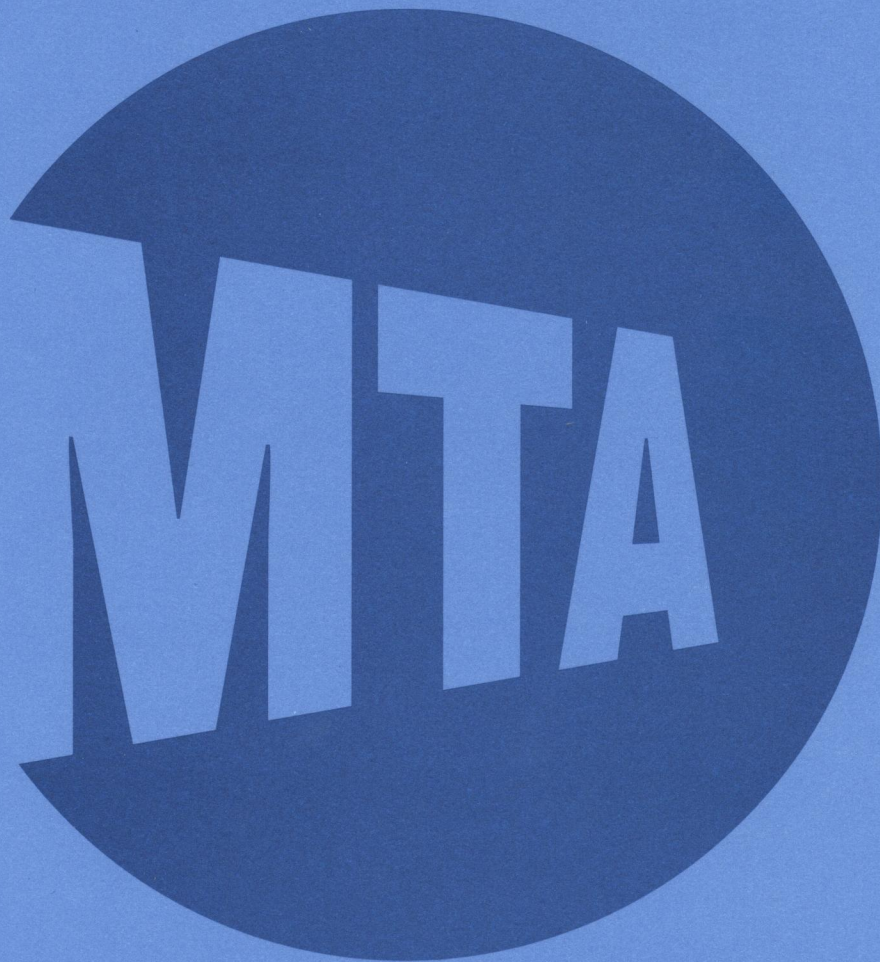




Metropolitan Transportation Authority

July 2011

MTA Board Action Items



MEETING AGENDA
METROPOLITAN TRANSPORTATION AUTHORITY BOARD
July 27, 2011 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, September 28, 2011 at 9:30 a.m.

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

**Wednesday, June 29, 2011
9:30 a.m.**

The following members were present:

**Hon. Jay H. Walder, Chairman & CEO
Hon. Jonathan A. Ballan
Hon. John H. Banks, III
Hon. Robert C. Bickford
Hon. James F. Blair
Hon. Allen P. Cappelli
Hon. Fernando Ferrer
Hon. Patrick J. Foye
Hon. Jeffrey A. Kay
Hon. Mark D. Lebow
Hon. Susan Metzger
Hon. Mitchell H. Pally
Hon. James L. Sedore, Jr.
Hon. Nancy Shevell
Hon. Vincent Tessitore, Jr.**

The following members were absent:

**Hon. Andrew M. Saul, Vice Chairman
Hon. Charles G. Moerdler
Hon. Mark Page
Hon. Carl V. Wortendyke**

Diana Jones Ritter, MTA Managing Director, Fredericka Cuenca, Chief of Staff, James B. Henly, MTA General Counsel, Board Member Andrew Albert, 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 Rail Road, Donald Spero, Chief Financial Officer of TBTA, Thomas DelSorbo, MTA Bus Operations, Michael Horodniceanu, President of MTA Capital Construction, and Sophia-LaFrance Brooks, MTA Government Relations Specialist 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 speakers, neither of which addressed items specific to the MTA agenda. Refer to the other agencies' minutes of this date for the list of speakers.

2. **CHAIRMAN'S REMARKS.**

Chairman Walder welcomed new Board members, Jonathan Ballan, who replaced Donald Cecil and Fernando Ferrer, who replaced Doreen Frasca.

3. **MINUTES.** Upon motion duly made and seconded, the Board approved the minutes of regular Board meeting held on May 25, 2011.

4. **COMMITTEE ON FINANCE.**

- A. **Action Items.** Upon motion duly made and seconded, the Board approved the following action items, described in further detail in the attached staff summaries.

1. **Swap Novation (Dedicated Tax Fund Bond 2008A).** Authorized staff to enter into negotiations with a Board-approved counter party to explore novation of this Citigroup swap and execute such transaction if negotiations are successful.
2. **Transportation Revenue Bonds, Series 2011A.** Approved the necessary documentation to issue new money bonds, notes or other obligations to provide net proceeds (exclusive of premiums) sufficient to fund up to \$500 million of capital projects contained in approved capital programs of the transit, bus, and commuter systems.
3. **2011 State Public Work Enforcement Fund ("PWEF") Assessment.** Approved the payment of the State assessment, on behalf of the MTA and its constituent agencies, for the PWEF for calendar year 2011, including the adjustment for the 2010 underpayment, to the State Department of Labor.

- B. **Procurement Items.** Upon motion duly made and seconded, the Board approved the following procurement items. The specifics are set forth in the attached documentation. Board member Metzger recused herself from the vote on item #1 below.

1. Polich Tallix – Arts for Transit (“AFT”) Project – No. 11011-0100. Approved a competitive contract with Polich Tallix for technical design, fabrication, crating, storage, delivery and installation of a bronze sculpture at the Brighton Line, Avenue H Station.
2. Various Contractors – Glass Replacement Services for MTA Police Vehicles – Nos. 10291-0100 thru -0500. Approved competitive contracts with Four Star Auto Glass Corporation, Liberty Glass Company, Safelite Fulfillment, Inc., Suffolk Auto Glass, and Touch of Glass Auto Glass of NYC, Inc. to perform glass replacement services on an as-needed basis for the MTA Police Department fleet of vehicles.

C. **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.

Metropolitan Transportation Authority

1. Lease agreement with Grace Holmes, Inc., d/b/a J. Crew for the retail sale of men’s, women’s and children’s apparel, accessories, footwear, outerwear, and related items sold under the J. Crew label located on the ground floor retail space on the southeast corner of Madison Avenue and 45th Street in the building at 347 Madison Avenue, New York, N.Y.
2. Modifications to the advertising contracts with CBS Outdoor, Inc. and Van Wagner Transportation Advertising, LLC.

MTA Capital Construction Company

3. Authorization to enter into an access agreement and temporary vacate and work agreements with property owner and tenants at 301 East 69th Street (Block 1444, Lot 1), located on the east side of Second Avenue, in support of the Second Avenue Subway Project, New York, N.Y.

New York City Transit Authority

4. License agreement with New York State Department of Transportation to permit the operation of the X22 bus route service at the Outerbridge Park and Ride Lot, Pleasant Plains, S.I.

5. **OTHER MTA BUSINESS.** Upon motion duly made and seconded, the Board approved the following item. The specifics are set forth in the attached staff summary and documentation.

1. Overall Three-Year Disadvantaged Business Enterprises ("DBEs") Goal for FFYs 2012-2014. Approved the 17% goal for the utilization of DBEs in the agency-wide contracting activities on federally-assisted contracts and procurements for FFYs 2012-2014.

6. **ADJOURNMENT.**

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 9:52 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**

**Wednesday, June 29, 2011
9:30 a.m.**

The following members were present:

**Hon. Jay H. Walder, Chairman & CEO
Hon. Jonathan A. Ballan
Hon. John H. Banks, III
Hon. Robert C. Bickford
Hon. James F. Blair
Hon. Allen P. Cappelli
Hon. Fernando Ferrer
Hon. Patrick J. Foye
Hon. Jeffrey A. Kay
Hon. Mark D. Lebow
Hon. Susan Metzger
Hon. Mitchell H. Pally
Hon. James L. Sedore, Jr.
Hon. Nancy Shevell
Hon. Vincent Tessitore, Jr.**

The following members were absent:

**Hon. Andrew M. Saul, Vice Chairman
Hon. Charles G. Moerdler
Hon. Mark Page
Hon. Carl V. Wortendyke**

Diana Jones Ritter, MTA Managing Director, Fredericka Cuenca, Chief of Staff, James B. Henly, MTA General Counsel, Board Member Andrew Albert, 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 Rail Road, Donald Spero, Chief Financial Officer of TBTA, Thomas DelSorbo, MTA Bus Operations, Michael Horodniceanu, President of MTA Capital Construction, and Sophia LaFrance-Brooks, MTA Government Affairs also attended the meeting.

1. **CHAIRMAN JAY WALDER CALLED THE MEETING TO ORDER**

2. **PUBLIC COMMENT PERIOD**

Two public speakers addressed NYC Transit/MTA Bus issues.

Matthew Shotkin commented on the presence of graffiti and garbage on platforms and trains.

Michael Exter, representative for Councilmember Gale A. Brewer, spoke against the proposed changes to the Upper West Side bus route schedules.

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 NYC Transit, the Manhattan and Bronx Surface Transit Operating Authority, the Staten Island Railway Transit Operating Authority, and MTA Bus Company held on May 25, 2011.

5. **COMMITTEE ON FINANCE**

Real Estate Action Item(s):

MTA New York City Transit: Upon motion duly made and seconded, the Board voted to authorize a license agreement between New York State Department of Transportation and NYC Transit for the use of the Outerbridge Park and Ride Lot. Details of the above item are set forth in a staff summary, a copy of which is 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

Action Item(s):

Construction Services for 301-303 E. 83rd Street: Upon motion duly made and seconded, the Board authorized MTACC to enter into an agreement with Archstone Management to make revisions to a private building located at 301-303 E. 83rd Street for an amount not to exceed \$2,630,000. The revisions are required to accommodate an entrance to the 86th Street Station of the Second Avenue Subway.

Transit Adjudication Bureau (TAB) Hearing Officers: Upon motion duly made and seconded, the Board authorized the following actions relative to the appointment of hearing officers for TAB: 1) the amendment of existing retainer agreements with TAB's current panel of 28 hearing officers to amounts not to exceed \$30,000 annually; and 2) the one-year renewal of retainer agreements with two individuals to serve in the capacity of senior hearing officers.

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.

Procurements

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

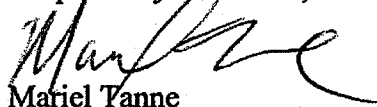
Procurement Ratifications: Upon motion duly made and seconded, the Board approved the ratifications requiring a majority vote (Schedule K in the Agenda). Details of the above items are set forth in staff summaries, copies of which are on file with the records of the meeting of the Board of the NYC Transit/SIR/MTA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

Refer to the video recording of the June 29, 2011 meeting for the details of the Board members' discussion.

7. ADJOURNMENT

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 9:52 a.m.

Respectfully submitted,



Mariel Tanne
Assistant Secretary

Minutes of the Regular Meeting
Metro-North Commuter Railroad Company
Wednesday, June 29, 2011
9:30 a.m.

The following members were present:

Hon. Jay H. Walder, Chairman & CEO
Hon. Jonathan A. Ballan
Hon. John H. Banks, III
Hon. Robert C. Bickford
Hon. James F. Blair
Hon. Allen P. Cappelli
Hon. Fernando Ferrer
Hon. Patrick J. Foye
Hon. Jeffrey A. Kay
Hon. Mark D. Lebow
Hon. Susan Metzger
Hon. Mitchell H. Pally
Hon. James L. Sedore, Jr.
Hon. Nancy Shevell
Hon. Vincent Tessitore, Jr.

The following members were absent:

Hon. Andrew M. Saul, Vice Chairman
Hon. Charles G. Moerdler
Hon. Mark Page
Hon. Carl V. Wortendyke

Diana Jones Ritter, MTA Managing Director; Fredericka Cuenca, Chief of Staff; James B. Henly, General Counsel, MTA; Board Member Andrew Albert; Board Member Norman Brown; Board Member Ira Greenberg; Thomas Del Sorbo, Executive Vice President, MTA Bus Operations; Michael Horodniceanu, President, MTA Capital Construction; Howard Permut, President, Metro-North Commuter Railroad; Thomas Prendergast, President, New York City Transit; Donald Spero, Chief Financial Officer, MTA Bridges and Tunnels; Helena E. Williams, President, Long Island Rail Road; and Sophia-Lafrance Brooks, Government Relations Specialist, MTA also attended the meeting.

1. Public Comment:

There were two public speakers. None of the speakers discussed items specific to Metro-North. The subject matter of the public comments is contained in the minutes of the meeting of the Board of the Metropolitan Transportation Authority held this day.

2. Approval of Minutes – Upon motion duly made and seconded, the minutes of the Regular Board Meeting of May 25, 2011 were unanimously approved.

3. Chairman's Comments: Chairman Walder welcomed two new members to the Board, Mr. Fernando Ferrer and Mr. Jonathan A. Ballan. Chairman Walder stated that both have distinguished records of public service. He also stated that the valued service of former Board Members, Doreen Frasca and Donald Cecil will be recognized at a future meeting. 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.

4. Committee on Finance

Upon motion duly made and seconded, the Board approved the following actions item recommended to it by the Committee on Finance.

Action Items:

- 2011 State PWEF Assessment – Authorization of actions relating to the payment of the State Assessment on the MTA and its constituent agencies for the Public Work Enforcement Fund for the calendar year 2011.

A staff summary setting forth the details of the above item is filed with the records of this meeting.

5. Committee on Metro-North Railroad and Long Island Rail Road Operations:

Action Item:

Upon motion duly made and seconded, the Board approved the following action item.

- Public Hearing for Setting Fairfield Metro-Center Station Fares – Authorization to hold a public hearing with regard to setting fares for Fairfield Metro-Center station in conjunction with the opening of the new station in October 2011.

MTA Metro-North Railroad Procurements:

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

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

- Ansaldo, STS USA, Inc. – Design and furnish pre-wired signal houses and cases from CP-266 (Woodmont, CT) to CP-271 (New Haven, CT).

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

Long Island Rail Road Procurements:

The Board voted on Long Island Rail Road items. Among the items approved is a competitive procurement requiring majority vote to award a multi-agency competitive personal service contract to Oliver Wyman, Inc. of New York to develop various strategies to lower the cost of the upcoming \$4.5 billion in MTA-wide rolling stock purchases, including analytical support, expert advice, knowledge transfer and implementation services. The details of the above item are contained in the minutes of the Long Island Rail Road held this day and the staff summaries and reports filed with those minutes.

6. Other Matters:

Upon motion duly made and seconded, the Board approved the following action item.

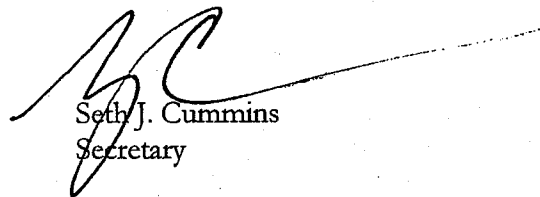
Action Item:

- Overall Three-Year DBE Goal for FFYs 2012-2014 – Authorization for the Metropolitan Transportation Authority ("MTA") to establish a 17% goal for the utilization of Disadvantaged Business Enterprises ("DBEs") in its agency-wide contracting activities on federally assisted contracts and procurements for Federal Fiscal Years ("FFYs") 2012-2014. The proposed DBE Goal is the same as the DBE goals for FFY's 2010 and 2011. The details of the above item are contained in the minutes of the Board of the Metropolitan Transportation Authority held this day and the staff summaries and reports filed with those minutes.

A staff summary and the charter for the Committee on Operations of the Metro-North Commuter Railroad are filed with the records of this meeting.

7. Upon motion duly made and seconded, the Board unanimously voted to adjourn the meeting at 9:52 a.m.

Respectfully submitted,



Seth J. Cummins
Secretary

June 2011 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, June 29, 2011
9:30 a.m.**

The following members were present:

Hon. Jay H. Walder, Chairman & CEO
Hon. Jonathan A. Ballan
Hon. John H. Banks, III
Hon. Robert C. Bickford
Hon. James F. Blair
Hon. Allen P. Cappelli
Hon. Fernando Ferrer
Hon. Patrick J. Foye
Hon. Jeffrey A. Kay
Hon. Mark D. Lebow
Hon. Susan Metzger
Hon. Mitchell H. Pally
Hon. James L. Sedore, Jr.
Hon. Nancy Shevell
Hon. Vincent Tessitore, Jr.

The following members were absent:

Hon. Andrew M. Saul, Vice Chairman
Hon. Charles G. Moerdler
Hon. Mark Page
Hon. Carl V. Wortendyke

Diana Jones Ritter, MTA Managing Director, Fredericka Cuenca, Chief of Staff, James B. Henly, MTA General Counsel, Board Member Andrew Albert, 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 Rail Road, Donald Spero, Chief Financial Officer of TBTA, Thomas DelSorbo, MTA Bus Operations, Michael Horodniceanu, President of MTA Capital Construction, and Sophia-LaFrance Brooks, MTA Government Affairs also attended the meeting.

The Board of the Metropolitan Transportation Authority also met as the Board of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority, the Staten Island Rapid Transit Operating Authority, the Metropolitan Suburban Bus Authority, the Triborough Bridge and Tunnel Authority, the Long Island Rail Road, 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, neither of whom addressed issues specific to the Long Island Rail Road.

2. CHAIRMAN'S REMARKS

The Chairman welcomed Jonathan Ballan and Fernando Ferrer to the Board and thanked outgoing Board members Donald Cecil and Doreen Frasca for their service.

3. APPROVAL OF MINUTES

Upon motion duly made and seconded, the Board unanimously approved the minutes of the Board meeting held on May 25, 2011.

4. COMMITTEE ON FINANCE

Upon motion duly made and seconded, the Board approved a request to authorize actions relating to the payment of the State assessment on the MTA and its constituent agencies for the Public Work Enforcement Fund for calendar 2011. Details of this item are on file with the records of this meeting.

5. COMMITTEE ON OPERATIONS OF THE NEW YORK CITY TRANSIT AUTHORITY, THE MANHATTAN AND BRONX SURFACE TRANSIT OPERATING AUTHORITY AND THE STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY

Refer to the minutes of the meeting of the Committee on Operations of NYCT, MaBSTOA and SIRTOA held this day for a discussion regarding seasonal bus adjustments and the impact of service changes on bus ridership.

6. LONG ISLAND COMMITTEE

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

- Award of a three-year, competitively-solicited, negotiated, multi-agency (LIRR, NYCT, MTA Bus and MNR) contract to Oliver Wyman, Inc. of New York to provide professional consulting services in connection with upcoming rolling stock purchases.
- Award of a sole source contract to VAE Nortrak North America, Inc. in the fixed amount of \$21,420 for the purchase of switch plates for the #10 119RE double slip switches in Hall Interlocking.
- Ratification of the award of a purchase order to Structal Bridges – USA – a Division of Canam Steel Corp. in the fixed amount of \$367,505 to provide a structural steel bridge to replace a bridge damaged beyond economical repair as the result of a vehicular accident.

Details of the above items are on file with the records of this meeting.

Board member Kay asked how the Oliver Wyman contract was being funded. Chairman Walder said that the contract would be funded out of the Capital Program and that the purpose of the procurement was to look at upcoming rolling stock purchases and find ways to reduce costs and improve effectiveness.

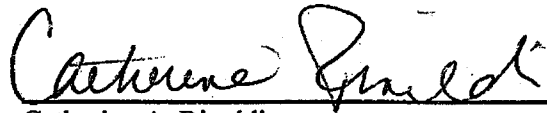
7. DIVERSITY COMMITTEE

Upon motion duly made and seconded, the Board approved an action item establishing a 17% goal for the utilization of Disadvantaged Business Enterprises in Agency-wide contracting activities on federally-assisted contracts and procurements for federal fiscal years 2012-2014. Refer to the minutes of the meeting of the Metropolitan Transportation authority held this day for Board Member remarks regarding this item.

8. ADJOURNMENT

Upon motion duly made and seconded, the Board unanimously voted to adjourn the meeting. The meeting was adjourned at 9:52 AM.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Catherine Rinaldi", written over a horizontal line.

Catherine A. Rinaldi
Secretary

**Minutes of the Regular Meeting
Triborough Bridge and Tunnel Authority
June 29, 2011**

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. Jonathan A. Ballan
Hon. John H. Banks, III
Hon. Robert C. Bickford
Hon. James F. Blair
Hon. Allen P. Cappelli
Hon. Fernando Ferrer
Hon. Patrick J. Foye
Hon. Jeffrey A. Kay
Hon. Mark D. LeBow
Hon. Susan Metzger
Hon. Mitchell H. Pally
Hon. James E. Sedore, Jr.
Hon. Nancy Shevell
Hon. Vincent Tessitore, Jr.

Not Present:

Hon. Andrew M. Saul, Vice Chairman
Hon. Charles G. Moerdler
Hon. Mark Page
Hon. Carl V. Wortendyke

Diana Jones Ritter, MTA Managing Director; Fredericka Cuenca, Chief of Staff;
James B. Henly, General Counsel, MTA; Board Member Andrew Albert; Board Member
Norman Brown; Board Member Ira Greenberg; Thomas Del Sorbo, Executive Vice President,
MTA Bus Operations; Michael Horodniceanu, President, MTA Capital Construction; Howard
Permut, President, Metro-North Commuter Railroad; Thomas Prendergast, President, New York

City Transit; Donald Spero, Chief Financial Officer, MTA Bridges and Tunnels; Helena E. Williams, President, Long Island Rail Road; and Sophia-Lafrance Brooks, Government Relations Specialist, 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. Approval of the Minutes of the Regular Meeting May 25, 2011

Upon a motion duly made and seconded, the minutes of the Meeting held May 25, 2011 were unanimously approved.

3. Chairman's Opening Remarks

Chairman Walder welcomed two new members to the Board, the Honorable Fernando Ferrer and the Honorable Jonathan A. Ballan. Mr. Walder stated that prior to joining the Board both of the Commissioners have had a distinguished record of public service. Chairman Walder thanked former Board Members, Doreen Frasca and Donald Cecil, for their distinguished service and stated that they will be recognized at a future meeting. The details of Mr. Walder's comments are contained in the minutes of the meeting of the Board of the Metropolitan Transportation Authority.

4. Finance Committee

2011 State Public Work Enforcement Assessment

Upon a motion duly made and seconded, the Board unanimously authorized staff to take actions relating to the payment of the State Assessment on the MTA and its constituent agencies for the Public Work Enforcement Fund for calendar year 2011.

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

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

Procurements

Commissioner Cappelli stated there are no non-competitive procurements or ratifications this month. He stated that there is one competitive procurement that requests authorization for B&T to enter into a Request for Proposal process for design/build services in an amount to be determined.

Competitive Procurement

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

Request to Use RFP for Procurement of Purchase & Public Works in lieu of Sealed Bid

Contractors to be Determined

Contract No. RK-65MQ
Request that the Board declare competitive bidding to be impractical and/or inappropriate and authorize B&T to enter into a competitive Request for Proposal process for Design/Build Services for the Reconstruction of the Manhattan to Queens Ramp at the Robert F. Kennedy Bridge.

Cost to be Determined

Chairman Walder stated that although the B&T competitive procurement for a design and build contract is for a specific facility, the use of design/build and the manner in which the MTA is looking at different ways to manage its capital program is an effort to reduce costs and to reduce impacts on customers. This was done successfully by the Long Island Rail Road with the Atlantic Viaduct project that allowed the Rail Road to save money and reduce time, and therefore reduce impacts on customers. This is the exact thing the MTA needs to be doing across the entire organization, particularly in difficult times, to fund capital work.

6. **Adjournment**

Upon a motion duly made and seconded, the Board unanimously voted to adjourn the meeting at 9:52 a.m.

Respectfully submitted,


Cindy L. Dugan
Assistant Secretary

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

Wednesday, June 29, 2011
9:30 a.m.

The following members were present:

Hon. Jay H. Walder, Chairman & CEO
Hon. Jonathan A. Ballan
Hon. John H. Banks, III
Hon. Robert C. Bickford
Hon. James F. Blair
Hon. Allen P. Cappelli
Hon. Fernando Ferrer
Hon. Patrick J. Foye
Hon. Jeffrey A. Kay
Hon. Mark D. Lebow
Hon. Susan Metzger
Hon. Mitchell H. Pally
Hon. James L. Sedore, Jr.
Hon. Nancy Shevell
Hon. Vincent Tessitore, Jr.

The following members were absent:

Hon. Andrew M. Saul, Vice Chairman
Hon. Charles G. Moerdler
Hon. Mark Page
Hon. Carl V. Wortendyke

Diana Jones Ritter, MTA Managing Director, Fredericka Cuenca, Chief of Staff, James B. Henly, MTA General Counsel, Board Member Andrew Albert, 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 Railroad, Donald Spero, Chief Financial Officer of TBTA, Thomas Del Sorbo, MTA Bus Operations, Michael Horodniceanu, President of MTA Capital Construction, and Sophia-LaFrance Brooks, MTA Government Affairs also attended the meeting.

The Board of the Metropolitan Transportation Authority also met as the Board of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority, the Staten Island Rapid Transit Operating Authority, the Metropolitan Suburban Bus Authority, the Triborough Bridge and Tunnel Authority, the Long Island Rail Road, 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 May 25, 2011.

MTA Capital Construction Action Items

Upon motion duly made and seconded, the MTA Capital Construction Committee approved the following action item:

- Authorization to enter into an agreement with Archstone Management for work in support of the Second Avenue Subway project.

MTA Capital Construction Procurements

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

- A ratification of a modification to the Second Avenue Subway 96th Street Station Structures contract with E.E. Cruz and Tully Construction Company, JV, LLC
- A ratification of a modification to the Fulton Street Transit Center design services contract with Ove Arup & Partners Consulting Engineers, P.C. for construction phase design work
- Two modifications to the East Side Access Queens Bored Tunnels and Structures contract with Granite-Traylor-Frontier, JV.

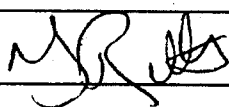
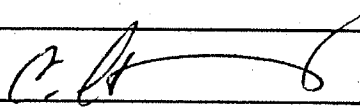
Adjournment

Upon motion duly made and seconded, the MTA Board voted to adjourn the public meeting at 9:52 a.m.

Respectfully submitted,



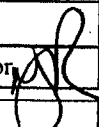
Patrick Killackey
Secretary

Staff Summary

Subject	Request for Authorization to Award Various Procurements
Department	Managing Director
Department Head Name	Diana Jones Ritter
Department Head Signature	
Division Head Name	Clifford Shockley
Division Head Signature	

Date	July 15, 2011
Vendor Name	Various
Contract Number	Various
Contract Manager Name	Various
Table of Contents Ref #	

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance	7/25/11			
2	Board	7/27/11			

Internal Approvals			
Order	Approval	Order	Approval
			Office of Civil Rights
			Legal
3	CFO 		EITG
1	Procurement 	2	Managing Director 

PURPOSE:

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

DISCUSSION:

MTAHQ proposes to award Non-competitive procurements in the following categories:

# of Actions	\$ Amount
None	\$ - 0 -

MTAHQ proposes to award Competitive procurements in the following categories:

Schedules Requiring Majority Vote

Schedule F: Personal Services Contracts	1	\$ 62,000
Schedule G: Miscellaneous Service Contracts	1	\$ 120,000
Schedule H: Modifications to Personal/Miscellaneous Service Contracts	2	\$ 20,000
Schedule J: Modifications to Miscellaneous Procurement Contracts	1	\$ 44,920
SUBTOTAL	5	\$ 246,920

MTAHQ presents the following procurement actions for Ratification:

Schedule D: Ratification of Completed Procurement Actions (Schedules A-C)	1	\$55,000,000
TOTAL	6	\$55,246,920

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.)

LIST OF PROCUREMENTS FOR BOARD APPROVAL, JULY 2011
COMPETITIVE PROCUREMENTS

METROPOLITAN TRANSPORTATION AUTHORITY

Procurements Requiring Majority Vote:

F. Personal Service Contracts

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

1. **AFT Project** – AFT to provide technical design, fabrication, crating, storage, delivery and oversight of installation of materials at the station specified below.
Competitively negotiated – 63 proposals – 24 months
Patricia Keightley, Hunters Point Avenue Station-NYCT (Contract No. 11130-0100 - \$62,000)

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. **As-Needed Towing Services**
For MTA Police Vehicles
Contract Nos. 10095-0100 thru -1000
 - a. 54th Street Auto Center, Inc.
 - b. APOW Towing LLC
 - c. Bills Service of Stamford, Inc.
 - d. Elite Towing and Flatbedding Corporation
 - e. Five J's Automotive Limited
 - f. J & M Towing & Recovery, Inc.
 - g. Knights Collision Experts, Inc.
 - h. Mike's Heavy Duty Towing, Inc.
 - i. Robert's Service Center, Inc.
 - j. Staten Island Towing Service, Inc.

\$120,000*

(*combined for 10 firms
not-to-exceed)

Competitively negotiated – 12 proposals – 36 months

Contractors to provide as needed towing services on an as-needed basis for the MTA Police Department (MTAPD) fleet of vehicles. If a vehicle is towed, customers are charged: i) flat rate for towing; or ii) cost per hook up plus cost per mile. The flat rate costs for towing will range from \$75 to \$375. The cost of hook up and cost per mile will range from \$40 to \$85 per hook up and \$3.97 to \$5.50 per mile. MTA will compare each scenario at the time of a tow and chose the lower price. Currently MTAPD's costs for these services range from a low of \$50 to a high of \$525. By establishing these contracts, MTA PD estimates an annual savings of \$25,000. Based on the above, the range of \$75 to \$375 for per tow costs and \$40 to \$85 per hook up and \$3.97 to \$5.50 per mile are deemed to be fair and reasonable.

METROPOLITAN TRANSPORTATION AUTHORITY **COMPETITIVE PROCUREMENTS**

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

(Approval/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)

3. **Consultant to Design, Implement, Manage and Promote MTA Web/Phone Software Applications Competition** **\$0**
ChallengePost, Inc.
Contract No. 10120-0100

Base Amount = \$6,250

MTA requires the services of the consultant, ChallengePost, to design, implement, manage and promote MTA Web/Phone Software Applications Competition (MTA App Quest). To acquire these services a competitive RFP was publicly advertised which resulted in the selection of ChallengePost to perform these services. Phase I, the solicitation of corporate sponsors, was awarded in April 2011 in the amount of \$6,250. MTA now seeks Board approval to award Phase II which consists of the following services:

1. Web site development
2. Contest Development and Promotion
3. Enforce competition rules and address inquiries
4. Screen submitted applications
5. Assemble a panel of respected and qualified judges for the competition
6. Develop an online judging interface for judges
7. Organize, promote and host an awards ceremony

An MTA Apps Competition that accelerates the creation of apps for MTA customers and deepens the MTA agencies collaboration with app developers will give our customers greater access to pertinent and real-time information during their travels and may also lead to development of apps that MTA agency employees can use to improve MTA operations and business practices. Additionally, to offset the MTA's minimal investment to date, we expect royalty revenue to accrue to the MTA from apps that license use of MTA intellectual property (maps, etc.), just as we currently collect such royalties from existing MTA-licensed apps. Apps that use MTA data without also using MTA intellectual property will be eligible for the contest without such a license.

The MTA will utilize the services of ChallengePost, working with the MTA, to design, implement, manage and promote an MTA Apps Competition focused on applications for mobile phones, smart phones, PDAs, desktop computers, laptop computers, tablets and other Internet-connected devices. The competition will occur during the third and fourth quarters of 2011. It will recognize and give cash awards (totaling \$15,000) to application developers who create what an MTA-selected panel of judges decide are the best MTA-related software applications.

METROPOLITAN TRANSPORTATION AUTHORITY
COMPETITIVE PROCUREMENTS

The competition will run at no expense to the MTA for Phase II, other than the inclusion of certain non-monetary, intangible benefits described herein. ChallengePost will provide all services pro bono. As the sponsor of the competition along with the MTA, ChallengePost is providing the cash prize pool of \$15,000 in exchange and consideration for promotional and advertising exposure in the MTA system. The MTA will extend certain valuable intangible benefits to ChallengePost through inclusion of the sponsor's logo on signage, such as "in system" advertising, designed to promote the competition, that will be posted on MTA's subways, buses, and commuter rail equipment and stations, on the MTA and contest web sites, at the Awards Ceremony, and during MTA-initiated publicity events and media outreach. The MTA will also offer non-cash prizes in the form of facility tours (such as Grand Central Terminal) and products donated by retailers who sell their products at the Transit Museum store.

4. **As-Needed Legal Interpreting Services, Inc.** **\$20,000**
American Sign Language (ASL) (not-to-exceed)
Interpreting Services
Contract No. 09198-0100, S/A #1

Base = \$19,000

This competitive contract for as-needed legal interpreting services for the hearing-impaired at MTA public hearings, meetings and special events will expire on December 27, 2012. The contract was awarded for \$19,000; however, due to more than expected hearings held in 2010, the funds were exhausted. The MTA financial plan assumes a fare increase in 2013; therefore, a new series of public hearings will need to be held in 2012, necessitating the need for additional funding. The fully-loaded hourly rate(s) negotiated under this agreement will remain unchanged

J. Modifications to Miscellaneous Procurement 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)

5. **BizNet UCP Proprietary Software Maintenance** **\$44,920**
Contract No. 09158-0100, S/A #3 (Total)
BIP Software, Inc.

Base plus previous supplements = \$24,980

Increase funding and extend the software maintenance agreement with BIP Software, Inc. for a period of forty-eight (48) months for the maintenance of BizNet, a proprietary, electronic directory of certified DBE firms. Pursuant to federal regulations governing the MTA Disadvantaged Business Enterprise (DBE) Program, the MTA is required to participate in a state-wide Unified Certification Program (UCP) for DBE certification. A mandate of this

METROPOLITAN TRANSPORTATION AUTHORITY
COMPETITIVE PROCUREMENTS

program is that each state-wide UCP maintain an electronic directory of certified DBE firms. In accordance with federal regulation, MTA, along with New York State Department of Transportation (NYSDOT), Port Authority of New York and New Jersey (PANYNJ) and Niagara Frontier Transportation Authority (NFTA), established the New York State Unified Certification Program (NYSUCP) in 2004. BizNet, the NYSUCP Directory, was developed by and is maintained by BIP Software, Inc. Each of the above agencies is a Certifying Partner in the NYSUCP and are the only agencies within the State of New York with the authority to certify DBE firms. The four Certifying Partners equally share the cost of the annual maintenance fee. MTA's cost for the software maintenance for the forty-eight (48) period is \$44,920.

LIST OF PROCUREMENTS FOR BOARD APPROVAL, JULY 2011
PROCUREMENTS FOR RATIFICATIONS

METROPOLITAN TRANSPORTATION AUTHORITY

Procurements Requiring Two-Thirds Vote:

D. Ratifications of Completed Procurement Actions (Involving Schedules A-C)

(Ratifications are to be briefly summarized with staff summaries attached only for unusually large or especially significant items)

- | | | |
|-----------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------------------|
| <p>1. On-Board Bus Hardware Subsystem
Verifone, Inc.
Contract No. 11043-0100 to 0400</p> | <p>\$55,000,000</p> | <p><u>Staff Summary Attached</u></p> |
|-----------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------------------|

To recommend that the Board: (i) ratify the award of a competitively, negotiated purchase contract made to Verifone, Inc. to be the systems integrator for deployment of the on-board Bus Hardware Subsystem ("BHS") on all the buses in Staten Island, including the option to purchase 500 smart card readers, (Phase 1), for a fixed cost of \$6,915,662 including the option cost of \$325,000 for the readers, to be exercised at MTA's sole discretion; and (ii) approve the award of four (4) competitively negotiated contracts for the deployment of the on-board BHS in the other boroughs (Bronx, Brooklyn, Manhattan and Queens) as the schedule for each one of the boroughs becomes available for a not-to-exceed amount of \$48,084,438. The combined total for all boroughs is a not-to-exceed amount of \$55,000,000. Clever Devices, ACS, Cubic and Verifone have been deemed technically qualified firms under this competitive RFP to compete for the boroughs as they become available.

As a result of negotiations, the original cost of \$8,990,551 submitted by Verifone was reduced to \$6,915,662 for a savings of \$2,074,889 or 23%. The total cost of \$6,915,662 is \$368,720.64 or 5% lower than the second proposer's cost of \$7,284,382.64. Based on the above and the negotiated savings of \$2,074,889, the total fixed cost of \$6,915,662 is considered to be fair and reasonable.

Staff Summary

Schedule D: Ratification of Completed Procurement Actions (Involving Schedules A-C)

Page 1 of 1

Item Number:

Vendor Name (& Location): Verifone, Inc.
Description: On-Board Bus Hardware Subsystem
Contract Term (including Options, if any): Forty-Eight (48) Months
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive
Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:

Contract Number: 11043-0100 to 0400	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Total Amount: \$55,000,000 (not-to-exceed)	
Funding Source: <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: <i>CM 7/20/11</i> Executive/Customer Info. System & C. Monheim/S. Nair	
Contract Manager: Caron Christian	

DISCUSSION:

To recommend that the Board: (i) ratify the award of a competitively, negotiated purchase contract made to Verifone, Inc. to be the systems integrator for deployment of the on-board Bus Hardware Subsystem ("BHS") on all the buses in Staten Island, including the option to purchase 500 smart card readers, (Phase 1), for a fixed cost of \$6,915,662 including the option cost of \$325,000 for the readers, to be exercised at MTA's sole discretion; and (ii) approve the award of four (4) competitively negotiated contracts for the deployment of the on-board BHS in the other boroughs (Bronx, Brooklyn, Manhattan and Queens) as the schedule for each one of the boroughs becomes available for a not-to-exceed amount of \$48,084,438. The combined total for all boroughs is a not-to-exceed amount of \$55,000,000. Clever Devices, ACS, Cubic and Verifone have been deemed technically qualified firms under this competitive RFP to compete for the boroughs as they become available.

In 2010-2011, the MTA successfully conducted a pilot test for a real-time bus information system ("MTA Bus Time™") on NYCT's B63 bus route in Brooklyn. The pilot is part of the MTA's latest initiative to alert subway and bus riders to the status of their commute in real time. With MTA Bus Time, customers can use the web, text messaging devices, or a smartphone, to find out the actual location of their buses in real time. Based on the success and lessons learned as a result of this pilot, MTA Bus Time is being expanded across the city with an initial roll-out to every bus on Staten Island by December 31, 2011 under the first phase of this project. The MTA Bus Time is also expected to support the new fare payment system. Once the MTA Bus Time project is deployed in Staten Island, the addition of the smart card readers will allow tests of fare payment using contactless bank issued and MTA issued cards. Future phases, (by borough), of this project will entail the roll-out of the BHS to all MTA buses and once fully deployed will be installed and operating on all MTA buses and bus routes. Customers will: i) retrieve the actual location of all in-service buses along all routes served by the MTA; ii) acquire accurate bus location information to within one stop (at the time the information is sent from the bus); iii) get updates to bus location changes at frequent intervals (every 30 seconds); and iv) access ancillary information like route, destination, direction and bus number.

The deadline for full deployment for Staten Island is December 31, 2011. In order to ensure timely production and delivery of equipment and services required to meet this deadline, the Contractor was issued a Notice to Proceed on June 29, 2011.

MTA informed the Board in October 2010 that if the pilot was successful, the MTA will issue a master competitive Request for Proposals (RFP) to build this technology to deploy to its entire fleet of buses. An RFP was publicly advertised and letters advising potential proposers of the RFP's availability were mailed to twenty-three (23) vendors. Five (5) proposals were received. The Selection Committee, consisting of representatives from MTA New York City Transit-Department of Buses and MTA Headquarters' Customer Information System and New Fare Payment System Departments, evaluated the proposals and determined that the four firms listed above were the most technically qualified and best suited to perform these services. MTA has conducted responsibility reviews and other due diligence on these firms and has deemed them to be responsible for award.

**Schedule D: Ratification of Completed Procurement
Actions (Involving Schedules A-C)**

Under Phase 1, the Contractor will be responsible for: i) the supply and delivery of the components of the BHS (The BHS unit is comprised of the on-bus hardware, firmware, software and necessary software licenses for a single bus); ii) the design, development, configuration, integration and delivery of the BHS; iii) installation engineering, quality control, installation and final acceptance testing; iv) training; and v) warranty and extended warranty services of the BHS.

As a result of negotiations, the original cost of \$8,990,551 submitted by Verifone was reduced to \$6,915,662 for a savings of \$2,074,889 or 23%. The total cost of \$6,915,662 is \$368,720.64 or 5% lower than the second proposer's cost of \$7,284,382.64. Based on the above and the negotiated savings of \$2,074,889, the total fixed cost of \$6,915,662 is considered to be fair and reasonable.

JULY 2011
MTA REAL ESTATE
LIST OF REAL ESTATE ACTION ITEMS FOR BOARD APPROVAL

ACTION ITEMS

MTA NEW YORK CITY TRANSIT

Lease Agreement with Famiglia-DeBartolo, LLC for the sale of food and beverages at street level at 74 Street-Broadway/ Roosevelt Avenue Station, Flushing & Queens Boulevard Lines, Elmhurst, New York

MTA METRO-NORTH RAILROAD

Lease with Spices and Tease Inc for the retail sale of high-quality tenant-branded spices and teas and related accessories in Retail Space MKT-21/22 at Grand Central Terminal

Lease with Les Poissoniers Inc for the retail sale of fresh fish and seafood products in Retail Space MKT-17/18/19 at Grand Central Terminal

Lease with Shake Shack Grand Central LLC for the sale of burgers, hot dogs, fries, soft and dense frozen custards, fountain drinks, beer and wine in Retail Space LC-19/23 and Storage Spaces LCS-1G and LCS-1H at Grand Central Terminal

Lease with Apple Inc for the retail sale of tenant-branded merchandise, plus the incidental sale of third party accessories associated with tenant-branded merchandise, in the East and Northeast Balconies and Hall B Elevator Lobby at Grand Central Terminal

Consent to the granting of temporary and permanent easements between Midtown Trackage Ventures, LLC and the County of Westchester in support of the relocation, construction and maintenance of the Crane Road Bridge in the Village of Scarsdale, New York

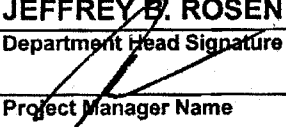
METROPOLITAN TRANSPORTATION AUTHORITY

Authorization to award a competitively-negotiated personal services contract to Cushman & Wakefield, Inc, for real estate brokerage, advisory, design and project management services

Approval for an All-Agency Policy to allow the Director of MTA to enter into Pilot Program Agreements directly with third parties

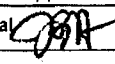
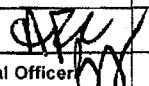

MTA NEW YORK CITY TRANSIT

Staff Summary

Subject LEASE AGREEMENT
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name MICHAEL T. THADATHIL

Date July 25, 2011
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	07/25/11	X		
2	Board	07/27/11	X		

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

Narrative

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

LESSEE: Famiglia-DeBartolo, LLC d/b/a Famous Famiglia ("Famous Famiglia")

LOCATION: Unit 17 at 74th Street-Broadway/Roosevelt Avenue - Jackson Heights Station, Flushing & Queens Boulevard Lines, Elmhurst, New York (street level at the intersection of 75th Street & Broadway)

ACTIVITY: Retail sale of food and beverages

ACTION REQUESTED: Approval of terms

TERM: Twenty (20) years

SIZE: Approximately 400 sq. ft.

SECURITY: Three months' rent, with periodic increases to match rent increases.

COMPENSATION:	Year	Annual Rent	Monthly Rent	Annual Increase	Per Sq. Ft.
	1	\$30,000.00	\$2,500.00		\$75.00
	2	\$30,900.00	\$2,575.00	3.00%	\$77.25
	3	\$31,827.00	\$2,652.25	3.00%	\$79.57
	4	\$32,782.00	\$2,731.83	3.00%	\$81.96
	5	\$33,765.00	\$2,813.75	3.00%	\$84.41
	6	\$34,778.00	\$2,898.17	3.00%	\$86.95
	7	\$35,822.00	\$2,985.17	3.00%	\$89.56
	8	\$36,896.00	\$3,074.67	3.00%	\$92.24
	9	\$38,003.00	\$3,166.92	3.00%	\$95.01
	10	\$39,143.00	\$3,261.92	3.00%	\$97.86

Staff Summary

FINANCE COMMITTEE MEETING

Famous Famiglia (Cont'd)

<u>Year</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>	<u>Annual Increase</u>	<u>Per Sq. Ft.</u>
11	\$40,317.00	\$3,359.75	3.00%	\$100.79
12	\$41,527.00	\$3,460.58	3.00%	\$103.82
13	\$42,773.00	\$3,564.42	3.00%	\$106.93
14	\$43,894.00	\$3,657.83	2.62%	\$109.74
15	\$45,378.00	\$3,781.50	3.38%	\$113.45
16	\$46,739.00	\$3,894.92	3.00%	\$116.85
17	\$48,142.00	\$4,011.83	3.00%	\$120.36
18	\$49,586.00	\$4,132.17	3.00%	\$123.97
19	\$51,073.00	\$4,256.08	3.00%	\$127.68
20	\$50,912.00	\$4,242.67	-0.32%	\$127.28

*Note: Deviations from 3% are offset by changes in rent for Unit A1

COMMENTS:

In December 2010, a request for proposals ("RFP") was advertised for this Unit 17 and a larger street-level unit, in the same station complex, that faces Roosevelt Avenue ("Unit A1"). Potential tenants were given the opportunity to bid for both units, or for either unit separately.

In response to the RFP, 12 proposals were received for Unit 17. The rental payments proposed (calculated on a present value basis using a discount rate of 9%) ranged from \$155,636 to \$338,516. The highest proposal received was from Famous Famiglia. The proposals, in order of present value, were made by:

1. Famous Famiglia (pizza; breakfast, lunch, and dinner menu) at \$338,516;
2. Kunal and Nisha Kapoor (food & beverages) at \$243,985;
3. Jung Kwan Seo (wireless phone store) at \$212,679;
4. Haris Syed (wireless phone store) at \$207,401;
5. Vintage Corp. (food & beverages) at \$203,613;
6. (tie) Ashkenazy Acquisition Corp. (food & beverages) at \$203,320;
6. (tie) Kyusup Song (jewelry store) at \$203,320;
8. Fahim M. Syed (gift shop) at \$196,560;
9. Danny S. Tung (food & beverages) at \$189,765;
10. Supria Choudhury and Qasif Reedwan (food & beverages) at \$162,658;
11. Sujit Kumar (food & beverages; for a 10-year term) at \$155,635; and
12. Healthy Choice (food & beverages), which submitted a proposal but neglected to provide basic required information.

The Board has already approved the leasing of Unit A1 to Famous Famiglia pursuant to a separate May 2011 staff summary. At Unit 17, Famous Famiglia proposes to offer, under a different branding scheme called "Fresh Gourmet", a smaller selection of items from the menu of its main store in Unit A1 (including pizza, breakfast items, salads, desserts and beverages). The term of the lease for Unit 17 will coincide with the term of the lease for Unit A1.

Famous Famiglia is a privately-held company founded in New York City in 1986. The company today owns, operates, and/or franchises more than 100 locations throughout the United States across a variety of venues including airports, sports stadiums, military bases and shopping malls, as well as at multiple locations in Mexico and China. Famous Famiglia operates at more than 30 locations within the New York City metropolitan region, including Yankee Stadium, Madison Square Garden, John F. Kennedy International Airport, LaGuardia Airport and Newark Liberty International Airport as well as numerous neighborhood locations. Famous Famiglia will operate the retail space at this location as a company-owned store (rather than granting a franchise to another operator). Famous Famiglia's offer is in line with the

Staff Summary

appraised value of the space.

The space is raw and therefore will require a capital investment by the tenant. Famous Famiglia has had significant successful experience in building out spaces, and has demonstrated that it has financial resources sufficient to complete construction.

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

MTA METRO NORTH RAILROAD

Staff Summary

Subject LEASE AGREEMENT
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature
Project Manager Name NANCY MARSHALL

Date JULY 25, 2011
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/25/11	X		
2	Board	7/27/11	X		

Internal Approvals			
Order	Approval	Order	Approval
		1	Legal <i>[Signature]</i>
3	Chief of Staff <i>[Signature]</i>		
2	Chief Financial Officer <i>[Signature]</i>		

Narrative

AGENCY: MTA Metro-North Railroad ("Metro-North")
LESSEE: Spices and Tease Inc. dba Spices and Tease
LOCATION: Retail Space MKT-21/22
ACTIVITY: For the retail sale of high-quality tenant-branded spices and teas
ACTION REQUESTED: Approval of terms
TERM: Five (5) years
SPACE: Approximately 238 sq. ft.
COMPENSATION: Annual Base Rent plus 10% of gross sales over Breakpoint, as follows:

Year	Annual Base Rent	PSF	Breakpoint
1	\$143,990.00	\$605.00	\$1,439,900.00
2	\$148,309.00	\$623.15	\$1,483,097.00
3	\$152,758.00	\$641.84	\$1,527,589.00
4	\$157,341.00	\$661.10	\$1,573,417.00
5	\$166,507.00	\$699.61	\$1,665,072.00

MARKETING: \$10.30 per sq. ft. per year, increasing annually by 3%
TRASH: \$9.00 per sq. ft. per year, subject to increase to reflect increased expenses
SECURITY: Three months minimum rent, plus personal guaranty of Steven Athea (limited to six months rent after vacating of premises)
INSURANCE: Standard
CONSTRUCTION PERIOD: Sixty (60) days

FINANCE COMMITTEE MEETING

Spices and Tease Inc. d/b/a Spices and Tease (cont.)

COMMENTS:

In response to a recent MTA request for proposals for Retail Space MKT-21/22 at Grand Central Terminal, proposals were received from Spices and Tease Inc. d/b/a Spices and Tease, Palais des Thes LLC d/b/a Palais des Thes, Miss Tea Organics LLC d/b/a Miss Tea, and Penzey's Spice Company d/b/a Penzey's Spices.

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 illustrated in the attached chart, both 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 Spices and Tease were higher than the Unadjusted Guaranteed Rent Amount and the Total Selection Criteria Scores for the remaining proposers; consequently a selection committee was not convened. The rent proposed by Spices and Tease exceeds the estimated fair market rental value of the subject space, as determined by Williams Jackson Ewing.

Spices and Tease Inc. is the U.S. brand of a French family business, operated by the Forte family since 1933, that sells quality spices, teas, and seasonings to customers, including chefs, worldwide. The first U.S. store is opening this summer on the Upper West Side of Manhattan. Spices and Tease Inc also has had an established presence over the past four years at the Green Flea Market on Columbus Avenue, Hester Market on the Lower East Side and other seasonal markets around New York City. The product mix at the Grand Central Market store will include spices (including in-house blends), teas, salts, peppers, flavored sugars and tea accessories and pepper grinders. The product quality, variety, and visual merchandising will enhance the overall quality and ambience of the Grand Central Market.

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

Staff Summary



Grand Central Terminal Retail Leasing Evaluation Sheet

Space: MKT-21/22 (currently Penzey's Spices)

Evaluator: Nancy Marshall

Date: June 23, 2011

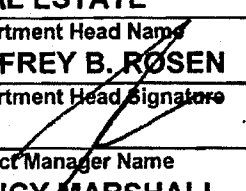
Scoring	A	B	C	D	E	F	G	H	I	J
	<u>Unadjusted Guaranteed Rent Amount</u>	<u>Guaranteed Rent Adjustment Factor*</u>	<u>Adjusted Guaranteed Rent Amount (A x B)</u>	<u>Unadjusted Percentage Rent Amount</u>	<u>Percentage Rent Adjustment Factor**</u>	<u>Adjusted Percentage Rent Amount (D x E)</u>	<u>Adjusted Total Rent Amount (C + F)</u>	<u>Selection Criterion A Score *** (0-70)</u>	<u>Selection Criterion B Score (0-30)</u>	<u>Total Selection Criterion Score (H + I)</u>
Spices & Tease Inc. d/b/a Spices and Tease	\$641,826	.75	\$481,369	-	-	-	\$481,369	70.0	25	95
Palais des Thes LLC d/b/a Le Palais des Thes	\$426,081	1.0	\$426,081	\$31,580	0	-	\$426,081	62.0	15	77
Miss Tea Organics LLC d/b/a Miss Tea	\$337,946	1.0	\$337,946	-	-	-	\$337,946	49.1	5	54.1
Penzey's Spices d/b/a Penzey's Spices	\$334,307	1.0	\$334,307	-	-	-	\$334,307	48.6	20	68.6

* 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)

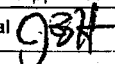
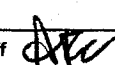

*** Selection Criterion A Score: 70 multiplied by the ratio of the Adjusted Total Rent Amount for the proposer to the highest Adjusted Total Rent Amount (from column G)

Staff Summary

Subject LEASE AGREEMENT
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name NANCY MARSHALL

Date JULY 25, 2011
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/25/11	X		
2	Board	7/27/11	X		

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

Narrative

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

LESSEE: Les Poissoniers Inc d/b/a Wild Edibles

LOCATION: Retail Space MKT-17/18/19

ACTIVITY: For the retail sale of fresh fish and seafood products

ACTION REQUESTED: Approval of terms

TERM: Five (5) years

SPACE: Approximately 725 sq. ft.

COMPENSATION: Annual Base Rent plus 8% of gross sales over Breakpoint, as follows:

Year	Annual Base Rent	PSF	Breakpoint
1	\$145,000	\$200	\$1,600,000
2	\$148,625	\$205	\$1,640,016
3	\$152,250	\$210	\$1,680,000
4	\$155,875	\$215	\$1,720,077
5	\$159,500	\$220	\$1,760,029

MARKETING: \$10.30 per sq. ft. per year, increasing annually by 3%

TRASH: \$9.00 per sq. ft. per year, subject to increase to reflect increased expenses

SECURITY: Three months minimum rent plus personal guaranty of Richard Martin (limited to six months rent after vacating of premises)

INSURANCE: Standard

CONSTRUCTION PERIOD: Sixty (60) days

FINANCE COMMITTEE MEETING

Les Poissoniers Inc d/b/a Wild Edibles (cont.)

COMMENTS:

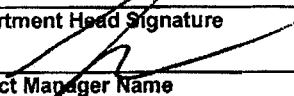
In response to a recent MTA request for proposals for Retail Space MKT-17/18/19 at Grand Central Terminal, a single proposal was received, from Les Poissoniers Inc d/b/a Wild Edibles. Two other fresh fish merchants expressed initial interest in the space, but ultimately chose not to submit proposals.

Wild Edibles, a tenant at Grand Central Market since 2001, has evolved from a small partnership in 1992 into a major player within the NY wholesale and retail seafood industry. As a provider of exceptional seafood, its success is largely attributable to its high standards in customer service and dedication to searching for the highest quality products. Since 2006, Wild Edibles has teamed with The Blue Ocean Institute, a leader in ocean conservation, in an effort to buy only fish that has been harvested responsibly. While it does purchase some of their product from the Fulton Fish Market, Wild Edibles prefers to obtain most of its fish directly from suppliers and have it flown in by them directly to Wild Edibles. This practice not only assures the customer a product of high quality and freshness, but also allows Wild Edibles to offer an amazing variety of products. The typical Wild Edibles wholesale customer is a 2 to 4 star restaurant within the NY Metropolitan area. For many of these restaurants, Wild Edibles serves as the sole seafood supplier, while for some restaurants Wild Edibles serves as a supplier of seasonal specialty items that cannot be easily acquired from other seafood companies. This same level of quality and service is available to the retail customer at Grand Central Market, where Wild Edibles has been a successful merchant for the past decade.

The proposed rent is equal to the fair market rental value of the subject space, as estimated by Williams Jackson Ewing, and 5% higher than Wild Edibles' current (escalated) rent.




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

Staff Summary

Subject LEASE AGREEMENT
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name NANCY MARSHALL

Date JULY 25, 2011
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/25/11	X		
2	Board	7/27/11	X		

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

Narrative

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

LESSEE: Shake Shack Grand Central LLC d/b/a Shake Shack

LOCATION: Retail Space LC-19/23 and Storage Spaces LCS-1G and LCS-1H

ACTIVITY: A modified full-service restaurant with seating and take-out service selling Shake Shack burgers, hot dogs, fries, soft and dense frozen custards, fountain drinks, beer and wine

ACTION REQUESTED: Approval of terms

TERM: Ten (10) years

SPACE: Approximately 2,270 sf of retail space and approximately 215 sf of storage space

COMPENSATION: Annual Base Rent plus 8% of gross sales over Breakpoint, as follows:

Year	Annual Base Rent	PSF	Breakpoint**
1	\$435,000.00	\$191.63	\$5,437,500.00
2	\$448,050.00	\$197.38	\$5,600,625.00
3	\$461,491.50	\$203.30	\$5,768,643.75
4	\$475,336.25	\$209.40	\$5,941,703.06
5	\$489,596.33	\$215.68	\$6,119,954.15
6	\$504,284.22	\$222.15	\$6,303,552.78
7	\$519,412.75	\$228.81	\$6,492,659.36
8	\$534,995.13	\$235.68	\$6,687,439.14
9	\$551,044.99	\$242.75	\$6,888,062.32
10	\$567,576.33	\$250.03	\$7,094,704.19

**To the extent gross sales exceed the natural breakpoint by \$1,000,000 in a given year, the incremental sales revenue will be subject to a percentage rent factor of 10% instead of 8%.

FINANCE COMMITTEE MEETING**Shake Shack Grand Central LLC d/b/a Shake Shack (Cont'd)**

STORAGE RENT:	\$75.00 per sq. ft. per year, increasing annually by 3%
MARKETING:	\$10.30 per sq. ft. per year, increasing annually by 3%
TRASH:	\$12.00 per sq. ft. per year, subject to increase to reflect increased expenses
COMMON AREA MAINTENANCE:	\$85.00 per sq. ft. per year (charged only on take-out area)
SECURITY:	Three months minimum rent plus guaranty of Shake Shack Enterprises (limited to six months rent after vacating of premises)
INSURANCE:	Standard
CONSTRUCTION PERIOD:	120 days

COMMENTS:

In response to a recent MTA request for proposals for Retail Space LC-19/23 at Grand Central Terminal, proposals were received from Shake Shack Grand Central LLC d/b/a Shake Shack, HIP at 42nd Street, LLC d/b/a Harry's Italian, Paul Hurley d/b/a Taste of Ireland, Salsa Express, LTD d/b/a Salsa Bar and Grill, Peppers Mexican Grill, LLC d/b/a Peppers Mexican Grill, Little Mint, Inc. d/b/a TBD by Dishes and Grand Central Zocalo, LLC d/b/a Zocalo Mexican Restaurant and Bar.

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 proposer's potential indirect benefit to the MTA. The Total Selection Criteria Score as evaluated by the Director of GCT Development was higher for Shake Shack than for the remaining proposers; however Shake Shack did not offer the highest Unadjusted Guaranteed Rent Amount (i.e. proposed guaranteed minimum rent, on a present value basis determined using a discount rate of 6%), and consequently a selection committee was convened.

The selection committee reviewed and scored all seven proposals. A determination was made by the selection committee to request a best and final offer (BAFO) from all of the proposers. Following evaluation of the BAFO proposals by the selection committee members, Shake Shack had the highest aggregate Total Selection Criteria Score. (In the chart on page 3, 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 base rent proposed by Shake Shack exceeds both the estimated fair market rental value of the subject space, as determined by Williams Jackson Ewing and the effective rents (i.e. base rent plus percentage rent) per square foot that are currently being paid by Zocalo (the existing tenant in the subject space) and Junior's (the occupant of the other sit-down restaurant space in the Dining Concourse). In addition, although no Adjusted Percentage Rent Amount was attributed to Shake Shack because Shake Shack's proposal did not posit an Unadjusted Percentage Rent Amount, MTA Real Estate believes that, alone among the proposed uses, Shake Shack's holds the potential for a very significant percentage rent upside for the MTA.

Shake Shack is part of Danny Meyer's Union Square Hospitality Group (USHG), operators of several of NYC's most celebrated restaurants, including among others Union Square Café, Gramercy Tavern, Blue Smoke/Jazz Standard and The Modern. Six of the company's restaurants, including Shake Shack, are included in Zagat's list of the 40 most popular restaurants in NYC.

Staff Summary

Shake Shack is a modern day "roadside" burger stand serving 100% natural beef and vegetarian burgers, hot dogs, frozen custards, beer and wine. Shake Shack's accessibility and affordability makes it a magnet for a diverse range of customers of all ages, and it is anticipated that Shake Shack's presence in the Dining Concourse will generate significant new traffic there that will benefit other food sellers and retailers at the Terminal and, therefore, in turn generate increased rent for the MTA. Indeed, Shake Shack's other locations have proved so popular that the parties have thought it necessary to devise a special crowd control plan that will entail queuing on the Oyster Bar ramp.

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

Staff Summary



Scoring	A	B	C	D	E	F	G	H	I	J
	<u>Unadjusted Guaranteed Rent Amount*</u>	<u>Guaranteed Rent Adjustment Factor**</u>	<u>Adjusted Guaranteed Rent Amount (A x B)</u>	<u>Unadjusted Percentage Rent Amount</u>	<u>Percentage Rent Adjustment Factor***</u>	<u>Adjusted Percentage Rent Amount (D x E)</u>	<u>Adjusted Total Rent Amount (C + F)</u>	<u>Selection Criterion A Score**** (0- 70)</u>	<u>Selection Criterion B Score (0- 30)</u>	<u>Total Selection Criterion Score (H + I)</u>
HIP at 42nd Street, LLC d/b/a Harry's Italian	3,743,121	1	3,743,121	489,579	-	-	3,743,121	61.3	10.6	71.9
Little Mint, Inc. d/b/a TBD by Dishes	3,776,720	1	3,776,720	822,104	-	-	3,776,720	61.8	21.3	83.1
Paul Hurley d/b/a Taste of Ireland	4,277,163	1	4,277,163	78,529	-	-	4,277,163	70.0	0.66	70.6
Peppers Mexican Grill, LLC d/b/a Peppers Mexican Grill	3,493,898	1	3,493,898	-	-	-	3,493,898	57.2	3.0	60.2
Salsa Express, LTD d/b/a Salsa Bar and Grill	3,970,150	1	3,970,150	22,894	-	-	3,970,150	65.5	5.3	70.3
Shake Shack Grand Central LLC d/b/a Shake Shack	3,618,680	1	3,618,680	-	-	-	3,618,680	59.2	24.6	84.1
Grand Central Zocalo, LLC d/b/a Zocalo Mexican Restaurant and Bar	3,304,643	1	3,304,643	-	-	-	3,304,643	54.1	19.6	73.7


*Present value, 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 0.00 per guidelines

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

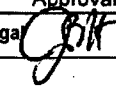


****Selection Criterion A Score: 70 multiplied by the ratio of the Adjusted Total Rent Amount for the proposer to the highest Adjusted Total Rent Amount (from column G)

Staff Summary

Subject TERMINATION OF EXISTING LEASE AND EXECUTION OF NEW LEASE
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name NANCY MARSHALL

Date JULY 25, 2011
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/25/11	X		
2	Board	7/27/11	X		

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

Narrative	
AGENCY:	MTA Metro-North Railroad ("Metro-North")
LESSEE:	Apple Inc. d/b/a Apple ("Apple")
LOCATION:	<u>"Primary Space":</u> East Balcony 8,967 RSF Hall B Lobby 1,290 RSF Northeast Balcony 2,830 RSF North Wall 1,322 RSF Suspended Mezzanine 938 RSF <u>"Ancillary Facilities":</u> Hall B-1 1,202 RSF Additional Hall B-1 419 RSF Carey's Hole 2nd Basement 6,062 RSF* *Subject to re-measurement
ACTIVITY:	Sale of Apple-branded merchandise plus incidental sale of third party accessories associated with tenant-branded merchandise
ACTION REQUESTED:	Approval of terms
TERM:	Initial term of approximately ten years and four months, with two 5-year renewal periods at Tenant's option
SPACE:	23,030 sf (15,347 "Primary Space", 7,683 "Ancillary Facilities")
COMPENSATION:	At lease signing, Tenant will pay \$5 million, which MTA shall cause to be paid to the owner of Metrazur as consideration for the early termination of the Metrazur lease. In addition, Tenant will pay \$25,000 per month for the period commencing on lease execution and ending on the earlier of store opening or four months from lease commencement, and thereafter will pay rent monthly in advance at the following rates:

Staff Summary

Primary Space

<u>Year</u>	<u>Annual Rent</u>
1	\$800,000
2	\$824,000
3	\$848,720
4	\$874,182
5	\$900,407
6	\$927,419
7	\$955,242
8	\$983,899
9	\$1,013,416
10	\$1,043,819
First Option Period	
11	\$1,344,000
12	\$1,384,320
13	\$1,425,850
14	\$1,468,625
15	\$1,512,684
Second Option Period	
16	\$1,664,000
17	\$1,713,920
18	\$1,765,338
19	\$1,818,298
20	\$1,872,847

Ancillary Facilities

<u>Year</u>	<u>Annual Rent**</u>
1	\$307,320
2	\$316,540
3	\$326,036
4	\$335,817
5	\$345,891
6	\$356,268
7	\$366,956
8	\$377,965
9	\$389,304
10	\$400,983
First Option Period	
11	\$414,882
12	\$427,328
13	\$440,148
14	\$453,353
15	\$466,953
Second Option Period	
16	\$514,761
17	\$530,204
18	\$546,110
19	\$562,493
20	\$579,368

**Subject to re-measurement of Carey's Hole space

Staff Summary

MARKETING: \$35,000 per annum from lease commencement through the end of the 1st lease year, with 3% increase over the prior lease year in each subsequent lease year.

TRASH: Either Tenant will be responsible for its own trash removal with no charge by Landlord or else Tenant will participate in the general Terminal retail trash removal program and will pay its proportionate share of the cost.

INSURANCE: Standard

CONSTRUCTION PERIOD: 120 days

COMMENTS:

Ever since the Terminal was renovated in 1998, the East Balcony overlooking the Main Concourse at Grand Central Terminal has been occupied by the restaurant Metrazur and the Northeast Balcony (although occasionally used for parties) has remained unleased. The base rent payable under the Metrazur lease is \$263,997 per annum (\$27.25 per rentable square foot, as opposed to \$70.10 per foot for Michael Jordan's and \$86.68 per foot for Cipriani). The Metrazur lease has not generated percentage rent.

Like the two other GCT balcony restaurant leases, the Metrazur lease provides for a 20-year term; and, but for the initiative that is the subject of this staff summary, such lease would not expire until December 31, 2019. However, MTA Real Estate succeeded in May of this year in obtaining from Metrazur's owner a conditional surrender agreement (contingent among other things upon Board approval), which has enabled the MTA to solicit proposals from prospective replacement tenants. Such surrender agreement provides for a lump sum payment to Metrazur's owner of \$5 million, to be made upon the execution and delivery of a replacement lease; and accordingly the MTA's request for proposals (the "RFP") stipulated that any new tenant would be required to provide the MTA with the funds with which to make such payment, over and above monthly rent very substantially in excess of the rent that Metrazur's owner currently pays.

The RFP was distributed to a wide variety of brokers and potential end users and duly promoted by, among other means, prominent advertisements in Crain's New York Business and the Wall Street Journal. However, Apple, which had previously expressed interest in leasing the property, submitted the only proposal received in response to the RFP. Although other businesses inspected the property and considered submitting proposals, the fact that no other proposals were received likely reflects a number of factors affecting the marketability of the property: (a) the subject space will be delivered "as is", and converting the Primary Space to a new use and preparing the Ancillary Facilities for occupancy will require very substantial capital outlays by the new tenant, (b) the aforementioned lump sum payment to Metrazur's owner is quite large and must necessarily be funded in advance, (c) the RFP specified a variety of special limitations on fixturing and signage, to ensure that any new use of the areas visible from the Main Concourse would be suitably respectful of and consistent with the Main Concourse's magnificent architecture and landmark status, and (d) although the Primary Space is highly visible, it suffers from relatively poor accessibility, a limitation that Apple, with its unmatched brand recognition and enormous drawing power, is perhaps uniquely capable of overcoming. Taking into account all of the foregoing factors, Williams Jackson Ewing has advised that it believes that the rent to be paid to the MTA by Apple exceeds the fair market rental value of the premises.

The RFP addressed three categories of GCT space: (a) the space where Metrazur operates on the North Balcony, (b) the "landlocked" Northeast Balcony space and adjoining elevator lobby, which the MTA has heretofore been precluded from leasing by reason of Metrazur's occupancy, and (c) certain other spaces that (although not heretofore leased at all) could, in principle, have been leased by the MTA either to the new occupant of the Metrazur space or to one or more other end users. The spaces in the first two categories are identified and collectively referred to above as the "Primary Space", and proposers under the RFP were required to lease them in their totality. The spaces in the third category are identified and collectively referred to above as "Ancillary Facilities" and they were designated as "optional" spaces in the RFP. Apple has proposed to lease all of the Ancillary Facilities, as well as the Primary Space. The Ancillary Facilities will include the entire second basement (i.e. lowest level) of the area of the Terminal known as Carey's Hole, which is about to be vacated by Metro-North personnel who are being relocated to newly outfitted quarters upstairs. In connection with the fitting-out of such space, which would otherwise be the most difficult for the MTA to lease out, Apple will undertake, at its own cost, extensive vertical transportation and other infrastructures improvements, which will also greatly facilitate and expedite the leasing out of the balance of Carey's Hole.

Staff Summary

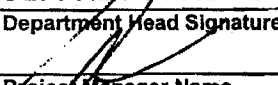
The proposed transaction offers a very substantial economic benefit to the MTA compared to the status quo. As noted above, Apple has committed to pay rent for the Primary Space that is several times higher than the base rent under the existing Metrazur lease. We calculate the net present value to the MTA of the proposed transaction (i.e. the present value of the proposed Apple lease revenues to MTA over and above the present value of the Metrazur lease if it were to remain in effect) to be in excess of \$5 million, even *before* one takes into account (a) revenue to be obtained from the leasing to Apple of the Ancillary Facilities, except insofar as such revenue exceeds the net revenue that we estimate we would receive were we to offer them separately for lease, (b) revenue attributable to periods subsequent to 2019, when, the Metrazur lease having expired in the normal course, we would in any event have been free to re-let the Primary Space, and (c) the anticipated *indirect* financial benefit to the MTA of having an Apple store at Grand Central (i.e. the evaluation criterion that is referred to in the Board-approved GCT Tenant Selection Guidelines as "Selection Criterion B"). Although Apple will not itself pay percentage rent, its occupancy can be expected to generate significant new traffic benefitting GCT's other tenants, and each resulting 1% increase in the gross sales of such other tenants will be worth approximately \$500,000 to the MTA in present value terms.

Recognizing that the Apple store is expected to attract many customers and entail a substantial back-of-the-house operation, Apple, Metro-North and MTA Police Department personnel have engaged in an intensive planning effort to ensure that Apple's operations will be compatible in all respect, and not interfere with, the privacy use of the terminal as a transportation facility.

Apple has proposed to make only very modest alterations to historic elements and will employ only minimal and highly discreet signage at limited locations, all satisfactory to the State Historic Preservation Officer, and will be required to accommodate enhanced public (ie. non-shopper) access to the portions of the East Balcony and Northeast Balcony adjacent to the balustrades overlooking the Main Concourse.


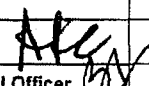

Based on the foregoing, MTA Real Estate requests authorization to enter into a lease agreement with Apple on the above-described terms and conditions.

Staff Summary

Subject CONSENT TO EASEMENTS
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name BENSON GOODWYN

Date July 25, 2011
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/25/11	X		
2	Board	7/27/11	X		

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

Narrative

AGENCY: MTA Metro-North Railroad ("Metro-North")
 GRANTOR: Midtown Trackage Ventures, LLC ("Midtown")
 GRANTEE: County of Westchester ("County")
 LOCATION: Village of Scarsdale, Westchester County, New York
 ACTIVITY: Consent to temporary easement
 ACTION REQUESTED: Approval of terms
 TERM: Length of project
 SPACE: Approximately 10,303 sq. ft.
 COMPENSATION: \$54,000, less Midtown expenses
 COMMENTS:

The Bronx River Parkway crosses Metro-North's Harlem Line over a bridge known as the Crane Road Bridge in the Village of Scarsdale. The bridge is in disrepair, and the County plans to replace it with a new bridge using funds provided through the New York State Department of Transportation ("NYSDOT"). The County is the beneficiary of a 1924 agreement, which permits the County to erect and maintain the existing bridge. However, most of the replacement bridge will be located south of the existing bridge. Therefore, the County will relinquish its rights under the 1924 agreement and acquire new permanent easements to accommodate the new structure. To stage the demolition of the old bridge and the construction of the new bridge, temporary easements within Metro-North's right-of-way will also be required.

Metro-North's Harlem Line is owned in fee by a private company, Midtown, as successor-in-interest to Penn Central Railroad. Metro-North operates trains on the Harlem Line pursuant to a long-term net lease (the "Lease") between the Metropolitan Transportation Authority and Midtown. As a condition of the funding of the bridge project by NYSDOT, Midtown, as the fee holder of the affected property, will grant the required permanent and temporary easements by deed in lieu of condemnation. MTA, as the net lessee, must consent to the granting of such easements by Midtown. Metro-North has reviewed the proposed easements, and does not object to them. The County will be required to obtain entry permits and pay any required force account or flagging costs charged by Metro-North.

The easements were appraised at \$28,000 for the temporary interests (for four years), and \$26,000 for the permanent interests. The County will pay such appraised value for the interests, and such compensation will be allocated between Midtown and MTA based on the terms of the Lease, such that Midtown will be reimbursed for its expenses and the balance will be paid to the MTA.

Staff Summary

FINANCE COMMITTEE MEETING

County of Westchester (Cont'd)

Based on the foregoing, MTA Real Estate requests authorization to consent to the granting of the required easements on the above-described terms and conditions

METROPOLITAN TRANSPORTATION AUTHORITY

Staff Summary

Item Number:					
Dept & Dept Head Name: Finance/R. Foran					
Division & Division Head Name: Real Estate/J. Rosen					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	Finance	07/25/11	X		
2	Board	07/27 /11	X		
Internal Approvals					
Order	Approval	Order	Approval		
1	Procurement				
2	Managing Director	4	Legal		
3	Chief of Staff				

SUMMARY INFORMATION	
Vendor Name:	Contract Number: 11023-0100
Description: Real Estate Brokerage, Advisory and Design Services	
Total Amount: \$ TBD, depending on proceeds from disposition of Property	
Contract Term (including Options, if any) Approximately September 1, 2011 thru August 31, 2016	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: Sole Source	
Funding Source: <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input checked="" type="checkbox"/> Other:	

Narrative

I. PURPOSE/RECOMMENDATION

To recommend that the Board approve the award of a competitively negotiated personal services contract to Cushman & Wakefield, Inc. (the "Contractor"), pursuant to which the Contractor (and its subcontractors TPG Architecture, JRT Realty and Greenburg Traurig) will provide real estate brokerage, advisory, design and project management services to MTA Real Estate ("RED"), for a two-year period with three one-year extensions at the MTA's option, for a total amount not to exceed brokerage commissions earned by the Contractor and calculated as hereinafter described. The scope of services is to include (i) office space portfolio review and analysis, consulting with respect to office space design standards, space needs programming, zoning analysis, advice with respect to real estate market conditions and brokerage services, and preliminary design services with respect to the proposed re-stacking of 2 Broadway and re-location of MTA offices at 341-347 Madison Avenue (collectively, the "Basic Services"), and (ii) at the MTA's option, full architectural, engineering and/or project management services with respect to renovations at 2 Broadway and/or the fitting-out of newly leased or acquired office space (the "Optional Services"). It is anticipated that the entire cost of the contract to the MTA will be defrayed using proceeds from the sale of the MTA's property at 341-347 Madison.

II. DISCUSSION

Ongoing initiatives are resulting in the elimination of redundancies among operations of the MTA's constituent agencies, and have entailed administrative payroll reductions in the order of 20% at headquarters and 15% at the line agencies. The headcount reductions resulting from such initiatives have in turn provided the MTA with an opportunity to undertake a comprehensive review of the facilities that house its administrative functions, and to chart a course toward the realization of enhanced revenues and reduced occupancy costs through the disposition of such facilities to the extent they are under-utilized. To those ends, RED has devised the preliminary office space right-sizing plan that was presented to the Finance Committee at its April, 2011 meeting and now seeks to engage an inter-disciplinary advisory team to assist in the refinement and implementation of such plan.

To solicit proposals to provide such assistance, a Request for Proposals (the "RFP") was publicly advertised and letters advising potential proposers of the RFP's availability were mailed to nineteen major real estate firms. A total of twenty-seven firms requested and received copies of the RFP.

The MTA received a total of eight proposals, from teams led by Colliers ABR, Jones Lang LaSalle, NAI Global, Cushman & Wakefield, Cassidy Turley, UGL Services, CB Richard Ellis, and Newmark Knight. The Selection Committee, consisting of representatives from RED, MNR Planning and NYCT Engineering, evaluated the proposals and unanimously determined that five of the teams (led by Cushman Wakefield, Cassidy Turley, CB Richard Ellis, Jones Lang LaSalle and Newmark Knight) were best suited to provide the requisite services and should be invited to make oral presentations. Following such presentations, the selection committee recommended that MTA Procurement negotiate with three finalists (the teams led by Jones Lang LaSalle, Cassidy Turley and Cushman & Wakefield) and ultimately select the team that offered the best value for the most competitive pricing. MTA Procurement conducted a responsibility review and other due diligence and deemed each of such finalists to be a responsible prospective contractor.

As a result of the ensuing negotiations, MTA Procurement and MTA Real Estate recommend that a contract be awarded to the Contractor on the following terms:

- (a) During the term of the contract, the Contractor will be the MTA's exclusive broker for sales and leases relating to the MTA's office portfolio, exclusive of 370 Jay Street except as the MTA may otherwise elect.
- (b) The Contractor will earn commissions in connection with (and contingent upon) the consummation of sale and/or leasing transactions. In the case of transactions in which the MTA is the seller or lessor, such commissions will be payable by the MTA. In the case of transactions in which the MTA is the buyer or lessee, such commissions will be payable by the third party that is the seller or lessor, as the case may be. The MTA will not be obligated to enter into any such transactions, and any and all such transactions will require Board approval.
- (c) If the MTA elects to consume Basic Services only, then the MTA will be entitled to benefit from the full amount of the discount/rebates that are set forth in Schedule B attached to this staff summary, so that, instead of the gross commissions set forth in Schedule A, the Contractor will receive the net commissions set forth in Schedule B. To the extent (if any) that the MTA elects to consume Optional Services, the Contractor will be compensated for such Optional Services by reducing the discount/rebates to which the MTA would otherwise be entitled as described in Schedule B by the cost to the Contractor of such Optional Services, determined based on the unit pricing that is set forth in Schedule C attached to this staff summary. In no event will the Contractor earn more than the gross commissions set forth in Schedule A.
- (d) Apart from the above-described commissions, the Contractor will not be entitled to receive any compensation for the Basic Services or any Optional Services, unless the MTA terminates the contract before the Contractor has earned at least \$500,000 in commissions. In that case, the MTA will be obligated to pay the Contractor the lesser of (i) the Contractor's out-of-pocket costs, including all amount paid by the Contractor to its subcontractors, or (ii) 50% of the amount by which \$500,000 exceeds the commissions theretofore earned by the Contractor.

III. M/WBE

The Contractor has retained JRT Realty, a certified WBE, to assist in providing real estate brokerage advisory services. JRT will receive 10% of the amount by which the brokerage commissions received by the Contractor exceed the Contractor's out-of-pocket expenses. The Contractor has also agreed to set a goal for MBE subcontracting by TPG Architecture equal to 10% of the total amount the Contractor pays to TPG.

IV. IMPACT ON FUNDING

Except as described in paragraph (d) above, the total cost of the contract to the MTA will not exceed the gross sales commissions for which the MTA is to be responsible as described above.

V. ALTERNATIVES

Do not Approve Award of the Contract. This is not a feasible alternative. The MTA does not have the resources or the trained personnel to adequately perform the required work with its own forces.

Perform the Services In-House. This is not feasible alternative. The MTA does not have the resources or the trained personnel to adequately perform the required work with its own forces.

Schedule A

CALCULATION OF GROSS COMMISSIONS

Gross Leasing Commissions:

Calculated on a declining percentage basis at the following rates:

Lease year 1:	5% of base rent
Lease year 2:	4% of base rent
Lease years 3-5:	3.5% of base rent
Lease years 6-10:	2.5% of base rent
Lease years 11-20:	2% of base rent
Lease years 20 +:	1% of base rent

Gross Sales Commission

1.5% of total sales price

Value of ground lease

In the case of a disposition by long-term ground lease, the "sales" price will be deemed to equal the discounted cash flow of the ground lease payments. The discount rate used to value the payments will be determined based on the following formula:

75% Debt Rate: 10-Yr Treasury +225 bps

25% Equity Rate: 8.00%

The rate for the Debt Rate component will be floating until the closing of the transaction. An example of the calculation, using the current Debt Rate follows:

	Rate	Premium	Total	Weighting	Rate
Debt:	2.89%	225 bps	5.14%	75%	3.86%
Equity:	8.00%	0 bps	8.00%	25%	2.00%
			Total:		5.86%

Schedule B

COMMISSION REBATES/ DISCOUNTS

Calculation of Net Commissions

Leasing commission rebate, after first \$500,000*	50%
Sales commission discount - up to \$200 million sales proceeds	66.7%
Resulting net sales commission - up to \$200 million sales proceeds	50 bps
Sales commission discount - above \$200 million sales proceeds	83.3%
Resulting net sales commission - above \$200 million sales proceeds	25 bps

Additional Rebates

- 10% of aggregate net sale and lease commissions in excess of \$1 million
- 15% of aggregate net sale and lease commissions in excess of \$1.5 million
- 20% of aggregate net sale and lease commissions in excess of \$2 million

*To be achieved, at MTA's option, by Contractor foregoing commission in consideration of lease concessions by landlord, or by credit against sales commission payable by MTA.

Schedule C

OPTIONAL ARCHITECTURAL / ENGINEERING SERVICES

CATEGORY	RENOVATION TYPE	SF RANGES*	DESIGN DEVELOPMENT, CONSTRUCTION DOCUMENTS & CONSTRUCTION ADMINISTRATION			
			MNRR LEASE		2 BROADWAY	
			\$/SF		\$/SF	
			ARCH	ENGINEERING	ARCH	ENGINEERING
1	EXISTING INSTALLATION - LIMITED TO FURNITURE SYSTEM RECONFIGURATION, DATA AND ELECTRICAL RECONFIGURATION TO SUPPORT FURNITURE CHANGES, INCIDENTAL INTERIOR ALTERATIONS, INCIDENTAL LIGHTING & CEILING CHANGES, FLOOR FINISH REPLACEMENT (I.E: CONVERSION OF PHASE I TO PHASE II SPACE AT 2 BROADWAY)	R1	\$1.35/SF	\$1.20/SF	\$1.41/SF	\$1.38/SF
		R2	\$1.25/SF	\$1.10/SF	\$1.30/SF	\$1.25/SF
		R3	\$1.10/SF	\$1.00/SF	\$1.20/SF	\$1.15/SF
		R4	\$1.10/SF	\$1.00/SF	\$1.20/SF	\$1.15/SF
		R5	\$1.10/SF	\$1.00/SF	\$1.20/SF	\$1.15/SF
2	EXISTING INSTALLATION - SCOPE OF WORK IN CATEGORY 1 PLUS UP TO APPROXIMATELY 25% INTERIOR SPACE ALTERATION/RENOVATION, DATA AND ELECTRICAL SYSTEMS UPGRADES/RECONFIGURATION TO SUPPORT SPACE CHANGES. INCLUDES SIGNIFICANT ENGINEERING & FIRE PROTECTION SYSTEMS EVALUATION AND ENGINEERING FIRE PROTECTION SYSTEM MODIFICATIONS, NEW SECURITY SYSTEMS.	R1	\$2.25/SF	\$1.35/SF	\$2.45/SF	\$1.45/SF
		R2	\$2.05/SF	\$1.25/SF	\$2.20/SF	\$1.32/SF
		R3	\$1.89/SF	\$1.15/SF	\$2.00/SF	\$1.20/SF
		R4	\$1.89/SF	\$1.15/SF	\$2.00/SF	\$1.20/SF
		R5	\$1.89/SF	\$1.15/SF	\$2.00/SF	\$1.20/SF
3	DEVELOPMENT OF RAW INTERIOR SPACE-INCLUDES FULL ARCHITECTURAL AND ENGINEERING CONSTRUCTION DOCUMENTS	R1	\$3.35/SF	\$1.38/SF	\$3.45/SF	\$1.65/SF
		R2	\$3.05/SF	\$1.30/SF	\$3.15/SF	\$1.52/SF
		R3	\$2.85/SF	\$1.25/SF	\$2.85/SF	\$1.40/SF
		R4	\$2.85/SF	\$1.25/SF	\$2.85/SF	\$1.40/SF
		R5	\$2.85/SF	\$1.25/SF	\$2.85/SF	\$1.40/SF

*Square foot ranges, based on REBNY usable, except at 2 Broadway, where based on carpetable:

R1 = 1-10,000

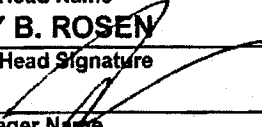
R2 = 10,001 - 50,000

R3 = 50,001 - 100,000

R4 = 100,000 - 200,000


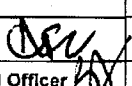

R5 = 200,001 +

Staff Summary

Subject ALL AGENCY PILOT PROGRAM POLICY
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name Peter Lyons

Date July 25, 2011
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/25/11	X		
2	Board	7/27/11	X		

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

Narrative

From time to time, MTA Real Estate is presented with or originates ideas with untested potential for generating new revenue and/or providing customer amenities at the expense of concessionaires. Rather than following standard procedures for entering into long-term agreements before such ideas are tested and proved, MTA RED is requesting authorization to enter into short-term pilot program agreements, on a non-competitive basis as opportunities arise, notifying the Board after the fact via information items rather than obtaining prior approval via staff summaries.

Proceeding in this way will allow MTA Real Estate to ascertain the actual revenue-generating potential of proposed new initiatives, gauge their appeal to MTA customers, assess their sustainability, and respond more quickly than it otherwise could to opportunities as they present themselves. Currently, MTA Real Estate anticipates using this authorization to experiment with providing new customer amenities such as retail kiosks at subway entrances, coffee trucks at commuter stations that lack existing coffee concessions, specialty food trucks at busy vacation-destination stations and other "pop-up" concepts.

MTA Real Estate requests that the MTA Board adopt the resolution attached to this staff summary.

RESOLUTION

BOARD OF THE METROPOLITAN TRANSPORTATION AUTHORITY

WHEREAS, the Real Estate Department ("RED") of the Metropolitan Transportation Authority ("MTA") is from time to time presented with ideas that may have potential and to generate revenue and/or provide customer amenities at concessionaire expense, RED has requested authorization to negotiate and enter into short-term pilot transactions to test such ideas before deciding whether to continue their implementation;

NOW THEREFORE, BE IT RESOLVED that the Board of MTA hereby authorizes the MTA Director of Real Estate to negotiate and enter into pilot program license agreements with third parties for the purpose of testing business concepts and their potential to create new revenue streams and/or provide customer amenities, provided that each such pilot program agreement shall:

1. Be in a form approved by the MTA Legal Department;
2. Have an operating term of not more than 14 month and be terminable by the MTA without penalty on not more than 60 days notice;
3. Not be extended except with Board approval;
4. Provide the MTA with appropriate indemnifications and insurance protections;
5. Not permit more than a negligible impact on the environment absent any environmental review required under, and otherwise in compliance with applicable requirements of, the State Environmental Quality Review Act (SEQRA); and
6. Not permit material adverse impacts on station cleanliness.



New York City Transit

ACTION ITEM: CONSTRUCTION SERVICES FOR 250 E87TH STREET


Purpose

The purpose of the staff summary is MTACC is seeking the MTA's Board Approval for the following:

1. Enter into an agreement with 250 E87th Street Owners Corp. to construct alterations to a privately owned building located at 250 E. 87th Street.
2. Increase the previously Board approved amount of funding for asbestos abatement work at 250 E. 87th Street.


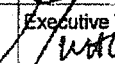
The total amount is for a not-to exceed amount of \$11,200,000. The alterations are required to accommodate an ancillary facility for the 86th Street Station of the Second Avenue Subway (SAS).

Staff Summary

Subject Construction Services for 250 E87th Street (Block 1532, Lot 22)
Department Second Avenue Subway Project
Department Head Name William E. Goodrich
Department Head Signature 
Program Manager / Project Manager Name Anil Parikh/Manan Garg

Date July 2011
Vendor Name 250 E87th Street Owners Corp.
Contract Number N/A
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	NYCT Committee	7/25/11	X		
2	MTA Board	7/27/11	X		

Internal Approvals			
Order	Approval	Order	Approval
2	Chief Financial Officer AD	4	President 
1	General Counsel JCA by JCA	3	Executive Vice President 

PURPOSE:

MTACC is seeking the MTA's Board Approval for the following:

1. Enter into an agreement with 250 E87th Street Owners Corp. to construct alterations to a privately owned building located at 250 E.87th Street
2. Increase the previously Board approved amount of funding for asbestos abatement work at 250 E.87th Street

The total amount is for a not-to-exceed amount of \$11,200,000. The alterations are required to accommodate an ancillary facility for the 86th Street Station of the Second Avenue Subway (SAS).

DISCUSSION:

The Second Avenue Subway project has acquired permanent and temporary easements for entrances, ancillary facilities and other support functions to be built partially or entirely within privately owned buildings. As design has progressed for this project, it is evident that a number of facilities must be built in a cooperative effort with private property owners to minimize any potential impacts and consequential damages in the event of interruption of critical building utilities. Agreements will, therefore, be required with building owners to cover consulting services and construction. It is anticipated that MTACC will be coming to the Board for a number of these types of agreements for SAS as they are negotiated as design and construction proceeds.

Plans for the SAS include building an ancillary facility for the 86th St Station at 250 E.87th St. on 2nd Avenue between 86th Street & 87th Streets. This facility will impact one privately owned building. As a result of extensive negotiations with the building owner, DHA Joint Venture was directed to perform a feasibility study and re-design to potentially relocate and/or modify the ancillary facility to minimize impacts on major utilities in the building. DHA completed this design and MTACC accepted this re-design. The permanent easements were substantially reduced based upon this re-design and the building owner's design consultants proceeded to complete the cost to cure design based upon reduced easements.

The original budget allocated for Cost to Cure at this location was \$30 Million. As a result of the re-design, the total cost of the design and construction was reduced to \$18.9 Million, resulting in a net savings of \$11.1 Million. The current work that must be done to the privately owned building to accommodate the facility includes the following:

- Mechanical, electrical, plumbing and fire protection relocations impacted by the SAS facility.
- Construction of heating plant replacement.
- Structural & Architectural changes to building impacted by the SAS facility.
- Construction phase consultant services during building owner's construction.
- Construction phase consultant services to review construction drawings, specifications, calculations and shop drawings provided by MTA, its consultants and contractors, for ancillary facility construction impacting their building.

Staff Summary

In September 2009, MTACC entered into a Board approved agreement with 250 E87th Street Owners Corp. for a not-to-exceed amount of \$1,577,200 for a design to make the necessary alterations to the property at 250 E.87th Street to accommodate the ancillary facility. The design has been completed with all required deliverables received, reviewed and accepted by MTACC. MTACC is now seeking to enter into an agreement with 250 E87th Street Owners Corp. for the construction work involved to make the alterations.

In addition, Board Authorization was obtained in October of 2010 for a sum of \$465,000 (phase 1) for asbestos abatement design, monitoring removal and disposal to ensure timely completion of the changes needed. The building owner has completed majority of the phase 1 asbestos work and has spent \$319,079.88 of the \$465,000. Upon further discussion it was determined to "fast track" completion of phase 2 of the asbestos work in advance of the building construction alterations in order to accommodate the SAS ancillary facility. MTACC is seeking Board approval for an additional sum of \$244,211 to accomplish this remaining advance asbestos abatement work.

ALTERNATIVES:

The alternative is for the MTA to contract directly for this work and assume all risk associated with this work. This is not recommended because the building owner is in the best position to plan, design and contract for this work. Furthermore, if the MTA contracts for the construction work, the MTA becomes responsible for any problems or issues that may arise as a result of the construction within the private building.

FUNDING IMPACT:

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

RECOMMENDATIONS:

MTACC recommends that the Board approve entering into an agreement with 250 E87th Street Owners Corp. to proceed with construction for alterations needed to accommodate the ancillary facility at 86th Street for the 86th Street Station of the Second Avenue Subway and finish all asbestos related work for a not-to-exceed amount of \$11,200,000.

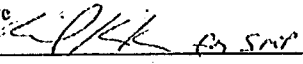
Report








New York City Transit

PROCUREMENTS

The Procurement Agenda this month includes 13 actions for a proposed expenditure of \$8.8M.

Subject Request for Authorization to Award Various Procurements					
Department Materiel Division - NYCT					
Department Head Name Stephen M. Plochochi					
Department Head Signature 					
Project Manager Name Rose Davis					
Board Action					
Order	To	Date	Approval	Info	Other
1	Committee	7/25/11			
2	Board	7/27/11			

July 14, 2011			
Department Law and Procurement - MTACC			
Department Head Name  John Abili			
Department Head Signature 			
Table of Contents Ref #			
Internal Approvals			
	Approval		Approval
	President NYCT		President MTACC.
	Executive VP	X	Subways
X	Capital Prog. Management	X	Buses
	Law	X	Diversity/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:

Procurements Requiring Two Thirds Vote:

	<u># of Actions</u>	<u>\$ Amount</u>
Schedule A: Non-Competitive Purchases and Public Work Contracts	1	\$.08 M
• DPS Telecom \$.08 M		

Schedules Requiring Majority Vote

Schedule H: Modifications to Personal/Miscellaneous Service Contracts	1	\$ 1.4 M
• Trapeze Software Group, Inc. \$ 1.4 M		
SUBTOTAL	2	\$ 1.5 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:

Schedules Requiring Majority Vote

Schedule G: Miscellaneous Service Contracts	1	\$.06 M
Schedule H: Modifications to Personal/Miscellaneous Service Contracts	1	\$.4 M
Schedule I: Modifications to Purchase and Public Works Contracts	1	\$.3 M
	<u>3</u>	<u>\$</u>	<u>.7 M</u>
SUBTOTAL	3	\$.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	5	\$	4.0 M
	<u>5</u>	<u>\$</u>	<u>4.0 M</u>
SUBTOTAL	5	\$	4.0 M

MTA Capital Construction proposes to award Ratifications in the following categories:

Schedules Requiring Majority Vote:

Schedule K: Ratification of Completed Procurement Actions	3	\$	2.6 M
	<u>3</u>	<u>\$</u>	<u>2.6 M</u>
SUBTOTAL	3	\$	2.6 M
TOTAL	13	\$	8.8 M

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

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

BOARD RESOLUTION

WHEREAS, in accordance with 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.

JULY 2011LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVALProcurements 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.) Note – in the following solicitations, NYC Transit attempted to secure a price reduction. No other substantive negotiations were held except as indicated for individual solicitations.

1. DPS Telecom **\$80,423.00 (NTE)**
Sole Source Contract
Req. # 4414

It is requested that the Board declare competitive bidding to be impractical or inappropriate pursuant to New York State Public Authority Law § 1209, subsection 9(b) due to the existence of a single responsible source and approve the purchase of a T/Mon LNX alarm monitoring and recording system and components to upgrade the existing T/Mon NOC to a T/Mon LNX. The LNX model has additional and greater capacity. A sole source award is requested to assure consistency of operation, to minimize training and provide NYC Transit with operational enhancements.

In February 2006, the Board approved the purchase of a DPS T/Mon NOC alarm recording and monitoring system to provide the ability to route emergency alarms from locations such as communication and signal rooms to NYC Transit's alarm monitoring facility in Brooklyn. At this time, the Department of Subways - Maintenance of Way (MOW) is requesting the purchase of a DPS T/Mon LNX alarm monitoring and recording system (LNX platform) to be installed by NYC Transit personnel at the Rail Control Center (RCC) and upgrade of the T/Mon NOC alarm monitoring and recording system at the alarm monitoring facility to the same LNX platform permitting seamless redundancy. This will provide a back-up system at the RCC and upgrade of the T/Mon NOC at the alarm monitoring facility to a T/Mon LNX. DPS Telecom is the exclusive authorized sales and service representative of the T/Mon alarm monitoring and recording system.

DPS Telecom's price of \$80,423 includes \$63,300 for the new T/Mon LNX alarm monitoring and recording system, \$11,187 for the upgrade and the balance is for hardware and support. DPS Telecom submitted their price list with applicable discounts and certified pricing data, which shows that DPS Telecom charges their customers the same prices. Based on these submissions, DPS Telecom's price of \$80,423 was found fair and 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 the original contract to equal or exceed the monetary or durational threshold required for Board approval.)

2. Trapeze Software Group, Inc. **\$1,427,850.00 (Est.)** Staff Summary Attached 6.10
Contract # 05F9221.6

Modification to the contract for maintenance and consultant services to support the Automated Travel Information System, in order to maintain and update trip planning information for MTA customers and extend the term of the contract.



JULY 2011

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.)

1. AAA Credit Screening Services \$55,560.00 (Est.)
Single Bid – Four-year contract
Req. #3429

This miscellaneous service contract is for credit investigation services of businesses and other organizations that apply to become MetroCard Sales merchants.

Prior to acceptance in NYC Transit's MetroCard Sales Retail Merchant Sales program, all potential merchants are required to complete a MetroCard Merchant Application. Credit investigations are conducted for those merchants who do not use a credit or debit card to purchase bulk MetroCards for resale. The contractor will verify the accuracy of each completed application form, including the merchant's bank account information, date of incorporation, payment history and various other types of credit data. Upon completion of the credit investigation, the contractor will produce a comprehensive report of the completed investigation.

A single bid was received from the incumbent, AAA Credit Screening Services. Following the bid opening, several firms were contacted to determine why they did not submit bids. The most common reason cited is that they could not quote competitively as their prices would have been 25% to 300% higher. AAA Credit Screening Service's price of \$55,560 reflects the same unit prices as in their current contract, which will be fixed for the next four years and are considered fair and reasonable.



JULY 2011

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

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.)

2. Unisys Corporation \$405,438.00 (Est.) Staff Summary Attached 6.11
Contract #03A8602-2.67

Modification to the contract for desktop support services, in order to establish a contract with Hewlett-Packard (HP) on NYC Transit's behalf for the Managed Print Services (MPS) program in support of the Printing Cost Reduction Initiative.

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.)

3. John P. Picone, Inc. \$265,024.00 Staff Summary Attached 6.12
Contract # A-35784.13

Modification to the contract for line structure rehabilitation and improvements to five stations on the West End Line, in order to perform structural steel repairs of the overpass bridge at the 9th Avenue Station.

JULY 2011LIST OF RATIFICATIONS FOR BOARD APPROVALProcurements Requiring Majority Vote:**K. Ratification of Completed Procurement Actions (Involving Schedule E-J)**

(Staff Summaries required for items requiring Board approval.)

1. Gazebo Contracting Inc. \$675,000.00 Staff Summary Attached 6.13
Contract # C-80269.7
Modification to the contract for the St. George Terminal floor repair and replacement in Staten Island, in order to remove and replace additional floor areas.
2. Jacobs Civil Consultants, Inc. \$800,000.00 Staff Summary Attached 6.14
Contract # CM-1317.3
Modification to the contract for construction management services for the Design and Construction of the Charleston Bus Annex Facility, in order to extend the term of the contract and increase funding.
3. Judlau Contracting, Inc. \$780,000.00 Staff Summary Attached 6.15
Contract # E-31276.5
Modification to the contract for the construction of a vent plant at Jackson Avenue, in order to perform noise abatement.
4. Richard Dattner & Partners Architects & PB Americas, JV \$660,719.00 (NTE) Staff Summary Attached 6.16
Contract # CM-1217.6
Modification to the contract for design services for the rehabilitation of the 59th Street Columbus Circle Station Complex, in order to provide additional design and construction support services and extend the term of the contract.
5. WDF, Inc. \$1,154,000.00 Staff Summary Attached 6.17
Contract # A-36068.21
Modification to the contract for the rehabilitation of three stations on the Rockaway Park Line, in order to replace the mezzanine floor slab support beams at the Beach 90th, 98th and 105th Street Stations.



JULY 2011

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. Ove Arup & Partners, Staff Summary Attached 6.18
Consulting Engineers, P.C.
Contract # CM-1252.54 \$1,799,644.00 (NTE)

Modification to the contract for design services for the Fulton Street Transit Center, in order to perform additional construction phase design services.

- S3 Tunnel Constructors, JV Staff Summaries Attached 6.19
2. Contract #C-26002.42 \$320,000.00
3. Contract #C-26002.60 \$485,000.00

Modification to the contract for the construction of the Second Avenue Subway Tunnel from 92nd to 63rd Streets, in order to cover impact costs associated with the demolition of the Brewery Wall and to install a temporary support of the excavation wall and widen access openings.

Schedule H: Modifications to Personal & Miscellaneous Service Contracts



New York City Transit

Item Number: -2

Vendor Name (& Location) Trapeze Software Group, Inc.	
Description Maintenance and Consultant services to support the Automated Travel Information System	
Contract Term (Including Options, if any) December 19, 2005 – July 31, 2011	
Option(s) Included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a	
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dep/Div & Dep/Div Head Name: Department of Corporate Communications	

Contract Number 05F9221	AWO/Modification # 6
Original Amount:	\$ 769,617
Prior Modifications:	\$ 2,028,180
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 2,797,797
This Request:	\$ 1,427,850 (Est.)
% of This Request to Current Amount:	51%
% of Modifications (Including This Request) to Original Amount:	449%

Discussion:

This modification is to extend a contract with Trapeze Software Group, Inc. (Trapeze) for 4.5 years (August 1, 2011 – December 31, 2015) to continue to provide maintenance and software support for the Automated Travel Information System (ATIS) that enables Department of Corporate Communications (DCC) staff to maintain and update trip planning information for customers.

In December 2005, the Board approved the award of a non-competitive contract to Trapeze to upgrade the On-Line Travel Information System (OTIS) to ATIS and provide support services for five years. ATIS is the call center trip planning software that supports travel information agents, Interactive Voice Response (IVR), Internet based Trip Planner + and Current Status on the MTA home page as well as the mobile On-The-Go Trip Planner application. ATIS is the underlying program for automated applications, which significantly reduces the reliance on call center resources. This program and its predecessor have performed well for more than 20 years. Trapeze is the only firm licensed to upgrade and maintain ATIS and is familiar with both NYC Transit's databases and their interfaces, which are used on ATIS. At the time of Board approval, NYC Transit indicated that ATIS was scalable and that it allowed for future enhancements. Subsequently, the Board approved modifications to provide web based trip planning; an interactive voice response (IVR) interface for ATIS; incorporation of Long Island Bus, Long Island Railroad and Metro North Railroad schedules and route information plus limited NJ Transit and PATH schedules. This extension is requested to December 31, 2015 so that maintenance of NYC Transit's application will be coterminous with that of other modules. Given the reliability of the application and potential replacement cost, continued access to updates and maintenance will assure that the software can be used beyond the term of this extension.

For Modification No. 6, Trapeze submitted a proposal in the amount of \$1,440,164 comprised of two components: (1) maintenance and support of all software modules at \$1,340,164 and (2) consultant services at \$100,000. Maintenance support includes remote monitoring of the ATIS system by Trapeze, software fixes and updates and 24/7 technical support and consultant services to be used on an as needed basis. Established in the base contract, Trapeze's rate for software maintenance and support reflects a 28% discount from what is charged to other customers and increases each year by 5%. NYC Transit requested a reduction in price and Trapeze agreed to reduce the first year of software maintenance by \$12,314, reducing their proposal for software maintenance to \$1,327,850, while still maintaining the annual escalation rate of 5% thereafter. The rate of escalation is also approximately 28% below their customary rate. Trapeze's rates to NYC Transit for software maintenance and consultant services reflect most favored customer pricing and based on this and the reduction received, the combined amount of \$1,427,850 has been deemed fair and reasonable.

Schedule H: Modifications to Personal & Miscellaneous Service Contracts



New York City Transit

Item Number: 2

Vendor Name (& Location) Unisys Corp. (Blue Bell, PA)	
Description Desktop Support Services	
Contract Term (including Options, If any) June 1, 2005 – May 31, 2013	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Technology and Information Services, Sidney Gellineau	

Contract Number	ASWO/Modification #
03A8602-2	67
Original Amount:	\$ 105,233,750
Option Amount:	\$ 43,264,350
Total Amount:	\$ 148,498,100
Prior Modifications:	\$ 7,320,285
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 155,818,385
This request	\$ 405,438 (Est.)
% of This Request to Current Amount:	0.3%
% of Modifications (Including This Request) to Total Amount:	5.2%

Discussion:

This Additional Service Work Order (ASWO) is for Unisys Corporation (Unisys) to provide Hewlett-Packard (HP) Managed Print Services (MPS) in support of the MTA All-Agency Policy Directive Number 11-039, Printing Cost Reduction (PCR) initiative (Policy Directive).

Under the terms of this contract, Unisys provides a wide variety of services to NYCT in such areas as: the hardware break/fix remediation of PCs, printers, faxes, scanners and servers; call center; asset management; procurement; asset tracking; desktop support; server operations, and account management.

The objectives of the All-Agency PCR initiative are to reduce spending on paper, print supplies, maintenance, and printing equipment, as well as lower consumption as part of a broader effort to move toward a more paperless and greener environment. In order to comply with the Policy Directive, NYCT formed a task force, consisting of representatives from Technology and Information Services (TIS), Materiel, MTA Audit Services (Audit), Law, Office of Management & Budget (OMB), and Unisys to develop a strategy for changing the current printing method from an Internet Protocol (IP) based service to a managed print queue-based service, which would enable smarter printing, better reporting, and more sustainable and environmentally-sensitive practices.

The task force engaged in detailed strategic planning, inclusive of OMB's and Audit's financial analysis, as well as consultation received from Gartner Consulting. The PCR plan for 2 Broadway, once fully implemented, will reduce printing devices by about 65%, from the current 2,299 to 817. Included in the 817 remaining printing devices are 142 HP network multifunction printers, which were purchased and installed during the first quarter of 2011 as part of the overall PCR plan for 2 Broadway. A decision was also made to conduct a one year pilot at NYCT's 2 Broadway facility utilizing HP's MPS solution. The decision to utilize HP's MPS solution will allow NYCT to leverage 368 existing IIP devices, thereby significantly reducing hardware investment costs for the pilot. Based on a detailed financial analysis, if the pilot is successful and HP's MPS solution is rolled out throughout the Agency, then implementing the full scale PCR initiative throughout NYCT is expected to generate a savings of \$3.2 million over a five year period in such areas as consumables (toners & maintenance kits), Unisys' hardware support, energy consumption, and fax expenses.

In order to maximize the benefits of the 142 HP network multifunction printers, minimize the risks associated with the pilot program, and achieve the objectives of the Policy Directive, Unisys was tasked to provide NYCT with HP's MPS solution, which includes, among other things, remote monitoring, automated supplies management, OEM toner cartridges, maintenance kits, secure website access, and priority phone support. A "Smart Chip" embedded in HP's OEM toners will facilitate data recording and better reporting capabilities for 510 IIP printers (142 new devices + 368 existing devices) managed at 2 Broadway.

Unisys submitted its final proposal in the amount of \$405,438 for the one year MPS pilot. The implementation of this MPS solution at 2 Broadway will play a critical role in achieving the objective of reducing the number of print pages by 30%, resulting in an estimated annual savings in excess of \$95K in toner costs alone. For instance, NYCT estimated that it would print 33 million pages at 2 Broadway in 2011 under the current IP based service approach and incur OEM and remanufactured toner costs of about \$500,000. By comparison, implementation of the IIP MPS solution, which includes all OEM toner supplies for 2 Broadway for one year, is expected to reduce annual 2 Broadway printing to 23 million pages at a total cost of \$405,438. As a result, Unisys' proposal is considered fair and reasonable.

Schedule I: Modifications to Purchase & Public Work Contracts



New York City Transit

Item Number: 3

Vendor Name (& Location) John P. Picone, Inc. (Lawrence, NY)	
Description Improvements to Five Stations and Line Structure Rehabilitation - West End Line, Brooklyn	
Contract Term (including Options, if any) August 21, 2009 – January 20, 2012	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Capital Program Management, Frederick E. Smith	

Contract Number A-35784	AWO/Modification # 13
Original Amount:	\$ 65,460,000
Prior Modifications:	\$ 831,069
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 66,291,069
This Request:	\$ 265,024
% of This Request to Current Amount:	0.4%
% of Modifications (including This Request) to Original Amount:	1.7%

Discussion:

This modification is for structural steel repairs of the pedestrian overpass bridge at the 9th Avenue Station.

This contract is for improvements to five stations on the West End Line in Brooklyn: 9th Avenue, Fort Hamilton, 50th Street, 55th Street, and 62nd Street and line structure rehabilitation.

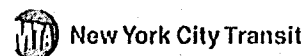
At the 9th Avenue Station, the contract calls for the rehabilitation of the pedestrian overpass bridge which connects the south and north bound platforms with the 9th Avenue Yard. Built more than 40 years ago, the pedestrian bridge spans express and local tracks, enabling passengers to move between the northbound and southbound platforms and allowing NYC Transit workers only to enter the 9th Avenue Yard through a High Entry/Exit Turnstile. The bridge was scheduled for the following rehabilitation: replacement of concrete decking and railings; removal of a serpentine chain link fence and replacement with iron fencing to prevent trespassing; and the replacement of stairs and light poles.

Removal of the concrete exposed the bridge's structural framing and allowed for structural assessment. The exposed beams and girders showed 20% to 30% loss of section, and two flanges showed significant deterioration. Under this modification, the entire structural framing which had been encased in concrete will be replaced, and the flange of one of the columns will be repaired.

The contractor's proposal was \$318,979; NYC Transit's revised estimate was \$246,889. Following negotiations, the lump sum of \$265,024 was agreed upon and found to be fair and reasonable. A savings of \$53,955 was achieved.

The contractor requested a 23-day, excusable and impactable time extension. NYC Transit's analysis indicates a zero day time extension; NYC Transit will unilaterally direct the contractor to proceed with no time extension.

Schedule K: Ratification of Completed Procurement Actions



Item Number: 1

Vendor Name (& Location)	
Gazebo Contracting, Inc. (Astoria, NY)	
Description	
Rehabilitation and replacement of St. George Terminal Floor, Staten Island Railway	
Contract Term (including Options, if any)	
December 29, 2009 – December 28, 2010	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	
Funding Source	
<input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name:	
Capital Program Management, Frederick E. Smith	

Contract Number	AWO/Modification #
C-80269	7
Original Amount:	\$ 1,948,000
Prior Modifications:	\$ 108,650
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 2,056,650
This Request:	\$ 675,000
% of This Request to Current Amount:	32.8%
% of Modifications (including This Request) to Original Amount:	40.2%

Discussion:

This retroactive modification is for replacement of the existing 8 inch thick reinforced concrete floor slab with a new 6 inch thick reinforced concrete slab with metal decking in high traffic pedestrian areas of the St. George Terminal and a 167 work day extension of time for substantial completion.

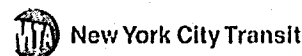
This contract is for the partial rehabilitation and replacement of the floor of the St. George Terminal, Staten Island Railway (SIR) in Staten Island. It includes replacing portions of the existing concrete slab, scarifying portions of the existing concrete slab, installing new acrylic resin floor topping over the concrete slab in all areas, constructing a new security booth, relocating automatic fare collection (AFC) arrays during construction, and temporary support of utilities during construction. To minimize inconvenience to customers, the contract requires construction to proceed in phased areas. The contract covers essentially the entire floor accessible to the public; it excludes the floors in areas off-limits to the public, such as the agent booth, machine room, the switch room, etc. A large room below the floor is used for DOT storage. The passenger area floor is the ceiling of the DOT storage room, so the contract also requires protective decking of the storage room ceiling during construction.

The high traffic areas which surround the existing agent booth total approximately 1,720 square feet. The contract calls for the existing concrete slab in these areas to be scarified and finished with acrylic resin topping. As the top of the structural slab was being scarified, visual observation showed it was in poor condition; also the underside of the slab exhibited cracks. Accordingly, core samples of the concrete slab were taken in those areas to determine its compressive strength as measured in psi. NYC Transit's current standard is 3,000 psi and 4,000 psi is typically specified. The NYC Transit standard at the time of original construction (circa 1955) was 2,500 psi. The design incorporated into this contract anticipated that the existing slab would have similar compressive strength. However, laboratory test results showed the existing concrete has a compressive strength of only 1,500 to 1,800 psi. Accordingly, the existing floor slab in these areas must be replaced. As work progresses, any additional substandard sections will be addressed in future change orders.

The additional work included: the removal of the existing 8-inch thick floor slabs in the high traffic pedestrian areas which surround the existing agent booth, in order to replace them with new, reinforced 6 inch thick concrete slabs with metal decking, monitoring lead disposal as per NYC Transit Environmental regulation; installation of temporary lighting, new sprinkler heads, hanger supports, lighting fixtures, temporary support for all existing utilities beneath the slabs, and attachment of fiberglass reinforced mesh to the new acrylic resin flooring. The new acrylic resin flooring provides a safe and clean walking surface for the riding customers.

The contractor's revised proposal was \$808,392; NYC Transit's revised estimate was \$630,000. Following negotiations, the lump sum of \$675,000 was agreed upon and found to be fair and reasonable. Savings of \$133,392 were achieved. The contractor proposed a 173 work day time extension; however the contractor agreed to NYC Transit's schedule analysis that provides an extension of 167 excusable and non-impactable work days; from December 29, 2010 to August 26, 2011. To mitigate delay, on December 14, 2010 the SVP & Chief Engineer approved a retroactive waiver and the contractor was directed to proceed that day.

Schedule K: Ratification of Completed Procurement Actions



Item Number: 2

Vendor Name (& Location)	
Jacobs Civil Consultants, Inc. (New York, NY)	
Description	
Consultant Construction Management Services – Charleston Bus Annex Facility	
Contract Term (including Options, If any)	
June 13, 2007 – February 12, 2011	
Option(s) Included in Total Amount?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a
Procurement Type	<input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive
Solicitation Type	<input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification
Funding Source	
<input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name:	
Capital Program Management, Frederick E. Smith	

Contract Number	AWO/Modification #
CM-1317	3
Original Amount:	\$ 3,275,879
Prior Modifications:	\$ 1,081,904
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 4,357,783
This Request:	\$ 800,000
% of This Request to Current Amount:	18.4%
% of Modifications (including This Request) to Original Amount:	57.4%

Discussion:

This retroactive modification, for additional Consultant Construction Management (CCM) services, will extend the contract by 10 months from February 13, 2011 to December 13, 2011.

This contract is for CCM services in support of design/build contract C-40419, Design and Construction of the Charleston Bus Annex Facility in Staten Island. The Charleston Bus Annex Facility consists of 15 bus workstations and one chassis work area, with exterior parking for approximately 220 buses and 200 employee vehicles. The CCM consultant, Jacobs Civil Consultants, provides various construction support services, including pre-construction, construction and closeout services. Construction related activities include monitoring the project schedule and budget; obtaining shop drawings and submittals, reviewing and processing change orders, processing payments, claims review, performing inspections for quality and safety requirements and providing construction oversight and inspections. Closeout services include maintaining records of all testing and inspections as well as scheduling and conducting final inspections jointly with NYC Transit for all completed work.

Two NYC Transit-requested change orders and other delays associated with electrical installations and building systems resulted in a 15-month construction delay to the original December 29, 2009 substantial completion date for construction. The construction contractor was able to mitigate some of the delay by working additional shifts which resulted in the facility commencing full operation in January 2011. Substantial Completion was declared on March 31, 2011 subject to subsequent delivery of contract deliverables. However, these additional shifts required the presence of CCM personnel, resulting in expenditures at a faster rate than anticipated and therefore necessitating the use of funds set aside for closeout services to pay for additional construction phase services. Time extension discussions between NYC Transit and the design/build contractor regarding the 15-month construction delay are ongoing. This modification includes the replenishment of funds borrowed from closeout services as well as additional services in support of post-substantial completion activities such as inspection of punchlist work, assistance in dispute resolution, review of deliverables and other necessary closeout services including inspection of tagging and labeling of building electrical systems and additional document review upon receipt from the construction contractor.

On April 5, 2011, the Senior Vice President and Chief Engineer, CPM approved a retroactive waiver. Jacobs submitted an initial proposal of \$824,326. NYC Transit's estimate was \$843,756. Jacobs submitted their Best and Final Offer of \$800,000 which is considered fair and reasonable as it will use existing contract rates.

Schedule K: Ratification of Completed Procurement Actions



New York City Transit

Item Number: 3

Vendor Name (& Location)	
Judlau Contracting, Inc. (College Point, NY)	
Description	
Construction of Vent Plant at Jackson Avenue, Astoria, Queens	
Contract Term (Including Options, if any)	
June 15, 2009 – September 30, 2012	
Option(s) Included in Total Amount?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a
Procurement Type	<input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive
Solicitation Type	<input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification
Funding Source	
<input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input checked="" type="checkbox"/> Other: External funds	
Requesting Dept/Div & Dept/Div Head Name:	
Capital Program Management, Frederick E. Smith	

Contract Number	AWO/Modification #
E-31276	5
Original Amount:	\$ 56,850,000
Prior Modifications:	\$ 195,436
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 57,045,436
This Request:	\$ 780,000
% of This Request to Current Amount:	1.4%
% of Modifications (including This Request) to Original Amount:	1.7%

Discussion:

This retroactive modification is for noise abatement of an existing vent plant located at 50th Avenue & 2nd Street in Long Island City, Queens.

This contract provides for the construction of a new vent plant at Jackson Avenue & 43rd Avenue in Astoria, Queens. The new vent plant consists of four fan systems and a concrete connecting plenum between the Queens Boulevard and Crosstown Lines.

This modification provided noise abatement for an existing vent plant located nearby, a mile away, on the Flushing Line. The existing vent plant is located in a neighborhood in Long Island City that was generally deserted after business hours for many years. However, in recent years numerous condominium towers have been built, creating a residential neighborhood. In normal circumstances, the vent is rarely activated and therefore causes little disturbance to nearby residents. However, ongoing construction work in the Flushing Line Tube has required the vent plant to run continuously, causing noise which was disruptive to the surrounding community. In response to the residents' complaints, NY State Assembly and City Council members have committed to grant a total of \$710,000 in funding to provide noise abatement.

The grant amount was based on NYC Transit's preliminary estimate for the cost of performing the work by modification to an existing contract. The subject contract was selected because its scope includes the furnishing and installation of similar noise abatement equipment, it is located nearby, and the additional work will not impact the contractor's schedule. Over 80% of the value of the specialty work under this modification was provided by subcontractor Dasny Mechanical Inc., a certified Disadvantaged Business Enterprise (DBE).

The work includes the removal of the existing louvers, fan isolation dampers, actuators and associated control wirings to the control panel and installation of new acoustical louvers, silencers, fan isolation dampers and control wiring in conduits from the actuators to the existing control panel. The contractor's initial proposal was \$850,138; NYC Transit's estimate was \$722,000. Following negotiations, the lump sum of \$780,000 was agreed upon and found to be fair and reasonable. Savings of \$70,138 were achieved.

On March 14, 2011, a retroactive waiver was approved by the SVP and Chief Engineer and the contractor was directed to proceed on March 23, 2011. The work is scheduled for completion in the 4th Quarter of 2011.

Schedule K: Ratification of Completed Procurement Actions



Item Number: 4

Vendor Name (& Location) Richard Dattner & Partners Architects, PC & PB Americas, JV (New York, NY)	
Description Design services for the rehabilitation of the 59 th Street Columbus Circle Station Complex	
Contract Term (Including Options, If any) November 19, 2002 – April 19, 2010	
Option(s) Included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Capital Program Management, Frederick E. Smith	

Contract Number	AWO/Modification #
CM-1217	6
Original Amount:	\$ 4,442,894
Option Amount:	\$ 1,527,866
Total Amount:	\$ 5,970,760
Prior Modifications:	\$ 1,768,509
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 7,739,269
This Request:	\$ 660,719 (not-to-exceed)
% of This Request to Current Amount:	8.5%
% of Modifications (Including This Request) to Total Amount:	40.7%

Discussion:

This modification is to provide additional design and construction support services and to extend the contract term by 16 months to August 19, 2011.

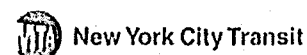
This contract is for the design of the rehabilitation of 59th Street Columbus Circle Station complex. To date, five modifications have been issued to address the following: exercise of Option 1 for construction phase services; conduct a pedestrian and vehicular traffic study and re-allocation of funds; preparation of additional maintenance and traffic drawings; the update of design drawings necessitated by new design standards and field conditions; and additional construction phase services.

Substantial Completion (SC) of the Construction Contract was originally scheduled for June 8, 2009. However, there were several unforeseeable field conditions such as the unearthing of old foundations, old water pipes, old duct banks and rotting walls that required additional designs and submissions. The additional designs involved finding a suitable method of waterproofing around the old conditions. SC was declared on April 30, 2011.

This retroactive modification enabled Richard Dattner & Partners Architects, PC and PB Americas, Joint Venture (Dattner/PB) to provide continued design support services during the extended construction phase and to perform additional design tasks not included in the original design scope that became necessary as a result of the modified construction effort. The additional tasks included: remedial waterproofing of existing subway structures; contractor submittal review and project management of landmark terra cotta, glazed and mosaic tile replications; structural engineering services for the Broadway Island stairs and repair of deteriorated IRT wall columns. On April 16, 2010, the Senior Vice President and Chief Engineer directed Dattner/PB to proceed with the work. This modification is also for an extension of the contract term for an additional 16 months from 89 months to 105 months to August 19, 2011.

Dattner/PB submitted an initial proposal of \$827,465. NYC Transit's revised estimate was \$668,145. Negotiations included further clarification and some deletions of the scope for the non-retroactive portion of the work, time cards analysis and resolution, direct labor hours and average hourly rates. Dattner/PB submitted a Best and Final Offer in the not-to-exceed amount of \$660,719. A savings of \$166,746 was achieved. The final price is considered fair and reasonable.

Schedule K: Ratification of Completed Procurement Actions



Item Number: 5

Vendor Name (& Location) WDF Inc. (Mt. Vernon, NY)	
Description Rehabilitation of the Beach 90 th , 98 th and 105 th Street Stations – Rockaway Park Line	
Contract Term (Including Options, if any) January 28, 2009 – February 28, 2011	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Capital Program Management, Frederick E. Smith	

Contract Number	AWO/Modification #
A-36068	21
Original Amount:	\$ 39,387,000
Prior Modifications:	\$ 588,626
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 39,975,626
This Request:	\$ 1,154,000
% of This Request to Current Amount:	2.9%
% of Modifications (Including This Request) to Original Amount:	4.4%

Discussion:

This retroactive modification is for the repair and replacement of steel beams that support the stations' mezzanine floor slabs.

This contract is for the rehabilitation of three stations on the Rockaway Park Line: Beach 90th, 98th, and 105th Street Stations. The rehabilitation includes electrical, architectural, communications and structural work.

The contract calls for the repair or replacement of existing steel beams supporting the mezzanine floor slabs at all three stations. The existing beams are encased in concrete. The contractor is required to remove the concrete encasements before the beams are repaired or replaced. After the concrete encasements were removed, it was determined that steel had deteriorated more than expected.

The contract calls for the replacement or repair of 47 beams:

- 5 beams were to be completely replaced. This modification provided for the complete replacement of an additional 17 beams.
- 42 beams were to receive certain specified repairs. Since 17 of the 42 beams were completely replaced under this modification, only the balance of 25 needed repair. This modification provided for additional, more extensive repairs to 13 of the 25 beams. For the balance of 12 beams, repairs were made as specified in the contract.

This modification covers the repair and replacement of additional beams as summarized above. The modification also provides for associated lead abatement, the fabrication and installation of new connections for existing and new steel beams, additional beam reinforcements, longer term rental of overhead lifting equipment, and additional maintenance and protection of the streets at all 3 stations. The contractor's revised proposal was \$1,332,902; NYC Transit's revised estimate was \$1,223,298. Following negotiations, the lump sum of \$1,154,000 was agreed upon and found to be fair and reasonable. Savings of \$178,902 were achieved.

The contractor submitted a claim for 199 days of delay, with impact costs of \$5.6M. The contractor has agreed to defer its claim for an extension of time and impact costs; NYC Transit is also willing to defer its evaluation and determination on these issues. Impact costs, if any, will be negotiated under a separate modification and submitted for separate approval.

This work was critical for the completion of the mezzanines at all three stations. To mitigate delay, on July 28, 2010, the SVP & Chief Engineer approved a retroactive waiver and the contractor was directed to proceed the following day.

The work is 95% complete and upon Board approval the contractor would normally be entitled to bill that percentage of this modification amount. However, NYC Transit is entitled to a credit for deleted contractual work such as beams that were replaced rather than repaired. The credit is being negotiated under a separate modification which does not require Board approval. The credit negotiations are not complete. Accordingly, to ensure the contractor is not overpaid, NYC Transit will pay no more than \$500,000 until such time as negotiations are completed. The contractor agreed.

Schedule K: Ratification of Completed Procurement Actions



Capital Construction

Item Number: 1

Vendor Name (& Location)	
Ove Arup & Partners Consulting Engineers P.C. (New York, NY)	
Description	
Design services for the Fulton Street Transit Center	
Contract Term (including Options, If any)	
August 1, 2003 – November 30, 2014	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	
Funding Source	
<input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name:	
MTA Capital Construction, Michael Horodniceanu	

Contract Number	AWO/Modification #
CM-1252	54
Original Amount:	\$ 19,729,370
Option Amount:	\$ 36,890,152
Total Amount:	\$ 56,619,522
Prior Modifications:	\$ 35,420,430
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 92,039,952
This Request:	\$ 1,799,644 (not-to-exceed)
% of This Request to Current Amount:	2%
% of Modifications (including This Request) to Total Amount:	65.7%

Discussion:

This retroactive modification is for additional design services. The contract is for design services on the Fulton Street Transit Center (FSTC) project. The center will connect to a new underground corridor into the World Trade Center site and improve connections between major subway routes in Lower Manhattan. The base contract amount of \$19,729,370 was for Conceptual Design and Preliminary Engineering with major modifications issued to exercise the contract options for Final Design in the amount of \$27,550,000 and modified Construction Phase Support Services (CPS) in the amount of \$9,340,152.

In December 2007, MTACC solicited a single RFP for all the remaining construction work on the FSTC and received only one proposal, which was far in excess of the budget; the solicitation was subsequently cancelled. MTACC determined that a repackaging plan that allowed for specialty contractors to be able to competitively bid on smaller packages was in the best interests of the FSTC project. The FSTC Construction Contract Package 4 was then divided into six smaller contract packages. As previously reported, this repackaging effort has resulted in competitively priced construction bids, the aggregate of which was far less than the rejected sole proposal, even when the cost of repackaging is considered. However this has also extended the overall completion schedule to 2014. This repackaging effort has required several design consultant contract modifications, as well as an increased CPS.

Retroactive Modification No. 54 is for various design revisions associated with the reprogramming of space previously identified for use by NYC Transit personnel on the 3rd floor of the Fulton Street Transit Center and 3rd through 8th floors of the Corbin Building into commercial tenant, retail and public spaces. The design work includes: enhancements to various advertising and information technology; changes to mechanical and electrical services, structural modifications and modifications to building access and vertical transportation. This modification also includes some funds for associated construction phase services. This design work had to be started immediately to avoid delays in ongoing construction work and to ensure adherence to an aggressive construction schedule. As such, retroactive approval has been obtained from MTACC's President establishing an effective date of April 18, 2011 and directive not-to-exceed amount of \$300k.

The contractor submitted a proposal in the amount of \$2,254,385 (15,240 labor hours). MTACC's revised estimate was \$1,890,452 (10,720 labor hours). Following negotiations, the contractor submitted a BAFO in the amount of \$1,799,644 (12,631 labor hours). The final price was determined to be fair and reasonable. Savings of \$454,741 were achieved. The hourly rates, overhead and fixed fee remained the same as established in the base contract.

Schedule K: Ratification of Completed Procurement Actions



Capital Construction

Item Number: 2-3

Vendor Name (& Location) S3 Tunnel Constructors, JV (Queens, NY)	
Description Second Avenue Subway: Tunnels from 92 nd Street to 63 rd Street	
Contract Term (Including Options, If any) March 20, 2007- July 20, 2010	
Option(s) Included in Total Amount?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a
Procurement Type	<input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive
Solicitation Type	<input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: MTA Capital Construction, Michael Horodniceanu	

Contract Number C-26002	AWO/Modification # 42 & 60
Original Amount:	\$ 337,025,000
Prior Modifications:	\$ 44,430,248
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 381,455,248
This Request: AWO 42: \$320,000 AWO 60: \$485,000	\$ 805,000
% of This Request to Current Amount:	0.2%
% of Modifications (Including This Request) to Original Amount:	13.4%

Discussion:

These retroactive modifications are for impact costs associated with a prior modification and changes to a support of excavation wall.

The contract calls for two tunnels to be mined under Second Avenue using a single tunnel boring machine (TBM) from a TBM launch box constructed between 95th and 91st Streets, to the existing 63rd Street Station at Lexington Avenue. The contract also calls for the relocation and restoration of utilities, construction of access shafts at 69th and 72nd Streets, as well as providing sump pumps, drainage, lighting systems and temporary decking.

Modification No. 42

The contract calls for the installation of a 42-inch sewer in the narrow corridor between the TBM launch box west support of excavation (SOE) wall and the foundations of adjacent existing buildings. In August 2007, the contractor encountered a concrete wall 5 feet thick, 15 feet high and 212 feet long, between 92nd and 93rd Streets. Apparently associated with the old Knickerbocker Brewery, the wall was not shown on any drawings. In June 2008, the Board approved a modification in the amount of \$300K for the demolition and removal of the wall and for a time extension for 61 days that included 8 impactable days, but with impact costs to be negotiated later. This modification addresses the impact costs associated with the demolition and removal of the wall. The contractor's initial impact cost proposal was \$753,094 or \$94K/day; MTACC's revised estimate was \$296,165 or \$37K/day. Following negotiations, the lump sum of \$320,000 for impact costs was agreed upon and is considered fair and reasonable.

Modification No. 60

The TBM launch box built under this contract will eventually be incorporated into new 96th Street Station. The contract calls for the TBM launch box east SOE wall to be constructed with permanent secant piles, except a 40-foot wide section between 92nd and 93rd Streets and a 56-foot wide section at the 93rd Street intersection. Each section corresponded to an ancillary building planned for future construction. Each section was to be constructed with a temporary slurry wall surmounted by a permanent, large structural lintel beam. A temporary slurry wall can be easily removed by the future contractor to create an opening for access to a future ancillary building. However, during construction it was determined that existing buildings near 92nd Street were too unstable to allow construction of the smaller of the two planned ancillary buildings, so now only a single, larger ancillary building will be built under the future contract, at the 93rd Street intersection, to house a traction power substation, ventilation fans, a cooling tower, communications equipment, offices, and egress stairs. This modification provides changes to the adjacent permanent secant pile walls, provision of an 80-foot wide temporary slurry wall, stronger beams which support the lintel, and a stronger lintel to span the surmount the temporary slurry wall and allow a future contractor to provide permanent access between the TBM launch box portion of the 96th Street Station and its ancillary building. The contractor's initial proposal was \$783,947; MTACC's revised estimate was \$444,255. Following negotiations, the lump sum of \$485,000 was agreed upon and is considered fair and reasonable. Savings of \$339,692 were achieved. The work is completed. This modification did not create an impactable schedule delay.

PROCUREMENTS

The Procurement Agenda this month includes 3 actions for a proposed expenditure of \$1.4M.

Staff Summary

Subject	Requests for Authorization to Award Various Procurements
Department	MTA Bus Company/Long Island Bus/NYCT Department of Buses
Department Head Name	Thomas Del Sorbo
Department Head Signature	<i>Thomas Del Sorbo</i>
Project Manager Name	James P. Curry

Date	July 7, 2011
Vendor Name	N/A
Contract Number	N/A
Contract Manager Name	N/A
Table of Contents Ref #	

Board Action					
Order	To	Date	Approval	Info	Other
1	Committee	7/25/11	X		
2	Board	7/27/11	X		

Internal Approvals			
Order	Approval	Order	Approval
3	President <i>JD 7/11/11</i>		
2	Executive VP <i>JD</i>		
1	General Counsel		<i>RB 7/11/11</i>

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:

None

	<u># of Actions</u>	<u>\$Amount</u>
Total Non-Competitive Procurements	0	\$0M

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:

<u>Procurements Requiring Two-Thirds Majority Vote</u>	<u># of Actions</u>	<u>\$ Amount</u>
Schedule B: Competitive Requests for Proposals (Solicitation of Purchase and Public Work Contracts)	1	TBD
<u>Procurements Requiring Majority Vote</u>		
Schedule L: Budget Adjustments to Estimated Quantity Contracts	1	\$0.5M
	<u># of Actions</u>	<u>\$ Amount</u>
Total Competitive Procurements	2	\$0.5M

MTA Bus Company proposes seeks Ratifications in the following categories:

<u>Procurements Requiring Majority Vote</u>	<u># of Actions</u>	<u>\$ Amount</u>
Schedule K: Ratification of Completed Procurement Actions (Involving Schedule E-J)	1	\$0.8M
	<u># of Actions</u>	<u>\$ Amount</u>
Total Ratifications	1	\$0.8M

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

None

NYC Transit Department of Buses seeks Ratifications the following categories:

None

	<u># of Actions</u>	<u>\$ Amount</u>
Total Procurements	3	\$1.4M

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.

JULY 2011

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

B. Competitive Requests for Proposals (Solicitation of Purchase and Public Work Contracts)
(Staff Summaries required for items estimated to be greater than \$1M.)

- | | | |
|----------------------------------------------------------|------------------------------|--------------------------------------|
| 1. Contractor To Be Determined | Cost To Be Determined | <u>Staff Summary Attached</u> |
| Contract #TBD – Five-year contract | | |
| Bus Lane Enforcement System for the Department of Buses. | | |

JULY 2011

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.)

1. Horizon Healthcare Staffing Corp. 05F9234E.1 March 2007 – March 2012	Original Amount:	\$	2,476,800
	Prior Modifications:	\$	0
	Prior Budgetary Increases:	\$	0
	Current Amount:	\$	2,476,800
	This Request:	\$	544,513
	% of This Request to Current Amount:		22%
	% of Mods/Budget Adjustments (including This Request) to Original Amount:		22%

Discussion:

This budget adjustment for contract 05F9234E1 will increase the contract value and ensure the continued referral of Access-A-Ride applicants to Horizon Healthcare Staffing Corp., the contractor for the Bronx Certifier Center where eligibility assessments are conducted for applicants residing in the Bronx.

Certifier Centers are located in each borough—serving the residents of that borough—and assist NYC Transit in the determination of applicant eligibility. Medical professionals employed by certifier centers assess how an applicant's disability may or may not prevent him/her from using fixed-route bus and subway transportation and provide their recommendations for Access-A-Ride (AAR) eligibility.

There are two reasons for this increase in funds: the original number of assessments for this contract was underestimated and a portion of Manhattan applicants were re-assigned to the Bronx Certifier Center between July 2010 and April 2011.

An increase in Bronx applicants resulted in an additional 4,447 assessments, which represents a 12.4% increase from the original estimate and an estimated expenditure of \$310,548. Following the closing and bankruptcy of the Manhattan Certifier Center in July 2010, applicants residing in upper Manhattan were referred to the Bronx Certifier Center and those in lower Manhattan were referred to the Bedford Stuyvesant Brooklyn Certifier Center for their eligibility assessments while Procurement solicited a replacement contract for Manhattan. Approximately 55% of Manhattan applicants, which equals 3,314 assessments, were referred to the Bronx Certifier Center before the new Manhattan Certifier Center contract commenced in May 2011. The total estimated expenditure for these reassigned assessments was \$233,965. These two factors consequently require additional funding of \$544,513.

Procurement attempted to secure a price concession but Horizon Healthcare indicated that its rates, which were competitively awarded in 2007, are as low as it could offer without adversely impacting service. The pricing for this contract was considered fair and reasonable based on competition at the time of the original solicitation.

JULY 2011

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. | North Eastern Bus Rebuilders, Inc. | \$835,538 | <u>Staff Summary Attached</u> |
| | Contract #MSQ110889 | | |
| | General overhaul of 46 MCI buses (2005/2006). | | |

Staff Summary

Item Number B1					
Division & Division Head Name: VP Materiel, Stephen Plochochi					
					
Board Reviews					
Order	To	Date	Approval	Info	Other
Internal Approvals					
Order	Approval	Order	Approval		
1	Materiel	5 X	Buses		
2 X	Law	6 	Executive VP		
3 X	Operating Budget	7 	President		
4 X	Capital Budget				

SUMMARY INFORMATION	
Vendor Name RFP Authorizing Resolution	Contract Number TBD
Description Bus Lane Enforcement System for Department of Buses	
Total Amount TBD	
Contract Term (Including Options, if any) 5 years	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input checked="" type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

PURPOSE:

To request that the Board adopt a resolution declaring that competitive bidding is impractical and/or inappropriate and that it is in the public interest to use the competitive Request for Proposals (RFP) process, pursuant to Subdivision 9(f) of Section 1209 of the Public Authorities Law for the design, purchase and installation of a mobile (vehicle based) Bus Lane Enforcement System (BLES) to aid in the enforcement of traffic laws for Select Bus Service (SBS) operating in dedicated bus lanes.

DISCUSSION:

In June 2010, the New York State Assembly approved a bill that permits enforcement of bus lane traffic regulations along designated Select Bus Service (SBS) routes using bus lane photo devices. Department of Buses (DOB) commenced a four vehicle pilot program (awarded June 30, 2010) with Zenco Systems, Ltd., to test the effectiveness of utilizing a vehicle-based BLES. Subsequently, Modification No. 1 was awarded in April 2011 to Zenco to extend the pilot for one year, for the addition of two vehicles and to add the capability for the system to be able to create summonses for violations of bus lane traffic regulations. DOB intends to procure and install on-board vehicle based equipment comprised of cameras and digital recording equipment, collectively known as BLES, on a series of buses assigned to active SBS routes which are currently the BX12 route (Fordham Road) in the Bronx and the M15 route (1st and 2nd Avenues) in Manhattan. It is DOB's intent that the procurement requirements include an option to expand the BLES for use in additional buses and/or for use on other SBS routes. BLES is comprised of both hardware and software and utilizes several advanced technologies, such as a vehicle location system, wireless data communication, digital video recorders and specialized software that automatically (i.e. without driver involvement) detects and records instances of vehicles in bus lanes. Once the data is uploaded off the vehicle into computers in the bus depot (the "fixed end"), the BLES software is used to create evidence packages in support of awarding summonses for violation of bus lane traffic regulations. DOB believes that the BLES will serve as a deterrent to keep vehicles from unnecessarily entering into or stopping in SBS bus lanes. This will help speed up the SBS service, which can be delayed by vehicles parked in the bus lane or entering and using the bus lane illegally.

In order to insure that a highly qualified BLES contractor is chosen, NYCT believes that an RFP provides the best method of awarding this contract, so that critical factors other than only price (if this were to be handled as an Information for Bid, or "IFB"), can be evaluated. This RFP resolution is required because DOB estimates that the majority of the project cost (more than fifty percent) of the BLES system is for the purchase of hardware, rather than for software development, and thus falls under Public Authorities Law 1209. By utilizing the RFP process, NYCT will: 1) Weigh factors such as the qualifications and experience of the Proposer, the proposed Project Manager and other key Contractor and subcontractor personnel who will comprise the team that will carry out the contract, evaluate the technical content and quality of the proposed offering and quality of equipment and software; evaluate the approach to providing a communication solution for transferring data between buses and the bus depot(s) designated as the BLES Command

Staff Summary

Center, evaluate the approach to interfacing with the NYC Department of Finance computer and software systems; consider Proposer's Documentation, Training, Support Services, Quality Control and Quality Assurance Plans and evaluate the Proposer's mobilization plan. 2) Consider price, in terms of both the system purchase cost as well as future recurring (operating) costs. 3) Evaluate specific contract items such as mobilization schedules, system maintenance and warrantee coverage. In addition to the evaluation criteria to be utilized for selecting the Contractor as outlined above, the following factors will be considered as well: adherence to the RFP requirements; quality of written technical proposal and oral presentation.

Due to the complexity of this project, which includes capturing video of vehicles in bus lanes within very densely populated and crowded areas, as well as the sophistication of the necessary software to automatically select when to start and stop recording (thus eliminating the need to record video at all times the bus is in motion and thus shortening the time needed for manual review), it appears that no off-the-shelf system in the marketplace is currently offered will meet DOB's specifications or requirements. Based on market research and the requirements of DOB, it is believed that an RFP is the most advantageous method to procure this system, as opposed to utilizing the IFB process, which does not allow comparative assessment of the aforementioned criteria except for price.

ALTERNATIVES:

Issue a competitive IFB. Not recommended, given the complexity of this procurement and the advantages offered by the RFP process.

IMPACT ON FUNDING:

Both operating and capital funds will be utilized for this project.

DBE/MBE/WBE GOALS:

The goals for the project have not been determined.

RECOMMENDATION:

That the Board approve the adoption of a resolution declaring that competitive bidding is impractical and/or inappropriate and that it is in the public interest to use the competitive Request for Proposals (RFP) process, pursuant to Subdivision 9(f) of Section 1209 of the Public Authorities Law for the design, purchase and installation of a mobile (vehicle based) BLES to aid in the enforcement of traffic laws for SBS dedicated bus lanes.

Schedule K: Ratification of Completed Procurement Actions



Item Number: K-1

Vendor Name (& Location) North Eastern Bus Rebuilders, Inc. (Deer Park, NY)
Description General Overhaul of 2005-06 MCI Buses
Contract Term (Including Options, if any) May 25, 2011- October 27, 2011
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Immediate Operating Need

Contract Number MSQ110889	AWO/Modification #
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Total Amount:	\$835,538
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Operations/ John Hein, Sr., EVP	

Discussion:

In March 2011, the Chief Officer, MTA Bus Procurement, 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 North Eastern Bus Rebuilders, Inc. for the general overhaul of 46 MCI buses entered into MTA Bus (MTABC) revenue service during 2005 and 2006.

General overhauls are critical to the efficient operation of MTABC to insure that safe and reliable buses are available to the public to support MTABC's bus service. General overhauls include repair/replacement of bus undercarriages, suspension, brakes, and replacement of other high failure units. The cost of a general four year Overhaul is approximately \$20,000 in labor and \$22,000 in material and unit costs, for a total of \$42,000 per bus.

The MTA Bus shop program was established in 2010 at the East New York Shop. However, MTABC's Shop (Shop) did not achieve its production goals due to labor and start-up productivity issues. As a result, Bus executive management closed the Shop from May through late August 2010, and returned the assigned employees back to reduce overtime levels in depots. Once the labor issues were resolved, the Shop re-opened in late 2010. The net result of these delays was that a total of 88 buses scheduled for completion in the 2010 plan had to be moved into the 2011 schedule. A total of 122 MTABC buses were overhauled in 2010, all but two by in-house forces. For calendar year 2011, the MTABC budgeted shop program consisted of 398 buses, which is comprised of 141 Orion Hybrids (2006/07), 200 MCI buses (2005/06), and 57 Orion V CNG buses (1999); of which 348 buses were to be completed with in-house forces in the Shop and 50 buses for outsourcing to a vendor to minimize the impact of the MTABC closing and subsequent rollover of the 88 buses deferred from 2010.

Hiring delays for maintenance personnel at the end of 2010 resulted in the Shop having 36 vacant positions, which further impacted the Shop's ability to meet its aggressive 2011 production schedule for overhaul work. Since the end of the first quarter of 2011, the Shop has been fully staffed primarily with new hires, but because of the first quarter staffing shortages and training requirements, it was determined by Bus management that a short-term procurement contract needed to be established for the 46 MCI buses impacted by first quarter 2011 production impacts. To maintain the overall 2011 production schedule, a formal contract for an additional 74 MCI Bus overhauls is in process for solicitation and award later in 2011. This will include the 50 buses scheduled for outsourcing in the original 2011 shop program, plus an additional 24 buses, for a total of 120 buses to be contracted out in 2011. The full complement of outsource work will enable all planned 2011 work to be completed and to minimize the carryover impact into 2012's schedule.

Under the contract for the first 46 MCI buses, the vendor provides the labor, shop materials, equipment/tools, bulk consumables such as greases, and pick-up and delivery of the buses to perform the overhauls at their location. MTABC provides the major components and overhaul kits to support the overhaul, valued at approximately \$22,000 per bus. The contract contains a specific production schedule where the contractor begins the work with 5 buses and continues to cycle through 46 buses for completion over the period of 22 weeks from the Notice of Award. The contractor's work on the 46 buses should be completed on or before the end of November 2011. All buses are inspected by the contractor and Authority personnel before and after the overhaul is completed, and written acceptance of the work is provided by the Authority once a bus passes inspection.

In April, 2011, MTABC conducted a market survey to determine which contractors were interested in and had the capability of performing the required work. Of the 5 contractors contacted, three contractors responded and the contract

Schedule K: Ratification of Completed Procurement Actions



documents including a request for quote, the scope of work and terms and conditions were sent to Motorcoach Industries (MCI) in Illinois, Perfect Body Company (Perfect Body) in New Jersey and North Eastern Bus Rebuilders, Inc. (NEBRI) in New York. Perfect Body and NEBRI quoted on the work. MCI declined to provide a quote.

NEBRI was the apparent low bidder and quoted a total price of \$835,538 and Perfect Body quoted a total price of \$1,107,743. The price schedule contained a fixed rate for the overhauls and some individual tasks (bulk of the work) and a separate labor rate for ancillary work. NEBRI's offer was \$272,205 (25%) lower than Perfect Body, was found fair and reasonable, and the contract was awarded to NEBRI on May 25, 2011.

Staff Summary

Number					
Dept & Dept Head Name: East Side Access, Alan Paskoff <i>Alan Paskoff</i>					
Division and Division Head Name:					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	MNR/LIRR	7/25/11	X		
2	Board	7/27/11	X		
Internal Approvals					
Order	Approval	Order	Approval		
502	Deputy General Counsel	5	MTACC President		
10	VP, Project Controls	4	Executive Vice President		
		3	Chief Financial Officer		

SUMMARY INFORMATION	
Schavone/Kiewit Joint Venture	Contract Number CQ039
Description Northern Boulevard Crossing	
Total Amount \$ 6,500,000	
Contract Term 732 Days	
Option(s) Included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: None	
<input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

I. PURPOSE/RECOMMENDATION:

To request authorization from the MTA Board for a settlement agreement with Schiavone/Kiewit, Joint Venture, for Contract CQ039, Northern Boulevard Crossing. The settlement includes the issues described below for the agreed upon lump sum amount of \$6,500,000 and a 300 calendar day extension to the Substantial and Final Completion dates.

II. DISCUSSION:

The scope of work under this Contract includes but is not limited to, soft-ground tunneling beneath Northern Boulevard, provide and maintain temporary construction services and facilities, design and installation for ground treatment, ground freezing, and underpinning systems, design for support of excavation, sequence, initial support and lining systems.

Structural and panel deficiencies in the slurry wall constructed by the Contract CQ028 Contractor (the contract was terminated for default) including severely offset soldier piles and panel deficiencies that included slurry wall voids, have led to numerous issues as excavation of the Early Access Chamber ("EAC") progressed. In addition, repairs to the slurry wall performed by the adjacent Contract CQ031 Contractor delayed the handover of the Milestone 1A (work areas adjacent to Northern Boulevard) area. This delay resulted in a smaller construction site area for CQ039 and impacted the support of excavation ("SOE") operations and logistics for the EAC.

The Contractor filed a formal dispute claiming financial and time impacts due to the deficiencies in the slurry wall and presented their case to the Contract's Dispute Resolution Board ("DRB"). Prior to the DRB's ruling, the parties negotiated a global settlement. The primary elements of the settlement are as follows:

1. Resolution of the support of excavation of the EAC claim
2. Resolution of the claim for increase drilling of freeze pipes through jet grout
3. Provide for the future removal of jet grout, ground water collection and treatment within the EAC
4. Revised Access Restraints
5. Address time delays

As part of the global settlement, the contractor agrees to make positive adjustments to facilitate the overall East Side Access program. The contractor's service crane will be relocated to a new location and the contractor will provide an additional assist crane if/when needed at no additional cost. This adjustment will allow the follow-on contract, CQ032, to commence the construction of B10 substation. Construction of B-10, which is a near critical path scope of work, will begin nine months earlier without delay impacts to CQ039. In addition, a new milestone is established to allow turnover of a partial staging area to the CQ032 contractor prior to CQ039 Substantial Completion.

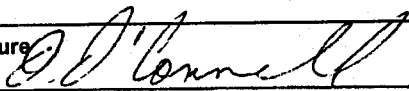
The settlement results in an increase to the Contract of \$6.5M and 300 calendar days. MTACC has evaluated its financial exposure to the issues included in the settlement and believes it is a good business decision and in the agency's best interest to enter this settlement.

III. ALTERNATIVES:

This is MTACC's most advantageous alternative as provides favorable settlement terms.



Staff Summary



Page 1 of 2

Subject	Public Hearing For New Haven Line Connecticut Fare Increase
Department	Operations Planning & Analysis
Department Head Name	D. O'Connell
Department Head Signature	
Project Manager Name	J. Fiegerman

Date	July 18, 2011
Vendor Name	
Contract Number	
Contract Manager Name	
Table of Contents Ref#	

Board Action					
Order	To	Date	Approval	Info	Other
1	M-N Comm. Mtg.		X		
2	MTA Fin. Comm.		X		
3	MTA Board Mtg.		X		

Internal Approvals			
Order	Approval	Order	Approval
4 	President		Budget
	VP Operations		VP Capital Programs
3 	VP Financial Admin		Engr/Const
	Controller		Project Reporting

Internal Approvals (cont.)							
Order	Approval	Order	Approval	Order	Approval	Order	Approval
1 	VP Planning		Government Relations		Labor Relations	2 	General Counsel
	Press		VP Human Resources		Personnel		Other

Narrative

Purpose:

To authorize the public hearing process to commence with regard to increases in Metro-North New Haven Line fares for travel to or from Connecticut stations proposed by the Connecticut Department of Transportation.

Discussion:

The Connecticut Department of Transportation (CDOT) has formally notified Metro-North of its proposal to implement a 15% fare increase for travel between New Haven Line Connecticut stations and New York Stations, as well as for travel within Connecticut, effective November 1, 2011. (The range of individual fare increases may vary because of rounding). CDOT is also considering an additional 1.25% fare increase to be implemented on or before January 1, 2012.

Under the terms of the New Haven Line Service Agreement, a joint approval by the MTA Board and CDOT is needed for New Haven Line fare changes. Section 1266 of the New York Public Authorities Law further requires that MTA conduct a public hearing prior to deciding whether to authorize such fare changes. As in the past, it is contemplated that joint hearings will be conducted with Connecticut in fulfillment of the Section 1266 requirements.

Fare increases were implemented on the New York State portion of the New Haven Line last December 30, 2010; the last fare increase on the Connecticut portion of the Metro-North system occurred on January 1, 2005 when Connecticut fares were increased by an average of approximately 5.5%. If the fare increases now proposed by Connecticut are adopted, there would be no change in fares charged on the New Haven Line for travel taking place wholly within New York State, with the exception of a limited number of fare adjustments for travel to and from Rye and Port Chester. These fare adjustments were previously approved by the MTA Board last October, with phased implementation in order to avoid exceeding the existing fares to and from Greenwich. The remaining portion of the Rye and Port Chester approved fare increases, most of which are between 2% and 4%, would be made effective at the time any approved Connecticut fare increases were implemented.

Staff Summary

Page 2 of 2

Recommendation:

That the Board authorize the public hearing process to commence with regard to increases in Metro-North New Haven Line fares for travel to or from Connecticut stations proposed by the Connecticut Department of Transportation.

The legal name of MTA Metro-North Railroad is Metro-North Commuter Railroad Company

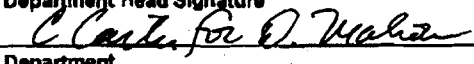
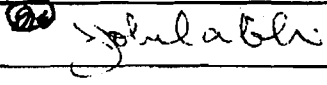
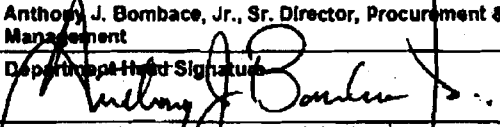
**LONG ISLAND/METRO-NORTH
COMMITTEES**

PROCUREMENTS

FOR

BOARD ACTION

July 27, 2011

Subject Request for Authorization to Award Various Procurements						Date July 14, 2011			
Department Procurement & Logistics - LIRR						Department Law and Procurement - MTACC			
Department Head Name Dennis L. Mahon, Chief Procurement & Logistics Officer						Department Head Name John Abili, Acting Deputy General Counsel			
Department Head Signature 						Department Head Signature 			
Department Procurement & Material Management - MNR									
Department Head Name Anthony J. Bombace, Jr., Sr. Director, Procurement & Material Management									
Department Head Signature 									
Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
1	LIRR/MNR Committee	7.25.11				X	President, LIRR		
2	MTA Board	7.27.11				X	President, MNR		
						X	President, MTACC		

PURPOSE:

To obtain approval of the Board to award various contracts and purchase orders, and to inform the Long Island/Metro-North 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	\$29,500,000
SUBTOTAL	1	\$29,500,000

MNR 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	\$145,000
SUBTOTAL	1	\$145,000

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

LIRR proposes to award Competitive procurements in the following categories:

Schedules Requiring Majority Vote

	<u># of Actions</u>	<u>\$ Amount</u>
Schedule H: Modifications to Personal/Miscellaneous Service Contracts	1	\$1,024,620
SUBTOTAL	1	\$1,024,620

MNR proposes to award Competitive procurements in the following categories:

Schedules Requiring Majority Vote

	<u># of Actions</u>	<u>\$ Amount</u>
Schedule F: Personal Service Contracts	2	\$1,419,375
Schedule G: Miscellaneous Service Contracts	2	\$84,685,000
SUBTOTAL:	4	\$86,104,375

MTACC proposes to award Competitive procurements in the following categories:

Schedules Requiring Majority Vote

	<u># of Actions</u>	<u>\$ Amount</u>
Schedule I: Modifications To Purchase and Public Work Contracts	2	\$10,016,525
SUBTOTAL:	2	\$10,016,525

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:	9	\$126,790,520
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The contractors noted above and on the following Staff Summary Sheets have been found in all respects responsive and responsible, and are in compliance with State laws and regulations concerning procurements.

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.

JULY 2011

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. | Ansaldo STS USA, Inc.
Sole Source
Contract No. TBD | \$ 3,500,000 – MNR
\$ 4,500,000 – LIRR
\$ 6,500,000 – NYCT
<u>\$15,000,000 – MTACC</u>
\$29,500,000 – Not to Exceed | <i><u>Staff Summary Attached</u></i> |
|----|----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|

LIRR, on behalf of itself, Metro-North and New York City Transit (the Agencies) requests MTA Board approval to award Sole Source Omnibus Contracts to Ansaldo STS USA, Inc. (Ansaldo) in an aggregate amount not-to-exceed \$29.5M (\$4.5M – LIRR; \$3.5M – MNR; \$6.5M – NYCT; \$15M – MTACC) over a 36-month period to provide engineering services and parts required to support the Agencies' current inventory of equipment designed and manufactured by Ansaldo. This procurement also includes the purchase of new equipment that must be installed on LIRR's fleet of rolling stock in connection with the East Side Access project, as further described below.

Item Number: 1

Vendor Name Ansaldo STS USA, Inc. - Batesburg, SC
Description Various Signal, Switch, Car Borne Parts and Services
Contract Term (including Options, if any) 3 Years
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-Competitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole Source

Contact Number TBD	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total Amount:	\$29,500,000 (Not-to-Exceed) MNR = \$3,500,000 (NTE); LIRR = \$4,500,000 (NTE); NYCT = \$6,500,000 (NTE). MTACC = \$15,000,000 (NTE)
Funding Source <input checked="" type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Maintenance of Way – Robert Puciloski, Chief Engineer Maintenance of Equipment – Michael Gelormino, CMO LIRR/East Side Access/Special Projects – John Coulter, VP	
Contract Manager: Richard Barone/Arthur Billotti	

Discussion:

LIRR, on behalf of itself, Metro-North, New York City Transit and MTA Capital Construction, requests MTA Board approval to award Sole Source Omnibus Contracts to Ansaldo STS USA, Inc. (Ansaldo) in an aggregate amount not-to-exceed \$29.5M (\$4.5M – LIRR; \$3.5M – MNR; \$6.5M – NYCT; \$15.0M – MTACC) over a 36-month period for the following: (i) engineering services and parts required to support LIRR's, NYCT's and MNR's current inventory of equipment designed and manufactured by Ansaldo; and (ii) the purchase of new equipment that must be installed on LIRR's fleet of rolling stock in connection with the East Side Access project, to be funded by MTACC as further described below.

Ansaldo, the Original Equipment Manufacturer (OEM) and designer of various wayside switch and signal systems installed and operated by LIRR, NYCT and MNR ("the Agencies"), provides approximately 225 different replacement parts for LIRR, 1,100 for NYCT and 120 for MNR. The Agencies will procure these items on an "as required" basis, in various quantities during the 36-month term of this contract to allow the Agencies to operate and maintain the numerous switch and signals designed and manufactured by Ansaldo that are currently in operation along the Agencies' rights of way.

Ansaldo is also the OEM for the Automatic Speed Control (ASC) systems installed on LIRR's entire fleet of rolling stock and various MNR cars. The ASC system is a vital safety system that is fully integrated with associated wayside systems. In support of LIRR and MNR rolling stock, Ansaldo provides approximately 75 different parts to allow each railroad to operate and maintain the ASC systems installed on their respective fleets.

In addition to the hardware discussed above, the Agencies require the services, on an as required basis, of Ansaldo engineers and technicians to assist the Agencies with trouble shooting and non-warranty repairs of the Ansaldo parts and systems. This work, if and when required, will be performed on a time and material basis at rates to be negotiated.

The parts and engineering services discussed above are only available from Ansaldo, as they possess the design information and requisite expertise, as well as the proprietary software required to manufacture these parts. LIRR advertised this procurement in the New York State Contract Reporter and New York Post and no other firm expressed an interest in participating in this procurement. Ansaldo is the only known responsible source to obtain these parts and services.

The parts and services discussed above, pursuant to the Omnibus Contract process, will be ordered on an as required basis and a determination of price reasonableness will be made prior to issuing any individual Purchase Orders resulting from this authorization. The agencies are committed to ensuring that through the use of these joint procurements, Ansaldo is offering each Agency more beneficial prices than if each Agency were to procure the same items individually. There is no obligation for the Agencies to procure any minimum quantity of parts under these contracts.

The parts and services identified above will be funded via the Agencies Operating Budgets

Unique to LIRR is the requirement to perform a retrofit modification to its fleet of rolling stock to allow the cars to operate within the East Side Access tunnels. To accomplish this, the ASC system, designed and manufactured by Ansaldo, must be modified to allow for a new 250Hz signal carrier code to be converted from the currently utilized 100Hz track circuit. This modification will provide the optimum speeds and braking rates for the ESA Signal System to meet service requirements of 24 trains per hour and accommodate the physical characteristics (diameter, grades, curves and signal block lengths) specific to the ESA tunnels. The modification will safely and reliably introduce new speed codes, ensure the required braking rate and provide limited misroute protection in Harold Interlocking to ensure that those trains not destined for Grand Central Terminal receive notification to stop before the tunnel entrance switch points. These functions cannot be provided by the 100 Hz signal carrier on the 100 Hz track circuit currently used system-wide.

Pursuant to Board authorization Ansaldo will provide the necessary engineering design, as well as prototype units for testing. Upon successful completion of all testing, LIRR will procure production systems which LIRR will install on its fleet of 836 M-7 Cars. Two options will also be included: (i) replacement of the M-7 fleet's Aspect Display Unit (ADU) in the event a new ADU that integrates Positive Train Control (PTC) and ASC is unavailable as planned through the PTC project and (ii) retrofit of 68 ASC systems installed on LIRR's diesel fleet should PTC speed restriction technology be unavailable to the diesel fleet in time for the ESA opening.

Since the hardware and software are both proprietary, Ansaldo is uniquely qualified to modify the current ASC system and can ensure the design integrity and, therefore, the successful functionality of the retrofit of these systems. Further, utilizing Ansaldo will result in a single point of responsibility for coordinating all efforts for integrating all components associated with this retrofit, as well as assisting with LIRR's installation function.

The total not-to-exceed cost for this modification, including Options (if required to be exercised) is estimated at a value not-to-exceed \$15.0M.

This LIRR fleet modification will be funded by MTA Capital Construction (ESA) as part of the East Side Access Project.

JULY 2011

METRO-NORTH RAILROAD

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedules Requiring Two-Thirds Vote:

A. Non-Competitive Purchases and Public Work Contracts

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

1. S&C Distribution \$145,000 (not-to-exceed) Staff Summary Attached

Purchase of Various Relay Test Equipment

Non-competitive, 3-year, negotiated, joint MNR & LIRR (MNR-led) purchase contract with the firm, S&C Distribution, for various Signal Relay Test Equipment. Signal test equipment is required by both Railroads to conduct maintenance of the signal systems to fully satisfy the Federal Railroad Administration (FRA) requirements for appropriate testing and proper calibration of railroad equipment.

The various signal test equipment includes: DC relay slide kits, relay adapters, battery chargers, megohmmeters and arrestor testers which are all specifically designed for the railroad industry. Presently, there is no off-the-shelf generic testing equipment capable of performing many of these required tests, as railroad signal equipment is extremely unique and limited. Further, advertisements placed did not yield additional interest from other sources. The relay test equipment manufactured by S&C Distribution is reliable, portable, offers ease of use, and provides the tolerance necessary to make proper measurements. MNR and LIRR identified this procurement as an opportunity to leverage their combined requirements and buying power. As such, negotiations resulted in a 10% discount from S&C Distribution's published pricing. The total cost of this procurement is not-to-exceed \$145,000 (MNR: \$100K, LIRR: \$45K) over a 3-year period, and is funded by each Agency's Operating Budgets.

Schedule A: Non-Competitive Purchases and Public Work Contracts



Item Number: A

Vendor Name (& Location) S&C Distribution	
Description Various Relay Test Equipment	
Contract Term (including Options, if any) August 1, 2011 to July 31, 2014	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other:	

Contract Number 1000004358	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total Amount: \$ 145,000	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: MNR P& MM Dept./A. J. Bombace, Jr.	
Contract Manager: J. Waddell	

Discussion:

Non-competitive, 3-year, negotiated, joint MNR & LIRR (MNR-led) purchase contract with the firm, S&C Distribution, for various Signal Relay Test Equipment. Signal test equipment is required by both Railroads to conduct maintenance of the signal systems to fully satisfy the Federal Railroad Administration (FRA) requirements for appropriate testing and proper calibration of railroad equipment. .

The various signal test equipment includes: DC relay slide kits, relay adapters, battery chargers, megohmmeters and arrestor testers which are all specifically designed for the railroad industry. Presently, there is no off-the-shelf generic testing equipment capable of performing many of these required tests, as railroad signal equipment is extremely unique and limited. Further, advertisements placed did not yield additional interest from other sources. The relay test equipment manufactured by S&C Distribution is reliable, portable, offers ease of use, and provides the tolerance necessary to make proper measurements. MNR and LIRR identified this procurement as an opportunity to leverage their combined requirements and buying power. As such, negotiations resulted in a 10% discount from S&C Distribution's published pricing. The total cost of this procurement is not-to-exceed \$145,000 (MNR: \$100K, LIRR: \$45K) over a 3-year period, and is funded by each Agency's Operating Budgets.

JULY 2011

MTA LONG ISLAND RAIL ROAD

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

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.)

- | | | | |
|----|---------------------------------------|------------------------|--------------------------------------|
| 3. | Standard Parking Corporation | NTE \$1,024,620 | <u>Staff Summary Attached</u> |
| | Sole Source | | |
| | Contract No. IT04107/C4BP02775 | | |

LIRR requests MTA Board approval to issue a change order in the amount not to exceed \$1,024,620 to Standard Parking Corporation ("Standard") under Contract #C4BP02775, for continued management, operation and maintenance of the Mineola Intermodal Center Parking Garage ("MICPG"). On October 1, 2006, pursuant to a competitive RFP process, LIRR awarded a five-(5) year contract to Standard in the amount of \$2,714,000. Under the contract, Standard is required to provide all management, revenue collection, supervision, operating personnel, uniforms, supplies and equipment to assure effective performance of the MICPG facility.

Item Number: 1

Vendor Name (& Location) Standard Parking Corporation	
Description Mineola Intermodal Center (MIC) Parking Garage	
Contract Term (including Options, if any) October 1, 2006 – September 30, 2011	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-Competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Manager-Customer Rev & Technology, James Compton	

Contact Number	AWO/Modification #
IT04107/C4BP02775	2
Original Amount:	
\$2,714,000	
Prior Modifications:	
\$ 80,532	
Prior Budgetary Increases:	
Current Amount:	
\$2,794,532	
This Request: Not-to-Exceed	
\$1,024,620	
% of This Request to Current Amount:	
36.7%	
% of Modifications (including This Request) to Original Amount:	
40.7%	

Discussion:

LIRR requests MTA Board approval to issue a change order in the not-to-exceed amount of \$1,024,620 to Standard Parking Corporation ("Standard") under Contract #C4BP02775, for (i) funding to cover Standard's costs associated with supporting warranty and other work performed by the construction contractor and other necessary work directed by LIRR, and (ii) funding for a nine month contract extension to support the continued management, operation and maintenance of the Mineola Intermodal Center Parking Garage ("MICPG") through June 2012.

On October 1, 2006, pursuant to a competitive RFP process, LIRR awarded a five year Operate and Maintain contract to Standard in the amount of \$2,714,000. Under the contract, Standard is required to provide all management, revenue collection, supervision, operating personnel, uniforms, supplies and equipment to assure effective performance of the MICPG facility. In 2010, LIRR received in excess of \$1.3 million in revenue collection for the metered parking in Mineola.

Subsequent to its opening in October 2006, LIRR has required the construction contractor, Prismatic, to perform warranty repairs to the electrical system, lighting system, elevators, drainage and plumbing systems. These repairs required Standard to support the repair efforts in the form of overtime and additional staffing. Other out of scope tasks performed by Standard included relocation of parking meter units at LIRR's direction, upgrade of firmware, and resolution of credit card issues; CCTV costs, snow removal, required sub system maintenance contract costs for HVAC, lighting, irrigation, sub-surface drainage filters, and elevators. Costs associated with these repairs and modifications are \$413,000.

The original contract is due to expire on September 30, 2011. However, LIRR is in the process of developing a system-wide parking strategy that will address various flat surface lots, the Ronkonkoma parking garage and the MICPG. Once this strategy is finalized an RFP will be issued which will result in an Operate/Maintain contract for these locations. Consequently, it is necessary that we extend the current contract with Standard for an additional nine months through June 2012. The first three months will be firm and the remaining six months will be on a month-to-month basis. The estimate for the nine month extension is \$541,620. The total modification amount also includes contingency funding of \$70,000 for unforeseen repairs. Therefore, the total funding amount requested by the Transportation Department for approval herein is \$1,024,620.

Impact on Funding:

LIRR's Operating Budget will fund this Change Order.

Recommendation:

Board approval to authorize a Change Order to Standard Parking Corporation in the amount of \$1,024,620 is hereby recommended.

JULY 2011

METRO-NORTH RAILROAD

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedules Requiring Majority Vote:

F. Personal Service Contracts

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

**1. Arsenal Security Group Inc. (Arsenal) \$1,386,000 (not-to-exceed) Staff Summary Attached
PCI-DSS Consulting Services**

RFP process, twelve (12) proposals received, 5 firms short-listed, 3-year, negotiated, multi-agency (MNR-led) personal service contract to the firm, Arsenal Security Group (Arsenal) for as-needed Payment Card Industry (PCI) consulting services at a total not-to-exceed cost of \$1,386,000. MNR, LIRR and NYCT considered this procurement as an opportunity to leverage their requirements and combined buying power and solicited proposals on a multi-agency basis.

The Payment Card Industry (PCI) Council, which is comprised of American Express, Discover Financial Services, MasterCard Worldwide, and Visa International, requires all companies/merchants processing, storing, or transmitting payment card data to show compliance with Data Security Standard (DSS) requirements that govern all aspects of credit/debit card processing. These stringent data security standards are intended to address the ever increasing sophistication of fraudulent activity throughout the industry and protect customer card data/information. Validation of compliance must be provided by a firm certified by the PCI Council, and is a condition for merchant registration. As the MTA Agencies accept credit card information from customers purchasing fare media, consulting services are required on an as-needed basis to support project management, technology scanning, penetration testing, gap analysis and remediation recommendations necessary to ensure and prove PCI DSS compliance.

An RFP was advertised/solicited, twelve proposals were received and 5 firms short-listed. The multi-agency Selection Committee evaluated and negotiated proposals and unanimously chose Arsenal Security Group Inc. as the best overall firm based on the criteria stated in the RFP: understanding of the work scope requirements, project plan, resources for the three MTA Agencies, overall cost and past experience. Arsenal consistently communicated a clear understanding of the agencies' requirements, offering a high level of expert resources and expressed a commitment to implement DSS controls for MTA agencies, which are currently at various stages of PCI compliance. Arsenal's commitment and history of PCI system reviews, gap assessment and vulnerability scanning (ASV scanning) surpassed offers from the other proposers.

Each agency will be responsible for independently implementing the outcome of all assessments and recommendations which will differ based on it's size and compliance readiness. Before Arsenal's recommended course(s) of action are taken, the agencies will work together to transfer knowledge of past PCI compliance results in an effort to minimize and balance the level of effort of the consultant among the agencies. As such, Arsenal's consulting work for each Agency is allocated in equal amounts

(MNR, LIRR and NYCT = \$462K/per agency). All six categories of the deliverable task were extensively reviewed and as a result of negotiations, Arsenal's Best and Final Offer (BAFO) for all three MTA agencies was reduced by 12% (from \$521,625 to \$461,880 per year per agency). The 3-year estimated total is not-to-exceed \$1,386,000. Funding is provided by each Agency's Operating Budget.

2. William Saffady \$33,375 (not-to-exceed)

Records Retention Consultant

RFP selection, 10 proposals received, 6-month miscellaneous service contract with William Saffady to review and update Metro-North's process and procedures for records retention and disposition/destruction. An MTA audit of MNR's present records retention program, resulted in the recommendation that controls over the tracking, storage and accountability of records be strengthened. Under the agreement, William Saffady will review and revise the records retention and disposition schedule, confirm that stored inventory follows a proper retention period according to identified record types and work with MNR's Training Department to establish a concise training protocol for departmental records' coordinators.

The MNR Selection Committee unanimously selected William Saffady as the best overall firm after evaluating technical capability, experience and cost of three short list firms. William Saffady's not-to-exceed price of \$33,375 is the lowest proposed cost that comprehensively meets the scope of work outlined in the RFP. Given the six-month timeline and level of effort required, William Saffady's proposal submission is deemed fair and reasonable. This procurement is to be funded by MNR's Operating Budget.

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. Selco Manufacturing Corp. \$60,000 (not-to-exceed)

General and Specialized Machine Shop Work-NWP Work Equipment Facility

Competitively solicited (3 bids received), miscellaneous service contract for general and specialized machine shop work for Metro-North's North White Plains Work Equipment facility. Under the contract, Selco (MNR's incumbent firm and the low bidder for this solicitation) will provide supplemental and emergency specialized machine shop work for wheels, axles, bearings and gear unit assemblies for various types of MNR work equipment. Selco's facility has the requisite vertical and horizontal milling and boring machines, lathe capacity up to 12' in length, surface grinders and related measuring equipment needed to conform MNR's work equipment to precision tolerances. This is a 3-year, as-needed contract with fixed hourly rates totaling a not-to-exceed \$60,000. The hourly rate to be paid on the contract, \$42.50, is fixed for the 3-yr. period and represents no increase from the hourly rate paid on the prior 3-year agreement. This procurement is to be funded by MNR's Operating Budget.

4. **Kawasaki Railcar Inc.** **\$84,625,000 (not-to-exceed)** *Staff Summary Attached*
Design, Manufacture, Test & Delivery of 25 M-8 Single Cars

Negotiated, change order for the Design, Manufacture, Test and Delivery of Twenty-five (25) M-8 Single Cars, as well as for a related change order to modify the data communication systems on the 380 M8 cars.

In recent years, New Haven Line operations have been challenged by the combination of an aging fleet (avg. car age greater than 32 years), outdated and inadequate repair facilities, and an antiquated infrastructure (catenary and movable bridges over 100 years old). This was starkly evident in the poor performance of the New Haven Line fleet (M2, M4 and M6 Railcars) in the winter of 2010 / 2011, when a significant portion of the fleet was out of service at one time or another due to mechanical failures. (On average, more than 30% of the fleet was out of service from January thru March 2011; on certain days up to 50% of the fleet was out of service.) In addition, the M4/M6 cars have poor MDBF, which hinders the reliability of the New Haven Line service. The design of these cars is inadequate for the needs of the New Haven Line today, particularly with regard to the ingestion of moisture into key electrical components such as the propulsion system. Finally, these cars cost significantly more to operate and maintain than M8s.

The purchase of the 25 single cars, above the already-purchased 380 cars configured as married pairs, will allow the Railroad (and the State of Connecticut) to retire the entire aging fleet of M4 and M6 triplets, leading to a significant improvement in service quality for MNR's New Haven Line customers. With only 380 M8 cars, 62 M4 and M6 cars would have to be rebuilt at a cost of \$33 million. In addition, as the rehabilitation will only extend the service life of these cars until 2020 (market support of these cars is not expected past then), the purchase of single cars allows the Railroad to avoid the procurement of replacement cars in 2020 at an estimated \$369 million.

The only cost effective and technically sound method of purchasing the 25 S-Cars is via a change order for the M8 contract. KRC is uniquely qualified and positioned to produce the S-Cars as an extension of the ongoing M8 production run. MNR will benefit from KRC's current production schedule and supply chains, and the use of the existing technologies will also afford MNR the ability to have full interoperability with the M8 married pair fleet. The use of a single car, in conjunction with the normally married paired M8's, will provide the ability to create odd size consists (five, seven, nine and eleven car), which will allow MNR to optimize the M8 fleet, while also providing sufficient seating. (The procurement of additional married pairs of M8s would necessitate a larger acquisition to achieve the same amount of seating capacity.) By contrast, attempting a competitive procurement for 25 cars would lack the above-noted efficiencies and, almost certainly, not provide the desired level of fleet interoperability because of commercial and technical challenges faced by a vendor seeking to replicate the components and sub-systems that have been designed for the M8 cars.

The cost of the M8 single cars is \$3,325,000/Car or \$83,125,000. This was the result of a negotiated process with Kawasaki. As part of this process, MTA Audit worked with MNR to support the negotiations. MTA Audit conducted an extensive review on Kawasaki's actual cost to design and fabricate the M8 base cars. The basis for their review was the costs that were actually incurred during the design and fabrication of the M8 married car configuration, which were then utilized in a 'cost up' exercise in which MTA Audit estimated it would cost approximately \$3.137M to build a married pair car in 2010 (more than \$760K above the per car cost for the 300 cars purchased in 2006.). MTA Audit then made further adjustments to reflect both differences between the married pair car and the S-Car and the impact of ordering the car in 2011, and determined a 'fair and reasonable' price range of \$3,320,000 to \$3,335,000 for each S-Car. The final negotiated unit price is within that range. In addition, the agreement with KRC provides Metro North and Connecticut with an option to purchase between 10 and

25 additional S-Cars via an election that would be exercised by June 30, 2013 (funding would need to be identified).

Based upon these findings, Kawasaki's price is determined to be fair and reasonable. This procurement is to be funded by MNR (35%) and by CDOT (65%). The production of the 25 S-Cars will immediately follow the completion of the 380 car order; and it will also require the expenditure of an additional \$1.5M for software development to modify the data communication systems on the 380 married pair cars to enable them to recognize and communicate with the S-Cars. That procurement will be processed as a contract change for the 380 car production run (cost split CDOT: 67.9%, MNR: 32.1%) The total cost of these two contract changes -- \$83.125M for the 25 S-Cars and \$1.5M for software modifications to the married pair cars, is not-to-exceed \$84,625,000. Of that amount, MNR's share is \$29,575,250; CDOT's share is \$55,049,750.

Staff Summary

Item Number F					
Dept & Dept Head Name: Procurement & Material Management, Anthony J. Bombace, Jr.					
Division & Division Head Name: Sen. VP – Administration, Raymond Burney					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	M-N Comm.Mtg.	7-25-11	X		
2	MTA Board Mtg.	7-27-11	X		
Internal Approvals					
Order	Approval	Order	Approval		
X	President		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 Arsenal Security Group Inc. (Arsenal)	Contract Number 1566
Description Consulting Services for Payment Card Industry Data Security Standards (PCI DSS) Compliance- MNR, LIRR & NYCT	
Total Amount \$1,386,000	
Contract Term (including Options, if any) 3 Years	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? Annual <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

I. PURPOSE/RECOMMENDATION:

Recommendation to award a 3-year competitively solicited and negotiated, multi-agency (MNR, LIRR and NYCT) (MNR led), personal services contract to the firm, Arsenal Security Group Inc. (Arsenal), at a total not-to-exceed cost of \$1,386,000.00. The MTA Agencies require as-needed consulting services to validate compliance with the Payment Card Industry Data Security Standards (PCI-DSS).

II. DISCUSSION:

The Payment Card Industry (PCI) Council, which is comprised of American Express, Discover Financial Services, MasterCard Worldwide, and Visa International requires all companies/merchants processing, storing, or transmitting payment card data to show compliance with Data Security Standard (DSS) requirements that govern all aspects of credit/debit card processing. These more stringent data security standards (revised October 2008) are intended to address the ever increasing sophistication of fraudulent activity throughout the industry and protect customer personal and card data/information. The PCI Council requires all companies/merchants processing, storing, or transmitting payment card data to be PCI DSS compliant. Validation of company compliance must be provided by a firm certified through the PCI Council as a condition for merchant registration. As the MTA Agencies accept credit card information from customers purchasing fare media, consulting services are required on an as-needed basis to support project management, technology scanning, penetration testing, gap analysis and remediation recommendations necessary to prove PCI compliance.

In January 2011, MNR issued an RFP which was advertised in the New York State Contract Reporter, the New York Post, the Daily Challenge, and the MNR website. The RFP was forwarded to a total of 143 PCI certified vendors. One addendum was issued on March 8, 2011 to address vendor questions.

Staff Summary

On March 21, 2011, twelve (12) proposals were received and evaluated based on the following selection criteria:

- Demonstrated understanding of the Work Scope requirements and various compliance status/merchant levels of the three Agencies, including but not limited to the quality and completeness of any required submissions;
- Project plan (detailed description of how the Services will be performed and responsibly maintained for MTA Agencies at different compliance stages/periods);
- Overall cost for various deliverables required by user Agencies;
- Confidence level, past experience with large enterprise clients, commitment of relevant resources to the project including the qualifications of key personnel and reliability to perform the Services.

The Selection Committee consisted of 7 members representing MNR, LIRR and NYCT's IT Departments, and MNR's Procurement Department. After thorough review of all proposals, the Selection Committee short-listed the following 5 firms and invited them to provide Oral Presentations: Trustwave, Arsenal Security Group, Fishnet, Digital Resources Group (DRG) and Control Case.

Vendor Oral Presentations were held on May 3 and May 4, 2011. Subsequent to the oral presentations and follow-up clarification discussions, the Committee concurred that the proposals from Fishnet and Control Case should be eliminated from further consideration. After further review, clarification and negotiation meetings with DRG, Trustwave and Arsenal, the Selection Committee unanimously selected Arsenal as the best proposal to provide PCI/DSS consulting and compliance certification services for the MTA Agencies.

Arsenal provided the required and requested information throughout the initial proposal review phase, their oral presentation and during final discussions, clearly indicating their level of expertise and commitment. Their demonstrated experience for this project offers a unique overall methodology when compared to other vendors, and their strategic guidance provides clear direction, implementation and controls for non-PCI compliant items to meet various stages of compliance for the 3 Agencies. Arsenal has significant and diverse experience in assisting clients with complex PCI requirements, and will furnish tailored solutions to meet each Agency's needs. Arsenal consistently communicated a clear understanding of the agencies' requirements, offering a high level of expert resources and expressed a commitment to implement DSS controls for MTA agencies, which are currently at various stages of PCI compliance. Arsenal's commitment and history of PCI system reviews, gap assessment and technology scanning (ASV scanning) surpassed offers from the other proposers.

Each agency will be responsible for independently implementing the outcome of all assessments and recommendations based on Arsenal's guidance to meet PCI compliance. Before Arsenal's recommended courses of action are taken, the agencies will work together to transfer knowledge of past PCI compliance results in an effort to minimize and balance the level of effort of the consultant among the agencies. As such, Arsenal's consulting work for each Agency is allocated in equal amounts (MNR = \$462K, LIRR = \$462K, NYCT = \$462K).

Cost/ Price Analysis/Savings:

All six categories of the deliverable task were extensively reviewed and as a result of negotiations, Arsenal's Best and Final Offer (BAFO) for all three MTA agencies was reduced by 12% (from \$521,625 to \$461,880 per year per agency). The 3-year estimated total is not-to-exceed \$1,386,000. Funding is provided by each Agency's Operating Budget. Pricing is deemed fair and reasonable.

Staff Summary



Metro-North Railroad

Page 3 of 3

III. D/M/WBE INFORMATION:

The Department of Diversity and Civil Rights assigned 0% M/WBE vendor participation goals.

IV. IMPACT ON FUNDING:

The 3-year combined agency estimated total cost is not-to-exceed \$1,386,000. The breakdown by agency is as follows:
Metro-North Railroad: \$462K, Long Island Rail Road: \$462K and New York City Transit \$462K.

V. ALTERNATIVES:

None. Validation of PCI DSS compliance must be performed by a firm certified by the PCI Council. Failure to meet compliance could result in substantial fines.

Schedule H: Modifications to Personal Service and Miscellaneous Service Contracts

Item Number: H

Vendor Name (& Location) Kawasaki Rail Car Inc. (KRC) 29 Wells Avenue, Bldg #4 Yonkers, NY 10701
Description Design, Manufacture, Test and Delivery of Twenty-five (25) M8 Single Cars
Contract Term (including Options, if any)
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: sole source change order
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input checked="" type="checkbox"/> Other: CDOT
Requesting Dept/Div & Dept/Div Head Name: Procurement & Material Management, Anthony J. Borzage, Jr.

Contract Number	AWO/Modification #
12797	004
Original Amount:	
\$ 521,521,500	
Prior Modifications:	
\$ 369,639,933	
Prior Budgetary Increases:	
\$ 0.00	
Current Amount:	
\$ 891,161,433	
This Request:	
\$ 84,625,000	
% of This Request to Current Amount:	
9.5%	
% of Modifications (including This Request) to Original Amount:	
8.7%	

I. PURPOSE:

To obtain MTA Board approval to award a negotiated change order to purchase twenty-five (25) additional M8 cars in a single car (S-Car) configuration, as well as for a related change order to modify the data communication systems on the previously ordered 380 M8 cars.

II. BACKGROUND:

Metro-North's New Haven Line is the busiest commuter line in the country, providing more than 120,000 passenger rides daily. It is operated by MNR under an agreement with the Connecticut Department of Transportation (CDOT), which provides for joint decision-making responsibility for acquisition of rolling stock. CDOT is responsible for 65% of the cost of new rolling stock.

In August 2006, a contract was awarded to Kawasaki Rail Car Inc. (KRC) for the Design, Manufacture, Test and Delivery of M8 Railcars. The initial award included the base amount of 210 M8 cars, with options for 170 additional cars, all of which have been elected. (The 380 cars are configured as 'A' and 'B' cars coupled in married pairs.)

In recent years, New Haven Line operations have been challenged by the combination of an aging fleet (avg. car age greater than 32 years), outdated and inadequate repair facilities, and an antiquated infrastructure (catenary and movable bridges over 100 years old). This was starkly evident in the poor performance of the New Haven Line fleet (M2, M4 and M6 Railcars) in the winter of 2011, when a significant portion of the fleet was out of service due to mechanical failures. (On average, more than 30% of the fleet was out of service from January thru March 2011; on certain days up to 50% of the fleet was out of service.) In addition, the M4/M6 cars have poor MDBF, which hinders the reliability of the New Haven Line service. The design of these cars is inadequate for the needs of the New Haven Line today, particularly with regard to the ingestion of moisture into key electrical components such as the propulsion system. Finally, these cars cost significantly more to operate and maintain than M8s.

The purchase of the 25 single cars will allow the Railroad (and the State of Connecticut) to retire the entire aging fleet of M4 and M6 triplets, leading to a significant improvement in service quality for MNR's New Haven Line customers. With only 380 M8 cars, 62 M4 and M6 cars would have to be retained and rebuilt at a cost of \$33 million. In addition, as the rehabilitation will only extend the service life of these cars until 2020 (market support of these cars is not expected past then), the purchase of single cars allows the Railroad to avoid the procurement of replacement cars in 2020 at an estimated cost of \$369 million.

Schedule H: Modifications to Personal Service and Miscellaneous Service Contracts

Metro-North performed a cost-benefit analysis and estimated that the railroad can save \$163 million in capital monies on a net present value basis by purchasing the 25 single cars and avoiding the rehabilitation and future procurement costs that would be incurred under the alternate scenario of keeping the 62 M4 and M6 cars in service until 2020. These savings would increase if the mounting operating and maintenance costs associated with running this older fleet were included.

III. PROCUREMENT AND COST ANALYSIS:

The only cost effective and technically sound method of purchasing the 25 S-Cars is via a change order for the M8 contract. KRC is uniquely qualified and positioned to produce the S-Cars as an extension of the ongoing M8 production run. MNR will benefit from KRC's current production schedule and supply chains, and the use of the existing technologies will also afford MNR the ability to have full interoperability with the M8 married pair fleet. The use of a single car, in conjunction with the normally married paired M8's, will provide the ability to create odd size consists (five, seven, nine and eleven car), which will allow MNR to optimize the M8 fleet, while also providing sufficient seating. (The procurement of additional married pairs of M8s would necessitate a larger acquisition to achieve the same amount of seating capacity.) By contrast, attempting a competitive procurement for 25 cars would lack the above-noted efficiencies and, almost certainly, not provide the desired level of fleet interoperability because of commercial and technical challenges faced by a vendor seeking to replicate the components and sub-systems that have been designed for the M8 cars.

The cost of the M8 single cars is \$3,325,000/Car or \$83,125,000. This was the result of a negotiated process with Kawasaki. As part of this process, MTA Audit worked with MNR to support the negotiations. MTA Audit conducted an extensive review on Kawasaki's actual cost to design and fabricate the M8 base cars. The basis for their review was the costs that were actually incurred during the design and fabrication of the M8 married car configuration, which were then utilized in a 'cost up' exercise in which MTA Audit estimated it would cost approximately \$3.137M to build a married pair car in 2010 (more than \$760K above the per car cost for the 300 cars purchased in 2006.). MTA Audit then made further adjustments to reflect both differences between the married pair car and the S-Car and the impact of ordering the car in 2011, and determined a 'fair and reasonable' price range of \$3,320,000 to \$3,335,000 for each S-Car. The final negotiated unit price is within that range. In addition, the agreement with KRC provides Metro North and Connecticut with an option to purchase between 10 and 25 additional S-Cars via an election that would be exercised by June 30, 2013 (funding would need to be identified).

Based upon these findings, Kawasaki's price is determined to be fair and reasonable. This procurement is to be funded by MNR (35%) and by CDOT (65%). The production of the 25 S-Cars will immediately follow the completion of the 380 car order; and it will also require the expenditure of an additional \$1.5M for software development to modify the data communication systems on the 380 married pair cars to enable them to recognize and communicate with the S-Cars. That procurement will be processed as a contract change for the 380 car production run (cost split CDOT: 67.9%, MNR: 32.1%) The total cost of these two contract changes -- \$83.125M for the 25 S-Cars and \$1.5M for software modifications to the married pair cars, is not-to-exceed \$84,625,000. Of that amount, MNR's share is \$29,575,250; CDOT's share is \$55,049,750.

IV. ALTERNATIVES:

As outlined above, this is the most cost effective method to provide the necessary New Haven Line cars.

V. RECOMMENDATION:

Approve the award of a negotiated change order to purchase twenty-five (25) additional M8 cars in a single car configuration at a total not to exceed cost of \$83,125,000; approve a related change order for the 380 M8 cars to modify software supporting data communications systems, at a not to exceed cost of \$1,500,000.

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

VI. IMPACT ON FUNDING:

Metro-North's share, \$29,575,250, is included in the 2010-2011 Capital Program.



JULY 2011

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)

1. **Perini Corporation** **\$ 9,344,286** **Staff Summary Attached**
Contract No. CH053
Modification Nos. 26 Part IB & 62

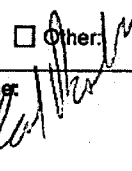
This request is for Board approval of modifications for the payment of impact cost due to time delays that are compensable to the Contractor and for revisions to existing and new catenary poles, foundations, guy cables and concrete guy anchors. The budget for these modifications will come from the Project's contingency and there will be no additional cost to the overall Project's budget.

2. **Yonkers Contraction Company** **\$ 672,239** **Staff Summary Attached**
Contract No. CM004
Modification No. 35

This request is for Board approval of a modification to incorporate design changes to the 245 Park Avenue entrance security system which shall include changes to the security head end equipment, conduits, cabling, cameras and the addition of door access control system. The budget for this modification will come from the Contract's contingency and there will be no additional cost to the overall Project's budget.

Schedule I: Modifications to Purchase and Public Work Contracts

Item Number 1

Vendor Name (& Location) Perini Corporation (Peekskill, New York)		Contract Number CH053	AWO/Modification # Mod 026 Part 1B, Mod 62
Description Construct Harold Structures Part I for the ESA Project		Original Amount: \$ 139,280,000	
Contract Term (Including Options, if any) 46 Months		Prior Modifications: \$ 31,468,739	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Prior Budgetary Increases: \$ 0	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive		\$ 170,748,739	
Solicitation Type <input type="checkbox"/> RFP <input checked="" type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification		\$ 9,344,286	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other: 		% of This Request to Current Amount: 5.47%	
Requesting Dept/Div & Dept/Div Head Name: East Side Access, A. Paskoff, P.E.		% of Modifications (including This Request) to Original Amount: 29.30%	

Discussion:

This contract is for the construction of various civil infrastructure elements in Harold Interlocking and to expand the existing LIRR/Amtrak right-of-way to enable mainline track diversions and facilitate the future construction of tunnels for the East Side Access ("ESA") Project. MTACC seeks Board approval for the following modifications:

Modification No. 026 Part 1B

This modification is for the payment of impact cost associated with MTACC not being able to secure an Entry Permit for the Contractor to enter into Amtrak property. Modification No. 26 Part 1A extended the Contract by 132 days as a result of the aforementioned delays but did not address the impact cost related to these delays. Of the 132 days, 91 were compensable. This modification (Part 1B) addresses the cost associated with the time delay.

Perini submitted a cost proposal of \$989,807 while MTACC's estimate is \$989,286. Negotiations were held, and Perini agreed to accept ESA's cost estimate of \$989,286 which is considered fair and reasonable. The budget for this modification will come from the Project's contingency and there will be no increase in the overall Project budget.

Modification No. 62

This modification is for revisions to Catenary poles, foundations, guy cables and concrete guy anchors. The original specifications in the Contract required that the Catenary Poles be designed to Amtrak AED-1 standards. During the design and staging approval process, Amtrak requested that the design shall also meet the Amtrak AED-2 standard. The AED-2 standard was put into place September 17, 2007, at which time CH053 was already out for bids. In addition, full sectionalizing switches (Full Tension Air Breaks) to facilitate power interruptions and minimize track outages in Harold Interlocking are required along with a final staging layout plan. The incorporation of these requirements in order to get Amtrak approval resulted in changes to the Catenary design. These revisions include the length of vertical poles, truss members, cross arms, cantilever brackets, guy anchors, support plates, attachment details and foundations. In all, modifications are required to be made to approximately fifty one (51) existing catenary poles and thirty five (35) new catenary poles and foundations along with the associated guy cables and concrete guy anchors that are being added.

The Mainline Package 5 is critical to the overall program schedule. Amtrak is presently reviewing the 100% submittal for Package 5. In order to allow the Contractor to continue this critical portion of work, MTACC proposes to modify the Contract based upon the 100% submittal package and for a lump sum at its estimate of \$8,355,000. This will allow the Contractor to perform work for the full set of catenary poles without further delay once final approval is received. The estimated amount is based upon similar work negotiated previously with this Contractor. Recognizing that there may be minor changes necessary when the drawings for each pole are finalized and released, Perini and MTACC will perform independent estimates and negotiate the final price based on the actual signed and sealed drawings. If necessary, a Part 2 reconciliation Modification will be processed. The budget for this modification will come from the Project's contingency and there will be no increase in the overall Project budget. An Errors & Omissions analysis to ascertain whether any of this cost is recoverable from the GEC is being conducted.

Schedule I: Modifications to Purchase and Public Work Contracts



Item Number 2

Vendor Name (& Location) Yonkers Contracting Company (Yonkers, New York)		Contract Number CM004	AWO/Modification # Mod 35
Description 44 th Street Vent Plant and 245 Park Avenue Entrance for the ESA Project		Original Amount: \$ 40,765,000	
Contract Term (including Options, If any) 737 Calendar Days		Prior Modifications: \$ 913,287	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Prior Budgetary Increases: \$ 0	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive		Current Amount: \$ 41,678,287	
Solicitation Type <input type="checkbox"/> RFP <input checked="" type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification		This Request \$ 672,239	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:		% of This Request to Current Amount: 1.16%	
Requesting Dept/Div & Dept/Div Head Name: East Side Access, A. Paskoff, P.E.		% of Modifications (including This Request) to Original Amount: 3.89%	

Discussion:

This Contract is for the construction of the 44th Street Vent Plant and the 245 Park Avenue Entrance. Board approval is requested for changed contract work as a result of security system design changes.

This modification is to incorporate design changes to the 245 Park Avenue entrance security system. The system was designed to be compatible with Metro-North's GCT security and communication system requirements that were in place during the design period. The Metro North system has since been replaced by a much more sophisticated system. Therefore a revision of the 245 Park Avenue entrance system was required to incorporate current technology, to achieve compatibility and design interface with Metro North's ("MNR") current security system and to address some additional MNR comments. This will require revisions to the construction contract (CM004) which shall include changes to the security head end equipment, conduits, cabling, cameras and the addition of door access control system.

The Contractor submitted a proposal in the amount of \$880,685 and the MTACC estimate was \$667,527. Negotiations were held and the parties agreed to \$672,239 which is considered fair and reasonable as it falls within an acceptable parameter of the estimate. The cost of the modification will come from the Contract's existing contingency. There are no schedule impacts as a result of this change.



Bridges and Tunnels

Procurements July 2011

Staff Summary

Subject:	Request for Authorization to Award Various Procurements
Department:	Procurement
Department Head Name	Anthony W. Koestler
Department Head Signature	<i>Anthony W. Koestler</i>
Project Manager Name	Various

Date	July 8, 2011
Vendor Name	
Contract Number	
Contract Manager Name	
Table of Contents Ref #	

Board Action					
Order	To	Date	Approval	Info	Other
1	President	7/8/11			
2	MTA B&T Committee	7/25/11			
3	MTA Board	7/27/11			

Internal Approvals			
Order	Approval	Order	Approval
	President <i>DM/JF</i>		VP Operations
	Executive Vice President <i>DM</i>		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:

<u>Schedules Requiring Majority Vote</u>		<u># of Actions</u>	<u>\$ Amount</u>
Schedule F	Personal Service Contracts	3	\$10.716M
Schedule H	Modifications to Personal/Miscellaneous Service Contracts	2	\$ 4.402M
SUBTOTAL		5	\$15.118M

MTA B&T presents the following procurement actions for Ratification: None

TOTAL	5	\$15.118M
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BUDGET IMPACT:

The purchases/contracts will result in obligating MTA B&T and Capital funds in the amount listed. Funds are available in the current MTA B&T operating/capital budgets for this purpose.

RECOMMENDATION:

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

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

MTA BRIDGES & TUNNELS
TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

WHEREAS, in accordance with §559 and §2879 of the Public Authorities Law and the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive purchase and public work contracts, and the solicitation and award of request for proposals in regard to purchase and public work contracts; and

WHEREAS, in accordance with §2879 of the Public Authorities Law and the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive miscellaneous procurement contracts, and certain changes orders to procurement, public work, and miscellaneous procurement contracts; and

WHEREAS, in accordance with § 2879 of the Public Authorities Law and the All Agency Guidelines for Procurement of Services, the Board authorizes the award of certain service contracts, and certain change orders to service contracts; and

NOW, the Board resolves as follows:

1. As to each purchase and public work contract set forth in annexed Schedule A, the Board declares competitive bidding to be impractical or inappropriate for the reasons specified therein and authorizes the execution of each such contract.
2. As to each request for proposals (for purchase and public work contracts) set forth in Schedule B for which authorization to solicit proposals is requested, for the reasons specified therein, the Board declares competitive bidding to be impractical or inappropriate, declares it is in the public interest to solicit competitive request for proposals and authorizes the solicitation of such proposals.
3. As to each request for proposals (for purchase and public work contracts) set forth in Schedule C for which a recommendation is made to award the contract, the Board authorizes the execution of said contract.
4. The Board ratifies each action set forth in Schedule D for which ratification is requested.
5. The Board authorizes the execution of each of the following for which Board authorization is required: i) the miscellaneous procurement contracts set forth in Schedule E; ii) the personal service contracts set forth in Schedule F; iii) the miscellaneous service contracts set forth in Schedule G; iv) the modifications to personal/miscellaneous service contracts set forth in Schedule H; the contract modifications to purchase and public work contracts set forth in Schedule I; and vi) the modifications to miscellaneous procurement contracts set forth in Schedule J.
6. The Board ratifies each action taken set forth in Schedule K for which ratification is requested.
7. The Board authorizes the budget adjustments to estimated contracts set forth in Schedule L.

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL
JULY 2011

MTA BRIDGES & TUNNELS

Procurements Requiring Majority Vote:

F: Personal Service Contracts

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

1. **STV Incorporated** **\$ 4,764,614.33** **Staff Summary Attached**
Contract No. PSC-10-2886
4 yr. contract – Competitive RFP – 3 Proposals
Provide construction administration and management services for VN-03B, Toll Plaza Improvements at the Verrazano-Narrows Bridge.
2. **LiRo Engineers, Inc.** **\$ 4,541,525.00** **Staff Summary Attached**
Contract No. PSC-10-2888
2 yr. 10 mo. contract – Competitive RFP – 4 Proposals
Provide construction management and inspection services for Project TN-82B, Interim Repairs to Orthotropic Deck Structures at the Throgs Neck Bridge.
3. **Ross & Baruzzini, Inc.** **\$ 1,409,990.92** **Staff Summary Attached**
Contract No. PSC-10-2887
4 yr. contract – Competitive RFP – 3 Proposals
Provide design and design support services for Task 26, Installation of an Integrated Electronic Security System at the Throgs Neck Bridge.

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. **WSP-Sells** **\$ 4,000,000.00** **Staff Summary Attached**
STV Incorporated (aggregate not-to-exceed
HNTB New York Engineering amount for the
& Architecture, P.C. 5 contracts)
Edwards and Kelcey Engineers, Inc.
Gannett Fleming Engineers and
Architects, P.C.
Contract Nos. PSC-06-2807 A - E
Increase funding in the aggregate amount of \$4,000,000 for five personal service contracts to provide miscellaneous design services on an as-needed basis for various projects, which include design scoping, designing safety and red flag repairs, deck repairs, structural steel repairs, value engineering, condition inspections and engineering investigations. The contracts will be extended through May 31, 2014.
5. **Atkins, P.A.** **\$ 401,870.00** **Staff Summary Attached**
Contract No. PSC-08-2843
Additional work for the All Electronic Tolling (AET) pilot at the Henry Hudson Bridge.

Staff Summary

Page 1 of 2

Item Number 1 (Final)					
Dept & Dept Head Name: Engineering and Construction, Joe Keane, P.E. <i>UM</i>					
Division & Division Head Name: Engineering and Construction, Vincent Montanti, P.E. <i>UM</i>					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	President	7/8/11			
2	MTA B&T Committee	7/25/11			
3	MTA Board	7/27/11			
Internal Approvals					
Order	Approval	Order	Approval		
1	Chief Financial Officer <i>DS</i>	4	Chief of Staff <i>CS</i>		
2	General Counsel <i>mm</i>	5	Executive Vice President <i>mm</i>		
3	Chief Procurement Officer <i>ack</i>	6	President <i>Tom J.F.</i>		

SUMMARY INFORMATION	
Vendor Name STV Incorporated	Contract Number PSC-10-2886
Description: Construction Administration and Management Services for VN-03B, Toll Plaza Improvements at the Verrazano-Narrows Bridge	
Total Amount \$4,764,614.33	
Contract Term (including Options, if any) Four years	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

Narrative

I. PURPOSE/RECOMMENDATION

B&T is seeking Board approval under the All Agency Guidelines for Procurement of Services to award a personal service contract for Construction Administration and Management Services for VN-03B, Toll Plaza Improvements at the Verrazano-Narrows Bridge for a period of four years at a cost of \$4,764,614.33.

II. DISCUSSION

B&T requires the services of a consultant to provide construction management and inspection services for toll plaza improvements at the Verrazano-Narrows Bridge. These improvements include but are not limited to: demolition and removal of three existing east-bound toll booths; widening of the Father Capadanno ramp; replacement of the Narrows Road South Bridge over existing Lily Pond Ave. exit ramp; construction of a new, east-bound VNB lower level connector ramp; replacement of Lily Pond entrance ramp; installation and removal of new overhead sign structures; installation of new VMS and CCTV equipment; relocation of ITS equipment; construction of retaining walls; construction of a maintenance roadway connecting the SIE and Lily Pond Ave; installation of guide rail and concrete barrier; installation of highway lighting on new and reconstructed ramps; and other associated work.

Staff Summary

Page 2 of 2

The service requirements were publicly advertised; 10 firms submitted qualification information. Three firms were chosen to receive the RFP based on a review of those qualifications and all three firms, GPI, LiRo Engineers, Inc. ("LiRo") and STV Incorporated ("STV") submitted proposals. The proposals were evaluated against established criteria set forth in the RFP, including an understanding of the technical requirements, technical expertise, proposed personnel, oral presentations and cost. The committee unanimously selected STV on the basis that its proposal included: (i) an excellent support team led by a highly qualified Resident Engineer (RE) with a solid record of performance at the VNB facility and an Intelligent Transportation System inspector possessing significant expertise and a superior knowledge of the multiple locations where work will be performed at this facility and (ii) the lowest cost. STV's proposed hours were predicated on its understanding of the services and the potential savings expected to be realized based on the proposed RE's current on-site location under another contract. B&T recognized that additional hours may be needed to address coordination activities with both the contractor and with New York State Department of Transportation (who is responsible for the design and will be involved as the work progresses). Consequently additional inspection hours were negotiated in STV's proposal. The total negotiated cost remains substantially lower than the costs proposed by LiRo and by GPI.

STV submitted a cost of \$4,238,986. The Engineer's estimate is \$6,883,000. Negotiations were conducted and the negotiated cost of \$4,764,614.33 is 31% below the Engineer's estimate and is considered fair and reasonable. STV is deemed to be a responsible consultant.

III. D/M/WBE INFORMATION

The MTA DDCR has established goals of 15% MBE and 5% WBE for the referenced contract. This contract will not be awarded without approval of MTA DDCR.

IV. IMPACT ON FUNDING

Funding is available under Project VN-03 in the 2010-14 Capital Budget.

V. ALTERNATIVES

There are no recommended alternatives. The Authority does not possess the resources required to perform these services.

Staff Summary

Page 1 of 2

Item Number 2 (Final)					
Dept & Dept Head Name: Engineering & Construction, Joe Keane, P.E. <i>✓</i>					
Division & Division Head Name: Engineering & Construction, Vincent Montanti, P.E. <i>✓</i>					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	President	7/8/11			
2	MTA B&T Committee	7/25/11			
3	MTA Board	7/27/11			
Internal Approvals					
Order	Approval	Order	Approval		
1	Chief Financial Officer <i>DS</i>	4	Chief of Staff <i>ES</i>		
2	General Counsel <i>MMT</i>	5	Executive Vice President <i>Tom</i>		
3	Chief Procurement Officer <i>ack</i>	6	President <i>OK</i>		

SUMMARY INFORMATION	
Vendor Name LiRo Engineers, Inc.	Contract Number PSC-10-2888
Description: Construction Management and Inspection Services for Project TN-82B, Interim Repairs to Orthotropic Deck Structures at the Throgs Neck Bridge	
Total Amount: \$4,541,525	
Contract Term (Including Options, if any) Two (2) years, ten (10) months	
Option(s) Included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

Narrative

I. PURPOSE/RECOMMENDATION

B&T is seeking Board approval under the All Agency Guidelines for Procurement of Services to award a personal service contract for Construction Management and Inspection Services for Project TN-82B, Interim Repairs to Orthotropic Deck Structures at the Throgs Neck Bridge (TNB) to LiRo Engineers, Inc. (LiRo) for a period of two years, ten months at a cost of \$4,541,525.

II. DISCUSSION

B&T requires the services of a consultant to provide construction management and inspection services for the interim repairs to orthotropic deck structures and abrasive blast cleaning and painting of the Bronx Approach at the TNB and specific repairs on the Queens Approach.

The service requirements were publicly advertised and fourteen firms submitted qualification information. Five firms, LiRo; Ammann & Whitney Consulting Engineers, P.C (A&W); Greenman Pedersen, Inc. (GPI); AECOM and Hardesty & Hanover, LLP (H&H) were chosen to receive the RFP. Four firms excluding H&H submitted proposals. The proposals were evaluated against established criteria set forth in the RFP, including an understanding of the technical requirements, technical expertise, proposed personnel, oral presentations and cost. The evaluation committee recommended the

Staff Summary

Page 2 of 2

selection of LiRo based on its: extensive inspection experience together with staffing levels proposed for steel repairs, paint removal and application in line with the Engineer's estimate; emphasis on the importance of precautionary fire safety procedures prior to performing all welding activities; and, recommended procedures for the Contractor to utilize both prior to and during the performance of plasma cutting, which is a newly specified steel cutting methodology for performing the subfloor beam web repairs. A&W and AECOM submitted proposals that were deemed insufficient in terms of hours to adequately support the needs of the Project. GPI's proposal was considered overstated in terms of hours and personnel proposed. LiRo was selected as the technically preferred firm and although they did not propose the lowest cost, its proposal was considered the most favorable and efficient in order to satisfy the work requirements.

LiRo submitted a proposal in the amount of \$4,722,551. The Engineer's estimate is \$5,860,259. Negotiations were conducted whereby the Authority and LiRo agreed to reductions totaling \$181,026. The negotiated amount totals \$4,541,525, which is 22.5% below the estimate and is considered fair and reasonable. LiRo is deemed to be a responsible consultant.

III. D/M/WBE INFORMATION

The MTA DDCR has established goals of 10% MBE and 10% WBE for the referenced contract. This contract will not be awarded without approval of MTA DDCR.

IV. IMPACT ON FUNDING

Funding is available under Project TN-82B in the amount of \$1,924,956 (Construction Administration) and \$2,616,569 (Paint Construction Administration) in the 2010 – 2014 Capital Budget.

V. ALTERNATIVES

There are no recommended alternatives. The Authority does not possess the resources required to perform these services.

Staff Summary

Page 1 of 2

Item Number 3 (Final)					
Dept & Dept Head Name: <i>Joe Keane</i> Engineering and Construction, Joe Keane, P.E.					
Division & Division Head Name: <i>Vincent Montanti</i> Engineering and Construction, Vincent Montanti, P.E.					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	President	7/8/11			
2	MTA B&T Committee	7/25/11			
3	MTA Board	7/27/11			
Internal Approvals					
Order	Approval	Order	Approval		
1	Chief Financial Officer <i>AKOS</i>	4	Chief of Staff <i>IS</i>		
2	General Counsel <i>MMT</i>	5	Executive Vice President <i>mm</i>		
3	Chief Procurement Officer <i>awc</i>	6	President <i>mm JF</i>		

SUMMARY INFORMATION	
Vendor Name Ross & Baruzzini, Inc.	Contract Number PSC-10-2887
Description: Design and Design Support Services for Task 26, Installation of an Integrated Electronic Security System at the Throgs Neck Bridge	
Total Amount \$1,409,990.92	
Contract Term (including Options, if any) Four years	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input checked="" type="checkbox"/> Other: DHS Grant	

Narrative

I. PURPOSE/RECOMMENDATION

B&T is seeking Board approval under the All Agency Guidelines for Procurement of Services to award a personal service contract for Design and Design Support Services During Construction for Task 26, Installation of an Integrated Electronic Security System at the Throgs Neck Bridge to Ross & Baruzzini, Inc. (R&B) for a period of four years at a cost of \$1,409,990.92.

II. DISCUSSION

B&T is the recipient of Federal Homeland Security funding through the Department of Homeland Security for the design and design support services of Task 26, the Furnishing and Installation of an Integrated Electronic Security System at the Throgs Neck Bridge (TNB). The service requirements were publicly advertised; 15 firms submitted qualification information. Four firms were chosen to receive the RFP based on a review of those qualifications and three firms, R&B, PB Americas, Inc. (PB) and Jacobs Civil Consulting (Jacobs) submitted proposals. The proposals were evaluated against established criteria set forth in the RFP, including an understanding of the technical requirements, technical expertise, proposed personnel, oral presentations and cost. The committee unanimously selected R&B on the basis that its proposal included: (i) a highly qualified team with outstanding expertise in the design and integration of electronic security systems; (ii) significant experience in managing contracts under Federal Grant Programs including FEMA; and

(rev. 4/07/10)

Staff Summary

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(iii) the lowest cost. Although Jacobs and PB submitted acceptable proposals, their proposed costs were significantly higher than R&B's proposal. R&B submitted a cost proposal in the amount of \$1,481,306.04. The Engineer's estimate is \$1,065,000. Negotiations were conducted and the proposal was reduced to \$1,409,990.92. It was determined that the estimate understated the time required to perform the investigation and design brief task. The negotiated amount of \$1,409,990.92 is considered fair and reasonable. R&B is deemed to be a responsible consultant.

III. D/M/WBE INFORMATION

The MTA DDCR has established goals of 17% DBE for the referenced contract. This contract will not be awarded without approval of MTA DDCR.

IV. IMPACT ON FUNDING

Funding is available through the G Program under G5140109.

V. ALTERNATIVES

There are no recommended alternatives. The Authority does not possess the resources required to perform these services.

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

Item Number: 4

(Final)

Vendor Name (& Location) WSP-Sells, Briarcliff Manor, NY STV Incorporated, New York, NY HNTB New York Engineering & Architecture, P.C., New York, NY Edwards and Kelcey Engineers, Inc., New York, NY Gannett Fleming Engineers and Architects, P.C., New York, NY	Contract Number PSC-06-2807A PSC-06-2807B PSC-06-2807C PSC-06-2807D PSC-06-2807E	AWO/Modification #
Description Miscellaneous Design Services on an As-Needed Basis	Original Amount: \$12,000,000	
Contract Term (including Options, if any) October 26, 2007 – October 25, 2012 (A) November 1, 2007 – October 31, 2012 (B) February 14, 2008 – February 13, 2013 (C) October 23, 2008 – October 22, 2013 (D) August 14, 2008 – August 13, 2013 (E)	Prior Modifications: \$0	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Prior Budgetary Increases: N/A	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	Current Amount: \$12,000,000	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	This Request: Aggregate NTE \$4,000,000	
Funding Source <input checked="" type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	% of This Request to Current Amount: 33%	
Requesting Dept/Div & Dept/Div Head Name: Engineering & Construction, Joe Keane, P.E.	% of Modifications (including This Request) to Original Amount: 33%	

Discussion:

B&T is seeking Board approval under the All Agency Guidelines for Procurement of Services to increase funding under five personal service contracts for miscellaneous design services on an as-needed basis in the aggregate amount of \$4,000,000. Contracts PSC-06-2807A - PSC-06-2807E were awarded to the above five firms pursuant to a competitive proposal process in an aggregate amount not to exceed \$12M for all five contracts. Under these contracts, B&T issues work orders to perform various projects, which typically include design scoping, designing safety and red flag repairs, deck repairs, structural steel repairs, value engineering, condition inspections and engineering investigations. Through June 14, 2011, work orders totaling over \$10M have been awarded. In addition, over \$2M in requests are currently in process. B&T has determined that continuing to acquire these types of services by utilizing these miscellaneous design contracts is administratively more cost effective and time efficient than soliciting these services under separate RFPs. The \$4M requested will provide funding required to support additional needs through Spring 2012 (which is the time targeted to award a new group of as-needed contracts) with a small contingency for work order modifications necessary to address potential unforeseen issues discovered during the design process. The current contracts will be extended through May 31, 2014 so that there is a two year overlap to ensure continuity of services for work orders issued between now and the award of the new contracts.

The additional funding requested under this amendment will support essential miscellaneous design needs in the 2011-14 Major Maintenance Budget and 2010-14 Capital Program that are required until new contracts are awarded. The consultants will be compensated in accordance with the rates in the contracts. Based on the above, the aggregate value of \$4,000,000 under the prospective contract amendments is considered fair and reasonable.

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

Item Number:

Vendor Name (& Location) Atkins, P.A., Edison, NJ		Contract Number PSC-08-2843	AWO/Modification #
Description Consultant Services to Perform a Barrier Free Tolling Preparation Assessment		Original Amount: \$1,492,184	
Contract Term (including Options, if any) February 12, 2009 – July 31, 2011		Prior Modifications: \$655,115	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Prior Budgetary Increases: \$0.00	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive		Current Amount: \$2,147,299	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:		This Request: \$401,870	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:		% of This Request to Current Amount: 18.7%	
Requesting Dept/Div & Dept/Div Head Name: Budget and Strategic Planning, Dore Abrams		% of Modifications (including This Request) to Original Amount: 70.8%	

Discussion:

B&T is seeking Board approval under the All Agency Guidelines for Procurement of Services to modify this Contract with Atkins, P.A. (Atkins) for additional work needed for the All Electronic Tolling (AET) pilot at the Henry Hudson Bridge (HHB) in the amount of \$401,870.

The contract was awarded to Atkins (formerly PBS&J, P.A. dba PBS&J Architecture & Engineering) in February 2009 in the amount of \$1,492,184 for a duration of 14 months to perform a study and provide an assessment of the issues involved in converting the current gated toll collection system to a cashless barrier-free system. The study is exploring the related technical, policy, legal and financial issues involved in converting to a barrier-free environment. At the conclusion of the study, Atkins will provide B&T with a Concept of Operations for Barrier-Free Tolling and identify different alternatives for this new approach to toll collection. Since Board approval of the original contract, \$655,115 was added to the contract to enable the consultant to assist B&T in implementing the AET pilot program at the HHB and the contract has been extended through July 31, 2011. This amendment constitutes a substantial change.

This proposed amendment calls for Atkins to provide continued assistance in the review, implementation and monitoring of all project deliverables (e.g. test scripts and design documents) received from the Customer Service Center (CSC) contractor in relation to the AET pilot at the Henry Hudson facility. In addition, Atkins is to provide expertise in the development and testing of the system modifications prior to final implementation; assist in project management services; and provide live AET implementation analysis.

Atkins proposed an amount of \$401,870; the user's estimate was \$402,767. B&T accepted Atkins' proposed amount. The man-hours have been reviewed by project management and were found to be acceptable. In comparison with the estimate, the price is considered fair and reasonable. Funding for this amendment is available in the 2010-2014 Capital Program, Project AW-48.

Staff Summary

Subject MTAPD Radio - Strategic Partnerships	Date July 25, 2011
Department Security	Vendor Name
Department Head Name Douglas Zaigler, MTA Director of Security and Helena E. Williams, President, LIRR	Contract Number
Department Head Signature <i>Helena E. Williams</i> CAP	Contract Manager Name
Project Manager Name John Hyland, LIRR	Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Security	7/25	X		
2	MTA Board	7/27	X		

Internal Approvals			
Order	Approval	Order	Approval
3	LIRR VP ESA/Special Projects <i>JWC</i>	5	MTA Managing Director <i>mg</i>
4	MTA Chief of Staff <i>ALG</i>		
2	MTA General Counsel <i>DM</i>		
1	LIRR General Counsel <i>CAP</i>		

I. PURPOSE/RECOMMENDATION

This Staff Summary seeks to update the Board regarding the results of the alternatives analysis undertaken by Booz Allen Hamilton, Inc. ("BAH") of the MTA Police Department's ("MTAPD's") radio system and the Executive Committee's recommendation to proceed with the first alternative, and to obtain Board authorization for the MTA Director of Security ("Director") to enter into agreements to form strategic partnerships with local and state governmental entities consistent with the selected alternative. These strategic partnerships will allow the MTAPD to leverage and utilize existing radio system infrastructure as it moves ahead with the design, construction and operation of a public safety-grade two-way land mobile radio communications network in the most cost-efficient manner, while protecting the safety of MTA customers and police officers.

II. DISCUSSION

MTAPD police officers require the use of a two-way radio system for receiving dispatch orders, reporting information to headquarters, and calling for emergency assistance. In October of 2010, the Board approved the award of a contract to BAH to analyze the MTAPD's radio system and to develop recommendations for its improvement. The contract required BAH to conduct an alternatives analysis and to develop a recommendation for the single best and most cost effective alternative that satisfies aspects of a public safety-grade radio system design. The contract contained an option for BAH to develop a 30% design for this recommendation. When the contract was approved last October, the Board requested that it be notified when the project was to ready to move on to the 30% design stage.

BAH has completed its alternative analysis, and LIRR and MTAPD, acting jointly as project manager, are ready to authorize BAH to develop the 30% design for the negotiated amount of \$547,601. BAH's alternatives analysis considered ten possible alternatives and determined that only four solutions provided the MTAPD a public safety grade radio system and were feasible in scope, schedule and cost. Alternative 1 requires MTAPD to expand upon the existing New York State Police ("NYSP") Metro 21 and the Connecticut Department of Public Safety ("CDPS") 800 MHz base systems. The advantages to this alternative are its low installation and maintenance costs, the fact that it satisfies interoperability requirements, and its low implementation complexity. Alternative 2 requires MTAPD to install a new and exclusive 700 MHz channel in New York State, while expanding upon the existing CDPS 800 MHz system in Connecticut. Alternative 3 requires MTAPD to expand upon the existing NYSP Metro 21 and CDPS 800 MHz systems and also envisions full radio system partnership agreements to be formed between MTAPD and the primary public-safety agencies within each New York county in the MTA region. Alternative 4 requires MTAPD to design, construct, operate and maintain a new 700 MHz channel radio system in both states.

Staff Summary

The Executive Committee ("EC") that was formed in connection with the BAH procurement has reviewed the BAH alternatives analysis and has recommended proceeding with BAH's first alternative. The EC determined that Alternatives 2 and 4 were infeasible because of high cost issues; additionally, alternative 4 had long cost schedules and issues with acquiring radio frequency. As for Alternative 3, the EC has recommended evaluating the potential for counties to partner with the MTAPD on a county-by-county basis as part of Alternative 1; having thus incorporated a review of partnering with local counties into Alternative 1, there is no need to proceed with Alternative 3.

Alternative 1 is based upon the premise that MTAPD will form strategic partnerships with local law enforcement and public safety agencies, including the NYSP, CDPS, and the primary public safety agencies within the counties in the MTA region. These mutual aid-type agreements to be negotiated by MTAPD and these agencies will allow MTAPD to leverage existing infrastructure and will create opportunities for improved communication between local law enforcement agencies and enhanced interoperability of the public safety communications systems within the MTA service territory.

This cooperative approach is already bearing fruit. As a result of the MTAPD's partnership with NYSP, MTAPD was able to obtain a spare Metro 21 channel for use by MTAPD officers assigned to patrol Staten Island. A bi-directional amplifier was recently installed in the St. George Terminal to improve coverage, and testing is underway. MTAPD officers assigned to Staten Island, who previously did not have a communication bridge between themselves and MTAPD police dispatch, will now have a new method of dispatch communications during their daily patrol operations. It is anticipated that MTAPD will be entering into additional agreements with NYSP to build upon their existing 800 MHz Metro 21 radio system once the 30% BAH design is complete.

In addition, MTAPD anticipates entering into an agreement shortly with CDPS to advance \$3.5 million from the 2005-2009 Capital Program to CDPS to support the purchase and installation of equipment to enhance CDPS' existing SmartZone Radio System in Fairfield and New Haven counties. This agreement will also address long-term maintenance and operating expenses. The \$3.5 million capital investment will allow MTAPD to leverage the benefits of the existing CDPS radio infrastructure, which has a value of approximately \$40 million, and, as noted above, is a much lower cost alternative than building a new system within the State of Connecticut. MTAPD will seek reimbursement for these expenditures from the State of Connecticut.

In order to effectuate this strategy of leveraging existing communication assets and partnering with state and local public safety agencies to promote greater interoperability of their communications systems, the Director seeks authorization to enter into the necessary contracts, agreements, and other instruments with NYSP, CDPS, and other state or local public safety agencies.

III. IMPACT ON FUNDING

The MTAPD Capital Budget will fund this project, and the MTAPD Operating Budget will fund associated maintenance and operating expenses.

IV. ALTERNATIVES

Not to proceed with this alternative. This is not practical, as the alternatives evaluated by BAH that would have required, in whole or in part, construction of a new base system, have significantly higher site acquisition, installation and maintenance costs.