Majority Vote

Schedule H: Mods. 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 original contract to equal or exceed monetary or durational threshold required for Board approval.)

7. **American Occupational Health Mgmt.** **$2,281,000** *Staff Summary Attached*
d/b/a/Take Care Employer Solutions, Inc. **Not-to-Exceed**
Competitive RFP
Contract No. 5917

LIRR requests MTA Board approval to (i) extend the term of LIRR, MNR, LI Bus, MTA Bus, and MTAHQ's (thereinafter the "Agencies") contracts with American Occupational Health Management, Inc d/b/a Take Care Employer Solutions, Inc ("Take Care"), to continue to manage and operate the Agencies' on-site Occupational Health Services facilities for an additional six-months, from January 1, 2011 through June 30, 2011, and (ii) increase total contract funding by $2,281,000, from $28,136,839 to a revised not-to-exceed amount of $30,417,839.

Schedule C: Competitive Request for Proposals (Award) **Long Island Rail Road**

Staff Summary

Item Number 2	
Dept & Dept Head Name: Procurement & Logistics; Dennis Mahon	
Department Head Signature & Date 10/11/10	
Division & Division Head Name: Kevin Tomlinson, Chief Program Officer	
Department Head Signature & Date	

Board Reviews

Order	To	Date	Approval	Info	Other
1	LI Committee	10.25.10			
2	MTA Board	10.27.10			

Internal Approvals

Order	Approval	Order	Approval
6	President	3	SVP of Administration
5	Exec. Vice President	2	VP, Chief Financial Officer
4	SVP Operations	1	VP, Gen'l Counsel & Secy.

SUMMARY INFORMATION	
Vendor Name	**Contract Number**
Kiewit Constructors, Inc.	6055
Description	
Atlantic Ave. Viaduct Design/Build Rehabilitation IIb Structural Rehabilitation	
Total Amount	
$17,397,000 (Base) + $1,455,000 (Option)	
Contract Term (including Options, if any)	
330 days from award	
Option(s) included in Total Amount?	☒ Yes ☐ No
Renewal?	☐ Yes ☒ No
Procurement Type	
☒ Competitive ☐ Non-competitive	
Solicitation Type	
☒ RFP ☐ Bid ☐ Other: Sole Source	
Funding Source	
☐ Operating ☒ Capital ☐ Federal ☐ Other:	

I. PURPOSE/RECOMMENDATION

LIRR requests MTA Board approval to award a Design/Build Contract to Kiewit Constructors, Inc., in the amount of $17,397,000, to perform structural rehabilitation of a portion of the Atlantic Avenue Viaduct.

II. DISCUSSION

The Atlantic Avenue Viaduct ("AAV") consists of 1.4 miles of track (199 total spans) between Nostrand Avenue and Ralph Avenue in Brooklyn, and requires an ongoing special inspection and repair program due to its age and condition. A span consists of the girders between two adjacent sets of columns. The amendment to LIRR's 2006-2009 Capital Program approved by the Board in December 2006 included $93.4M for the 1st phase of a new project ("Project") to rehabilitate 87 spans of the AAV and bring it to a state of good repair. The Project includes replacement-in-kind of the bridge deck (girders and cap beams), and column repairs. To avoid extensive disruptions to our customers, the replacement work is performed only on weekends. The first phase of the Project, which begun in March 2008, was awarded through a competitive RFP process to Kiewit Constructors, Inc., and includes the replacement of 87 spans. LIRR received ARRA Funding that allowed a second phase of the project for the replacement of 85 spans. This phase, which began in August 2009, was also awarded to Kiewit Constructors via a competitive RFP process.

LIRR has received additional funding for the completion of the AAV spans under the 2010-2014 Capital Program. As with the first two contracts of the AAV rehabilitation, this contract for the third phase is being procured using a Design/Build contract methodology, and will advance the current 30% preliminary design through final design, and implement the actual replacement of the 17 remaining un-rehabilitated spans, along the west half of the viaduct. (The rehabilitation of the Nostrand Avenue Station will be undertaken under a separate contract during this Capital Program.) The use of the RFP method for the design/build methodology was approved at the Board's March 2010 meeting.

As the first step of the RFP process, design/build teams were invited to propose pursuant to a public advertisement on April 21, 2010. The scope of work includes the design of Spans #8 - #23, and the reconstruction of Spans #1 and #8 - #23 ("Base Work"), and called for an option price for the design and construction of a steel raceway system along the entire length of the Viaduct, to be utilized by LIRR to carry its 2400V signal power cable. A site tour and pre-proposers' conference was held on April 28, 2010 and attended by five contractors and five engineering firms. Five Addenda were issued. On June 23, 2010, only two firms submitted proposals: Kiewit Constructors, Inc. and Yonkers Contracting Co.

On July 1, 2010, a Technical Evaluation Committee (TEC) evaluated the proposals based on the following technical criteria: (a) Technical approach to implementing the project; (b) Planning and Scheduling protocols; and (c) Experience of Firms and Technical Staff. Notwithstanding the fact that Kiewit's proposed cost for the Base Work was $17,997,000 and Yonkers' proposed cost was $17,000,000, the TEC assigned Kiewit, based on its superior technical proposal, an overall rating of 25.9 points out of 30, compared with 22.3 points for Yonkers.

LIRR thereafter issued a Request for BAFOs that also required prices for several options, including alternate pricing for an aluminum raceway system and the steel raceway system. Kiewit's and Yonkers' BAFOs for the Base Work were $17,997,000 and $16,677,000, respectively.

Despite the price difference with Yonkers, the TEC still considered Kiewit to be superior for the following reasons:

- a schedule to reduce the number of necessary track outage weekends to 6 vs. 14 proposed by Yonkers
- performance of actual span replacements over 6 weekends vs. 10 weekends proposed by Yonkers
- achievement of Final Completion in 330 days vs. 600 days proposed by Yonkers
- proven design and construction methodology
- reduced impacts to the community surrounding the project site due to shortened project duration
- developed Maintenance and Protection of Traffic planning to reduce and minimize impacts to the public and provide for worker safety
- reduced numbers of full road closures for Atlantic Avenue during span replacement weekends (6 vs. 10)
- single point of design responsibility for entire viaduct
- demonstrated understanding of LIRR operations and the critical nature of outage planning to minimize potential impacts to rail service including late restoration of service
- greater level of detail in its safety program, as well as generally superior safety record based upon its Workers compensation Experience ratio (EMR).

The TEC stated that, although it recognized the importance of cost, especially in a time of fiscal constraints, it was also very much aware of the need to complete this complex, time-sensitive project, critical to the LIRR's mission, competently, safely, and with the least possible disruption to the LIRR and the public which it serves as well as the surrounding community. Hence the TEC recommended negotiating with Kiewit for this contract.

As a result of negotiations, Kiewit agreed to a final, reduced price of $17,397,000 for the base contract work and $1,455,000 for the aluminum raceway system option (the only Option the LIRR will pursue). Subsequent analysis based on these negotiated figures indicates that Kiewit's proposal, based on its aggressive schedule and consequent need to use less LIRR Force Account and other LIRR project support resources, produces a total overall LIRR Project Level cost that is $1,500,000 less than the overall Project Level cost using Yonkers' proposed BAFO costs. Further, Kiewit's final cost proposal is less than LIRR's estimate. For these reasons, Kiewit's final proposed price is determined to be fair and reasonable.

Based upon the evaluation process outlined above, it is LIRR's recommendation that Kiewit Constructors, Inc. be awarded this design/build contract for the total price of $17,397,000 for Base Work and $1,455,000 for the selected Option.

III. D/M/WBE INFORMATION

This contract has a 10% MBE and a 5% WBE goal. Kiewit Constructors has applied for a partial waiver of the MBE goal.

IV. IMPACT ON FUNDING

This contract is funded by the LIRR 2010-2014 Capital Program.

V. ALTERNATIVES

LIRR in-house forces are not available to perform this work. Hence, the only alternative to retaining a 3rd-party vendor is to not undertake the work. This is not a viable or cost effective alternative, as LIRR would have to continue the current level of maintenance, inspection and repair, which is more extensive and labor intensive than the norm for other line structures, due to the age and current state of the Atlantic Avenue viaduct.

Schedule F: Personal Service Contracts

Staff Summary

Long Island Rail Road

Item Number: 4	
Dept & Dept Head Name: Procurement & Logistics, Dennis Mahon Department Head Signature & Date 10/11/10	
Division & Division Head Name: LIRR Special Projects/East Side Access on behalf of MTA Police Department/John Coulter, VP Division Head Signature & Date	

Board Reviews

Order	To	Date	Approval	Info	Other
1	LI Committee	10.25.10			
2	MTA Board	10.27.10			

Internal Approvals

Order	Approval	Order	Approval
1	President	4	SVP of Administration
2	Executive VP, CE	5	VP, Chief Financial Officer
3	SVP, Operations	6	VP, Gen'l Counsel & Sec'y

SUMMARY INFORMATION	
Vendor Name Booz Allen Hamilton, Inc.	**Contract Number** 6059
Description: MTA PD Regional Radio System Infrastructure Improvements Project Alternatives Analysis	
Total Amount: $1,484,862 ($394,838 (not-to-exceed) for Base Contract Work; $547,601 (not-to-exceed) for Option 1; and $542,423 (not-to-exceed) for Option 2)	
Contract Term (including Options, if any): 270 ccd for base contract work; Options TBD	
Options(s) included in Total Amount:	☒ Yes ☐ No
Renewal?	☐ Yes ☒ No
Procurement Type ☒ Competitive ☐ Non-Competitive	
Solicitation Type ☒ RFP ☐ Bid ☐ Other:	
Funding Source ☐ Operating ☒ Capital ☐ Federal ☐ Other:	

Narrative:

I. PURPOSE/RECOMMENDATION

LIRR requests MTA Board approval to award a nine month contract to Booz Allen Hamilton, Inc. (BAH), in the not-to-exceed amount of $1,484,862, to undertake the analysis of the MTA's Police Department radio system and develop recommendations for its improvement (Base Work). The requested amount also includes separate options for (i) a 30% design package and (ii) construction phase services during installation and implementation.

II. DISCUSSION

The Metropolitan Transportation Authority Police Department (MTAPD) is the police agency of New York's Metropolitan Transportation Authority (MTA). Officers of the MTAPD are fully empowered under the New York State Criminal Procedure Laws and are commissioned in the state of Connecticut. Its jurisdiction extends across fourteen counties in two states, covers approximately 5,000 square miles, including New York City, Long Island, southeastern New York State and southern Connecticut, serves a population of 14.4 million people, and ensures the safety and well-being of over 169 million MTA riders each year. As part of daily operations, MTAPD police officers require the use of a two-way radio system as the primary method of receiving dispatch orders, reporting information back to headquarters, and to call for emergency aide and assistance. Currently the MTAPD radio system is administered and maintained by its sister agencies: Long Island Rail Road (for areas within Manhattan and across Long Island) and Metro North Railroad (for areas in Manhattan, upstate New York and western Connecticut).

The primary purpose of this contract is to provide the MTA with multiple system design alternatives capable of facilitating the design, construction, and management of an improved two-way land mobile radio communications network. Elements of these alternatives are required to alleviate difficulties inherent in the current MTA PD radio network. The final report shall provide the recommendation of a single best alternative that satisfies all aspects of a "public safety-grade" radio system designed to the highest level possible. The final recommendation will then be used as a baseline model for the design and construction of the MTAPD Regional Radio System. The contract includes priced options to complete a 30% Level Design Package (Option #1) based on the final recommendation listed in the Alternatives Recommendation Report, and the provision of Construction Phases Services (Option #2) for the duration of the project installation and implementation.

In the first step of the competitive RFP process, consultants were invited to propose pursuant to a public advertisement, which ran on May 25, 2010, and 24 firms were specifically invited to submit proposals. A pre-proposal conference was held on June 7, 2010 and attended by 22 vendors. The LIRR issued 3 Addenda. On June 25, 2010, five (5) firms submitted proposals: Booz Allen Hamilton, Inc. (BAH); PB Americas; Systra Engineering; DVI/Federal Engineering, Joint Venture; and RCC Consultants.

On July 22, 2010, a Technical Evaluation Committee (TEC) evaluated the proposals based on the following technical criteria: (a) responsiveness of proposal (including technical approach, demonstrated understanding of the project objectives, management and administration of the project, and identification of anticipated problems and proposed solutions); and (b) qualifications and experience of consultant and staff. On technical criteria alone (not including cost), a clear "short list" evolved, comprised of BAH, DVI/FE, and PB Americas (out of 30 possible points):

- BAH: 27.00
- DVI/FE: 25.50
- PB Americas: 22.00
- Systra: 17.60
- RCC: 14.55.

The TEC requested clarifications of the proposals of the top three firms to be presented in writing. Letters with questions about the proposals were sent to these 3 firms on July 26, 2010. Responses were received on July 30, 2010. No adjustments were made to the technical evaluation.

When cost was factored in as a criterion, BAH was rated significantly higher than the other firms overall since BAH had the highest technical ranking and the lowest cost proposal of all the firms, as follows:

- BAH: 36.5 (out of 40 possible points)
- PB Americas: 30.5
- DVI/FE: 26.5
- Systra: 21.1
- RCC: 16.05.

The TEC recommended that negotiations commence with BAH.

BAH's proposed price for the Base Work of the contract was $456,761. As a result of negotiations, BAH agreed to a final, reduced price of $394,838 for the Base Work of the contract, a 13.5% reduction. Options #1 and #2 will be included in the award to be exercised within BAH's final proposed costs of $547,601 and $542,423 respectively.

LIRR's original estimate for the base work was $252,000, which was increased to an estimated $322,000 based on additional scope requirements. The difference between the final cost proposal and the final cost estimate can be attributed to more labor hours related to site visits on Long Island, in MetroNorth territories and Staten Island. BAH's staff rates and mark-ups were reviewed by MTA Audit, with resulting downward adjustments to BAH's proposal. BAH's price therefore is deemed to be fair and reasonable.

A responsibility review of BAH has disclosed significant adverse information within the meaning of the Responsibility Guidelines. LIRR submitted a request for waiver of adverse information to MTA, which was subsequently approved by the Chairman.

Based upon the evaluation process outlined above, it is the final recommendation of the LIRR that BAH be awarded this contract for the total price of $394,838 for the Base Work, with Options #1 and #2 included but to be negotiated at the time of their implementation.

III. D/M/WBE INFORMATION

MTA Office of Civil Rights has set MBE goals of 10% and WBE goals of 10% for this contract, which the vendor meets.

IV. IMPACT ON FUNDING

The MTA PD Capital Budget will fund this contract.

V. ALTERNATIVES

The successful completion of this initiative will require extensive specialized knowledge of radio infrastructure and adequate resources, not available within the MTA/LIRR; hence, the use of a third-party vendor is required.

Schedule H – Modifications to Personal Service Contracts and Miscellaneous Service Contracts

Staff Summary

Long Island Rail Road

Item Number: 7

Vendor Name (& Location) American Occupational Health Mgmt, Inc. d/b/a Take Care Employer Solutions, Inc (Deerfield, IL)	**Contract Number** 5917 – Joint Agency Occup. Health
AWO/Modification # 3	
Description Operate and Manage Health Care Facilities	
Contract Term (including Options, if any) January 1, 2005 – June 30, 2011	
Option(s) included in Total Amount? ☐ Yes ☒ No	
Procurement Type ☒ Competitive ☐ Non-competitive	
Solicitation Type ☒ RFP ☐ Bid ☐ Other:	
Funding Source ☒ Operating ☐ Capital ☐ Federal ☐ Other:	
Requesting Dept/Div & Dept/Div Head Name: LIRR, MNR, LIB, MTA Bus, and MTA HQ HR Depts.	

Original Amount:	$18,941,747
Prior Modifications:	$ 9,195,092
Prior Budgetary Increases:	$ 9,195,092
Current Amount:	$28,136,839
This Request:	$ 2,281,000
% of This Request to Current Amount:	8.10%
% of Modifications (including This Request) to Original Amount:	60.60%

Discussion:

MTA Long Island Rail Road ("LIRR") requests MTA Board approval to (i) extend the term of LIRR, MNR, LI Bus, MTA Bus Company, and MTA HQ's (hereinafter the "agencies") contracts with American Occupational Health Management, Inc, d/b/a Take Care Employer Solutions, Inc ("Take Care"), to continue to manage and operate the agencies on-site Occupational Health Services facilities for an additional six months, from January 1, 2011 through June 30, 2011, and (ii) increase the combined total contract funding by $2,281,000, from $28,136,839 to a revised, not-to-exceed amount of $30,417,829.

Agency	Current Board Approved Value	This Modification	New Not-To-Exceed Total Value
Long Island Rail Road	$8,880,554	$762,000	$9,642,554
Metro-North Railroad	$8,628,923	$742,000	$9,370,923
Long Island Bus	$2,449,047	$222,000	$2,671,047
MTA Headquarters	$2,853,315	$245,000	$3,098,315
MTA Bus Co.	$5,325,000	$310,000	$5,635,000
Combined Total	$28,136,839	$2,281,000	$30,417,839

In November 2004, pursuant to MTA Board approval, four competitively negotiated contracts were issued to Take Care, to administer and operate the Agencies' occupational health centers. Services under this contract include accident/sick medical examinations, pre-employment medical examinations, illness/disability case management, various certification examinations, federally mandated drug and alcohol testing programs, independent medical review board services for employees disability pension applications, and other occupational health services performed at the Graybar, LI Bus, and LIRR facilities.

Prior to the contracts' original expiration date of December 2009, MTA Audit recommended that the renewal solicitation for these services should include the consolidation of MNR and MTA HQ facilities at one location in the Graybar Building at Grand Central Terminal. Further, MTA Audit recommended evaluating NYC Transit's ability to perform these services for the joint agencies, via a Memo of Understanding. As a result, the contract with Take Care was extended through December 31, 2010 to allow time for a feasibility study to be performed.

LIRR, the lead agency for this procurement, hosted a meeting with the participating Agencies to provide an opportunity for NYCT to present Transit's medical services operation and provide detail as to how they could furnish the required services. The NYCT cost proposal has been reviewed by MTA Audit. Pursuant to the recommendations contained in the recently completed MTA Audit, LIRR will solicit competitive proposals, including from NYC Transit, for the joint-agency follow-on services. Accordingly, LIRR requests the extension and funding increase to allow sufficient time to implement MTA Audit's recommendation. Take Care has agreed to the six-month contract extension under the current contract terms and conditions, including the negotiated 2.97% annual labor rate increase. Funding for the revised apportioned dollar amounts is covered within each respective agency's operating budget.

OCTOBER 2010

METRO-NORTH RAILROAD

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedules Requiring Majority Vote:

E. Miscellaneous Procurement Contracts
(Staff Summaries required for all items greater than: $100K Sole Source; $250K Other Non-Competitive)

1. Smart Software, Inc. $407,000 (not-to-exceed) ***Staff Summary Attached***
Purchase & Implementation of a Material Forecasting System

RFP Process; seven (7) proposals received; 3 firms shortlisted; negotiated miscellaneous procurement contract with the firm, Smart Software Inc., to furnish, install, implement, train and support staff with a Material Forecasting System to forecast Metro-North's operating material needs and optimize material inventory re-order points to meet varied requirements in support of Metro-North's overall operation. The total period of performance of this contract is forty-two (42) months (6 mos. implementation and training and 36 mos. of maintenance services).

As part of the MTA and MNR's cash flow and inventory reduction programs, MNR's Procurement & Material Management Department reviewed various ways to reduce inventory and save money. One key initiative is to reduce inventory/stock margins while protecting the material availability service levels to support the day-to-day operation. To accomplish this, a system that will radically improve forecasting accuracy has been identified. This system will reduce manual ordering and will be used for the review of more than 40,000 inventory parts, their demand and usage patterns, the appropriate stock levels and coordinated procurement requests. The proposed forecasting system will deliver accurate stocking recommendations at lower cost-of-inventory investment as compared to traditional approaches utilized.

An RFP was publicly advertised and solicited in April 2010; 7 proposals were received and 3 firms were shortlisted for further evaluation and presentations. As part of the evaluation of proposals, vendors were required to demonstrate their forecasting system's capabilities while utilizing and incorporating MNR's actual data. Smart Software's demonstration best addressed MNR's on-going requirements and achieved superior results resulting in potentially lower cost of total inventory investments in comparison to the demonstrations provided by the other two (2) firms. The Selection Committee unanimously selected Smart Software's Material Forecasting System as the best overall solution to support MNR's needs.

Negotiations resulted in a reduction of Smart Software's licensing fees by approximately 16%, as well as a reduction in the cost of the three (3)-year maintenance by approximately 10%. Additionally, New Jersey Transit (NJT), who participated in the proposal review process as a non-voting member of the Selection Committee, has also confirmed their intent to utilize the Metro-North contract in 2011, and their inclusion resulted in negotiated reductions in the cost of the system to MNR. The total cost for the provision of software, implementation, training, warranty support and on-going maintenance is not-to-exceed $407,000, and the pricing is deemed fair and reasonable. This project is anticipated to start in early November 2010 and funding is to be provided by MNR's Operating Capital Budget.

Currently, both LIRR and NYCT utilize systems that support the specific methodology, manning and work rules for their individual agency. LIRR and MTA HQ have confirmed plans to review Smart Software's solution in 2011. Additionally, the contract includes the ability for all MTA Agencies to

utilize the contract and provides for a favorable pricing structure should they decide to implement such a forecasting system. This project was reviewed & approved by the MTA Business Case Scoring Methodology, MTA All-Agency IT Governance Committee, the MTAHQ Strategic Initiatives Group and MTA BSC.

I. Modifications to Purchase and Public Work Contracts

(Approvals/Staff Summaries required for individual change orders greater than $250K. Approvals without Staff Summaries required for change orders greater than 15% of previously approved amount which are also at least $50K)

2. Bombardier Mass Trans Corp., Inc. (BMTC) $1,485,825 (not-to-exceed) ***Staff Summary Attached***
Overhaul & Selective Component Replacement - 104 Comet II Coach Cars

In February 2006, the MTA Board approved the award of a miscellaneous procurement contract to the firm, Bombardier Mass Transportation Corp. to perform the overhaul and selective component replacement of 24 (base contract) Comet II/West-of-Hudson coaches, and 40 (option contract) Comet II/East-of-Hudson coaches in the total not-to-exceed amount of $33,507,664. The contract contained an additional option in the amount of $18,545,545 allowing for the inclusion of 40 CDOT-owned coaches into the overhaul program. The option for the CDOT-owned coaches was elected and approved by the MTA Board in June 2006. The revised total contract value at that time was $52,053,209. Contract changes to date totaling $3,079,520 increase the contract value to $55,132,729.

The scope of the program was a mid-life overhaul of these cars so as to make the configuration of all major operating systems on the overhauled coaches congruent with that of similar cars currently operated on MNR while ensuring reliability and successful operation and maintenance of the cars. The program has been successfully completed and MNR will operate the cars through their complete service life, and will now maintain the cars within the guidelines of the Reliability Centered Maintenance (RCM) program.

Presently, MNR is seeking Board approval for three change orders in the total amount not-to-exceed $1,485,825. These changes are for the procurement of new Equalizer Beams, the repair of Truck and Bolster assemblies and for modifications to the ATC/Cab Signal system. The first two items relate to the truck assemblies, and the need to repair defects which could only be discovered upon disassembly and inspection of the cars. These defects, which required weld repair of truck frames and/or replacement of equalizer beams, were encountered in a much greater frequency than was expected. The ATC/Cab Signal changes were added after award so as to have a consistent and upgraded cab signal system in both the overhauled coaches and MNR's electric fleet. Negotiations for these three items are summarized as follows: i) the Equalizer Beams are a straight material replacement cost, and BMTC is being compensated for the actual cost of the beams at $568,237. ii) for the Truck and Bolster Assembly repairs, Bombardier originally requested $967,407, which amount was subsequently negotiated to the current amount of $596,942. iii) for the ATC / Cab Signal, Bombardier's initial request was $473,732, which has now been negotiated down to $320,646. The total cost of these three change orders is as follows: $568K (MNR=$227K, CDOT=$341K) for the new Equalizer Beams, $597K (MNR=$367K, CDOT=$230K) for Truck and Bolster Repairs and $320K (MNR=$236K, CDOT=$84K). Funding for these contract changes is to be provided by CDOT and the MNR 2005-2009 Capital Program.

Staff Summary

Metro-North Railroad

Item Number E	
Dept & Dept Head Name: Procurement & Material Management, Anthony J. Bombace, Jr.	
Division & Division Head Name: Sr. VP – Administration, Raymond Burney	

Board Reviews

Order	To	Date	Approval	Info	Other
1	M-N Comm.Mtg.	10-25-10	X		
2	MTA Board Mtg.	10-27-10	X		

Internal Approvals

Order	Approval	Order	Approval
X	President	X	Sr. V.P. Operations
X	Sr. V.P. Admin.		V.P. Planning
X	V.P. Finance & IT	X	General Counsel
	Capital Programs		

SUMMARY INFORMATION	
Vendor Name Smart Software, Inc	**Contract Number** 0000072997
Description Material Forecasting System	
Total Amount $407,000 (not-to-exceed)	
Contract Term (including Options, if any) Forty-two (42) months	
Option(s) included in Total Amount?	☐ Yes ☒ No
Renewal?	☐ Yes ☒ No
Procurement Type ☒ Competitive ☐ Non-competitive	
Solicitation Type ☒ RFP ☐ Bid ☐ Other:	
Funding Source ☒ Operating ☐ Capital ☐ Federal ☐ Other:	

Narrative

I. PURPOSE/RECOMMENDATION:

Recommendation to award a negotiated, miscellaneous procurement contract with the firm, Smart Software, Inc., for a period of forty-two (42) months (6 mos. implementation and training and 36 months of maintenance services) to furnish, install, implement, train and support staff with an Material Forecasting System. The proposed system will forecast Metro-North's operating material needs and optimize material inventory re-order points to meet varied requirements in support of Metro-North's overall operation. The forecasting system will provide Metro-North's Procurement & Material Management Department with powerful tools to better review existing inventory stock levels, usage patterns and procurement requests.

II. DISCUSSION:

Background:

Metro-North Railroad (MNR) currently manages the specification, budgeting, requisition, purchase, receipting, storage, allocation and disposition of more than 40,000 material stock items needed to keep day-to-day operations running.

The Material Management subgroup in the Procurement & Material Management Dept. currently manages nine (9) Storerooms and two (2) Distribution Centers. Material reorder recommendations are individually and manually analyzed by the P&MM Dept. Material Planners using averaged historical usage patterns to project future replenishment reorder points and needs. This method is dependent on established protocols giving guidance to individual Planner interpretations, which at times could result in the procurement of potentially larger inventory item quantities to ensure adequate on-hand material levels to support MNR's high material availability service levels.

Procurement Justification

Acquisition and integration of this automated forecasting system with existing enterprise systems, will give MNR detailed visibility of future demand and improved budget data for the procurement of critical material thereby allowing maximization of its inventory investment and improved service performance at a lower overall cost to the company. The

closer MNR can move toward optimizing its material stock levels (including contingencies) through implementation of an automated algorithmic formula, the more efficient MNR will be in managing its approximate $95-100M inventory and reducing its overall inventory carrying costs to the MTA. Various internal attempts to build tools to assist in projecting these anomalies have provided varying degrees of success. Investing in a forecasting system, will radically improve forecasting accuracy and result in savings from reduced inventory levels.

This project was reviewed & approved by the established MTA Business Case Scoring Methodology, MTA All-Agency IT Governance Committee, the MTAHQ Strategic Initiatives Group and MTA BSC.

Procurement Discussion

In April 2010, RFP No. 72997 was advertised in the New York State Contract Reporter, the New York Post, Daily Challenge and on MNR's website. The advertisements yielded a total of 18 firms that expressed interest in obtaining the RFP documents. A Pre-proposal Conference was held on April 30, 2010 with a total of five (5) firms in attendance. On May 21, 2010, seven (7) proposals were received as follows:

Name	Cost
MCA Solutions	$ 317,500.00
Smart Software, Inc	$ 419,250.00
Servigistics	$ 1,081,500.00
Bristlecone, Inc.	$ 1,132,864.04
Signom Group, Inc	$ 1,592,366.01
Zensar Technologies, Inc	$ 1,867,127.00
JDA Solutions	$ 2,692.000.00

Evaluations of Proposals

The seven (7) proposals received were evaluated by the selection committee based on established selection criteria within the RFP which included:

- Demonstrated full understanding of the work scope requirements including vendor presentation, and acceptance of the software and acceptance terms as detailed in the work scope.
- The ability to demonstrate with accuracy the proposed solution using MNR data to achieve specified "fill rates". The intent of this analysis is to confirm that the stocking recommendations provided by the proposed solution are sufficiently accurate to achieve the desired service level goals. Solution will be compared to each other and those that are unable to demonstrate sufficient accuracy will be disqualified.
- Detailed description of how services will be performed utilizing specific Intermittent Demand forecasting.
- The software must have the ability to operate in all windows environment and be technologically user friendly.
- Overall cost of software application, licenses, training, implementation as well as the related maintenance and support services.
- Past experience on similar projects with successful implementation, key and reliable personnel to perform the task.

The Selection Committee short-listed three (3) firms from the seven (7) proposals received: MCA Solutions, Smart Software, Inc. and JDA Solutions, all of whom were invited in for an interview, presentation and demonstration. All firms were given actual MNR data for demonstration purposes and Smart Software's results exceeded the forecasting accuracy of their closest competitor by 50%. The simplicity of their system enables users to retrieve pertinent information more efficiently and effectively. Their data forecast demonstration achieved superior results, resulting in potentially lower cost of total inventory investments in comparison to the demonstrations provided by the other two (2) firms. Based on a thorough review of all requirements, the Selection Committee unanimously selected Smart Software's Material Forecasting System as the best overall solution for MNR.

Negotiations resulted in a reduction of Smart Software's licensing fees by approximately 16%, as well as a reduction in the cost of the three (3)-year maintenance by approximately 10%. Additionally, New Jersey Transit (NJT), who participated in the proposal review process as a non-voting member of the Selection Committee, has also confirmed their intent to utilize the Metro-North contract in 2011, and their inclusion resulted in negotiated reductions in the cost of the system to MNR.

Currently, both LIRR and NYCT utilize systems that support the specific methodology, manning and work rules for their individual agency. LIRR and MTA HQ have confirmed plans to review Smart Software's solution in 2011. Additionally, the contract includes the ability for all MTA Agencies to utilize the contract and provides for a favorable pricing structure should they decide to implement such a forecasting system. This project was reviewed & approved by the MTA Business Case Scoring Methodology, MTA All-Agency IT Governance Committee, the MTAHQ Strategic Initiatives Group and MTA BSC.

III. D/M/WBE INFORMATION:
No MBE/WBE participation goals were assigned to this project

IV. IMPACT ON FUNDING:
The total cost for the provision of software, implementation, training, warranty support and on-going maintenance is not-to-exceed $407,000, and the pricing is deemed fair and reasonable. Funding is provided in Metro-North's Operating Capital Budget.

V. ALTERNATIVES:
The only alternative is to continue with the existing process by relying only on manual, human decision-making effort to examine past usage data to determine future need. Consequently, there is the tendency to build-in excess safety/inventory stock to guard against an inventory shortage, contrary to MTA's strategic goals to reduce overall inventory spend.

Metro-North Railroad

Schedule I: Modifications to Purchase and Public Works Contracts

Item Number: |

Vendor Name (& Location) Bombardier Mass Transit Corporation	
Description Comet II Selective Component Replacement and Overhaul	
Contract Term (including Options, if any) 40 East of Hudson Cars and 40 CDOT Cars	
Option(s) included in Total Amount? X Yes ☐ No	
Procurement Type X Competitive ☐ Non-competitive	
Solicitation Type X RFP ☐ Bid ☐ Other:	
Funding Source ☐ Operating X Capital ☐ Federal X Other: CDOT	
Requesting Dept/Div & Dept/Div Head Name: Procurement & Material Management, Anthony J. Bombace, Jr.	

Contract Number 13861	**AWO/Modification #**
Original Amount:	$52,053,209
Prior Modifications:	$3,079,520
Prior Budgetary Increases:	$ 0
Current Amount:	$ 55,132,729
This Request:	$1,485,825 (not-to-exceed)
% of This Request to Current Amount:	2.69%
% of Modifications (including This Request) to Original Amount:	8.77%

Discussion:

In February 2006, the MTA Board approved the award of a miscellaneous procurement contract to the firm, Bombardier Mass Transportation Corp. to perform the overhaul and selective component replacement of 24 (base contract) Comet II/West-of-Hudson coaches, and 40 (option contract) Comet II/East-of-Hudson coaches in the total not-to-exceed amount of $33,507,664. The contract contained an additional option in the amount of $18,545,545 allowing for the inclusion of 40 CDOT-owned coaches into the overhaul program. The option for the CDOT-owned coaches was elected and approved by the MTA Board in June 2006. The revised total contract value at that time was $52,053,209. Contract changes to date totaling $3,079,520 increase the contract value to $55,132,729.

The scope of the program was a mid-life overhaul of these cars so as to make the configuration of all major operating systems on the overhauled coaches congruent with that of similar cars currently operated on MNR while ensuring reliability and successful operation and maintenance of the cars. The program has been successfully completed and MNR will operate the cars through their complete service life, and will now maintain the cars within the guidelines of the Reliability Centered Maintenance (RCM) program.

Presently, MNR is seeking Board approval for three change orders in the total amount not-to-exceed $1,485,825. These changes are for the procurement of new Equalizer Beams, the repair of Truck and Bolster assemblies and for modifications to the ATC/Cab Signal system. The first two items relate to the truck assemblies, and the need to repair defects which could only be discovered upon disassembly and inspection of the cars. These defects, which required weld repair of truck frames and/or replacement of equalizer beams, were encountered in a much greater frequency than was expected. The ATC/Cab Signal changes were added after award so as to have a consistent and upgraded cab signal system in both the overhauled coaches and MNR's electric fleet. Negotiations for these three items are summarized as follows: i) the Equalizer Beams are a straight material replacement cost, and BMTC is being compensated for the actual cost of the beams at $568,237. ii) for the Truck and Bolster Assembly repairs, Bombardier originally requested $967,407, which amount was subsequently negotiated to the current amount of $596,942. iii) for the ATC / Cab Signal, Bombardier's initial request was $473,732, which has now been negotiated down to $320,646. The total cost of these three change orders is as follows: $568K (MNR=$227K, CDOT=$341K) for the new Equalizer Beams, $597K (MNR=$367K, CDOT=$230K) for Truck and Bolster Repairs and $320K (MNR=$236K, CDOT=$84K). Funding for these contract changes is to be provided by CDOT and the MNR 2005-2009 Capital Program.

OCTOBER 2010

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

MTA CAPITAL CONSTRUCTION

Procurements Requiring Majority Vote

Schedule I: Modifications to Purchase Contracts and Public Work Contracts
(Staff Summaries required for individual change orders greater than $250K. Approval without Staff Summary required for change orders greater than 15% of the adjusted contract amount which are also at least $50K)

1. **GTF, JV** **$300,000** *Staff Summary Attached*
Competitive
Contract No. CQ031
This modification is to provide jet grout columns around adjacent Contract CQ039 Early Access Chamber which will reduce the defects in the slurry wall constructed under Contract CQ028 at both the CQ031 and CQ039 work locations. The funding for this work will be transferred from CQ039 to CQ031.

2. **Intergraph Corporation** **$525,000** *Staff Summary Attached*
Competitive
Contract No. 09-0427
This modification is for a thirteen-month extension in time for technical support and direct technical assistance in the assessment, configuration and implementation of the Intergraph System for MTA's Integrated Electronic Surveillance System. This work includes completion of the remaining LIRR, MNR, and NYCT site work, testing of additional command centers, and the continuation of training and systems integration for field devices.

Schedule I: Modifications to Purchase or Public Work Contracts

Capital Construction

Staff Summary

Item Number: 1

Vendor Name (& Location) GTF, JV	
Description Queens Bored Tunnels and Structures	
Contract Term (including Options, if any) 9/28/09 – 4/30/12	
Option(s) included in Total Amount?	☒ Yes ☐ No ☐ n/a
Procurement Type	☒ Competitive ☐ Non-competitive
Solicitation Type	☐ RFP ☐ Bid ☒ Other: Modification
Funding Source ☐ Operating ☒ Capital ☒ Federal ☐ Other:	
Requesting Dept/Div & Dept/Div Head Name: East Side Access, A. Paskoff, P.E.	

Contract Number CQ031	**AWO/Modification #** 26	
Original Amount:	$	659,200,700.00
Prior Modifications:	$	64,731,659.30
Prior Budgetary Increases:	$	0
Current Amount:	$	723,932,359.30
This Request	$	$300,000.00
% of This Request to Current Amount:		.04%
% of Modifications (including This Request) to Original Amount:		9.86%

Discussion:

The work under Contract CQ031, Queens Bored Tunnels, is for the construction of four soft-ground bored tunnels, three shafts, miscellaneous structures and, associated excavations, support structures and demolition of surface structures for the East Side Access project.

An allowance item was included in CQ031 for repair work to the slurry wall constructed under Contract CQ028, Queens Open-Cut Excavation (the contract was terminated for default and the MTA received a settlement from the Surety company). Adjacent to the CQ031 work area, is Contract CQ039, Construct the Northern Boulevard Crossing, which also contains an allowance item to repair defects in the CQ028 slurry wall in its work area. MTACC has determined that the placement of jet grout columns by the CQ031 contractor around the CQ039 Early Access Chamber (EAC) will reduce the amount of defects in the slurry wall at the EAC location along with locations within the CQ031 work area. MTACC purposes to modify the CQ031 Contract to increase the allowance item by $300,000 to cover the cost of the jet grout columns. The Contractor will be paid at the previously negotiated unit prices for the work involved and there will be no additional cost to the project as the funding will be transferred from the CQ039 Contract. A modification decreasing the slurry wall allowance in Contract CQ039 by $300,000 has already been processed.

Schedule I: Modifications to Purchase or Public Work Contracts Capital Construction

Staff Summary

Item Number: 2

Vendor Name (& Location) Intergraph Corporation	
Description Support the Completion of the Integrated Electronic Security System (IESS)	
Contract Term (Including Options, if any) Thirteen Months	
Option(s) included in Total Amount? ☐ Yes ☐ No ☒ n/a	
Procurement Type ☐ Competitive ☒ Non-competitive	
Solicitation Type ☐ RFP ☐ Bid ☒ Other: Modification	
Funding Source ☐ Operating ☒ Capital ☐ Federal ☐ Other:	
Requesting Dept/Div & Dept/Div Head Name: Security Program, Richard Miras	

Contract Number 09-0427	**AWO/Modification #** 3	
Original Amount:	$	1,363,323.20
Prior Modifications:	$	521,447.36
Prior Budgetary Increases:	$	0
Current Amount:	$	$1,884,770.56
This Request	$	525,000.00
% of This Request to Current Amount:		27.8%
% of Modifications (including This Request) to Original Amount:		76.8%

Discussion:

This Board approved Agreement, which rides a New York State ("NYS") Contract, was put in place due to the default of the IESS Contractor and is for technical support and direct technical assistance in the assessment, configuration and implementation of the Intergraph System for the MTA's Integrated Electronic Surveillance System. It is scheduled to terminate on October 31, 2010. Work that has been completed under this agreement includes the integration of security subsystems for LIRR/MTAPD, Geographic Information System (GIS) training for MTAPD, LIRR & MTAPD C3 users and baseline assessments of MNR's & NYCT's C3 status. In order to continue and complete the remaining engineering rollout support services, the agreement needs to be extended by 13 months. This will enable the completion of the remaining LIRR, MNR, and NYCT site work, testing of remaining command centers, and the continuation of training and systems integration for field devices. Please note that the Agreement also contained software maintenance support, which was added by modification. Board approval for the continuation of software maintenance support (which will be managed by MTAHQ) is being requested in a separate concurrent Staff Summary.

Intergraph, utilizing its NYS standard hourly rates ranging from $171.96 to $286.77, submitted a price proposal in the amount of $562,108. MTACC's estimate was $541,509. MTACC and MTAHQ (handling the separate software maintenance support) held collaborative negotiations with Intergraph. As a result of these negotiations for the time extension, Intergraph agreed to revised rates ranging from $72.06 to $167.34, which amounted to discounts of 42% – 58% off the NYS rates. Thus the parties agreed to a Not to Exceed (NTE) amount of $525,000 for the extension. The negotiated cost is found to be fair and reasonable as it compares favorably to the MTACC's estimate.

Staff Summary

Bridges and Tunnels

Subject: Request for Authorization to Award Various Procurements	**Date** October 5, 2010
Department: Procurement & Materials	**Vendor Name**
Department Head Name Anthony W. Koestler	**Contract Number**
Department Head Signature Anthony W. Koestler	**Contract Manager Name**
Project Manager Name Various	**Table of Contents Ref #**

Board Action

Order	To	Date	Approval	Info	Other
1	President	10/5/10		10/5/10	
2	MTA B&T Committee	10/25/10			
3	MTA Board	10/27/10			

Internal Approvals

Order	Approval	Order	Approval
	President		VP Operations
	Executive Vice President		Chief Procurement Officer
	VP Staff Services/COS		Chief Engineer
	General Counsel		VP Labor Relations

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:

Schedules Requiring Majority Vote		# of Actions	$ Amount
Schedule H	Modifications to Personal/Miscellaneous Service Contracts	2	$7.082M
	SUBTOTAL	2	$7.082M

MTA B&T presents the following procurement action for Ratification:

Schedules Requiring Majority Vote			
Schedule K	Ratification of Completed Procurement Actions (Involving Schedule E-J)	1	$.294M
	SUBTOTAL	1	$.294M
	TOTAL	3	$7.376M

BUDGET IMPACT:
The purchases/contracts will result in obligating MTA B&T and Capital Construction 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.

7. The Board authorizes the budget adjustments to estimated contracts set forth in Schedule L.

(Revised 1/28/10)

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL
OCTOBER 2010

MTA BRIDGES & TUNNELS

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 original contract to equal or exceed monetary or durational threshold required for Board approval)

1. **ACS State & Local Solutions** **$ 6,127,026.00** ***Staff Summary Attached***
Contract No. PSC-05-2741
Additional work to incorporate the All Electronic Tolling (AET) pilot at the Henry Hudson Bridge.

2. **Ammann & Whitney Consulting Engineers, PC** **$ 954,925.94** ***Staff Summary Attached***
Contract No. PSC-06-2787
Incorporate construction management and inspection services for Project CB-09, Substructure and Underwater Work at the Cross Bay Veterans Memorial Bridge.

Schedule H: Modifications to Personal Service Contracts and Miscellaneous Service Contracts

Item Number: 1 **(Final)**

Vendor Name (& Location) ACS State & Local Solutions		**Contract Number** PSC-05-2741	**AWO/Modification**
Description E-ZPass New York Customer Service Center Services		**Original Amount:**	$184,000,000
Contract Term (including Options, if any) October 7, 2007 – October 6, 2017		**Prior Modifications:**	$267,184
		Prior Budgetary Increases:	$0.00
Option(s) included in Total Amount?	☐ Yes ☒ No	**Current Amount:**	$184,267,148
Procurement Type	☒ Competitive ☐ Non-competitive	**This Request:**	$6,127,026
Solicitation Type	☒ RFP ☐ Bid ☐ Other:		
Funding Source ☒ Operating ☒ Capital ☐ Federal ☐ Other:		**% of This Request to Current Amount:**	3.3%
Requesting Dept/Div & Dept/Div Head Name: Revenue Management, Chief Financial Officer, Donald Spero		**% of Modifications (including This Request) to Original Amount:**	3.5%

Discussion

B&T is seeking Board approval under the All Agency Guidelines for Procurement of Services to modify this Contract with ACS State & Local Solutions (ACS) for additional work needed for the All Electronic Tolling (AET) pilot at the Henry Hudson Bridge in the amount of $6,127,026.

The contract was competitively awarded to ACS State & Local Solutions in October 2007 for the operation of a customer service center that handles all back office functions associated with the E-ZPass electronic toll collection system. The requirements of the CSC operator include: implementation and maintenance of a computerized account maintenance system used to manage accounts and process transactions; collect pre-paid toll deposits, process toll violations; and to operate a telephone call center. Since the Board approved the original contract, three amendments have been issued and have increased the contract amount by $267,184. This amendment constitutes a substantial change.

All Electronic Tolling (AET) is an emerging trend in the toll industry which will build on the success of B&T's E-ZPass Program. Customers will pay tolls electronically without stopping at the toll lane based on: (i) a pre-established E-ZPass account or (ii) billing based on license plate images captured by video cameras. Anticipated benefits of AET include improved traffic flow, reduced auto emissions and reduced operating and long-term capital costs. The proposed amendment is for ACS to implement video billing capabilities to replace cash collection for non-E-ZPass customers during the B&T AET pilot project at the Henry Hudson Bridge.

The AET pilot program at the HHB requires that the work be performed in two phases: Phase 1 – the current dedicated E-ZPass lanes will first change to a gateless operation (anticipated to be implemented in mid-January 2011) and Phase 2 – migrating from gateless to cashless tolling in all lanes. ACS will be required to perform the following additional work: (i) implement new business rules needed to support video tolling for vehicles without E-ZPass; (ii) process images for video billing; (iii) implement adaptive optical character recognition (OCR) image processing techniques for image review automation; (iv) create video billing, violation and other customer documents and communications; and (v) implement cash reload and bill pay services for toll customers which includes a new E-ZPass reload card. The E-ZPass reload card will be an electronic payment card that gives customers easy access to reload E-ZPass accounts with cash at more than 2,000 stores and kiosks throughout the New York tri-state area. ACS and Visa, Inc. have teamed to provide B&T this cash reload and bill pay service.

ACS submitted a cost proposal in the amount of $9.7 million. Negotiations were conducted and the parties agreed to an amount of $6,127,026, which represents a reduction of approximately $3.6 million. Agreement was reached on a combination of lump sum items (software development and hardware cost) and unit prices. Cash market share at the Henry Hudson Bridge is at 18%. The amount of $6,127,026 is based on an estimated 15% non-E-ZPass marketshare. The estimated amount includes:

(i) $1.9 million for one time capital start-up costs, software development, testing and hardware cost;
(ii) $2.7 million for ongoing operational costs, account maintenance, mailing of invoices and review of images;
(iii) $1.2 million for hardware and software maintenance and project management support; and
(iv) $0.327 million for E-ZPass replenishment cards; purchasing and mailing of cards and banking fees.

If B&T decides to expand AET to other B&T facilities, the $1.9M investment for one-time capital costs and software development associated with the pilot can be utilized at the additional facilities. Similarly, the annual cost of software maintenance and project management can support an expanded AET program at the Henry Hudson Bridge and additional B&T facilities. Further economies of scale are likely if AET is expanded beyond the Henry Hudson Bridge.

If the non-E-ZPass market is less than 15%, the anticipated cost of the pilot will be less than the estimated negotiated amount. Once B&T has given notice to proceed, it will take approximately 12 months to implement AET at the Customer Service Center. The pilot will operate for a period of one year. Funding for this procurement is available in the 2010-2014 Capital Program (Project AW-48, $1.9 million) and the Operating Budget ($4.2 million).

Schedule H: Modifications to Personal Service Contracts and Miscellaneous Service Contracts

Item Number: 2 **(Final)**

Vendor Name (& Location) Ammann & Whitney Consulting Engineers, PC (New York, NY)	**Contract Number** PSC-06-2787
Description Construction Management and Inspection Services for Project CB-08/CB-09, Deck and Structural Rehabilitation/Substructure and Underwater Work at the Cross Bay Veterans Memorial Bridge	**AWO/Modification #**
Contract Term (including Options, if any) July 31, 2006 – December 31, 2010	**Original Amount:** $4,514,000.00
Option(s) included in Total Amount? ☐ Yes ☒ No	**Prior Modifications:** ($626,708.97)
Procurement Type ☒ Competitive ☐ Non-competitive	**Prior Budgetary Increases:** N/A
Solicitation Type ☒ RFP ☐ Bid ☐ Other:	**Current Amount:** $3,887,291.03
Funding Source ☐ Operating ☒ Capital ☐ Federal ☐ Other:	**This Request:** $954,925.94
Requesting Dept/Div & Dept/Div Head Name: Engineering & Construction, Joe Keane, P.E.	**% of This Request to Current Amount:** 24.6%
	% of Modifications (including This Request) to Original Amount: 7.3%

Discussion:

B&T is seeking Board approval in accordance with the All-Agency Guidelines for Procurement of Services to amend a contract for construction management and inspection services (CMIS) for Project CB-08/CB-09 with Ammann & Whitney Consulting Engineers, PC (A&W) to increase funding in the amount of $954,925.94 and incorporate the scope of services for Project CB-09 described as Substructure and Underwater Work at the Cross Bay Veterans Memorial Bridge. The construction for CB-09 was deferred from the 2005 – 2009 Capital Program to the 2010 – 2014 Program for budgetary reasons. This deferral triggered the elimination of the CMIS scope for CB-09 under this contract (PSC-06-2787) in April 2007.

B&T performed a "Best Value Analysis" that compared the potential savings and cost avoidance of amending PSC-06-2787 versus competitively soliciting and awarding a separate contract for the CMIS requirements for Project CB-09. This analysis resulted in the recommendation that by amending the existing contract, cost avoidances totaling approximately $1.5M may be realized thereby providing the "best value" for the prospective work to be performed.

The scope for Project CB-09 requires A&W to provide complete CMIS for construction work to include the following: concrete repairs to pier caps and stems above and within the tidal zone; underwater concrete repairs including installation of concrete jackets; placement of stone protection materials at the North Abutment; and abatement of asbestos containing materials and incidental lead. A&W's contract is to be extended by an additional two years and three months through March 31, 2013.

A&W submitted a proposal in the net amount of $954,925.94. The Engineer's estimate is in the net amount totaling $1,076,179.05. The proposal was reviewed and accepted by the Authority in the amount of $954,925.94, which is 11.3% below the estimate and is considered fair and reasonable. Funding is available in the 2005 – 2009 Capital Program under Project CB-09.

(rev. 3/16/07)

LIST OF RATIFICATIONS FOR BOARD APPROVAL
OCTOBER 2010

MTA BRIDGES & TUNNELS

Procurements Requiring Majority Vote:

K: Ratification of Completed Procurement Actions (Involving Schedule E- J)
(Staff Summaries required for unusually large or complex items which otherwise would require Board approval)

1. **E.E. Cruz & Company, Inc.** **$ 294,400.00** ***Staff Summary Attached***
Contract No. TN-50
Additional work performed to furnish and install restraining rods and to replace anchor bolts along the Queens Approach at the Throgs Neck Bridge.

Schedule K: Ratification of Completed Procurement Actions (Involving Schedules E Through J)

Item Number: 1 **(Final)**

Vendor Name (& Location) E.E. Cruz & Company, Inc. (Holmdel, New Jersey)	**Contract Number** TN-50 / **AWO/Modification #**
Description Replacement of Concrete Deck and Rehabilitation of Abutment and Retaining Walls at the Throgs Neck Bridge	**Original Amount:** $96,698,743.00
Contract Term (including Options, if any) July 15, 2008 – April 14, 2011	**Prior Modifications:** $248,686.40 **Prior Budgetary Increases:** $0.00
Option(s) included in Total Amount? ☐ Yes ☒ No	**Current Amount:** $96,947,429.40
Procurement Type ☒ Competitive ☐ Non-competitive	
Solicitation Type ☐ RFP ☒ Bid ☐ Other:	**This Request:** $294,400.00
Funding Source ☐ Operating ☒ Capital ☐ Federal ☐ Other:	**% of This Request to Current Amount:** 0.3%
Requesting Dept/Div & Dept/Div Head Name: Engineering & Construction/Joe Keane	**% of Modifications (including This Request) to Original Amount:** 0.6%

Discussion:

B&T is seeking the Board's ratification under the All Agency Procurement Guidelines for an amendment to the Contract for additional work performed as follows: (i) furnish and install 572 restraining rods to prevent overstressing of the fascia stringers during the placement of structural concrete and (ii) replace anchor bolts at 80 additional locations along the Queens Approach at the Throgs Neck Bridge in the negotiated total amount of $294,400.

(i) Furnish and Install 572 Restraining Rods: The Contract drawings required the Contractor to verify and determine if additional structural support was required at areas that overhang the fascia stringers during placement of concrete. The recommendation was made and accepted by the Engineer that the additional work was required to prevent overstressing of the stringers. The Contract does not contain a payment item for this work. E. E. Cruz (Cruz) submitted a proposal in the amount of $228,334.89. The Engineer's estimate was $159,340.06. B&T and Cruz agreed to the negotiated lump sum amount of $200,000 to perform the Work. During negotiations it was determined that the estimate understated the required labor effort. The negotiated amount of $200,000 is considered fair and reasonable.

(ii) Furnish and Install 80 Anchor Bolts: The Contract included provisions for the replacement of only 10 anchor bolts during the replacement of elastomeric and isolation bearings at a total of 284 locations. The intent was to utilize the existing anchor bolts. Inspection of the existing bolt conditions could not be determined until after the existing bearings were removed. As a result of the field conditions an additional 80 bent or misaligned bolts (7% of 1,136 total bolts) required replacement. Cruz submitted a proposal in the amount of $102,504.25. The Engineer's estimate was $86,452. B&T and Cruz agreed to the negotiated lump sum amount of $94,400. During negotiations it was determined that B&T's estimate understated the labor required to core drill and remove the existing bolts. The negotiated amount of $94,400 is 9.2% above the estimate and is fair and reasonable.

Funding in the total amount of $294,400 for the additional work performed is available in the 2005 - 2009 Capital Program under Project TN-50.

(rev. 3/16/07)