



Metropolitan Transportation Authority

# December 2011

**MTA Board Action Items**



**MEETING AGENDA  
METROPOLITAN TRANSPORTATION AUTHORITY BOARD  
December 21, 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 January 25, 2012 at 9:30 a.m.

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

**Wednesday, November 16, 2011  
9:30 a.m.**

**The following members were present:**

**Hon. Andrew M. Saul, Acting Chairman and 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. Jeffrey A. Kay  
Hon. Mark D. Lebow  
Hon. Susan Metzger  
Hon. Mark Page  
Hon. Mitchell H. Pally  
Hon. James L. Sedore, Jr.  
Hon. Carl V. Wortendyke**

**The following members were absent:**

**Hon. Patrick J. Foye  
Hon. Charles G. Moerdler  
Hon. Nancy Shevell  
Hon. Ed Watt**

Joseph J. Lhota, Executive Director, Nuria Fernandez, Chief Operating Officer, Catherine Rinaldi, Chief of Staff, James B. Henly, MTA General Counsel, Board Member Andrew Albert, Board Member Norman Brown, Board Member Ira R. Greenberg, Board Member Vincent Tessitore, Robert Bergen, Executive Vice President, NYCTA, Helena E. Williams, President of Long Island Railroad, Howard Permut, President of Metro-North Rail Road, James Ferrara, President of TBTA, Darryl Irick, President of MTA Bus Operations, Michael Horodniceanu, President of MTA Capital Construction, and Hilary Ring, Director, Community Affairs also attended the meeting.

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

Commuter Railroad Company, the MTA Capital Construction Company, the MTA Bus Company, and the First Mutual Transportation Assurance Company.

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

Vice Chairman Saul, the Acting Chairman of the MTA, called the meeting to order.

1. **PUBLIC SPEAKERS.** There were two (2) public speakers. None of the speakers addressed items specific to the MTA agenda. Refer to the NYCTA's minutes of this date for public speakers' comments.

2. **CHAIRMAN'S REMARKS.**

Acting Chairman Saul introduced Joseph Lhota, MTA Executive Director.

Executive Director Lhota expressed his gratitude to Thomas Prendergast, President, NYCTA, for his day-to-day handling of certain managerial responsibilities at the MTA over the last month. Mr. Lhota also introduced Nuria Fernandez, MTA's new Chief Operating Officer. In brief remarks, the Executive Director noted that as a life-long New Yorker and transit rider, he was honored to be back at the MTA and acknowledged the progress that has been made at the MTA within the last two years. Mr. Lhota stated that he looks forward to serving the MTA and working with the staff to continue to provide quality transportation to the public.

On behalf of the Board, Acting Chairman Saul welcomed Mr. Lhota.

3. **MINUTES.** Upon motion duly made and seconded, the Board approved the minutes of the regular Board meeting held on October 26, 2011.

4. **COMMITTEE ON FINANCE.**

- A. **Procurement Items.** Upon motion duly made and seconded, the Board approved the following procurement items, described in further detail in the attached staff summaries and documentation. Board Member Cappelli recused himself from the vote on item # 2 below.

1. Antenna Design - Industrial Design Services – No. 10199-0100, S/A # 1. Approved modifications to a non-competitive contract with Antenna Design to provide additional industrial design services for the MTA New Fare Payment Systems project.
2. Various Contractors – All-Agency Quantitative Market Research Services – Nos. 10161-0100 thru 0800. Approved competitive contracts with Abt SRBI,

Inc., Global Strategy Group, LLC, Lieberman Research Group, Marketing Information Systems International, Inc., Mktg. Inc./HSR Market Research, Resource Systems Group, Inc., TNS Custom Research, Inc. and Widener-Burrows & Associates, Inc. to provide Quantitative Market Research Services on an as-needed basis for a period of forty-eight months from January 1, 2012 to December 31, 2015.

3. Cassidy Turley New York, Inc. – All-Agency Real Estate Brokerage Services – No. 10083-0100. Approved a competitive contract to provide all-agency, as needed, real estate brokerage services for MTA Real Estate throughout the tri-state region for various retail and commercial properties controlled by the MTA.
4. Croker Fire Drill Corporation – Fire Safety Services for MTAHQ Buildings – No. 11140-0100. Approved a competitive contract to assist MTA in complying with New York City Local Law regarding Comprehensive Fire Safety & Emergency Action Plan for MTA’s Headquarters buildings (341, 345 and 347 Madison Avenue).
5. PriceWaterhouseCoopers Advisory LLC (“PWC”) – Quality Assurance Services for MTA Shared Services/ERP – No. 08095-0200. Ratification of an amendment to a competitively negotiated contract with PWC (formerly known as Diamond Management & Technology Consultants NA, Inc.) for additional quality assurance and oversight services for the BSC implementation, to ensure continued progress and the timely readiness of the rollout of the payroll and HR functions for NYCTA, MTA Bus, SIRTOA and B&T.

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

**New York City Transit Authority**

1. Lease agreement with AMH Newsstand Inc., a N.Y.S. corporation wholly owned by Abdul Hamid, for the operation of a newsstand located at Kew Gardens – Union Turnpike Subway Station, Queens, N.Y.
2. License agreement with Cord Meyer Development LLC to allow passage of NYCTA buses through the Bay Terrace Shopping Center (Block 5900, Lot 2), and the installation by NYCTA of a bus pad at the southeast corner of 213<sup>th</sup> Place (south of 23<sup>rd</sup> Avenue), Bayside, Queens, N.Y.

**Long Island Commuter Rail Road**

3. Lease agreement with a special purpose entity to be formed by Lynbrook Property Management for the renovation and sublease of retail stores located at 45 and 48 Atlantic Avenue, Lynbrook, N.Y.

5. **COMMITTEE ON CORPORATE GOVERNANCE.**

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 and documentation.

1. Revisions to MTA and Agency by-laws governing indemnification procedures.
2. Revisions to the Audit, Finance and Diversity Committee Charters and to the MTA Governance Guidelines.
3. Revisions to MTA All-Agency Code of Ethics and the MTA Board Members' Code of Ethics.
4. Revisions to All-Agency Bereavement Policy.

6. **COMMITTEE ON AUDIT.** Upon motion duly made and seconded, the Board approved the Enterprise Risk Management and Internal Control Guidelines.

**JOINT MEETING.** The Acting Chairman convened a concurrent meeting of the Committee on Finance.

7. **PRESENTATION TO A JOINT SESSION OF THE BOARD AND THE FINANCE COMMITTEE – 2012 FINAL PROPOSED BUDGET, NOVEMBER FINANCIAL PLAN 2012-2015 AND THE 2012-2014 CAPITAL FUNDING PROPOSAL UPDATE.**

Acting Chairman Saul introduced the presentation of the proposed 2012 budget and 2012-2015 financial plan, stating that the November presentation was for purposes of discussion and that the full Board would vote on the Budget materials at its meeting on December 21, 2011.

MTA Chief Financial Officer Robert Foran presented an overview of the MTA 2012 Final Proposed Budget and the November Financial Plan 2012-2015, and Linda Kleinbaum, Deputy Executive Director of Administration, presented an update on the Capital Funding Plan. Copies of the proposed budget and plan were distributed to Board members at the meeting. Acting Chairman Saul thanked Mr. Foran and Ms. Kleinbaum for their presentation and invited Board discussion concerning the proposed budget, the financial and the Capital plans.

An extensive discussion of the MTA 2012 Final Proposed Budget and the November Financial Plan 2012-2015 was undertaken by members of the Board. The details of the presentation on the proposed budget and financial plan and Board members' comments and questions with respect thereto are included in the video recording of the meeting produced by the MTA and maintained in MTA records.

8. **ADJOURNMENT.**

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 11:00 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, November 16, 2011  
9:30 a.m.**

**The following members were present:**

**Hon. Andrew M. Saul, Acting Chairman and 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. Jeffrey A. Kay  
Hon. Mark D. Lebow  
Hon. Susan Metzger  
Hon. Mark Page  
Hon. Mitchell H. Pally  
Hon. James L. Sedore, Jr.  
Hon. Carl V. Wortendyke**

**The following members were absent:**

**Hon. Patrick J. Foye  
Hon. Charles G. Moerdler  
Hon. Nancy Shevell  
Hon. Ed Watt**

Joseph J. Lhota, Executive Director, Nuria Fernandez, Chief Operating Officer, Catherine Rinaldi, Chief of Staff, James B. Henly, MTA General Counsel, Board Member Andrew Albert, Board Member Norman Brown, Board Member Ira R. Greenberg, Board Member Vincent Tessitore, Robert Bergen, Executive Vice President, NYCTA, Helena E. Williams, President of Long Island Rail Road, Howard Permut, President of Metro-North Rail Road, James Ferrara, President of TBTA, Darryl Irick, President of MTA Bus Operations, Michael Horodniceanu, President of MTA Capital Construction, and Hilary Ring, Director, Community Affairs also attended the meeting.

1. **ACTING CHAIRMAN SAUL CALLED THE MEETING TO ORDER**
2. **PUBLIC COMMENT PERIOD**

Two public speakers addressed NYC Transit/MTA Bus issues.

Tareque Ahmed discussed an incident in which he was assaulted while performing his duties as a station agent, and also objected to an increase in workers' health care contributions.

Bruce Hain urged the MTA to improve subway infrastructure and wheel maintenance.

3. **ACTING CHAIRMAN SAUL'S COMMENTS**

Details of Acting Chairman Saul'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 October 26, 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: (i) a license agreement for the operation of a newsstand at Kew Gardens – Union Turnpike Subway Station, Queens Blvd. Line, Queens, NY; and (ii) a license agreement with Cord Meyer Development LLC allowing passage of NYCT buses through the Bay Terrace Shopping Center and the installation of NYCT of a bus pad on private roadway.

6. **COMMITTEE ON TRANSIT OPERATIONS**  
**NYC Transit**

**Procurements**

**Non-Competitive Procurements:** Upon motion duly made and seconded, the Board approved the non-competitive procurements requiring a two-thirds vote (Schedule A 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.

**7. COMMITTEE ON CORPORATE GOVERNANCE**

Revisions to By-Laws: Upon motion duly made and seconded, the Board voted to approve a proposed revision to MTA and Agency by-laws, governing indemnification procedures.

Revision to Board Committee Charters and Governance Guidelines: Upon motion duly made and seconded, the Board voted to approve proposed revisions to the Audit, Finance and Diversity committee charters and to the MTA Governance Guidelines.

Revisions to MTA Codes of Ethics: Upon motion duly made and seconded, the Board voted to amend the existing MTA All-Agency Code of Ethics and the Board Members Code of Ethics.

Bereavement Policy: Upon motion duly made and seconded, the Board voted to authorize revisions to the Bereavement Policy.

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.

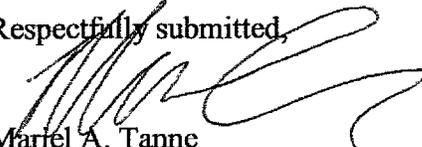
**8. JOINT SESSION OF THE BOARD AND FINANCE COMMITTEE**

Robert E. Foran, Chief Financial Officer, and Linda G. Kleinbaum, Deputy Executive Director/ Administration gave a presentation on the MTA 2012 Final Proposed Budget, the November Financial Plan 2012-2015, and the 2012-2014 Capital Funding Proposal Update. Details of this item 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.

**9. ADJOURNMENT**

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 11:00 a.m.

Respectfully submitted,

  
Marrel A. Tanne  
Assistant Secretary

Minutes of the Regular Meeting  
Metro-North Commuter Railroad Company  
Wednesday, November 16, 2011  
9:30 a.m.

The following members were present:

Hon. Andrew M. Saul, Acting Chairman and 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. Jeffrey A. Kay  
Hon. Mark D. Lebow  
Hon. Susan Metzger  
Hon. Mark Page  
Hon. Mitchell H. Pally  
Hon. James L. Sedore, Jr.  
Hon. Carl V. Wortendyke

The following members were absent:

Hon. Patrick J. Foye  
Hon. Charles G. Moerdler  
Hon. Nancy Shevell  
Hon. Ed Watt

Joseph J. Lhota, Executive Director, Nuria Fernandez, Chief Operating Officer, Catherine Rinaldi, Chief of Staff, James B. Henly, MTA General Counsel, Board Member Andrew Albert, Board Member Norman Brown, Board Member Ira R. Greenberg, Board Member Vincent Tessitore, Robert Bergen, Executive Vice President, NYCTA, Helena E. Williams, President of Long Island Railroad, Howard Permut, President of Metro-North Rail Road, James Ferrara, President of TBTA, Darryl Irick, President of MTA Bus Operations, Michael Horodniceanu, President of MTA Capital Construction, and Hilary Ring, Director, Community Affairs also attended the meeting.

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

1. Public Comment:

There were 2 public speakers who did not discuss items specific to Metro-North. The subject matter of the public speakers' comments is contained in the minutes of

the meeting of the Board of the Metropolitan Transportation Authority held this day.

2. Acting Chairman's Opening Remarks

Acting Chairman Saul welcomed to the Board the MTA's Executive Director and the Governor's nominee for MTA Chairman and Chief Executive Officer, Mr. Joseph J. Lhota. Mr. Lhota thanked New York City Transit Authority President, Thomas Prendergast, for his day-to-day involvement with the MTA as Acting Executive Director for the past month. He introduced Ms. Nuria Fernandez, MTA's new Chief Operating Officer. The details of Mr. Lhota's comments are contained in the minutes of the MTA held this day.

3. Approval of Minutes – Upon motion duly made and seconded, the minutes of the Regular Board Meeting of October 26, 2011 were unanimously approved.

4. Committee on Finance

Metropolitan Transportation Authority Procurements:

The Board voted on Metropolitan Transportation Authority items. Among the items approved is a competitive procurement requiring majority vote to award: (1) personal service contracts to 8 vendors to provide all-agency, as needed, quantitative market research services; and (2) a personal service contract to Cassidy Turley, New York to provide all-agency, as needed, real estate brokerage services. The details of the above item, are contained in the minutes of the Metropolitan Transportation Authority held this day and the staff summaries and reports filed with those minutes.

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

MTA Metro-North Railroad Procurements:

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

Non-Competitive Purchases and Public Work Contracts

- Powell Electrical Manufacturing Company – Purchase of Switchgear Equipment to support the construction staging for the upgrades to the Cos Cob West Supply Substation.

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

Miscellaneous Service Contracts

- Com-Net Software Specialists – Miscellaneous service agreement for new software, hardware and professional services necessary to upgrade Metro-North's Visual Information System (VIS) located in Grand Central Terminal.

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

Modifications to Personal/Miscellaneous Service Contracts

- Scheidt & Bachmann, GmbH – Ticket Selling Machine – Life Cycle Maintenance for MNR and LIRR – contract extension covering 678 machines located throughout the operating territories of both railroads.

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

Completed Emergency Procurement Actions

Ratifications specifically related to Tropical Storm Irene response and recovery:

- AECOM – Condition Assess/Design/Engineering – West of Hudson – Assessment report and design work and construction support services for Port Jervis right-of-way restoration.
- Halmar International, LLC – Construction services to restore a continuous stretch of right-of-way and track to resume train service, including, construction to restore the embankment, structures, storm water control grading and structures, track and systems for Tracks 1 and 2.

Staff summaries and reports 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 procurements. Among the items approved is a competitive procurement requiring two-thirds vote to award a purchase and public work contract to Americom Network, Inc. to purchase a license for radio spectrum required by Long Island Rail Road and Metro-North to support their federally mandated Positive Train Control (PTC) projects. The Board also approved competitive procurements requiring majority vote to award (1) a personal service contract to York Analytical Laboratories, Inc. for as needed sampling, substance analysis and characterization-environmental compliance laboratory testing services throughout the operating regions of Long Island Rail Road, NYCT Subways, NYCT Buses, MTA Bus Company and Metro-North Railroad, and (2) a miscellaneous service contract to Summit Security Services, Inc. for unarmed security guard and access control services for Long Island Rail Road, Metro-North Railroad, MTA Bus Company and MTA Headquarters. The details of the above items, including, Board Member comments, if any, 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. Committee on Corporate Governance

Upon a motion duly made and seconded, the Board unanimously approved the following items recommended to it by the Committee on Corporate Governance.

- Revision to the MTA and Agency by-laws, governing indemnification procedures.
- Amendment to the MTA All-Agency Code of Ethics and the MTA Board Member Code of Ethics.
- Revisions to the MTA All-Agency Bereavement Policy.

The details of the above items, including, Board Member comments, if any, 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.

7. Committee on Audit

Upon a motion duly made and seconded, the Board unanimously approved the following item recommended to it by the Committee on Audit.

- Adoption of the Enterprise Risk Management and Internal Control Guidelines which replace the MTA All-Agency Policy Directive 11-008 Accountability & Internal Control.

The details of the above items, including, Board Member comments, if any, 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.

8. Joint Session of the Board and Finance Committee

Acting Chairman Saul introduced to a Joint Session of the Board and Finance Committee the 2012 Final Proposed Budget. A presentation was given by MTA's Chief Financial Officer, Robert Foran, with additional comments by Linda Kleinbaum, Deputy Director of Administration MTA, on aspects of the following:

- 2012 Final Proposed Budget;
- November Financial Plan 2012-2015; and
- 2012-2014 Capital Funding Proposal Update.

The details of comments and presentations made by Mr. Foran and Ms. Kleinbaum and Board Member comments, if any, are contained in the minutes of the Board of the Metropolitan Transportation Authority held this day and the reports filed with those minutes.

9. Adjournment:

Upon a motion duly made and seconded, the Board unanimously voted to adjourn the meeting at 11:00 a.m.

Respectfully submitted,

  
Linda Montanino  
Assistant Secretary

Nov 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, New York  
November 16, 2011  
9:30 A.M.**

**The following members were present:**

Hon. Andrew M. Saul, Acting Chairman and 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. Jeffrey A. Kay  
Hon. Mark D. Lebow  
Hon. Susan Metzger  
Hon. Mark Page  
Hon. Mitchell H. Pally  
Hon. James L. Sedore, Jr.  
Hon. Carl V. Wortendyke

The following Members were absent:

Hon. Patrick J. Foye  
Hon. Charles G. Moerdler  
Hon. Nancy Shevell  
Hon. Ed Watt

Joseph J. Lhota, Executive Director, Nuria Fernandez, Chief Operating Officer, Catherine A. Rinaldi, Chief of Staff, James B. Henly, MTA General Counsel, Board Member Andrew Albert, Board Member Norman Brown, Board Member Ira R. Greenberg, Board Member Vincent Tessitore, Robert Bergen, Executive Vice President, NYCTA, Helena E. Williams, President of Long Island Railroad, Howard Permut, President of Metro-North Rail Road, James Ferrara, President of TBTA, Darryl Irick, President of MTA Bus Operations, Michael Horodniceanu, President of MTA Capital Construction, and Hilary Ring, Director, Community Affairs also attended the meeting.

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

**1. PUBLIC SPEAKERS**

There were two public speakers who did not discuss items specific to the Long Island Railroad.

Following the public speaking session, Acting Chairman Saul welcomed to the Board the MTA's Executive Director and the Governor's nominee for MTA Chairman and Chief Executive Officer, Mr. Joseph J. Lhota. Mr. Lhota thanked New York City Transit Authority President, Thomas Prendergast, for his day-to-day involvement with the MTA as Acting Executive Director for the past month. The Executive Director introduced Ms. Nuria Fernandez, MTA's new Chief Operating Officer. The details of the Executive Director's comments are contained in the minutes of the Metropolitan Transportation Authority meeting held this day.

## **2. APPROVAL OF MINUTES**

Upon motion duly made and seconded, the Board unanimously approved the minutes of the Board meeting held on October 26, 2011.

## **3. COMMITTEE ON FINANCE**

Upon motion duly made and seconded the Board approved the MTA procurement items. Included among those items was: a procurement for 9 separate competitively negotiated all agency personal service contracts for as-needed quantitative market research services; a competitively negotiated all agency personal service contract to Cassidy Turley, New York to provide as-needed real estate brokerage services; and the ratification of an amendment of the competitively negotiated personal service contract with Price Waterhouse Coopers for quality assurance and oversight services for the BSC. Board Member Cappelli recused himself from the vote on the Price Waterhouse Coopers contract amendment.

The details of these items are contained in the minutes of the meeting of the Metropolitan Transportation Authority held this day and the staff summaries and materials filed with those minutes.

Upon motion duly made and seconded, the Board approved the following LIRR real estate item recommended by the Committee on Finance:

- Lease agreement with Lynbrook Property Management for retail stores located under the LIRR viaduct at 45 & 48 Atlantic Avenue, Lynbrook, New York.

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

## **4. LONG ISLAND COMMITTEE**

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

- Competitive award on behalf of LIRR and Metro-North of a contract to Americom Network Inc. in the amount of \$7,250,000.00 to purchase a license for Radio Spectrum required by the Railroads to support their federally mandated Positive Train Control Projects.
- Competitive award on behalf of LIRR, NYCT Subways, NYCT Buses, MTA Bus Company and Metro-North of five individual personal service contracts to York Analytical Laboratories, Inc. in the combined not-to exceed amount of \$1,089,456.00 for environmental compliance lab testing services.
- Competitive award on behalf of LIRR, Metro-North, MTA Bus Company and MTA Headquarters of four individual miscellaneous service contracts to Summit Security Services, Inc. in the combined not-to exceed amount of \$39,944,122.00 for unarmed

security guard and access control services, and the ratification of a seven month extension of each agency's previous security contracts in a combined amount of \$4,450,683.00.

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

Upon motion duly made and seconded, the Board unanimously approved the Metro-North Committee procurement items. Among the items approved was a modification to the Scheidt & Bachman contract, extending the term of Life Cycle Maintenance for Ticket Vending Machines, Ticket Office Machines and Central Support Systems for both Metro-North and LIRR. The details of this item are contained in the minutes of the Metro-North Commuter Railroad Company held this day and the staff summary filed with those minutes.

#### **5. OTHER MTA BUSINESS**

Upon a motion duly made and seconded, the Board unanimously approved the following items recommended to it by the Committee on Corporate Governance.

- Revision to the MTA and Agency by-laws, governing indemnification procedures.
- Amendment to the MTA All-Agency Code of Ethics and the MTA Board Member Code of Ethics.
- Revisions to the MTA All-Agency Bereavement Policy.

The details of the above items 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.

Upon a motion duly made and seconded, the Board unanimously approved the following item recommended to it by the Committee on Audit.

- Adoption of the Enterprise Risk Management and Internal Control Guidelines which replace the MTA All-Agency Policy Directive 11-008 on Accountability & Internal Control.

The details of the above items 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.

#### **6. JOINT SESSION OF THE BOARD AND FINANCE COMMITTEE**

Acting Chairman Saul introduced the 2012 Final Proposed Budget. A presentation was given by MTA's Chief Financial Officer, Robert Foran, with additional comments by Linda Kleinbaum, Deputy Director of Administration MTA, on aspects of the following:

- 2012 Final Proposed Budget;
- November Financial Plan 2012-2015; and
- 2012-2014 Capital Funding Proposal Update.

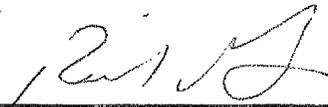
In response to the financial presentations, several Board Members commented that they would like to see a restoration of the service reductions made earlier in the year, and in particular on the Port

Washington Line. Acting Chairman Saul noted that the savings assumed in the operating part of the budget, and in particular those related to the Labor contracts, have not yet been realized and that it may be premature to consider restoration of the service cuts, until such savings are in fact realized. The details of the presentations made by Mr. Foran and Ms. Kleinbaum and Board Member comments are contained in the minutes of the Board of the Metropolitan Transportation Authority held this day and the reports filed with those minutes.

7. ADJOURNMENT

Upon a motion duly made and seconded, the Board unanimously voted to adjourn the meeting at 11:00 a.m.

Respectfully submitted,



---

Richard L. Gans  
Secretary

**Minutes of the Regular Meeting  
Triborough Bridge and Tunnel Authority  
November 16, 2011**

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

9:30 a.m.

The following members were present:

Hon. Andrew M. Saul, Acting Chairman and 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. Jeffrey A. Kay  
Hon. Mark D. LeBow  
Hon. Susan Metzger  
Hon. Mark Page  
Hon. Mitchell H. Pally  
Hon. James E. Sedore, Jr.  
Hon. Carl V. Wortendyke

Not Present:

Hon. Patrick J. Foye  
Hon. Charles G. Moerdler  
Hon. Nancy Shevell  
Hon. Ed Watt

Joseph J. Lhota, Executive Director; Nuria Fernandez, Chief Operating Officer; Catherine Rinaldi, Chief of Staff; James B. Henly, General Counsel, MTA; Board Member Andrew Albert; Board Member Norman Brown; Board Member Vincent Tessitore; Robert Bergen, Executive Vice President, New York City Transit Authority; James Ferrara, President, MTA Bridges and Tunnels; Michael Horodniceanu, President, MTA Capital Construction; Darryl Irick, President,

MTA Bus Operations; Howard Permut, President, Metro-North Commuter Railroad; Helena E. Williams, President, Long Island Rail Road; and Hilary Ring, Director, Community Affairs, MTA also attended the meeting.

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

**1. Public Speakers**

There were two public speakers who did not specifically comment on issues regarding the Triborough Bridge and Tunnel Authority. The subject matter of the speakers' comments is contained in the minutes of the meeting of the Board of the Metropolitan Transportation Authority.

**2. Executive Director's Opening Comments**

Acting Chairman Saul welcomed to the Board the MTA's Executive Director and the Governor's nominee for MTA Chairman and Chief Executive Officer, Mr. Joseph J. Lhota. Mr. Lhota thanked New York City Transit Authority President, Thomas Prendergast, for his day-to-day involvement with the MTA as Acting Executive Director for the past month. Mr. Lhota introduced Ms. Nuria Fernandez, the MTA's new Chief Operating Officer.

Mr. Lhota stated that as a lifetime New Yorker and transit rider it is an honor to be back at the MTA, where he previously served as an MTA Board Member. Mr. Lhota stated that he is embarking on a huge responsibility which he is looking forward to because he believes the MTA is a very important part of the fabric of life for all of New York, not just the City, but the entire surrounding area and region. The economy is as great as it is because the MTA brings people to and from work, as well as all of our school children to and from school. As a rider, Mr. Lhota believes that the MTA owes it to the riders to run the system in a customer friendly way both efficiently and effectively. Enormous progress has been made over the past several years, and that progress should continue. He stated that we live in economically distressed times; there are questions about the depth of our revenues and the funding of the capital program. Most importantly in spite of all of that, the MTA has to continue day-in and day-out to improve the quality of the public transportation that we provide. Mr. Lhota stated that he looks forward to the job and serving as Executive Director until such time as the Senate begins the confirmation process.

On behalf of the Board, Acting Chairman Saul stated that the Members look forward to working with Mr. Lhota, and in continuing to make the MTA the most successful transportation agency in the world.

3. **Approval of the Minutes of the Regular Meeting October 26, 2011**

Upon a motion duly made and seconded, the minutes of the Meeting held October 26, 2011 were unanimously approved.

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

**Procurements**

Commissioner Cappelli stated that there are no non-competitive procurements this month.

**Competitive Procurements**

Commissioner Cappelli stated that there is one competitive procurement totaling \$200,000.

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.

**Personal Service Contracts**

Sam Schwartz Engineering,  
PLLC

Contract No. 3000000719  
Ride NYCT Contract  
Consultant to provide traffic engineering services to perform studies and evaluations to improve safety, alleviate traffic back-ups and improve the flow of traffic at its facilities. The services include: (i) determination and analysis of traffic congestion; (ii) analysis of accident trends; (iii) investigation of existing and proposed pavement markings; (iv) design and installation of new signage and other necessary traffic control devices; (v) performing traffic counts as-needed; and (vi) development of maintenance and protection of traffic plans. In January 2008, the Board approved the award of a competitive RFP, NYCT Contract CMM-1483 to Sam Schwartz Engineering, PLLC to provide traffic engineering services for a period of five (5) years. B&T is requesting approval to issue a purchase order against this contract to provide traffic engineering services through January 8, 2013 (the expiration date of NYCT's contract) in an amount not-to-exceed \$200,000.

\$200,000.00

Commissioner Cappelli stated that there are no ratifications.

**5. Committee on Corporate Governance**

Upon a motion duly made and seconded, the Board unanimously approved the following items recommended to it by the Committee on Corporate Governance.

- Revision to the MTA and Agency by-laws, governing indemnification procedures.
- Amendment to the MTA All-Agency Code of Ethics and the MTA Board Member Code of Ethics.
- Revisions to the MTA All-Agency Bereavement Policy.

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

**6. Committee on Audit**

Upon a motion duly made and seconded, the Board unanimously approved the following item recommended to it by the Committee on Audit.

- Adoption of the Enterprise Risk Management and Internal Control Guidelines which replace the MTA All-Agency Policy Directive 11-008 Accountability & Internal Control.

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

**7. Joint Session of the Board and Finance Committee**

Acting Chairman Saul introduced to a Joint Session of the Board and Finance Committee the November Financial Plan 2012-2015.

A presentation was given by MTA's Chief Financial Officer, Robert Foran, with additional comments by Linda Kleinbaum, Deputy Director of Administration MTA, on aspects of the following:

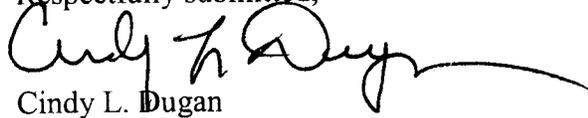
- 2012 Final Proposed Budget;
- November Financial Plan 2012-2015; and
- 2012-2014 Capital Funding Proposal Update.

The details of the comments and presentations made by Mr. Foran and Ms. Kleinbaum, and Board Member comments are contained in the minutes of the Board of the Metropolitan Transportation Authority.

8. **Adjournment**

Upon a motion duly made and seconded, the Board unanimously voted to adjourn the meeting at 11:00 a.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Cindy L. Dugan", with a long horizontal flourish extending to the right.

Cindy L. Dugan  
Assistant Secretary

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

**Wednesday, November 16, 2011  
9:30 a.m.**

**The following members were present:**

**Hon. Andrew M. Saul, Acting Chairman and 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. Jeffrey A. Kay**  
**Hon. Mark D. Lebow**  
**Hon. Susan Metzger**  
**Hon. Mark Page**  
**Hon. Mitchell H. Pally**  
**Hon. James L. Sedore, Jr.**  
**Hon. Carl V. Wortendyke**

**The following members were absent:**

**Hon. Patrick J. Foye**  
**Hon. Charles G. Moerdler**  
**Hon. Nancy Shevell**  
**Hon. Ed Watt**

Joseph J. Lhota, Executive Director, Nuria Fernandez, Chief Operating Officer, Catherine Rinaldi, Chief of Staff, James B. Henly, MTA General Counsel, Board Member Andrew Albert, Board Member Norman Brown, Board Member Ira R. Greenberg, Board Member Vincent Tessitore, Robert Bergen, Executive Vice President, NYCTA, Helena E. Williams, President of Long Island Railroad, Howard Permut, President of Metro-North Rail Road, James Ferrara, President of TBTA, Darryl Irick, President of MTA Bus Operations, Michael Horodniceanu, President of MTA Capital Construction, and Hilary Ring, Director, Community Affairs also attended the meeting.

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

**Acting Chairman and CEO Saul 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 October 26, 2011.

**MTA Capital Construction Action Items**

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

**MTA Capital Construction Procurements**

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

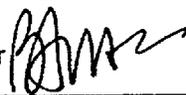
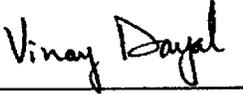
**Adjournment**

Upon motion duly made and seconded, the MTA Board voted to adjourn the public meeting at 11:00 a.m.

Respectfully submitted,

Patrick Killackey  
Secretary

# Staff Summary

|   |
|---|
| <b>Subject</b><br>MTA and TBTA Reimbursement Resolutions for Federal Tax purposes   |
| <b>Department</b><br>CFO  |
| <b>Department Head Name</b><br>Robert E. Foran, Chief Financial Officer  |
| <b>Department Head Signature</b>  |
| <b>Project Manager Name</b><br>Vinay Dayal, Director of Treasury         |

|                                  |
|----------------------------------|
| <b>Date</b><br>December 19, 2011 |
| <b>Vendor Name</b>               |
| <b>Contract Number</b>           |
| <b>Contract Manager Name</b>     |
| <b>Table of Contents Ref #</b>   |

| Board Action |               |       |          |      |       |
|--------------|---------------|-------|----------|------|-------|
| Order        | To            | Date  | Approval | Info | Other |
|              | Finance Comm. | 12/19 | X        |      |       |
|              | Board         | 12/21 | X        |      |       |

| Internal Approvals |   |       |  |
|--------------------|---|-------|--|
| Order              | Approval  | Order | Approval   |
| 1                  | Legal  | 2     | Chief of Staff  |

**PURPOSE:**

To obtain MTA and TBTA Board adoption of the attached reimbursement resolutions that are required by Federal tax law to preserve the ability to finance certain capital projects on a tax-exempt basis.

**DISCUSSION:**

The Internal Revenue Code of 1986, as amended, ("Code") requires the MTA and TBTA to evidence their intent to reimburse capital project costs paid from current revenues with tax-exempt bond proceeds (in each case a "declaration of intent"). These requirements are set forth in Section 1.150-2 of the Treasury Regulations. The attached resolutions are intended to document this intent to finance in accordance with the Code and the Regulations promulgated thereunder, and if adopted, each would constitute the required declaration of intent necessary to preserve the ability to finance certain projects on a tax-exempt basis.

For purposes of the attached reimbursement resolutions, (i) in the case of MTA, the Project refers to the capital programs approved by the Metropolitan Transportation Authority Capital Program Review Board, including, particularly the 2000-2004 Transit and Commuter Capital Program, the 2005-2009 Transit and Commuter Capital Program and 2010-2014 Transit and Commuter Capital Program, and (ii) in the case of TBTA, the Project refers to the capital programs approved by the TBTA Board, including, particularly, the 2000-2004 TBTA Capital Program and the 2005-2009 TBTA Capital Program, the 2010-2014 Capital Program and the security projects authorized to be constructed and/or installed at the TBTA bridges and tunnels.

**ALTERNATIVES:**

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

**RECOMMENDATION:**

The MTA and TBTA Boards approve the above-referenced resolutions. This authorization shall continue in effect until the adoption in 2012 by the MTA and TBTA Boards of subsequent reimbursement resolutions.

## RESOLUTION

**WHEREAS**, the Metropolitan Transportation Authority (the "MTA") intends to finance the MTA's transit and commuter capital improvement program, including MTA Bus Company, as more fully described in the accompanying staff summary and capital program documents referenced therein (the "Project");

**WHEREAS**, the MTA desires to finance the Project through the issuance of tax-exempt debt and other sources as described in the approved capital programs;

**NOW, THEREFORE, BE IT:**

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

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

**RESOLVED**, that the MTA reasonably expects that the maximum principal amount of tax-exempt debt ( including bonds, tax-exempt commercial paper and bond anticipation notes) to be issued by the MTA subsequent to the date hereof to pay such Project expenditures in 2012 (whether directly or as a reimbursement) is \$1.983 billion (plus associated financing costs); and

**RESOLVED**, that this Resolution shall take effect immediately.

December 21, 2011

## RESOLUTION

**WHEREAS**, Triborough Bridge and Tunnel Authority (“MTA Bridges and Tunnels”) intends to finance MTA Bridges and Tunnels’ bridge and tunnel capital improvement program, as more fully described in the accompanying staff summary (the “Project”);

**WHEREAS**, MTA Bridges and Tunnels desires to finance the Project through the issuance of tax-exempt debt;

**NOW, THEREFORE, BE IT:**

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

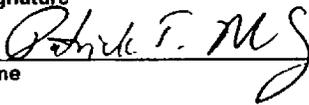
**RESOLVED**, that the expenditures in connection with the Project to be reimbursed pursuant to this Resolution have been incurred and paid not more than 60 days prior to the date hereof or will be incurred and paid after the date hereof in connection with the Project; and

**RESOLVED**, that the MTA Bridges and Tunnels reasonably expects that the maximum principal amount of tax-exempt debt ( including bonds, tax-exempt commercial paper and bond anticipation notes) to be issued by the MTA Bridges and Tunnels subsequent to the date hereof to pay such Project expenditures in 2012 (whether directly or as a reimbursement) is \$152 million (plus associated financing costs); and

**RESOLVED**, that this Resolution shall take effect immediately.

December 21, 2011

# Staff Summary

|   |
|---|
| <b>Subject</b><br>Approval of Remarketing Agent   |
| <b>Department</b><br>Finance  |
| <b>Department Head Name</b><br>Patrick McCoy, Director of Finance   |
| <b>Department Head Signature</b><br> |
| <b>Project Manager Name</b>   |

|                                  |
|----------------------------------|
| <b>Date</b><br>December 21, 2011 |
| <b>Vendor Name</b><br>U.S. Bank  |
| <b>Contract Number</b>           |
| <b>Contract Manager Name</b>     |
| <b>Table of Contents Ref #</b>   |

| Board Action |               |       |          |      |       |
|--------------|---------------|-------|----------|------|-------|
| Order        | To            | Date  | Approval | Info | Other |
| 1            | Finance Comm. | 12/19 | X        |      |       |
| 2            | Board         | 12/21 | X        |      |       |

| Internal Approvals |   |       |  |
|--------------------|---|-------|--|
| Order              | Approval  | Order | Approval   |
| 1                  | Legal  | 2     | Chief of Staff  |
|                    |   |       |  |

**PURPOSE:**

To obtain MTA and TBTA Board approval to add US Bancorp to the existing approved pool of variable rate remarketing agents and dealers.

**BACKGROUND AND DISCUSSION:**

In October 2011, a request for proposals for letters of credit and standby purchase agreements was issued to replace Dexia Bank as liquidity provider on variable rate demand bonds across four separate series of bonds; three under the TBTA General Resolution totaling \$542 million ("TBTA Bonds"), and one under the Dedicated Tax Fund resolution ("DTF Bonds") totaling \$440 million.

US Bank, N.A, a subsidiary of US Bancorp, together with CalPERS and CalSTERS submitted the low cost proposal to replace Dexia on all three series of the TBTA Bonds. It is management's intent to take advantage of the proposal put forth by the bank consortium to maintain the existing bonds in a bank supported variable rate mode. In the discussions regarding the proposal, US Bancorp has indicated its willingness and desire to serve as a remarketing agent for one or more series of TBTA Bonds. US Bancorp currently serves as a remarketing agent for a nationwide variable rate demand bond and commercial paper portfolio of approximately \$5 billion. Neither CalPERS nor CalSTERS have remarketing capabilities.

Furthermore, during the 2008 market crisis, the industry learned that the liquidity providing bank also serving as a remarketing agent on the bonds it backs ensures aggressive marketing of the bonds to the benefit of both the issuer and the bank. Hence, post crisis, it has become a fairly widespread practice for the bank providing credit or liquidity support to also serve as a remarketer when the bank has adequate remarketing capabilities.

US Bancorp is not currently on the list of the variable rate remarketing agents and dealers, which was approved by the Board on December 15, 2010. Therefore, Board approval is required prior to the appointment of US Bancorp as a remarketing agent on the bonds for which the bank proposed to provide liquidity as well as on any other assignment as remarketing agent or dealer on MTA or TBTA bonds.

**RECOMMENDATION:**

It is recommended that the Board approve the appointment of US Bancorp as an eligible remarketing agent.

# Staff Summary

|   |
|---|
| <b>Subject</b><br>Request for Authorization to Award Various Procurements |
| <b>Department</b><br>Strategic Initiative                                 |
| <b>Department Head Name</b><br>Charlie Monheim <i>Charlie Monheim</i>     |
| <b>Department Head Signature</b><br><i>Charlie Monheim</i>                |
| <b>Division Head Name</b><br>Clifford Shockley <i>Clifford Shockley</i>   |

|   |
|---|
| <b>Date</b><br>December 12, 2011        |
| <b>Vendor Name</b><br>Various           |
| <b>Contract Number</b><br>Various       |
| <b>Contract Manager Name</b><br>Various |
| <b>Table of Contents Ref #</b>          |

| Board Action |         |          |          |      |       |
|--------------|---------|----------|----------|------|-------|
| Order        | To      | Date     | Approval | Info | Other |
| 1            | Finance | 12/19/11 |          |      |       |
| 2            | Board   | 12/21/11 |          |      |       |
|              |         |          |          |      |       |
|              |         |          |          |      |       |

| Internal Approvals |                       |       |                        |
|--------------------|-----------------------|-------|------------------------|
| Order              | Approval              | Order | Approval               |
|                    |                       |       | Office of Civil Rights |
|                    |                       |       | Legal                  |
| 3                  | CFO <i>6</i>          |       | EITG                   |
| 1                  | Procurement <i>CV</i> | 2     | Strategic Initiative   |

**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:

|      | <u># of Actions</u> | <u>\$ Amount</u> |
|------|---------------------|------------------|
| None | None                | None             |

MTAHQ proposes to award Competitive procurements in the following categories:

Schedules Requiring Majority Vote

|  |          |                         |
|--|----------|-------------------------|
| Schedule C: Competitive Request for Proposals (Award of Purchase and Public Works Contracts) | 1        | \$ 19,101,865.00        |
| Schedule E: Miscellaneous Procurement  | 2        | \$ 1,365,744.00         |
| Schedule F: Personal Services Contracts  | 4        | \$178,775,239.60        |
| Schedule G: Miscellaneous Service Contracts  | 1        | \$ 250,000.00           |
| <b>SUBTOTAL</b>  | <b>8</b> | <b>\$199,492,848.60</b> |

MTAHQ presents the following procurement actions for Ratification:

None None

|              |          |                         |
|--------------|----------|-------------------------|
| <b>TOTAL</b> | <b>8</b> | <b>\$199,492,848.60</b> |
|--------------|----------|-------------------------|

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

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

## BOARD RESOLUTION

### METROPOLITAN TRANSPORTATION AUTHORITY

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

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

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

NOW, the Board resolves as follows:

1. As to each purchase and public work contract set forth in the annexed Schedule A, the Board declares competitive bidding to be impractical or inappropriate for the reasons specified therein and authorizes the execution of each such contract.

2. As to each request for proposals (for purchase and public work contracts) set forth in Schedule B for which authorization to solicit proposals is requested, for the reasons specified therein the Board declares competitive bidding to be impractical or inappropriate, declares it is in the public interest to solicit competitive request for proposals and authorizes the solicitation of such proposals.

3. As to each request for proposals (for purchase and public work contracts) set forth in Schedule C for which a recommendation is made to award the contract, the Board authorizes the execution of said contract.

4. The Board ratifies each action taken set forth in Schedule D for which ratification is requested.

5. The Board authorizes the execution of each of the following for which Board authorization is required: i) the miscellaneous procurement contracts set forth in Schedule E; ii) the personal service contracts set forth in Schedule F; iii) the miscellaneous service contracts set forth in Schedule G; iv) the modifications to personal/miscellaneous service contracts set forth in Schedule H; v) the contract modifications to purchase and public work contracts set forth in Schedule I; and vi) the modifications to miscellaneous procurement contracts set forth in Schedule J.

6. The Board ratifies each action taken set forth in Schedule K for which ratification is requested.

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

**LIST OF PROCUREMENTS FOR BOARD APPROVAL, DECEMBER 2011**  
**COMPETITIVE PROCUREMENTS**

**METROPOLITAN TRANSPORTATION AUTHORITY**

*Procurements Requiring Majority Vote:*

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

1. All Agency E-Procurement of Office Supplies, Toner, and Paper \$19,101,865 *Staff Summary Attached*  
Contract No. 11152-0100 thru -0200  
a. W.B. Mason Company  
b. Crystal InfoSystems, Inc. (Not-to-exceed)
- Competitively negotiated – 13 proposals – 60 months  
Supply and delivery of Office Supplies, Paper (W.B. Mason) and Toner (Crystal InfoSystems, Inc.) for MTA and the Agencies for five years. Under the four-month e-procurement pilot program approved by the Board in May 2011, MTAHQ with support from MedPricer, utilized the e-procurement process to conduct the procurement of these contracts. E-procurement is a competitive process for soliciting and receiving proposals electronically, competitively negotiating in real-time, on-line with the vendors competing for the procurement, and then awarding the contract. The Selection Committee evaluated the thirteen received proposals and determined that eleven (11) firms were technically qualified to participate in the live, on-line e-procurement process performed by MTAHQ/MedPricer. As a result of the e-procurement process and subsequent negotiations, W.B. Mason submitted the lowest five-year pricing and the best terms for office supplies and paper and Crystal InfoSystems, Inc. submitted the lowest five-year pricing and the best terms for toner. The current all-agency annual spend for office supplies, toner, and paper is \$4,631,259 (\$1,886,376 for office supplies, \$1,527,873 for toner, and \$1,217,010 for paper). Awarding these contracts will reduce that amount to 3,820,373 per year (\$1,693,548 for office supplies, \$1,025,975 for toner and \$1,100,850 for paper). This will result in a savings of \$810,886 per year for a combined total of \$4,054,430 for five years. This represents a 17.5% reduction. Based on the negotiated savings, the total cost of \$19,101,865 for the five-year period is considered fair and reasonable.

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

2. EMC Corporation \$1,185,744 *Staff Summary Attached*  
Disaster Recovery Services for MTAHQ (Not-to-exceed)  
Contract No. 11131-0100
- Competitively negotiated – 1 proposal – 24 months with 24-month option  
Contractors will provide disaster recovery services for the MTA Enterprise Information Technology Group (EITG). MTA requires the services of a Disaster Recovery Service Provider (“DRSP”) to enable MTAHQ to resume processing of its server and Internet-based systems following a disaster or other unplanned outage. Under this contract, EMC will provide backup services for restoration of computer and communication equipment at a disaster

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**COMPETITIVE PROCUREMENTS**

recovery site to allow essential MTA staff to continue performing critical business functions in the event MTA facilities become uninhabitable. As a result of negotiations, the proposed annual cost of \$495,924 was reduced to \$296,436 for a savings of \$199,488 or 40.2%. The annual cost of \$296,436 is \$21,312 or 6.7% lower than the annual cost of \$317,748 of the current three-year agreement. Based on the above, the total not-to-exceed amount of \$1,185,744 for the four-year period is deemed fair and reasonable.

3. **Usablenet, Inc.** **\$180,000**  
**NYS Mandatory Website Accessibility** **(Fixed)**  
**and Mobile Access**  
**Contract No. 11093-0100**

Competitively negotiated – 3 proposals – 36 months  
New York State Mandatory Technology Standard S04-001 requires MTA's website to be accessible to visually impaired individuals. In order to meet this requirement, the Usablenet Assistive solution is part of a continuing comprehensive approach to make the MTA website accessible to visually impaired people and expand the mobile version of the website. The UsableNet hosted solution will provide (i) a text-only version of the MTA's complete website (Usablenet Assistive) and (ii) for mobile devices version (compatible with Blackberry and all PDAs, and web-based cell phones) of selected portions of the MTA's website with a priority on Schedules, Maps, Trip Planner and Service Advisories (Usablenet Mobile). Usablenet proposed the lowest price of \$216,000 which was negotiated down to \$180,000 for three years for a savings of 16.7%; which is \$100,000 less than the next lowest price.

**F. Personal Service Contracts**

Staff Summaries required for items greater than: \$100k Sole Source; \$250 other Non-Competitive, \$1 million Competitive

4. **Kuyimba, Inc.** **\$330,789.60**  
**Administration of the Music Under** **(Not-to-exceed)**  
**New York (MUNY) Program**  
**Contract No. 11133-0100**

Competitively negotiated – 3 proposals – 36 months  
Consultant to assist Arts for Transit in administering the Music Under New York (MUNY) Program for a period of three years. Services include daily oversight of more than 7,000 performances annually; daily communications and scheduling of over 350 MUNY individuals and groups; coordination of sponsored and special events and annual auditions. The hourly rates for this contract are the same rates, i.e., Assistant Administrator at \$23.93 and Administrator at \$33.29 that have been paid for the previous four years, and shall remain fixed for the three-year term of this contract.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**COMPETITIVE PROCUREMENTS**

5. **Willdan Homeland Solutions** **\$2,750,000** *Staff Summary Attached*  
**Federally-Funded, All-Agency Security** **(Not-to-exceed)**  
**and Emergency Response Training**  
**Contract No. 11151-0100**  
Competitively negotiated – 5 proposals – 36 months  
Consultant to develop and deliver security and emergency response training for the employees of the MTA and its agencies. This training will provide front line employees with the skills to take immediate actions necessary to prevent or mitigate the effects of a natural, terrorist or manmade threat, incident or major emergency on the employees themselves, the riding public and the MTA systems. The negotiated costs for training are: i) \$695 for half-day training class; and ii) \$1,297 for full-day training class. Under the prior contracts for Phase 1 and 2 the average costs for half and full day classes were \$887.50 and \$1,650 respectively. The half-day training represents an average savings of \$192.5 or 21.7% and the full day training represents an average savings of \$353 or 21.4% off of the prior contracts. Based on the above, the costs of \$695 and \$1,297 for half day and full training respectively are deemed to be fair and reasonable.
6. **All Agency Dental and Vision Benefits** **\$175,594,450** *Staff Summary Attached*  
**Contract No. 11089-0100 thru -0200** **(Not-to-exceed)**  
**a. EyeMed Vision Care LLC**  
**b. Metropolitan Life Insurance**  
Competitively negotiated – 13 proposals – 60 months  
Contractors to provide Vision care benefits and Dental Benefits for non-represented employees and some represented employees. There are approximately 27,593 employees and retirees who participate in the dental plan and approximately 31,893 employees and retirees who participate in the vision plan. Coverage for dental and vision benefits also includes eligible dependents of active employees and retirees. The proposers were evaluated on their networks of dentists and vision care providers, the various discounts they had negotiated with those providers and other features of the plans they offered. Aon Hewitt Consulting performed a ‘disruption’ analysis to determine the extent to which the dentists and vision care providers available to participants would be different under another carrier’s network of providers. After analyzing MetLife’s proposal, the total projected five-year cost of \$168,857,770 which included an average annual escalation of 4.83% for dental benefits, was negotiated down to \$163,226,040 with an average annual escalation of 2.57%, a projected five-year savings of \$5,631,730 or 3.3%. After analyzing EyeMed’s proposal, the total projected five-year cost of \$13,414,336 which included an escalation of 10% in the fifth year, was negotiated down to \$12,368,410, a projected savings of \$1,045,926 or 7.8% with no escalation for the five-year contract period. Compared to the current MetLife and EyeMed plans, MTA will realize a savings of \$13,279,062 for dental care and \$4,289,045 for vision for a combined total savings of \$17,568,107 for the five years. Based on the negotiated savings, the total cost of \$175,594,450 for the five-year period is considered fair and reasonable.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**COMPETITIVE PROCUREMENTS**

7. **AFT Project** – AFT to provide technical design, fabrication, crating, storage, delivery and oversight of installation of materials at the station specified below.  
Competitively negotiated – 78 proposals – 24 months  
Corinne Ulmann, Croton Harmon Station-MNR (Contract No. 11242-0100 - \$100,000)

**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)

8. **Veterinarian Services for MTA Police K9 Unit** **\$250,000**  
**Contracts Nos. 11141-0100 thru -0** **(Not-to-exceed)**  
a. **Animal Medical Center**  
b. **Long Island Veterinary Specialists**  
c. **Hudson Highlands Veterinary Medical Group, P.C.**  
d. **New Haven Central Hospital for Veterinary Medicine, Inc.**  
e. **Veterinary Medical Center of Long Island**

Competitively negotiated – 5 proposals – 36 months

Contractors will provide as-needed veterinary services for the MTA Police Canine Unit, which currently consists of forty-five (45) canines. Veterinary services will consist of preventative health care services, medical and surgical emergencies; dental care and medications. The negotiated rates for regular office visits range from \$24 to \$52. Also, for other services which include dental, surgery, emergencies, etc. the MTA negotiated discounts which range from 10% to 50% off of the veterinaries' published price list. The above negotiated rates and discounts are the same rates and discounts that have been paid over the previous three years and will remain the same for the three-year term of these contracts and are thus considered to be fair and reasonable.

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

Item Number: 1

|   |   |  |
|---|---|--|
| <b>Vendor Name (&amp; Location):</b><br>W.B. Mason Company, Inc. and Crystal InfoSystems, Inc.                                    | <b>Contract Number:</b><br>11152-0100   | <b>Renewal?</b><br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>Description:</b><br>All-Agency E-Procurement of Office Supplies, Toner, and Paper  | <b>Total Amount:</b> \$19,101,865   |  |
| <b>Contract Term (including Options, if any):</b><br>January 2, 2012 to December 31, 2016   | <b>Funding Source:</b><br><input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: |  |
| <b>Option(s) included in Total Amount?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                    | <b>Requesting Dept/Div&amp;Dept/Div Head Name:</b><br>C. Monheim  |  |
| <b>Procurement Type:</b><br><input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive              | <b>Contract Manager:</b><br>Paul Fallon   |  |
| <b>Solicitation Type:</b><br><input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: |   |  |

### I. PURPOSE:

To recommend that the Board: (i) approve the award of two All-Agency, competitively negotiated purchase contracts awarded using e-procurement to W.B. Mason Company, Inc. for supply and delivery of office supplies and paper at a cost of \$8,467,740 and \$5,504,250; respectively, and Crystal InfoSystems, Inc. for supply and delivery of toner at a cost of \$5,129,875, for a combined total of \$19,101,865 for a five-year period from January 2, 2012 to December 31, 2016; and (ii) extend the Board-approved, e-procurement pilot (pilot) program for an additional seven months with MedPricer, LLC (at no cost to the authority because the vendor awarded the contract compensates MedPricer 1½% or less of the contract amount) in order to continue to solicit other procurements under the e-procurement program and until an all-agency competitive RFP process for the selection of an e-procurement vendor is completed and presented for Board approval.

### II. DISCUSSION:

In May 2011, the Board approved a four-month e-procurement pilot program to test the cost effectiveness, practicability and feasibility of MTA agencies' use of e-procurement to award contracts for supplies, materials and equipment, miscellaneous procurements and/or personal and miscellaneous services, utilizing a competitive request for proposals (RFP) process for contracts selected for inclusion in the pilot and waiving the requirements of the All Agency Procurement Guidelines and the All-Agency Guidelines for the Procurement of Services to the extent necessary to implement the e-procurement pilot program.

E-procurement is a competitive process for soliciting and receiving proposals electronically, competitively negotiating in real-time, on-line with the vendors competing for the procurement, and then awarding the contract. Widely used by private industry and some governmental agencies in the United States to obtain bottom-line savings and procurement efficiencies, e-procurement has gained popularity with the emergence of internet-based software and is used today by businesses to purchase a variety of commodities and services. Some of the advantages of e-procurement include: (1) lower prices through real-time on-line competition among multiple vendors; (2) administrative cost savings through paperless electronic bidding; and (3) instantaneous price analysis.

Under the four-month e-procurement pilot program, MTAHQ with support from MedPricer, utilized the e-procurement process to conduct the procurement of all-agency contracts for office supplies, paper and toner. The RFP was publicly advertised and letters advising potential proposers of the RFP's availability were mailed to forty-five vendors, three of which were M/WBE firms. The MTA Office of Civil Rights established mandatory participation goals of 10% MBE and 10% WBE for these contracts. Thirteen (13) proposals were received, three (3) of which were M/WBE firms. The Selection Committee, consisting of representatives from MTAHQ, MTA New York City Transit, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Bridges and Tunnels, evaluated the proposals and determined that eleven (11) firms were technically qualified for supply and delivery of office supplies, paper and toner and were invited to participate in the live, on-line e-procurement process performed by MTAHQ/MedPricer. As a result of the e-procurement process and subsequent negotiations, W.B. Mason submitted the lowest five-year pricing and the best terms for office supplies and paper and Crystal InfoSystems, Inc. submitted the lowest five-year pricing and the best terms for toner.

The current All-agency annual spend for office supplies, toner, and paper is \$4,631,259 (\$1,886,376 for office supplies, \$1,527,873 for toner, and \$1,217,010 for paper). Awarding these contracts will reduce that amount to 3,820,373 per year (\$1,693,548 for office supplies, \$1,025,975 for toner and \$1,100,850 for paper). This will result in a savings of \$810,886 per year for a total of \$4,054,430 for five years. This represents a 17.5% reduction. Based on the negotiated savings, the total cost of \$19,101,865 for the five-year period is considered fair and reasonable.

# Staff Summary

## Schedule E: Miscellaneous Procurement Contracts

Item Number:

|   |   |  |
|---|---|--|
| <b>Vendor Name (&amp; Location):</b><br>EMC Corporation (McLean, VA)  | <b>Contract Number:</b><br>11131-0100   | <b>Renewal?</b><br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>Description:</b><br>Disaster Recovery Services   | <b>Total Amount:</b> \$1,185,744  |  |
| <b>Contract Term (including Options, if any):</b><br>Forty-Eight (48) Months  | <b>Funding Source:</b><br><input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: |  |
| <b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No                               | <b>Requesting Dept/Div &amp; Dept/Div Head Name:</b><br>Enterprise Information Technology Group/Wael Hibri  |  |
| <b>Procurement Type:</b><br><input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive              | <b>Contract Manager:</b><br>Joanne Belle-Gill   |  |
| <b>Solicitation Type:</b><br><input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: |   |  |

### DISCUSSION:

To recommend that the Board approve the award of a competitively negotiated miscellaneous procurement contract to EMC Corporation to provide disaster recovery services for the MTA Enterprise Information Technology Group (EITG) for a period of twenty-four (24) months with the option to extend the contract for an additional twenty-four months for a total not to exceed amount of \$1,185,744.

MTA requires the services of a Disaster Recovery Service Provider ("DRSP") to enable MTAHQ to resume processing of its server and Internet-based systems following a disaster or other unplanned outage. A disaster may result from fire, flood, terrorism, Acts of God, or any other reason that renders the MTAHQ offices unusable. Under this contract, EMC will provide backup services for restoration of computer and communication equipment at a disaster recovery site to allow essential MTA staff to continue performing critical business functions in the event such MTA facilities become uninhabitable.

The current competitively awarded contract which was approved by the Board on September 26, 2007 expires on December 31, 2011. In order to continue these essential services, a competitive Request for Proposal was publicly advertised and letters informing prospective proposers of the availability of the RFP package were sent to 21 firms of which two were MBE/WBE firms. One proposal was received. Since only one proposal was received, MTA contacted several firms to determine why they did not propose. The primary reason was that the vendors did not have the time and resources to meet MTA's requirements at this time.

A Selection Committee consisting of representatives from the EITG's Security, UNIX/Web Server and Local Area Network (LAN) Operations Divisions reviewed the proposal submitted by EMC Corporation and invited them in for oral presentations. As a result of oral presentations, the selection committee deemed EMC technically qualified and recommended Procurement to begin negotiations. MTA has conducted a responsibility review and other due diligence on EMC Corporation and has deemed them to be responsible for award. MTA Department of Diversity and Civil Rights established 0% goal for this contract.

As a result of negotiations, the proposed annual cost of \$495,924 was reduced to \$296,436 for a savings of \$199,488 or 40.2%. The annual cost of \$296,436 is \$21,312 or 6.7% lower than the annual cost of \$317,748 of the current three-year agreement. Based on the above, the total not-to-exceed amount of \$1,185,744 for the four-year period is deemed fair and reasonable.

# Staff Summary

## Schedule F: Personal Service Contracts

| Item Number:   |                     |          |                            |      |       |
|--|---------------------|----------|----------------------------|------|-------|
| Dept&Dept Head Name:<br>Security/Douglas Zeigler                         |                     |          |                            |      |       |
| Division & Division Head Name:<br>Office of Security/Anthony Mercogliano |                     |          |                            |      |       |
| Board Reviews  |                     |          |                            |      |       |
| Order  | To                  | Date     | Approval                   | Info | Other |
| 1  | Finance             | 12/19/11 |                            |      |       |
| 2  | Board               | 12/21/11 |                            |      |       |
| Internal Approvals   |                     |          |                            |      |       |
| Order  | Approval            | Order    | Approval                   |      |       |
| 1  | Procurement         | 4        | Diversity and Civil Rights |      |       |
| 2  | Security            | 5        | Legal                      |      |       |
| 3  | Security Operations | 6        | Budgets & Financial Mgmt.  |      |       |

| SUMMARY INFORMATION   |                                |
|---|--------------------------------|
| Vendor Name:<br>Willdan Homeland Solutions  | Contract Number:<br>11151-0100 |
| Description:<br>Security and Emergency Response Training  |                                |
| Total Amount:<br>\$2,750,000  |                                |
| Contract Term (including Options, if any)<br>Thirty-six (36) 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:<br><input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive   |                                |
| Solicitation Type:<br><input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:                              |                                |
| Funding Source:<br><input type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other. |                                |

**Narrative**

**I. PURPOSE/RECOMMENDATION**

To recommend that the Board approve the award of a federally-funded (Department of Homeland Security) competitively negotiated personal services contract to Willdan Homeland Solutions to develop and deliver security and emergency response training for the employees of the MTA and its agencies for the period January 1, 2012 through December 31, 2014 for a total not-to-exceed amount of \$2,750,000.

**II. DISCUSSION**

In 2006, a comprehensive analysis of the MTA agencies' training status concerning counter-terrorism was conducted by Kroll Associates, Inc. In response to Kroll's analysis, the MTA undertook a major training initiative for front line employees. In May 2007, the Board approved the award of two competitively-negotiated contracts with The State University/Rutgers (National Transit Institute) and Science Applications International Corporation (formerly known as EAI Corporation) to develop and deliver emergency response courses. The training was divided in two phases. The first phase began in June 2007 and trained 36,000 front line personnel in recognizing and identifying suspicious activities and crisis communications. The second phase began in June 2009 and trained 34,000 front line employees in surveillance, crisis communications and customer management. This initiative ended in October, 2011.

The new initiative, Phase 3, will build on the skills developed in the first two phases of training and will seek to specifically address operational deterrence and response via "tabletop" exercises and classroom scenarios. This training will provide the front line employees with the skills to take immediate actions necessary to prevent or mitigate the effects of a natural, terrorist or manmade threat, incident or major emergency on the employees themselves, the riding public and the MTA systems. The scenarios will be based on the "National Planning Scenarios" that are the basis of federal training and exercise regimen, such as an improvised explosive device, and other scenarios, such as a flash flooding condition.

In order to provide this additional training, a Request for Proposal ("RFP") was publicly advertised and letters informing potential proposers of the RFP's availability were mailed to one hundred one (101) vendors. Five (5)

proposals were received. The Selection Committee, consisting of representatives from MTA Headquarters, New York City Transit, Long Island Railroad, and Metro-North Railroad evaluated the proposals and determined that Willdan Homeland Solutions was the most technically qualified and best suited firm to perform the services identified by the RFP. Willdan was the only firm that provided material content and reference scenarios for the actual training. The other firms' proposal lacked such content and information and was therefore deemed technically unqualified to meet the MTA's training requirements. MTA has conducted a responsibility review and other due diligence on this firm and has deemed them to be responsible for award.

The negotiated costs for training are: i) \$695 for half-day training class; and ii) \$1,297 for full-day training class. Under the prior contracts for Phase 1 and 2 the average costs for half and full day classes were \$887.50 and \$1,650 respectively. The half-day training represents an average savings of \$192.5 or 21.7% and the full day training represents an average savings of \$353 or 21.4% off of the prior contracts. Based on the above, the costs of \$695 and \$1,297 for half day and full training respectively are deemed to be fair and reasonable.

### **III. D/M/WBE INFORMATION**

The MTA's Department of Diversity and Civil Rights established 10% MBE and 10% WBE goals for these contracts.

### **V. IMPACT ON FUNDING**

The total not-to-exceed amount of \$2,750,000 for this contract is federally-funded through Grant Award 2010-RA-TO-K028 from the Department of Homeland Security.

### **V. ALTERNATIVES**

1. Use of in-house staff. This alternative is not feasible. MTA does not have the skill sets to offer training for these soon to be mandatory courses.
2. Do not provide services. This is not a recommended alternative. The MTA is a major target for terrorist attacks and its employees must be trained in specific areas in order to increase protection of its customers, employees and infrastructure. In addition, as part of the recommendations of the 9/11 Commission, the Transit Security Administration is declaring new regulations that will make such training mandatory.

# Staff Summary

## Schedule F: Personal Service Contracts

| Item Number:  |                                    |          |  |      |       |
|---|------------------------------------|----------|--|------|-------|
| Dept&Dept Head Name:<br>Human Resources/Margaret M. Connor <i>Margaret Connor</i> |                                    |          |  |      |       |
| Division & Division Head Name:<br>Benefits/A. Lee <i>A. Lee</i>                   |                                    |          |  |      |       |
| Board Reviews   |                                    |          |  |      |       |
| Order   | To                                 | Date     | Approval                                       | Info | Other |
| 1   | Finance                            | 12/19/11 |  |      |       |
| 2   | Board                              | 12/21/11 |  |      |       |
| Internal Approvals  |                                    |          |  |      |       |
| Order   | Approval                           | Order    | Approval                                       |      |       |
| 1   | Procurement <i>[Signature]</i>     | 4        | Legal and Financial Rights <i>[Signature]</i>  |      |       |
| 2   | Benefits <i>[Signature]</i>        | 5        | Legal <i>[Signature]</i>                       |      |       |
| 3   | Human Resources <i>[Signature]</i> | 6        | Budgets and Financial Mgmt. <i>[Signature]</i> |      |       |

| SUMMARY INFORMATION  |                                    |
|--|------------------------------------|
| Vendor Name: EyeMed Vision Care LLC & Metropolitan Life Insurance  | Contract Number: 11089-0100 & 0200 |
| Description:<br>Dental and Vision benefits   |                                    |
| Total Amount:<br>\$175,594,450   |                                    |
| Contract Term (including Options, if any)<br>January 1, 2012 through December 31, 2016   |                                    |
| Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  |                                    |
| Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |                                    |
| Procurement Type:<br><input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive  |                                    |
| Solicitation Type:<br><input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:   |                                    |
| Funding Source:<br><input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: |                                    |

**Narrative**

**I. PURPOSE/RECOMMENDATION**

To recommend that the Board approve the award of two competitively negotiated, All-agency personal services contracts to: i) EyeMed Vision Care LLC (EyeMed) to provide Vision care benefits and ii) Metropolitan Life Insurance Company (MetLife) to provide Dental Benefits for non-represented employees and some represented employees. The period of performance for both contracts is three years from January 1, 2012 through December 31, 2015, with two one-year options, exercised at MTA's sole discretion, for a total not-to-exceed five year amount of \$12,368,410 for EyeMed and \$163,226,040 for MetLife for a combined total amount of \$175,594,450.

**II. DISCUSSION**

Currently, the MTA offers dental and vision benefit plans to non-represented employees and retirees and certain represented employees and retirees. There are approximately 27,593 employees and retirees who participate in the dental plan and approximately 31,893 employees and retirees who participate in the vision plan. Coverage for dental and vision benefits also includes eligible dependents of active employees and retirees.

The MTA subsidizes the full cost of the dental plans for its employees, retirees, and their eligible dependents. Participants are only responsible for applicable deductibles, co-payments, non-participating provider charges and the like, and for any services that are not covered by the insurance programs. The MTA, similar to other institutions, is facing increasing costs for dental and vision benefits. AON Hewitt Consulting has projected an industry-wide annual increase of 5.4% for dental and 3.6% for vision. As a result of this analysis and in order to control costs, MTA decided to solicit firms that provide these services.

A Request for Proposals (RFP) were publicly advertised and letters advising potential proposers of the RFP's availability were mailed to a total of fifteen (15) firms. Twelve (12) firms submitted proposals (two firms submitted for both dental and vision), for a total of nine (9) for dental and five (5) for vision.

The proposers were evaluated on their networks of dentists and vision care providers, the various discounts they had negotiated with those providers and other features of the plans they offered. AON Hewitt Consulting performed a 'disruption' analysis to determine the extent to which the dentists and vision care providers available to participants would be different under another carrier's network of providers.

# Staff Summary

The AON Health Care Trend Survey was used as the model to project the cost of the current plans. This survey is well known and accepted in the industry to project future trends in the solicitation of dental and vision care providers by many large public and private employers.

The Selection Committee, which included human resource representatives from MTA Headquarters, LIRR, MNR, NYC Transit and the Business Service Center, evaluated the proposals and recommended that six of the firms Cigna, Delta Dental, Healthplex and Metlife (for Dental) and Davis Vision and EyeMed Vision (for Vision) be invited to make oral presentations. Upon conclusion of oral presentations, the Selection Committee eliminated Healthplex from further consideration and voted to conduct negotiations with the remaining firms. The Selection Committee reviewed the results of the negotiations and best and final offers and recommended all remaining firms for further review and consideration by the Executive Selection Committee composed of the Director of Business Service Center Employee Benefits and MTAHQ's Sr. Director, Human Resources and Retirement Programs, Director of Labor Relations, and Sr. Labor Counsel, for further review and consideration. The Executive Selection Committee met and reviewed all proposals and recommended MetLife as best qualified to provide dental benefits and EyeMed as best qualified to provide vision benefits. MTA has conducted a responsibility review and other due diligence on the two proposed awardees and has deemed them to be responsible for award.

After analyzing Metlife's proposal, the total projected five-year cost of \$168,857,770 which included an average annual escalation of 4.83% for dental benefits, was negotiated down to \$163,226,040 with an average annual escalation of 2.57%, a projected five-year savings of \$5,631,730 or 3.3%.

After analyzing EyeMed's proposal, the total projected five-year cost of \$13,414,336 which included an escalation of 10% in the fifth year, was negotiated down to \$12,368,410, a projected savings of \$1,045,926 or 7.8% with no escalation for the five-year contract period.

Compared to the current MetLife and EyeMed plans, MTA will realize a savings of \$13,279,062 for dental care and \$4,289,045 for vision for a combined total savings of \$17,568,107 for the five years. Based on the negotiated savings, the total cost of \$175,594,450 for the five-year period is considered fair and reasonable.

### III. D/M/WBE INFORMATION

The MTA's Department of Diversity and Civil Rights established 10% MBE and 10% WBE goals for these contracts.

### IV. IMPACT ON FUNDING

This contract is funded by each agency from within its operating budget.

### V. ALTERNATIVES

Do not Approve Award of this Contract. This is not a practical alternative because these are benefits that MTAHQ provide its employees.

**DECEMBER 2011**  
**MTA REAL ESTATE**  
**LIST OF REAL ESTATE ACTION ITEMS FOR BOARD APPROVAL**

**ACTION ITEMS**

**MTA METRO-NORTH RAILROAD**

Easement agreement with the County of Dutchess for construction and use of a bike trail on an unused portion of Metro-North's right-of-way on the Maybrook-Beacon Line, East Fishkill, New York

Lease with Central Station Groceries Corp. relating to Retail Space LC-1 and Storage Space LCS-9 at Grand Central Terminal

License agreement with the City of New York Police Department, to erect a security booth with an access barrier arm on Metro-North property in the Bronx, New York

Lease with Hudson River Express, Inc., for the operation of a concession located in the Ossining station building in Ossining, New York

**MTA LONG ISLAND RAIL ROAD**

License agreement with the Living Faith Christian Church, for parking of parishioners' vehicles on an unused portion of MTA LIRR's Central Branch right-of-way in Farmingdale, New York

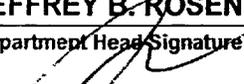
License agreement with NG 1095 East 45<sup>th</sup> LLC, for parking and storage of vehicles and maintenance of security fencing within LIRR's Bay Ridge Branch right-of-way in Brooklyn, New York

License agreement with New York City Department of Environmental Protection, for placement of subsurface duct bank and manhole within LIRR's Montauk Branch right-of-way in Maspeth, New York

**MTA NEW YORK CITY TRANSIT**

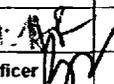
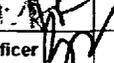
Acquisition of easements at 59 Greenwich Avenue, New York, New York

# Staff Summary

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| Subject<br><b>PERMANENT EASEMENT</b>   |
| Department<br><b>REAL ESTATE</b>   |
| Department Head Name<br><b>JEFFREY B. ROSEN</b>  |
| Department Head Signature<br> |
| Project Manager Name<br><b>BENSON GOODWYN</b>  |

|                                  |
|----------------------------------|
| Date<br><b>DECEMBER 19, 2011</b> |
| Vendor Name                      |
| Contract Number                  |
| Contract Manager Name            |
| Table of Contents Ref. #         |

| Board Action |                   |          |          |      |       |
|--------------|-------------------|----------|----------|------|-------|
| Order        | To                | Date     | Approval | Info | Other |
| 1            | Finance Committee | 12/19/11 | X        |      |       |
| 2            | Board             | 12/21/11 | X        |      |       |
|              |                   |          |          |      |       |
|              |                   |          |          |      |       |

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

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

GRANTEE: County of Dutchess ("County")

LOCATION: Metro-North's Maybrook-Beacon Line south of Hopewell Depot in the Town of East Fishkill, New York.

ACTIVITY: Construction and use of a bicycle trail as part of Dutchess County's Rail Trail

ACTION REQUESTED: Approval of terms

TERM: Permanent

SPACE: Approximately 65,000 square feet (3,700 ft. x 15 ft. and 120 ft. x 80 ft.)

COMPENSATION: One dollar, payment waived.

**COMMENTS**

In 2008, the County requested the use of the area described above as part of the Dutchess County Rail Trail. The area is situated on the eastern portion of Metro-North's Maybrook-Beacon Line right-of-way, south of Hopewell Depot. Pursuant to such request, Metro-North entered into a license agreement with the County as approved by the Board pursuant to the attached October 29, 2008 staff summary.

The New York State Department of Transportation has since required the County to obtain a permanent easement for the previously licensed area from Metro-North as a prerequisite to the funding of the project. The appraised value of the easement area is \$7,400, but there is no other prospective purchaser for the property.

Acquisition of this last parcel will allow for federal funding and construction of the rail trail extension, which will provide approximately \$100,000 in heavy construction activity. It will increase safety by eliminating the need for pedestrians and bicyclists to cross over a major roadway.

In recognition of the requirements of Section 2897 of the Public Authorities Law, the County will expressly agree that ownership and use of the easement area shall remain with the County.

Based on the foregoing, the Real Estate Department requests that the Board adopt the annexed resolution authorizing entry into the proposed easement agreement with Dutchess County.

**BOARD RESOLUTION**

**METRO-NORTH COMMUTER RAILROAD**

**WHEREAS**, Dutchess County (the "County") has requested a permanent easement over certain real property owned by Metro-North Commuter Railroad ("Metro-North") for use as part of the Dutchess County Rail Trail;

**WHEREAS**, the appraised value of the easement area is \$7,400 and there will be no compensation paid by the County;

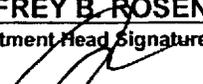
**WHEREAS**, acquisition of this easement will allow for federal funding and construction of an extension of the Dutchess County Rail Trail, which will provide approximately \$100,000 in heavy construction activity and increase safety by eliminating the need for pedestrians and bicyclists to cross over a major roadway; and

**WHEREAS**, the Board has considered all of the information set forth in the staff summary to which this resolution is attached (the "Staff Summary");

**NOW THEREFORE, BE IT:**

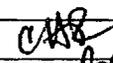
**RESOLVED**, that the Board hereby determines that there is no reasonable alternative to the below market transfer of the easement to the County that would achieve the same purpose of such transfer and the Board hereby approves such transfer on the terms set forth in the Staff Summary and authorizes Metro-North to enter into an easement agreement with the County.

# Staff Summary

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| Subject<br><b>LEASE AGREEMENT</b>  |
| Department<br><b>REAL ESTATE</b>   |
| Department Head Name<br><b>JEFFREY B. ROSEN</b>  |
| Department Head Signature<br> |
| Project Manager Name<br><b>NANCY MARSHALL</b>  |

|                                  |
|----------------------------------|
| Date<br><b>DECEMBER 19, 2011</b> |
| Vendor Name                      |
| Contract Number                  |
| Contract Manager Name            |
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| Board Action |                   |          |          |      |       |
|--------------|-------------------|----------|----------|------|-------|
| Order        | To                | Date     | Approval | Info | Other |
| 1            | Finance Committee | 12/19/11 | X        |      |       |
| 2            | Board             | 12/21/11 | X        |      |       |
|              |                   |          |          |      |       |
|              |                   |          |          |      |       |

| Internal Approvals |   |       |   |
|--------------------|---|-------|---|
| Order              | Approval  | Order | Approval  |
|                    |   | 1     | Legal  |
| 3                  | Chief of Staff           |       |   |
| 2                  | Chief Financial Officer  |       |   |
|                    | Civil Rights  |       |   |

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

LESSEE: Central Station Groceries Corp. d/b/a Central Market "New York" ("Central Market")

LOCATION: Retail Space LC-1 and Storage Space LCS-9

ACTIVITY: The retail sale of hot and cold made-to-order sandwiches, salads, breakfast and dessert items, hot and cold beverages, including beer and wine

ACTION REQUESTED: Approval of terms

TERM: Ten years

SPACE: Approximately 536 sq. ft. of retail space and approximately 112 sq. ft. of storage space

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

| Year | Annual Base Rent | PSF      | Breakpoint     |
|------|------------------|----------|----------------|
| 1    | \$124,888.00     | \$233.00 | \$1,561,100.00 |
| 2    | \$128,634.64     | \$239.99 | \$1,607,933.00 |
| 3    | \$133,780.03     | \$249.59 | \$1,672,250.32 |
| 4    | \$139,131.23     | \$259.57 | \$1,739,140.33 |
| 5    | \$148,174.76     | \$276.44 | \$1,852,184.45 |
| 6    | \$157,806.12     | \$294.41 | \$1,972,576.44 |
| 7    | \$170,430.60     | \$317.97 | \$2,130,382.56 |
| 8    | \$184,065.05     | \$343.40 | \$2,300,813.16 |
| 9    | \$202,471.56     | \$377.75 | \$2,530,894.48 |
| 10   | \$226,768.15     | \$423.07 | \$2,834,601.82 |

STORAGE RENT: \$75.00 per sq. ft. per year, increasing annually by 3%

MARKETING: \$10.30 per sq. ft. per year, increasing annually by three percent

TRASH: \$12.00 per sq. ft. per year, increasing annually by five percent

COMMON AREA MAINTENANCE: \$85.00 per sq. ft. for year 1

SECURITY: Three months minimum rent, plus personal guaranty of Alfred Catalanotto (limited to six months rent after vacating of premises)

INSURANCE: Standard

CONSTRUCTION PERIOD: 60 Days

# Staff Summary

## FINANCE COMMITTEE MEETING

### Central Station Groceries Corp d/b/a Central Market (Cont'd.)



#### COMMENTS:

In response to a recent MTA request for proposals for Retail Space LC-1 at Grand Central Terminal, proposals were received from Central Market, Shelly Shalom d/b/a WrapNRoll, Taste of Ireland, RBTE LCC d/b/a Roast Beef by Todd English, Just Salad, Paninoteca Italiana, The Yogurt Culture Company, LLC, Bravo Pizza and 2 Sarku Inc. d/b/a Sarku Japan.

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 the evaluator's determination of 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. Two of the proposals (Bravo Pizza and Sarku Japan) were received after the RFP due date, and were therefore eliminated from further consideration. Additionally, Sarku Japan is a national chain and the request for proposals specifically prohibited national chains.

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 Central Market 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 Central Market exceeds the estimated fair market rental value of the subject space, as determined by Williams Jackson Ewing.

The Central Market menu will include a broad assortment of both hot and cold made-to-order sandwiches, salads, a full-menu of breakfast items and beverages. Central Market should offer customers a well-priced, quality food option in the Dining Concourse.

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

# Staff Summary

FINANCE COMMITTEE MEETING

Central Station Groceries Corp d/b/a Central Market (Cont'd.)



| Scoring   | A   | B  | C  | D  | E   | F  | G   | H  | I   | J  |
|---|---|--|--|--|---|--|---|--|---|--|
|   | <u>Unadjusted<br/>Guaranteed Rent<br/>Amount*</u> | <u>Guaranteed<br/>Rent<br/>Adjustment<br/>Factor**</u> | <u>Adjusted<br/>Guaranteed Rent<br/>Amount (A x B)</u> | <u>Unadjusted<br/>Percentage<br/>Rent Amount</u> | <u>Percentage<br/>Rent<br/>Adjustment<br/>Factor***</u> | <u>Adjusted<br/>Percentage<br/>Rent Amount<br/>(D x E)</u> | <u>Adjusted Total<br/>Rent Amount<br/>(C + F)</u> | <u>Selection<br/>Criterion A<br/>Score ****<br/>(0-70)</u> | <u>Selection<br/>Criterion B<br/>Score<br/>(0-30)</u> | <u>Total<br/>Selection<br/>Criterion<br/>Score<br/>(H + I)</u> |
| Central Station Groceries Corp. d/b/a Central Market "New York" | 1,152,103.28                                      | 1.0  | 1,152,103.28   | 0  | 0   | 0  | 1,152,103.28                                      | 70.0   | 20  | 90   |
| Taste of Ireland d/b/a A Taste of Ireland                       | 1,137,429.90                                      | 1.0  | 1,137,429.90   | 154,103.96                                       | 0   | 0  | 1,137,429.90                                      | 69.1   | 10  | 79.1   |
| Paninoteca Italiana d/b/a Paninoteca                            | 980,953.41  | 1.0  | 980,953.41   | 3,362.37   | 0   | 0  | 980,953.41  | 59.6   | 17  | 76.6   |
| RBTE LCC d/b/a RBTE   | 1,114,717.81                                      | 1.0  | 1,114,717.81   | 0  | 0   | 0  | 1,114,717.81                                      | 67.7   | 20  | 87.7   |
| Shelly Shalom d/b/a WrapNRoll                                   | 1,039,850.47                                      | 1.0  | 1,039,850.47   | 0  | 0   | 0  | 1,039,850.47                                      | 63.2   | 15  | 78.2   |
| Just Salad d/b/a Just Salad                                     | 507,218.81  | 1.0  | 507,218.81   | 174,700.80                                       | 0   | 0  | 507,218.81  | 30.9   | 15  | 45.9   |
| The Yogurt Culture Company, LLC d/b/a Yogurt Culture Company    | 891,219.13  | 1.0  | 891,219.13   | 135,228.82                                       | 0   | 0  | 891,219.13  | 54.1   | 15  | 69.1   |

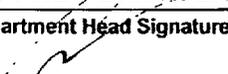
\* Present value calculated using 6% discount rate

\*\* 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

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|--|
| Subject<br><b>LICENSE AGREEMENT</b>  |
| Department<br><b>REAL ESTATE</b>   |
| Department Head Name<br><b>JEFFREY B. ROSEN</b>  |
| Department Head Signature<br> |
| Project Manager Name<br><b>DAVID ROTH</b>  |

|                                  |
|----------------------------------|
| Date<br><b>DECEMBER 19, 2011</b> |
| Vendor Name                      |
| Contract Number                  |
| Contract Manager Name            |
| Table of Contents Ref. #         |

| Board Action |                   |          |          |      |       |
|--------------|-------------------|----------|----------|------|-------|
| Order        | To                | Date     | Approval | Info | Other |
| 1            | Finance Committee | 12/19/11 | X        |      |       |
| 2            | Board             | 12/21/11 | X        |      |       |
|              |                   |          |          |      |       |
|              |                   |          |          |      |       |

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

AGENCY: Metro-North Commuter Railroad Company ("Metro-North")

LICENSEE: New York City Police Department ("NYPD")

LOCATION: Right-of-Way near 500 Abbot Street, The Bronx, New York (the "Building")

ACTIVITY: Operating a guardhouse with moveable arm on Metro-North property

ACTION REQUESTED: Approve license agreement

TERM: From the execution of the license until January 15, 2019, with two 5- year options, subject to termination by Metro-North on 60 days' notice. Term is concurrent with NYPD's lease for the Building.

SPACE: 180 square feet

COMPENSATION: \$1, payment waived

**COMMENTS**

NYPD currently leases the Building from a private owner and uses it to house office and warehouse uses. Adjacent to the Building is Metro-North ROW that at one time served as a rail spur to the Harlem Line. Since the railspur is obsolete and the tracks have been removed, such ROW currently serves as an access road for NYPD, Metro-North and a property owner that runs a scaffold business south of the Building.

NYPD has requested Metro-North's permission to erect a guardhouse with a moveable arm in order to add additional security to the Building and Metro-North's property. The structure will serve as a check point for personnel and vehicles for NYPD, Metro-North, and the scaffold business. NYPD will operate the structure 24 hours a day, 7 days a week. Metro-North's Maintenance-of-Way unit, which inspects the south end of the affected ROW, will continue to have unrestricted access and has no objection. As the space to be occupied would otherwise not be utilized other than as a driveway, and as the additional security provided will benefit Metro-North, there will be no charge for use of the property.

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

# Staff Summary

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|---|
| Subject<br><b>LEASE AGREEMENT</b>               |
| Department<br><b>REAL ESTATE</b>                |
| Department Head Name<br><b>JEFFREY B. ROSEN</b> |
| Department Head Signature<br>                   |
| Project Manager Name<br><b>DANIEL LEVINE</b>    |

|                                  |
|----------------------------------|
| Date<br><b>DECEMBER 19, 2011</b> |
| Vendor Name                      |
| Contract Number                  |
| Contract Manager Name            |
| Table of Contents Ref. #         |

| Board Action |                   |          |          |      |       |
|--------------|-------------------|----------|----------|------|-------|
| Order        | To                | Date     | Approval | Info | Other |
| 1            | Finance Committee | 12/19/11 | X        |      |       |
| 2            | Board             | 12/21/11 | X        |      |       |
|              |                   |          |          |      |       |
|              |                   |          |          |      |       |

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

AGENCY: MTA Metro-North Railroad ("Metro-North")  
 LESSEE: Hudson River Express, Inc. ("HRE")  
 LOCATION: Ossining station building  
 ACTIVITY: Operation of a coffee concession  
 ACTION REQUESTED: Approval of terms  
 TERM: Ten years  
 SPACE: 117 sq. ft. of retail space with 112 sq. ft. in an adjacent storage room

| COMPENSATION: | Year | Annual Rent | Monthly Rent | Annual Increase | Per Sq. Ft. |
|---------------|------|-------------|--------------|-----------------|-------------|
|               | 1    | \$10,000.00 | \$833.33     | 3.00%           | \$85.47     |
|               | 2    | \$10,300.00 | \$858.33     | 3.00%           | \$88.03     |
|               | 3    | \$10,609.00 | \$884.08     | 3.00%           | \$90.68     |
|               | 4    | \$10,927.27 | \$910.61     | 3.00%           | \$93.40     |
|               | 5    | \$11,255.09 | \$937.92     | 3.00%           | \$96.20     |
|               | 6    | \$11,592.74 | \$966.06     | 3.00%           | \$99.08     |
|               | 7    | \$11,940.52 | \$995.04     | 3.00%           | \$102.06    |
|               | 8    | \$12,298.74 | \$1,024.90   | 3.00%           | \$105.12    |
|               | 9    | \$12,667.70 | \$1,055.64   | 3.00%           | \$108.27    |
|               | 10   | \$13,047.73 | \$1,087.31   | 3.00%           | \$111.52    |

**COMMENTS:**

Pursuant to Metro-North's Net Leasing Program, a Request for Proposals ("RFP") was issued for the Ossining station building. The RFP sought a tenant that would lease and maintain the entire interior of the station building, encompassing approximately 1,150 square feet. However, it became evident that potential tenants felt that the relative isolation of the site and lack of available adjacent parking would make it uneconomical for them to assume responsibility for the entire space.

In response to the RFP, proposals were received from HRE and Hi-Tech Info, LLC ("Hi-Tech") Both proposals were for the operation of a concession within the portion of the waiting room where the existing concession is located. After submitting its proposal, Hi-Tech retracted its initial rent proposal (NPV of \$92,326.73) and submitted a lower rent proposal based upon its further investigation of the traffic at the station.

# Staff Summary

## FINANCE COMMITTEE MEETING Lease Agreement (Cont'd.)

The present values of the rental payments proposed (calculated using a discount of 9%) were \$72,052.53 for Hudson River Express, Inc., and \$32,934.97 for Hi-Tech Info, LLC. MTA's appraiser valued this space at \$82 to \$90 per sq. ft., and Hudson River Express, Inc.'s offer falls within that range.

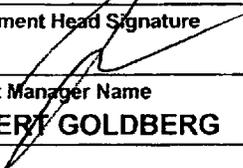
Both proposers were interviewed to discuss their respective proposals. During the meetings it became clear that Hi-Tech, while having some retail experience, did not have a comprehensive plan to improve the existing concession and did not have as much experience as HRE in operating such a concession.

The principals of HRE have been operating the concession at the Ossining station building on behalf of the current licensee (who chose not to respond to the RFP). As such, they have demonstrated that they have the ability to run the concession reliably (which includes opening and closing the station building weekdays on behalf of Metro-North) and maintain customer satisfaction.

HRE proposes to upgrade the existing mobile coffee service stand to match the interior of the building, improve the look of the interior of the employee area, and install an espresso machine. Subject to approval and consultation with Metro-North and obtaining other approvals as needed, HRE also wishes to offer Lotto and hot food, to install a screen showing news and providing schedule information, and to offer Wi-Fi service.

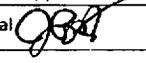
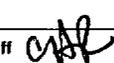
Based on the foregoing, MTA Real Estate requests authorization to enter into a ten-year lease with HRE on the above-described terms.

# Staff Summary

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| Subject<br><b>LICENSE AGREEMENT</b>  |
| Department<br><b>REAL ESTATE</b>   |
| Department Head Name<br><b>JEFFREY B. ROSEN</b>  |
| Department Head Signature<br> |
| Project Manager Name<br><b>ROBERT GOLDBERG</b>   |

|                                  |
|----------------------------------|
| Date<br><b>DECEMBER 19, 2011</b> |
| Vendor Name                      |
| Contract Number                  |
| Contract Manager Name            |
| Table of Contents Ref. #         |

| Board Action |                   |          |          |      |       |
|--------------|-------------------|----------|----------|------|-------|
| Order        | To                | Date     | Approval | Info | Other |
| 1            | Finance Committee | 12/19/11 | X        |      |       |
| 2            | Board             | 12/21/11 | X        |      |       |
|              |                   |          |          |      |       |
|              |                   |          |          |      |       |

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

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

LICENSEE: Living Faith Christian Church (the "Church")

LOCATION: Portion of LIRR's Central Branch at the rear of 25 Hempstead Turnpike, Farmingdale, NY

ACTIVITY: Parking

ACTION REQUESTED: Approval of terms

TERM: Up to ten years, with one 10-year option, subject to termination by LIRR on 60 days' notice

AREA: Approximately 35,000 sq. ft.

COMPENSATION: Years 1-10: \$10,000 base annual compensation, with 3% annual increases.  
Years 11-20: 10% increase in Year 11 to \$14,352.80, with 3% annual increases thereafter

**COMMENTS**

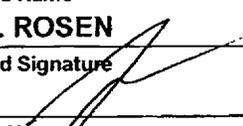
MTA Real Estate received a request from the Church, which owns the property known as 25 Hempstead Turnpike, Farmingdale, New York, for the use of a portion of LIRR's non-operating Central Branch ROW, located directly behind the Church property, to construct a parking lot that will provide additional parking for its parishioners. LIRR has approved the licensing of this property for the proposed use.

The subject property is an irregularly shaped parcel of vacant land, south of LIRR's Ronkonkoma Branch and north of Hempstead Turnpike in Farmingdale, N.Y. The Church will clear the property of debris that has accumulated over the years and install pavement, curbing, fencing, lighting, drainage and landscaping at its sole cost and expense. The Church will also assume responsibility for all maintenance expenses associated with the property, will provide required general liability Insurance coverage, and will indemnify the MTA and LIRR. Adjacent residential owners have never shown any interest in the property.

We have contacted real estate brokers in the area who have stated that the subject property, due to it being landlocked with no visibility or access, has limited value and would be very difficult to market at any price. However, they did provide us with an estimated range of market value from approximately \$75,000 to \$100,000 for the sale of vacant land of properties in the general area of the subject. The \$10,000 Year 1 base compensation equates to 10% of the upper range of such estimated sales value (\$100,000) and is considered to be fair and reasonable taking into consideration the improvement work, the inaccessibility of the location and MTA's termination rights.

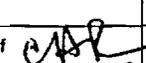
Based on the foregoing, MTA Real Estate requests authorization to enter into a license agreement with the Church on the above-described terms and conditions.

# Staff Summary

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| Subject<br><b>LICENSE AGREEMENT</b>  |
| Department<br><b>REAL ESTATE</b>   |
| Department Head Name<br><b>JEFFREY B. ROSEN</b>  |
| Department Head Signature<br> |
| Project Manager Name<br><b>STEPHEN BROWN</b>   |

|                                  |
|----------------------------------|
| Date<br><b>DECEMBER 19, 2011</b> |
| Vendor Name                      |
| Contract Number                  |
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| Board Action |                   |          |          |      |       |
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| 1            | Finance Committee | 12/19/11 | X        |      |       |
| 2            | Board             | 12/21/11 | X        |      |       |
|              |                   |          |          |      |       |
|              |                   |          |          |      |       |

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

AGENCY: MTA Long Island Rail Road ("LIRR")  
 LICENSEE: NG 1095 East 45<sup>th</sup>, LLC ("NG")  
 LOCATION: South side of LIRR's Bay Ridge Branch right-of-way between Glenwood Road and Troy Avenue, Brooklyn, New York (Blocks 7728 & 7729, p/o Lots 29, and 35)  
 ACTIVITY: Parking and storage of vehicles and maintenance of security fencing  
 ACTION REQUESTED: Approval of terms  
 TERM: Up to ten years, with one 5-year option, subject to termination by LIRR on 60 days' notice  
 AREA: Approximately 12,000 square feet

| COMPENSATION: | Years | Annual   | Monthly  | PSF  | Escalation |
|---------------|-------|--|----------|------|------------|
|               | 1-5   | \$7,500.00   | \$625.00 | 0.63 |            |
|               | 6-10  | \$8,625.00   | \$718.00 | 0.72 | 15%        |
|               | 11-15 | <i>Option period compensation based on CPI increases during years 6-10; will remain fixed through option term.</i> |          |      |            |

## COMMENTS

As successor to the licensee under a 1985 license agreement between LIRR and Farragut Realty, NG is currently licensing property on a month-to-month basis at the above location. The existing agreement covers an approximately 4,000 square foot strip of vacant land (20' x 200') and allows for parking and security fencing along an embankment on the south side of LIRR's Bay Ridge Branch right-of-way. By virtue of the agreement, the area has remained well-monitored and maintained by NG, and trespassing and vandalism to NG's property has been curtailed. The fence has also secured LIRR's right of way from illegal dumping of debris and from trespassers. At some time during the term of the agreement, NG's predecessor installed an additional 400' of security fencing along the right-of-way behind a neighboring property as well. Though mutually beneficial, the additional installation was never licensed by LIRR.

NG's property consists of a ±60,000 square foot industrial building situated on an approximately 168,000 square foot lot. The building has been over 80% vacant for more than 24 months. Since NG currently has no need for additional parking or storage, it has considered terminating its agreement, which provided for a \$5,000 annual payment.

MTA Real Estate contacted the owner of the adjoining property, the only other potential user of the subject strip of right-of-way, to determine whether it would be interested in succeeding NG as licensee. That owner indicated that he had no interest in licensing any of the subject property. MTA Real Estate then reopened discussions with NG, and upon reevaluation of the situation NG determined it would be to its benefit to enter into a new agreement covering both the previously licensed area and the unlicensed area it utilizes. Negotiations resulted in an increase in compensation of 50%. Discussions with MTA Real

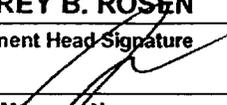
# Staff Summary

## FINANCE COMMITTEE MEETING NG 1095 E 45<sup>th</sup>, LLC (Cont'd.)

Estate's on-call appraisers have indicated that the proposed compensation is consistent with market value, given the limited utility of the property.

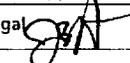
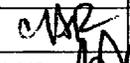
Based on the foregoing, MTA Real Estate requests authorization to enter into a license agreement with NG on the above-described terms and conditions.

# Staff Summary

|  |
|--|
| Subject<br><b>LICENSE AGREEMENT</b>  |
| Department<br><b>REAL ESTATE</b>   |
| Department Head Name<br><b>JEFFREY B. ROSEN</b>  |
| Department Head Signature<br> |
| Project Manager Name<br><b>STEPHEN BROWN</b>   |

|                                  |
|----------------------------------|
| Date<br><b>DECEMBER 19, 2011</b> |
| Vendor Name                      |
| Contract Number                  |
| Contract Manager Name            |
| Table of Contents Ref. #         |

| Board Action |                   |          |          |      |       |
|--------------|-------------------|----------|----------|------|-------|
| Order        | To                | Date     | Approval | Info | Other |
| 1            | Finance Committee | 12/19/11 | X        |      |       |
| 2            | Board             | 12/21/11 | X        |      |       |
|              |                   |          |          |      |       |
|              |                   |          |          |      |       |

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

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

LICENSEE: New York City Department of Environmental Protection ("DEP")

LOCATION: North side of LIRR's Montauk Branch right of way, south of 56th Street, Maspeth, Queens NY (Queens Block 2575, p/o Lot 54).

ACTIVITY: Installation of manhole, access gate and subsurface concrete duct bank and equipment for monitoring and control of underground utilities

ACTION REQUESTED: Approval of terms

TERM: Up to ten years, subject to termination by either party upon 30 days' notice

COMPENSATION: \$1, payment waived

**COMMENTS**

MTA Real Estate received a request from DEP for an agreement covering placement of a manhole at the above-described location to accommodate a supervisory control and data acquisition system ("SCADA") system. The SCADA system will optimize the City's wastewater collection and treatment system and enable remote monitoring and control of various pumping stations and regulators throughout the region.

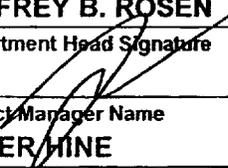
The project requires installing a subsurface pre-cast concrete duct bank, instrument access hole and electronic monitoring equipment approximately five to ten feet onto the LIRR right of way, where a connection will be made to the existing subsurface storm and sewer line chamber. Upon completion of construction, the site will be restored to its original condition and only a 24-inch diameter manhole cover will be visible.

There is an existing fence at the subject location. DEP wishes to install a gate within such fence and adjacent to the manhole to allow access for future maintenance of DEP's equipment. DEP will install fencing around the perimeter of the manhole to separate the licensed area from the LIRR right of way. LIRR Security has agreed to allow the existing fence to be so altered to accommodate future access to the licensed area by DEP, or its contractors, without a LIRR escort.

Based on the project's public benefit and the nominal value of the subject property, LIRR has agreed to waive license fees DEP will pay applicable force account costs.

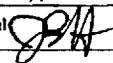
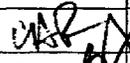
Based on the foregoing, MTA Real Estate requests authorization to enter into a license agreement with DEP on the above-described terms and conditions.

# Staff Summary

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|--|
| Subject<br><b>ACQUISITION OF EASEMENTS</b>   |
| Department<br><b>REAL ESTATE</b>   |
| Department Head Name<br><b>JEFFREY B. ROSEN</b>  |
| Department Head Signature<br> |
| Project Manager Name<br><b>PETER HINE</b>  |

|                                  |
|----------------------------------|
| Date<br><b>DECEMBER 19, 2011</b> |
| Vendor Name                      |
| Contract Number                  |
| Contract Manager Name            |
| Table of Contents Ref. #         |

| Board Action |                   |          |          |      |       |
|--------------|-------------------|----------|----------|------|-------|
| Order        | To                | Date     | Approval | Info | Other |
| 1            | Finance Committee | 12/19/11 | X        |      |       |
| 2            | Board             | 12/21/11 | X        |      |       |
|              |                   |          |          |      |       |
|              |                   |          |          |      |       |

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

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

OWNER: S.H. Knight, LLC ("Owner")

LOCATION: 59 Greenwich Avenue (Manhattan Block 613, Lot 60) near the intersection of Seventh Avenue South and Greenwich Avenue, Manhattan.

ACTIVITY: Acquisition of Permanent and Temporary Easements in the building at 59 Greenwich Avenue in order to repair and remediate certain structural deficiencies that could be exacerbated by NYCT's construction of the Mulry Square Fan Plant Project (the "Project") on the adjacent lot at 61 Greenwich Avenue (Manhattan Block 613, Lot 59)

ACTION REQUESTED: Approval (1) to enter into an agreement with the owner of a building at the above location (the "Building"), for purposes of performing necessary structural repair work on the Building, at NYCT's expense, prior to NYCT's construction of the fan plant or, if such an agreement cannot be reached, (2) to acquire Permanent and Temporary Easements by eminent domain that are necessary to perform the structural repair work and facilitate Project construction.

**COMMENTS:**

The Project is a new subway ventilation plant that will serve NYCT's Seventh and Eighth Avenue Subway lines. It was advertised for construction bids on November 3, 2011 and the contract is scheduled to be awarded during the first Quarter of 2012. To minimize the possibility that the Project's construction activities will adversely affect the 100+ year old masonry, 4-story residential Building with a ground-floor store at 59 Greenwich Avenue, NYCT intends to have its contractor perform remediation work to stabilize the Building in advance of Project construction. This work will require access to the Building while the stabilization work is underway. Additional access rights may be needed to monitor the Building for vibration and movement during Project construction. Finally, a permanent easement may be required for purposes of closing a small gap between the Building and the Project's fan plant structure. If a voluntary agreement cannot be reached with the Building Owner, approval is sought to secure the necessary easements in accordance with the Eminent Domain Procedure Law.

As recommended by NYCT's consultant, the Building stabilization work would involve removing and replacing deteriorated brick and mortar on the Building's exterior wall facing the Project site and tying in the exterior wall to the Building's existing wood floor joists. All this work would be performed from the exterior of the Building, thereby mitigating the impact on the Building's tenants. It is estimated that the repair work will be completed in no more than four (4) months. This work will be part of the Project and added to the contract via an addendum to be issued shortly NYCT seeks approval to assume the cost and responsibility for this work, based on prior discussions with the Building Owner, who is unwilling to assume such cost.

# Staff Summary

FINANCE COMMITTEE MEETING  
S.H. Knight, LLC (Cont'd.)

In lieu of assuming the responsibility for stabilizing the Building prior to construction of the Project, NYCT could assume the risk that the Building will not be damaged or experience unacceptable stresses during construction and, accordingly, proceed with the contract award without securing access rights in advance to perform the recommended Building stabilization work. This option is not recommended because it is contrary to NYCT's consultant's recommendation and would expose NYCT to potential liability to the Building Owner and tenants and result in potentially significant delays to the Project if damages to the Building were to occur after the start of Project construction.

NYCT and MTA will endeavor to negotiate an agreement with the Building Owner to effectuate the required Building stabilization work, but if an agreement cannot be reached, Board approval is requested to initiate a condemnation proceeding under the Eminent Domain Procedure Law to secure the easements described above. MTA Legal has advised that such a proceeding would be exempt from public hearing requirements under the Eminent Domain Procedure Law because the acquisitions would be *de minimis* in nature and because the public interest would be endangered by any delay caused by the public hearing requirements. A resolution authorizing eminent domain for these purposes is attached hereto.

## BOARD RESOLUTION

**WHEREAS**, MTA New York City Transit ("NYCT") is engaged in constructing the Mulry Square Fan Plant Project (the "Project") at 61 Greenwich Avenue (Manhattan Block 613, Lot 59), at the intersection of Seventh Avenue South and Greenwich Avenue in the Borough of Manhattan; and

**WHEREAS**, in the course of evaluating the structural stability of buildings adjacent to the Project's construction site, NYCT and its consultant have determined that it is advisable to stabilize the adjacent building located at 59 Greenwich Avenue (Manhattan Block 613 Lot 60) (the "Subject Property"); and

**WHEREAS**, MTA will endeavor to negotiate an agreement with the owner of the Subject Property to effectuate the required building stabilization work, but if an agreement cannot be reached, MTA will initiate condemnation proceedings under the Eminent Domain Procedure Law ("EDPL") to secure temporary occupancy of the Subject Property to perform the stabilization work and effectuate construction of the Project.

### **NOW THEREFORE, BE IT**

**RESOLVED** that, pursuant to Section 1267 of the Public Authorities Law and the EDPL, MTA hereby is authorized to secure temporary occupancy of the Subject Property by negotiated agreement or by eminent domain. Such an acquisition, if effectuated by eminent domain, will be exempt from a public hearing under the EDPL because the acquisitions are *de minimis* in nature and because the public interest would be endangered by any delay caused by the public hearing requirements.

## **7. ACTION ITEMS**



# Staff Summary

|   |
|---|
| <b>Subject</b><br>Amendment of NYCT's 2010-2014 Capital Program--Steinway |
| <b>Department</b><br>Subways  |
| <b>Department Head Name</b><br>Carmen Bianco                              |
| <b>Department Head Signature</b>  |
| <b>Project Manager Name</b><br>Joe Leader                                 |

|  |
|--|
| <b>Date</b><br>December 8, 2011                                    |
| <b>Vendor Name</b><br>TBD  |
| <b>Contract Number(s)</b><br>C33850 (electrical), TBD (structural) |
| <b>Contract Manager Name</b><br>TBD                                |
| <b>Table of Contents Ref #</b>                                     |

| Board Action |                   |       |          |      |       |
|--------------|-------------------|-------|----------|------|-------|
| Order        | To                | Date  | Approval | Info | Other |
| 1            | NYCT Committee    | 12/19 | X        |      |       |
| 2            | Finance Committee | 12/19 | X        |      |       |
| 3            | MTA Board         | 12/21 | X        |      |       |
|              |                   |       |          |      |       |

| Internal Approvals |  |       |                        |
|--------------------|--|-------|------------------------|
| Order              | Approval                               | Order | Approval               |
| 1 X                | SVP Subways <i>Emo</i>                 | 5     | Executive VP <i>AK</i> |
| 2 X                | SVP Capital Program Mgmt               | 6     | President <i>AK</i>    |
| 3 X                | Director, OMB                          |       |                        |
|                    | <i>AK</i> Chief Capital Budget Officer |       |                        |

Purpose:

To obtain MTA Board approval to add a project to the 2010-2014 Capital Program that will address electrical and structural work in the Steinway Tube. The project total value is \$95 million, of which the electrical work -- \$65 million - is currently being progressed with an award projected to be made in January 2012. This timeline allows the optimizations of extensive service diversions in the tube for on-going signal modernization work in 2012. This optimization furthers the ongoing initiative to maximize efficiencies related to work around the track right of way. The project will be funded from program savings.

Discussion:

The Steinway Tube carries the "7 Train" Flushing line under the East River between Manhattan and Queens. This is one of the busiest underriver tubes in NYC-Transit's system.

The signal system for the entire line is being modernized with new Communication-based Train Control (CBTC) technology while simultaneously the 7-West extension project is extending the line westward. These projects will deliver more reliable train service and increase capacity. To ensure these benefits are delivered, deficiencies in the condition and configuration of the electrical traction power distribution system in the Steinway Tube have been further investigated. The traction power system has been deemed critical to operational reliability as the line is upgraded for more frequent train service.

The scheduled service diversions in 2012 required by the signal work are the time-critical factor necessitating this work be advanced now. The service density in this tube is significant, making diversions costly and disruptive. As part of our initiative to maximize access to perform work along the track right of way, this work is being matched to existing project work for the new signal system. Waiting to perform this work outside of the available window in which capital work is already scheduled would increase the cost of the work and add significant additional customer disruption.

The electrical work includes the complete demolition and reconstruction of the duct banks that run on the outside walls of both trackways in the tube (approx. 7,400 ft), installation of new negative cables, and new and improved circuit breaker houses (points of power system control providing flexibility and safety). The estimated value of this electrical work is \$65 million.

Similarly, long-standing structural problems related to water infiltration are being investigated in detail and are expected to require remedy. These investigations have been facilitated by recent service diversion required by the on-going signal



# Staff Summary

work. Maintenance forces have repeatedly grouted the concrete sections of this line, but active leaks persist, which is a long-term threat to the subway structural elements and the electrical/electronic systems in the tube. Construction work would be accelerated to coordinate with additional diversions in the coming year. The value of this structural work is preliminarily valued at \$30 million.

### Impact on Funding:

Funds are available for this work through program savings: good bid experience since the beginning of 2010 and the reprioritization of the same type of work on the 4<sup>th</sup> Avenue line, a lower priority location. The new work is anticipated to deliver the same overall benefits to the subway system as did the 4<sup>th</sup> Avenue line work. The table below details the proposed changes:

**Summary of Proposed Program Changes (in millions)**

| Project   | Award Year | Current Budget | Proposed Budget | Change          |
|---|------------|----------------|-----------------|-----------------|
| Steinway Tube Electrical and Structural                               | 2012       | \$0.0          | \$95.0          | \$95.0          |
| 4 <sup>th</sup> Avenue Electrical (Negative Cables)                   | 2013       | \$30.6         | \$5.0           | (\$25.6)        |
| 4 <sup>th</sup> Avenue Structural                                     | 2013       | \$30.0         | \$15.0          | (\$15.0)        |
| <b>Balance – to be funded from 2010-2014 Capital Program savings:</b> |            |                |                 | <b>(\$54.4)</b> |

### Alternatives:

Do not add the new project for the Steinway Tube work. This necessary work would then be an immediate priority for the 2015 period. Waiting to perform this work outside of the 2012-13 window in which service diversions are already scheduled would increase the cost of the work, add significant additional customer disruption, and may impact the signaling system now under construction for the line.

### Recommendation:

That the MTA Board approve the addition of a project to the 2010-2014 Capital Program that will address the electrical and structural work in the Steinway Tube discussed above.

APPROVED FOR SUBMISSION TO THE BOARD

Thomas F. Prendergast  
President

12/9/11

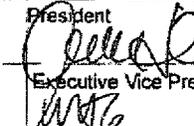
Date

# Staff Summary

|   |  |
|---|--|
| <b>Subject</b>                                | Design and Construction Oversight Services for 200 East 63rd Street (Block 1417, Lot 45) |
| <b>Department</b>                             | Second Avenue Subway Project   |
| <b>Department Head Name</b>                   | William E. Goodrich  |
| <b>Department Head Signature</b>              |         |
| <b>Program Manager / Project Manager Name</b> | Anil Parikh/Kirit Mevawala/Manan Garg  |

|                                |                                  |
|--------------------------------|----------------------------------|
| <b>Date</b>                    | December 2011                    |
| <b>Vendor Name</b>             | Digby Management Company, L.L.C. |
| <b>Contract Number</b>         | N/A                              |
| <b>Contract Manager Name</b>   |                                  |
| <b>Table of Contents Ref #</b> |                                  |

| Board Action |                |          |          |      |       |
|--------------|----------------|----------|----------|------|-------|
| Order        | To             | Date     | Approval | Info | Other |
| 1            | NYCT Committee | 12/19/11 |          |      |       |
| 2            | MTA Board      | 12/21/11 |          |      |       |

| Internal Approvals |   |       |   |
|--------------------|---|-------|---|
| Order              | Approval  | Order | Approval  |
| 2                  | Chief Financial Officer<br> | 4     | President<br>                |
| 1                  | General Counsel<br>         | 3     | Executive Vice President<br> |

## BACKGROUND:

The Second Avenue Subway ("SAS") Project has acquired permanent and temporary easements for entrances, ancillary facilities and other support functions to be built partially or entirely within privately-owned commercial and residential spaces along the subway alignment. As project design has progressed, it has become necessary in some cases to enter into agreements with property owners to secure their full cooperation and minimize potential impacts and consequential damages associated with project-related utility relocation work in the affected buildings. Therefore, the project periodically has entered into cooperative arrangements with building owners to cover the owners' costs for design and construction oversight consultants to assist MTACC and its contractors through all phases of utility relocation and other project-related work.

## PURPOSE:

To seek MTA Board authorization/ratification of an agreement with Digby Management Company, L.L.C., the owner of a residential building at 200 East 63rd Street (Block 1417, Lot 45) (the "Property"), for a not-to-exceed amount of \$250,000, to compensate the owner's design and construction oversight consultants in connection with MTACC's utility relocation work in the residential and ground floor commercial areas of the Property. The utility relocation work in the Property is necessary to accommodate construction of a new subway entrance for the 63<sup>rd</sup> Street/Lexington Avenue Station.

## DISCUSSION:

As part of the SAS Project, MTA, on behalf of MTACC, has acquired permanent and temporary easements in the Property to build the subway entrance. There are utilities in the building that must be permanently relocated outside the permanent easement areas to accommodate the new entrance. Although MTACC's contractors will perform all utility relocation work associated with the project, close coordination is required with the Property's owner to assure that MTACC's contractors will have uninterrupted access to all areas of the building; that utility relocation plans and permit applications are reviewed and approved on schedule; and that all pre-construction investigations and actual construction activities are coordinated in a manner that will minimize disruptions to building services and tenants.

Because the Property's owner has no in-house experience to oversee the kind of project-related construction and utility relocation work that is needed in its building, MTACC tentatively has agreed to allow the owner to retain an engineering firm and legal counsel (the "Consultants") reasonably necessary to assist the owner with design and construction oversight, permit applications and other consultation. Under the proposed agreement, MTACC will be responsible for all reasonable fees and expenses to be paid to the Consultants for a not-to-exceed amount of \$250,000. The work to be performed under this agreement will include:

1. Design phase consultant services to review environmental hazardous material surveys, sampling and testing, review of utility relocation design and preparation and submission of water and sewer permit applications.
2. Construction phase consultant services to review construction plans, specifications, shop drawings, and permit applications provided by MTACC and its contractors for construction impacting the Property.

12/5/11

# Staff Summary

## ALTERNATIVES:

The alternative is for the MTACC to proceed with the utility relocation work in the Property without the assistance of the Property owner and the owner's professional Consultants. This is not recommended because it would expose the project to uncertainty, additional risk and potential delay.

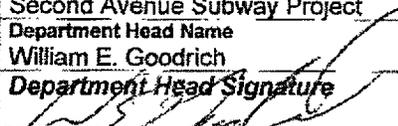
## FUNDING IMPACT:

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

## RECOMMENDATIONS:

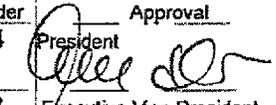
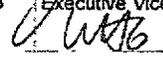
MTACC recommends that the Board authorize MTACC to enter into an agreement with Digby Management Company, L.L.C, owner of the building located at 200 East 63<sup>rd</sup> Street, to compensate the owner's design and construction oversight Consultants, for a not-to-exceed amount of \$250,000, to assist MTACC and its contractors through all phases of utility relocation and other project-related work associated with MTACC's design and construction of a subway entrance at that location.

# Staff Summary

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

|   |
|---|
| <b>Date</b><br>December 2011                        |
| <b>Vendor Name</b><br>250 E87th Street Owners Corp. |
| <b>Contract Number</b><br>N/A                       |
| <b>Contract Manager Name</b>                        |
| <b>Table of Contents Ref #</b>                      |

| Board Action |                |          |          |      |       |
|--------------|----------------|----------|----------|------|-------|
| Order        | To             | Date     | Approval | Info | Other |
| 1            | NYCT Committee | 12/19/11 |          |      |       |
| 2            | MTA Board      | 12/21/11 |          |      |       |

| Internal Approvals |   |       |   |
|--------------------|---|-------|---|
| Order              | Approval  | Order | Approval  |
| 2                  | Chief Financial Officer<br> | 4     | President<br>                |
| 1                  | General Counsel<br>         | 3     | Executive Vice President<br> |

**PURPOSE:**

MTACC is seeking the MTA Board Approval to increase the previously approved amount funded for design work at 250 E.87th Street. The total amount is for a not-to-exceed amount of \$230,768. The alterations are required to accommodate an ancillary facility for the 86<sup>th</sup> 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 86<sup>th</sup> St Station at 250 E.87th St. on 2<sup>nd</sup> Avenue between 86<sup>th</sup> Street & 87<sup>th</sup> Streets. 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 amount previously approved by the Board is \$2,276,401 for design and asbestos abatement work. The final costs for this work are \$2,507,169, which leaves a shortfall of \$230,768. The design has been completed with all required deliverables received, reviewed and accepted by MTACC. The shortfall was due to increased costs resulting from an additional five months needed to complete the design phase as well as legal fees and insurance costs. MTACC is therefore seeking these additional funds to close out all remaining design costs.

**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.

# Staff Summary

**FUNDING IMPACT:**

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

**RECOMMENDATIONS:**

MTACC recommends that the Board approve additional funds of \$230,768 for 250 E87th Street Owners Corp. to proceed with closing out all design related costs to accommodate the ancillary facility at 86<sup>th</sup> Street for the 86<sup>th</sup> Street Station of the Second Avenue Subway.

12/5/11



## PROCUREMENTS

The Procurement Agenda this month includes 10 actions for a proposed expenditure of \$706.9M.

|  |           |             |                 |             |              |
|--|-----------|-------------|-----------------|-------------|--------------|
| <b>Subject</b> Request for Authorization to Award Various Procurements |           |             |                 |             |              |
| <b>Department</b> Materiel Division – NYCT                             |           |             |                 |             |              |
| <b>Department Head Name</b> Stephen M. Plochochi                       |           |             |                 |             |              |
| <b>Department Head Signature</b>                                       |           |             |                 |             |              |
| <b>Project Manager Name</b> Rose Davis                                 |           |             |                 |             |              |
| <b>Board Action</b>  |           |             |                 |             |              |
| <b>Order</b>   | <b>To</b> | <b>Date</b> | <b>Approval</b> | <b>Info</b> | <b>Other</b> |
| 1  | Committee | 12/19/11    |                 |             |              |
| 2  | Board     | 12/21/11    |                 |             |              |

|   |                          |                            |
|---|--------------------------|----------------------------|
| December 13, 2011                             |                          |                            |
| <b>Department</b> Law and Procurement - MTACC |                          |                            |
| <b>Department Head Name</b> Evan Eisland      |                          |                            |
| <b>Department Head Signature</b>              |                          |                            |
| <b>Table of Contents Ref #</b>                |                          |                            |
| <b>Internal Approvals</b>                     |                          |                            |
|   | <b>Approval</b>          | <b>Approval</b>            |
| <i>MB/TTP</i>                                 | President NYCT           | <i>EJ</i> President MTACC. |
| <i>JAB</i>                                    | Executive VP             | X Subways                  |
|   | Capital Prog. Management | X Buses                    |
|   | Law                      | X Diversity/Civil Rights   |

|                                   |                 |              |                 |              |                 |              |                 |
|-----------------------------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|
| <b>Internal Approvals (cont.)</b> |                 |              |                 |              |                 |              |                 |
| <b>Order</b>                      | <b>Approval</b> | <b>Order</b> | <b>Approval</b> | <b>Order</b> | <b>Approval</b> | <b>Order</b> | <b>Approval</b> |
|                                   |                 |              |                 |              |                 |              |                 |

**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                   | \$ 25.0 M        |
| • Wabtec Passenger Transit                                      | \$ 25.0 M           |                  |

Schedules Requiring Majority Vote

|   |          |                         |
|---|----------|-------------------------|
| Schedule G: Miscellaneous Service Contracts | 1        | \$ 8.6 M                |
| • Hewlett Packard Company                   | \$ 8.6 M |                         |
| <b>SUBTOTAL</b>                             |          | <b>2      \$ 33.6 M</b> |

MTA Capital Construction proposes to award Non-Competitive procurements in the following categories:

Schedules Requiring Majority Vote:

|  |         |                       |
|--|---------|-----------------------|
| Schedule F: Personal Service Contracts | 1       | \$ .9 M               |
| • Thacher Associates LLC               | \$ .9 M |                       |
| <b>SUBTOTAL</b>                        |         | <b>1      \$ .9 M</b> |

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

| <u>Procurements Requiring Two-Thirds Vote:</u>   | <u># of Actions</u> | <u>\$ Amount</u> |
|--|---------------------|------------------|
| Schedule C: Competitive Requests for Proposals (Award of Purchase and Public Work Contracts) | 1                   | \$ 5.4 M         |
| <u>Schedules Requiring Majority Vote</u>   |                     |                  |
| Schedule G: Miscellaneous Service Contracts  | 1                   | \$ .8 M          |
| Schedule I: Modifications to Purchase and Public Works Contracts                             | 1                   | \$ 388 M         |
| SUBTOTAL   | 3                   | \$ 394.2 M       |

**MTA Capital Construction proposes to award Competitive procurements in the following categories:**

| <u>Procurements Requiring Two-Thirds Vote:</u>   | <u># of Actions</u> | <u>\$ Amount</u> |
|--|---------------------|------------------|
| Schedule C: Competitive Requests for Proposals (Award of Purchase and Public Work Contracts) | 1                   | \$ 261.9 M       |
| <u>Schedules Requiring Majority Vote:</u>  |                     |                  |
| Schedule H: Modifications to Personal Services and Miscellaneous Service Contracts           | 1                   | \$ 6.8 M         |
| SUBTOTAL   | 2                   | \$ 268.7 M       |

**NYC Transit proposes to award Ratifications in the following categories:**

| <u>Schedules Requiring Majority Vote:</u>                 |   |          |
|---|---|----------|
| Schedule K: Ratification of Completed Procurement Actions | 2 | \$ 9.5 M |
| SUBTOTAL  | 2 | \$ 9.5 M |

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

|       |    |            |
|-------|----|------------|
| TOTAL | 10 | \$ 706.9 M |
|-------|----|------------|

**COMPETITIVE BIDDING REQUIREMENTS:** The procurement actions in Schedules A, B C and D are subject to the competitive bidding requirements of PAL 1209 or 1265-a relating to contracts for the purchase of goods or public work. Procurement actions in the remaining Schedules are not subject to these requirements.

**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.





DECEMBER 2011

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

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

- |    |   |             |                                    |
|----|---|-------------|------------------------------------|
| 1. | R.P.M. Tech, Inc.<br>Contract #R-34190<br>One Proposal – 14 month contract<br>Purchase of eight snowthrowers. | \$5,375,232 | <u>Staff Summary Attached</u> 6.14 |
|----|---|-------------|------------------------------------|

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.)

- |    |   |                  |
|----|---|------------------|
| 2. | Asplundh Tree Expert Company<br>Six Bids/Second Low Bidder – Three-year contract<br>RFQ #7899 | \$779,830 (Est.) |
|----|---|------------------|

This miscellaneous service contract for the Department of Subways (DOS) requires the contractor to provide tree removal and tree trimming services primarily along the right of way and occasionally at other DOS properties. This also includes the needs of SIRTOA. The Contractor is required to remove and/or trim trees on an as needed and emergency basis. The apparent low bidder was notified that its bid was deemed non-responsive due to its failure to utilize the latest version of the price schedule which included material and substantive changes compared to the preceding version. The apparent low bidder was contacted by both telephone and letter and has taken no exception to the non-responsive determination. The second low bidder, Asplundh Tree Expert Company (Asplundh) submitted a bid price of \$779,830, which was \$14,610 less than the next low bidder's price. A comparison of common line items between this solicitation and the previous contract, 06L9587, achieves an overall savings of \$175,140.00 (19.2%) from the previous contract's pricing. These common items comprise 94.6% of Asplundh's overall bid price. NYC Transit considers Asplundh to be technically qualified to perform this work. Based upon adequate price competition, the final price is considered fair and reasonable.

**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. | Kawasaki Rail Car, Inc.<br>Contract #R-34188.1 | \$387,995,000 | <u>Staff Summary Attached</u> 6.16 |
|----|--|---------------|------------------------------------|

Modification to the contract for the purchase of A-Division CBTC-ready Subway Cars and conversion of R142A Cars to CBTC-ready, in order to exercise the option.

DECEMBER 2011

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

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

(Staff Summaries required for items requiring Board approval.)

1. Comstock/Skanska, a Joint Venture      \$261,900,000      Staff Summary Attached 6.17  
Four Proposals – Fifty-five month contract  
Contract #C-26009

Construction of part of the Second Avenue Subway, Route 132A, Track, Signal, Traction Power and Communications in the Borough of Manhattan.

Procurements Requiring Majority Vote:

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

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

2. Ove Arup & Partners,      \$6,752,000 (NTE)      Staff Summary Attached 6.19  
Consulting Engineers, P.C.  
Contract # CM-1252.60

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

DECEMBER 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. Avaya Inc. \$9,092,452 (Est.) Staff Summary Attached 6.20  
Non-Competitive – Two-year contract, with a one-year option  
RFQ #: 16443  
Multi-agency contract for the maintenance of the former Nortel Networks, Inc. LAN and WAN multi-protocol router communication networks.
  
2. Citnalta Construction/Judlau \$425,000 Staff Summary Attached 6.21  
Contracting, JV  
Contract #A-35797.38  
Modification to the contract for the rehabilitation of seven stations and line structures on the West End Line, in order to perform column base repairs.

**Schedule A: Non-Competitive Purchases and Public Work Contracts**



Item Number: 1

|   |
|---|
| <b>Vendor Name (&amp; Location)</b><br>Wabtec Passenger Transit (Duncan, SC)  |
| <b>Description</b><br>Purchase of inventory and non-inventory air brake parts and other sole source parts for subway cars                                     |
| <b>Contract Term (Including Options, if any)</b><br>January 4, 2012 – January 2, 2015   |
| <b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a                   |
| <b>Procurement Type</b><br><input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive   |
| <b>Solicitation Type</b><br><input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Omnibus Sole Source Approval |

|  |  |
|--|--|
| <b>Contract Number</b><br>NONE   | <b>Renewal?</b><br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>Total Amount:</b>   | \$25,000,000 (Est.)  |
| <b>Funding Source</b><br><input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: |  |
| <b>Requesting Dept/Div &amp; Dept/Div Head Name:</b><br>Division of Materiel, Stephen M. Plochochi   |  |

**Discussion:**

This omnibus approval will cover items identified as obtainable only from Wabtec Passenger Transit (Wabtec) and will eliminate the need to advertise and prepare individual procurement staff summaries for each procurement over the \$15,000 small purchase threshold. NYC Transit is not obligated to generate any purchase orders pursuant to an omnibus approval. Any purchases made under this approval will be made pursuant to paragraph 9 (b) of PAL 1209, which allows purchases of items that are available from only a single responsible source to be conducted without competitive bidding. Approximately 6,527 items will be covered by this approval, and include sole source parts that will be used by the Division of Car Equipment (DCE) for normal maintenance and Scheduled Maintenance System (SMS) on the R32, R46, R62, R62A, R68A, R142, R142A, R143 and R160 fleets. Items include subway car air brake system parts and other components such as current collectors, couplers and link bars.

This approval will apply to inventory and non-inventory items identified as obtainable only from Wabtec for the following reasons: sole pre-qualified item on the QPL, and not available from any distributor or other sources; publicly advertised within a twelve month period without an acceptable alternate supplier; or proprietary to Wabtec. These items are advertised a minimum of once every twelve months to seek competition. These sole source parts will be purchased on an as-required basis during the three year period.

The current omnibus approval, approved by the Board in December 2008 and expiring January 3, 2012, was for \$35,000,000. However, there is a remaining balance of \$14,555,721. The reason for the remaining funds is due to numerous forecast revisions and work scope changes made to DCE's SMS plans since the current omnibus was approved. Based on forecasts and projections for the upcoming SMS programs, it is anticipated that DCE will require approximately \$25,000,000 of sole source items from Wabtec during the term of this omnibus approval request.

Procurement has performed a price analysis on 105 sole source items for which contracts were issued during the term of the current omnibus approval which exceeded the \$15,000 threshold. Of the 105 items, 99 items have a comparative history and these 99 items represent 97.6% of the value of the contracts issued under the current omnibus. A comparative price analysis of these 99 items shows that the overall weighted average annual price decreased by 1.2%. This decrease compares favorably with the corresponding Producer Price Index over the same time period which shows a 0.3% average annual increase. Each item purchased under the omnibus approval will be subject to a price analysis, and determination that the negotiated price is found to be fair and reasonable.

**Schedule G: Miscellaneous Service Contracts**



Item Number: 2

|  |
|--|
| <b>Vendor Name (&amp; Location)</b><br>Hewlett-Packard Co. (Roseville, CA)   |
| <b>Description</b><br>Maintenance of Hewlett Packard hardware and software   |
| <b>Contract Term (Including Options, if any)</b><br>January 1, 2012 – December 31, 2016  |
| <b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a      |
| <b>Procurement Type</b><br><input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive                              |
| <b>Solicitation Type</b><br><input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Non-competitive |

|  |  |
|--|--|
| <b>Contract Number</b><br>7162 & 7164  | <b>Renewal?</b><br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| NYCT: \$7,391,857<br>MTA Bus: \$4,246<br>LIRR: \$418,636<br>MNR: \$116,045<br>MTA B&T: 322,028<br>MTAHQ & MTAPD: \$321,283   |  |
| <b>Total Amount (Est.)</b><br>\$8,574,095  |  |
| <b>Funding Source</b><br><input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input checked="" type="checkbox"/> Other: Cap. Reim. |  |
| <b>Requesting Dept/Div &amp; Dept/Div Head Name:</b><br>Technology & Information Services, Sidney Gellineau  |  |

**Discussion:**

This multi-agency contract is for continued maintenance of Hewlett-Packard (HP) midrange computer hardware and software. NYC Transit has requirements from Metro North Railroad (MNR), MTA Bridges and Tunnels (B&T) Long Island Railroad (LIRR), MTA Bus Co. (MTABC) and MTA Headquarters (MTAHQ) in this procurement, in order to extend the same volume discount offered to NYC Transit.

During the past decade, the Board has approved several contracts with HP for these services, always on a non-competitive basis. The vast majority of HP equipment contains operating system software that is proprietary to HP. To provide maintenance, HP provides 24 X 7 technical support with remote monitoring and diagnostic capability, on-site support when required and software updates. HP does not authorize or license third parties to provide these services. Approximately 94% of the contract value represents systems for which the operating system software is proprietary to HP. Regarding hardware maintenance, while there are some third party providers that can perform hardware maintenance on some of the covered hardware, they cannot maintain all hardware. A large number of mission critical systems will be supported by equipment and operating systems under this contract, including NYC Transit's UTS system used for crew scheduling, Hastus Bus and Subway scheduling systems and the UGS system used for scheduling service diversions; MNR's Crew Scheduling System and LIRR's Ticket Selling System and many others. Further, agency applications operating on HP hardware and software are costly to convert to another provider, and thus it is not possible to change the architecture of applications which operate on this hardware.

NYC Transit has attempted in the past to obtain hardware and software maintenance from separate providers for other types of computer systems, with results that were unsatisfactory to Technology & Information Services. In order to ensure that one provider is responsible for correction of all problems whether hardware or software related, NYC Transit adopted a protocol that hardware and software maintenance will be obtained from the same provider. Given the proprietary nature of the software, and criticality of applications dependent on HP, a non-competitive contract is requested.

HP will provide this service under two New York State Office of General Services (OGS) contracts. Utilizing the OGS contracts allow the agencies to obtain superior volume discounts than could be obtained by MTA agencies individually. The discount rates off list price are approximately 34% for software and 50% for hardware. Approximately 55% of the costs under this contract will be subject to the deeper discount. The final price of \$8,574,095 has been found to be fair and reasonable.

A background check and review of information submitted by HP revealed significant adverse information within the meaning of the All Agency Responsibility Guidelines. NYC Transit is reviewing the relevant information. Approval of this SAI issue is being sought concurrently with this request. If the Board approves this contract, no award will be made unless HP is found to be fully responsible for award.

# Staff Summary

| Item Number <b>1</b>  |  |             |           |      |       |
|---|--|-------------|-----------|------|-------|
| Department & Department Head Name: <b>EVP, William Goldstein</b>  |  |             |           |      |       |
| Division Head Signature & Date<br> |  |             |           |      |       |
| <b>Board Reviews</b>  |  |             |           |      |       |
| Order   | To                                       | Date        | Approval  | Info | Other |
| 1   | NYCT Committee                           | 12/19/11    |           |      |       |
| 2   | Finance                                  | 12/19/11    |           |      |       |
| 3   | Board                                    | 12/21/11    |           |      |       |
| <b>Internal Approvals</b>   |  |             |           |      |       |
| Order   | Approval                                 | Order       | Approval  |      |       |
| 1 <i>one</i>  | Sr. Director & Chief Procurement Officer | 5 <i>64</i> | President |      |       |
| 2   | Chief Compliance Officer, MTA            |             |           |      |       |
| 3   | Sr. Vice President & General Counsel     |             |           |      |       |
| 4 <i>AD</i>   | Chief Financial Officer                  |             |           |      |       |

|  |                          |
|--|--------------------------|
| <b>SUMMARY INFORMATION</b>   |                          |
| Vendor Name<br>Thacher Associates LLC  | Contract Number<br>PS834 |
| Description<br>Independent Assessor  |                          |
| Total Amount<br>\$936,725 (NTE)  |                          |
| Contract Term (including Options, if any)<br><br>One Year  |                          |
| 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<br><input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive   |                          |
| Solicitation Type<br><br><input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Negotiation  |                          |
| Funding Source<br><br><input type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input checked="" type="checkbox"/> Other: Settlement |                          |

**I. PURPOSE:**

In accordance with Article III of the MTA All Agency Guidelines for the Procurement of Services, MTACC requests the Board approve the award of a non-competitive negotiated personal services contract to Thacher Associates LLC ("Thacher"), to be an Independent Assessor to oversee Skanska USA Civil Northeast Inc. ("Skanska") on MTACC Projects for a not-to exceed amount of \$936,725 and for a duration of one year. Funding for this Contract is available through utilization of a portion of a civil settlement that the MTA received from the U.S. Attorney through the efforts of the MTA Office of the Inspector General ("OIG") and will have no impact to MTACC's budget.

**II. DISCUSSION:**

Skanska is currently providing construction services in connection with MTACC Contracts A-36121, A-36165, A-36138, C-26002-R, C-26503-R, C-26008, and C-26505. In addition, a Staff Summary requesting Board approval to award the Second Avenue Subway Systems Contract (C-26009) to a Skanska joint venture entity is part of this month's Board Procurement Package. With these contracts in mind, for the reasons discussed below, and with the encouragement and support of the MTA Office of the Inspector General ("OIG"), MTACC believes that it is prudent to retain Thacher as an Independent Assessor of Skanska's D/M/WBE compliance.

To provide a brief background, Thacher served as the integrity compliance monitor for MTACC's Fulton Street Transit Center and South Ferry Terminal Station projects. In that regard, Thacher monitored, among other things, D/M/WBE compliance of five firms, including Skanska, who were providing construction services for the MTA on those projects. Thacher's observations and findings were reported to MTA Corporate Compliance who referred Thacher's report to MTA's OIG. Thacher then assisted the OIG with its investigation of Skanska's practices which precipitated an investigation of Skanska by the U.S. Attorney for the Southern District of New York.

The U.S. Attorney's investigation led to Skanska entering into a non-prosecution agreement and civil settlement. As part of Skanska's settlement with the U.S. Attorney, Skanska paid approximately \$9.8 Million to MTA's OIG. It is worth noting that the U.S. Attorney reported to MTA's Vendor relations unit that Skanska fully cooperated with the government's M/W/DBE compliance investigation.

Moreover, to allay concerns arising from the investigation with regard to Skanska's existing M/W/DBE compliance program, MTA required that Skanska overhaul its M/W/DBE compliance program. Skanska agreed to do so and retained Thacher, as an independent assessor, to evaluate Skanska's overhauled program. Thacher has completed that assignment and, in its report dated December 2011, concluded that Skanska's overhauled program meets "best practices and industry standards."

MTACC and MTA's OIG believe that given this history, it is prudent to retain Thacher, for a one year period, to verify Skanska's implementation of its overhauled M/W/DBE compliance program. The OIG further believes that it is prudent to use a portion of the funds recovered from Skanska through its settlement with the U.S. Attorney's office to fund this review.

It should be noted that Thacher has a long history of successfully dealing with D/M/WBE compliance matters for and on behalf of NYCT, MTACC and other agencies. Thacher has over 15 years of significant experience conducting investigations, audits, assessments and programmatic audits involving D/M/WBE compliance on behalf of various government agencies and private companies. Moreover, Thacher Associates has reviewed countless policies and procedures and has a thorough understanding of the applicable D/M/WBE rules and regulations.

In addition, Thacher's has unique familiarity with Skanska's previous practices and Skanska's newly overhauled and approved plan. As a result, Thacher is in the best position to "hit the ground running" with this assignment. Pursuant to Articles IV(C)(1) and V(C)(2) of the All Agency Guidelines for Procurement of Services, the timing of the projects and Thacher's ability to move quickly into the role of effective assessor justify this award to Thacher.

Thacher's proposal for this work was \$978,000. MTACC's estimated value was \$950,000. Negotiations were held and the parties agreed to a cost of \$936,725 which is considered to be fair and reasonable and below MTACC's estimate.

NYCT/MTACC representatives have checked Thacher's references, technical capabilities and past performance and the findings were satisfactory. There is no Significant Adverse Information as defined in the MTA's All-Agency Responsibility Guidelines on Thacher and they are therefore considered responsible. Thacher has demonstrated they have the necessary experience and requirements set forth in the scope of work. Based on these satisfactory results, MTACC has determined that Thacher is technically qualified to perform the work under Contract PS834.

### **III. IMPACT ON FUNDING:**

Funding for this Contract is available through utilization of a portion of the civil settlement that the MTA received from the US Attorney through the efforts of the MTA OIG. As a participant in the efforts that led to the Skanska non-prosecution agreement and civil settlement, the OIG feels a significant portion of this recovery should be used to ensure D/M/WBE program participation, implementation and compliance with contract goals. As such, it's appropriate that Skanska is the vendor to receive this level of review as it was the source, through its settlement agreement noted above, for the funds.

### **IV. ALTERNATIVES:**

Given the foregoing background and experience, Thacher Associates LLC is uniquely qualified to perform the required continuous assessment of Skanska's program. An alternative is to competitively solicit this requirement. This is not a recommended alternative as the solicitation process combined with the learning curve would cause a tremendous delay.

### **V. RECOMMENDATION:**

MTACC recommends that Board approve the award of a non-competitive negotiated personal services contract to Thacher Associates LLC ("Thacher"), to be an Independent Assessor to oversee Skanska USA Civil Northeast Inc. on MTACC Projects for a not-to exceed amount of \$936,725 and for a duration of one year.

| Item Number <b>1</b>   |          |       |              |      |       |
|--|----------|-------|--------------|------|-------|
| Division & Division Head Name: VP Materiel, Stephen M. Plochochi |          |       |              |      |       |
|  |          |       |              |      |       |
| Board Reviews  |          |       |              |      |       |
| Order  | To       | Date  | Approval     | Info | Other |
|  |          |       |              |      |       |
|  |          |       |              |      |       |
| Internal Approvals   |          |       |              |      |       |
| Order  | Approval | Order | Approval     |      |       |
| 1  | Materiel | 5     | Executive VP |      |       |
| 2 X  | Law      | 6     | President    |      |       |
| 3 X  | Budget   | 7     |              |      |       |
| 4 X  | Subways  | 8     |              |      |       |

|   |                            |
|---|----------------------------|
| <b>SUMMARY INFORMATION</b>  |                            |
| Vendor Name<br>R.P.M. Tech, Inc. (RPM)  | Contract Number<br>R-34190 |
| Description<br>Purchase of Eight Snowthrowers   |                            |
| Total Amount<br>\$5,375,232   |                            |
| Contract Term (including Options, if any)<br>14 months from NOA   |                            |
| 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<br><input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive  |                            |
| Solicitation Type<br><input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:   |                            |
| Funding Source<br><input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: |                            |

**I. PURPOSE**

To obtain Board approval to award a purchase contract to R.P.M. Tech, Inc. (RPM) to furnish and deliver eight Snowthrowers at a total price of \$5,375,232.

**II. DISCUSSION**

The NYC Transit fleet of snow removal equipment maintains the six non-elevated open track lines (Rockaway, Dyre Avenue, Brighton, Sea Beach, West End and Franklin Shuttle) and the subway yards during snowfalls. Currently, there are four Snowthrowers (operated in two consists) and five jet snowblowers in the equipment fleet. The purchase of eight additional Snowthrowers (to be operated in four additional consists) will permit more effective deployment of snow removal equipment to all six non-elevated lines as well as subway yards and will allow for backups should a Snowthrower consist be unavailable for service.

Pursuant to subdivision 9(f) of Section 1209 of the Public Authorities Law, an Authorizing Resolution to issue a request for proposals (RFP) was approved by the Board in March 2011 for the purchase of eight Snowthrowers, with the funding for the equipment provided in the MTA Capital Program. A Snowthrower is a piece of snow removal equipment comprised of an operator cab and a snow throwing apparatus mounted on two axles. The snow throwing apparatus consists of a directional chute, a rotary auger, a rotating snow sweeper brush and two rotating third rail sweeping brushes. Each Snowthrower is equipped with an onboard diesel engine as its equipment power source and can remove up to 2,000 tons of snow per hour while casting the snow in a 180-degree arc up to a distance of 200 feet. The Snowthrower has no propulsion of its own and is pushed by existing NYC Transit locomotives. Snowthrowers operate as a pair in a five-car consist as follows: a) Snowthrower, b) locomotive, c) rider car, such as a retired "Redbird," d) locomotive, and e) Snowthrower. Typically during operations, the brush is raised on the first Snowthrower in order to collect a majority of the fallen snow with the brush lowered on the second Snowthrower in order to collect the snow closest to the rail. The Snowthrowers must be designed and built to be capable of traversing the entire NYC Transit subway system.

NYC Transit performed an extensive market survey to identify potential firms for this equipment and in April 2011 issued an RFP which invited work car manufacturers to submit proposals. NYC Transit also encouraged participation by placing ads in nine international and domestic trade publications targeting the rail industry. Eight firms purchased the RFP package and seven firms attended the pre-proposal conference, which was held at a work location so firms could inspect an existing Snowthrower. Despite this wide range outreach, NYC Transit received only one proposal, totaling \$5,583,044, from RPM, which has furnished all four of NYC Transit's Snowthrowers to date.

Although there were numerous firms which purchased the RFP and attended the pre-proposal conference, there were several reasons why they did not submit proposals. For example, Geismar-Modern Track Machinery designs equipment that meets European standards and indicated that it would be too costly to modify its existing design to comply with the standards specified by NYC Transit. Loram did not submit a proposal because it does not make this type of snow throwing equipment (i.e. augers, chutes, etc). Kodiak America declined because it has an existing business relationship with RPM. Plasser American indicated that it did not propose because it would not be able to develop a compliant machine and deliver it in the specified time frame. Nordco indicated that it would not be able to meet the technical requirements based on its current designs. ARVA Industries indicated that its current Snowthrower is not close to meeting NYC Transit requirements, yet provided a price point in excess of \$14.1M to supply this equipment. Harsco Track Technologies declined because the NYC Transit snowthrower design is too far outside its specialized line of equipment, and Kasgro Rail was only looking for subcontracting opportunities, such as supplying the brushes and other hardware items. Progress Rail did not participate because it was unable to secure potential partners for this project, and did not attend the pre-proposal conference with the other equipment suppliers.

6-14

After evaluating RPM's proposal, the NYC Transit Selection Committee determined that RPM was qualified to perform the Work. The evaluation was conducted in accordance with the stated evaluation criteria which included the technical features, compliance with specifications and product reliability; the proposer's experience in furnishing high quality Snowthrowers for rail applications and delivering on-schedule; qualifications and experience of personnel and subcontractors assigned to the project; product maintainability and operation of equipment; the proposer's experience in providing training and documentation, warranty work, on-site support, special tools and aftermarket support; the proposer's management approach; the proposer's plan to meet or reduce the maximum delivery schedule; the proposer's quality assurance program; overall project price; exceptions taken to the terms and conditions of the proposed Agreement; the quality of the oral presentation and the proposer's written technical proposal submittals.

RPM was invited to provide an oral presentation and engage in technical discussions with the Selection Committee. RPM explained that it would face financing challenges in order to comply with the RFP milestone payment schedule because of the upfront costs for labor and parts. The price proposal RPM initially submitted (\$5,583,044) was based on an alternate milestone payment schedule. Subsequent to the oral presentation, RPM submitted a price proposal of \$5,937,055 which was compliant with the RFP milestone payment schedule. Because of the contract value, MTA Audit was requested to evaluate RPM's price proposal. Based on Audit's review and recommendation of \$5,392,499 (\$674,062 per Snowthrower), NYC Transit proceeded with negotiations. NYC Transit requested that RPM revisit its production, engineering and draftsman labor hours. Extensive negotiations also centered on the performance bonding, retainage and milestone payment schedule. As a result, RPM submitted a revised overall price proposal of \$5,436,505. Subsequently, NYC Transit requested further reductions based on proposed design and labor costs. In response, RPM offered to make an additional concession, resulting in a BAFO price proposal of \$5,375,232. This price is \$17,267 less than the MTA Audit and Cost/Price recommended total contract price. It should be noted that Procurement was successful in negotiating a 10-year parts provisioning clause that limits the contractor's mark-up (profit) to a maximum of 5%.

RPM's BAFO price proposal of \$5,375,232 or \$671,904 per Snowthrower (including the cost of drawings, car history books, specialized tools, spare parts, manuals, training and bonding) is 12.9% or \$793,493 less than the NYC Transit independent cost estimate of \$6,168,725 and is \$561,823 less than RPM's initial compliant proposal. In 2006, NYC Transit purchased two Snowthrowers from RPM, a Canadian company, at a unit price of \$587,809 each. Since that time, the U.S. Dollar has lost 13.1% of its value against the Canadian Dollar. Taking into consideration the value of this depreciation and adding escalation based on the Producer Price Index (WPU1442) for Railroad Cars and Car Parts, the adjusted 2011 price for the previous set of Snowthrowers would be \$779,487 per unit. This adjusted price is 16% higher than the negotiated BAFO price of \$671,904 per Snowthrower under this contract. This BAFO of \$5,375,232 has been accepted by Procurement as fair and reasonable. The Selection Committee, based upon a review performed in accordance with the valuation criteria, unanimously recommended RPM for contract award.

Subways considers RPM to have excellent experience in the design and manufacture of Snowthrowers and to be technically qualified to perform the Work. RPM will be required to furnish and deliver the first two Snowthrowers within 10 months of Notice of Award (NOA). The third and fourth Snowthrowers will be delivered by RPM within 12 months of NOA followed by delivery of two snowthrowers per month for the next two months (Units five through eight) totaling eight Snowthrowers within 14 months of NOA.

A background search of RPM did not reveal any significant adverse information concerning the firm within the meaning of the All-gency Responsibility Guidelines. With Subways' concurrence, Procurement finds RPM to be responsible and NYC Transit's controller has determined that the firm is financially qualified to receive this contract award.

## I. D/M/WBE INFORMATION

Based on the Scope of Work and lack of subcontracting opportunities, no goals were established.

## II. IMPACT ON FUNDING

Funds for the eight Snowthrowers are included in the 2010-2014 Capital Program. This funding, consisting of 100% MTA Funds, is available under Planning Number MW10-7148, Project PSE Number R34190, Primary MTA Project Number T61302/03. A WAR certificate will be requested and the contract will not be executed until a WAR certificate has been issued.

## ALTERNATIVES

Issue the RFP - not recommended. The results of the extensive market outreach for this equipment prior to and during the RFP process confirm that no other firm can fulfill NYC Transit's needs at this time.

## RECOMMENDATION

It is recommended that the Board approve the award of a purchase contract to R.P.M. Tech, Inc. (RPM) to furnish and deliver eight snowthrowers at a total price of \$5,375,232.

Schedule I: Modifications to Purchase and Public Work Contracts



Item Number: 3

|  |  |
|--|--|
| <b>Vendor Name (&amp; Location)</b><br>Kawasaki Rail Car, Inc. (Yonkers, New York)   |  |
| <b>Description</b><br>Purchase of A Division CBTC-ready Subway Cars and Conversion of R142A Cars to be CBTC-ready  |  |
| <b>Contract Term (including Options, if any)</b><br>May 28, 2010 – February 26, 2018   |  |
| <b>Option(s) included in Total Amount?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a                              |  |
| <b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive   |  |
| <b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification                               |  |
| <b>Funding Source</b><br><input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: |  |
| <b>Requesting Dept/Div &amp; Dep/Div Head Name:</b><br>Department of Subways, Carmen Bianco  |  |

|  |                                |
|--|--------------------------------|
| <b>Contract Number</b><br>R-34188                                      | <b>AWO/Modification #</b><br>1 |
| <b>Original Amount:</b>  | \$ 87,094,272                  |
| <b>Prior Modifications:</b>  | \$ 0                           |
| <b>Prior Budgetary Increases:</b>                                      | \$ 0                           |
| <b>Current Amount:</b>   | \$ 87,094,272                  |
| <b>This Request:</b>   | \$ 387,995,000                 |
| <b>% of This Request to Current Amount:</b>                            | 445.5%                         |
| <b>% of Modifications (including This Request) to Original Amount:</b> | 445.5%                         |

**Discussion:**

This modification will exercise a revised option to purchase 103 new Communication Based Train Control-Ready (CBTC-ready) A-Division subway cars and convert 370 NYC Transit R142A subway cars to be CBTC-ready. This modification also includes a scope change whereby Kawasaki Rail Car Inc. (Kawasaki) will perform the entire conversion of B-type R142A subway cars to be CBTC-ready at its facility in Yonkers.

The base contract was competitively solicited and awarded to Kawasaki, the sole proposer, on May 28, 2010 for the purchase of 23 new CBTC-ready A-Division subway cars and conversion of 10 R142A subway cars (one ten-car train) to be CBTC-ready with an option for the purchase of 123 new CBTC-ready subway cars and conversion of 350 R142A subway cars (35 ten-car trains) to be CBTC-ready for use on the Flushing Line. The option can be exercised by NYC Transit no later than May 2012. The Flushing Line runs eleven-car trains, therefore, single new cars will be inserted within the converted R142A ten-car trains to make eleven-car trains. The 23 new cars under the base will make two new eleven-car trains (22 cars) and the 23<sup>rd</sup> car will be inserted within the 10 converted R142A cars to make an eleven-car converted train. At the time of the award of the base contract, the base quantity, proposed option quantity and the redistribution of existing A-Division cars were intended to net 46 trains for the Flushing Line (which includes four trains to extend service over the Flushing Line Extension to 34<sup>th</sup> Street-11<sup>th</sup> Avenue and two trains for ridership growth on the Flushing Line) plus four trains for projected ridership growth in other areas of the A-Division. Based upon a reassessment of the number of cars needed to support ridership demands overall, a revised forecast of ridership growth requires only two of the four fleet growth trains stated for other areas of the A-Division. Thus the number of new cars required for this option will be reduced by a quantity of 20 and the number of conversions will be increased by 10 cars. 103 new cars under the option will make six new eleven-car trains (66 cars) and the remaining 37 cars will be inserted within 37 ten-car converted R142A trains to make 37 eleven-car converted trains. The net result of the base contract, the revised option and the redistribution of existing A-Division cars will be a total of 46 CBTC-ready eleven-car trains (8 new trains and 38 converted trains) for service on the Flushing Line plus only two trains for projected ridership growth in other areas of the A-Division.

Under this modification, NYC Transit will exercise the revised option as previously described and modify the scope of work to have Kawasaki perform conversion of the B-type R142A cars under the option at its facility in Yonkers. Conversion of B-type R142A cars to CBTC-ready B-type and C-type cars under the option was originally contemplated to be performed jointly by NYC Transit and Kawasaki at NYC Transit's 207<sup>th</sup> Street Shop. Conversion of the 10 R142A cars (A-type and B-type cars) under the base and all A-type R142A cars under the option was always contemplated to be performed by Kawasaki at its Yonkers facility.

Kawasaki requested that the option be exercised early and offered an accelerated delivery schedule for the new option cars (approximately 6 months earlier) and proposed a change in the scope of work to perform the conversion of the B-type cars under the option at its facility in Yonkers. Based on the fact that Kawasaki's proposed scope change provided an opportunity for NYC Transit to better utilize its shop space and personnel for other work and avoid the risks and logistical expenses that would otherwise be incurred as a result of the joint work, Procurement proceeded to negotiate this scope change with Kawasaki.

Kawasaki's proposal for the full compliment of 123 new cars and 350 conversion cars, including projected escalation, was \$455,946,822. Changes in escalation as well as negotiations, centering on exercising the option early, accelerating the new car delivery schedule, changing the scope of work with respect to conversion, and mitigation and capping of the escalation of materials, labor and currency (as the option price is based on a formula utilizing applicable industrial indices over an established time frame), yielded savings of \$45,951,822, for a price of \$409,995,000. Included in these savings is a credit of \$800,000 for parts that will be taken from NYC Transit's inventory that will be made available to Kawasaki to utilize in the build of the new cars under the option. This was the result of a rigorous exercise to identify a population of existing R142A spare parts that could be used in the new build to liquidate inventory and free up storage space. Due to the reduction in the number of new cars and the increase in the number of conversion cars, the final contract price was proportionally reduced to \$387,995,000. The final price was deemed fair and reasonable. Delivery of the new trains under this option will commence in Q2 2013 and will complete in Q3 2013. Delivery of converted trains including new single C-type cars will commence in Q2 2013 and complete in Q1 2016. New York State content for this option is 26%.

Based on the contractual maximum price of \$387,995,000, there is a shortfall of \$3,752,900 against the current budget. Funding for this shortfall will be provided from 2010-2011 program savings.

# Staff Summary

| Item Number <b>1</b>   |                            |       |                  |      |       |
|--|----------------------------|-------|------------------|------|-------|
| Division & Division Head Name: <b>VP Materiel, Stephen M. Plochochi</b>          |                            |       |                  |      |       |
|  |                            |       |                  |      |       |
| Board Reviews  |                            |       |                  |      |       |
| Order  | To                         | Date  | Approval         | Info | Other |
|  |                            |       |                  |      |       |
|  |                            |       |                  |      |       |
| Internal Approvals   |                            |       |                  |      |       |
| Order  | Approval                   | Order | Approval         |      |       |
| 1  | Materiel                   | 5     | X CPM            |      |       |
| 2  | X Law, MTACC               | 6     | X Subways        |      |       |
| 3  | X Budget                   | 7     | EVP, MTACC       |      |       |
| 4  | X Diversity & Civil Rights | 8     | President, MTACC |      |       |

| SUMMARY INFORMATION  |                            |
|--|----------------------------|
| Vendor Name<br>Comstock/Skanska, a Joint Venture   | Contract Number<br>C-26009 |
| Description<br>Construction of Part of Second Avenue Subway, Route 132A, Track, Signal, Traction Power, and Communications in the Borough of Manhattan                       |                            |
| Total Amount<br>\$261,900,000  |                            |
| Contract Term (including Options, if any)<br>55 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<br><input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive   |                            |
| Solicitation Type<br><input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:  |                            |
| Funding Source<br><input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other: |                            |

**I. PURPOSE/RECOMMENDATION**

To obtain Board approval to award contract C-26009 for the Construction of Part of Second Avenue Subway, Route 132A, Track, Signal, Traction Power, and Communications in the Borough of Manhattan to Comstock/Skanska, a Joint Venture in the amount of \$261,900,000 and a duration of fifty-five (55) months.

**II. DISCUSSION**

The Second Avenue Subway (SAS) project is a two-track system beneath Second Avenue, from 125th Street to the Financial District in Lower Manhattan and includes four phases. Phase 1 from 96th Street to 63rd Street, Phase 2 from 125th Street to 96th Street, Phase 3 from 63rd Street to Houston Street, and Phase 4 from Houston Street to Hanover Square.

This is the seventh of 10 contracts to be initiated for the construction of Phase 1 of the SAS project. Previously awarded contracts include tunnels from 92nd Street to 63rd Street; utility relocation and civil work at 96th Street, 86th Street, and 72nd Street stations, and rehabilitation of the 63rd Street station. The work under this contract consists of the supply and installation of systems including Track, Train Signals, Communications, and Traction Power. The track to be installed will be a Low-Vibration Track system and will include an aluminum third rail system to provide traction power to trains. The Signal System will be a relay based block wayside signaling system. The Communications Systems will include standard NYCT communication systems, including SONET, Public Address, Customer Information Signs; Closed Circuit Television systems, emergency alarms, radio wireless systems; fire alarms; and Emergency Booth communication system. The Traction Power System will include traction power distribution, conversion to DC power and three new substations. Work on this Contract will include the modification of existing facilities and systems to interface with the Second Avenue Subway systems. The work will cover the areas between 63rd Street / Lexington Avenue and 104th Street / 2nd Avenue, and several remote centers. The Contractor will be required to coordinate work with station contractors at 63rd Street, 72nd Street, 86th Street and 96th Street stations and perform system interface, integration and testing.

An RFP Authorizing Resolution for the use of a competitive Request for Proposal (RFP) procurement process was approved by the Board in September 2010. Selection was accomplished by use of a two-step RFP process. In Step-1 prospective proposers submitted Qualification Packages that were reviewed by the Selection Committee (SC) in accordance with Step-1 evaluation criteria. In Step-2 proposers submitted technical and cost proposals that were reviewed by the SC in accordance with pre-established step-2 evaluation criteria, namely, (1) technical and qualification considerations as well as other relevant matters and (2) overall project cost.

In response to NYCT's advertisement, nine contractors submitted Qualification Packages. After the review, seven of the nine were found capable of performing the work and qualified for Step-2. The seven firms were Halmar Int'l, Judlau/TAP, JV, Skanska USA Civil Northeast, Alford/Citnalta, JV, L.K. Comstock, Daidone/Aldridge, JV, and Kiewit Infrastructure Co. Two other responses were expressions of interest from firms that wanted to be potential subcontractors, and thus not given further consideration. In the second step, the qualified firms were sent the RFP and asked to submit technical and cost proposals.

On July 28, 2011, the following five firms submitted initial proposals: Kiewit Infrastructure (Kiewit) - \$261,099,000 (plus an alternate proposal in the amount of \$259,727,000); Railroad/Citnalta, JV (Railroad/Citnalta) - \$296,263,000; Comstock/Skanska, JV (Comstock/Skanska) - \$302,500,000; Halmar/Parsons, JV (Halmar/Parsons) - \$314,565,000 (plus an alternate proposal in the amount of \$313,365,000); Judlau Contracting, Inc. (Judlau) - \$328,800,000. The internal estimate was in the amount of \$276,480,064. Daidone/Aldridge, JV opted not to submit a Step -2 proposal, L.K. Comstock and Skanska opted to form a joint venture. This was permitted as each proposer had been qualified on its own merits. Judlau opted to propose without TAP. Halmar Int'l opted to propose as a joint venture with one of their major subcontractors, Parsons Transportation Group. Due to the complexity of this project, a Technical Committee (TC) comprised of members from various NYCT and MTACC Departments including Signals, Communications, Track, and Traction Power was established in order to conduct an evaluation of the technical proposals and report its findings to the SC. All five proposers were invited for oral presentations.

After oral presentations, the TC deemed four teams, Comstock/Skanska, Halmar/Parsons, Judlau, and Railroad/Citnalta to be technically preferred. The SC, considering the evaluation criteria, unanimously recommended the four teams for negotiations. Kiewit was not recommended for negotiations because its technical proposal lacked details and critical areas of this project such as Signals, Communications, Track, and Traction Power that were not adequately addressed.

Negotiations were conducted with all four firms and included discussion of commercial and contractual terms and conditions, technical requirements, level of effort and cost. Negotiators focused on ensuring that each technical solution covered every aspect of the scope of work. Cost savings measures considered included alternate contract terms and increase of the mobilization payment. The alternate proposal submitted by Halmar/Parsons was not negotiated because it included some design changes that were deemed not acceptable by the TC.

Following negotiations, the four teams were requested to submit their Best and Final Offers (BAFOs). Each proposer was also given the option of submitting an alternate BAFO based on an alternate non-binding Dispute Resolution Procedure. BAFOs were received as follows: Comstock/Skanska's BAFO was \$264,462,000 (alternate BAFO: \$261,900,000); Judlau's BAFO was \$264,500,000 (no alternates); Railroad/Citnalta's BAFO was \$279,925,000 (alternate BAFO: \$278,825,000); and Halmar/Parsons' BAFO was \$284,907,299 (no alternates). The TC unanimously recommended Comstock/Skanska for award determining that their alternate proposal offered the best overall value to NYCT and MTACC, based on the selection criteria. Comstock/Skanska's alternate BAFO of \$261,900,000 was \$14,580,064 (5%) less than the in-house estimate of \$276,480,064 and \$2,600,000 (1%) below the next lowest BAFO submitted by Judlau. The price is fair and reasonable based on the competitive nature of the RFP. In addition to being lowest in price, Comstock/Skanska had a superior technical proposal as demonstrated by their constructability review which evinced detailed knowledge of the project and construction logistics. The alternate was recommended by the SC based on the opportunity for savings without incurring significant risk.

Skanska's project experience includes Metro-North/Harmon Shop and Yard Phase III; Corona Maintenance Shop & Car Wash Facility; Port Authority/AirTrain JFK Light Rail System; Times Square Station Reconstruction; and 63<sup>RD</sup> Street Queens Boulevard Tunnel Connection. In addition, Skanska is part of joint ventures performing tunneling for both Second Ave. and the #7 Line Extension. Relevant projects performed by L. K. Comstock include: Signal System Modernization at the East 180<sup>th</sup> Street Yard; Rehabilitation of the Ocean Parkway Viaduct; numerous Signal Modernization Projects; and the Flushing Line CBTC project. Moreover, Skanska (in a JV with Railworks Transit) has recently been awarded contract C-26505 for the #7 Line Extension Systems and Finishes project in which they are performing similar work and where L. K. Comstock is one of their major subcontractors. They have received satisfactory ratings for all MTA work performed to date and all contacted references provided positive feedback.

In connection with a previous contract award, Skanska was found to have Significant Adverse Information (SAI) within the meaning of the All Agency Responsibility Guidelines. The Chairman approved a recommendation that they be found responsible for that award and future awards provided that no new SAI was found. No new SAI has been found. Concurrent with this award, the Board is being asked to approve a contract with Watcher Associates LLC, an independent assessor, to oversee Skanska on MTACC projects. A separate review of documents submitted by Comstock, and the Division of Material's background checks and investigations, disclosed no "significant adverse information" within the meaning of the All Agency Responsibility Guidelines. After consideration of all relevant information, the Comstock/Skanska JV was found fully responsible for award. Comstock/Skanska's Workers Compensation Experience is less than 1.2 and therefore acceptable. A review of Comstock/Skanska's pre-award submissions for insurance, bonding and DBE subcontracting goals is ongoing. This contract will not be awarded until approvals are obtained from the necessary departments.

#### DBE INFORMATION

A goal for this project has been established at 8% Disadvantaged Business Enterprise (DBE). Award will not be made until the Department of Diversity and Civil Rights' approval is obtained.

#### CAPITAL PROGRAM REPORTING

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

#### IMPACT ON FUNDING

This contract is funded 80% by FTA and 20% by MTA. Funds are available under planning number NE02-6911, Project ID. G51001/04. The contract will not be awarded until funding is in place and a WAR Certificate is received.

#### ALTERNATIVES

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

Item Number: 2

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

| Contract Number  | AWO/Modification # |                    |
|--|--------------------|--------------------|
| CM-1252  | 60                 |                    |
| <b>Original Amount:</b>  | \$                 | 19,729,370         |
| <b>Option Amount:</b>  | \$                 | 35,844,990         |
| <b>Total Amount:</b>   | \$                 | 55,574,360         |
| <b>Prior Modifications:</b>  | \$                 | 39,200,808         |
| <b>Prior Budgetary Increases:</b>                                      | \$                 | 0                  |
| <b>Current Amount:</b>   | \$                 | 94,775,168         |
| <b>This Request:</b>   | \$                 | 6,752,000<br>(NTE) |
| <b>% of This Request to Current Amount:</b>                            |                    | 7.1%               |
| <b>% of Modifications (including This Request) to Original Amount:</b> |                    | 82.7%              |

**Discussion:**

This modification is for additional Construction Phase Support (CPS) services with no change to the overall contract duration. The contract is for design services on the Fulton Street Transit Center (FSTC) project. The FSTC 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. The base contract originally included an option for Final Design and CPS in the not-to-exceed amount of \$35,844,990. The option amount was subsequently re-negotiated and reduced to the current not-to-exceed amount of \$27,060,000, and the balance of approved funds was used for additional design services.

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. 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. The repackaging of the FSTC Construction Contract Package 4 resulted in the extension of the overall completion schedule for construction from October 2013 to February 2014. This repackaging effort has also resulted in the modification of the design consultant contract, including increasing CPS.

This Modification No. 60 covers additional CPS services. It provides for a greater than anticipated increase in the Consultant's required attendance at meetings as well as the review of approximately 8,000 additional drawing submittals from the contractors as a result of the increased complexity of submittals associated with the interfaces between the various construction contractors for the FSTC project. The time allocated for the review of each drawing has increased due to the greater complexity of the drawing submittals. The coordination of four construction contractors for six contracts also required an increased level of effort from the Consultant not contemplated by the Contract. Increased staffing and time is needed to review drawings from the six contracts to ensure that they interface seamlessly for the overall FSTC design. Additional staffing is required to attend the increased number of meetings resulting from coordinating the work of four construction contractors at six work sites. The modified scope of the FSTC project has also increased the complexity of managing the approval process and incorporating comments from various MTA agencies, the four contractors and other governmental agencies. This Modification also extends CPS an additional four months to coincide with the overall schedule for completion of the construction projects.

The consultant submitted a proposal in the amount of \$8,774,629 (54,545 labor hours). MTACC's revised estimate was \$6,915,212 (44,000 labor hours). Following negotiations, the contractor submitted a BAFO in the amount of \$6,752,000 (44,000 labor hours). The final price was determined to be fair and reasonable. Savings of \$2,022,629 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**

Item Number: 1

|  |   |  |
|--|---|--|
| <b>Vendor Name (&amp; Location)</b><br>Avaya Inc. (Basking Ridge, NJ)  | <b>Contract Number</b><br>RFQ# 16443  | <b>Renewal?</b><br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>Description</b><br><br>Maintenance of the local and wide area multi-protocol router communication networks                                    | NYCT: \$5,699,115<br>MTAHQ: \$1,411,007<br>LIRR: \$917,619<br>MNR: \$692,467<br>BSC: \$103,442<br>MTAPD: \$265,969<br>MTACC: \$2,833<br><br><b>Total Amount (Est.)</b><br>\$9,092,452 |  |
| <b>Contract Term (including Options, if any)</b><br><br>October 1, 2011 – September 31, 2014   | <b>Funding Source</b><br><input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:              |  |
| <b>Option(s) included in Total Amount?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a      | <b>Requesting Dept/Div &amp; Dept/Div Head Name:</b><br>Department of Subways, Carmen Bianco  |  |
| <b>Procurement Type</b><br><input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive                              | (Empty)   |  |
| <b>Solicitation Type</b><br><input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Non-competitive | (Empty)   |  |

**Discussion:**

This multi-agency contract is for the maintenance of local and wide area multi-protocol router communication network (LAN/WAN) equipment originally manufactured by Nortel Networks, Inc. (Nortel) for the data communication operations of NYC Transit, Long Island Railroad (LIRR), Metro-North Railroad (MNR), MTA Headquarters and Police Department (MTAHQ & MTAPD), MTA Capital Construction (MTACC) and MTA Business Service Center (BSC).

The prior contract was awarded to Nortel in 2006. In January 2009, Nortel filed for voluntary bankruptcy protection. Nortel continued to provide the LAN/WAN maintenance services until December 2009 when, by order of the Bankruptcy Court, Avaya, as a subcontractor to Nortel, began furnishing maintenance support for those enterprise product lines. Avaya has acquired portions of Nortel, including the portion that previously manufactured and maintained this equipment. As the successor to Nortel, Avaya is uniquely qualified to provide maintenance for this equipment. The operating system software embedded in the equipment is proprietary to Avaya and any other firm providing hardware maintenance must obtain OEM parts and repair service from Avaya.

Due to the dependence of the agencies on their networks and the critical need to maintain network communications, until NYC Transit and the other agencies are able to replace aged equipment originally manufactured by Nortel, it is necessary to obtain maintenance services directly from Avaya. Avaya is the only firm with that can support this aged equipment. During the course of this agreement, the MTA Agencies will assess their requirements and the availability of service providers and determine an appropriate acquisition strategy for future needs. NYC Transit will utilize the NY State OGS contract for this procurement. The NY State Contract allows the agencies to leverage the volume of both the state and NYC Transit to obtain deeply discounted pricing.

Avaya began providing maintenance support on October 1, 2011 for a contract term of two years with an option to extend the term for up to an additional 12 months. This was necessary to avoid a lapse in coverage for this critical equipment. Contract discussions with Avaya were protracted by discussions regarding the age of equipment and available contract mechanism to obtain the full range of services previously provided by Nortel. During negotiations, Avaya agreed to retain the same prices in the original 2006 contract with Nortel, including a 35% discount from Nortel's February 2006 price list, with the exception of End of Life (EOL) equipment and consulting services, for which the discount is approximately 12% from the current OGS contract price list. Equipment is considered EOL five years after its production has been discontinued. Any added equipment will reflect a discount of 35%. More than 60% of the equipment covered by this contract will be eligible for the deepest discount. The final price of \$9,092,452 has been found to be fair and reasonable.

**Schedule K: Ratification of Completed Procurement Actions**



Item Number: 2

|   |  |
|---|--|
| <b>Vendor Name (&amp; Location)</b><br>Citnalta Construction/Judlau Contracting, JV (Brooklyn, NY)  |  |
| <b>Description</b><br>Rehabilitation of Seven Stations – West End Line  |  |
| <b>Contract Term (including Options, if any)</b><br>August 3, 2009 – March 2, 2012  |  |
| <b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a   |  |
| <b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive  |  |
| <b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification  |  |
| <b>Funding Source</b><br><input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other: |  |
| <b>Requesting Dept/Div &amp; Dept/Div Head Name:</b><br>Capital Program Management, Frederick E. Smith  |  |

| Contract Number  | AWO/Modification # |
|--|--------------------|
| A-35797  | 38                 |
| <b>Original Amount:</b>  | \$ 88,472,000      |
| <b>Prior Modifications:</b>  | \$ 1,172,169       |
| <b>Prior Budgetary Increases:</b>                                      | \$ 0               |
| <b>Current Amount:</b>   | \$ 89,644,169      |
| <b>This Request:</b>   | \$ 425,000         |
| <b>% of This Request to Current Amount:</b>                            | 0.5%               |
| <b>% of Modifications (including This Request) to Original Amount:</b> | 1.8%               |

**Discussion:**

This retroactive modification is for additional column base repairs.

This contract is for improvements to seven stations (71st Street, 79th Street, 18th Avenue, 20<sup>th</sup> Avenue, Bay Parkway, 25th Avenue and Bay 50th Street) and line structure rehabilitation.

The contract requires the repair of the line structure columns. There are 490 columns total. Each column base structure includes two flanges and a web, which are encased in concrete. The contract calls for the repair of 355 flanges and 150 webs.

Following the demolition of the existing column base encasements, a survey was performed to determine the actual condition of the column bases. The survey revealed the need to repair an additional 29 flanges and 48 webs.

This modification will provide the additional repairs, including the abatement of existing lead paint, removal of existing rivets, drilling new holes in existing columns for new bolts, furnishing and installing new high-strength bolts, furnishing and installing new flanges and webs, quality testing and painting. The contractor's initial proposal was \$530,931; NYC Transit's revised estimate was \$402,000. Following negotiations, the lump sum of \$425,000 was agreed upon and found to be fair and reasonable. A savings of \$105,931 was achieved.

On October 28, 2011, the Senior Vice President and Chief Engineer approved a retroactive waiver and the contractor was directed to proceed on November 3, 2011, to avoid delay to the contractual substantial completion date.

PROCUREMENTS

The Procurement Agenda this month includes 2 actions for a proposed expenditure of \$32.5M.

## 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                    | November 29, 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 | 12/19/11 | X        |      |       |
| 2            | Board     | 12/21/11 | X        |      |       |
|              |           |          |          |      |       |
|              |           |          |          |      |       |

| Internal Approvals |                        |         |            |
|--------------------|------------------------|---------|------------|
| Order              | Approval               | Order   | Approval   |
| 3                  | President <i>TD</i>    | 12/9/11 |            |
| 2                  | Executive VP <i>TD</i> |         |            |
| 1                  | General Counsel        |         | <i>WJL</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

|                                    | # of Actions | \$Amount |
|------------------------------------|--------------|----------|
| 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 C: Competitive Requests for Proposals (Award of Purchase and Public Work Contracts) | 1                   | \$31.8M          |
| <u>Procurements Requiring Majority Vote</u>  |                     |                  |
| Schedule G: Miscellaneous Service Contracts  | 1                   | \$0.7M           |
|  | <u># of Actions</u> | <u>\$ Amount</u> |
| Total Competitive Procurements   | 2                   | 32.5M            |

**MTA Bus Company proposes seeks Ratifications in the following categories:**

None

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

None

**NYC Transit Department of Buses seeks Ratifications the following categories:**

None

|                    | <u># of Actions</u> | <u>\$ Amount</u> |
|--------------------|---------------------|------------------|
| Total Procurements | 2                   | \$32.5M          |

## BOARD RESOLUTION

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

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

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

**NOW**, the Board resolves as follows:

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

**DECEMBER 2011**

**LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL**

**Procurements Requiring Two-Thirds Vote:**

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

(Staff Summaries required for items requiring Board approval.)

1. **Daimler Buses North America, Inc.**                      **\$31,788,339**                      *Staff Summary Attached*  
**Contract # B-40647 – Six-year contract**  
Furnish and deliver 74 low-floor 40-foot CNG Buses, with an option to purchase up to 30 additional buses.

**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.)

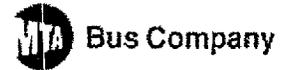
1. **Permadur Industries, Inc. d/b/a**                      **\$658,500 (Est.)**  
**SISSCO**  
**Three Proposals/Low Proposer – Three-year contract**  
**Contract #07G9728**

This contract is for the diagnosis and repair of paint spray booths at various NYC Transit Department of Buses and MTA Bus locations. The work includes on-site repair services for vehicle painting systems including, but not limited to: air intake/exhaust systems, heaters, air handlers, safety interlocks, man lifts, lights, alarm/monitor controls, paint mixing systems and breathing air compressor systems.

A single bid of \$738,300 was received from Permadur Industries, Inc. d/b/a SISSCO (SISSCO), in response to a formal competitive solicitation. SISSCO's bid was not deemed fair and reasonable when compared to the in-house estimate. A market survey, conducted in order to identify why only one bid was received, revealed that if the price schedule were revised to separate travel time associated with a service call from the hourly rate for service, lower pricing could be received not only from SISSCO but from other companies as well. While a pre-bid conference was held prior to the original bid opening, none of the attendees raised any concerns with the price schedule. Based on the results of the market survey and in accordance with MTA NYC Transit Procurement Departmental Procedures, the bid was rejected, the price schedule was revised, and informal proposals (without public advertisement) were sought from SISSCO and the three firms that attended the pre-bid conference.

Three proposals were received with SISSCO submitting the lowest total price of \$658,500. The revised price schedule resulted in a savings of \$79,800 from the original bid price submitted by SISSCO. Based on the competitive pricing received and a price analysis, SISSCO's revised proposal price of \$658,500.00 was found to be fair and reasonable.

# Staff Summary



|  |                |       |                  |      |       |
|--|----------------|-------|------------------|------|-------|
| Item Number <b>1</b>   |                |       |                  |      |       |
| Division & Division Head Name. VP Materiel, Stephen M. Plochochi |                |       |                  |      |       |
| Division Head Signature & Date<br>                               |                |       |                  |      |       |
| Board Reviews  |                |       |                  |      |       |
| Order  | To             | Date  | Approval         | Info | Other |
|  |                |       |                  |      |       |
| Internal Approvals   |                |       |                  |      |       |
| Order  | Approval       | Order | Approval         |      |       |
| 1  | Materiel       | 5     | President, MTABC |      |       |
| 2 X  | Law, MTABC     | 6     |                  |      |       |
| 3 X  | Capital Budget | 7     |                  |      |       |
| 4  | EVP, MTABC     | 8     |                  |      |       |

|   |                            |
|---|----------------------------|
| SUMMARY INFORMATION   |                            |
| Vendor Name<br>Daimler Buses North America, Inc.  | Contract Number<br>B-40647 |
| Description<br>Furnish and Deliver 74 Low Floor 40-foot CNG Buses, with an option to purchase up to 30 additional buses.  |                            |
| Total Amount<br>\$31,788,339  |                            |
| Contract Term (including Options, if any)<br>December 31, 2011 - December 31, 2017  |                            |
| 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<br><input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive  |                            |
| Solicitation Type<br><input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other  |                            |
| Funding Source<br><input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other |                            |

**I. PURPOSE:**

To request that the Board approve the purchase, pursuant to subdivision 4 (g) of Section 1265-a of the Public Authorities Law, of 74 Low Floor 40-foot Compressed Natural Gas (CNG) Buses in the total amount of \$31,788,339 from Daimler Buses North America, Inc. (DBNA) for MTA Bus Company (MTABC). The proposed Contract includes a provision to execute options for the purchase of up to 30 additional Low Floor 40-foot CNG Buses.

**II. DISCUSSION:**

On March 23, 2011, the Board adopted a resolution authorizing the use of a competitive Request for Proposal (RFP) in lieu of competitive bidding to award a contract for the purchase of 74 Low Floor 40-foot CNG Buses with an option to purchase up to 30 additional Low Floor 40-foot CNG Buses.

The solicitation was advertised on July 25, 2011 at which time eight bus manufacturers were directly contacted. Three bus manufacturers (DBNA, DesignLine Corporation and New Flyer of America) attended the pre-proposal conference which was held on August 8, 2011. Initial proposals were received on September 23, 2011 from two proposers (DBNA and New Flyer). Pursuant to the statutory framework, the selection criteria, listed in descending order, were as follows. Overall Project Cost, Overall Quality of Proposer and Product and Other Relevant Matters. Delivery time, while not part of the selection criteria, was requested to be completed 60 weeks from NOA. Selection Committee members were drawn from NYC Transit Department of Buses (DOB), Procurement, Capital Planning & Budget and MTABC Operations Planning.

The initial proposals received from DBNA (\$448,990 per bus) and New Flyer (\$458,990 per bus) were reviewed by the Selection Committee and considered to be in the competitive range. Negotiations were conducted with New Flyer on October 11 and October 12, 2011 and with DBNA on October 13 and October 14, 2011. Negotiations with both DBNA and New Flyer centered on the current performance of each of their respective CNG fleets, alternate proposals, exceptions/deviations to the technical specifications and the terms & conditions, and pricing.

BAFOs were received from both DBNA (\$431,167 per bus) and New Flyer (\$451,631 per bus) on November 4, 2011. The final evaluated per bus price calculations are as follows:

|  | DBNA          | New Flyer     | Difference   |
|--|---------------|---------------|--------------|
| Bus Price (including training, qualification testing, manuals, diagnostic tools) | \$433,626.15  | \$453,713.24  | \$20,087.09  |
| Net debits/credits for Selected Alternatives                                     | (\$4,054.00)  | \$6,768.21    | \$10,822.21  |
| * Net Evaluative Credits   | (\$1,800.00)  | (\$978.00)    | \$822.00     |
| Bus Price in Evaluative Dollars  | \$427,772.15  | \$459,503.45  | \$31,731.30  |
| Overall Quality of Proposer and Product  | (\$15,525.00) | (\$19,800.00) | (\$4,275.00) |
| Total Evaluative Price:  | \$412,247.15  | \$439,703.45  | \$27,456.30  |

\* This represents the net value of credits and debits utilized to value the differences between the proposers' BAFO.

# Staff Summary

The Selection Committee reviewed BAFOs from both DBNA and New Flyer and unanimously recommended award of this contract for 74 Low Floor 40-foot CNG Buses to DBNA. This recommendation is consistent with the evaluation criteria.

DBNA's four pilot buses are scheduled to be delivered June 2012. One of the pilot buses will be used for in-service testing while the other three will be used for configuration audit and qualification testing. The delivery of the production buses is scheduled to begin November 2012 and to be completed December 2012. There are no advance payments for this contract, payments will be made as follows: 1% upon receipt of approved manuals; 1% upon acceptance of training deliverables; and 98% upon acceptance of buses.

In comparing the BAFOs of DBNA and New Flyer, it should be noted that DBNA's unevaluated per bus price of \$431,167 is \$20,464 (4.5%) less than New Flyer's unevaluated per bus price of \$451,631; DBNA's evaluative price of \$412,247 is \$27,456 (6.2%) lower than New Flyer's evaluative price of \$439,703. The final award amount of \$31,788,339 is \$1,985,371 (5.9%) below DBNA's initial proposal (\$33,773,710) and \$2,064,105 (6.1%) below DOB's estimate (\$33,855,444); it will consist of \$31,606,362 for the 74 buses, \$82,577 for qualification testing, manuals, and diagnostic tools, \$25,000 for tailpipe emissions profile testing and \$74,400 for an estimated quantity of training.

MTABC has one year from NOA of the base contract to exercise the option at the BAFO price. If the option is exercised after one year, the contract includes a pre-established adjustment formula for the pricing of the option buses. In the event options are exercised, they will be brought to the Board for approval.

Procurement, DOB, MTABC and the Cost/Price Analysis Unit have determined the final price to be fair and reasonable. There is reasonable assurance that DBNA is financially qualified to perform this contract; DBNA has submitted a Letter of Guarantee from its parent, Daimler North America Corporation, guaranteeing DBNA's delivery of the buses under this contract.

In connection with a previous contract award, Daimler AG, DBNA's ultimate parent was found to have Significant Adverse Information (SAI) within the meaning of the All Agency Responsibility Guidelines. After consideration of all relevant information, the MTA Chairman approved a recommendation that DBNA be found responsible for that award and future awards provided that no new SAI was found. No new SAI has been found.

In an effort to achieve additional operating savings over the life of these buses, Procurement introduced a "Long Term Parts and Provisioning" clause into the contract requiring each proposer provide proprietary parts to the Authority at prices that: (i) are the best prices charged or offered by the Contractor to other customers; and (ii) reflect a reduction in one or more of the cost elements in the pricing model used by the Contractor. In response to this clause, DBNA offered the following auditable cost reductions: (1) 5% reduction on all sole source parts when compared to previous quotes; (2) 5% yearly rebate based on incremental parts sales growth; and (3) Original Equipment Manufacturer disclosure will be provided.

### **III. TVM:**

The Transit Vehicle Manufacturer's (TVM) program applies to this contract because it utilizes federal funds. DBNA has furnished its TVM Certification of compliance with Disadvantaged Business Enterprise Regulations per 49 CFR Section 26.49.

### **IV. IMPACT ON FUNDING:**

This contract will be funded with 80% FTA funds and 20% NYC Funds. Funds for this procurement have been approved in the MTA 2010-2014 Capital Program. A WAR certificate will be requested and the contract will not be executed until a WAR Certificate has been issued.

### **V. ALTERNATIVES:**

Conduct another solicitation. Not recommended. There is no reason to believe that conducting another solicitation will result in lower pricing or better contract terms.

### **VI. RECOMMENDATION:**

It is recommended that the Board approve the purchase, pursuant to subdivision 4 (g) of Section 1265-a of the Public Authorities Law, of 74 Low Floor 40-foot CNG Buses for MTABC in the total amount of \$31,788,339 from Daimler Buses North America, Inc. The proposed Contract includes a provision to execute options for the purchase of up to 30 additional Low Floor 40-foot CNG Buses.

**LONG ISLAND/METRO-NORTH  
COMMITTEES**

**PROCUREMENTS**

**FOR**

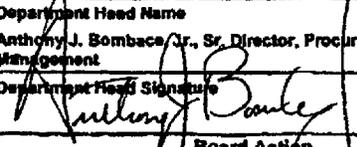
**BOARD ACTION**

**December 21, 2011**

**MTA** Long Island Rail Road

**MTA** Metro-North Railroad

**MTA** Capital Construction

|   |                    |             |                 |             |              |  |  |              |                 |
|---|--------------------|-------------|-----------------|-------------|--------------|--|--|--------------|-----------------|
| <b>Subject</b><br>Request for Authorization to Award Various Procurements   |                    |             |                 |             |              | <b>Date</b><br>December 21, 2011   |  |              |                 |
| <b>Department</b><br>Procurement and Logistics - LIRR   |                    |             |                 |             |              | <b>Department</b><br>Law and Procurement - MTACC   |  |              |                 |
| <b>Department Head Name</b><br>Dennis L. Mahon, Chief Procurement and Logistics Officer                               |                    |             |                 |             |              | <b>Department Head Name</b><br>Evan M. Eisland, Senior Vice President and General Counsel                              |  |              |                 |
| <b>Department Head Signature</b><br> |                    |             |                 |             |              | <b>Department Head Signature</b><br> |  |              |                 |
| <b>Department</b><br>Procurement and Material Management - MNR  |                    |             |                 |             |              |  |  |              |                 |
| <b>Department Head Name</b><br>Anthony J. Bombace Jr., Sr. Director, Procurement & Material Management                |                    |             |                 |             |              |  |  |              |                 |
| <b>Department Head Signature</b><br> |                    |             |                 |             |              |  |  |              |                 |
| <b>Board Action</b>   |                    |             |                 |             |              | <b>Internal Approvals</b>  |  |              |                 |
| <b>O</b>  | <b>To</b>          | <b>Date</b> | <b>Approval</b> | <b>Info</b> | <b>Other</b> | <b>Order</b>   | <b>Approval</b>  | <b>Order</b> | <b>Approval</b> |
| 1   | LIRR/MNR Committee | 12.18.11    |                 |             |              | <input checked="" type="checkbox"/>  | President, LIRR    |              |                 |
| 2   | MTA Board          | 12.21.11    |                 |             |              | <input checked="" type="checkbox"/>  | President, MNR   |              |                 |
|   |                    |             |                 |             |              | <input checked="" type="checkbox"/>  | President, MTACC  |              |                 |

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

**DISCUSSION:**  
LIRR proposes to award Non-Competitive Procurements in the following categories:

**Schedules Requiring Two-Thirds Vote**

| Schedule A: | Non-Competitive Purchase & Public Works Contracts | # of Actions | \$ Amount |
|-------------|---|--------------|-----------|
|             |   | 1            | \$3.500M  |

**Schedules Requiring Majority Vote**

| Schedule G:      | Miscellaneous Service Contracts | # of Actions | \$ Amount       |
|------------------|---------------------------------|--------------|-----------------|
|                  |                                 | 1            | \$4.270M        |
| <b>SUBTOTAL:</b> |                                 | <b>2</b>     | <b>\$7.770M</b> |

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

**Schedules Requiring Majority Vote**

| Schedule G:      | Miscellaneous Service Contracts                     | # of Actions | \$ Amount       |
|------------------|---|--------------|-----------------|
|                  |   | 1            | \$0.050M        |
| Schedule J:      | Modification to Miscellaneous Procurement Contracts | 1            | \$0.250M        |
| <b>SUBTOTAL:</b> |   | <b>2</b>     | <b>\$0.300M</b> |

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

LIRR proposes to award Competitive Procurements in the following categories:

Schedules Requiring Two-Thirds Vote

|             |   | <u># of Actions</u> | <u>\$ Amount</u> |
|-------------|---|---------------------|------------------|
| Schedule B: | Competitive Requests For Proposals (Solicitation) | 3                   | \$TBD            |
| Schedule C: | Competitive Requests for Proposals (Award)        | 1                   | \$12.162M        |

Schedules Requiring Majority Vote

|             |                            |          |                  |
|-------------|----------------------------|----------|------------------|
| Schedule F: | Personal Service Contracts | 1        | \$19.790M        |
|             | <b>SUBTOTAL:</b>           | <b>5</b> | <b>\$31.952M</b> |

MNR proposes to award Competitive Procurements in the following categories:

Schedules Requiring Two-Thirds Vote

|             |  | <u># of Actions</u> | <u>\$ Amount</u> |
|-------------|--|---------------------|------------------|
| Schedule C: | Competitive Requests for Proposals (Award) | 1                   | \$15.555M        |

Schedules Requiring Majority Vote

|             |                                 |          |                  |
|-------------|---------------------------------|----------|------------------|
| Schedule G: | Miscellaneous Service Contracts | 1        | \$3.489M         |
|             | <b>SUBTOTAL:</b>                | <b>2</b> | <b>\$19.044M</b> |

MTACC proposes to award Competitive Procurements in the following categories:

Schedules Requiring Majority Vote

|             |   | <u># of Actions</u> | <u>\$ Amount</u> |
|-------------|---|---------------------|------------------|
| Schedule H: | Mods to Personal Services Contracts & Misc. Service Contracts | 2                   | \$76.275M        |
|             | <b>SUBTOTAL:</b>  | <b>2</b>            | <b>\$76.275M</b> |

LIRR proposes to award Ratifications in the following categories: None

MNR proposes to award Ratifications in the following categories:

Schedules Requiring Majority Vote

|             |   | <u># of Actions</u> | <u>\$ Amount</u> |
|-------------|---|---------------------|------------------|
| Schedule K: | Ratification of Completed Procurement Items | 2                   | \$0.055M         |
|             | <b>SUBTOTAL:</b>                            | <b>2</b>            | <b>\$0.055M</b>  |

MTACC proposes to award Ratifications in the following categories: None

**TOTAL:**                      **15**                      **\$135.396M**

**BUDGET IMPACT:**

The purchases/contracts will result in obligating LIRR 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.

**DECEMBER 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. | <b>Invensys Rail Corporation</b> | <b>\$1,500,000 – LIRR</b>          | <i>Staff Summary Attached</i> |
|    | <b>Sole Source</b>               | <b><u>\$2,000,000 – MNR</u></b>    |                               |
|    | <b>Contract No. TBD</b>          | <b>\$3,500,000 – Not to Exceed</b> |                               |

Long Island Rail Road (LIRR), on behalf of itself and Metro-North Railroad (MNR) (“Railroads”), requests MTA Board approval to award Sole Source Contracts to Invensys Rail Corporation (Invensys), for a three-year period in the total not-to-exceed amount of \$3,500,000 (LIRR \$1,500,000/MNR \$2,000,000) for essential safety critical grade crossing mechanisms. Invensys, as the Original Equipment Manufacturer, possesses the proprietary software and manufacturing expertise and is therefore the single responsible source able to successfully supply the replacement parts for automatic grade crossing warning systems on behalf of the Railroads. These systems are safety critical and it is imperative that they operate reliably and as designed. In accordance with Public Authorities Law 1265-a (3), LIRR advertised the Railroads’ intent to award a sole source procurement to Invensys in the NYS Contract Reporter and in the NY Post. No other firms expressed an interest in competing for this contract.

*Procurements Requiring Majority Vote*

**Schedule G: Miscellaneous Service Contracts**

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

- |    |                             |                                 |                               |
|----|-----------------------------|---------------------------------|-------------------------------|
| 2. | <b>Solari Corporation</b>   | <b>\$3,220,000 – LIRR</b>       | <i>Staff Summary Attached</i> |
|    | <b>Sole Source</b>          | <b><u>\$1,050,000 – MNR</u></b> |                               |
|    | <b>Contract No. IT05958</b> | <b>\$4,270,000</b>              |                               |

Long Island Rail Road (LIRR) on behalf of itself and Metro-North Railroad (MNR) (the Railroads) recommends the award of a non-competitive contract in the amount of \$4,270,000 for a five (5) year period, to Solari Corporation (Solari) for 24/7 on-call remedial and preventive maintenance and repair of the Solari Signage System located in Pennsylvania Station (Penn Station), Jamaica Station, Atlantic Avenue Terminal, and the Visual Information System located at Grand Central Terminal (GCT). These Signage Systems electronically display travel information such as station stops and arrival times to Railroad customers and utilizes Variable Message Signage (VMS), which enables the Railroads to immediately alert customers of emergency conditions related to travel or station evacuation. The Solari software is proprietary and cannot be maintained by any other vendor. Advertisements of LIRR’s intent to award this contract on a sole source basis revealed that no firm other than Solari is authorized to furnish, install, and maintain the Solari System. For this Board action, sole source advertisements were placed in the NYS Contract Reporter and the NY Post with no responses from interested parties.

**Schedule A: Non-Competitive Purchases and Public Works**

**Staff Summary**



Item Number: 1

|  |
|--|
| <b>Vendor Name</b><br>Invensys Rail Corporation - Louisville, KY   |
| <b>Description</b><br>Various Signal Replacement Parts   |
| <b>Contract Term (including Options, if any)</b><br>3 Year Contract  |
| <b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                               |
| <b>Procurement Type</b><br><input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-Competitive                          |
| <b>Solicitation Type</b><br><input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole Source |

|   |   |
|---|---|
| <b>Contact Number</b><br>TBD  | <b>Renewal?</b><br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No    |
| <b>Total Amount: \$</b>   | LIRR:            \$1,500,000<br>MNR:            \$2,000,000<br>Not-to-Exceed: \$3,500,000 |
| <b>Funding Source</b><br><input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other: |   |
| <b>Requesting Dept/Div &amp; Dept/Div Head Name:</b>  |   |
| <b>Contract Manager:</b><br>Richard Barone  |   |

**Discussion:**

Long Island Rail Road (LIRR), on behalf of itself and Metro-North Railroad (MNR) ("Railroads"), requests MTA Board approval to award Sole Source Contracts to Invensys Rail Corporation (Invensys), for a three-year period in the total not-to-exceed amount of \$3,500,000 (LIRR \$1,500,000/MNR \$2,000,000) for essential safety critical grade crossing mechanisms. Invensys, as the Original Equipment Manufacturer, possesses the proprietary software and manufacturing expertise and is therefore the single responsible source able to successfully supply the replacement parts for automatic grade crossing warning systems on behalf of the Railroads. These systems are safety critical and it is imperative that they operate reliably and as designed. In accordance with Public Authorities Law 1265-a (3), LIRR advertised the Railroads' intent to award a sole source procurement to Invensys in the NYS Contract Reporter and in the NY Post. No other firms expressed an interest in competing for this contract.

The prices proposed by Invensys, which are fixed for the three year duration of the contract, were reviewed and compared to the Producer Price Index (PPI) and were determined to be within the acceptable industry increase (average 9.5% increase from prior award, compared to 10% increase to PPI over same period). Additionally, should any miscellaneous material be required, but not identified as normal maintenance material, it will be provided at a 7% discount off the current price list. Further, the contract with Invensys requires that any material procured by each agency under their respective contracts will be offered at prices that are "equal to" or "less than" prices quoted to their "most favored transit customer" or any other Commuter Railroad or Transit Agency. Based on the above, the prices have been determined to be fair and reasonable.



Staff Summary

Item Number: 2

|  |
|--|
| <b>Vendor Name (&amp; Location)</b><br>Solari Corporation, 36 West 44 <sup>th</sup> Street, New York, New York   |
| <b>Description</b><br>Renewal of Maintenance on the Solari Display Systems at Pennsylvania Station, Jamaica Station, Atlantic Terminal, and Grand Central Terminal |
| <b>Contract Term (including Options, if any)</b><br>January 1, 2012 – December 31, 2016  |
| <b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |
| <b>Procurement Type</b><br><input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-Competitive  |
| <b>Solicitation Type</b><br><input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole Source                       |

|  |  |
|--|--|
| <b>Contact Number</b><br>IT05958   | <b>Renewal?</b><br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| \$3,220,000-LIRR<br><u>\$1,050,000-MNR</u><br>\$4,270,000  |  |
| <b>Funding Source</b><br><input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: |  |
| <b>Requesting Dept/Div &amp; Dept/Div Head Name:</b><br>LIRR Information Technology/Scott Dieterich, CIO   |  |
| <b>Contract Manager :</b><br>Frederick J. Nielsen/Cliff R. De Risi   |  |

**Discussion:**

Long Island Rail Road (LIRR) on behalf of itself and Metro-North Railroad (MNR) (the Railroads) recommends the award of a non-competitive contract in the amount of \$4,270,000 for a five (5) year period, to Solari Corporation (Solari) for 24/7 on-call remedial and preventive maintenance and repair of the Solari Signage System located in Pennsylvania Station (Penn Station), Jamaica Station, Atlantic Avenue Terminal, and the Visual Information System located at Grand Central Terminal (GCT). These Signage Systems electronically display travel information such as station stops and arrival times to Railroad customers and utilizes Variable Message Signage (VMS), which enables the Railroads to immediately alert customers of emergency conditions related to travel or station evacuation. The Solari software is proprietary and cannot be maintained by any other vendor. Advertisements of LIRR's intent to award this contract on a sole source basis revealed that no firm other than Solari is authorized to furnish, install, and maintain the Solari System. For this Board action, sole source advertisements were placed in the NYS Contract Reporter and the NY Post with no responses from interested parties.

Under the terms of the proposed agreement, Solari will provide the Railroads with remedial maintenance on a 24/7 x 365 basis with a 2-hour response time for equipment located at LIRR's three major terminals (Penn, Jamaica and Atlantic Terminal) and at MNR's GCT. The equipment for LIRR consists of 802 Solari devices, including master destination boards, connection boards, gate and platform indicators, many of which utilize embedded displays (i.e. LED and TFT displays) which also require maintenance. The maintenance program for both Railroads includes scheduled preventive maintenance, including all spare parts for the repair or replacement of equipment. For LIRR, the agreement also includes all necessary software support and upgrade services and replacement of all Solari video display monitors and electronic components prior to the end of the maintenance agreement.

MNR's equipment consists of 236 devices from a variety of original equipment manufacturers, which include plasma / LCD displays, gate indicators, video monitors, message boards, two main information boards, all located within GCT's Visual Information System (VIS). Solari is the only authorized reseller and distributor of OEM components required to maintain the GCT VIS system. Under a separate contract, MNR obtains software maintenance and upgrades from ComNet as they own the proprietary software rights to the GCT VIS. A MNR contract with ComNet was approved by MTA Board in the November 2011.

With the assistance of MTA Audit, the LIRR successfully negotiated a reduction of 11.81% from the rate the Railroads currently pay. These rates, which represent no less than 12% of the value of the equipment inventory, will remain fixed for the entire five (5) year term of the agreement and are deemed to be fair and reasonable under industry standards. In addition to the preventative, software and hardware maintenance and materials, the contract

**Staff Summary**

contains a contingency of \$150,000 to be used during the five-year term for unanticipated expansion and equipment relocations dictated by Railroad's operations, or repairs due to vandalism or damage beyond the control of Solari. These funds would be used only as needed and the associated labor rates are fixed for the five-year term of the agreement.

| 5 Year Period | No. of Passenger Terminal Locations | No. of Devices | Preventative Maintenance | Software Maintenance | Hardware Maintenance | Materials (Spare parts and Replacements) | Total       |
|---------------|-------------------------------------|----------------|--------------------------|----------------------|----------------------|--|-------------|
| LIRR          | 3                                   | 802            | \$1,248,000              | \$344,400            | \$384,000            | \$1,243,600**                            | \$3,220,000 |
| MNR           | 1                                   | 236            | \$450,000                | *                    | \$150,000            | \$450,000**                              | \$1,050,000 |

\* MNR has a maintenance contract with ComNet

\*\* Includes contingency

**MBE/WBE GOALS:**

The MTA Office of Civil Rights assigned 0% MBE/WBE Goals to this Procurement

**ALTERNATIVES:**

There are no viable alternatives to Solari maintaining their customer information display systems. LIRR and Metro-North do not have the resources or technical skill level necessary to maintain the Solari system.

**IMPACT ON FUNDING:**

The agreement will be funded by the Railroad's Operating Budgets.

**RECOMMENDATION:**

It is recommended that the MTA Board approve the award of a non-competitive contract to Solari Corporation at a total price of \$4,270,000 (\$3,220,000 – LIRR; \$1,050,000 – MNR).

**DECEMBER 2011**

**METRO-NORTH RAILROAD**

**LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL**

**Schedules 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. Applied Power Systems Inc. \$50,000 (not-to-exceed)**

**Repair & Return of Insulated Gate Bi-Polar Transistor Stack Inverters for M-4 Railcars**

Non-competitive, sole source, negotiated, 2-year miscellaneous service contract for the pick-up, repair, and delivery of an estimated eighty (80) Insulated Gate Bi-Polar Transistor (IGBT) Stack Inverters used on MNR's M-4 Commuter Railcar Fleet. The IGBTs are part of the M-4 Railcar's Power inverter system which converts the high voltage AC power to lower voltage DC power needed for lighting and HVAC. This contract is required to maintain MNR's M-4 Commuter Railcar Fleet ensuring efficient, timely, and safe operations until the M-4's anticipated retirement.

Applied Power Systems Inc. is the OEM, sole source and only authorized maintainer of this material. They are the original designer of this component which has been in use for over 8 years and is deemed proprietary. The required public notice of this potential sole source purchase did not elicit alternate vendors.

A comparison of prices from the previous agreement ('09-'11) with the new 2-year agreement, reflects an average unit price increase of 4.8% with all pricing fixed for that period, and is deemed fair and reasonable. The total not-to-exceed amount of this contract will be \$50,000. This procurement is to be funded by the MNR Operating Budget.

**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)

**2. TransTech of S.C. Inc. \$250,000 (not-to-exceed)**

**Additional Funding -OEM parts for Various Railcar Fleets**

Approval is requested for additional funding in the total amount not-to-exceed \$250,000 to the purchase agreement for OEM replacement parts with TransTech of S.C. Inc. (TransTech). TransTech is the OEM, sole source and current supplier for certain power system replacement parts (e.g.-third rail current collection and pantograph parts) used on the Genesis locomotives and the M-2, M-4 and M-6 Railcar fleets. TransTech is also an OEM supplier for these same parts on MNR's new M-8 railcars. The current purchase agreement is set to expire in May 2012; but an increase in purchases in 2011 for the initial inventory set-up for the M-8 railcars as well as the increased consumption of parts due to the extreme weather-related conditions of 2010-2011 for the M2/4/6s, has almost exhausted available funding. Additional funding in the total amount not-to-exceed \$250K is necessary to complete anticipated procurements through the end of the agreement. During this period, MNR will be re-evaluating the overall fleet requirements for TransTech replacement parts and will pursue a new negotiated agreement with TransTech which reflects those updated projections for the entire fleet.

All parts purchased through the purchase agreement are on an as-needed basis and a price analysis is performed to determine price reasonableness. The items in the purchase agreement are obtainable only from TransTech for the following reasons: a sole pre-qualified item on the MNR Qualified Products List; are not available from any distributor or other source(s); or are proprietary to TransTech. There are no minimum guaranteed purchases in the agreement. This procurement is to be funded by the MNR Operating Budget.

**DECEMBER 2011**

**MTA LONG ISLAND RAIL ROAD**

**LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL**

*Procurements Requiring Two-Thirds Vote*

**Schedule B: Competitive Requests for Proposals (Solicitation of Purchase and Public Work Contracts)**  
(Staff Summaries only required for items estimated to be greater than \$1 million)

- |   |   |              |                               |
|---|---|--------------|-------------------------------|
| <b>3.</b>   | <b>TBD</b><br><b>Competitive RFP</b><br><b>Contract No. TBD</b> | <b>\$TBD</b> | <i>Staff Summary Attached</i> |
| <p>Long Island Rail Road ("LIRR"), as the lead agency, on behalf of itself and Metro-North Railroad ("MNR"), requests that the MTA Board adopt a resolution declaring that competitive bidding is impractical or inappropriate and that it is therefore in the public interest to use the Request for Proposal (RFP) process pursuant to Section 1265-a of the Public Authorities Law to award contracts for the design, manufacture, test and delivery of M9 and M9A Rail Cars. As explained in the Staff Summary that follows, except for 160 FTA-funded Cars, New York State Content will be an important selection criterion in this procurement.</p> |   |              |                               |
| <b>4.</b>   | <b>TBD</b><br><b>Competitive RFP</b><br><b>Contract No. TBD</b> | <b>\$TBD</b> | <i>Staff Summary Attached</i> |
| <p>Long Island Rail Road ("LIRR"), as the lead agency, on behalf of itself and Metro-North Commuter Railroad ("MNR") ("Railroads") requests MTA Board approval to adopt a resolution declaring that competitive bidding is impractical or inappropriate and that it is, therefore, in the public interest to use the Request for Proposal (RFP) process pursuant to Section 1265-a of the Public Authorities Law to award a contract for a Systems Integrator to provide the design, integration and furnishing of various material required for Positive Train Control (PTC).</p>  |   |              |                               |
| <b>5.</b>   | <b>TBD</b><br><b>Competitive RFP</b><br><b>Contract No. TBD</b> | <b>\$TBD</b> | <i>Staff Summary Attached</i> |
| <p>LIRR requests approval to adopt a resolution declaring that competitive bidding is impractical or inappropriate and that it is therefore in the public interest to use the Request for Proposal (RFP) process pursuant to Section 1265-a of the Public Authorities Law to award a contract to replace the Hillside and Kew Gardens Substations.</p>  |   |              |                               |

*Procurements Requiring Two-Thirds Vote*

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



6. **Delta Railroad Construction, Inc.**                      **\$12,161,648**                      Staff Summary Attached  
**Competitive RFP**  
**Contract No. 6076**

Pursuant to a competitive RFP, Long Island Railroad requests MTA Board approval to award a Firm Fixed Price contract to Delta Railroad Construction Inc. to provide Design-Build Services of Direct Fixation Fastener Replacement on both East and West bound Tracks at Merrick and Bellmore Viaducts. The contract is scheduled to begin in December 2011 and attain Substantial Completion by September 12, 2012. The scope consists of design surveys on the viaducts at Merrick and Bellmore to identify the necessary repairs to spalled concrete decks, track slabs, running rail plinths and guard rail plinths along both east and west bound tracks. Upon completion and approval of the design drawings, the contractor will replace all direct fixation fasteners at both viaducts.

Procurements Requiring Majority Vote

**Schedule F: Personal Service Contracts**

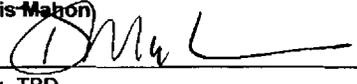
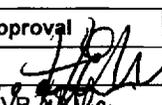
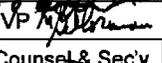
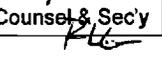
(Staff Summaries required for all items greater than: \$100K Sole Source; \$250K Other Non-Competitive; \$1M Competitive)

7. **Take Care Employer Solutions**                      **\$19,789,593**                      Staff Summary Attached  
**Competitive RFP**  
**Contract Nos. TBD**

To obtain MTA Board approval to: i) award three competitively-solicited, multi-agency (LIRR, MNR/MTAHQ/PD, B&T) (the Agencies) contracts to the firms of American Occupational Health Mgt, Inc. d/b/a Take Care Employer Solutions, Inc. (Take Care), and, Occupational Health Decisions, (OHD), in the combined amount of \$17,483,593 to manage and operate the agencies' on-site Occupational Health Services facilities for a period of five years, from January 1, 2012, through December 31, 2016, and ii) to ratify a six month extension to each agency's current occupational health services contracts from July 1, 2011 through December 31, 2011 in the amount of \$2,306,000.

Staff Summary



| Item Number: 3  |  |            |  |      |       |
|---|--|------------|--|------|-------|
| Dept & Dept Head Name: Dennis Mahon  |  |            |  |      |       |
| Division & Division Head Name: TBD  |  |            |  |      |       |
| <b>Board Reviews</b>  |  |            |  |      |       |
| Order   | To   | Date       | Approval   | Info | Other |
| 1   | LI Committee   | 12/19/2011 |  |      |       |
| 2   | MNR Committee  | 12/19/2011 |  |      |       |
| 3   | MTA Board  | 12/21/2011 |  |      |       |
| <b>Internal Approvals</b>   |  |            |  |      |       |
| Order   | Approval   | Order      | Approval   |      |       |
| 6   | President                 | 3          | VP/CFO                |      |       |
| 5   | Executive VP              | 2          | Sr. VP/Operations     |      |       |
| 4   | VP/Gen'l Counsel & Sec'y  | 1          | Sr VP/Administration  |      |       |

| SUMMARY INFORMATION  |                        |
|--|------------------------|
| Vendor Name<br>TBD   | Contract Number<br>TBD |
| Description  |                        |
| Total Amount<br>\$TBD  |                        |
| Contract Term (including Options, if any)<br>TBD   |                        |
| Options(s) included in Total Amount: <input type="checkbox"/> Yes <input type="checkbox"/> No  |                        |
| Renewal? <input type="checkbox"/> Yes <input type="checkbox"/> No  |                        |
| Procurement Type<br><input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-Competitive   |                        |
| Solicitation Type<br><input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:  |                        |
| Funding Source<br><input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other: |                        |

Narrative

**I. PURPOSE/RECOMMENDATION:**

Long Island Rail Road ("LIRR"), as the lead agency, on behalf of itself and Metro-North Railroad ("MNR"), requests that the MTA Board adopt a resolution declaring that competitive bidding is impractical or inappropriate and that it is therefore in the public interest to use the Request for Proposal (RFP) process pursuant to Section 1265-a of the Public Authorities Law to award contracts for the design, manufacture, test and delivery of M9 and M9A Rail Cars. As explained below, except for 160 FTA-funded Cars, New York State Content will be an important selection criterion in this procurement.

**II. DISCUSSION:**

The Railroads' current Rolling Stock Strategy calls for the Procurement of 236 Base Order married-pair Electric Multiple Units ("EMU's"), consisting of 76 Non-FTA-funded M-9 Cars and 160 FTA-funded M-9A Cars for LIRR, and 462 additional LIRR/MNR M-9 Cars (Non-FTA-funded) to support the LIRR's new service to Grand Central Terminal, replacement of the Railroads' respective M-3 fleets and ridership growth. Because the Railroads' respective option car needs will be refined in the next Capital Program, the RFP includes options up to 600 cars. Also included is support equipment such as certain spare parts, special tools and bench test equipment. Some of the MNR M-9 cars may be a different configuration, such as a single unpowered car.

New York State Content will be an important evaluation criterion in the award of the non-FTA funded Cars, thereby supporting the sourcing of parts and the manufacture and/or assembly of Cars in New York State, with proposers receiving credits applied against their total offered price based on the percent of work done in New York State. FTA rules prohibit local content provisions (Buy America instead will apply), and there are other differences in the contract terms between Federal and non-Federal procurements (e.g., FTA requires compliance with the Disadvantaged Business Program, while MTA-funded contracts require compliance with MBE/WBE Programs). Additionally, the Railroads will receive Life Cycle Cost information with the proposals related to improved Reliability, Maintainability, and Energy savings as part of the evaluation process.

## Staff Summary

The Railroads will utilize two separate, simultaneous side-by-side RFPs (one RFP for the Federally-funded cars and one RFP for the cars that are being funded without Federal funding) and award two separate and distinct contracts. Notwithstanding the different RFPs, carbuilders will have the ability to propose on both the Federal and non-Federal contracts. Additionally, carbuilders will be able to propose prices based on receiving awards for both contracts. Thus, while Federal requirements will have to be met for the 160 M-9A Cars, overall the NYS economy may benefit from the contract requiring New York State content. In the event of a split award, the contract terms will require cooperation between carbuilders and interoperability of all Cars; also, to the extent feasible, interchangeability of parts and systems will be required. Production and deliveries will be continuous between the Base and Options, allowing for the carbuilders to best utilize their resources and offer optimal pricing to the Railroads.

### **III. D/M/WBE INFORMATION:**

Goals for these contracts have been determined by the MTA Office of Civil Rights as follows:

MBE 10%

WBE 10%

DBE 10%

### **IV. IMPACT ON FUNDING:**

Funding for the LIRR 236 Base Order M-9 and M-9A Cars is in the MTA 2010-2014 Capital Program. Option Car funding will be sought in the MTA 2015-2019 Capital Program. The Options will be timed so that continual production is maintained, and so that options can be exercised after funding becomes available.

### **V. ALTERNATIVES:**

The alternative is to use the Invitation for Bid process. However, this alternative prevents communication with the Carbuilders until after award, and as a result the Railroads would lose the ability to negotiate improvements to the fleet and the maximization of NYS Content. The RFP process also allows the Railroads to consider factors such as proposer experience and system reliability, in addition to price.

Staff Summary



| Item Number: 4   |   |            |  |      |       |
|--|---|------------|--|------|-------|
| Dept & Dept Head Name: Procurement & Logistics, Dennis Mahon |   |            |  |      |       |
| Department Head Signature & Date <i>[Signature]</i>          |   |            |  |      |       |
| Division & Division Head Name: TBD                           |   |            |  |      |       |
| Division Head Signature & Date                               |   |            |  |      |       |
| <b>Board Reviews</b>   |   |            |  |      |       |
| Order  | To  | Date       | Approval                                 | Info | Other |
| 1  | LI Committee                                | 12/19/2011 |  |      |       |
| 2  | MNR Committee                               | 12/19/2011 |  |      |       |
| 3  | MTA Board                                   | 12/21/2011 |  |      |       |
| <b>Internal Approvals</b>                                    |   |            |  |      |       |
| Order  | Approval                                    | Order      | Approval                                 |      |       |
| 6  | President <i>[Signature]</i>                | 3          | VP/CFO <i>[Signature]</i>                |      |       |
| 5  | Executive VP <i>[Signature]</i>             | 2          | Sr. VP/Operations <i>[Signature]</i>     |      |       |
| 4  | VP/Gen'l Counsel & Sec'y <i>[Signature]</i> | 1          | Sr. VP/Administration <i>[Signature]</i> |      |       |

| SUMMARY INFORMATION   |   |
|---|---|
| Vendor Name   | Contract Number   |
| TBD   | TBD   |
| Description:  |   |
| Design and Furnish Positive Control System for LIRR & MNR   |   |
| Total Amount:   |   |
| \$TBD   |   |
| Contract Term (including Options, if any):  |   |
| TBD   |   |
| Options(s) included in Total Amount:  | <input checked="" type="checkbox"/> Yes <input 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 checked="" type="checkbox"/> Federal <input type="checkbox"/> Other: |   |

**Narrative:**

**I. PURPOSE/RECOMMENDATION**

Long Island Rail Road ("LIRR"), as the lead agency, on behalf of itself and Metro-North Commuter Railroad ("MNR") ("Railroads") requests MTA Board approval to adopt a resolution declaring that competitive bidding is impractical or inappropriate and that it is, therefore, in the public interest to use the Request for Proposal (RFP) process pursuant to Section 1265-a of the Public Authorities Law to award a contract for a Systems Integrator to provide the design, integration and furnishing of various material required for Positive Train Control (PTC).

**II. DISCUSSION**

On October 16, 2008, Congress passed the Rail Safety Improvement Act of 2008 (the "PTC Act") which requires, among other things, the implementation by December 2015 of a Positive Train Control ("PTC") system on all non-exempt commuter railroad main-line tracks. In this regard, the Federal Railroad Administration ("FRA") has promulgated regulations by amendments to CFR Part 236 of the Code of Federal Regulations (the "FRA Regulations").

PTC is a technology that is capable of preventing train-to-train collisions, over-speed derailments, and injuries to workers as the result of unauthorized incursions by a train. Both LIRR and MNR require a System Integrator (SI) to design, integrate and furnish a PTC system that complies with the FRA implementation Regulations for the Railroads to install on its fleet of rolling stock and wayside to meet the FRA requirements. Because of operational differences between the Railroads, each Railroad has prepared a complementary Scope of Work ("SOW"). These operational differences include, but are not limited to, the following:

- In order to achieve compliance with the Act, the Railroads intend to use Amtrak's Advanced Civil Speed Enforcement System ("ACES II"). ACSES II was developed for areas with Automatic Speed Control ("ASC"). Metro-North has 27 miles of territory without signaling (known as "dark territory"), but most of Metro-North's system is ASC territory. By contrast, however, the LIRR has 150 miles of Automatic Block Signal ("ABS") Territory and 100 miles of dark territory. Because LIRR does not have the funding or resources to upgrade its ABS Territory to ASC by the December 15, 2015 PTC deadline, segments of LIRR's ABS territory may require extensive modifications to ACSES II.

## Staff Summary



- Metro-North has centralized train control while the LIRR uses block towers and centralized control of Harold and Jamaica Interlocking's. This difference may affect the design of the temporary speed restriction system.
- LIRR uses more aggressive braking lengths than Metro-North because of differences in the Railroads' infrastructure. This will require different integration of wayside and on-board signaling from what will be needed by Metro-North.

Despite these operational differences, to the extent feasible, a contract will be awarded to a single System Integrator on behalf of both Railroads, with a project team dedicated to the specific needs of each Railroad; the Railroads have worked together to conform their SOWs to the maximum extent practicable in furtherance of this goal.

LIRR will act as the lead agency for the procurement and will award a contract on behalf of both Railroads. The contract will contain options related to the design, furnish, construction, testing and commissioning of a PTC system, which options may be exercised subsequently. Project and contract management for the Railroads shall work cooperatively to manage the PTC contract. A Joint Steering Committee consisting of Senior Management of each Railroad has been established to oversee the project. The awarded contract will require the System Integrator to design and furnish both onboard and wayside components for the PTC system, which are similar to, and compatible and interoperable with ACSES II.

### **III. D/M/WBE INFORMATION**

Goals for this contract are to be determined by the MTA Department of Diversity and Civil Rights.

### **IV. IMPACT ON FUNDING**

Although funding for the System Integrator to design and furnish the PTC system is not yet in place, we anticipate full funding approval by December 2013. In order to award as soon as possible thereafter, we are requesting approval to start the procurement process now.

### **V. ALTERNATIVES**

The alternative is to use the Invitation for Bid process. However, this alternative prevents communication with the System Integrator until after award, and as a result the Railroads would lose the ability to negotiate improvements to the PTC system and incorporate more efficient means and methods for implementation of their respective systems. The RFP process also allows the Railroads to consider factors such as proposer experience and system reliability, in addition to price.

Staff Summary



| Item Number: 5  |                          |          |                       |      |       |
|---|--------------------------|----------|-----------------------|------|-------|
| Dept & Dept Head Name: Procurement & Logistics, Dennis Mahon    |                          |          |                       |      |       |
| Department Head Signature & Date                                |                          |          |                       |      |       |
| Division & Division Head Name: Chief Engineer, Robert Puciloski |                          |          |                       |      |       |
| Division Head Signature & Date                                  |                          |          |                       |      |       |
| <b>Board Reviews</b>  |                          |          |                       |      |       |
| Order   | To                       | Date     | Approval              | Info | Other |
| 1   | LI Committee             | 12.19.11 |                       |      |       |
| 2   | MTA Board                | 12.21.11 |                       |      |       |
| <b>Internal Approvals</b>                                       |                          |          |                       |      |       |
| Order   | Approval                 | Order    | Approval              |      |       |
| 6   | President                | 3        | VP/CFO                |      |       |
| 5   | Executive VP             | 2        | Sr. VP/Operations     |      |       |
| 4   | VP/Gen'l Counsel & Sec'y | 1        | Sr. VP/Administration |      |       |

| SUMMARY INFORMATION   |                 |
|---|-----------------|
| Vendor Name   | Contract Number |
| TBD   | 6074            |
| Description   |                 |
| Hillside & Kew Gardens Substations Replacements   |                 |
| Total Amount  |                 |
| \$TBD   |                 |
| Contract Term (including Options, if any)   |                 |
| 1,095 consecutive calendar days   |                 |
| Options(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 checked="" type="checkbox"/> Federal <input type="checkbox"/> Other: |                 |

Narrative:

**I. PURPOSE/RECOMMENDATION:**

LIRR requests approval to adopt a resolution declaring that competitive bidding is impractical or inappropriate and that it is therefore in the public interest to use the Request for Proposal (RFP) process pursuant to Section 1265-a of the Public Authorities Law to award a contract to replace the Hillside and Kew Gardens Substations.

**II. DISCUSSION:**

The existing substations at Hillside and Kew Gardens are obsolete and require modernization to support the power demands of the existing M-7 and new M-9 fleets and East Side Access service to Grand Central Terminal as projected in the Year 2020 service plan. Under the contract, the Contractor will design and furnish the power substations for both Hillside and Kew Gardens, which includes prefabricated modular substation enclosures and power equipment including but not limited to transformers, rectifiers, motor generators, and switchgear. The contract also requires the power substations to be assembled, factory tested, shipped, installed and re-assembled on an LIRR supplied foundation, and tested for acceptance. LIRR's goal is to have the Power Substations in operation by 2014/2015 to achieve a state of good repair. The anticipated contract period of performance is 1,095 consecutive calendar days.

The utilization of the RFP process will allow the LIRR to better assess which contractors are capable of performing the work within the contract schedule and to work out a fair allocation of risk to insure competition. Additionally, the RFP process gives the Railroad the ability to negotiate and evaluate terms other than price alone, such as past performance, work experience in a design-build environment, qualifications of key personnel, and safety record. The MTA Board has previously authorized use of the RFP process in connection with a number of power substation projects, including the LIRR's Babylon, Floral Park, Inwood, Hempstead, Merrick, Lindenhurst, Nassau Boulevard, Little Neck, and Bellaire Substations.

**III. D/M/WBE INFORMATION:**

MTA Department of Diversity & Civil Rights has set a 5% DBE goal for this contract.

## Staff Summary



Long Island Rail Road

Page 2 of 2

#### IV. IMPACT ON FUNDING:

This contract will be funded by the LIRR's Capital Budget.

#### V. ALTERNATIVES:

The LIRR does not have the capability to fabricate the elements of a power substation, and it is therefore necessary to contract with a qualified third party contractor for this work.

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

**Staff Summary**



| Item Number: 6  |                          |          |                          |      |       |
|---|--------------------------|----------|--------------------------|------|-------|
| Dept & Dept Head Name: Procurement & Logistics, Dennis Mahon              |                          |          |                          |      |       |
| Signature & Date  |                          |          |                          |      |       |
| Division & Division Head Name: Dept of Program Management Kevin Tomlinson |                          |          |                          |      |       |
| Division Head Signature & Date  |                          |          |                          |      |       |
| <b>Board Reviews</b>  |                          |          |                          |      |       |
| Order   | To                       | Date     | Approval                 | Info | Other |
| 1   | LI Committee             | 12.19.11 |                          |      |       |
| 2   | MTA Board                | 12.21.11 |                          |      |       |
| <b>Internal Approvals</b>   |                          |          |                          |      |       |
| Order   | Approval                 | Order    | Approval                 |      |       |
| 6   | President                | 3        | VP/CFO                   |      |       |
| 5   | Executive VP             | 2        | VP, Gen'l Counsel & Sec. |      |       |
| 4   | VP/Gen'l Counsel & Sec'y |          | Sr. VP Admin.            |      |       |

| SUMMARY INFORMATION   |                         |
|---|-------------------------|
| Vendor Name<br>Delta Railroad Construction, Inc.  | Contract Number<br>6076 |
| Description: Design-Build of Direct Fixation Fastener Replacement Project at Merrick and Bellmore Viaducts  |                         |
| Total Amount<br>\$12,161,648  |                         |
| Contract Term (including Options, if any)<br>December 21, 2011 – December 28, 2012  |                         |
| Options(s) included in Total Amount: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  |                         |
| Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |                         |
| Procurement Type<br><input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-Competitive  |                         |
| Solicitation Type<br><input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:   |                         |
| Funding Source<br><input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: |                         |

**Narrative:**

**I. PURPOSE/RECOMMENDATION**

Pursuant to a competitive RFP, Long Island Rail Road requests MTA Board approval to award a Firm Fixed Price contract to Delta Railroad Construction Inc. to provide Design-Build Services of Direct Fixation Fastener Replacement on both East and West bound Tracks at Merrick and Bellmore Viaducts. The contract is scheduled to begin in December 2011 and attain Substantial Completion by September 12, 2012. The scope consists of design surveys on the viaducts at Merrick and Bellmore to identify the necessary repairs to spalled concrete decks, track slabs, running rail plinths and guard rail plinths along both east and west bound tracks. Upon completion and approval of the design drawings, the contractor will replace all direct fixation fasteners at both viaducts.

**II. DISCUSSION**

The total length of both tracks on the Merrick and Bellmore Viaducts is approximately 10,000 linear feet. These tracks are affixed to concrete decking with a direct fixation fastener system that is nearing the end of its useful life. The track currently requires continuous inspection and maintenance to ensure safe rail operations. In order to bring the system to a state of good repair, all direct fixation fasteners must be replaced. It should be noted that a similar fastener replacement project was recently completed at Amityville, Copiague and Lindenhurst.

The design effort is scheduled to begin in December 2011 and completed by March 2012. Except as otherwise specified, the Contractor shall perform the Work on weekends between Saturday 12:01 AM and Sunday 10:00 PM. The Contractor will be provided with a total of 18 Weekend outages during 2012 for the construction duration of the total scope described above for the period from Mid-March, 2012 through Mid-September, 2012. Contractor may request additional weekend outages, however the approval of said request will be based on the sole discretion of the Railroad and at the Contractor's cost. There will be no full weekend outages available beyond September 12, 2012.

## **Staff Summary**



The RFP sought to identify the firm best able to perform work and capable of meeting the aggressive schedule of 264 calendar days to Substantial Completion. In May 2010, LIRR requested and received MTA Board approval to use the "Request for Proposal" procurement method in lieu of competitive bidding. The solicitation was advertised in mid-August 2011 in the New York State Contract Reporter and the New York Post. In addition, copies of the advertisement were mailed to several known firms in the industry. On September 20, 2011 four proposers responded to LIRR's Request for Proposal:

- 1) Delta Railroad Construction, Inc.
- 2) J-Track, LLC
- 3) Kiewit Infrastructure Co.
- 4) Railroad Construction Company, Inc.

A Technical Evaluation Committee evaluated each proposal based upon criteria set forth in the RFP. These Evaluation Criteria consisted of Technical Merits (including proposed construction method); Planning of the Work taking into consideration constraints of working within the Railroad Right-of-Way; Proposed Schedule, the Experience of the Firm and Best Price.

Specific Technical questions were prepared for each proposer based on need for clarifications of their individual technical proposals and additional information. Oral discussions were then held with all proposers, where LIRR discussed means and methods stated in their proposals and those areas requiring clarification. LIRR then requested Best and Final Proposals (BAFO) from all four Proposers. The BAFO responses were evaluated (including additional technical information that had been requested) and it was determined that two of the Proposers did not adequately fulfill the means and methods needed to safely and effectively deliver the necessary services within the limited time schedule.

The funding source for this project changed from FTA to MTA/LIRR Capital Projects and the Office of Civil Rights revised the disadvantaged business goals from DBE to MBE/WBE. Following this change, a second BAFO was requested from the two remaining Proposers. These Best and Final Proposals were submitted on November 28, 2011. Negotiations were held with the lowest priced Company, Delta Railroad Construction, Inc. with a price of \$12,611,737. These negotiations yielded an additional reduction of \$450,089.00 to a final negotiated price of \$12,161,648.

The original Request for Proposal included a base scope for fastener replacement on Track #1 on both Merrick and Bellmore viaducts, plus options for fastener replacement on Track #2 for each viaduct (subject to availability of funds). The LIRR has determined that funds are available to complete all desired scope. Therefore the contract to be awarded includes replacement of fasteners on both Track #1 and Track #2.

### **III. M/WBE INFORMATION**

MBE = 10.0% / WBE = 10.0%

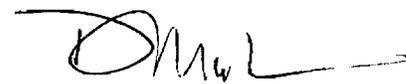
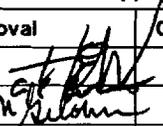
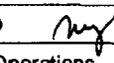
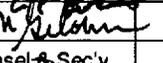
### **IV. IMPACT ON FUNDING**

The funding for this project (PN-TH / Task: L09812) is included in LIRR's Capital budget.

### **V. ALTERNATIVES**

The Direct Fixation Fastener System used at the Long Island Rail Road has reached the end of its useful life, and it is not feasible or desirable to continue using internal track repair services to make frequent site inspections and continuous repairs that take the track out of service. The LIRR's Force Account Department does not have the skilled personnel, nor the specialized equipment needed to perform the scope required under this contract.

# Staff Summary

| <b>Item Number:</b> 7   |   |          |  |      |       |
|---|---|----------|--|------|-------|
| <b>Dept &amp; Dept Head Name:</b><br>Dennis Mahon, Chief Procurement & Logistics Officer<br><br> |   |          |  |      |       |
| <b>Division &amp; Division Head Name:</b>   |   |          |  |      |       |
| <b>Board Reviews</b>  |   |          |  |      |       |
| Order   | To  | Date     | Approval   | Info | Other |
| 1   | LI Committee  | 12.19.11 |  |      |       |
| 2   | MTA Board   | 12.21.11 |  |      |       |
| <b>Internal Approvals</b>   |   |          |  |      |       |
| Order   | Approval  | Order    | Approval   |      |       |
| 6   | President                  | 3        | VP/CFO                  |      |       |
| 5   | Executive VP               | 2        | Sr. VP/Operations  |      |       |
| 4   | VP/Gen'l Counsel & Sec'y  | 1        | Sr. VP/Administration  |      |       |

| SUMMARY INFORMATION  |                             |
|--|-----------------------------|
| <b>Vendor Names</b><br>1- American Occupational Health Mgmt. Inc. d/b/a Take Care Employer Solutions, Inc. (Deerfield, IL)<br>2- Occupational Health Decisions           | <b>Contract Numbers TBD</b> |
| <b>Description</b><br>Operate and Manage Health Care Facilities  |                             |
| <b>Total Amount</b><br>\$19,789,593 Combined   |                             |
| <b>Contract Term (including Options, if any)</b><br>January 1, 2012 – December 31, 2016  |                             |
| <b>Options(s) included in Total Amount:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |                             |
| <b>Renewal?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  |                             |
| <b>Procurement Type</b><br><input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-Competitive  |                             |
| <b>Solicitation Type</b><br><input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:   |                             |
| <b>Funding Source</b><br><input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: |                             |

**Narrative:**

**I. PURPOSE/RECOMMENDATION:**

To obtain MTA Board approval to: i) award three competitively-solicited, multi-agency (LIRR, MNR/MTAHQ/PD, B&T) (the Agencies) contracts to the firms of American Occupational Health Mgt, Inc. d/b/a Take Care Employer Solutions, Inc. (Take Care), and, Occupational Health Decisions, (OHD), in the combined amount of \$17,483,593 to manage and operate the agencies' on-site Occupational Health Services facilities for a period of five years, from January 1, 2012, through December 31, 2016, and ii) with the exclusion of B&T, ratify a six month extension to each agency's current occupational health services contracts from July 1, 2011 through December 31, 2011 in the amount of \$2,306,000.

**II. DISCUSSION:**

LIRR, MNR, MTAHQ/PD, LI Bus and MTA BC each required an independent occupational healthcare service provider to administer and operate their on-site occupational health centers. B&T's has, and will continue to utilize the service provider's medical facility as opposed to an on-site location. These non-treatment centers provide accident/sick medical examinations, pre-employment medical examinations, illness/disability case management, various certification examinations, federally mandated drug and alcohol testing programs and other occupational health services, including independent medical review board services for use in evaluation of employee disability pension applications.

A Joint-Agency Request-For-Proposal (RFP) was advertised in the New York State Contract Reporter on December 15, 2010 and the New York Post on December 23, 2010. The RFP was sent to fifteen firms. A pre-proposal meeting was held on February 4, 2011 to discuss the solicitation. Two Addenda were issued addressing clarifications and revisions to the solicitation document. Four proposals were received on March 7, 2011, in accordance with the terms of the solicitation. LIRR received two proposals from Take Care and Medcor, MNR/MTAHQ/PD received three proposals from Take Care, Medcor and Beth Israel, and B&T received three proposals from Take Care, Medcor, and OHD.

During the procurement process, MTA Audits reviewed the opportunity for potential consolidation of services within and among the agencies to identify cost saving elements. As a result of this review, MNR and MTAHQ combined

their individual facilities into one consolidated operation, resulting in savings of \$2,412,044 over five years. Further, an assessment of having one agency perform these services for all of the agencies covered under this procurement was conducted, but it was determined to be impractical and not economically justified.

The Joint Agency TEC evaluated each proposal against the four established criteria, including; i) demonstrated experience and effectiveness in providing services of similar nature with emphasis on key positions of certified physicians, administrators and nurses, ii) operational approach including contractors understanding and ability to meet requirements of the work as demonstrated through the submission of a detailed Project management Plan, iii) overall cost to the Agencies, and iv) contractor's overall responsiveness to the requirements of the solicitation document. Requests for Best and Final Offers (BAFOs) were issued to all proposers on June 13, 2011, removing MTA Bus Company from the solicitation. In conjunction with the consolidation of MTA's bus operations, the MTA Bus Company will utilize the NYCT's Office of Health Services for medical services. The cost effectiveness of this approach will be monitored. BAFOs were received on July 27, 2011 from: i) Take Care (for LIRR, MNR/MTAHQ/PD, B&T and LIB), ii) OHD (for B&T only), iii) Medcor (LIRR, MNR/MTAHQ/PD, B&T), and iv) Beth Israel (MNR/MTAHQ/PD). Based on the TEC's review and evaluation of the proposals received, it is recommended that contracts be awarded to Take Care and OHD in the combined not-to-exceed amount of \$17,483,593, as detailed below.

| Agency       | Take Care    | OHD       |
|--------------|--------------|-----------|
| LIRR         | \$8,505,809  | --        |
| MNR/MTAHQ/PD | \$8,257,609  | --        |
| B&T          | --           | \$720,175 |
|              | \$16,763,418 | \$720,175 |

Additionally, LIRR, again on behalf of the agencies, including LIB, requests MTA Board ratification of a six month extension to the agency's current occupational health care services provider contracts, retroactive from May 31, 2011 through December 31, 2011, in the combined not-to-exceed amount of \$2,306,000, as detailed below. This time extension was required in order to allow sufficient time for this complex joint multi-agency renewal solicitation. During the six month extension period, Take Care's and OHD's rates remained unchanged.

| Agency                | Current Board Approved Value | This Mod.   | Rev. Not-To-Exceed Value |
|-----------------------|------------------------------|-------------|--------------------------|
| Long Island Rail Road | \$9,642,554                  | \$762,000   | \$10,404,554             |
| Metro-North Railroad  | \$9,370,923                  | \$767,000   | \$10,112,923             |
| Long Island Bus       | \$2,671,047                  | \$222,000   | \$2,893,047              |
| MTA Headquarters      | \$3,098,315                  | \$245,000   | \$3,343,315              |
| MTA Bus Co.           | \$5,635,000                  | \$310,000   | \$5,945,000              |
| Combined Total        | \$30,417,839                 | \$2,306,000 | \$32,723,839             |

## Staff Summary

### **III. D/M/WBE INFORMATION:**

Goals were not established by the MTA's Department of Diversity and Civil Rights for this solicitation.

### **IV. IMPACT ON FUNDING:**

The three contracts will be funded under each agency's Operating Budget.

### **V. ALTERNATIVES:**

The agencies do not have the required staff to perform these services, and it is therefore required that the services of a qualified third-party vendor be retained.

DECEMBER 2011

METRO-NORTH RAILROAD

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedules Requiring Two-Thirds Vote:

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

**1. Powell Electrical Systems, Inc.                      \$15,555,227                      Staff Summary Attached**  
**Design and Furnish DC Traction Switchgear Replacement for 18 Substations on Metro-North's  
Harlem and Hudson Lines and in GCT**

RFP Process, 3 proposals received; period of performance is twenty-six (26) months to design and furnish DC traction power switchgear systems for 18 substations located along MNR's Harlem and Hudson Lines and in GCT. These switchgear systems will replace existing low voltage DC metal-enclosed power switchgear, high speed DC low voltage main and feeder circuit breakers, and related equipment that is approximately 25 years old and has exceeded the stated life cycle of 20 years. The new switchgear, to be installed in the existing substations, will maintain capability for a reliable power supply as well as provide the necessary higher power capacity to meet future requirements.

The MNR Selection Committee evaluated the 3 proposals received and unanimously selected Powell Electrical Systems, Inc. (Powell) to perform the required services. Powell was determined to have best met MNR's criteria for selection and the highest technical competence and capability to: 1) provide the required engineering & design, manufacturing, and installation effort; 2) provide the latest in DC switchgear technology to support the operational requirements of the railroad; and 3) demonstrate a well-coordinated business structure as their engineering and manufacturing functions are contained within 1 centralized location. Powell's price proposal is within MNR's budget, is less than the Engineer's estimate and was responsive to MNR's specified technical requirements.

Powell's bid was 8% higher than the lowest proposer's (Siemens) price, but Siemens did not meet the criteria in the MNR technical specifications, their equipment was not compatible with MNR's existing system and an item for critical acceptance testing was not included in their price. The Selection Committee determined that the added cost to have Siemens' proposal conform to the scope and specifications would result in a price considerably higher than that of Powell and the MNR Engineer's estimate.

Powell offered a competitive price that is within MNR's budget, is less than the Engineer's estimate and was considered to be the best qualified contractor to provide the required services. The combination of Powell's technical and manufacturing capability, rail and power substation experience, project plan and price made the selection of Powell unanimous. Powell supplied similar equipment to MNR in 2008 and a price comparison with those substations demonstrated Powell's current price to be competitive and fair for the level of services to be provided.

Powell's firm, fixed price of \$15,555,227 is within Metro-North's budget and was in line with similar types of apparatus purchased within the last 5 years. The price offered is deemed fair and reasonable. This procurement is 100% funded by the MNR Capital Budget.

Schedules 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.)

**2. Abalon Exterminating Company**

**\$3,488,540(estimated)**

**MTA Multi-Agency Facility & Property Pest Control Services**

Competitively solicited (4 bids received), MNR-led, 4-year, multi-agency (MNR, LIRR, NYCT and MTA Bus) master service agreement for facility and property pest control services. The services to be provided in this master agreement include comprehensive Integrated Pest Management (IPM) services encompassing project management, service technicians, pesticides, multi-purpose bait stations, mechanical catch traps, pest monitors and other material and equipment necessary to treat, control and/or prevent infestation or re-infestation of pests. The scope of services for this agreement requires a contractor to furnish all supervision, labor, chemicals, materials and equipment to perform pest control services on a scheduled and as-needed, as-called for basis in facilities and properties of the MTA participating agencies. The locations to be serviced in this agreement include, but are not limited to: offices, employee facilities, shops, yard and maintenance/storage facilities, and loading dock areas, as well as treatments for Agency-specific requirements including buses, MNR and LIRR railcars (as needed) and NYCT stations and refuse rooms. The solicitation did not include Grand Central Terminal, which due to its unique environment was treated separately and solicited on a square foot basis due to the large number of individual tenants. A separate award for GCT was approved by the Board in 2010. Further, it does not include NYCT station platforms and track areas or subway cars which require tight coordination with subway service and is therefore handled by NYCT in-house forces.

In the development of the Agencies' specification, the participating Agencies performed an extensive best practice and market review and received input from pest management experts in the industry. Agency requirements were conformed where practicable with allowances for unique requirements within each agency (i.e. bus, commuter rail car and refuse room treatment requirements for MTA Bus, MNR/LIRR and NYCT respectively). Given the large geographical territory of the Agencies, bidders were permitted to provide pricing to cover Agency requirements within any combination of four specified geographical areas (the NYC 5 Boroughs, Nassau/Suffolk, Orange/Rockland/Putnam/Westchester and Connecticut).

Abalon, the low bidder, submitted a bid for each of the four geographical areas that was 40% less than the next lowest bid. Services under the new contract are more robust and advanced than the prior agreement as the Agencies will receive a higher level of overall pest management due to: a) Abalon's on-staff expert Entomologists for analysis, b) inclusion of a warranty on work & service areas previously treated, c) the incorporation of technology to track, and respond to trends and d) the inclusion of minor repair and sealing services to immediately address vulnerable and problem areas. Abalon is deemed well qualified to provide the required level of industrial pest management service throughout the Agencies given its relevant experience with large clients, mixed-use facilities, and their pro-active approach to pest control services.

Bid prices under the contract shall remain fixed for years 1&2 with an average increase of 3.5% per year for years 3 and 4. The contract pricing is deemed fair and reasonable given the significant changes and enhancements to be realized by the agencies. The contract total reflects the cost to perform the necessary work; in addition, fixed rates are set for additional services. This 4-year, estimated quantity agreement is for a total estimated cost of \$3,488,540 (MNR-\$632,000, NYCT DOB-\$814,591, NYCT M of W-\$1,038,996, LIRR-\$634,724 and MTA Bus-\$368,229). Funding is to be included in each Agency's Operating Budget.

# Staff Summary

| Item Number <u>C</u>  |                   |          |                 |      |       |
|---|-------------------|----------|-----------------|------|-------|
| Dept & Dept Head Name:<br>Procurement & Material Management, Anthony Bombace, Jr. |                   |          |                 |      |       |
| Division & Division Head Name:<br>Sen. VP – Administration, Raymond Burney        |                   |          |                 |      |       |
| <b>Board Reviews</b>  |                   |          |                 |      |       |
| Order   | To                | Date     | Approval        | Info | Other |
| 1   | M-N Comm.Mtg      | 12-19-11 | X               |      |       |
| 2   | MTA Board Mtg.    | 12-21-11 | X               |      |       |
| <b>Internal Approvals</b>   |                   |          |                 |      |       |
| Order   | Approval          | Order    | Approval        |      |       |
| X   | President         | X        | VP Operations   |      |       |
| X   | Sr. V.P. Admin.   |          | VP Planning     |      |       |
| X   | V.P. Finance & IT | X        | General Counsel |      |       |
|   | Capital Programs  |          |                 |      |       |

| SUMMARY INFORMATION   |                          |
|---|--------------------------|
| Vendor Name<br>Powell Electrical Systems  | Contract Number<br>77878 |
| Description<br>Design & Furnish 18 DC Traction Power Switchgear Systems   |                          |
| Total Amount<br>\$15,555,227  |                          |
| Contract Term (including Options, if any)<br>26 months  |                          |
| Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   |                          |
| Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |                          |
| Procurement Type<br><input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive  |                          |
| Solicitation Type<br><input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:   |                          |
| Funding Source<br><input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: |                          |

**Narrative**

**I. PURPOSE/RECOMMENDATION:**

To obtain MTA Board approval to award the firm, Powell Electrical Systems, Inc., a contract to design and furnish DC traction power switchgear systems for 18 substations located along MNR’s Harlem and Hudson Lines and in GCT.

**II. DISCUSSION:**

MNR’s Power Department is seeking to retain the services of a vendor to design and furnish new metal-enclosed low-voltage DC traction power switchgear and high speed traction circuit breakers with solid state protective and control relays, tagging relays, remote Input/Output devices, auxiliary relays, meters, resistors, and special tools. The DC traction power switchgear system is required at 18 substations located along MNR’s Harlem and Hudson lines and in GCT. This switchgear system will replace existing low voltage DC metal-enclosed power switchgear, high speed DC low voltage main and feeder circuit breakers, and related equipment that are approximately 25 years old and have exceeded their life cycle of 20 years. The new switchgear, to be installed in the existing substations, will maintain capability for a reliable power supply as well as provide the necessary higher power capacity to meet future requirements.

The scope of work for the DC traction power switchgear system includes:

- preparing detailed engineering/design of all hardware, software, and system configuration requirements
- manufacturing and delivering a new DC traction power system for 18 substations
- providing the necessary rigging and jacking required to remove the existing switchgear and install the new switchgear.
- providing on-site field support during MNR installation of the equipment.

The Request for Proposal process was used for this procurement. On October 6, 2011, an RFP was advertised in the New York State Contract Reporter, the New York Post, and the Daily Challenge. On November 11, 2011, MNR received 3 proposals from Powell Electrical Systems Inc (Powell), Siemens Industry Inc. (Siemens) and Verde Electric Corp (Verde). A Selection Committee comprised of members representing MNR’s Procurement, Power, and Operating Capital Departments evaluated the 3 proposals received in accordance with the selection criteria outlined in the RFP:

1. Technical Capability;
2. Experience;
3. Cost; and
4. Project Plan.

As a result of its evaluation, the Selection Committee unanimously selected Powell Electrical Systems, Inc. The Selection Committee determined that the combination of Powell's technical capability, manufacturing capability, rail and power substation experience, and project plan best met MNR's stated selection criteria and presented the highest technical competence and capability to provide: 1) the required engineering & design, manufacturing, and installation effort; 2) the latest in DC switchgear technology to support the operational requirements of the railroad; and 3) a well-coordinated business structure as their engineering and manufacturing functions are contained within one centralized location. Powell's price proposal is within MNR's budget, is less than the Engineer's estimate and was responsive to MNR's specified technical requirements. The price offered is deemed fair and reasonable for the work level anticipated and experience provided by Powell. Powell supplied similar equipment to MNR in 2008 and a price comparison between similar substations demonstrated Powell's current price to be competitive and fair.

Verde's proposal was priced over 30% higher than the other 2 proposers and significantly exceeded the fair market value for the equipment. As such, the Committee did not consider Verde's proposal further. While Siemens' price was approximately 8% lower than Powell's, Siemens did not meet the criteria in the MNR technical specifications, their equipment was not compatible with MNR's existing system and an item for critical acceptance testing was not included in their price. The Selection Committee determined that the added cost to have Siemens' proposal conform to the scope and specifications would result in a price considerably higher than that of Powell and the MNR Engineer's estimate.

### **III. D/M/WBE INFORMATION:**

The MTA Office of Civil Rights established 10% MBE and 10% WBE minority goals for this contract.

### **IV. IMPACT ON FUNDING:**

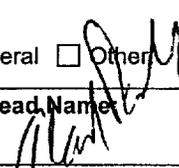
The total cost for this work is \$15,555,227. The period of performance is 26 months. The procurement is 100% funded from the MNR Capital Budget.

### **V. ALTERNATIVES:**

None at this time. MNR does not have the requisite manufacturing capability and personnel to provide the required design and manufacturing services.



Item 1

|  |
|--|
| <b>Vendor Name (&amp; Location)</b><br>URS Corporation – New York (New York, NY)   |
| <b>Description</b><br>Program Management Services for the East Side Access Project   |
| <b>Contract Term (including Options, if any)</b><br>October 5, 1998 – December 31, 2012  |
| <b>Option(s) included in Total Amount?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   |
| <b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive   |
| <b>Solicitation Type</b> <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification                              |
| <b>Funding Source</b><br><input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other |
| <b>Requesting Dept/Div &amp; Dept/Div Head Name</b><br>East Side Access, A. Paskoff, P.E.         |

| Contract Number   | AWO/Modification # |
|---|--------------------|
| 98-0001-01  | 27                 |
| <b>Original Contract Amount:</b>  | \$ 28,556,770      |
| <b>Original Option Amount:</b>  | \$ 135,535,230     |
| <b>Original Board Approved Amount:</b>  | \$ 164,092,000     |
| <b>Prior Modifications:</b>   | \$ 200,210,695     |
| <b>Prior Budgetary Increases:</b>   | \$ -0-             |
| <b>Current Allocated Amount:</b>  | \$ 364,302,633     |
| <b>Current Board Approved Amount:</b>   | \$ 395,971,000     |
| <b>This Request</b>   | \$ 67,429,803      |
| <b>% of This Request to Current Allocated Amount:</b>                                 | 19%                |
| <b>% of Modifications (including This Request) to Original Board Approved Amount:</b> | 263%               |

**Discussion:**

The work under this Contract includes program and construction management services along with general conditions work for the East Side Access (“ESA”) Project and in support of other MTACC projects. In accordance with Article XIII of the MTA All-Agency Guidelines for the Procurement of Services, Board approval is requested to increase the Board authorized amount of Contract 98-0001-01, Program Management Services and to modify the Contract in order to continue services through December 31, 2012.

In July 29, 1998 the MTA Board approved a personal services contract with Bechtel/URS Joint Venture (the Contract has since been assigned solely to URS) to provide program management services for the East Side Access Project (“ESA”) in the amount of \$164,092,000. The Contract initially was awarded at a cost not-to-exceed \$28,556,770 for Phase I, preliminary engineering. The contract included several options which were intended to be exercised upon the approval of the Environmental Impact Statement and an executed Full Funding Grant Agreement between the MTA and the FTA. The Options were to provide program management services for Phase II: Detailed Design; Phase III: Construction; and Phase IV: Start-up, Testing & Closeout. In October 2000, the MTA Board approved a modification (an increase of which extended the preliminary engineering phase, exercised the options for program management services for Phase II – IV and extended the overall term under this Contract to December 31, 2011) and increased the Board approved amount from \$164,092,000 to a cost not-to-exceed \$207,074,000.

In February 2002, the Board approved the exercise of the remaining options under the Contract for construction management services (\$120,693,000) and general conditions work (\$50,100,000) along with establishing a 15% contingency in the amount of \$18,104,000 leading to a total Board approved amount not-to-exceed \$395,971,000 for the Contract. The prior allocations of the Board approved funding for this Contract have been authorized by Contract Modifications in one or two year increments. MTACC has historically gone to the Board for approval of these Modifications. Currently, \$364,302,633 is allocated under the Contract through December 31, 2011.

Since the Board approval in 2002 there have been several changes to the ESA project that impacted the services required from the Consultant and the contract value. The FTA Full Funding Grant Agreement, approved in December 2006, extended the ESA completion date to December 2013. Since approval of the FFGA the project has seen many other changes including: an increase in the number of construction contracts to be managed; the extension of design services; construction delays; and changes to the project completion date. All these changes impact the level and duration of services required from the Consultant.

ESA currently has 24 active construction contracts valued at \$2.734 billion. Many of these contracts have work performed in multiple shifts, and in some cases, periods of operation seven days per week. MTACC does not have the in-house resources to provide all of the necessary oversight for these contracts and future ones. Therefore the services under this Contract are still required. Due to the above mentioned impacts and the need to extend the Contract additional funding under the Contract is required to extend the Contract to December 31, 2012.

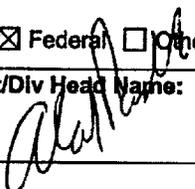
The in-house estimate to continue services through December 31, 2012 is \$67,429,803 (an additional \$35,761,437 above the current Board approved amount of \$395,971,000) while the Consultant proposed \$71,080,134. Negotiations were held and the parties agreed to the cost of \$67,429,803 which is considered to be fair and reasonable. Please note that upon Board approval of this request, \$34,812,040 will be allocated to fund the Contract through June 30, 2012. The remaining \$32,617,764 which will fund the Contract through December 31, 2012, will be released by MTACC’s Chief Procurement Officer upon the approval and release of additional funding under the 2010-2014 Capital Program.

MTACC is currently conducting a schedule and cost review resulting from the recent delays to construction in Manhattan and the initiation of the Amtrak East River Tunnel Rehabilitation project. Upon completion of this re-baseline effort, MTACC will evaluate management needs and intends to either negotiate a modification to the Contract for the continuation of their services until the new ESA completion date with the Consultant or release a new competitive solicitation. Currently \$36,575,325 for the services beyond December 2012 are covered in the ESA budget.

**Schedule H: Modifications to Personal/Miscellaneous Service Contract**



Item Number: 2

|   |   |
|---|---|
| <b>Vendor Name (&amp; Location)</b><br>General Engineering Consultant (GEC), New York   |   |
| <b>Description</b><br>East Side Access General Engineering Consultant Services  |   |
| <b>Contract Term (including Options, if any)</b><br>December 2016   |   |
| <b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |   |
| <b>Procurement Type</b>   | <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive                          |
| <b>Solicitation Type</b>  | <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: Modification |
| <b>Funding Source</b><br><input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other: |   |
| <b>Requesting Dept/Div &amp; Dept/Div Head Name:</b><br>East Side Access, A. Paskoff               |   |

|  |                                 |
|--|---------------------------------|
| <b>Contract Number</b><br>98-0040-01R                                  | <b>AWO/Modification #</b><br>31 |
| <b>Original Amount:</b>  | \$ 140,000,000                  |
| <b>Prior Modifications:</b>  | \$ 172,873,825                  |
| <b>Prior Budgetary Increases:</b>                                      | \$                              |
| <b>Current Amount:</b>   | \$ 312,873,825                  |
| <b>This Request</b>  | \$ 8,844,502                    |
| <b>% of This Request to Current Amount:</b>                            | 2.9 %                           |
| <b>% of Modifications (including This Request) to Original Amount:</b> | 130 %                           |

**Discussion:**

This Contract is for design and engineering services for the LIRR East Side Access project. In accordance with Article XIII of the MTA All-Agency Guidelines for the Procurement of Services, Board approval is requested to modify the contract for additional design changes and to increase the Task Order Budget for future repackaging and re-baselining efforts.

The Contract has been modified several times to incorporate changes to the scope of Final Design. Most of these changes have been to satisfy various Program objectives such as implementation of Railroad operating requirements, realization of construction cost savings, resolution of schedule conflicts, mitigation of technical and contractual risk, and retroactive adjustment to overhead rates. In addition, funding for Construction Phase Services has been increased. The table below shows the allocation of the current and proposed Contract amounts.

| Work Category               | Original Contract     | Previous Modifications | Current Contract      | Proposed Modifications | Proposed Contract     |
|-----------------------------|-----------------------|------------------------|-----------------------|------------------------|-----------------------|
| Final Design                | \$ 120,000,000        | \$ 128,729,413         | \$ 248,729,413        | \$ 8,844,502           | \$ 257,573,915        |
| Construction Phase Services | \$ 20,000,000         | \$ 43,609,782          | \$ 63,609,782         | \$ -0-                 | \$ 63,609,782         |
| Misc Technical Support      | \$ -0-                | \$ 534,630             | \$ 534,630            | \$ -0-                 | \$ 534,630            |
| <b>TOTAL</b>                | <b>\$ 140,000,000</b> | <b>\$ 172,873,825</b>  | <b>\$ 312,873,825</b> | <b>\$ 8,844,502</b>    | <b>\$ 321,718,327</b> |

MTACC requests Board approval to increase the Guaranteed Maximum Cost to \$321,718,327 to incorporate changes due to repackaging and re-baselining efforts and increase the Task Order budget.

- Changes:** Modification to the Contract is required to provide for design changes associated with, among other things, the GCT Concourse and platforms, a Queens structures design package, and the Harold 12kV ductbank. The GEC proposals for these changes totaled \$4,006,825, while the MTA estimates totaled \$3,641,920. Negotiations were held and the parties agreed to a cost of \$3,969,972 which is considered fair and reasonable. Total cost: \$3,969,972.
- Additional Repackaging:** In addition to the changes discussed above, \$5 Million is requested to replenish the Project-Wide Task Order budget and for future repackaging and re-baselining efforts. Project wide Task Orders are used to perform certain additional services needed by MTA on an as-requested basis, such as engineering studies to evaluate design or construction methodology alternatives, coordination with third-party property owners, procurement support needed to evaluate proposals from prospective contractors, program reconfiguration studies and other program support services. Total estimated cost: \$5,000,000.

Funding for this modification is available in the ESA Capital Program. Please note that MTACC intends to return to the Board in the future for funding for additional changes arising from its on-going efforts to mitigate construction risks, and for continuation of Construction Phase Services.

DECEMBER 2011

METRO-NORTH RAILROAD

LIST OF RATIFICATIONS FOR BOARD APPROVAL

Schedules Requiring Majority Vote:

**K. Ratification of Completed Procurement Actions**

(Staff Summaries required for unusually large or complex items which otherwise would require Board approval)

1. **Kato Engineering Inc.** **\$29,058**  
**Repair & Return of a Main Traction Alternator for a BL20 Locomotive**

Non-competitive procurement to repair a main traction alternator located on one of MNR's Brookville-manufactured BL-20 locomotives. This emergency repair was necessitated by water and other contaminants infiltrated into the alternator resulting in a significant bearing failure. In order to return the locomotive back to revenue service as quickly as possible, immediate repairs were necessary. MNR contacted the Original Equipment Manufacturer, Kato Engineering, the original subcontract supplier to Brookville Locomotive, to perform the repair at their facility. There are presently no other known repair facilities of this main traction alternator and this is the first time a traction alternator repair has been performed for this locomotive. The price to be paid for the repair is deemed to be fair and reasonable. This procurement is to be funded by the MNR Operating Budget.

2. **Walco Electric Company** **\$25,539**  
**Emergency Repair of a Power Dept. 270KW Signal Power Motor Generator**

Non-competitive procurement to remove, repair, and return a 270KW Motor Generator housed in Cos Cob Substation 309. This generator is 1 of 2 at that site that supplies signal power to the trains operating on the New Haven Main Line between New Haven and Mount Vernon. This emergency repair was necessitated by an electrical short within the generator which caused a significant electrical failure.

In order to maintain signal power on MNR's New Haven Line, immediate repairs to the motor generator were required. Walco, the OEM of the generator had the necessary material in-house to support the immediate repair.

A comparison of material and labor costs of this repair is consistent with previous signal power motor generator repairs performed for MNR. The price to be paid for the repair is deemed to be fair and reasonable. This procurement is to be funded by the MNR Operating Budget.

**Subject:** Lease Agreement

**Department:** Engineering & Construction Department

**Department Head Name:** Joseph Keane, P.E., Chief Engineer  
*Joe Keane*

**Department Head Signature:**

**Project Manager Name:**

**Date:** December 14, 2011

**Lessee Name:** KeySpan Gas East Corporation d/b/a National Grid

**Lease:** To lease the right to construct, own, operate and maintain the Pipeline Project in the Leased Area adjacent to the Marine Parkway-Gil Hodges Memorial Bridge

**Table of Contents Ref #**

| Board Action |                   |          |                    |      |       |
|--------------|-------------------|----------|--------------------|------|-------|
| Order        | To                | Date     | Approval           | Info | Other |
| 1            | President         | 12/15/11 | <i>[Signature]</i> |      |       |
| 2            | MTA B&T Committee | 12/19/11 |                    |      |       |
| 3            | Board             | 12/21/11 |                    |      |       |

| Internal Approvals |   |                    |  |
|--------------------|---|--------------------|--|
| Order              | Approval                                    | Order              | Approval                                   |
| 5                  | President <i>[Signature]</i>                | <i>[Signature]</i> | VP Operations                              |
| 4                  | Executive Vice President <i>[Signature]</i> |                    | Chief Procurement Officer                  |
|                    | VP Staff Services/COS                       |                    | Chief Engineer                             |
| 3                  | General Counsel <i>[Signature]</i>          | 2                  | Chief Financial Officer <i>[Signature]</i> |

**PURPOSE:**

To obtain the Board's authorization for MTA B&T ("B&T") to enter into an agreement with KeySpan Gas East Corporation d/b/a National Grid ("National Grid"), pursuant to Public Authorities Law Sections 552 and 553(14), to lease to National Grid the right to construct, own, operate, maintain and use two natural gas pipelines with appurtenances for the public within B&T property adjacent to the Marine Parkway-Gil Hodges Memorial Bridge ("Marine Parkway Bridge") in Brooklyn, under the Rockaway Inlet and on the Rockaway Peninsula, to connect the gas system at Flatbush Avenue to the gas system at Beach 169<sup>th</sup> Street.

**LEASE TERMS:**

The Lease has an initial 50-year term, with 10-year renewal terms. The Lease Fee will be \$92,000 the first year with escalation of three percent (3%) per year. The Leased Area is approximately 4.33 acres and is located in B&T property west of the Marine Parkway Bridge in Brooklyn, under the Rockaway Inlet and on the Rockaway Peninsula. The Lease Fee, which corresponds to the appraised value, would be subject to revaluation after 25 years and at each renewal term.

As part of National Grid's efforts to reinforce its natural gas transmission and distribution systems and to provide for projected increases in energy demand, National Grid proposes to install new natural gas pipelines in the Boroughs of Brooklyn and Queens. During Phase I, two pipelines (a 12-inch and a 26-inch line) would be installed beneath Flatbush Avenue from a point north of Aviation Road, using horizontal directional drilling (HDD) along areas adjacent to the Marine Parkway Bridge in Brooklyn, under the Rockaway Inlet south to Beach 169<sup>th</sup> Street on the Rockaway Peninsula in Queens. The pipelines would be installed well below the design dredge depth and the existing depth of the sea bed. Approximately 6,300 linear feet of the pipelines would be installed on B&T property ("Pipeline Project"). Initially, both pipelines would deliver natural gas from Brooklyn to the Rockaway Peninsula as distribution pipelines. During later phases of its project, National Grid proposes to use the 26-inch pipeline as a transmission pipeline connecting to a National Grid transmission line to be installed in Brooklyn and to a new transmission pipeline branch proposed for installation on the Rockaway Peninsula by The Williams Company Transco pipeline subsidiary ("Williams' Transco") connecting National Grid's 26-inch line with the existing offshore New York Bay Lateral pipeline (the "Williams' Transco Project"). The Pipeline Project and the Williams' Transco Project are strongly supported by New York City because the additional gas supplies to the Rockaways made possible by these pipelines will allow current users of heavy oil boilers to switch to cleaner natural gas thereby reducing air pollution and greenhouse gas emissions and substantially increasing energy efficiency.

In an environmental review process in which B&T and MTA participated as involved agencies, New York City performed an environmental assessment which concluded that the projects will not have a significant adverse environmental impact and issued a negative declaration under SEQRA and CEQR on December 2, 2011.

B&T is authorized by Sections 552 and 553(14) of the New York Public Authorities Law to lease to others such as National Grid the right to construct and maintain facilities for the public on property adjacent to its bridges and tunnels including the Marine Parkway Bridge, provided such lease is not inconsistent with the use of the Marine Parkway Bridge and is approved by the Office of the Mayor of the City of New York which has been designated as the successor to the Board of Estimate of the City of New York for the purpose of approving a lease whose term exceeds five (5) years.

B&T required National Grid to perform an extensive risk assessment for the purpose of determining whether a lease for the proposed Pipeline Project is consistent with B&T's primary obligations to operate the Bridge safely and efficiently for the traveling public, maintain the Bridge in good working order and condition and collect tolls thereon to pay B&T's operating and maintenance expenses, satisfy its obligations to bondholders and support the transit and transportation services operated by the Metropolitan Transportation Authority, the New York City Transit Authority and their subsidiaries, in accordance with Public Authorities Law Sections 552, 553 and 569-c.

National Grid retained Halcrow, Inc. to perform the risk assessment and agreed during the course of the assessment to address B&T's concerns related to the construction, installation, operation, monitoring and maintenance of the proposed Pipeline Project. HNTB Corporation and its subconsultant WKM Consultancy, which were retained by B&T to perform a technical review of the risk assessment, determined that the proposed Pipeline Project is consistent with and follows the reliability-based design methods outlined in the Canadian standard for assessment of natural gas transmission pipelines, which was used in the absence of reliability-based methods in the American standard. The lease requires National Grid to comply with all of the risk mitigation measures identified in the risk assessment.

Additional reviews of the risk assessment and the proposed Pipeline Project were performed by the Pipeline Security Division within the Transportation Security Administration's Office of Transportation Sector Network Management ("TSA") and the City of New York's Fire Department ("FDNY"), Police Department ("NYPD") and Office of Emergency Management ("OEM"). TSA found that the risk assessment correctly assessed the security risk to the Pipeline Project and that, with implementation of the risk mitigation measures, the risk is extremely low. The FDNY, the NYPD and OEM do not have any objections to National Grid's proposed Pipeline Project. National Grid also examined alternative routes for the pipelines and documented that such routes would either be infeasible, or be more costly and have greater adverse environmental impacts than that proposed for Board approval.

The Public Authorities Accountability Act ("PAAA") requires that the property interests being disposed of to National Grid be appraised by an independent appraiser. Accordingly, B&T obtained an appraisal of the right to construct, own, operate, maintain and use two natural gas pipelines with appurtenances in the Leased Area adjacent to the Marine Parkway Bridge. The proposed Lease Fee is consistent with the independent appraisal.

Under the PAAA, in connection with the disposition by negotiation of the property interests in question to National Grid, B&T must provide notification of the transaction to the governor, the speaker of the assembly, and the temporary president of the senate, which proposed transfer shall be subject to denial by the governor, the senate or the assembly. In addition, an explanatory statement describing the transaction must be submitted to the state comptroller, director of the budget, commissioner of general services, the state legislature and the authorities budget office not less than 90 days prior to the execution of the proposed lease.

The impact on the budget is positive. Under the Lease, National Grid will be paying an annual Lease Fee of \$92,000 the first year, with escalation of three percent (3%) per year and revaluation after 25 years and at each renewal term. National Grid will also be reimbursing costs incurred by B&T and MTA in connection with the lease and/or the presence of the Pipeline Project in the Leased Area.

Based on the foregoing, MTA B&T requests authorization to enter into the proposed lease with National Grid, subject to (1) the approval of the Office of the Mayor of the City of New York, as required by Public Authorities Law Section 553(14); (2) notification under the PAAA as discussed above; and (3) expiration of the notification period.

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



# **Bridges and Tunnels**

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## **Procurements December 2011**

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# Staff Summary

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

|                                 |
|---------------------------------|
| <b>Date:</b> December 8, 2011   |
| <b>Vendor Name:</b>             |
| <b>Contract Number:</b>         |
| <b>Contract Manager Name:</b>   |
| <b>Table of Contents Ref #:</b> |

| Board Action |                   |          |                    |      |       |
|--------------|-------------------|----------|--------------------|------|-------|
| Order        | To                | Date     | Approval           | Info | Other |
| 1            | President         | 12/8/11  | <i>[Signature]</i> |      |       |
| 2            | MTA B&T Committee | 12/19/11 |                    |      |       |
| 3            | MTA Board         | 12/21/11 |                    |      |       |

| Internal Approvals |   |       |                           |
|--------------------|---|-------|---------------------------|
| Order              | Approval                                    | Order | Approval                  |
|                    | President <i>[Signature]</i>                |       | VP Operations             |
|                    | Executive Vice President <i>[Signature]</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:

| Schedules Requiring Two-Thirds Vote |   | # of Actions | \$ Amount |
|-------------------------------------|---|--------------|-----------|
| Schedule B                          | Competitive Requests for Proposals (Solicitation of Purchase and Public Work Contracts) | 1            | TBD       |
| Schedules Requiring Majority Vote   |   |              |           |
| Schedule E                          | Miscellaneous Procurement Contracts   | 1            | \$ .036M  |
| Schedule F                          | Personal Service Contracts  | 3            | \$14.427M |
| Schedule G                          | Miscellaneous Service Contracts   | 2            | \$ .151M  |
| Schedule H                          | Modifications to Personal/Miscellaneous Service Contracts                               | 2            | \$ .491M  |
| Schedule I                          | Modifications to Purchase & Public Works Contracts                                      | 1            | \$1.298M  |
| SUBTOTAL                            |   | 10           | \$16.403M |

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

|       |    |           |
|-------|----|-----------|
| TOTAL | 10 | \$16.403M |
|-------|----|-----------|

**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.)

**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**  
**DECEMBER 2011**

**MTA BRIDGES & TUNNELS**

**Procurements Requiring Two-Thirds Vote:**

**B: Request to Use RFP for Procurement of Purchase & Public Works in lieu of Sealed Bid**  
(Staff Summaries only required for items estimated to be greater than \$1 million)

1. **Contractors to be Determined**                      **Cost to be Determined**      **Staff Summary Attached**  
**Contract No. RK-65R**

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 TBTA Maintenance Facility on Randall's Island.

**Procurements Requiring Majority Vote:**

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

2. **Vandis, Inc.**    **\$      36,342.70**  
**Contract No. 3000000745**

12 mo. contract – Competitive Bid – Low Bid/2 Bids  
B&T requires the services of a contractor to furnish and install F5 Local Traffic Manager hardware and software and provide associated support for a period of 12 months. On October 26, 2011 the Authority issued a solicitation for these requirements in accordance with New York State Office of General Services (OGS) Contract PT 64450. F5 Local Traffic Manager provides access to B&T production applications necessary to effectively maintain B&T's Oracle application servers which run the Facilities Log Books (for tracking daily operational activities), Revenue Management (audit and fiscal control) systems and Kronos. The OGS Contract identifies F5 Networks as the licensed developer of Traffic Manager software and hardware that is proprietary to this entity and enables authorized resellers of Traffic Manager to provide the required support. The hardware and software will replace obsolete systems that can no longer be supported. The solicitation notice was sent to F5 Networks and four authorized OGS value added resellers under contract PT 64450. On November 2, 2011, two bids were submitted. In accordance with Section 10.0, Tied Bids, of P&M-240, Competitive Sealed Bid Procurements, a coin toss was conducted on November 9, 2011 to determine the winning bid. Vandis, Inc. won the coin toss and subsequently was determined to be a responsive, responsible bidder. The bid price is fixed for a twelve month period. The bid amount is based on a 14% discount off F5 Networks' published price list. The price is considered fair and reasonable. Funding is available in the Operating Budget under General Ledger # 714216.



**LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL**  
**DECEMBER 2011**

7. **Total Fire Protection, Inc.** \$ 37,162.50  
**Contract No. 3000000721**

2 yr. 9 mo. contract - Ride LIRR Contract

B&T requires the services of a contractor to provide all labor, material and equipment necessary for inspection, testing, maintenance, repair, filling and recharging of fire extinguishers on an as-needed basis. On October 1, 2011, pursuant to Board approval of a competitive multi-agency joint procurement, LIRR awarded Contract 0400000240 to Total Fire Protection, Inc. for fire extinguisher maintenance services on an as-needed basis for a period of three years with a two year option. B&T is requesting approval to issue a purchase order against this contract to provide fire extinguisher maintenance services for a period of two years and nine months. B&T has determined that the pricing and commercial terms offered under the LIRR contract are satisfactory. These services have been provided on an as-needed basis under individual purchase orders. Funding is available in the Operating Budget chargeable to General Ledger #713016.

**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)

8. **Modjeski & Masters, Inc.** \$ 299,589.85 *Staff Summary Attached*  
**Contract No. PSC-05-2757**

Provide additional design services under Project BW-84B, Investigation and Monitoring of Bridge Suspension System and Designs for Painting and Eyebar Rehabilitation at the Bronx-Whitestone Bridge.

9. **Ammann and Whitney Consulting Engineers PC** \$ 191,628.33 *Staff Summary Attached*  
**Contract No. PSC-10-2874**

Additional construction management and inspection services for Project TN-85C, Suspended Span Repairs at the Throgs Neck Bridge.

**I: Modifications to Purchase & Public Works Contracts**

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

10. **Corcon, Inc.** \$ 1,297,669.00 *Staff Summary Attached*  
**Contract No. D607-VN-88**

Additional work and deletion of various line items under Contract D607-VN-88 Cleaning and Painting of the Lower Towers at the Verrazano-Narrows Bridge.

# Staff Summary

| Item Number 1 (Final)  |   |          |                                       |      |       |
|--|---|----------|---------------------------------------|------|-------|
| Dept & Dept Head Name: <i>Joe Keane</i><br>Engineering and Construction, Joe Keane, P.E. |   |          |                                       |      |       |
| Division & Division Head Name:<br>Engineering and Construction, Rocco D'Angelo           |   |          |                                       |      |       |
| <b>Board Reviews</b>   |   |          |                                       |      |       |
| Order  | To                                      | Date     | Approval                              | Info | Other |
| 1  | President                               | 12/8/11  |                                       |      |       |
| 2  | MTA B&T Committee                       | 12/19/11 |                                       |      |       |
| 3  | MTA Board                               | 12/21/11 |                                       |      |       |
| <b>Internal Approvals</b>  |   |          |                                       |      |       |
| Order  | Approval                                | Order    | Approval                              |      |       |
| 1  | Chief Financial Officer<br><i>DS</i>    | 4        | Chief of Staff<br><i>OS</i>           |      |       |
| 2  | General Counsel<br><i>MMT</i>           | 5        | Executive Vice President<br><i>DM</i> |      |       |
| 3  | Chief Procurement Officer<br><i>AWK</i> | 6        | President<br><i>JK</i>                |      |       |

| SUMMARY INFORMATION   |   |
|---|---|
| Vendor Name<br>N/A  | Contract Number<br>RK-65R   |
| Description<br>Design-Build Services for the TBTA Maintenance Facility on Randall's Island  |   |
| Total Amount<br>\$19,100,000 (estimated)  |   |
| Contract Term (including Options, if any)<br>2 years, 1 month   |   |
| 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<br><input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive  |   |
| Solicitation Type<br><input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:   |   |
| Funding Source<br><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 Procurement Guidelines to declare competitive bidding to be impractical and/or inappropriate in accordance with the Guidelines, Article III.A.6. and Public Authorities Law §559 and authorize B&T to enter into a competitive Request For Proposal (RFP) process for Contract RK-65R, Design-Build Services for the TBTA Maintenance Facility on Randall's Island.

**II. DISCUSSION**

Repairs at the Robert F. Kennedy Bridge (RFKB) Toll Plaza are scheduled to start in 2014 under Project RK-65A/RK-75. Before the reconstruction of the RFKB deck and toll plaza can begin, B&T personnel and facilities must be relocated from their current location under the RFKB to a new maintenance building on Randall's Island for their personal safety. The scope of work includes designing and building a new, smaller maintenance facility on Randall's Island. The design/build procurement process will enable the project to be awarded and completed approximately one year sooner than the typical design/ bid/ build procurement method and take advantage of currently favorable construction market conditions. The project budget is \$19,100,000 over a duration of 2 years, 1 month. B&T determined the proposed building option to be the lowest cost alternative and the best value solution for B&T's needs after performing a thorough analysis of alternatives that included lease and purchase opportunities, construction elsewhere on Randall's Island or using available or underutilized MTA sister agency facilities.

**III. D/M/WBE INFORMATION**

The MTA DDCR will assign applicable goals prior to the issuance of the Request for Proposals.

# Staff Summary

## **IV. IMPACT ON FUNDING**

Funding is available under Project RK-65R in the 2010-2014 Capital Program .

## **V. ALTERNATIVES**

Utilize the conventional design/bid/build procurement process. This process is impractical due to the Authority's time and budget constraints on this project.

# Staff Summary

| Item Number 3 (Final)   |                               |          |                             |      |       |
|---|-------------------------------|----------|-----------------------------|------|-------|
| Dept & Dept Head Name: Joe Keane<br>Engineering and Construction, Joe Keane, P.E.         |                               |          |                             |      |       |
| Division & Division Head Name:<br>Engineering and Construction, Vincent Montanti, P.E. VM |                               |          |                             |      |       |
| <b>Board Reviews</b>  |                               |          |                             |      |       |
| Order   | To                            | Date     | Approval                    | Info | Other |
| 1   | President                     | 12/8/11  |                             |      |       |
| 2   | MTA B&T Committee             | 12/19/11 |                             |      |       |
| 3   | MTA Board                     | 12/21/11 |                             |      |       |
| <b>Internal Approvals</b>   |                               |          |                             |      |       |
| Order   | Approval                      | Order    | Approval                    |      |       |
| 1   | Chief Financial Officer OS    | 4        | Chief of Staff JB           |      |       |
| 2   | General Counsel mmt           | 5        | Executive Vice President DM |      |       |
| 3   | Chief Procurement Officer JWK | 6        | President JF                |      |       |

| SUMMARY INFORMATION   |                                |
|---|--------------------------------|
| Vendor Name<br>WSP-Sells/HNTB Joint Venture   | Contract Number<br>PSC-11-2865 |
| Descripton:<br>Design and Design Support Services for Bronx Plaza Structure Rehabilitation and Interim Rehabilitation of the Manhattan Plaza at the RFK Bridge    |                                |
| Total Amount<br>\$10,428,880.09   |                                |
| Contract Term (including Options, if any)<br>7 years, 6 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<br><input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive  |                                |
| Solicitation Type<br><input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:   |                                |
| Funding Source<br><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 Design and Design Support Services During Construction for Bronx Plaza Structure Rehabilitation and Interim Rehabilitation of the Manhattan Plaza at the RFK Bridge to WSP-Sells/HNTB Joint Venture (Sells/HNTB) for a period of seven years, six months. The cost of the design portion of the contract is \$10,428,880.09. At a future date, the cost for design services during construction will be presented to the Board for approval.

**II. DISCUSSION**

B&T requires the services of a consultant to provide design and design support services during construction for Bronx plaza structure rehabilitation and interim rehabilitation of the Manhattan plaza at the RFK Bridge. The design services under this project include: replacement or rehabilitation of the roadway deck, barriers, bridge bearings, expansion joints, electrical systems and drainage at the Bronx and Manhattan Toll Plazas, demolition of buildings below the Manhattan Plaza, and as needed repair/replacement of the roadway framing/piers. The service requirements were publicly advertised; eight firms submitted qualification information. Four firms were chosen to receive the RFP based on a review

## Staff Summary

of those qualifications and four firms, Ammann & Whitney/PB Americas, Inc. JV (A&W/PB), Parsons Transportation Group (Parsons), Sells/HNTB and Weidlinger Associates (Weidlinger) 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 Sells/HNTB on the basis that its proposal included: (i) an alternative plan for MPT/toll plaza construction staging that may eliminate up to a year from the overall construction schedule; (ii) a highly qualified team with outstanding expertise in the design of toll plaza construction; and (iii) a highly competitive cost proposal. A&W/PB's proposal relied heavily on the use of subconsultants for mechanical/electrical design work as well as toll plaza design work. Its design team did not adequately address maintenance and protection of traffic during construction or other constructability issues. Parsons' proposal did not provide sufficient levels of effort necessary to support the goals of the project; it also relied heavily on the use of subconsultants for mechanical/electrical design work and toll plaza design work. The committee determined that Parsons fell short in its understanding of the scope based on its incomplete discussion of potential constructability issues. In comparison with the other firms' proposals Weidlinger's proposed man-hours were excessively high (46% greater than the estimate) and its staffing was determined to have less experience to support a project of this nature.

Sells/HNTB submitted a cost proposal in the amount of \$10,603,578.03. The Engineer's estimate is \$13,514,308. Based on negotiations, the proposal was reduced to \$10,428,880.09 (23% below the estimate), which is considered fair and reasonable. The cost for design support services during construction will be negotiated at a later date. Sells/HNTB is deemed to be a responsible consultant.

### **III. D/M/WBE INFORMATION**

The MTA DDCR has established goals of 10% 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 through Project RK-65A (\$8,436,990.30) and RK-75 (\$1,991,889.79) in the 2010-2014 Capital Budget.

### **V. ALTERNATIVES**

There are no recommended alternatives. B&T does not possess the resources required to perform these services.

# Staff Summary

| Item Number 4 (Final)   |   |          |                                       |      |       |
|---|---|----------|---------------------------------------|------|-------|
| Dept & Dept Head Name: Engineering & Construction, Joe Keane, P.E. <i>Joe Keane</i>         |   |          |                                       |      |       |
| Division & Division Head Name: Engineering & Construction, Vincent Montanti, P.E. <i>VM</i> |   |          |                                       |      |       |
| <b>Board Reviews</b>  |   |          |                                       |      |       |
| Order   | To                                      | Date     | Approval                              | Info | Other |
| 1   | President                               | 12/8/11  |                                       |      |       |
| 2   | MTA B&T Committee                       | 12/19/11 |                                       |      |       |
| 3   | MTA Board                               | 12/21/11 |                                       |      |       |
| <b>Internal Approvals</b>   |   |          |                                       |      |       |
| Order   | Approval                                | Order    | Approval                              |      |       |
| 1   | Chief Financial Officer<br><i>OS</i>    | 4        | Chief of Staff<br><i>CS</i>           |      |       |
| 2   | General Counsel<br><i>MMT</i>           | 5        | Executive Vice President<br><i>MM</i> |      |       |
| 3   | Chief Procurement Officer<br><i>AWK</i> | 6        | President<br><i>JK</i>                |      |       |

| SUMMARY INFORMATION   |                                |
|---|--------------------------------|
| Vendor Name<br>Hatch Mott McDonald NY, Inc.   | Contract Number<br>PSC-10-2890 |
| Description:<br>Design and Construction Support Services for Project QM-18, Rehabilitation of the Manhattan Exit Plaza at the Queens Midtown Tunnel               |                                |
| Total Amount:<br>\$2,498,121.32   |                                |
| Contract Term (including Options, If any)<br>One (1) year, six (6) 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<br><input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive  |                                |
| Solicitation Type<br><input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:   |                                |
| Funding Source<br><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 Design and Construction Support Services for Project QM-18, Rehabilitation of the Manhattan Exit Plaza at the Queens Midtown Tunnel (QMT) to Hatch Mott McDonald NY, Inc. (HMM) for a period of one (1) year, six (6) months. The cost of the design portion of the contract is \$2,498,121.32. At a future date, the cost for design services during construction will be presented to the Board for approval.

**II. DISCUSSION**

B&T requires the services of a consultant to provide design and construction support services for the rehabilitation of the Manhattan exit plaza at the QMT. The design objectives include but are not limited to the following: rehabilitation of the base slab, expansion joints, gutter and sidewalks; investigation and design of drainage improvements; re-pointing of retaining walls; development of construction phasing and maintenance and protection of traffic to minimize operational impacts; and phased construction support services.

This is a pilot project that utilized a qualifications based selection (QBS) method that is similar to design consultant selections used by the federal and many state governments. In general, this process requires firms to compete on the basis of experience, proposed design concepts and proposed methods of approach to the assignment. Cost is negotiated

## Staff Summary

following selection of the preferred firm. The service requirements were publicly advertised and six (6) firms submitted qualification information. Four (4) firms, HMM; AECOM USA, Inc.; Gannett Fleming Engineering and Architects, P.C. (GF); and HNTB New York Engineering and Architecture, P.C. (HNTB) were chosen to receive the RFP and all firms submitted proposals. The proposals were evaluated against criteria set forth in the RFP, including an understanding of the technical requirements, technical expertise, proposed personnel and oral presentations. The evaluation committee recommended the selection of HMM based on its strong understanding of the Project goals to eliminate water infiltration at the base slab (which lies beneath the Manhattan exit plaza roadway). This will result in an extended service life of the existing structure thereby reducing maintenance and paving costs. HMM offered several alternative solutions and clearly described methods to address the Project goals. In comparison with HMM, the committee determined that AECOM's and HNTB's technical proposals placed a greater level of reliance on the existing scoping report and previously performed prototype repairs. GF proposed repair alternatives that did not address all the concerns regarding rehabilitation of the structure.

HMM submitted a proposal in the amount of \$3,326,308.99. The Engineer's estimate is \$2,480,691. Based on negotiations B&T determined that HMM's proposal overstated certain requirements, specifically in the areas of traffic modeling, traffic engineering, surveying and constructability. B&T and HMM agreed to the negotiated amount totaling \$2,498,121.32, which is 0.7% above the estimate and is considered fair and reasonable. HMM is deemed 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 QM-18 in the amount of \$2,498,121.32 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

| Item Number 5 (Final)  |                                      |          |   |      |       |
|--|--------------------------------------|----------|---|------|-------|
| Dept & Dept Head Name: <i>Joe Keane</i><br>Engineering and Construction, Joe Keane, P.E.         |                                      |          |   |      |       |
| Division & Division Head Name:<br>Engineering and Construction, Vincent Montanti, P.E. <i>VM</i> |                                      |          |   |      |       |
| Board Reviews  |                                      |          |   |      |       |
| Order  | To                                   | Date     | Approval                                    | Info | Other |
| 1  | President                            | 12/8/11  |   |      |       |
| 2  | MTA B&T Committee                    | 12/19/11 |   |      |       |
| 3  | MTA Board                            | 12/21/11 |   |      |       |
| Internal Approvals   |                                      |          |   |      |       |
| Order  | Approval                             | Order    | Approval                                    |      |       |
| 1  | Chief Financial Officer <i>DL</i>    | 4        | Chief of Staff <i>JS</i>                    |      |       |
| 2  | General Counsel <i>MMT</i>           | 5        | Executive Vice President <i>[Signature]</i> |      |       |
| 3  | Chief Procurement Officer <i>AWK</i> | 6        | President <i>[Signature]</i>                |      |       |

| SUMMARY INFORMATION   |                                |
|---|--------------------------------|
| Vendor Name<br>Henningson Durham & Richardson Architecture and Engineering, PC  | Contract Number<br>PSC-10-2885 |
| Description:<br>Design and Construction Support Services for Project MP-03, Electrical and Mechanical Rehabilitation at the Marine Parkway - Gil Hodges Memorial Bridge |                                |
| Total Amount<br>\$1,499,542.19  |                                |
| Contract Term (including Options, if any)<br>Two (2) years, two (2) 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<br><input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive  |                                |
| Solicitation Type<br><input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:   |                                |
| Funding Source<br><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 Design and Construction Support Services for Project MP-03, Electrical and Mechanical Rehabilitation at the Marine Parkway - Gil Hodges Memorial Bridge (MPB) to Henningson Durham and Richardson Architecture and Engineering, PC (HDR) for a period of two (2) years, two (2) months. The cost of the design portion of the contract is \$1,499,542.19. At a future date, the cost for design services during construction will be presented to the Board for approval.

**II. DISCUSSION**

B&T requires the services of a consultant to provide design and construction support services for the rehabilitation of various electrical and mechanical equipment at the MPB. The design activities under this project include the following: rehabilitation of selected lift span electrical and mechanical equipment; installation of equipment to monitor tower vertical alignment, vibration and air gap (which monitors the bridge in relation to the channel's tidal action); provide upgrades to facility standby power (e.g. a new diesel generator); perform architectural reviews and other facility designs; abatement and disposal of asbestos and lead containing materials; and phased construction support services.

(rev. 4/07/10)

## Staff Summary

The service requirements were publicly advertised; six firms submitted qualification information. Four firms, Henningson Durham and Richardson Architecture and Engineering, PC (HDR), Hardesty and Hanover LLP (H&H), HNTB and STV, Inc. (STV) were chosen to receive the RFP based on a review of their qualifications and all firms 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 Selection Committee unanimously recommended HDR based on their thorough understanding of the scope and the project team's substantive experience on movable bridge projects requiring electrical and mechanical system rehabilitation. H&H did not sufficiently address important project objectives such as system coordination, standby power systems, permitting and mitigation. HNTB proposed the highest cost and its electrical and mechanical engineers did not possess the same level of experience compared with the personnel proposed by HDR. STV's proposal was significantly below the estimate; it understated the levels of effort in terms of hours which, in the judgment of the committee, reflected a lack of understanding of the Project's scope.

HDR's cost proposal totaled \$1,499,542.19. The Engineer's estimate is \$1,852,322. B&T accepted HDR's proposal in the amount of \$1,499,542.19, which is 19% below the estimate and is considered fair and reasonable. HDR 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 MP-03 in the amount of \$1,499,542.19 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.

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

Item Number: **8** (Final)

|  |  |                           |
|--|--|---------------------------|
| <b>Vendor Name (&amp; Location)</b><br>Modjeski & Masters, Inc., Poughkeepsie, New York  | <b>Contract Number</b><br>PSC-05-2757                                  | <b>AWO/Modification #</b> |
| <b>Description</b><br>Project BW-84B, Investigation and Monitoring of Bridge Suspension System and Designs for Painting and Eyebar Rehabilitation at the Bronx-Whitestone Bridge | <b>Original Amount:</b>  | \$3,889,258.57            |
| <b>Contract Term (including Options, if any)</b><br>June 6, 2006 – December 31, 2015   | <b>Prior Modifications:</b>  | \$0.00                    |
| <b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   | <b>Prior Budgetary Increases:</b>                                      | \$0.00                    |
| <b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive   | <b>Current Amount:</b>   | \$3,889,258.57            |
| <b>Solicitation Type</b> <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:  | <b>This Request:</b>   | \$299,589.85              |
| <b>Funding Source</b><br><input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:         | <b>% of This Request to Current Amount:</b>                            | 7.7%                      |
| <b>Requesting Dept/Div &amp; Dept/Div Head Name:</b><br>Engineering & Construction, Joe Keane, P.E.  | <b>% of Modifications (including This Request) to Original Amount:</b> | 7.7%                      |

**Discussion:**

B&T is seeking Board approval under the All Agency Guidelines for Procurement of Services to amend PSC-05-2757 with Modjeski & Masters, Inc. (M&M) for additional design services in the amount of \$299,589.85. Consistent with the Procurement Guidelines the design work under this amendment constitutes a substantial change. The additional services require M&M to provide designs for Project BW-15 to: (i) replace the acoustic monitoring system; (ii) replace the necklace lighting system; and (iii) upgrade the tower interior lighting systems. The acoustic monitoring system, originally installed in 2000, is a non-invasive cable monitoring system that detects wire breaks in the main cables. The Engineer has determined that the system has reached the end of its useful life and it is recommended that it be replaced with a more robust and state of the art system to ensure effective, reliable monitoring of the main cable. The original necklace lighting system will be replaced and its new components will include energy efficient LED lights, which are less costly to operate and maintain. The tower interior lighting systems require upgrade to improve the illumination inside the towers. M&M is best qualified to perform these additional design assignments based on their previous cable investigations and ongoing acoustic monitoring system maintenance experience as well as having successfully performed other electrical upgrades at the Bronx-Whitestone Bridge. The cost for construction support services will be negotiated in the future.

M&M submitted a proposal in the amount \$299,589.85. The Engineer's estimate is \$356,340.98. Upon review and discussion B&T accepted M&M's proposal in the amount of \$299,589.85. The accepted amount is 16% less than the estimate and is considered fair and reasonable. Additionally, these designs were originally planned to be solicited as a separate stand alone project. By combining this work with design services under Project BW-84, B&T will be able to realize savings of \$500,000 in its 2010-2014 Capital Program. Funding in the amount of \$299,589.85 is available in the current program under Project BW-15.

**Schedule H: Modifications to Personal Service Contracts and Miscellaneous Service Contracts**
**Item Number: 9 (Final)**

|  |  |                           |
|--|--|---------------------------|
| <b>Vendor Name (&amp; Location)</b><br>Ammann and Whitney Consulting Engineers PC, New York, NY  | <b>Contract Number</b><br>PSC-10-2874                                  | <b>AWO/Modification #</b> |
| <b>Description</b><br>Construction Management and Inspection Services for Project TN-85C, Suspended Span Repairs at the Throgs Neck Bridge                               | <b>Original Amount:</b>  | \$2,479,564.76            |
| <b>Contract Term (including Options, if any)</b><br>November 30, 2010 – May 31, 2013   | <b>Prior Modifications:</b>  | \$0.00                    |
| <b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   | <b>Prior Budgetary Increases:</b>                                      | \$0.00                    |
| <b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive   | <b>Current Amount:</b>   | \$2,479,564.76            |
| <b>Solicitation Type</b> <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:  | <b>This Request:</b>   | \$191,628.33              |
| <b>Funding Source</b><br><input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: | <b>% of This Request to Current Amount:</b>                            | 7.7%                      |
| <b>Requesting Dept/Div &amp; Dept/Div Head Name:</b><br>Engineering & Construction, Joe Keane, P.E.  | <b>% of Modifications (including This Request) to Original Amount:</b> | 7.7%                      |

**Discussion:**

B&T is seeking Board approval under the All Agency Guidelines for Procurement of Services to amend Contract PSC-10-2874, with Ammann and Whitney (A&W) in the negotiated amount of \$191,628.33. Additional funding is required for construction management and inspection services to monitor construction work that had been added during the solicitation of Contract TN-85C, Suspended Span Repairs at the Throgs Neck Bridge. This construction contract was awarded in June 2011. The additional construction management services under the A&W contract cover a new catwalk and stair system at the towers along with upgrades to the tower floodlight and navigation lighting systems. The new catwalk and stairs will extend the existing catwalk system located along the centerline of the bridge to the edges of the towers thereby improving access to the towers and new floodlights. The existing tower floodlight and navigation lighting systems require improvement. Installation of new lighting systems will result in operational and maintenance savings in the future. Consistent with the Procurement Guidelines this additional inspection work constitutes a substantial change.

A&W submitted a proposal in the amount of \$204,429.09. The Engineer's estimate is \$195,000. Negotiations resulted in B&T and A&W agreeing to an amount totaling \$191,628.33. The negotiated amount is 1.7% below the estimate and is considered fair and reasonable. Funding in the amount of \$191,628.33 is available in the 2010-2014 Capital Program under Project TN-52.

**Schedule I: Modifications to Purchase and Public Works Contracts**
**Item Number: 10 (Final)**

|  |  |  |                           |
|--|--|--|---------------------------|
| <b>Vendor Name (&amp; Location)</b><br>Corcon, Inc., Lowellville, Ohio   |  | <b>Contract Number</b><br>D607-VN-88                                   | <b>AWO/Modification #</b> |
| <b>Description</b><br>Cleaning and Painting of the Lower Towers at the Verrazano-Narrows Bridge  |  | <b>Original Amount:</b>  | \$18,965,450.00           |
| <b>Contract Term (including Options, if any)</b><br>August 10, 2010 – August 9, 2012   |  | <b>Prior Modifications:</b>  | \$0.00                    |
| <b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |  | <b>Prior Budgetary Increases:</b>                                      | \$0.00                    |
| <b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive   |  | <b>Current Amount:</b>   | \$18,965,450.00           |
| <b>Solicitation Type</b> <input type="checkbox"/> RFP <input checked="" type="checkbox"/> Bid <input type="checkbox"/> Other:  |  | <b>This Request:</b>   | \$1,297,669.00            |
| <b>Funding Source</b><br><input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: |  | <b>% of This Request to Current Amount:</b>                            | 6.8%                      |
| <b>Requesting Dept/Div &amp; Dept/Div Head Name:</b><br>Engineering & Construction/Joe Keane, P.E.   |  | <b>% of Modifications (including This Request) to Original Amount:</b> | 6.8%                      |

**Discussion:**

B&T is seeking the Board's approval under the All-Agency Procurement Guidelines to modify the subject contract with Corcon Inc. (Corcon) for additional site work at the Verrazano-Narrows Bridge (VNB), including abrasive blasting and painting in and around the housing base of the suspender ropes, increasing the estimated unit quantities for cleaning and painting, and for a deletion of various work items for a net increase of \$1,297,669. The items are summarized as follows:

1. Based on recommendations from the 2011 VNB biennial bridge inspection, cleaning and painting of all 2,096 suspender ropes up to a height of 6 inches above the base plates of the suspender ropes is required. The required work includes labor, materials (paint and two separate blasting materials), equipment (rigging and temporary platforms) and maintenance and protection of traffic. Since Corcon is already mobilized at the site performing work under the subject contract, a cost proposal was requested for this extra work. Corcon proposed a cost of \$3,468,530.67. The user's estimate is \$3,194,217.71. During negotiations Corcon agreed to revise the specifications to increase the work areas, if necessary, above the originally identified six inch height from the rope base. A final price of \$3,400,000 was agreed to which is 6.4% above the estimate and is fair and reasonable.

2. A quantity increase to the unit price item for the cleaning and painting of the interior strut cells at the Brooklyn and Staten Island lower towers is required based on existing field conditions. An additional 6,607 square feet above the original estimated quantity of 30,000 sq. ft. is necessary to complete the work. The Engineer determined that in accordance with Article 3.02, Variable Quantities Clause, the existing bid price is equitable to all parties. The total increase of this change is \$442,669. Since original unit prices are being utilized, this adjustment is considered fair and reasonable.

3. Four unit price items of work under this contract are being deleted in their entirety since the Engineer has determined that they are not required. The total decrease for these items is \$2,545,000.

The overall net increase to this contract equates to \$1,297,669. Funding for this amendment is available in the 2010-2014 Capital Program under D607-VN-88.