



Metropolitan Transportation Authority

Corporate Governance Committee Meeting

March 2012

Committee Members

J. Lhota, Chair

J. Kay

S. Metzger

C. Moerdler

A. Saul

J. Sedore, Jr.

MEETING AGENDA

MTA CORPORATE GOVERNANCE COMMITTEE

March 26, 2012

347 Madison Avenue
Fifth Floor Board Room
New York, New York

<u>AGENDA ITEMS</u>	<u>PAGE</u>
Public Comment Period	
Approval of Minutes	2
1. Review and Approve Mission Statement and Measurement Report (Action Item)	4
2. Review and Approve Travel and Business Expense Policy (Action Item)	31
3. Review and Approve Procurement Guidelines (Action Item)	53
4. Compliance Review - Policies Required Pursuant to Public Authorities Law Section 2824(1)(e)	
5. Presentation on Recent Developments in Corporate Governance	
6. Executive Session	

MINUTES OF THE MEETING
MTA Corporate Governance Committee
November 14, 2011
347 Madison Avenue
New York, New York

The following MTA Corporate Governance Committee members were present:

Hon. Andrew Saul, Acting, Chairman
Hon. Jeffrey Kay
Hon. Susan Metzger
Hon. Charles Moerdler
Hon. James Sedore, Jr.

The following MTA Corporate Governance Committee member was absent:

Hon. Nancy Shevell

MTA Board member Hon. Robert C. Bickford also attended the meeting.

The following MTA staff attended the meeting:

Roberta Bender, Deputy General Counsel
Margaret Connor, Senior Director Human Resources/Retirement Programs
Jessie Crawford, Director Human Resources
James Henly, General Counsel
Lamond W. Kearse, Chief Compliance Officer
Patricia McDonnell, Manager, Policies and Procedures

* * *

Acting Chair Andrew Saul called the November 14, 2011 meeting of the MTA Corporate Governance Committee to order at 3:15p.m.

Public Comments Period

There were no speakers in the public comments portion of the meeting.

Approval of Minutes

Upon motion duly made and seconded, the Committee approved the minutes of the Committee meeting held on March 21, 2011.

1. Review and Approval of MTA By-Laws

Mr. Henly presented a proposed revision to the indemnification by-laws of MTA and the MTA agencies. The revised indemnification by-law would require Board action on an indemnification request of a Board member in the event counsel for the MTA, upon review of the request, believes that the facts and circumstances warrant denial of such request or raise serious question as to whether the requestor is entitled to indemnification under the by-law. With respect to indemnification requests by officers and employees, the proposed by-law revision would provide for a determination to be made by the Chair or Chair's designee, in those instances in which the relevant Authority counsel believes that the facts and circumstances warrant denial of such request or raise serious question as to whether the requestor is entitled to indemnification under the by-law.

Upon motion duly made and seconded the Committee approved the revisions of the MTA By-Laws.

2. Review and Approval of Committee Charters and Governance Guidelines

Mr. Henly reviewed minor technical amendments proposed to the charters of the Audit, Diversity and Finance Committees along with an update to the Governance Guidelines to reflect the re-named Security Committee. Upon motion duly made and seconded, the Committee approved the proposed revisions to the Charters and Governance Guidelines.

3. Review and Approval Revisions of the MTA All Agency Code of Ethics and MTA Board Members' Code of Ethics

Mr. Kearse advised the Committee on proposed revisions to the MTA Codes of Ethics and the MTA Board Members' Code of Ethics, chiefly to reflect certain changes in law resulting from the passage of the Public Integrity Reform Act of 2011 ("PIRA").

Upon motion duly made and seconded the Committee approved the revisions to the All Agency and Board Members' Code of Ethics.

4. Review and Approval of Revision to the MTA Bereavement Policy

The Committer considered revisions to the MTA Bereavement Policy, which incorporate new definitions for parent, sibling and family member, which more accurately reflect the current practice of providing bereavement leave in the case of the death of a domestic partner's family members, as required by N.Y. Civil Rights Law Section 79-n; and would require bereavement leave to be taken within 30 days of the death of a family member.

Upon motion duly made and seconded the Committee approved the revisions to the MTA Bereavement Policy.

5. Review of the MTA Whistle Blower Protection Policy

Mr. Kearse reported on the MTA Whistleblower Protection Policy, noting that no changes to the Policy were recommended at this time.

6. Review of Compliance with Procurement Lobbying Law

Mr. Kearse reported on MTA agency compliance with the Procurement Lobbying Law.

7. Executive Session

Upon motion duly made and seconded, the Committee voted to convene an executive session to discuss matters made confidential under state law.

Adjournment

After a motion and vote to return to public session, upon further motion duly made and seconded, Acting Chair Andrew Saul adjourned the November 14, 2011 meeting of the Corporate Governance Committee.

Respectfully submitted

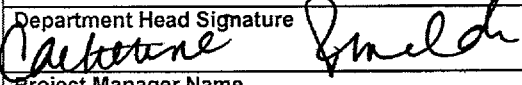
Lamond W. Kearse
MTA Chief Compliance Officer

Staff Summary




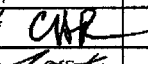
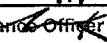
Metropolitan Transportation Authority

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Subject Mission Statement & Performance Indicator Report
Department Chief of Staff
Department Head Name Catherine A. Rinaldi
Department Head Signature 
Project Manager Name

Date March 28, 2012
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
	Corporate Governance	3/26/12			
	Board	3/28/12			

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

Purpose:

To obtain Board review of the MTA's mission statement and performance measurements and to authorize submission of the annexed 2011 Mission Statement and Performance Measurement Report to the State Authorities Budget Office.

Discussion:

Section 1269-f and Section 2824-a of the Public Authorities Law require MTA annually to reexamine its mission statement and selected performance measurement indicators and to submit a report based on the performance indicator results from the past year to the State Authorities Budget Office.

The MTA and its Board engages in oversight of agency operating performance throughout the year. The Board, through its various subway, bus, rail and bridge operation committees, closely monitors agency operating performance each month. Each operating agency reports its most recent performance data in posted monthly committee books. At monthly public MTA committee meetings, operating agency results are reviewed and discussed by board members and agency senior staff. In addition, presentations focused on particular areas of performance are made by the agency staff to the Board operating committees periodically through the year, in accordance with the work plan schedule of each operating committee. The MTA website also contains a "Performance Dashboard" for each of the MTA operating agencies, updated monthly, summarizing the agencies' leading performance measurements.

The attached report (the "2011 Mission Statement and Performance Measurement Report") compiles the MTA mission statement and the measurements from 2011 for the performance indicators listed in the MTA mission statement. The operating agencies have each submitted, within the Report, a summary that evaluates agency performance on the applicable indicators in the past year. The Report also contains a copy of the MTA mission statement, to facilitate the Board's annual review.

Recommendation:

It is recommended that the MTA Board approve the annexed 2011 Mission Statement and Performance Measurement Report for submission to the Authorities Budget Office.



Mission Statement, Measurements, and Performance Indicator Report

**Covering Fiscal Year 2011
(in compliance with PAL §1269-f and §2824-a)**



Metropolitan Transportation Authority

MTA Mission Statement

The MTA preserves and enhances the quality of life and economic health of the region we serve through the cost-efficient provision of safe, on-time, reliable and clean transportation services.

Stakeholder Assessment

These are the main stakeholders of the MTA and their expectations. A set of goals for each group have been defined, as well as performance indicators to measure attainment of these goals.

Customers	
Our customers are those who ride our trains and buses or cross our bridges and tunnels. They include residents in our region as well as the tourists and visiting business persons. Our customers expect service that is safe, on-time, reliable and provides good value for their money.	
MTA Goals	Performance Indicators
<ul style="list-style-type: none"> • Ensure our customer's safety 	<ul style="list-style-type: none"> ✓ Customer injury rates ✓ Bus collision rate
<ul style="list-style-type: none"> • Provide on-time and reliable services 	<ul style="list-style-type: none"> ✓ On-time performance (Subway/Commuter Railroads) ✓ Subway wait assessment ✓ Bus trips completed ✓ Mean distance between failures
<ul style="list-style-type: none"> • Provide services to people with disabilities 	<ul style="list-style-type: none"> ✓ Elevator availability ✓ Escalator availability ✓ Bus passenger wheelchair lift usage (does not include paratransit) ✓ Paratransit ridership
<ul style="list-style-type: none"> • Repair, replace and expand transportation infrastructure 	<ul style="list-style-type: none"> ✓ Capital Program Commitments ✓ Capital Program completions

Business, Residents and Taxpayers	
The businesses, residents, and taxpayers in our service area want the MTA to spend its resources efficiently and appropriately while enhancing the mobility of the region.	
MTA Goals	Performance Indicators
<ul style="list-style-type: none"> • Perform services in an efficient manner 	<ul style="list-style-type: none"> ✓ Farebox operating ratio ✓ Operating cost per customer ✓ Total support to mass transit
<ul style="list-style-type: none"> • Maximize system usage 	<ul style="list-style-type: none"> ✓ Ridership ✓ Traffic volume
<ul style="list-style-type: none"> • Repair, replace and expand transportation infrastructure 	<ul style="list-style-type: none"> ✓ Capital Program commitments ✓ Capital Program completions

Employees and Unions	
Our employees and unions expect a safe workplace, skills training relevant to their role and opportunities for growth.	
MTA Goals	Performance Indicators
<ul style="list-style-type: none"> • Ensure our employees' safety 	<ul style="list-style-type: none"> ✓ Employee lost time and restricted duty rate
<ul style="list-style-type: none"> • Maintain a workforce that reflects the regional availability of all races, nationalities, and genders for our industry 	<ul style="list-style-type: none"> ✓ Female representation in MTA workforce ✓ Minority representation in MTA workforce

Government Partners (Federal, State and Local Government)	
Our government partners expect us to enhance the mobility of the region by providing excellent service while spending our resources in a cost-effective and appropriate manner.	
MTA Goals	Performance Indicators
<ul style="list-style-type: none"> • Provide on-time and reliable services 	<ul style="list-style-type: none"> ✓ On-time performance (Subway and Commuter Railroads) ✓ Subway wait assessment ✓ Bus trips completed ✓ Mean distance between failures
<ul style="list-style-type: none"> • Maximize system usage 	<ul style="list-style-type: none"> ✓ Ridership ✓ Traffic volume
<ul style="list-style-type: none"> • Perform services in an efficient manner 	<ul style="list-style-type: none"> ✓ Farebox operating ratio ✓ Operating cost per customer
<ul style="list-style-type: none"> • Repair, replace and expand transportation infrastructure 	<ul style="list-style-type: none"> ✓ Capital Program commitments ✓ Capital Program completions

MTA New York City Transit

Performance Indicator	2010 Actual	2011 Actual
Service Indicators		
On-Time Performance – Terminal	88.7%	85.4%
Subway Wait Assessment	77.9%	78.8%
Elevator Availability – Subways	97.1%	96.2%
Escalator Availability – Subways	92.6%	93.7%
Total Ridership – Subways	1,604,070,667	1,640,434,672
Mean Distance Between Failures – Subways (miles)	170,217	172,700
Mean Distance Between Failures – Staten Island Railway (miles)	464,848	201,523
On-Time Performance – Staten Island Railway	95.4%	95.1%
% of Completed Trips – NYCT Bus	98.1%	98.1%
Total Paratransit Ridership – NYCT Bus	9,016,690	8,947,191
Bus Passenger Wheelchair Lift Usage – NYCT Bus	1,244,991	1,280,678
Total Ridership – NYCT Bus	696,923,393	665,312,549
Mean Distance Between Failures – NYCT Bus (miles)	3,678	3,340
Safety Indicators		
Customer Injury Rate – Subways (per million customers)	3.07	2.91
Customer Accident Injury Rate – NYCT Bus (per million customers)	1.00	1.17
Collisions with Injury Rate – NYCT Bus (per million vehicle miles)	7.64	6.92
Employee Lost Time and Restricted-Duty Rate (per 100 employees)	3.05	3.33
Workforce Indicators		
Female Representatives in NYCT Workforce	17.30%	17.4%
Minority Representatives in NYCT Workforce	72.60%	73.1%
Financial Indicators		
Farebox Operating Ratio	55.7%	59.5%
Operating Cost per Passenger	\$2.63	\$2.70
Capital Program Indicators		
Commitments in \$ Millions (% of planned value)	\$2.031 (54%)	\$1,811 (50%)
Completions in \$ Millions (% of planned value)	\$2.439 (86%)	\$1,794 (60%)

MTA GOAL: Ensure Customer Safety

PERFORMANCE INDICATORS: Customer Injury Rate

The rate of Subway Customer Injuries declined for the second year in a row.

The 17 percent increase in the Bus Customer Accident Injury rate in 2011 compared to 2010 is being addressed in several ways, including issues related to the introduction of a variety of new bus models during the second half of 2011. Supplemental training is being provided to bus operators, in concert with in-service safety performance observation campaigns.

Although the 9.4 percent decrease in the Collision Injury rate is an improvement, it has been challenging to interpret performance and establish programs to further improve operations, because Bus Operations continues to see collisions where the multiple reported injuries are not necessarily consistent with the circumstances of the accidents. This perspective is shared by the New York State Public Transportation Safety Board. Specifically, while the PTSB continues to investigate and report on collisions meeting their threshold criteria of five or more injuries, they continue to observe a frequent disconnect between the purported injuries sustained in an accident and the physical evidence at the scene, including a lack of property damage. NYCT vigorously defends claims that it has reason to believe are without factual basis.

NYC Transit will continue to make every effort to incorporate related findings into its safety and training initiatives. Most recently, in 2011, it implemented a zero tolerance policy banning cell phones and other electronic devices for bus operators, in conjunction with an agreement with all the represented labor unions. NYC Transit has observed an improved compliance rate in response to its zero tolerance policy.

MTA GOAL: Provide On-Time and Reliable Services

PERFORMANCE INDICATORS: On-Time Performance, Mean Distance Between Failures, Subway Wait Assessment, Bus Trips Completed

Subway On-time Performance (OTP) declined 3.3 percent in 2011 compared to 2010. The level of system rebuilding and maintenance work in the subways was increased, which adversely affected OTP.

Subways Wait Assessment increased 0.9 percent in 2011 compared to 2010 for the same reasons.

The Subways 2011 Subway Mean Distance Between Failure (MDBF) of 172,700 miles represents a 1.5 percent increase compared to 2010's MDBF of 170,217. The main reason for this overall improvement of fleet performance has been the delivery of very reliable R160 subway cars to replace older subway cars that had been experiencing a declining MDBF.

The Staten Island Railway 2011 Mean Distance Between Failure (MDBF) of 201,523 represents a 56.7 percent decrease as compared to 2010's MDBF of 464,848. The main reason for this overall decrease in fleet performance was component failures related to converters and door systems of the car fleet, which is more than 38 years old.

The Bus Mean Distance Between Failures (MDBF) for 2011 was 3,340 miles. This represents a decrease of 9.2 percent from the 2010 actual of 3,678. Improvements in MDBF were seen in the fourth quarter as maintenance initiatives started in mid- or late-2011 began to show results.

The Bus Trips Completed result of 98.1 percent remained constant with the 2010 result of 98.1 percent. Trips completed depends on both bus and bus operator availability. Vacancies, coupled with a higher than anticipated rate of absenteeism, are reflected in the number of trips completed.

MTA GOAL: Provide Services to People with Disabilities

PERFORMANCE INDICATORS: Elevator Availability, Escalator Availability, Bus Passenger Wheelchair Lift Usage, Paratransit Ridership

Elevator availability decreased by 0.9 percent compared to 2010 due to increased breakdowns and also because of the preventive maintenance program that was started in March 2011, which causes increased elevator downtime. As the cycle of increased preventive maintenance reaches all elevators, availability is expected to increase. The elevator equipment failures requiring correction included long duration repairs not addressed as preventative maintenance, such as control valve replacements, door overhauls, and a hydraulic cylinder replacement as well as repairs to outdated controllers.

Escalator availability increased by 1.1 percent compared to 2010. The increase is attributable to working continuously on machines that were out for repairs in the second half of 2011, shortening the length of time equipment was not working. Station closings due to General Orders (GO's) allowed for work to be done on the equipment. (When the station is out of commission, the equipment outages do not count against availability.)

Wheelchair ridership of 1.28 million passengers shows an increase of 2.9 percent over 2010 with monthly increases since April. In 2012, NYCT is scheduled to receive more than 300 new low-floor buses that provide for easier boarding and more reliable service for wheelchair passengers.

For 2011, a 4.3 percent decrease in Access-A-Ride requests for service was offset by a 26.2 percent decline in No Show Customers, resulting in a 0.8 percent decrease in annual ridership.

MTA GOAL: Repair, Replace, and Expand Transportation Infrastructure

PERFORMANCE INDICATORS: Capital Program Commitments and Completions

In 2011, NYCT committed \$1.8 billion, representing 50 percent of the planned 2011 commitment goal of \$3.6 billion versus its 2010 performance of 54 percent. The shortfall in 2011 commitments was caused largely by delays in awarding a small number of high value projects, including the purchase of 300 subway cars (\$638 million), the purchase of 104 articulated buses (\$81 million), construction of the Mulry Square vent plant (\$81 million), and the VHF Radio System Upgrade (\$256 million). In terms of number of projects committed, 93 of 101 projects (92 percent) were awarded in 2011, versus 75 of 95 projects (79 percent) in 2010. Notable 2011 commitments included the purchase of 769 express buses, providing full ADA

accessibility at the Forest Hills-71st Avenue Station on the Queens Boulevard line, construction of a CBTC Test Track on the Culver line, and the purchase of 103 A Division subway cars and conversion of 370 R142A cars.

In terms of capital projects completed against established goals, NYCT achieved 60 percent of the \$3.0 billion 2011 completion goal, versus 86 percent in 2010. In terms of number of projects, 68 percent of the goal of 137 projects was completed in 2011 versus 66 percent of 98 projects in 2010. Notable 2011 completions included the construction of the Charleston Annex Bus Depot, the rehabilitation of the Columbus Circle Station Complex, rehabilitation of five (5) stations along with line structure rehabilitation on the Brighton line, the rehabilitation of five (5) stations on the Pelham Line, construction of ventilation facilities at eight (8) locations on the Archer Avenue line, the rehabilitation of the East 180th Street yard signals and interlocking on the Dyre/White Plains Road lines, and the rehabilitation of the Jay Street-Borough Hall Station in Brooklyn. NYCT's 2011 Capital Program completion performance was short of its goal by \$1.2 billion mainly due to the delayed completion of several major projects, including B Division - ATM Network / 253 Stations, PA/CIS Phase 2 at 156 Stations – IRT, 2011 Track & Switch Program and rehabilitation of five Far Rockaway Line Stations.

MTA GOAL: Perform Services in an Efficient Manner

PERFORMANCE INDICATORS: Farebox Operating Ratio, Operating Cost per Passenger

This preliminary 2011 Farebox Operating Ratio result increase was primarily due to the December 31, 2010 fare increase.

The Operating Cost per Passenger represents an increase of 2.7 percent, which is very close to the local inflation rate.

MTA GOAL: Maximize System Usage

PERFORMANCE INDICATORS: Ridership

Subway ridership continued to increase in 2011 and was the highest annual ridership since 1950. The 2011 subway ridership increase was primarily attributable to the improving New York City economy.

Bus ridership continued a trend of ridership decreases, worsened by annualization of the 2010 service reductions, severe winter weather, and Tropical Storm Irene.

MTA GOAL: Ensure Our Employees' Safety

PERFORMANCE INDICATORS: Employee Lost Time and Restricted-Duty Rate

The rate increased in 2011 vs. 2010. Extreme weather conditions in early 2011 contributed to the higher frequency of some types of employee accidents.

MTA GOAL: Maintain a Workforce that Reflects Regional Availability of All Races, Nationalities, and Genders

PERFORMANCE INDICATORS: Female and Minority Representation in the Workforce

Female representation agency-wide continues to be below the estimated percentage of females available for work within NYC Transit's recruiting area. A contributing factor is the low percentage of females who apply for what are generally considered non-traditional jobs. NYC Transit will continue to increase its outreach and recruitment efforts to improve female representation. The percentage of minority representation exceeds the estimated percentage of minorities available for work within NYC Transit's recruiting area.

MTA Long Island Rail Road

Performance Indicator	2010 Actual	2011 Actual
Service Indicators		
On-Time Performance	92.8%	93.7%
Elevator Availability	97.2%	97.2%
Escalator Availability	95.5%	95.8%
Total Ridership	81,507,851	80,988,003
Mean Distance Between Failures (miles)	149,651	169,724
Safety Indicators		
Customer Injury Rate (per million customers)	5.29	5.85
Employee Lost Time and Restricted-Duty Rate (per 200,000 worker hours)	2.74	2.86
Workforce Indicators		
Female Representatives in LIRR Workforce	15.4%	15.2%
Minority Representatives in LIRR Workforce	31.4%	32.0%
Financial Indicators		
Farebox Operating Ratio	45.9%	50.8%
Operating Cost per Passenger	\$14.03	\$13.96
Capital Program Indicators		
Commitments in \$ Millions (% of planned value)	\$212 (128%)	181.33 (101%)
Completions in \$ Millions (% of planned value)	\$260 (85%)	\$336.72 (119%)

MTA GOAL: Ensure Customer Safety

PERFORMANCE INDICATORS: Customer Injury Rate

In 2011, customer injury rate was 5.85, representing an increase of 9 percent when compared to 2010. The increase is attributable to severe winter weather in the first quarter of 2011. In order to reduce these injuries, the LIRR plans to continue modifying station platforms and train equipment, as well as its ongoing customer safety awareness campaigns, (The Train Smart Program), that are effectively promoting safe riding practices.

MTA GOAL: Provide On-Time and Reliable Services

PERFORMANCE INDICATORS: On-Time Performance, Mean Distance Between Failures

LIRR OTP for 2011 was 93.7 percent, an increase of 1 percent. OTP had been lower in 2010 following a fire in an important signal tower and numerous severe weather events.

The LIRR's mean distance between failure (MDBF) performances in 2011 was record setting. Across the entire fleet MDBF reached 169,724 miles, which was 13.4 percent better than the 2010 MDBF of 149,651 miles. This increase is largely attributable to the efforts of the M3 Performance Improvement Team (which improves performance on LIRR's oldest fleet) and initiatives targeting the propulsion system, and the performance of the M7 fleet, which continues to exceed expectations.

MTA GOAL: Provide Services to People with Disabilities

PERFORMANCE INDICATORS: Elevator Availability, Escalator Availability

The LIRR has increased its focus on maintaining the operability of its elevators and escalators and 2011 performance reflects the strength of this effort. Elevator availability remained steady at 97.2 percent in both 2010 and 2011. Escalator availability improved slightly from 95.5 percent in 2010 to 95.8 percent in 2011. The LIRR now reports on the daily service status of elevators and escalators on its website.

MTA GOAL: Repair, Replace, and Expand Transportation Infrastructure

PERFORMANCE INDICATORS: Capital Program Commitments and Completions

The LIRR's 2011 capital commitments totaled \$183 million, \$4 million greater than had been anticipated in the original five-year plan, and 102 percent of goal. Commitments that exceeded the anticipated plan expenditures included the new elevators for Queens Village Station, and a design for a pocket track at Massapequa.

The LIRR's 2011 capital completions totaled \$337.7 million, or 118 percent of the planned amount. Phase IIb of the Atlantic Avenue Viaduct, ACL Direct Fixation, and the Port Washington Branch Walls projects were completed.

MTA GOAL: Perform Services in an Efficient Manner

PERFORMANCE INDICATORS: Farebox Operating Ratio, Operating Cost per Passenger

The LIRR's farebox operating ratio increased from 46.1 percent in 2010 to 50.8 percent in 2011. This increase reflects the increase in farebox revenue stemming from the December 30, 2010 fare increase, offset by a slight reduction in ridership from 2010 to 2011 of approximately 0.7 percent.

The LIRR's operating cost per passenger in 2011 of \$13.96 was essentially unchanged from the 2010 level of \$13.97. Total 2011 expenses were 0.3 percent below 2010 levels. This

demonstrates that the LIRR has maintained the cost reduction initiatives that were started in 2010, including reduced administrative headcount, overtime and inventory controls.

MTA GOAL: Maximize System Usage

PERFORMANCE INDICATORS: Ridership

The LIRR's overall ridership in 2011 dipped slightly lower than 2010 adjusted ridership (adjusted for workday differences with 2011) by 0.5 percent – going from 81.4 million riders in 2010 to 81.0 million in 2011. This decrease was due to the significant amount of severe weather experienced all year, including snow, ice, lightning and Tropical Storm Irene. LIRR is developing a positive trend, with four consecutive months of ridership increases at the end of 2011. Ridership during September through December increased by 2.2 percent over the same period in the prior year – going from 27.2 million riders in 2010 to 27.8 in 2011, carrying about 600,000 more passengers.

MTA GOAL: Ensure Our Employees' Safety

PERFORMANCE INDICATORS: Employee Lost Time and Restricted-Duty Rate

The Employee Lost Time and Restricted Duty Rate based on reported incidents per 200,000 worker hours increased from 2.74 in 2010 to 2.86 in 2011. The LIRR has initiated a multi-faceted plan to address the increase. The plan includes: updating and re-instituting several successful safety programs and initiatives; providing more focused analysis and reporting to all levels of management staff; improving the roadway worker protection program, and implementing Project FOCUS to increase awareness and reduce incidents resulting from distracting activities.

MTA GOAL: Maintain a Workforce that Reflects Regional Availability of All Races, Nationalities, and Genders

PERFORMANCE INDICATORS: Female and Minority Representation in the Workforce

The percentage of minority representation exceeded the estimated percentage of minorities available in LIRR's recruiting area. The percentage of female representation continues to be below the estimated percentage of females available for work. Many of the vacancies that occurred during 2011 are generally considered to be non-traditional for females; as a result, there are a low percentage of females applying for these positions. LIRR has developed an aggressive outreach and recruitment strategy to attract qualified females for non-traditional positions.

MTA Long Island Bus

Performance Indicator	2010 Actual	2011 Actual
Service Indicators		
% of Completed Trips	98.90%	97.43%
Total Paratransit Ridership	356,690	341,140
Bus Passenger Wheelchair Life Usage	4,812	5,910
Total Ridership	30,816,889	30,327,226
Mean Distance Between Failures	3,744	4,192
Safety Indicators		
Customer Accident Injury Rate (per million customers)	1.82	1.91
Collisions with Injury Rate (per million vehicle miles)	4.99	7.29
Employee Lost Time Rate (per 100 employees)	3.15	3.04
Workforce Indicators		
Female Representatives in LI Bus Workforce	17.9%	17.5%
Minority Representatives in LI Bus Workforce	71.5%	75.1%
Financial Indicators		
Farebox Operating Ratio	33.1%	35.6%
Operating Cost per Passenger	\$4.24	\$4.26

Please note: MTA Long Island Bus was established to provide bus and paratransit services in Nassau County pursuant to a Lease and Operating Agreement with the County which terminated at the end of 2011. Effective January 1, 2012, MTA Long Island Bus no longer provides these services, which have been assumed by Veolia Transportation Services, Inc., a private operator under contract with the County. MTA performance measurements for future periods accordingly will no longer contain MTA Long Island Bus performance indicators.

MTA GOAL: Ensure Customer Safety

PERFORMANCE INDICATORS: Customer Injury Rate

The customer accident injury rate increased 3.5 percent. Long Island Bus provided supplemental training to bus operators, in concert with in-service safety performance observation campaigns.

While the 46 percent increase in the Collision Injury Rate at Long Island Bus was significant both in whole numbers and on a percentage basis, it is important to note that changing the

definition of a collision injury event for consistency with NYCT and MTA Bus skewed the comparison. Moreover, as with the other two bus entities, it was challenging to interpret performance and establish programs to further improve operations, because bus operations continued to see collisions where the multiple injuries reported were not necessarily consistent with the circumstances of the accidents. As noted for NYCT Bus and MTA Bus, the New York State Public Transportation Safety Board shared this perspective concerning this disconnect, and continued to both report on incidents that met their threshold criteria and to monitor trends. Like NYCT and MTA Bus, Long Island Bus vigorously defends claims that it has reason to believe are without factual basis.

Also, in 2011, Long Island Bus implemented a zero tolerance policy banning cell phones and other electronic devices for bus operators, in conjunction with an agreement with all the represented labor unions. The company observed an improved compliance rate in response to its zero tolerance policy.

MTA GOAL: Provide On-Time and Reliable Services

PERFORMANCE INDICATORS: Mean Distance Between Failures, Bus Trips Completed

The 2011 Mean Distance Between Failures (MDBF) was 4,192, which is 12.0 percent better than the 2010 actual of 3,744. New buses delivered in 2011 contributed to the improved MDBF result.

In 2011, Trips Completed dropped slightly by 1.5 percent to 97.43, from the 2010 result of 98.9 percent. Bus Trips Completed depends on both bus and bus operator availability. Accordingly, Trips Completed performance was adversely affected in the latter months of 2011 as both bus and bus operator availability were hindered by the preparation for Nassau County's transition of the bus operation to a private operator effective January 1, 2012.

MTA GOAL: Provide Services to People with Disabilities

PERFORMANCE INDICATORS: Bus Passenger Wheelchair Lift Usage, Paratransit Ridership

Wheelchair ridership of 5,910 passengers shows a 22.8 percent increase over 2010. Except for April, 2011 wheelchair ridership showed increases each month over 2010 levels. New bus deliveries have provided for easier boarding and more reliable service resulting in increased wheelchair ridership.

For 2011, a 4.5 percent decrease in Able-Ride requests for Service was offset by a 37.9 percent decline in No Show Customers, which resulted in a 4.4 percent decrease in annual ridership. The year-end ridership of 341,140 Able-Ride riders was down from 356,690 million riders in 2010.

MTA GOAL: Maximize System Usage

PERFORMANCE INDICATORS: Ridership

Total ridership decreased by 1.6 percent (118.3 million riders in 2011, compared to 120.2 million in 2010). Bus ridership was negatively affected by severe winter weather and Tropical Storm Irene.

MTA GOAL: Perform Services in an Efficient Manner

PERFORMANCE INDICATORS: Farebox Operating Ratio, Operating Cost per Passenger

The farebox operating ratio was 35.6 percent in 2011, compared to 33.1 percent in 2010. The increase of 2.5 percent is mainly due to a decrease of \$3.0 million in operating expenses and an increase of \$2.2 million in farebox revenues. The decrease in operating costs is attributable to vacancies that were not backfilled in anticipation of the transfer of Long Island Bus operations. The increase in revenue is mainly due to an increase in the average fare that resulted from the December 2010 fare increase.

MTA GOAL: Ensure Our Employees' Safety

PERFORMANCE INDICATORS: Employee Lost Time and Restricted-Duty Rate

The 12-month rate for Employee On-Duty Lost-Time Accidents was 3.5 percent lower than in 2010, and overall performance in complying with on-the-job injury protocols during the reporting period was positive. In order to improve employee accident prevention, LI Bus informed employees of critical safety subject matter relevant to their job responsibilities, reassessed existing safety rules and procedures, audited work tasks through direct observations of employees in the workplace, critiqued hazards in the employee work environment, and provided new and refresher training to ensure the workforce had the appropriate skill set.

MTA GOAL: Maintain a Workforce that Reflects Regional Availability of All Races, Nationalities, and Genders

PERFORMANCE INDICATORS: Female and Minority Representation in the Workforce

The percentage of females and minorities in LIB's workforce exceeded the estimated availability of females and minorities in its recruiting area.

MTA Metro-North Railroad

Performance Indicator	2010 Actual	2011 Actual
Service Indicators		
On-Time Performance (East of Hudson)	97.7%	96.9%
On-Time Performance (West of Hudson)	96.5%	96.6%
Elevator Availability	98.5%	99.3%
Escalator Availability	96.8%	95.5%
Total Ridership	81,095,848	82,037,784
Total Ridership on Connecting Services Provided by MNR Contractors	566,266	555,281
Mean Distance Between Failures (miles)	129,329	114,347
Safety Indicators		
Customer Injury Rate (per million customers)	2.74	3.20
Employee Lost Time and Restricted-Duty Rate (per 200,000 worker hours)	1.88	2.04
Workforce Indicators		
Female Representatives in MNR Workforce	12.4%	12.4%
Minority Representatives in MNR Workforce	31.1%	32.5%
Financial Indicators		
Farebox Operating Ratio	59.9%	61.1%
Operating Cost per Passenger	\$11.25	\$11.70
Capital Program Indicators		
Commitments in \$ Millions (% of planned value)	\$107 (60%)	\$397 (60%)
Completions in \$ Millions (% of planned value)	\$278 (84%)	\$138 (74%)

MTA GOAL: Ensure Customer Safety

PERFORMANCE INDICATORS: Customer Injury Rate

Customer injuries increased from 2.76 to 3.20 per million customers, a 15.94 percent increase. This increase was due to the severe weather in the first three months of the year. MNR kept its focus on injury reduction and ensuring that the physical environment of trains and stations are maintained in a safe condition. The railroad also continued its programs to communicate directly

with customers by printing safety reminders in customer publications and the Internet. The railroad's community Safety Awareness Program also continued in 2011.

MTA GOAL: Provide On-Time and Reliable Services

PERFORMANCE INDICATORS: On-Time Performance, Mean Distance Between Failures

At 96.9 percent, systemwide on-time performance for 2011 fell below 2010's 97.7 percent. Performance was most affected by the effect of the harsh and snowy winter in the first part of the year on the aging cars which make up the New Haven Line fleet. At the worst point of the winter, half of the New Haven Line's electric cars were out of service, resulting in overcrowded trains and diminished on-time performance. Compounding this problem was the significant operating constraint caused by the continued replacement of the over-age system that powers New Haven Line trains in the state of Connecticut.

Fleet MDBF was 114,347, below 2010's 129,329, due to the same factors that affected OTP.

Of special note, after Tropical Storm Irene washed out the Port Jervis Line in late August, Metro-North with the aid of its partners at MTA Bus and NJ TRANSIT, developed and implemented a multi-staged bus operation providing service to Port Jervis Line stations. By September 19, partial train service was restored, with full service restored on the line by November 28.

MTA GOAL: Provide Services to People with Disabilities

PERFORMANCE INDICATORS: Elevator Availability, Escalator Availability

At 99.3 percent, MNR's elevator availability improved over 2010's already high service level. The rehabilitation and upgrade of ten passenger elevators in Grand Central to meet current life safety codes and ADA Requirements was also completed.

Escalator availability dropped slightly to 95.5 percent. MNR is working with its vendor for escalator repair – in particular in Grand Central Terminal – to improve maintenance practices so that there will be better availability in 2012. In addition to ensuring that elevators and escalators are functioning as intended, MNR posts the current status of station elevators and escalators online.

MTA GOAL: Repair, Replace, and Expand Transportation Infrastructure

PERFORMANCE INDICATORS: Capital Program Commitments and Completions

Numeric measures for commitments and completions came in at 60 percent and 74 percent of goal, respectively. In addition to the significant and unanticipated work to return the Port Jervis Line to operation, important milestones were also reached for planned projects. Various options were exercised to purchase an additional 105 M-8 cars for service on the New Haven Line. However, three significant signaling projects were delayed due to a combination of Positive Train Control issues (while federally mandated, the technology that will drive this project has not

been completely defined) and restoration of damage caused by Tropical Storm Irene, while several other projects were delayed due to enhanced scope and justification reviews.

Completions included the acceptance of 60 new M-8 cars for service on the New Haven line newly built Fairfield Metro Station (service began December 5), rehabilitation of Port Chester, Tarrytown, Mamaroneck and Fordham, station building improvements at Poughkeepsie, the first phase of rehabilitation at Port Chester and Rye stations and the Grand Central Terminal Employee Facility Rehabilitation Project. The shortfall in completions, in part was caused by the fact that one of the bridges in the Undergrade Bridge project could not be completed with in-house forces as planned and had to be re-packaged for third party construction. The Tagging relay project was delayed due to the incorporation of site specific modifications that were required for several of the relays.

MTA GOAL: Perform Services in an Efficient Manner

PERFORMANCE INDICATORS: Farebox Operating Ratio, Operating Cost per Passenger

Fare Operating Ratio increased by 2.1 percent in 2011 vs. 2010. The favorable increase is due to higher farebox revenues from the 2011 NYS fare increase (6.3 percent) and higher ridership (1.2 percent), offset by expense increases related to higher overtime for weather emergency coverage incurred, Port Jervis Line alternate service and repair costs due to damage from Tropical Storm Irene, rising employee benefit costs, and spiraling diesel fuel prices.

Cost per Passenger increased by \$0.29 in 2011 vs. 2010. The unfavorable increase is due to higher expenses related to overtime coverage for weather emergencies, Port Jervis Line alternate service and repair costs due to damage from Tropical Storm Irene, rising employee benefit costs, and spiraling diesel fuel prices. These increases are offset by ridership growth of 1.2 percent.

MTA GOAL: Maximize System Usage

PERFORMANCE INDICATORS: Ridership

Total Metro-North system ridership in 2011 was approximately 82 million rides – a 1.4 percent increase vs. 2010, making it the busiest commuter railroad in the nation. This increase occurred despite a series of snowstorms in January, an unprecedented three-day shutdown of service due to Tropical Storm Irene in August, and a significant snowstorm that curtailed service in late October. Factors contributing to the increase were the stirring of an economic recovery in the region and the high prices of gasoline, parking, and tolls.

MTA GOAL: Ensure Our Employees' Safety

PERFORMANCE INDICATORS: Employee Lost Time and Restricted-Duty Rate

Total injuries for 2011 were 13 percent over 2010's totals. The results were greatly affected by the major snowstorms in January, which led to a 400 percent increase in injuries for that month alone. MNR continues to press forward with its Local Safety Committee structure. These groups

perform yard walks and inspections in their districts and promote the “I’m a Lifesaver” concept of peer-to-peer responsibility for identifying and eliminating unsafe behavior. District-wide meetings held twice a year were also implemented in 2011 to promote the exchange of ideas and best safety practices among local committees. Successful Safety Accident Prevention Programs continued and were expanded in 2011, and all departments and districts were directed to enhance the Job Safety Briefings that are conducted every day.

MTA GOAL: Maintain a Workforce that Reflects Regional Availability of All Races, Nationalities, and Genders

PERFORMANCE INDICATORS: Female and Minority Representation in the Workforce

The percentage of minority representation exceeded the estimated percentage of minorities available for work within MNR’s recruiting area. However, the percentage of female representation remains below the estimated percentage of females available for work within MNR’s recruitment area due to a variety of reasons. MNR will continue its outreach and recruitment efforts to attract qualified females.

MTA Bridges and Tunnels

Performance Indicator	2010 Actual	2011 Actual
Service Indicators		
Total Traffic	291,614,634	283,470,727
Safety Indicators		
Collisions with Injury Rate (per million vehicles)	0.90	0.87
Employee Lost Time Rate (per 200,000 work hours)	5.7	5.4
Workforce Indicators		
Female Representation in B&T Workforce	21.5%	21.0%
Minority Representation in B&T Workforce	50.4%	50.8%
Financial Indicators		
E-ZPass Market Share	75.8%	79.4%
Total Support to Transit (\$ millions)	\$842.6	\$939.6
Capital Program Indicators		
Commitments in \$ Millions (% of planned value)	\$186 (99.5%)	\$367 (59%)
Completions in \$ Millions (% of planned value)	\$256 (100%)	\$109 (129%)

MTA GOAL: Ensure Customer Safety

PERFORMANCE INDICATOR: Customer Injury Rate

There were 248 customer accidents with injuries, the lowest ever recorded; in 2010 there were 265. The number of accidents with injury per million vehicles decreased from 0.90 to 0.88.

Operations safety training and protocols, monitoring and enforcement of speeding and DWI laws, as well as interdepartmental reviews of all accidents continue to reflect safety as the highest priority. Delineators were monitored and maintained at the Throgs Neck and Bronx-Whitestone bridges to reduce collisions.

MTA GOAL: Repair, Replace, and Expand Transportation Infrastructure

PERFORMANCE INDICATORS: Capital Program Commitments and Completions

In 2011 Bridges and Tunnels committed 114 projects against a plan of 103. While B&T exceeded its goal in the number of commitments made, the total value of the awards was \$366.8 million, which represents 59 percent of the annual goal, compared to \$185.9 million and 99.5 percent of goal committed in 2010. Favorable market conditions in 2011 resulted in actual

awards being \$254.5 million less than their planned values. Major project commitments in 2011 include: deck replacement of the Bronx-Whitestone Bridge Queens elevated and on-grade approach; design services and utility relocation for the deck replacement of the Bronx/Manhattan ramps and toll plaza of the Robert F. Kennedy Bridge; rehabilitation of the orthotropic deck-phase B, and painting as well as suspended span repairs and painting at the Throgs Neck Bridge; east- and west-bound toll plaza ramp improvements at the Verrazano-Narrows Bridge; structural rehabilitation of the Henry Hudson Bridge; and the replacement of the RFK Harlem River Drive Ramp, B&T's first application of a Design/Build contract to an infrastructure project.

In 2011 a total of \$108.5 million was completed, against a plan of \$84.1 million, 129 percent of the goal. In 2010 a total of \$256.1 million was completed, representing 100 percent of the goal. Major projects completed in 2011 included replacement of T-48 wearing surface on the Robert F. Kennedy Bridge, ramp replacement at the RFK Harlem River Drive, and replacement of the concrete deck on the Throgs Neck Bridge. Additionally, project AW52, Advanced Automated Traffic Detection System, was completed in December for a project value of \$2.9 million.

MTA GOAL: Perform Services in an Efficient Manner

PERFORMANCE INDICATORS: Total Support to Transit

A total of \$939.6 million in surplus revenue was provided for transit services, the second highest amount ever. The highest was \$983.3 million in 2000, which included \$340 million from the agency's sale of the Coliseum Complex.

MTA GOAL: Maximize System Usage

PERFORMANCE INDICATORS: Traffic Volume

The total of 283.5 million trips was down from 291.7 million in 2010, and the E-ZPass market share reached a high of 79.4 percent, compared to 75.8 percent the previous year. High gas prices, severe weather, and a toll increase contributed to the reduction in total traffic.

MTA GOAL: Ensure Our Employees' Safety

PERFORMANCE INDICATORS: Employee Lost Time and Restricted-Duty Rate

There were 87 lost-time injuries, a decrease from 95 in 2010; with the rate of injuries per 200,000 work hours decreasing from 5.7 to 5.4. Analysis of the injury accidents, which were overwhelmingly slips, trips and falls, did not reveal any pattern or hazardous condition. Health and Safety staff is working closely with facility managers and has increased safety inspections. Employee safety programs included communicating prevention of injuries through roll call discussions, safety meetings, safety audits, safety interactions, and incident investigations by supervisory personnel. Bridges and Tunnels has invited unions to participate in partnership to reduce injuries and address specific safety concerns.

MTA GOAL: Maintain a Workforce that Reflects Regional Availability of All Races, Nationalities, and Genders

PERFORMANCE INDICATORS: Female and Minority Representation in the Workforce

The percentage of minority representation exceeds the estimated percentage of minorities available for work within B&T recruiting area. The percentage of female representation continues to remain below the estimated percentage of females available for work due to attrition. B&T will continue its outreach and recruitment efforts to attract qualified females.

MTA Bus Company

Performance Indicator	2010 Actual	2011 Actual
Service Indicators		
% of Completed Trips	97.97%	97.42%
Bus Passenger Wheelchair Life Usage	45,270	42,935
Total Ridership	120,226,876	118,281,292
Mean Distance Between Failures	3,438	3,430
Safety Indicators		
Customer Accident Injury Rate (per million customers)	1.29	1.54
Collisions with Injury Rate (per million vehicle miles)	5.96	4.72
Employee Lost Time Rate (per 100 employees)	9.47	8.49
Workforce Indicators		
Female Representatives in MTA Bus Workforce	12.6%	12.3%
Minority Representatives in MTA Bus Workforce	66.0%	67.0%
Financial Indicators		
Farebox Operating Ratio	36.9%	36.8%
Operating Cost per Passenger	\$4.09	\$4.42
Capital Program Indicators		
Commitments in \$ Millions (% of planned value)	\$51 (36%)	\$113.3 (63.6%)
Completions in \$ Millions (% of planned value)	\$64 (80%)	\$7.5 (12.7%)

MTA GOAL: Ensure Customer Safety

PERFORMANCE INDICATORS: Customer Injury Rate

The 19.4 percent increase in the Customer Accident Injury rate in 2011 compared to 2010 is being addressed. Supplemental training is being provided to bus operators, in concert with in-service safety performance observation campaigns.

Although the 21 percent decrease in the Collision Injury rate is an improvement, it has been challenging to both interpret performance and establish programs to further improve operations, because (as noted also for NYCT Bus and Long Island Bus) bus operations continued to see collisions where the multiple reported injuries are not necessarily consistent with the circumstances of the accidents. This perspective is shared by the New York State Public Transportation Safety Board. Specifically, while the PTSB continues to investigate and report on

collisions meeting their threshold criteria of five or more injuries, they continue to observe a frequent disconnect between purported injuries sustained and the physical evidence at the scene of the accident, including a lack of property damage. Like NYCT and Long Island Bus, MTA Bus vigorously defends claims that it has reason to believe are without factual basis.

MTA Bus will continue to make every effort to incorporate related findings into its safety and training initiatives. Most recently, in 2011, MTA Bus implemented a zero tolerance policy banning cell phones and other electronic devices for bus operators, in conjunction with an agreement with all the represented labor unions. The company has observed an improved compliance rate in response to its zero tolerance policy.

MTA GOAL: Provide On-Time and Reliable Services

PERFORMANCE INDICATORS: Mean Distance Between Failures, Bus Trips Completed

The Mean Distance Between Failures (MDBF) for 2011 was 3,430 miles. This represents a slight decrease of 0.3 percent from the 2010 actual of 3,438. The year-end fleet age increased from 6.70 to 7.32 years, with buses 12 years and older increasing slightly to 26 percent of the fleet. However, improvements in MDBF were seen in the fourth quarter of 2011 as maintenance initiatives started in mid- to late-2011 began to show results.

Trips Operated depend on both bus and bus operator availability. In 2011, there was a slight decline of 0.6 percent in Trips Operated. Trips completed depends on both bus and bus operator availability. Vacancies, coupled with a higher than anticipated rate of absenteeism, are reflected in the number of trips completed.

MTA GOAL: Provide Services to People with Disabilities

PERFORMANCE INDICATORS: Bus Passenger Wheelchair Lift Usage

Wheelchair ridership of 42,935 million passengers shows a decrease of 5.2 percent from 2010. The decline is attributable primarily to inclement weather that caused significant drops in wheelchair ridership in January, August, and September.

MTA GOAL: Repair, Replace, and Expand Transportation Infrastructure

PERFORMANCE INDICATORS: Capital Program Commitments and Completions

In 2011, MTA Bus committed \$113.3 million in capital projects. This represents 63.6 percent of planned commitments, compared to 36.0 percent in 2010. The planned commitments not achieved in 2011 primarily consist of a few facility projects that were pushed from 2011 to 2012.

In terms of projects committed, 11 of 18 (61 percent) were awarded in 2011 compared to 6 of 14 (42 percent) in 2010. Notable 2011 commitments include the award of 79 CNG buses in June, the award of 74 CNG buses in December, and the roof and ventilation project at JFK Depot.

Metropolitan Transportation Authority
2011 Mission Statement and Performance Review

In 2011 MTA Bus completed \$7.5 million in capital projects. This represents 12.7 percent of planned completions, compared to 80.3 percent in 2010. The reduced performance in 2011 is primarily a result of four roofing projects that were delayed until 2012.

MTA GOAL: Perform Services in an Efficient Manner

PERFORMANCE INDICATORS: Farebox Operating Ratio, Operating Cost per Passenger

The farebox operating ratio was 36.8 percent in 2011, compared to 36.9 percent in 2010. The 0.1 percent decrease is mainly due to an increase of 6.4 percent in operating expenses, offset by an increase in revenue of 6.1 percent. The increase in operating expenses is primarily attributable to retroactive payments for collective bargaining. Higher pension, health, and welfare costs added to operating expenses. The increase in revenue is mainly due to an increase in the average fare resulting from the December 2010 fare increase.

The operating cost per customer was \$4.42 in 2011, compared to \$4.09 in 2010. The \$0.33 increase is the result of increased operating costs combined with reduced ridership.

MTA GOAL: Maximize System Usage

PERFORMANCE INDICATORS: Ridership

Total Ridership decreased by 1.6 percent (118.3 million riders in 2011, compared to 120.2 million in 2010). Bus ridership was negatively affected by severe winter weather and Tropical Storm Irene.

MTA GOAL: Ensure Our Employees' Safety

PERFORMANCE INDICATORS: Employee Lost Time and Restricted-Duty Rate

The annual rate for Employee On-Duty Lost-Time Accidents was 10.3 percent lower for 2011 compared to 2010, and overall performance in complying with on-the-job injury protocols during the reporting period was positive. In order to improve employee accident performance, MTA Bus continues to inform employees of critical safety information relevant to their job responsibilities, reassess existing safety rules and procedures, audit work tasks through direct observations of employees in the workplace, critique hazards in the employee work environment, and provide new and refresher training to ensure the workforce has the appropriate skill set.

MTA GOAL: Maintain a Workforce that Reflects Regional Availability of All Races, Nationalities, and Genders

PERFORMANCE INDICATORS: Female and Minority Representation in the Workforce

The percentage of minority representation continues to exceed the estimated percentage of minorities available for work within MTA Bus recruitment area. The percentage of female representation continues to be below the estimated percentage of females available for work as a result of the low percentage of female applicants. A majority of the positions filled at MTA Bus

are positions that are generally considered non-traditional for females. MTA Bus will increase its recruitment and outreach efforts to attract qualified females.

MTA Capital Construction

Performance Indicator	2010 Actual	2011 Actual
Workforce Indicators		
Female Representatives in MTACC Workforce	28.6%	28.2%
Minority Representatives in MTACC Workforce	51.2%	51.6%
Capital Program Indicators		
Commitments in \$ Billions (% of planned value)	\$1.75B (75%)	\$1.86B (63%)
Completions in \$ Millions (% of planned value)	\$160M (50%)	\$387M (83%)

MTA GOAL: Repair, Replace, and Expand Transportation Infrastructure

PERFORMANCE INDICATORS: Capital Program Commitments and Completions

MTACC had a 2011 total commitment goal of \$2.91 billion, of which \$1.84 billion (63 percent) was achieved. The shortfall was partly due to delayed contract awards related to the reforecasting of East Side Access, the staggering of two large systems contracts, and a protest to a Second Avenue Subway contract that delayed award to January 2012. Notable commitments included the Second Avenue Subway 63rd Street Station Upgrade and 86th Street Station Structure contracts, the 7 Line Extension Site K and Systems/Finishes contracts, and the East Side Access Plaza Substation and Grand Central Terminal Concourse Finishes Early Work contracts.

MTACC's goal for completions in 2011 was \$467 million, of which \$387 million (83 percent) was achieved. Notable completions included the Second Avenue Subway 86th Street Station Open Cuts and Utility contract, the Fulton Street Transit Center R Southbound Platform work, the Peter Minuit Plaza work at South Ferry, and the East Side Access Madison Yard Demolition contract and F Interlocking work.

MTA GOAL: Maintain a Workforce that Reflects Regional Availability of All Races, Nationalities, and Genders

PERFORMANCE INDICATORS: Female and Minority Representation in the Workforce

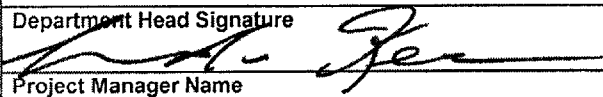
The percentage of female and minority representation exceeds the estimated percentage of females and minorities available for work within Capital Construction recruiting area.

Staff Summary



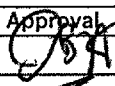



Metropolitan Transportation Authority

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Subject Travel and Business Expense Policy
Department Corporate Compliance
Department Head Name Lamond W. Kearse
Department Head Signature 
Project Manager Name Lamond W. Kearse

Date March 28, 2012
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Governance	3/26/10	X		
2	Board	3/28/10	X		

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

Purpose:

To obtain Board authorization of proposed revisions to the All-Agency Travel and Business Expense Policy.

Discussion:

Pursuant to Public Authority Law Section 2824, Board members of state authorities are to establish written policies and procedures on policies regarding travel. The MTA All-Agency Travel and Business Expense Policy was last revised in 2010. Based upon a recent review of the Policy by the Agency Comptrollers, several minor updates to the Policy are proposed.

Among the proposed changes, this revision will allow MTA Employees to purchase Amtrak tickets directly, at widely available discounts, thereby avoiding any additional travel agency fees that might otherwise be incurred. In addition, the automobile reimbursement rate, which changes frequently, will be removed from the policy and instead be posted on the BSC portal, and updated quarterly. Finally, the revised policy incorporates the current practice of having the Chief of Staff authorize certain out of area travel requests.

Recommendation:

It is recommended that the Board adopt the annexed policy with respect to travel.

All Agency Policy Directive

TRAVEL AND BUSINESS EXPENSE

Policy Number	Responsible Agency/Department	Effective Date	Page
11-022	Chief of Staff	July 28, 2010 <u>TBD</u>	Page 1 of 21

Statement of Purpose:

I. PURPOSE

The purpose of this All-Agency policy instruction is to establish a standardized policy for employees of MTA Headquarters and its Constituent Agencies (collectively, to be referred to as the "Authority") when incurring, recording, approving and claiming reimbursement for eligible travel and business expenses.

II. SCOPE

This policy directive applies to all employees of the MTA including MTA Headquarters, MTA Business Service Center, MTA Long Island Rail Road, MTA Capital Construction, MTA Bridges and Tunnels, MTA Bus Company, ~~MTA Long Island Bus~~, MTA Metro-North Railroad, MTA New York City Transit, and all future subsidiary/affiliated entities of the MTA.

III. DEFINITIONS

1. Agency Head: An "Agency Head" is defined as including: the Chairman/Chief Executive Officer and Agency Presidents.
2. Authorized Signer: An individual who has been granted the authority to approve employee expense documents and travel authorization requests.
3. Business Meal: A meal (breakfast, lunch, dinner, or other) whereby the attendees' principal function is to conduct Authority business.
4. Constituent Agencies: For the purposes of this policy, the group of agencies referred to as "Constituent Agencies" include: MTA Long Island Rail Road; MTA Metro-North Commuter Railroad; MTA New York City Transit; MTA Staten Island Railway; MTA Bridges and Tunnels; MTA Capital Construction; ~~MTA Long Island Bus~~, MTA Bus Company and all future subsidiary/affiliated entities of the MTA.
5. Foreign Travel: Travel outside the Continental United States is considered "Foreign

All Agency Policy Directive

TRAVEL AND BUSINESS EXPENSE

Policy Number	Responsible Agency/Department	Effective Date	Page
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Travel.”

6. Local Travel: Travel inside the New York Metropolitan area is considered “Local Travel.”
7. Official Station: A location within 35 miles of the office where an employee is regularly assigned is her/her “Official Station.”
8. Out-of-Area Travel: Travel outside the New York Metropolitan area or an employee’s Official Station; and beyond the boundaries of the States of New York, New Jersey and Connecticut is considered “Out-of-Area Travel.”
9. Per Diem Allowance: A payment made to reimburse, without receipts, the personal meal expenses of an Authority employee, payable under certain conditions on days when the employee is in travel status is a “Per Diem Allowance.” See Section VI, Attachment A, for per diem rates in force at the time of publication of this policy.
10. Travel Status: An employee who travels outside his/her Official Station for at least three consecutive hours on Authority business on a regular workday, authorized holiday or weekend is in “Travel Status.” Employees of the Long Island Rail Road and Metro-North Commuter Railroad ~~and Long Island Bus~~ must see “SPECIAL NOTE”, below, for proper determination of travel status designation.

SPECIAL NOTE:

Long Island Rail Road employees must travel outside of their Official Station and outside of the Borough of Queens and the Counties of Nassau and Suffolk to be considered in any type of travel status.

Metro-North Commuter Railroad employees must travel at least 35 miles beyond Metro-North territory to qualify for any type of travel status designation.

~~Long Island Bus employees must be outside of their official Station and outside the limits of New York City or Long Island to qualify for travel status designation.~~

All Agency Policy Directive

TRAVEL AND BUSINESS EXPENSE

Policy Number	Responsible Agency/Department	Effective Date	Page
11-022	Chief of Staff	July 28, 2010TBD	Page 3 of 21

IV. POLICY

A. GENERAL

1. Policy Authority: This policy takes precedence over all other policies of any MTA Constituent Agency regarding reimbursement of employee travel and business expenses.
2. Categories of Expenditures: This policy instruction covers the general categories of expenditures related to business travel and meal expenses, such as, transportation, lodging, per diem meals, business meals, and other miscellaneous expenses.
3. Actual and Necessary Expenses: Reimbursement for travel and business expenses will be made only for actual and necessary expenses incurred in the performance of official duties and upon submission of properly documented and approved employee expense reports as outlined in this policy instruction.
4. Travel Arrangements through Travel Agent: Except as set forth herein, eEmployees must make all arrangements for lodging and transportation (excluding local travel) through the Authority's official Travel Agent. Amtrak train tickets may be purchased directly from Amtrak without use of the Travel Agent provided such tickets are purchased at a widely available discount rate. Employees can make lodging reservations directly at a location if they are attending conferences, seminars or meeting at that location and the travel agent is unable to book alternative lodging that is cost effective (after taking into account the cost of travel to alternative lodging). Travel arrangements secured by any other means must be fully explained and justified in writing by the employee and approved according to the Agency-specific procedures covered in Section VII.
5. Discounted, No Cost or Reimbursed Travel: Prior to accepting discounted or no cost travel arrangements or travel arrangements reimbursed by a source other than MTA, Employees should review Sections 2.01, 3.03, and 3.08 of the MTA All Agency Code of Ethics or consult their Agency Ethics Officer.
6. Emergency Situations: During an emergency situation or under extraordinary

All Agency Policy Directive

TRAVEL AND BUSINESS EXPENSE

Policy Number	Responsible Agency/Department	Effective Date	Page
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circumstances, expenses which normally would be ~~unallowed~~, disallowed may be considered for reimbursement. The employee must provide a complete explanation of the emergency and the need for the expense, and obtain approval from the respective Agency Head or his/her designee. This documentation must be submitted along with the employee's expense report.

B. AUTHORIZATION

1. General: All employee travel and business expense reports must be approved by the employee's Supervisor or, if the Supervisor is not authorized to approve such expenses, by the next highest individual in the employee's chain of command designated as the Authorized Signer to approve expense documents.
2. Expense Reports of Agency Heads: Travel and business expense reports of Agency Heads must be approved by the MTA Chairman/CEO or his/her designee.
3. Reports Covering Business Meals for More than One Employee: Travel and business expense reports covering business meals for more than one employee must be submitted by the highest-ranking employee and approved according to this policy.
4. Expenditures Requiring Prior Approval: All business travel must be approved in advance. Requests for travel must be made by an employee by completing an Agency-designated travel request form. In addition, prior approval is required for cash advance requests; expenses to be directly billed to the Authority; interview and relocation expenses; and other special circumstances as described in this policy instruction. See the respective section of this policy to determine the approval requirements.

C. METHODS OF PAYMENT

1. Payment by Employees: Employees are expected to pay for their business and travel expenses at the time they are incurred. Payment in advance is permitted if necessary to secure reservations and/or advantageous rates.
2. Direct Billing: Direct billing to the Authority is permitted when advantageous to the Authority. Arrangements for direct billing are subject to prior approval. See

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Section VII, Agency-specific procedures for the required approvals.

3. Cash Advances: An Employee may request a cash advance to cover anticipated business and travel expenditures eligible for reimbursement under this policy instruction. No cash advances will be granted for interview and relocation expenses. Requests for cash advances must be made using an Agency-designated form and must be approved according to the Agency-specific procedures. Cash advances needed for out-of-area travel must be approved by the Agency Head, or designee.

Cash advances will be made by check. Refunds of unused portions of cash advances from employees will be accepted only by personal check, money order, or bank check. Cash will not be accepted.

If the trip is canceled or postponed, appropriate documentation must be filed and the cash advance must be returned within five business days of notification of the cancellation or postponement.

4. Credit Cards: Employees who have been authorized to purchase goods and services for business and travel purposes with an Authority credit card must account for these purchase by filing expense reports. Expense reports must be filed even in those instances when no additional business expenses are incurred. Authority credit cards are not to be used for personal items.

D. DOCUMENTATION

1. Use of Travel Request Form: Plans for travel must be documented and requested, in specific detail, by the employee on an Agency-designated travel request form.
2. Use of Expense Report Form: Travel and business expenses must be reported on an Agency-designated employee expense report form.
3. Actual Expenditures: Unless specifically exempted herein, all reimbursements for employee expenses must be based on actual expenditures and must be supported by receipts or other acceptable documentation.
4. Acceptable Documentation: Acceptable documentation may include ticket stubs;

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paid receipts; invoices indicating dates and amounts of payment; original cardholder's copies of validated credit card charge vouchers; or copies of the employee's canceled checks. With the exception of canceled checks, original documents, not copies, must be submitted.

5. Statement of Purpose: A specific statement of the business purpose must be included on the employee's expense report. General statements such as "on official business," "by direction of supervisor," or "in connection with duties as director of division" will not suffice.
6. Conventions and Conferences: Travel vouchers for expenses incurred when attending conventions and conferences must be supported by program literature setting forth the opening and closing dates of the convention.
7. Documentation of Authorization: Copies of any documents approved by an appropriate Agency official authorizing the travel must be attached to the employee's expense report.
8. Cash Advances: Cash advances must be requested using an Agency-designated cash advance request form. The approved form must be attached to the expense report along with related schedules and other documentation.
9. Separate Reports: Separate reports should be filed for each business trip. Requests for reimbursement for different types of expenses (local business meals; business travel and out-of-town business meals; interview and relocation expenses) should be submitted on separate employee expense report forms.
10. Timeliness of Report Submission: Employee expense reports must be submitted in accordance with the time frames established by the respective Agency Head or his/her designee. See Section VII, Agency-specific Procedures, for timing requirements regarding the filing of expense reports.

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E. TRAVEL (GENERAL POLICY)

1. Official Business: Reimbursement for travel and business expenses of employees will be made only for actual and necessary expenses in the performance of official duties upon proper documentation.
2. Out-of-Area Travel: Employees who are planning out-of-area travel for business must obtain prior written approval of their respective Agency Head or his/her designee. Employees, who usually travel to Washington, D.C., or other out-of-area locations, should request blanket approval from their Agency Head or his/her designee. Out of area travel costing more than \$1,500 or by an Agency Head requires the prior written approval of MTA's Chief of Staff.
3. Travel: Except as provided above in Section IV. A.4, aAll Authority business travelers must make arrangements for all lodging and transportation needs (excluding local travel) through the Authority's official Travel Agent. Travel must be by the most cost effective route reasonably possible, and must be by either coach, economy, or equivalent discount fare unless (a) the trip is of an emergency nature and coach, economy or equivalent discount fares are not available; or (b) a business purpose necessitates late night and/or over-night travel or requires continuous air travel in excess of six hours in duration. Any travel by other than coach, economy, or equivalent fare must be approved in writing in advance by the Agency Head or his/her designee. Unless so approved, an employee shall assume any extra expense incurred.

It is important that travelers make airline reservations as much in advance as possible to secure the lowest possible fare.

F. BUSINESS MEALS

1. Business Purpose: Business meal expenses are reimbursable only when the principal purpose of the meeting or meal is to transact Authority business. A statement of the business purpose must be set forth on the expense report.
2. Attendance: A list of attendees present at the business meal must be included with the expense report.

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The cost of food at a business meeting attended only by Authority employees must be approved by an Agency Head or his/her direct reports to be eligible for reimbursement. If a business meal involves consultants and/or contractors hired by the Authority, prior approval is required to be eligible for reimbursement.

3. Responsibility to Report Meals: Business meal expenses must be reported by the highest-ranking employee in attendance.
4. Documentation: Original receipts must be attached to the travel and business expense report.
5. Maximum Allowance: Business meal expenses are reimbursed at actual but reasonable cost.

G. PER DIEM MEAL ALLOWANCE (DOMESTIC TRAVEL)

1. Eligibility: Employees in travel status are eligible for a per diem allowance (or a portion thereof) to cover certain meals, subject to the following limits on time of departure and return:

When departing from home or office at the beginning of a trip before the following hours:

Breakfast	6:00 a.m.
Dinner	6:00 p.m.

When returning to home or office at the conclusion of a trip after the following hours:

Breakfast	8:00 a.m.
Dinner	8:00 p.m.

Foreign travelers should see Foreign Travel Expense section for per diem allowance discussion.

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2. Ineligibility within Employee's Official Station: No per diem meal allowance shall be allowed while an employee is within his or her official station or place of residence, regardless of the departure or arrival times of a particular trip.
3. Ineligibility of Meal Reported as Business Meal: An employee who has been included in an employee expense report requesting reimbursement for a business meal is not eligible for a per diem allowance for the same meal.
4. Documentation: The per diem allowance is payable upon approval of an employee expense report. No receipts are required. The per diem allowance pertains only to an employee's personal meal expenses; business meals involving non-MTA Headquarters or Constituent Agency personnel are discussed in Section IV-F.
5. Maximum Allowance: The maximum allowable per diem meal allowances for domestic travel may be adjusted from time to time by the MTA Comptroller. See Section VI, Attachment A, for rates in force at the time of publication of this policy instruction.

H. TRANSPORTATION

1. Intercity Travel: (Plane, Train, or Bus)
 - a. Travel must be arranged through the authorized MTA Travel Agency except as authorized above in Section IV.A.4. - Travel generally shall be by either coach, economy, or equivalent discount fare. All other travel at rates other than coach, economy, or equivalent rates must be approved in advance by the Agency Head or his/her designee to secure reimbursement.
 - b. The employee must attach the passenger's portion of used tickets and must return any unused tickets.

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2. Local Travel: (Mass Transit, Taxicabs, etc.)

- a. The use of established mass transit lines is encouraged.
- b. If it is necessary to use taxicabs, receipts must be submitted for expenses of \$10 or more (including tips).
- c. If receipts are not available for individual taxicab rides or mass transit fares of \$10 or more, the employee must explain the circumstances when submitting his/her expense report.

3. Automobiles

- a. Official Cars. If travel by an automobile is required, employees are encouraged to use official vehicles. The MTA All-Agency Policy, 41-002, regarding use of official automobiles must be followed.
- b. Personal Cars. Employees will be reimbursed for the use of personal cars at the mileage rate established at intervals by the Authority. This mileage rate, as calculated, includes costs for depreciation, gasoline, oil, maintenance and repairs, and insurance. See Section VI, Attachment B, for the mileage rate in force at the time of publication of this policy instruction.
- c. Tolls and Parking Fees. Tolls and parking fees are reimbursable at actual cost. Receipts must be submitted for expenses of \$10 or more. Long-term parking fees (4 or more consecutive days) must be justified as cost effective and reimbursement for long-term fees requires pre-approval.

4. Rental Cars

- a. Justification: Car rental expenses will not be reimbursed unless cost savings based on alternative modes of transportation and/or business necessity can be substantiated. Compact cars should be chosen unless a larger car is justified.

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- b. Arrangements: If an employee has been approved to use a rental car while on a business trip, arrangements to rent a car must be made through the Authority's official Travel Agent.
- c. Documentation: The signed car rental agreement, other appropriate receipts and the justification must be submitted with documentation.
- d. Drop-Off Charges: Drop-off charges for one-way rentals should be avoided, if possible, by obtaining a vehicle assigned to the destination city. Advance reservations and/or early inquiry will assist in obtaining such vehicles.
- e. Insurance: When renting a car in a domestic location, collision insurance and third-party liability insurance coverage available through the car rental company should not be selected and will not be reimbursed. Employees are covered for any accidents that occur through:

MTA Self Insurance
Risk Management
347 Madison Avenue
New York, New York 10017

This address should be given to the rental car agency if it is requested.

When renting a car in a foreign location, employees are advised to purchase collision insurance and third-party insurance coverage if available through the rental company. These insurance costs are reimbursable to the employee.

- f. Weekly of Discount Rates: If the use is sufficiently long to justify a weekly or other discount rate, efforts should be made to secure such a rate.

I. LODGING

- 1. Official Business: Hotel and motel room expenses shall be reimbursed when incurred in the conduct of official business.
- 2. Arrangements: Reservations for hotel/motel stays should be made through the

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Authority's official Travel Agent.

3. Government Rates: State or Government discount rates shall be secured whenever possible.
4. Weekly or Monthly Rates: If the stay is sufficiently long to justify a weekly or monthly rate, efforts should be made to secure such rates.
5. Documentation: Original hotel bills and receipts for hotel and motel room expenses must be attached to the travel and business expense report.
6. Tax-Exemption: Lodging accommodations on official business are exempt from payment of occupancy tax in New York State. In addition, Metro-North Commuter Railroad employees are exempt from paying occupancy tax in the State of Connecticut. Employees will not normally be reimbursed for any ineligible taxes included in their bills for lodging. Employees can obtain tax exemption forms to supply to vendors from their respective Agency Comptroller's Office (Accounts Payable Manager).
7. Advance Payment: Requests for a check from MTA Headquarters or a Constituent Agency to make an advance payment for hotel accommodations or registration fees must be made by submitting the applicable agency form to the Agency Comptroller and approved in advance.
8. Ineligible Costs: When the cost of lodging has been included in the cost of a program reimbursable under this policy, no reimbursement will be made for lodging substituted at additional cost.
9. Maximum Allowance: Lodging costs are reimbursed at actual but reasonable cost.



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J. EXTENDED OR WEEKEND STAYS; TRAVELING WITH SPOUSE OR OTHERS

1. Extended or Weekend Stays: Any extension of business travel to include weekends or any days prior or following the minimum time necessary to accomplish Authority business is subject to prior written approval. Such approval must be attached to the related employee expense reports. If such an extension will result in increased costs for the Authority, prior approval must be requested from the respective Agency Head or his/her designee. Reimbursement for meals and lodging for authorized extended or weekend stays would apply.
2. Extensions Resulting in Cost Savings: If the extension of business travel beyond the normal length of time necessary will result in overall savings to the Authority when all costs are considered, an analysis of the cost savings using the lowest rates available must be included in the request for approval of the extension. Expenses incurred during the extended portion of trip will be reimbursed only when savings to the Authority can be substantiated.
3. Traveling with Spouse or Others: Expenses incurred on behalf of a spouse or other person who is not involved in the conduct of Authority business, or expenses incurred while on vacation or personal leave, will not be reimbursed. Such expenses should be deducted from the related expense reports.

K. TELEPHONE AND SIMILAR SERVICES

1. Business Calls and Similar: Employees will be reimbursed for all business calls, telegrams, express mail, facsimile transmissions, or similar expenditures required in the performance of their official duties. Receipts for these expenses must be included as supporting documentation with the employee's expense report.
2. Personal Calls: Reimbursement for personal telephone calls is limited to two per day while in travel status. The calls must be reasonable in length in order to obtain full reimbursement.



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L. FOREIGN TRAVEL BUSINESS

1. Foreign travelers can use a per diem rate for reimbursement of meals and incidental travel costs such as laundry and dry cleaning. The Authority uses the foreign travel per diem rates of the U.S. State Department. The rates are available from the MTA Comptroller's Department or from the following Internet website: http://aoprals.state.gov/web920/per_diem.asp Reimbursement for partial day travel should follow the same allocation method as defined for the domestic per diem allowance.
2. Other allowable expenses related specifically to foreign travel include the cost of passports and visas, the cost of immunizations and inoculations (if required or recommended), the cost of car rental insurance coverage, travelers' check fees, currency exchange fees, travel fees and taxes, and airport fees and taxes.
3. It is important that all currency exchange transactions are supported by documentation which reflects the exchange rates used for the transactions. Acceptable documentation will include the exchange rate per the credit card statement or, if not available, the Wall Street Journal rate on the last day of the trip.
4. Lodging costs are reimbursed at actual but reasonable cost.

M. OTHER REIMBURSABLE EXPENSES

Expenses not specifically listed in the preceding paragraphs shall be reimbursable when incurred for business purposes as follows:

1. Laundry and Dry Cleaning: On domestic trips lasting more than three days, employees will be reimbursed for the actual cost of such services when incurred and paid for after the third day in travel status. Foreign travelers are reimbursed for laundry and dry cleaning costs through the per diem allowance which includes a portion of the rate for incidental cost items.
2. Baggage Checking and Tips: Baggage checking, tips, and normal gratuities are reimbursable. Tips related to another expense such as meals, taxi fare, etc. should

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be reported in the total cost of the related expenses.

3. Other Miscellaneous Expenses: Reimbursement for any other category of expenditures is subject to the interpretation of the Agency Comptroller.

N. INTERVIEW & RELOCATION EXPENSES

Employees and job candidates eligible for the reimbursement of certain travel, lodging, meal, or other expenses pursuant to the All-Agency Interview and Relocation Policy (11-001) should refer to that policy instruction for further details. Nothing in the Travel and Business Expense Policy shall be interpreted as in any way superseding or mitigating the requirements of the Interview and Relocation Policy.

O. UNALLOWABLE EXPENSES

The following categories of expenditures are eligible for reimbursement only on an exceptional basis, or under the special circumstances outlined in this policy instruction.

1. Direct Billing: No employee may incur business expenses to be billed directly to the Authority, except for the authorized use of Authority credit cards for air travel or gasoline, or as otherwise authorized in advance.
2. Expenses Incurred on Behalf of Spouse or Others: The costs of travel, lodging, meals, or other expenses for a spouse, dependent, or other person who is not performing official Authority business and who accompanies an employee on a business trip are not reimbursable.
3. Personal, Recreational or Entertainment Expenses: Costs incurred for personal, recreational or entertainment purposes, or while on vacation or personal leave, even when such leave has been approved as an extension of approved business travel, are not reimbursable.



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4. Commuting Costs: Transportation costs incurred for commuting between the employee's residence and official work station are not reimbursable.
5. Expenses Eligible for Third-Party Recovery: Business expenses which are legitimately recoverable from a third-party are not reimbursable. Such expenses and recovery must be explained on the employee's expense report.
6. Personal Losses: Reimbursement is not allowed for losses of personal property or the loss of funds or tickets.
7. Substituted Lodging: Costs for this item included in a seminar or other package is not allowed.
8. Clothing, Valet Service, and Similar: Reimbursement for clothing, toiletries, barbering, or similar personal goods or services is not allowed. Laundry and dry cleaning or valet services are reimbursed at actual cost for domestic trips only after an employee has been in travel status for at least three consecutive days, as explained in Section IV-M.1., and as part of the per diem allowance for foreign trips.
9. Alcoholic Beverages: The cost of alcoholic beverages, of any kind, are not reimbursable.
10. Personal Car Expenses: Repairs or maintenance costs of any kind are not reimbursable. Expenses for gasoline, motor oil and other automobile fluids are not reimbursable. These types of expenses are included when the standard mileage rate of reimbursement is calculated and determined.
11. Insurance, Fines and Fees: Reimbursement is not allowed for personal credit cards fees, fines for traffic/parking violations, third-party liability insurance on automobile rentals, or travel insurance.



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P. RESPONSIBILITIES

1. Agency Comptrollers: Each Agency Comptroller is responsible for overall administration of this policy instruction for his/her respective agency, and for ensuring that all expenditures included in employee expense reports are in accordance with Authority policy.
2. MTA Comptroller: The MTA Comptroller is responsible for administration of this policy for MTA Headquarters, for providing policy interpretation to the Constituent Agencies, and for establishing effective reimbursement rates.
3. Agency Heads: Exceptions to this policy may be approved in writing by the respecting Agency Head or his/her designee based on the recommendation of the Agency Comptroller.
4. MTA Chairman and Chief Executive Officer: The MTA Chairman/CEO or his/her designee has the authority to grant exceptions to this policy without the recommendation or approval of another Agency Head in circumstances deemed by the MTA Chairman/CEO to warrant special consideration.
5. Authorized Signers: Authorized Signers are responsible for informing their staffs of this policy instruction; for controlling expenditures by careful examination of travel requests and expense reports; and for insuring that only reasonable expenses actually incurred and directly related to Authority business are reported.
6. All Employees: Employees are responsible, prior to incurring any expenses or submitting expense reports, for seeking appropriate authorization from their supervisors and/or clarification from their respective Agency Comptroller's Office of any exceptional circumstances or expenditures.

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V. ADDITIONAL REQUIREMENTS

MTA Headquarters and each of its Constituent Agencies shall issue Agency-specific procedures consistent with this policy instruction for the recording and claiming of reimbursement for eligible employees travel and business expenses.

Each Agency shall issue its own reporting forms and/or authorizing documents which will allow their employees to obtain pre-approval for all travel requests and cash advances, and for the recording and filing for reimbursement of travel and business expenses. Detailed instructions for completing and filing these forms/documents should also be provided.

VI. ATTACHMENTS/LINKS

Attachment A. Expense Limits: Meals/Lodging

B. ~~Automobile~~ Expense Limits: Automobiles See BSC Portal for current applicable automobile expense limits.

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ATTACHMENT A EXPENSE LIMITS: MEALS AND LODGING

MEALS WHILE IN TRAVEL STATUS: PER DIEM ALLOWANCES

Domestic Travel.

A per diem meal allowance of \$40.00 is allowed for an entire day while in travel status. For less than a full day while in travel status, the per diem allowance is allocated as follows:

<u>Per Diem Meal</u>	<u>Amount</u>	<u>Beginning of Trip</u>	<u>Conclusion of Trip</u>
Breakfast	\$10.00	Prior to 6:00 AM	After 8:00 AM
Dinner	\$30.00	Prior to 6:00 PM	After 8:00 PM

It is the policy of the Authority that lunch expenses while in travel status shall remain the obligation of the employee. An employee who has been included in a business meal for which reimbursement is sought under the employee expense policy is not eligible for a per diem allowance for the same meal.

Foreign Travel.

A per diem allowance for a specific foreign destination, as set by the U.S. State Department, is allowed for meals and incidentals. Rates are available from the MTA Comptroller's Department or from the website: http://aoprals.state.gov/web920/per_diem.asp

Receipts for per diem allowances are not required.

BUSINESS MEALS

Actual, but reasonable.

(The cost of alcoholic beverages is not subject to reimbursement.)

LODGING (Hotels and Motels)

Actual, but reasonable.

OTHER

Valet Charges (laundry, dry cleaning).

Domestic Travel	Actual, after third day in travel status.
Foreign Travel	Included in foreign per diem allowance.

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ATTACHMENT B**EXPENSE LIMITS: AUTOMOBILE****MILEAGE ALLOWANCE**

_____ 50¢ per mile

(This rate, as calculated, includes costs for depreciation, gasoline, oil, maintenance and repairs, and insurance.)

PARKING TOLLS

_____ Parking and tolls are reimbursable at actual cost.

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VII. AGENCY-SPECIFIC PROCEDURES, FORMS AND ATTACHMENTS

- A. TRAVEL AND BUSINESS EXPENSE PROCEDURES
- B. TRAVEL REQUEST FORM/INSTRUCTIONS
- C. CASH ADVANCE REQUEST FORM/INSTRUCTIONS
- D. EXPENSE REPORT FORM/INSTRUCTIONS



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Subject All Agency Procurement Guidelines and All Agency Guidelines for Procurement of Services
Department Legal
Department Head Name James Henly
Department Head Signature
Project Manager/Division Head Roberta Bender

Date March 28, 2012
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Gov. Comm.	3/26			
2	Board	3/28			

Internal Approvals			
Order	Approval	Order	Approval
3	Chief Compliance Officer		Civil Rights
2	Chief of Staff	1	Legal
	Chief Financial Officer		Administration
	Procurement		Other

Purpose:

To revise the All Agency Procurement Guidelines and All Agency Guidelines for Procurement of Services (together, the "Procurement Guidelines") to encompass the award of contracts through the MTA Small Business Federal Program ("SBFP") and to reflect the requirement that the Authority prepare an annual procurement report, in compliance with the Authority's existing practice and applicable law.

Discussion:

Last year, the Board approved changes to the Procurement Guidelines reflecting the MTA's implementation of the Small Business Mentoring Program, in accordance with New York State law. That program, which provides competitive contracting opportunities for small businesses on MTA Agency contracts that are non-federally funded, is currently ongoing.

Recent federal regulations authorize agencies receiving funds from the Department of Transportation ("DOT") to adopt programs to promote small business participation, and MTA has undertaken establishment of a federal small business program for certain DOT funded contracts that parallels its state Small Business Mentoring Program. The annexed proposed revision to the All Agency Procurement Guidelines accordingly incorporates into the Guidelines the award of contracts through the Authority's planned SBFP, which will be implemented after any further necessary authorizations are received from the Federal Transit Administration. As with awards under the existing state Small Business Mentoring Program, the mentoring program procedures for the federal program will require that awards under the SBFP be made under competitive circumstances, requiring that projects will be competitively bid among a minimum of three (but typically eight) firms that have been prequalified by the MTA.

In addition, a provision has been added to the Procurement Guidelines reflecting the requirement, long observed by the MTA, to submit an annual procurement report to the State, in compliance with applicable law.

Recommendation:

It is recommended that the Board approve the annexed revised All Agency Procurement Guidelines and the All Agency Guidelines for the Procurement of Services.

ALL AGENCY PROCUREMENT GUIDELINES

These guidelines apply to the Metropolitan Transportation Authority ("MTA"), the New York City Transit Authority ("Transit"), the Long Island Rail Road Company ("LIRR"), The Metro-North Commuter Railroad Company ("MNCRR"), Staten Island Rapid Transit Operating Authority ("SIRTOA"), Metropolitan Suburban Bus Authority ("LI Bus"), Manhattan and Bronx Surface Transit Operating Authority ("MaBSTOA"), MTA Capital Construction ("MTACC"), MTA Bus Company ("MTA Bus"), and to the Triborough Bridge and Tunnel Authority ("Bridges and Tunnels") insofar as they are consistent with the provisions of law applicable to Bridges and Tunnels (each of which is referred to severally and together, as the "Authority").

Article I - Applicability of Guidelines

This policy applies to i) purchase contracts for supplies, materials or equipment ("purchase contracts"); ii) public work contracts ("public work contracts"); and iii) leases of equipment with or without an option to purchase, computer software licenses and maintenance agreements, printing contracts (where editorial services do not predominate), and to any other contract which is not otherwise classified under these guidelines or the All Agency Guidelines for Procurement of Services ("miscellaneous procurement contracts"). In the event a proposed contract contains elements of more than one type of contract under these Guidelines or the All Agency Guidelines for Procurement of Services, the elements which predominate shall determine the type of contract for purposes of both Guidelines.

Article II - Delegation of Authority

The Chairman, the presidents of the Authorities, or the designated representative or representatives thereof (each defined for purposes of these guidelines as an "Authorized Officer") are hereby empowered with respect to purchase contracts, public work contracts, and miscellaneous procurement contracts to be entered into by the respective Authority acting on its own behalf or as agent for MTA, as follows:

- A. to establish procedures which shall be competitive to the extent deemed practicable by the Authorized Officer, for the award of purchase contracts estimated to involve the expenditure of \$15,000 or less and public work contracts estimated to involve the expenditure of \$25,000 or less;
- B. to establish procedures for the award of miscellaneous procurement contracts regardless of the estimated expenditure, which procedures shall provide for Board approval of the award if the contract provides for the estimated expenditure of more than \$25,000 and is not awarded pursuant to sealed competitive bidding. A majority of the members of the Board in attendance at a meeting at which a quorum is present shall be required to approve the resolution authorizing such award;

- C. for purchase contracts estimated to involve the expenditure of more than \$15,000 and public work contracts estimated to involve the expenditure of more than \$25,000:
1. to determine the criteria for the evaluation of bids which may include but are not limited to unit or aggregate amount bid, life cycle costs or savings (including but not limited to costs or savings associated with installation, energy use, maintenance, operation, salvage and disposal), discounts and costs of maintenance and inspection services;
 2. to determine whether a contract required to be advertised in the New York State contract reporter is exempt from such requirement on the basis of a need to award the contract on an emergency or critical basis;
 3. to advertise for, solicit and open bids;
 4. to record the name of each bidder and the amount(s) bid;
 5. to determine the lowest responsive and responsible bidder, including, in the event two or more responsible bidders submit identical bids which are the lowest bids, to award the contract to any of such bidders or obtain new bids from such bidders;
 6. to reject all bids when it is determined to be in the public interest to do so;
 7. to award the contract.
- D. to determine whether a bidder or prospective bidder should be ineligible to act or bid as a contractor or act as a subcontractor for a fixed or indefinite period of time with respect to contracts of the Authority in question.
- E. in addition to the other authorizations set forth elsewhere in this document, to establish guidelines governing the qualifications of bidders for public works and public contracts, and to fix the standards for the prequalification of bidders entering into such contracts, for the East Side Access Project in accordance with Section 1265-a.2(c) of the Public Authorities Law.

Article III - Award of Contracts Without Competitive Bidding

- A. A purchase contract estimated to involve the expenditure of more than \$15,000 and a public work contract estimated to involve the expenditure of more than \$25,000 may be awarded without competitive bidding under the circumstances set forth below, provided that the Authorized Officer recommends such an action and the Board adopts a resolution declaring competitive bidding to be impractical or inappropriate and states the reasons therefore, and summarizes any negotiations that have been conducted. Except in a situation specified in Article III (A) (1), such resolution shall be approved by two-thirds of the members of the Board

then in office. A declaration under Article III (A) (1) shall require approval by a majority of the members of the Board in attendance at a meeting at which a quorum is present.

1. The existence of an emergency involving danger to life, safety or property which requires immediate action and cannot await competitive bidding; or when the item to be purchased is essential to the efficient operation of or the adequate provision of service and, as a consequence of an unforeseen circumstance, such purchase cannot await competitive bidding. Competitive bidding is hereby declared to be impractical and inappropriate in any of the foregoing situations where an Authorized Officer must take appropriate action and cannot await action by the Board; provided, however, that notice of such action shall be given to the Board at its next scheduled meeting together with a statement of the reasons for such action and a request for ratification by the Board.
2. The item to be purchased is available only from a single responsible source provided, however, that if bids have not been solicited for such item within the preceding twelve months, a notice must be published pursuant to Article VI(A) hereof which sets forth the Authority's intent to purchase the item without competitive bidding because the item is available from only one source and invites any firm which believes it can provide the item to so inform the Authority and to provide the Authority with additional information which confirms that it can supply the item.
3. Competitive bids are solicited and
 - a. no responsive bid is received; or
 - b. only a single responsive bid is received, and the Authorized Officer rejects the bid.
4. With respect to a product or technology, the Authority wishes to:
 - a. experiment with or test it;
 - b. experiment or test a new source for it; or
 - c. evaluate its service or reliability.

Such a contract may not be awarded until at least thirty days after the date the Board has declared competitive bidding to be impractical or inappropriate.

5. The item is available through an existing contract between a vendor and any of the following and the resolution adopted by the Board

includes a determination that, and the reasons, why, it is in the public interest to do so:

- a. An Authority or any other public authority provided such contract had been awarded through a process of competitive bidding or a competitive request for proposals;
- b. The State of New York, The City of New York, or (except for Transit and MaBSTOA) the County of Nassau.

It is hereby determined that competitive bidding is inappropriate and, because of the likelihood that a competitive process will not result in better commercial terms, that it is in the public interest to purchase an item through an existing contract of the State of New York, The City of New York or an Authority, or in regard to LI Bus, the County of Nassau, where price and other commercial terms specified in such contract are satisfactory to the Authorized Officer. Such a determination shall be documented in writing by the Authorized Officer.

6. The Authority determines that it is in the public interest to award the contract though a competitive request for proposals ("RFP") in accordance with the procedures set forth in Article IV. For purposes of this subsection, a competitive RFP shall mean a method of soliciting proposals and awarding a contract on the basis of a formal evaluation of the characteristics which are deemed relevant to the Authority's operations, such as quality, cost, delivery schedule and financing, against stated selection criteria. Where the RFP involves the purchase or rehabilitation of rail cars, transit cars or buses, the selection criteria may also include the extent to which the performance of all or a portion of the contract will involve the use of sites within the State of New York or the use of goods produced or services provided within the State of New York.

- B. Under the MTA Small Business Mentoring Program, a non-federally funded public work contract that is designated by the Authority as a small business mentoring program contract within the meaning of Section 1265-b(1)(e) of the Public Authorities Law, may be awarded in accordance with the provisions of Section 1265-b of the Public Authorities Law, notwithstanding any other provision of law or these guidelines. A public work contract that is partially or wholly federally funded, subject to Department of Transportation regulations and estimated to involve an expenditure of not more than \$3 million, may be awarded pursuant to the MTA Small Business Federal Program established under 49 CFR 26.39 in accordance with the competitive procedures established under that Program, notwithstanding any other provision of law or these guidelines. The Chairman or his designee is authorized to designate which eligible public work contracts shall be small business mentoring program or small business federal program contracts.

- C. A contract, in an amount not to exceed \$200,000 for the purchase of goods, for public works or for a miscellaneous procurement that is not federally funded, may be awarded pursuant to Section 2879(3)(b)(i) of the Public Authorities Law without competitive bidding or other formal competitive process, notwithstanding any other provision of law or these guidelines, where either (i) the contract involves goods or technology that are recycled or remanufactured or (ii) the proposed award is to a small business concern or a certified minority or women-owned business enterprise ("MWBE"). The Chairman or his designee shall determine which contracts are appropriate for such types of procurements in consultation with the Authorized Officer of the appropriate agency. In the case of contracts that are designated pursuant to Section 2879(3)(b)(i) for award to eligible small business concerns or MWBEs, there shall be notice of the proposed contract on the Authority website inviting responsive bids or proposals from qualified small business concerns and MWBEs. Notice of such procurement shall also be provided to identified organizations that represent or regularly notify small business concerns or MWBEs of the type of procurement opportunity that is the subject of the award. Awards pursuant to Section 2879(3)(b)(i) shall be made to the bidder or proposer determined to have submitted the bid or proposal that is most advantageous to the Authority, price and any other relevant factors considered. An award proposed to be made to a bidder or proposer other than the lowest responsible, responsive bidder or proposer shall require approval by a majority of the Board at which a quorum is present. The Chairman or his designee, in consultation with the Authorized Officer of the appropriate agency, may reject all offers and withdraw the designation of a contract as one to be awarded pursuant to Section 2879(3)(b)(i) if the Chairman or his designee determines that an award will result in the payment of an unreasonable price or otherwise not be advantageous to the Authority.

Article IV - Requests for Proposals

A contract authorized pursuant to Article III (A)(6) may be awarded after the issuance of an RFP in the following manner:

- A. Public notice shall be given of the RFP in accordance with the procedures specified in Article VI(A) and (B). In addition to the information required under Article VI(C), the public notice must include a statement of the selection criteria. Such notice shall also be provided to professional and other organizations that represent or regularly notify certified MWBEs of the type of procurement opportunity that is the subject of the RFP. The Authority may engage in a selection process involving multiple steps such as requests for qualifications, requests for technical proposals and requests for quotations. After the publication of the notice, any or all of the selection criteria specified in the advertisement may be changed, provided that, if the

change is material, proposers and potential proposers who, prior to the deadline for the receipt of proposals, have expressed an interest in the RFP, shall be informed of the change and afforded the opportunity to modify their proposals.

B. After receipt of the proposals, an Authority may:

1. change the selection criteria provided that, if the change is material, all proposers are informed of the change and afforded the opportunity to modify their proposals;
2. request that any of the proposers make a presentation. If it does so, it is not required to afford such opportunity to all proposers;
3. negotiate with any of the proposers. If it does so, it is not required to negotiate with all proposers;
4. reject any proposal at any time; and
5. reject all proposals, in which event the Authority may decide to take no further action, solicit new proposals or solicit bids.

C. A contract may be awarded pursuant to an RFP only after adoption of a resolution by a 2/3 vote of the Board members then in office (the "award resolution").

The award resolution:

1. must be recommended to the Board by the Authority's Authorized Officer;
2. must identify all proposers;
3. must set forth the substance of the proposals received;
4. must, as applicable, summarize the negotiation process including the opportunities, if any, available to proposers to present and modify their proposals; and
5. must set forth the criteria upon which the selection was made.

D. The award resolution may be adopted simultaneously with or subsequent to the adoption of the resolution declaring that competitive bidding is impractical or inappropriate because it is in the public interest to use the RFP process specified in the opening paragraph of Article III hereof (the "RFP authorizing resolution"), provided that, if the RFP authorizing resolution and the RFP award resolution are adopted simultaneously or within less than thirty days of each other, the contract may be executed by the Authority no less than thirty days after the adoption of the RFP authorizing resolution.

Article V - Qualified Products Lists ("QPL")

The Board hereby determines that for reasons of efficiency, economy, compatibility or maintenance reliability, there is a need for standardization as to various

supplies, materials and equipment which are purchased by the Authorities and authorizes the establishment of a qualified products list ("QPL") identifying such supplies, materials and equipment as hereinafter provided. A purchase contract for an item which has been included on a QPL duly established and maintained by an Authority, may be entered into by that Authority as hereafter set forth:

- A. The Authorized Officer of the Authority determines as to a specific item that, for reasons of efficiency, economy, compatibility or maintenance reliability, there is a need for standardization.
- B. The QPL is reviewed no less than two times per year. The purpose of this review is to evaluate whether to add or delete items or vendors to or from the QPL.
- C. A notice is published by the Authority no less than one time per year in a general circulation newspaper and in the New York State contract reporter which:
 - 1. advertises the existence of the QPL;
 - 2. states that the QPL is available for public inspection; and
 - 3. specifies the name and address of the Authority's office which may be contacted in regard to the procedure for the compilation of the QPL.
- D. A contract for an item on the QPL may be awarded:
 - 1. without competitive bidding if only one source for the item is specified on the QPL;
 - 2. by competitive sealed bidding but without advertising provided the invitation to bid is sent to all vendors listed on the QPL for the particular item;
 - 3. by competitive sealed bidding after advertising the bid pursuant to Article VI (A) of these procedures.
- E. Two or more Authorities may utilize the same QPL provided that such Authorities jointly comply with the provisions of this Article.

Article VI - Advertising

Except as provided in subsection D of this Article and Article II(C)(2), in those instances where advertising is required under these Guidelines:

- A. For purchase contracts in the actual or estimated amount in excess of \$15,000 for all Authorities and for public work contracts in the estimated amount in excess of \$25,000, the advertisement shall be published at least once in a newspaper of general circulation in the area served by the Authority and in the New York State contract reporter provided that, if the

contract is to be awarded without the solicitation of competitive bids or RFP; the timing of the publication in the New York State contract reporter shall be determined by an Authorized Officer;

- B. The first publication shall be no less than fifteen business days prior to the planned bid opening date and the second publication shall be within a reasonable period prior to the planned bid opening date.
- C. The advertisement must contain, as applicable, a statement of: (i) the time and place where bids received will be publicly opened and read; (ii) the name of the contracting Authority; (iii) the contract identification number; (iv) a brief description of the public work supplies, materials, or equipment sought, the location where work is to be performed, goods are to be delivered or services provided and the contract term; (v) the address where bids or proposals are to be submitted; (vi) the date when bids or proposals are due; (vii) a description of any eligibility or qualification requirement or preference; (viii) a statement as to whether the contract requirement may be fulfilled by a subcontracting, joint venture or co-production arrangement; (ix) any other information which the Authority deems useful to potential contractors; and (x) the name, address, and telephone number of the person to be contacted for additional information. In addition, if a purchase contract is involved, the advertisement in the New York State contract reporter shall also include a statement as to whether the goods sought had in the immediately preceding three year period been supplied by a foreign business enterprise as that term is defined in Article 4-C of the Economic Development Law.
- D. Advertisement in a general circulation newspaper and in the New York State contract reporter is not required if the Authority regularly purchases the particular supplies, material or equipment and bids are solicited from a list of potential suppliers for the item which has been established and maintained as set forth in Article VII hereof.
- E. In addition to the above advertisements, the Authority shall provide notice to professional and other organizations that regularly notify certified MWBEs of the type of procurement opportunity that is the subject of the solicitation.

Article VII - Contractor Outreach

The Authority shall encourage firms to be interested in competing for Authority contracts. The Authority shall do so in the following manner:

- A. **Suppliers Lists for Purchase Contracts:** The Authority shall compile a list of potential sources of supplies, materials or equipment which it regularly

purchases. Such list must be compiled in accordance with the following procedures:

1. Advertisements must be periodically placed in one or more publications which are likely to be read by manufacturers, suppliers and others who deal in the item including firms which may be minority or woman owned businesses, which set forth a general description of categories of items which are regularly procured by the Authority and invites firms to advise the Authority in writing of their interest in being placed on the suppliers list for specific items or categories of items.
2. A periodic effort:
 - i) must be undertaken to identify potential bidders for the item who are not on the list including minority or woman owned businesses. Such effort shall include the use of the Authorities' websites, use of appropriate publications, including those that serve minority and women's business communities, other sources of information, and cooperation with federal, state and local agencies and other Authorities. Where appropriate, a print or electronic letter shall be sent to a new potential bidder which invites it to request that it be added to the list and, if it does not wish to be added, requests that it indicate why.
 - ii) where appropriate, must be undertaken to identify firms which have not responded to bids or expressed an interest in remaining on a list. An effort should be made to contact such firms to determine why they have not bid, whether they are interested in remaining on the list and, if not, why not. A firm may be deleted from the list where it requests deletion, or where the circumstances indicate that it is unlikely that the firm is interested in remaining on the list.
3. The Authority will maintain lists of qualified and certified MWBEs, including professional firms that have expressed an interest in doing business with the Authority and ensure that such lists are updated regularly. The Authority will also consult the lists of certified MWBEs maintained by the New York State Department of Economic Development ("DED").
4. An advertisement must be placed quarterly in the State Register and in the New York State contract reporter.
5. In the event it is not practicable to maintain a suppliers list for a specific item, such item shall be included in a broader category or other appropriate classification which reasonably includes the item,

and a suppliers list shall be maintained with respect to the category or classification.

- B. Capital Program Purchase and Public Work Contracts: The Authority shall place an advertisement in the New York State contract reporter no less than four times per year which sets forth a general list of anticipated capital program purchase contracts and public work contracts, and the address of the Authority's office which may be contacted in order to be afforded the opportunity to compete for such contracts and for other Authority contracts. Advertisements will also be placed in publications that serve minority and women's business communities.

Article VIII – Minority/Women Owned and Disadvantaged Business Enterprises

The potential exists for disadvantaged/minority/women owned business enterprise involvement in Authority contracts. The Authority shall use its best efforts to maximize the utilization, as applicable, of DBEs under the Authority's federal program, and MBEs/WBEs under the New York State program set forth in Public Authorities Law §2879, Article 15-A of the Executive Law and these guidelines.

- A. The MTA Chief Diversity Officer ("Chairman's Designee") is responsible for overseeing the programs established by the MTA to promote and assist: i) the participation by certified MWBEs in procurement opportunities and facilitation of the award of procurement contracts to such enterprises; ii) the utilization of certified MWBEs as subcontractors and suppliers to Authority prime contractors; and iii) the utilization of partnerships, joint ventures ("JVs") or other similar arrangements between certified MWBEs and prime contractors. The Chief Diversity Officer reports directly to the Chairman in connection with the responsibilities set forth herein, and will participate in the procurement process either directly or through his or her designees.
- B. For contracts awarded pursuant to these Guidelines, the Authority shall establish appropriate goals for participation by certified MWBEs and for the utilization by prime contractors of MWBEs as subcontractors and suppliers. Statewide numerical participation target goals will be established by the Authority based on the findings of the New York State 2010 Disparity Study, or any subsequent New York State Disparity Study.
- C. The Authority will conduct procurements in a manner that enables the Authority to achieve the maximum feasible portion of the goals set pursuant to Article VIII (B) above, including by taking the following actions: i) establishing measures and procedures to ensure that certified MWBEs are given the opportunity for maximum feasible participation in the performance of Authority contracts and to assist in the identification of those contracts that are best suited for which certified MWBEs may best bid

to actively and affirmatively promote and assist their participation in the performance of Authority contracts so as to facilitate the Authority's achievement of the maximum feasible portion of the MWBE goals; ii) designating the New York State Division of Minority and Women-owned Business Development ("DMWBD") to certify and decertify MWBEs for purposes of these guidelines; iii) setting forth in each contract solicitation the expected degree of MWBE participation based on potential subcontracting opportunities and the availability of certified MWBEs to respond competitively to those opportunities; iv) providing to prospective contractors in writing, or by identifying a link to a specific web site, a current list of MWBEs; v) with regard to joint ventures, allowing a bidder to count toward meeting its MWBE participation goal, the MWBE portion of the joint venture; vi) waiving a contractor's obligation relating to MWBE participation after a showing of good faith efforts to comply with the participation goal; and vii) verifying that MWBEs listed in a successful bid or proposal are actually participating to the extent listed in the project for which the bid or proposal was submitted. In implementing its MWBE programs, the Authority will also consider, where practicable: i) the severability of construction projects and other bundled contracts; ii) the implementation of a program that will enable the Authority to evaluate each contract to determine the appropriateness of the goal pursuant to the New York State 2010 Disparity Study, or any subsequent New York State Disparity Study; iii) compliance with the requirements of any federal law concerning opportunities for any MWBEs which effectuates the purpose of this section; and iv) consultation of the most recent disparity study.

Article IX - Change Orders

- A. A change order which exceeds the lesser of \$250,000 or 15% of the adjusted contract value, may be entered into by an Authorized Officer, upon the approval of the Board pursuant to a resolution adopted in accordance with Article IX hereof. The submission to the Board shall include an explanation of the need for the change order. All other change orders shall be approved by an Authorized Officer. For purposes of this Article, the "adjusted contract value" shall mean the original amount of the contract plus the aggregate amount of all prior change orders (whether or not approved by the Board). This provision applies to all contracts subject to these Guidelines, including budget adjustments to estimated quantity contracts previously approved by the Board which exceed the threshold.
- B. Notwithstanding the foregoing, an Authorized Officer may enter into a change order in any of the following situations as determined by an Authorized Officer:
 - 1. The existence of an emergency; or

2. There is a risk of a substantial increase in cost or delay if prompt action is not taken.
- C. The Chief Operating Officer shall establish policies with respect to the delegation of responsibilities set forth in this Article.

Article X - Form of Board Resolution

- A. Except as otherwise required in Article III and Article IV(C), the procedure for the adoption by the Board and the format of a resolution pursuant to this policy shall be determined by the MTA Chairman. Provided, however, that any Board resolution sought pursuant to these Guidelines shall (i) identify the contract by vendor; (ii) briefly describe the substance of the contract; (iii) specify all the information required under the applicable provisions of this policy; and (iv) specify the estimated or actual cost to the Authority.
- B. To the extent practicable, the request for the resolution shall first be submitted to the standing committee of the Board responsible for the Authority.
- C. The MTA Chairman may modify the procedures in this Article for all Authorities.

Article XI - Miscellaneous

- A. Any provision of this policy may be waived by the Chairman, an Authority President, or the Board except to the extent prohibited by law. A waiver may also be in the form of a ratification.
- B. No Board Committee action or Authority policy, other than one approved by the Chairman, shall be inconsistent with these Guidelines.
- C. An Authority may not divide or split any contract or series of contracts for the purpose of avoiding the requirements of these Guidelines.
- D. If prior to the commencement of an Authority fiscal year, an Authorized Officer reasonably anticipates that, during the next fiscal year, the Authority will expend, in the aggregate, in excess of fifteen thousand dollars for a series of purchase contracts for the same or substantially similar good: i) such requirement shall be met pursuant to a requirements contract awarded pursuant to the applicable provisions of these guidelines; or ii) each such contract shall be awarded pursuant to the provisions of Article II(C), III, IV, V or Article VII of these Guidelines.
- E. If prior to the commencement of an Authority fiscal year, an Authorized Officer reasonably anticipates that, during the next fiscal year, the Authority will expend, in the aggregate, in excess of twenty-five thousand

dollars for a series of contracts for same or substantially the same type of public work: i) such requirements shall be met pursuant to a requirements contract awarded pursuant to the provisions of Article II(C), III, or IV or a procedure determined by an Authorized Officer to be comparable to Article V or VII of these Guidelines; or ii) each such contract shall be awarded pursuant to the provisions of Article II(C), III, or IV or a procedure determined by an Authorized Officer to be comparable to Article V or VII.

- F. Nothing in these Guidelines shall preclude the Authority from accepting bids or proposals in an electronic format, to the extent permitted by law.
- G. A contract awarded by an Authority pursuant to these Guidelines may provide that the contract includes the requirements of one or more other Authorities.
- H. The Authority shall prepare a publicly available report no less frequently than annually, summarizing procurement activity by the Authority for the period of the report in accordance with the reporting requirements of Section 2879(6) of the Public Authorities Law.
- I. These guidelines are intended for the guidance of officers and employees of the Authority only. Nothing contained herein is intended or shall be construed to confer upon any person, firm or corporation any right, remedy, claim or benefit under, or by reason of, any requirement or provision hereof.

ALL AGENCY GUIDELINES FOR PROCUREMENT OF SERVICES

These guidelines apply to the Metropolitan Transportation Authority ("MTA"), the New York City Transit Authority ("Transit"), the Long Island Rail Road Company ("LIRR"), the Metro-North Commuter Railroad Company ("MNCRR"), Staten Island Rapid Transit Operating Authority ("SIRTOA"), Metropolitan Suburban Bus Authority ("LI Bus") Manhattan and Bronx Surface Transit Operating Authority ("MaBSTOA"), MTA Capital Construction ("MTACC"), MTA Bus Company ("MTA Bus") and to the Triborough Bridge and Tunnel Authority ("Bridges and Tunnels") insofar as they are consistent with the provisions of law applicable to Bridges and Tunnels (each of which is referred to as the "Authority").

Article 1-Applicability of guidelines

This policy applies to contracts for services. A contract for services is either a personal service contract or a miscellaneous service contract.

- A. Personal services contracts generally involve retaining a consultant who specializes in one of the following:
- (1) Legal
 - (2) Financial
 - (3) Accounting
 - (4) Auditing
 - (5) Management
 - (6) Human Resources
 - (7) Investment
 - (8) Bonds
 - (9) Planning
 - (10) Analysis
 - (11) Training
 - (12) Data Processing
 - (13) Computer Systems
 - (14) Statistics
 - (15) Research
 - (16) Public and corporate relations
 - (17) Architecture
 - (18) Engineering
 - (19) Surveying
 - (20) Labor Relations
 - (21) Real Estate
 - (22) Legislation

- (23) Public Affairs
 - (24) Marketing
 - (25) Advertising
 - (26) Records Management
 - (27) Office services requiring specialized skills
 - (28) Printing where editorial services predominate
 - (29) Other Consulting, Professional or Technical Services
- B. A miscellaneous service contract is any contract for service which is not a: i) personal service contract; ii) public work contract; or iii) a miscellaneous procurement contract. Examples include but are not limited to contracts for guard service, custodial service and maintenance work performed by laborers, workers or mechanics which does not result in a substantial improvement to a building or other fixed asset.
- C. In the event a proposed contract contains elements of more than one type of contract under these guidelines or the All Agency Procurement Guidelines, the elements which predominate shall determine the type of contract for purposes of both Guidelines.

Article II - Delegation of Authority

The Chairman, the presidents of the Authorities or the designated representative or representatives thereof (each defined for purposes of these guidelines as an "Authorized Officer") are hereby empowered with respect to service contracts to be entered into by his/her respective Authority acting on its own behalf or as agent for the MTA, as follows:

- A. to implement these guidelines.
- B. to establish procedures which shall be in accordance with these guidelines to the extent deemed practicable by the Authorized Officer, for the award of: (i) a miscellaneous service contract estimated to involve the expenditure of \$15,000 or less; and (ii) a personal service contract estimated to involve the expenditure of \$25,000 or less, provided that the contract shall be advertised, Board approval of the award obtained and reported if otherwise required under these guidelines.
- C. to determine whether a miscellaneous service contract shall be awarded pursuant to the provisions of these guidelines or the provisions of the All Agency Procurement Guidelines, provided that, notwithstanding the vote otherwise required by the All Agency Procurement Guidelines, the vote of approval of a majority of the members of the Board present at a meeting at which a quorum is present shall in any event be required for the award of the following miscellaneous service contracts:
 - i) Without regard to whether or not the contract was awarded pursuant to sealed competitive bidding, the actual or estimated amount of the

- contract is \$15,000 or more and the services will be rendered over a period in excess of one year.
- ii) Without regard to the period of performance of the services, the miscellaneous service contract provides for the expenditure of more than \$25,000 and was not awarded pursuant to sealed competitive bidding.

Article III - Policy

It is the policy of the Authority to contract for personal and miscellaneous services when, because of factors such as timing, costs, qualifications or the nature of the services to be rendered, it is more beneficial for such services to be contracted for than performed by employees of the Authority.

Contractors shall be selected on a competitive basis except when competition is not required pursuant to these Guidelines or is waived as impractical or inappropriate.

Article IV - Advertising

- A. Regardless of the selection process used, notice of a contract for the acquisition of services of any kind in the actual or estimated amount of \$15,000 or more shall be published at least one time in New York State Contract Reporter, except as provided in paragraph C of this Article. The publication shall be no less than fifteen business days prior to the planned date on which a bid or proposal is due, provided that if the contract is to be awarded without bids or proposals and advertising is required, the timing of the publication shall be, determined by an Authorized Officer.
- B. The notice must contain, as applicable, a statement of: i) the name of the contracting Authority; ii) the contract identification number; iii) a brief description of the services sought, the location where services are to be provided and the contract term; iv) the address where bids or proposals are to be submitted; v) the date when bids or proposals are due; vi) a description of any eligibility or qualification requirement or preference; vii) a statement as to whether the contract may be fulfilled by a subcontracting, joint venture or co-production arrangement; viii) any other information which the Authority deems useful to potential contractors; ix) the name, address and the telephone number of the person to be contacted for additional information; and x) a statement as to whether the services sought had, in the immediately preceding three year period, been supplied by a foreign business enterprise as that term is defined in Article 4-C of the Economic Development Law.
- C. The advertisement is not required under the following circumstances:
 - i) In the event of an emergency or critical need for the services as determined by an Authorized Officer;

- ii) The contract is re-bid or re-solicited for substantially the same services within forty-five business days after the date bids or proposals were originally due;
- iii) The contract is awarded to a not-for-profit provider of human services;
- iv) The contract is awarded pursuant to the provisions of Article V(C)(1) or (2) (single or unique source) of these Guidelines.

D. In addition to the above advertisements, the Authority shall provide notice to professional and other organizations that regularly notify certified minority and women owned business enterprises ("MWBEs") of the type of procurement opportunity that is the subject of the solicitation.

Article V - Selection of Personal Services Contractors

A. Requirements

The following are the requirements to be followed for selection of contractors for personal services, except for: i) contracts for architectural, engineering, and survey services (which are subject to paragraph B); ii) contracts equal to or less than \$25,000 (which may be entered into pursuant to the provisions of this paragraph or pursuant to procedures established by an Authorized Officer which shall be competitive to the extent deemed practicable by the Authorized Officer); and iii) contracts for services for which a competitive selection process is inappropriate pursuant to the provisions of paragraph C.

- 1. The Division/Department of the Authority requiring the services shall prepare a written statement containing a description of the services, the reasons why they are required, and the required or estimated schedule or duration of the services.
- 2. A request for proposals ("RFP") to perform the required services shall be sent to three or more firms to assure competition, including any DBE/WBE/MBE firms selected to receive the RFP pursuant to applicable Authority or New York State DBE/WBE/MBE programs, unless there are only two qualified firms or unless competition is waived as hereinafter provided. The RFP or notice thereof shall also be provided to professional and other organizations that represent or regularly notify certified MWBEs of the type of procurement opportunity that is the subject of the RFP notice.
- 3. The RFP shall describe the services to be performed, any completion dates or time requirements, DBE/WBE/MBE requirements, if applicable, and the criteria to be utilized by the

Authority in evaluating proposals and shall contain a requirement for a cost proposal and the date, time and place when proposals must be received.

4. The Authority may select one or more proposers with which to negotiate after evaluation of the proposals received. The award shall be made to the proposer or proposers whose proposal(s) will be the most advantageous to the Authority, price, qualifications and other factors considered, using the evaluation criteria specified in the RFP as the basis for the decision.

B. Architectural- Engineering and Survey Contracts

1. In the procurement of architectural, engineering and surveying services, the Authority shall determine whether to comply with the RFP procedures set forth in paragraph A or the "Brooks" method set forth in this paragraph, provided that if federal assistance is involved, the decision shall take into account applicable federal requirements.
2. The Authority shall encourage professional firms engaged in the lawful practice of the profession to submit an annual statement of qualifications and performance data. For each proposed project identified in accordance with Article V(A)(1), the Authority shall evaluate current statements of qualifications and performance data on file with the Authority. If desired and to the extent appropriate if federal assistance is involved, the Authority may conduct discussions with three or more professional firms regarding anticipated design concepts and proposed methods of approach to the assignment.
3. The Authority shall then evaluate whether a modification to the written statement prepared in accordance with subparagraph 1 of Paragraph A is appropriate, and shall then comply with the provisions of subparagraphs 2 and 3 of Paragraph A.
4. The Authority shall select from the proposals submitted, in order of preference, based upon the criteria established by the Authority, no less than three professional firms deemed to be the most highly qualified to provide the services required.
5. The Authority shall negotiate a contract with the highest qualified professional firm for architectural, engineering or surveying services at compensation which the Authority determines in writing to be fair and reasonable. In making this decision, the Authority shall take into account the estimated value of the services to be

rendered, the scope, complexity, and professional nature thereof. Should the Authority be unable to negotiate a satisfactory contract with the professional firm considered to be the most qualified, at a fee it determines to be fair and reasonable, negotiations with that professional firm shall be formally terminated. The Authority shall then undertake negotiations with the second most qualified professional firm. Failing accord with the second most qualified professional firm, the Authority shall formally terminate negotiations. The Authority shall then undertake negotiations with the third most qualified professional firm. Should the Authority be unable to negotiate a satisfactory contract with any of the selected professional firms it shall select additional professional firms, in order of their competence and qualification and it shall continue negotiations in accordance with this subparagraph until an agreement is reached.

6. The provisions of this paragraph B shall apply only to engineering, architectural, or surveying services contracts in excess of \$25,000.00. Contracts for engineering, architectural or surveying services involving lesser amounts may be entered into pursuant to the provisions of this paragraph or pursuant to procedures established by an Authorized Officer which shall be competitive to the extent deemed practicable by the Authorized Officer.

- C. It is hereby determined that a competitive selection process is inappropriate and that a competitive process shall not be required in the following instances:

1. When the services are obtainable from one source only.
2. When the provider of the services has unique or otherwise outstanding qualifications.
3. When an emergency or other circumstances exist which make competition impracticable or inappropriate.
4. Legal Services.

- D. Pursuant to Section 2879(3)(b)(i) of the Public Authorities Law, a contract in an amount not to exceed \$200,000, that is not federally funded, for personal services or miscellaneous services may be awarded without competitive procedures otherwise required by law or these Guidelines, where the proposed award is to a small business concern or a certified minority or women-owned business enterprise ("MWBE"). Contracts may be designated for solicitation and award pursuant to Section 2879(3)(b)(i) by the Chairman or the Chairman's designee in consultation with the Authorized Officer of the appropriate agency. In the case of contracts that are designated pursuant to Section 2879(3)(b)(i) for award to eligible small business concerns or MWBEs, there shall be notice of the proposed contract on the Authority website inviting responsive bids or proposals from

qualified small business concerns and MWBEs. Notice of such procurements shall also be provided to identified organizations that represent or regularly notify small business concerns or MWBEs, of the type of procurement opportunity that is the subject of the award. Awards pursuant to Section 2879(3)(b)(i) shall be made to the bidder or proposer determined to have submitted the bid or proposal that is most advantageous to the Authority, price and any other relevant factors considered. An award proposed to be made to a bidder or proposer other than the lowest responsible, responsive bidder or proposer, shall require approval by a majority of the Board at a meeting at which a quorum is present; in addition, the approval of the Board is required in any other instance in which it is required by law. The Chairman or his designee, in consultation with the Authorized Officer of the appropriate agency, may reject all offers and withdraw the designation of a contract as one to be awarded pursuant to Section 2879(3)(b)(i) if the Chairman or his designee determines that an award will result in the payment of an unreasonable price or otherwise not be advantageous to the Authority. The requirements of Article IV and of Article V(B) shall not apply to contracts awarded in accordance with Section 2879(3)(b)(i).

- E. The Chairman, President, General Counsel, or Chief Procurement Officer of the Authority, or such individuals as they may designate, may give verbal authorization to contractors or consultants to commence the performance of contracts entered into pursuant to the provisions of this paragraph E, where prior written agreement is impracticable, provided, however, that the contract shall be reduced to writing as soon as practicable. Prior to issuing a verbal authorization for a federally assisted contract, consideration should be given to the steps which may be taken to assure that federal assistance is not jeopardized.

Article VI – Minority/Women Owned and Disadvantaged Business Enterprises

The potential exists for disadvantaged/minority/women owned business enterprise involvement in personal service and miscellaneous service contracts. The Authority shall use its best efforts to maximize the utilization, as applicable, of DBEs under the Authority's federal program, and MBEs/WBEs under the New York State program set forth in Public Authorities Law §2879, Article 15-A of the Executive Law and these guidelines.

- A. The MTA Chief Diversity Officer ("Chairman's Designee") is responsible for overseeing the programs established by the MTA to promote and assist:
 - i) the participation by certified MWBEs in procurement opportunities and facilitation of the award of procurement contracts to such enterprises; ii) the utilization of certified MWBEs as subcontractors to Authority prime contractors; and iii) the utilization of partnerships, joint ventures ("JVs") or other similar arrangements between certified MWBEs and prime contractors. The Chief Diversity Officer reports directly to the Chairman in

connection with the responsibilities set forth herein, and will participate in the procurement process either directly or through his or her designees.

- B. For contracts awarded pursuant to these Guidelines, the Authority shall establish appropriate goals for participation by certified MWBEs and for the utilization by prime contractors of MWBEs as subcontractors and suppliers. Statewide numerical participation target goals will be established by the Authority based on the findings of the New York State 2010 Disparity Study, or any subsequent New York State Disparity Study.
- C. The Authority will conduct non-federally funded procurements in a manner that enables the Authority to achieve the maximum feasible portion of the goals set pursuant to Article VI(B) including taking the following actions: (i) establishing measures and procedures to ensure that certified MWBEs are given the opportunity for maximum feasible participation in the performance of Authority contracts and to assist in the identification of those contracts that are best suited for which certified MWBEs may best bid to actively and affirmatively promote and assist their participation in the performance of Authority contracts so as to facilitate the Authority's achievement of the maximum feasible portion of the MWBE goals; (ii) designating the New York State Division of Minority and Women-owned Business Development ("DMWBD") to certify and decertify MWBEs for purposes of these guidelines; (iii) setting forth in each contract solicitation the expected degree of MWBE participation based on potential subcontracting opportunities and the availability of certified MWBEs to respond competitively to those opportunities; (iv) providing to prospective contractors in writing or by identifying a link to a specific web site a current list of MWBEs; (v) with regard to JVs, allowing a bidder to count toward meeting its MWBE participation goal, the MWBE portion of the JV; (vi) waiving a contractor's obligation relating to MWBE participation after a showing of good faith efforts to comply with the participation goal; and (vii) verifying that MWBEs listed in a successful bid or proposal are actually participating to the extent listed in the project for which the bid or proposal was submitted. The Authority will also consider, where practicable: (i) the severability of service requirements and other bundled service contracts; (ii) the implementation of a program that will enable the Authority to evaluate each contract to determine the appropriateness of the goal pursuant to the New York State 2010 Disparity Study, or any subsequent New York State Disparity Study; (iii) compliance with the requirements of any federal law concerning opportunities for any MWBEs which effectuates the purpose of this section; and (iv) consultation of the most recent disparity study.

Article VII-Types of Provisions to be Contained in Service Contracts

- A. The following types of provisions shall be contained in all personal services contracts, except that it is not necessary to include any provision which is

inapplicable or unnecessary because of the nature or duration of the services to be performed, the location or locations where they are to be performed or the type of compensation being paid.

1. Description of Services
2. Compensation
3. Time for Performance or Date of Completion
4. Liability of Contractor or Consultant; Indemnification of Authority
5. Reports of Contractor or Consultant
6. Ownership of Plans, Drawings or Other Products of the Performance of the Services
7. Assignments; Subcontracts
8. Maintenance of Records, Accounts
9. Right of Authority to Inspect and/or Audit Books and Records of Contractor or Consultant
10. Insurance Requirements
11. Termination
12. Monitoring of the Performance of Services
13. Use of Authority Supplies, Facilities or Property
14. Use of Authority Personnel
15. All Provisions required to be included in Authority contracts by Federal, State or Local Laws Ordinances, Codes, Rules or Regulations.
16. Such modifications and additions as are appropriate in light of the specific circumstances presented.

B. To the extent practicable, a verbal authorization to commence work and a writing which is not intended to constitute the final agreement, at a minimum shall:

1. Describe the services to be performed;
2. Specify the amount of compensation to be paid or the rates or fees which will be utilized to determine such compensation; and
3. Specify a date for completion or the anticipated duration of the services (except in instances where the nature of the services makes an estimate of the time required impossible or impracticable or where the contract is a retainer for the performance of services over an extended period of time on an "as-needed" basis and contains provisions allowing termination by the Authority at any time without cause).

C. Miscellaneous service contracts shall contain those provisions of paragraph A and of other standard forms of contract deemed appropriate by an Authorized Officer.

Article VIII - Responsibilities of Services Contractors

A service contractor shall have the following responsibilities:

- A. To perform the contract in accordance with its terms;
- B. To perform the services required under the contract competently, efficiently, in a timely manner, at a reasonable cost and in a manner which is satisfactory to the Authority; and
- C. To cooperate with the Authority personnel who are directing, supervising or monitoring the performance of the services or who are assisting in their performance.

Article IX - Contracts Involving Former Officers or Employees of the Authority

The Authority may enter into contracts with any Authority's former officers or employees or with firms employing such officers or employees only to the extent permitted by Public Officers Law §73.

Article X - Monitoring of Service Contracts

The Division/Department of the Authority requiring the services shall be responsible for monitoring the performance of the contract to assure that the contract is performed in accordance with its terms.'

Article XI Reporting of Service and Purchase Contracts

- A. Each Division/Department of an Authority shall maintain records, for each fiscal year, of the following contracts entered into by the Authority at the request of such Division/Department: i) personal service contracts in the actual or estimated amount of \$15,000 or more; ii) miscellaneous service contracts in the actual or estimated amount of \$15,000 or more; and iii) purchase contracts in an actual or estimated amount of \$15,000 or more.
- B. The Authority's Authorized Officer shall designate a Division or Department which shall be responsible for preparing a report at the end of each fiscal year with respect to the foregoing contracts. With respect to each such contract, the report shall contain the following information:
 - 1. Name of Contractor;
 - 2. Short description of the services involved;
 - 3. Amounts paid pursuant to the contract as of the end of such fiscal year;
 - 4. The selection process used;
 - 5. Status of the contract;
 - 6. If it was exempt from advertising in the New York State Contract Reporter pursuant to Article IV(C) of these Guidelines:
 - i) a statement to that effect; and

- ii) the basis for such exemption; and
 - 7. Whether the contract was entered into with a New York State business enterprise or a foreign business enterprise, as those terms are defined in Public Authorities Law § 2879.
 - 8. Whether the contract was entered into with a New York State certified minority or women-owned business enterprise.
 - 9. Referrals to and penalties imposed by the Director of DMWBD pursuant to Executive Law § 316.
- C. Each Authority shall submit a copy of such report to the board of the Authority upon its completion.

Article XII-Personal Service Contracts Requiring Approval of the Board

The following personal service contracts shall require the approval of the Board of the Authority by resolution approved by a majority of the members present at a meeting at which a quorum is in attendance and shall be reviewed by the Board on an annual basis:

- A. Personal Service Contracts of all Authorities except for Bridges and Tunnels: All personal service contracts entered into by an Authority in the actual or estimated amount of \$20,000 or more;
- B. Personal Service Contracts of Bridges and Tunnels: All personal services contracts entered into by Bridges and Tunnels in the actual or estimated amount of \$15,000 or more where the services will be rendered over a period in excess of one year; and
- C. Miscellaneous service contracts: See Article II(C) of these guidelines.

Article XIII-Change Orders

An Authority may enter into a change order or amendment to a personal service or miscellaneous service contract provided that approval of the Board of the Authority by a resolution approved by a majority of the members present at a meeting at which a quorum is in attendance, shall be required in the following circumstances:

- A. The contract did not equal or exceed the applicable monetary or durational threshold for board approval set forth in Article XII or Article II of these guidelines and the applicable threshold is equaled or exceeded as a result of the change order or amendment. This provision applies to all contracts subject to these Guidelines, including budget adjustments to estimated quantity contracts previously approved by the Board which exceed the threshold.
- B. The contract was approved by the Board and the change order or amendment, including any change orders or amendments since Board

approval was last obtained, results in a substantial change in the contract as determined by an Authorized Officer.

- C. The miscellaneous service contract was awarded pursuant to the All-Agency Procurement Guidelines and the change order or amendment equals or exceeds the requirements for Board approval under Article VIII of the All Agency Procurement Guidelines.
- D. Notwithstanding the foregoing, an Authorized Officer may enter into a change order or amendment in any of the following situations as determined by an Authorized Officer,
 - 1. The existence of an emergency; or
 - 2. The risk of a substantial increase in cost or delay if prompt action is not taken.
- E. The Chief Operating Officer shall establish policies with respect to the delegation of responsibilities set forth in this Article.

Article XIV – Miscellaneous

- A. Any provision of these guidelines may be waived by the Chairman, an Authority President or the Board, or such individuals as they may designate, except to the extent prohibited by law. A waiver may also be in the form of a ratification. If a contract is federally assisted, prior to issuing a waiver, consideration should be given to the steps which may be taken to assure that federal assistance is not jeopardized.
- B. No Board committee procedure or action or Authority policy, other than one approved by the Chairman, shall be inconsistent with these Guidelines.
- C. A contract awarded by an Authority pursuant to the provisions of these Guidelines may provide that the contract includes the requirements of one or more other Authorities.
- D. An Authority may contract for a service available through an existing contract between a contractor and the State of New York or the City of New York or another Authority if: i) the existing contract was awarded pursuant to a process of competitive sealed bids or a competitive request for proposals; ii) the Authority's Authorized Officer determines that the price and other commercial terms specified in the contract are satisfactory; and iii) if board authorization would otherwise be required under these Guidelines, the Board adopts a resolution by a majority vote of the members of the Board present meeting at which a quorum is in attendance which sets forth the reasons why a competitive process is impractical or inappropriate and authorizes the Authority to enter into the contract.

- E. These Guidelines are intended for the guidance of officers and employees of the Authority only. Nothing contained herein is intended or shall be construed to confer upon any person, firm or corporation any right, remedy, claim or benefit under or by reason, of any requirement or provision thereof.
- F. Nothing contained in these Guidelines shall be deemed to alter, affect the validity of, modify the terms of or impair any contract or agreement made or entered into in violation of, or without compliance with, the provisions of these Guidelines.
- G. Where applicable federal, state or local laws, ordinances, codes, rules or regulations contain requirements which are in conflict with or which impose greater obligations upon the Authority than these Guidelines, then such requirements shall take precedence over those contained herein.
- H. The Authority shall prepare a publicly available report no less frequently than annually, summarizing procurement activity by the Authority for the period of the report, in accordance with the reporting requirements of Section 2879(6) of the Public Authorities Law.
- I. Nothing in these guidelines shall preclude the Authority from accepting bids or proposals in an electronic format, to the extent permitted by law.