



Metropolitan Transportation Authority

# Finance Committee Meeting

## July 2012

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### Committee Members

A. Saul, Chair

J. Ballan

J. Banks, III

J. Blair

A. Cappelli

J. Kay

M. Page

M. Pally

J. Sedore, Jr.

V. Tessitore

C. Wortendyke

# MEETING AGENDA

## MTA FINANCE COMMITTEE

Monday, July 23, 2012 – 12:45 PM

347 Madison Avenue  
Fifth Floor Board Room  
New York, NY

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### AGENDA ITEMS

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AGENDA ITEMS

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Date of next meeting: Monday, September 24<sup>th</sup>, 2012 at 12:45 PM

**Minutes of the MTA Finance Committee Meeting**

June 25, 2012  
347 Madison Ave  
New York, NY  
12:45 PM

The following Finance Committee members attended:

Hon. Jonathan A. Ballan  
Hon. John H. Banks III  
Hon. Allen P. Cappelli  
Hon. Jeffrey A. Kay  
Hon. Mitchell Pally  
Hon. James L. Sedore, Jr.  
Hon. Carl V. Wortendyke

The following Finance Committee members did not attend:

Hon. James F. Blair  
Hon. Mark Page  
Hon. Andrew M. Saul  
Hon. Vincent Tessitore

The following Board members were also present:

Chairman Joseph J. Lhota  
Hon. Andrew Albert  
Hon. Fernando Ferrer  
Hon. Mark D. Lebow  
Hon. Susan G. Metzger  
Hon. Charles G. Moerdler

The following MTA staff attended:

Laureen Coyne  
Nuria Fernandez  
Robert Foran  
Douglas Johnson  
Nancy Marshall  
Patrick McCoy  
Jeffrey Rosen

Hon. Mitchell Pally called the June 25, 2012 meeting of the Finance Committee to order at 12:45 PM.

**I. Public Comments**

There were no public speakers.

**II. Approval of Minutes**

The MTA Board approved the minutes to its previous meeting held on May 21, 2012.

### **III. Committee Work Plan**

There were no changes to the 2012 Committee Work Plan.

### **IV. Budgets/ Capital Cycle**

#### **A. Budget Watch**

Mr. Johnson stated that the June Budget Watch focused on preliminary results for May and June. The operating results continued to show the same trends observed in recent months.

Passenger revenues for the month were better than budget by \$3.3 million, or 0.8%, increasing the YTD favorable variance to \$16.9 million or 0.9%. Ridership was favorably impacted by good weather and higher NYC employment. The LIRR in particular performed well, with an increase of 3.4% for the month and 4.1% YTD. MNR passenger revenue increased slightly for the month, but was 2.2% favorable YTD. NYCT passenger revenue was slightly favorable for the month and YTD, as higher subway revenue more than offset lower bus revenue.

May toll revenue was 1.2% unfavorable and has been unfavorable for the last three consecutive months. Toll revenue was \$4.1 million or 0.7% favorable YTD, impacted by lower traffic and lower yield. Increased E-ZPass participation has resulted in more discounted transactions and a slightly lower yield per transaction.

Operating expenses were \$2.0 million or 0.3% favorable for the month and included costs for the ATU settlement as well as higher Health & Welfare costs that are being researched. Expenses were \$85.9 million, or 2.4%, favorable YTD. Mr. Johnson stated that some of the favorable YTD variance was timing-related. Included within the expenses were overtime costs that continued to exceed budget by \$5 million for the month and \$17 million YTD.

Debt service costs were favorable for the month which reversed prior-months' unfavorable timing variances. YTD, debt service costs were slightly favorable due to lower rates.

Excluding a timing variance impacting MTA aid, net subsidies were favorable for the month. PMT was \$13.4 million favorable and PBT was \$1.4 million favorable for the month. Revenues were slightly offset by real estate revenues of \$2.4 million lower than budget.

YTD subsidy results, excluding the MTA aid timing issue, were mixed but on target. Higher PMT favorable variance of \$27.1 million and MMTOA favorable variance of \$10.6 million offset PBT unfavorable variance of \$19.4 million and real estate taxes' unfavorable variance of \$17.1 million. For PMT, second quarter receipts more than offset lower first quarter collections that were impacted by lower bonuses in the financial services industry.

Preliminary results for the month were mixed, with net results being overall favorable. Favorable passenger and PMT revenues, along with lower debt service costs were partially offset by lower toll and real estate revenue.

Overall, YTD results were favorable. Higher passenger and PMT revenue, as well as lower expenses, have been partially offset by unfavorable real estate and PBT revenues.

Mr. Cappelli asked about the possibility of restoring transit service cuts, a topic which has been raised at previous Committee meetings. Chairman Lhota said that the matter was being considered, which will be presented to the Committee at a future meeting.

## **B. Finance Watch**

Mr. McCoy stated that on May 30, 2012, the MTA priced through competitive bidding \$231.49 million of MTA Triborough Bridge and Tunnel Authority General Revenue Bonds, Series 2012A. The proceeds from this transaction will be used to finance approved capital projects for MTA Bridges and Tunnels' own facilities. The Series 2012A bonds were issued as tax-exempt fixed-rate bonds with a final maturity of November 15, 2042. The MTA received a total of 9 bids for this series of bonds and the winning bid was submitted by Citigroup Global Markets Inc. with a TIC of 3.6057% (all-in TIC of 3.69%). The transaction closed on June 6, 2012. Nixon Peabody served as bond counsel, and Lamont Financial Services was financial advisor. This should take care of TBTA new money needs for 2012.

The MTA executed a competitively bid hedge for \$10 million of ultra-low sulfur diesel fuel on June 1, 2012. All three of the MTA's existing approved commodity counterparties, Bank of America Merrill Lynch, Deutsche Bank, and Goldman, Sachs & Co, participated in bidding on the transaction. The winning bid was submitted by Bank of America Merrill Lynch for an all-in price of \$2.767 per gallon.

The MTA plans to convert \$195.6 million of MTA Triborough Bridge and Tunnel General Revenue Variable Rate Refunding Bonds, Subseries 2005B-4 from a Weekly Mode to a Term Mode, because the existing letter of credit issued by Landesbank Baden-Wurtemberg will expire by its terms on July 6, 2012. On June 28, 2012 (the Mandatory Tender Date), the MTA is effecting a mandatory tender of the Subseries 2005B-4 Bonds. On the Mandatory Tender Date, the MTA will re-designate and remarket the Subseries 2005B-4 Bonds as Subseries 2005B-4a, Subseries 2005B-4b, Subseries 2005B-4c, Subseries 2005B-4d, and Subseries 2005B-4e as Floating Rate Tender Notes. The initial Interest Rate Periods for the Floating Rate Tender Notes will end as follows: January 1, 2013 for the Subseries 2005B-4a Bonds, January 1, 2014 for the Subseries 2005B-4b Bonds, January 1, 2015 for the Subseries 2005-4c Bonds January 1, 2016 for the Subseries 2005B-4d Bonds, and January 1, 2017 for the Subseries B-2005B-4e. Each note will bear interest at floating rates based on 67% of one month LIBOR plus a spread. A full report on the transaction will be provided at the July Finance Committee meeting.

Mr. McCoy noted that the transaction was bid competitively with the following winning bids: Subseries 2005B-4a at 10 basis points plus 67% of one-month LIBOR submitted by Barclays Capital, Subseries 2005B-4b at 9 basis points plus 67% of one-month LIBOR submitted by J.P. Morgan, Subseries 2005B-4c at 37 basis points plus 67% of one-month LIBOR submitted by J.P. Morgan, Subseries 2005B-4d at 59 basis points plus 67% of one-month LIBOR submitted by J.P. Morgan and Subseries 2005B-4e at 65 basis points plus 67% of one-month LIBOR submitted by J.P. Morgan. These results compared very favorably with the traditional variable rate financing. Mr. McCoy cited that in January, TBTA remarketed bonds with LOCs which could be compared to the 2005B-4d Subseries with an initial Interest Rate period expiring in 2016 and a 59 basis point spread to the index of 67% of one month LIBOR. The MTA estimated that the issuance resulted in 20 to 30 basis points more favorable than by issuing a letter of credit with a bank. This is the first time that the MTA has issued the floating

rate note under the TBTA credit. This was a product that the MTA will issue in the future to further diversify its portfolio.

Mr. McCoy noted that a preliminary official statement was distributed to Committee members for the TRB 2012D issuance of \$1 billion. Bank of America Merrill Lynch was appointed lead manager and Barclays Capital and Loop Capital were appointed as special co-senior managers for the issuance. Mr. McCoy stated that this is the first part of the issuance to refund \$5.4 billion of non-advance refundable debt this year. Pricing for retail will occur on Wednesday and pricing for institutional investors will occur on Thursday, while closing is set for August 20<sup>th</sup>. Starting on August 17<sup>th</sup>, this opens the 90 day window for the issue to be a current refunding. At the July Committee, details of this issuance will be provided.

Mr. McCoy noted that assuming approval of a resolution submitted to the Board for approval this morning, the MTA plans to issue \$500 million of Transportation Revenue Bonds, Series 2012E for approved capital projects. MTA will print these bonds before July 4<sup>th</sup> and will price after July 4, around July 9<sup>th</sup> or 10<sup>th</sup> and closing the week after.

Mr. McCoy noted that Moody's ratings were revised for fifteen commercial banks, which impacted four of the MTA's variable rate bonds. This will not significantly impact the remarketing issuance.

Mr. Moerdler asked whether the MTA engaged in currency hedges. Mr. McCoy stated that the MTA did not do so.

Mr. Foran stated that for the MTA's RIFF loan, the MTA will meet with the Independent Financial Advisor, Scully Capital Management, next week. The firm will evaluate the MTA's credit in the next 60 days and offer preliminary recommendations.

## **V. MTA Headquarters and All-Agency Items**

### **A. Action Items**

The MTA sought Committee approval on three Action Items for recommendation to the Board:

#### **1) Authorization to Issue Transportation Revenue Bonds, Series 2012E**

In connection with the proposed issuance of Transportation Revenue Bonds, the MTA sought Board authorization to issue new money bonds to provide net proceeds to fund up to \$1 billion of capital projects. Mr. McCoy noted that two separate transactions will likely occur, with \$500 million in new money issued in the second week of July. The second transaction is projected to occur in September. The issuance will be fixed rate bonds. The Committee voted to recommend the action item before the Board for approval.

#### **2) 2012 State Public Work Enforcement Fund (PWEF) Assessment**

The MTA sought Board approval to authorize the sum of \$1,054,584 representing the 2012 assessment to be paid to the State Labor Department. The Committee voted to recommend the action item to the Board for approval. Mr. Cappelli voted against the item.

### **3) Paratransit Cost Savings Initiative**

The MTA sought Board approval to adopt tariff changes necessary to implement a Paratransit cost savings initiative expected to achieve substantial recurring savings in the MTA's Paratransit program. Under this initiative, special Zero Fare MetroCards will be provided to Paratransit-eligible customers, enabling them free passage on fixed route services operated by NYCT, MaBSTOA, MTA Bus and SIRTOA. Paratransit-eligible customers will continue to have access to Paratransit services upon demand. This initiative is expected to yield Paratransit program savings of approximately 15%.

Ms. Nuria Fernandez stated that the hearing for the new Paratransit program was held on June 12<sup>th</sup>, in which a number of attendees supported the new initiative. Ms. Fernandez noted that while the new Paratransit program offers customers an incentive to use transit services, the Access-A-Ride program will continue to be available on demand.

Mr. Kay noted his support for the Paratransit Zero Fare program. He urged the MTA to market the new program to its customers. Ms. Fernandez said that there will be training to help Paratransit customers navigate the system and transportation options.

Mr. Cappelli asked whether express buses were excluded from the Paratransit Zero Fare program. Ms. Fernandez confirmed this was the case, as express bus fares were much higher than regular transit fares. Mr. Pally stated that the MTA will review the issue in the future.

The Committee voted to recommend the action item before the Board for approval.

## **B. Procurements**

There were two competitive procurements for MTA Headquarters for a total of \$9.513 million. Mr. Moerdler asked why the MTA chose to sign a five-year contract with risk management advisor, Marsh USA, Inc. Ms. Lauren Coyne stated that the MTA had exercised multi-year contracts in past, which offered the MTA more favorable terms. Ms. Coyne stated that the MTA had the option of terminating the contract with thirty days advance notice without penalties. Mr. Foran reiterated that the MTA had the ability to terminate this contract at any time.

The Committee voted to recommend the procurement items before the Board for approval.

## **VI. Metro-North Railroad and Long Island Railroad**

### **A. Procurements**

There was one non-competitive procurement for MNR for \$108,000 and one competitive procurement for LIRR for \$11.211 million, for a total of \$11.319 million. The Committee voted to recommend the procurement items before the Board for approval.

## **VII. MTA Bus Operations**

#### **A. Procurements**

There was one non-competitive procurement for an estimated total of \$63.689 million. The Committee voted to recommend the procurement item before the Board for approval.

### **VIII. Bridges and Tunnels**

#### **A. Procurements**

There were three competitive procurements for a total of \$53.090 million for Bridges and Tunnels. The Committee voted to recommend the procurement items before the Board for approval.

### **IX. New York City Transit**

#### **A. Procurements**

There were two competitive procurements for NYCT for a total of \$28.425 million. The Committee voted to recommend the procurement item before the Board for approval.

### **X. FMTAC**

#### **A. Procurements**

There were no procurement items for FMTAC for the month of June.

### **XI. Real Estate Agenda**

#### **A. Action Items**

Mr. Rosen noted that six of the action items facilitated continued use of MTA right-of-way for existing fiber optic cable facilities and pipelines.

Mr. Rosen also highlighted the disposition by the LIRR of a 1.49-acre parcel to the Town of Babylon in exchange for a 2.16-acre parcel owned by the town. The exchange is to be made in furtherance of the Wyandanch Rising transit-oriented development project, which will result in no loss of commuter parking. Mr. Pally spoke in favor of the transaction, noting that the development project is expected to be of great benefit to the surrounding area.

Ms. Nancy Marshall presented the annual Grand Central Terminal retail report, and noted that the net income from the retail at GCT has now reached \$20 million per year, a significant milestone.

The Committee voted to recommend the sixteen Real Estate action items to the Board for approval.

### **XII. Executive Session**

Upon motion duly made and seconded, the Committee voted to proceed to an Executive Session.

**XIII. Adjournment**

Upon motion duly made and seconded, the June 25, 2012 meeting of the MTA Finance Committee was adjourned.

Respectfully submitted,

Jody Chin  
Financial Analyst

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# 2012 Finance Committee Work Plan

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## I. RECURRING AGENDA ITEMS

	<u>Responsibility</u>
BudgetWatch	MTA Budget
FinanceWatch	MTA Finance
Approval of Minutes	Board Secretary
Procurements (if any)	Procurement
Action Items (if any)	Agency
MTA Consolidated Reports	MTA Budget

## II. SPECIFIC AGENDA ITEMS

### Responsibility

### July 2012

#### *SBP/Budget/Capital:*

Updated Forecast for 2012/2013 Preliminary Budget/ 2013-2016 Financial Plan (to be presented at the Special Finance Committee Meeting with the Board)	MTA Budget, Agencies
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#### *Other:*

MTA Financial Statements for the Three-Months Ended, March 2012	MTA Comptroller
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### September 2012

#### *SBP/Budget/Capital:*

2013 Preliminary Budget/2013-2016 Financial Plan (Materials previously distributed.)	MTA Budget
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#### *Action Item:*

Resolution to Authorize the Execution, Filing and Acceptance of Federal Funds	MTA Grant Mgmt.
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#### *Other:*

MTA Consolidated Financial Statements as of and for the Period Ended June 30, 2012	MTA Comptroller
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### October 2012

#### *SBP/Budget/Capital:*

2013 Preliminary Budget/2013-2016 Financial Plan (Materials previously distributed.)	MTA Budget
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#### *Other:*

Annual Review of MTA's Derivative Portfolio	MTA Finance
MTA 2012 Semi-Annual Investment Report	MTA Treasury

### November 2012

#### *SBP/Budgets/Capital:*

2013 Budget/2013-2016 Financial Plan (Materials previously distributed.)	MTA Budget
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2013 Final Proposed Budget/2013-2016 Financial Plan (to be presented to the Special Finance Committee Meeting with the MTA Board)	MTA Budget, Agencies
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*Other:*

Station Maintenance Billing Update MTA Comptroller  
Review and Assessment of the Finance Committee Charter MTA CFO

**December 2012**

*SBP/Budgets/Capital:*

MTA 2013 Budget Adoption Materials (Final Proposed Budget) MTA Budget, Agencies

*Action Item:*

MTA and TBTA Reimbursement Resolutions for Federal Tax Purposes MTA Treasury

*Other:*

Draft 2013 Finance Committee Work Plan MTA Budget

**2013 Finance Committee Work Plan**

**January 2013**

*Action Item:*

Approval of Supplemental Resolutions Authorizing Refunding Bonds MTA Finance

*Financing Issues:*

Special Report: 2012 Year-End Review MTA Finance

*Other:*

MTA Financial Statements for the Nine-Months Ended,  
September 2012 MTA Comptroller

**February 2013**

*SBP/Budget/Capital:*

2013 Adopted Budget - February Financial Plan 2013-2016 MTA Budget, Agencies

*Action Items:*

2012 TBTA Operating Surplus B&T/MTA

Mortgage Recording Tax – Escalation Payments to Dutchess,  
Orange and Rockland Counties MTA Treasury, Budget

**March 2013**

*Action Items:*

All-Agency Real Property Disposition Guidelines and All-Agency  
Personal Property Disposition Guidelines MTA Real Estate/MTA  
Corporate Compliance

All-Agency Annual Procurement Report MTA Proc., Agencies

*Other:*

MTA Prompt Payment Annual Report 2012 MTA Comptroller

**April 2013**

*Action Item:*

MTA 2012 Annual Investment Report MTA Treasury

*Other:*

Annual Report on Variable Rate Debt MTA Finance

**May 2013**

Action Item:

Station Maintenance Billings Approval MTA Comptroller

Other:

Annual Pension Fund Report (Audit Committee Members to be invited) MTA Labor  
Annual FMTAC Meeting MTA RIM  
Annual FMTAC Investment Performance Report MTA RIM

**June 2013**

SBP/Budget/Capital

Action Item:

PWEF Assessment MTA Capital Program Mgmt/MTA Budget

**DETAILS – 2012**

**JULY 2012**

SBP/Budget/Capital:

Updated Forecast of 2012/2013 Preliminary Budget/2013-2016 Financial Plan (to be presented at the Special Finance Committee Meeting with the Board)

The MTA Budget Division will present an updated forecast for 2012 and a Preliminary Budget for 2013, and an updated Financial Plan through 2016.

*Other:*

MTA Financial Statements for the Three-Months Ended, March 2012

Included for information is a copy of the Independent Accountant's Review Report of MTA Financial Statements for the three-months ended March, 2012.

**SEPTEMBER 2012**

SBP/Budget/Capital:

2013 Preliminary Budget/2013-2016 Financial Plan (Materials previously distributed.)

Public comment will be accepted on the 2013 Preliminary Budget.

*Action Item:*

Resolution to Authorize the Execution, Filing and Acceptance of Federal Funds

The MTA Office of Grant Management will hold a public hearing in accordance with Federal law and then request the Board's approval of a resolution that would authorize the Chairman or a designated officer to execute the applications and accept grants of financial assistance from the Federal government.

*Other:*

MTA Consolidated Financial Statements as of and for the Period Ended June 30, 2012

Included for information is a copy of the Independent Accountant's Review Report of MTA Financial Statements for the six-months ended June, 2012.

## **OCTOBER 2012**

SBP/Budget/Capital:

2013 Preliminary Budget/2013-2016 Financial Plan (Materials previously distributed.)

Public comment will be accepted on the 2013 Preliminary Budget.

*Other:*

Annual Review of MTA's Derivative Portfolio

The Finance Department will provide an update on MTA's portfolio of derivative contracts.

MTA 2012 Semi-Annual Investment Report

The MTA Treasury Division should be prepared to answer questions on this voluminous report.

## **NOVEMBER 2012**

SBP/Budget/Capital:

2013 Preliminary Budget/2013-2016 Financial Plan (Materials previously distributed.)

Public comment will be accepted on the 2013 Preliminary Budget

2013 Final Proposed Budget/2013-2016 Financial Plan (To be presented to the Special Finance Committee Meeting with the MTA Board)

*Other:*

Station Maintenance Billing Update

The MTA Comptroller Division will provide a report on the collection and audit status of station maintenance billings issued as of June 1, 2012.

Review and Assessment of the Finance Committee Charter

MTA Chief Financial Officer will present the most updated Finance Committee Charter to the Finance Committee members for them to review and assess its adequacy. The annual assessment is required under the current Committee Charter.

## **DECEMBER 2012**

SBP/Budgets/Capital:

MTA 2013 Budget Adoption Materials – (Final Proposed Budget)

The Committee will recommend action to the Board on the Final Proposed Budget for 2013 and the 2013-2016 Financial Plan.

*Action Item:*

Approval of MTA and TBTA Reimbursement Resolutions for Federal Tax Purposes.

Board action required to allow for the reimbursement of capital expenditures at a later date from the proceeds of tax-exempt bond sales.

*Other:*

Draft 2013 Finance Committee Work Plan

The MTA Chief Financial Officer will present a proposed 2013 Finance Committee Work Plan that will address major issues, SBP and budget process issues, and reports required by statute.

**DETAILS – 2013**

**JANUARY 2013**

*Action Item:*

Approval of Supplemental Resolutions Authorizing Refunding Bonds

Board action required to allow for the refunding to fixed-rate bonds from time to time provided that such refundings comply with the Board approved refunding policy.

*Other:*

Special Report: 2012 Year-End Review

The MTA Finance Department will present a report that summarizes financing activities for 2012.

MTA Financial Statements for the Nine-Months Ended, September 2012

Included for information is a copy of the Independent Accountant's Review Report of MTA Financial Statements for the nine-months ended September, 2012.

**FEBRUARY 2013**

SBP/Budget/Capital:

2013 Adopted Budget - February Financial Plan 2013-2016

MTA Budget will present a revised 2013-2016 Financial Plan. This plan will reflect the 2013 Adopted Budget and an updated Financial Plan for 2013-2016 reflecting the out-year impact of any changes incorporated into the 2013 Adopted Budget.

Action Items:

2012 TBTA Operating Surplus

The MTA Treasury Division, assisted by MTA Bridges and Tunnels and MTA Budget Division, should be prepared to answer questions on a Staff Summary transferring B&T investment income. It is possible that a second Staff Summary, advancing the distribution of 2011 Operating Surplus, may also be submitted if this is not done in December.

Mortgage Recording Tax – Escalation Payments to Dutchess, Orange and Rockland Counties

By State statute, each of these counties is entitled to a share of MTA's MRT-2 tax receipts. The amount may be no less than they received in 1989 (even if the taxes collected fall below the 1989 levels), but there are proportional upward adjustments if taxes collected in the particular county exceed the 1989 totals. The MTA Budget and Treasury Division will be prepared to answer questions on the related Staff Summary authorizing the payments.

## MARCH 2013

### Action Items:

#### All-Agency Real Property Disposition Guidelines and All-Agency Personal Property Disposition Guidelines

Board approval of above guidelines as required annually by Public Authorities Law Sections 2895-2897. MTA Real Estate and MTA Corporate Compliance should be prepared to answer questions regarding these guidelines.

#### All-Agency Annual Procurement Report

The Agencies and the MTA Procurement Division should be prepared to answer questions on this voluminous State-required report.

### Other:

#### MTA Annual Prompt Payment Status Report 2012

The MTA Financial Management Division should be prepared to discuss a report, to be included in the Agenda materials, that reviews MTA-wide success in meeting mandated prompt-payment deadlines (including the interest penalties incurred as a result of late payment).

## APRIL 2013

### Action Item:

#### MTA Annual Investment Report

The MTA Treasury Division should be prepared to answer questions on this voluminous State-required report.

### Other:

#### Annual Report on Variable Rate Debt

The MTA Finance Department will present a report that summarizes the performance of the MTA's various variable-rate debt programs, including a discussion of the savings (compared to long-term rates) achieved through variable rate debt and a discussion on the current policy and limits on the use of variable rate debt.

## MAY 2013

### Action Item:

#### Station Maintenance Billings Approval

Under the Public Authorities Law, the Board is required to certify to the City and the counties in the Metropolitan Transportation District the total costs to MTA for operating and maintaining Commuter Railroad passenger stations. The City and county assessments are both now determined through a formula.

Other:

Annual Pension Fund Report

The MTA Labor Division, representatives of the various pension fund boards, and their pension consultants should be prepared to answer questions on a report, to be included in the Agenda materials, that reviews the 2012 investment performance and other experience of the various MTA pension funds. Among other matters, this report should (i) make recommendations on appropriate investment-earnings assumptions in light of the experience of the past three years; (ii) discuss the implications for asset allocations in light of such recommendations; (iii) discuss the effect on (under) funding of the systems in light of such performance and recommendation; (iv) provide appropriate comparisons with other public pension systems; and (v) solicit the opinions of the Board Operating Committees on these recommendations in light of their effects on Agency budgets.

Annual Meeting of the First Mutual Transportation Assurance Company

The MTA's Captive Insurance Company will hold its statutorily required annual meeting in which it will review the prior year's operations as well as submit its financial statements and actuarial report for final approval.

First Mutual Transportation Assurance Company Investment Performance Report

The MTA Treasury and Risk Management Divisions, along with the FMTAC's outside investment managers, should be prepared to answer questions on a report that reviews outside-managers performance.

JUNE 2013

SBP/Budget/Capital:

*Action Item:*

PWEF Assessment

The MTA Budget Division, assisted by the MTA Capital Programs Division, should prepare the usual annual staff summary authorizing the payment of this assessment to the State. The State levies an assessment of the value of construction-contract awards to cover its cost of enforcing prevailing-wage legislation.

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# FinanceWatch

July 23, 2012

## Recent Market Activity

### MTA State Service Contract Bonds, Series 2002A and Series 2002B

On June 14, 2012 the Dormitory Authority of the State of New York issued \$1,814.925 million DASNY State Personal Income Tax Revenue Refunding Bonds, Series 2012A. As a result, \$1,307.82 million and \$268.315 million of MTA State Service Contract Bonds, Series 2002A and Series 2002B, respectively, were refunded. The total amount of bonds outstanding for the Series 2002A and Series 2002B MTA State Service Contract Bonds is \$272.67 million and \$126.875 million, respectively.

### \$1,263,365,000 MTA Transportation Revenue Refunding Bonds, Series 2012D

On June 28, 2012, MTA successfully priced \$1,263.365 million of MTA Transportation Revenue Refunding Bonds, Series 2012D. The proceeds from this transaction will be used to refund \$1,337.385 million of MTA Transportation Revenue Bonds, Series 2002A and \$52.275 million of MTA Transportation Revenue Bonds, Series 2002E. The Series 2012D bonds were issued as tax-exempt fixed-rate bonds with a final maturity of November 15, 2032. This transaction will close on August 20, 2012.

The refunding resulted in aggregate gross saving of \$266.60 million or on a net present value basis, \$201.01 million or 14.46% of the par amount of the refunded bonds, well in excess of the 3% required by the MTA's Bond and Other Debt Obligations Refunding Policy.

The transaction was led by book-running senior manager BofA Merrill Lynch together with special co-senior managers Barclays and Loop Capital Markets. Hawkins Delafield & Wood served as bond counsel and Lamont Financial Services served as financial advisor.

#### Bond Summary Statistics

	<u>TRB 2012D</u>
<i>Par Amount:</i>	\$1,263.365 million
<i>Premium:</i>	\$163.300 million
<i>All-in TIC:</i>	3.51%
<i>Average Life:</i>	11.70 years
<i>Average Coupon:</i>	4.84%
<i>PV Savings (\$):</i>	\$201.011 million
<i>PV Savings (%):</i>	14.46% <sup>(1)</sup>

<i>Final Maturity:</i>	11/15/2032
<i>Underwriter's Discount:</i>	\$4.85 (\$6,128,271)
<i>State Bond Issuance Fee:</i>	\$0 <sup>(2)</sup>
<i>Cost of Issuance:</i>	\$0.89 (\$1,122,109)
<i>Ratings (S&amp;P/Moody's/Fitch)</i>	A/A2/A
<i>Senior Manager:</i>	BofA Merrill Lynch
<i>Special Co-Senior Managers:</i>	Barclays Loop Capital Markets

<sup>(1)</sup> MTA's Bond and Other Debt Obligations Refunding Policy states that a refunding must achieve an aggregate NPV savings of 3.0% of the par amount of the refunded bonds.

<sup>(2)</sup> MTA received a waiver from making this payment from the State Division of the Budget.

### **\$650,000,000 MTA Transportation Revenue Bonds, Series 2012E**

On July 12, 2012, MTA successfully priced \$650.00 million of MTA Transportation Revenue Bonds, Series 2012E. The proceeds from this transaction will be used to finance transit and commuter projects. The Series 2012E bonds are structured as tax-exempt fixed-rate bonds with a final maturity of November 15, 2042. This transaction is expected to close on July 20, 2012. It was led by book-running senior manager Jefferies & Company, Inc. together with special co-senior manager Rice Financial Products Company. Nixon Peabody served as a bond counsel and Lamont Financial Services served as a financial advisor.

#### Bond Summary Statistics

	<b><u>TRB 2012E</u></b>
<i>Par Amount:</i>	\$650.00 million
<i>Premium:</i>	\$61.693 million
<i>All-in TIC:</i>	3.910%
<i>Average Life:</i>	18.94 years
<i>Average Coupon:</i>	4.55%
<i>Final Maturity:</i>	11/15/2042
<i>Underwriter's Discount:</i>	\$4.94 (\$3,210,119)
<i>State Bond Issuance Fee:</i>	\$8.33 (\$5,414,518)
<i>Cost of Issuance<sup>1</sup>:</i>	\$1.35 (\$880,500)
<i>Ratings (S&amp;P/Moody's/Fitch)</i>	A/A2/A
<i>Senior Manager:</i>	Jefferies
<i>Special Co-Senior Managers:</i>	Rice Financial

<sup>1</sup>Excludes \$224,402 Bond Insurance Fee

## Fuel Hedge

### \$7.5 Million Diesel Fuel Hedge

On July 2, 2012, MTA executed a \$7.5 million ultra-low sulfur diesel fuel hedge with Goldman, Sachs & Co./J Aron for an all-in price of \$2.696/gallon. Two out of the three of MTA's existing approved commodity counterparties participated in bidding on the transaction: Deutsche Bank, and Goldman, Sachs & Co./J Aron. Bank of America Merrill Lynch will no longer participate in the program as a result of a downgrade by Moody's to Baa2. We will continue to monitor our existing exposure with Bank of America Merrill Lynch, along with our other counterparty exposures and will make recommendations to the board in the future, if necessary. Additionally, staff is currently exploring expanding the hedging counterparty pool and will advise the board of any changes.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**FEBRUARY FINANCIAL PLAN - ADOPTED BUDGET (1)**  
**DEBT SERVICE**  
(\$ in millions)  
June 2012

	Adopted Budget	Actual	Variance	% Variance	Explanation
<b>Dedicated Tax Fund:</b>					
NYC Transit	\$32.0	\$31.4	\$0.5		
Commuter Railroads	6.7	6.8	(0.1)		
<i>Dedicated Tax Fund Subtotal</i>	\$38.7	\$38.2	\$0.4	1.2%	
<b>MTA Transportation Revenue:</b>					
NYC Transit	\$51.7	\$53.8	(\$2.2)		
Commuter Railroads	34.5	\$34.7	(0.2)		
MTA Bus	1.4	\$2.1	(0.7)		
<i>MTA Transportation Subtotal</i>	\$87.5	\$90.6	(\$3.1)	-3.5%	
<b>Commercial Paper:</b>					
NYC Transit	\$1.8	\$0.1	\$1.8		
Commuter Railroads	1.1	\$0.0	1.1		
MTA Bus	0.0	\$0.0	0.0		
<i>Commercial Paper Subtotal</i>	\$3.0	\$0.1	\$2.9	96.1%	Lower than budgeted rates, timing of interest payments.
<b>2 Broadway COPs:</b>					
NYC Transit	\$1.8	\$0.0	\$1.8		
Bridges & Tunnels	0.3	\$0.0	0.3		
MTA HQ	0.3	\$0.0	0.3		
<i>2 Broadway COPs Subtotal</i>	\$2.3	\$0.0	\$2.3	100.0%	Partial refunding of outstanding 2 Broadway COPs bonds with TRB refunding bonds, including \$10m debt service fund release starting 6/2012.
<b>TBTA General Resolution (2)</b>					
NYC Transit	\$15.8	\$16.9	(\$1.2)		
Commuter Railroads	7.4	\$7.6	(0.2)		
Bridges & Tunnels	16.4	\$14.0	2.4		
<i>TBTA General Resolution Subtotal</i>	\$39.6	\$38.5	\$1.0	2.6%	
<b>TBTA Subordinate (2)</b>					
NYC Transit	\$6.6	\$6.7	(\$0.1)		
Commuter Railroads	2.9	\$3.0	(0.0)		
Bridges & Tunnels	2.6	\$2.7	(0.0)		
<i>TBTA Subordinate Subtotal</i>	\$12.2	\$12.3	(\$0.2)	-1.5%	
<b>Total Debt Service</b>	<b>\$183.3</b>	<b>\$179.9</b>	<b>\$3.4</b>	<b>1.9%</b>	
<b>Debt Service by Agency:</b>					
NYC Transit	\$109.7	\$109.0	\$0.7		
Commuter Railroads	52.7	52.0	0.6		
MTA Bus	1.4	2.1	(0.7)		
Bridges & Tunnels	19.3	16.7	2.6		
MTAHQ	0.3	0.0	0.3		
<b>Total Debt Service</b>	<b>\$183.3</b>	<b>\$179.9</b>	<b>\$3.4</b>	<b>1.9%</b>	

Totals may not add due to rounding.

**Notes:**

- Budgeted debt service is calculated based upon projected monthly deposits from available pledged revenues into debt service accounts. Actual payments to bondholders are made from the debt service accounts when due as required for each series of bonds and do not conform to this schedule.
- Generally, the calendarization of monthly debt service deposits is calculated by dividing projected annual debt service by 12. Month to month variations ("timing differences") on the existing debt portfolio can occur based upon, among other things, (a) for all bonds, the date when income from the securities in which the debt service accounts are invested becomes available varies, (b) for variable rate financings, differences between (i) the budgeted interest rate and the actual interest rate, (ii) projected interest payment dates to bondholders and actual interest payment dates to bondholders, and (iii) projected monthly funding dates for accrued debt service and actual funding dates, (c) for transactions with swaps, the difference between when MTA/TBTA funds debt service and the receipt of the corresponding swap payment by the counterparty, and difference between rates received and rates paid and (d) for commercial paper, the interest payment date is the date of the maturity of the commercial paper and the dealers set the term of the commercial paper from 1 to 270 days, which is not foreseeable at the time the annual debt service budgets are prepared
- Debt service is allocated among Transit, Commuter, MTA Bus, and TBTA categories based on actual spending of bond proceeds for approved capital projects. Allocation of 2 Broadway COPs is based on occupancy.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**FEBRUARY FINANCIAL PLAN - ADOPTED BUDGET (1)**  
**DEBT SERVICE**  
(\$ in millions)  
June 2012 Year-to-Date

	Adopted Budget	Actual	Variance	% Variance	Explanation
<b>Dedicated Tax Fund:</b>					
NYC Transit	\$160.8	\$157.7	\$3.2		
Commuter Railroads	33.6	\$33.9	(0.3)		
<i>Dedicated Tax Fund Subtotal</i>	\$194.5	\$191.6	\$2.9	1.5%	
<b>MTA Transportation Revenue:</b>					
NYC Transit	\$292.7	\$305.8	(\$13.1)		
Commuter Railroads	195.4	\$198.9	(3.5)		
MTA Bus	7.7	\$12.8	(5.1)		
<i>MTA Transportation Subtotal</i>	\$495.9	\$517.5	(\$21.7)	-4.4%	
<b>Commercial Paper:</b>					
NYC Transit	\$11.0	\$0.4	\$10.6		Lower than budgeted rates, timing of interest payments.
Commuter Railroads	6.9	\$0.2	6.6		
MTA Bus	0.2	\$0.1	0.1		
<i>Commercial Paper Subtotal</i>	\$18.0	\$0.7	\$17.3	96.2%	
<b>2 Broadway COPs:</b>					
NYC Transit	\$11.0	\$4.6	\$6.3		Partial refunding of outstanding 2 Broadway COPs bonds with TRB refunding bonds.
Bridges & Tunnels	1.5	\$0.7	0.9		
MTA HQ	1.5	\$0.6	0.9		
<i>2 Broadway COPs Subtotal</i>	\$14.0	\$5.9	\$8.1	57.6%	
<b>TBTA General Resolution (2)</b>					
NYC Transit	\$94.6	\$101.4	(\$6.8)		
Commuter Railroads	44.4	\$45.4	(0.9)		
Bridges & Tunnels	94.0	\$83.9	10.1		
<i>TBTA General Resolution Subtotal</i>	\$233.0	\$230.6	\$2.3	1.0%	
<b>TBTA Subordinate (2)</b>					
NYC Transit	\$39.8	\$40.6	(\$0.8)		
Commuter Railroads	17.5	\$17.8	(0.4)		
Bridges & Tunnels	15.7	\$16.0	(0.3)		
<i>TBTA Subordinate Subtotal</i>	\$73.0	\$74.5	(\$1.5)	-2.0%	
<b>Total Debt Service</b>	<b>\$1,028.3</b>	<b>\$1,020.9</b>	<b>\$7.5</b>	<b>0.7%</b>	
<b>Debt Service by Agency:</b>					
NYC Transit	\$609.9	\$610.5	(\$0.6)		
Commuter Railroads	297.9	296.3	1.6		
MTA Bus	7.8	12.9	(5.0)		
Bridges & Tunnels	111.2	100.5	10.7		
MTAHQ	1.5	0.6	0.9		
<b>Total Debt Service</b>	<b>\$1,028.3</b>	<b>\$1,020.9</b>	<b>\$7.5</b>	<b>0.7%</b>	

Totals may not add due to rounding.

**Notes:**

- Budgeted debt service is calculated based upon projected monthly deposits from available pledged revenues into debt service accounts. Actual payments to bondholders are made from the debt service accounts when due as required for each series of bonds and do not conform to this schedule.
- Generally, the calendarization of monthly debt service deposits is calculated by dividing projected annual debt service by 12. Month to month variations ("timing differences") on the existing debt portfolio can occur based upon, among other things, (a) for all bonds, the date when income from the securities in which the debt service accounts are invested becomes available varies, (b) for variable rate financings, differences between (i) the budgeted interest rate and the actual interest rate, (ii) projected interest payment dates to bondholders and actual interest payment dates to bondholders, and (iii) projected monthly funding dates for accrued debt service and actual funding dates, (c) for transactions with swaps, the difference between when MTA/TBTA funds debt service and the receipt of the corresponding swap payment by the counterparty, and difference between rates received and rates paid and (d) for commercial paper, the interest payment date is the date of the maturity of the commercial paper and the dealers set the term of the commercial paper from 1 to 270 days, which is not foreseeable at the time the annual debt service budgets are prepared.
- Debt service is allocated among Transit, Commuter, MTA Bus, and TBTA categories based on actual spending of bond proceeds for approved capital projects. Allocation of 2 Broadway COPs is based on occupancy.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**VARIABLE RATE: WEEKLY MODE**  
**RATE RESETS REPORT (Trailing 6-Weeks)**

**Transportation Revenue Bonds**

Issue		TRB 2002G-1	TRB 2005E-1	TRB 2005E-2	TRB 2005D-1	TRB 2011B					
Remarketing Agent		Merrill Lynch	Jefferies & Co.	Barclays	Merrill Lynch	Merrill Lynch					
Liquidity Provider		Bank of Nova Scotia	BNP Paribas	BNP Paribas	Helaba	Bank of America					
Liquidity/Insurer		LoC	LoC	LoC	LoC	LoC					
Par Outstanding (\$m)		200.00	125.00	125.00	150.00	99.56					
Swap Notional (\$m)		200.00	125.00	25.00	150.00	6.92					
Date	SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA
5/30/2012	0.18%	0.16%	-0.02%	0.37%	0.19%	0.33%	0.15%	0.19%	0.01%	0.17%	-0.01%
6/6/2012	0.16%	0.14%	-0.02%	0.35%	0.19%	0.31%	0.15%	0.17%	0.01%	0.15%	-0.01%
6/13/2012	0.19%	0.18%	-0.01%	0.30%	0.11%	0.33%	0.14%	0.21%	0.02%	0.19%	0.00%
6/20/2012	0.20%	0.19%	-0.01%	0.32%	0.12%	0.35%	0.15%	0.22%	0.02%	0.20%	0.00%
6/27/2012	0.18%	0.18%	0.00%	0.34%	0.16%	0.32%	0.14%	0.21%	0.03%	0.22%	0.04%
7/4/2012	0.15%	0.14%	-0.01%	0.30%	0.15%	0.30%	0.15%	0.17%	0.02%	0.17%	0.02%

**Dedicated Tax Fund Bonds**

Issue		DTF 2002B-1	DTF 2008A-1	DTF 2008A-2	DTF 2008B-1	DTF 2008B-4					
Remarketing Agent		Morgan Stanley	Morgan Stanley	Goldman	Barclays	Barclays					
Liquidity Provider		State Street Bank	Morgan Stanley	Bank of Tokyo	Bank of Nova Scotia	KBC Bank N.V. (NY)					
Liquidity/Insurer		LoC	LoC	LoC	LoC	LoC					
Par Outstanding (\$m)		150.00	172.86	172.86	98.14	100.00					
Swap Notional (\$m)		150.00	169.30	169.30	None	None					
Date	SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA
5/30/2012	0.18%	0.15%	-0.03%	0.23%	0.05%	0.15%	-0.03%	0.15%	-0.03%	0.63%	0.45%
6/6/2012	0.16%	0.13%	-0.03%	0.21%	0.05%	0.14%	-0.02%	0.13%	-0.03%	0.61%	0.45%
6/13/2012	0.19%	0.18%	-0.01%	0.27%	0.08%	0.16%	-0.03%	0.16%	-0.03%	0.63%	0.44%
6/20/2012	0.20%	0.18%	-0.02%	0.27%	0.07%	0.17%	-0.03%	0.18%	-0.02%	0.65%	0.45%
6/27/2012	0.18%	0.16%	-0.02%	0.25%	0.07%	0.14%	-0.04%	0.14%	-0.04%	0.65%	0.47%
7/4/2012	0.15%	0.12%	-0.03%	0.20%	0.05%	0.12%	-0.03%	0.11%	-0.04%	0.63%	0.48%

**TBTA General Revenue Bonds**

Issue		TBTA 2002F	TBTA 2005B-3	TBTA 2005B-4			
Remarketing Agent		JP Morgan	Jefferies & Co.	Jefferies & Co.			
Liquidity Provider		ABN AMRO	BofA	LBW (NY)			
Liquidity/Insurer		SBPA	SBPA	SBPA			
Par Outstanding (\$m)		216.40	195.60	195.60			
Swap Notional (\$m)		216.40	195.60	195.60			
Date	SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA
5/30/2012	0.18%	0.19%	0.01%	0.24%	0.06%	0.27%	0.09%
6/6/2012	0.16%	0.17%	0.01%	0.22%	0.06%	0.25%	0.09%
6/13/2012	0.19%	0.20%	0.01%	0.25%	0.06%	0.26%	0.07%
6/20/2012	0.20%	0.20%	0.00%	0.26%	0.06%	0.27%	0.07%
6/27/2012	0.18%	0.18%	0.00%	0.27%	0.09%	0.27%	0.09%
7/4/2012	0.15%	0.17%	0.02%	0.22%	0.07%	N/A	N/A

**TBTA General Revenue and Subordinate Revenue Bonds**

Issue		TBTA 2001B	TBTA 2001C	TBTA 2003B-1	TBTA 2003B-2	TBTA 2005A-2	TBTA 2005A-3				
Remarketing Agent		Citigroup	Citigroup	Citigroup	Citigroup	US Bancorp	US Bancorp				
Liquidity Provider		State Street	JP Morgan	CALPERS	CALSTRS	CALSTRS	U.S. Bank				
Liquidity/Insurer		LoC	SBPA	LoC	LoC	LoC	LoC				
Par Outstanding (\$m)		134.07	133.95	94.59	51.08	32.90	38.97				
Swap Notional (\$m)		88.50	88.60	40.50	None	None	None				
Date	SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA
5/29/2012	0.18%	0.14%	-0.04%	0.17%	-0.01%	0.15%	-0.03%	0.15%	-0.03%	0.15%	-0.03%
6/5/2012	0.16%	0.12%	-0.04%	0.15%	-0.01%	0.13%	-0.03%	0.13%	-0.03%	0.13%	-0.03%
6/12/2012	0.19%	0.15%	-0.04%	0.18%	-0.01%	0.16%	-0.03%	0.16%	-0.03%	0.16%	-0.03%
6/19/2012	0.20%	0.15%	-0.05%	0.18%	-0.02%	0.16%	-0.04%	0.16%	-0.04%	0.17%	-0.03%
6/26/2012	0.18%	0.14%	-0.04%	0.17%	-0.01%	0.15%	-0.03%	0.15%	-0.03%	0.14%	-0.04%
7/3/2012	0.15%	0.11%	-0.04%	0.14%	-0.01%	0.12%	-0.03%	0.12%	-0.03%	0.12%	-0.03%

Issue		TBTA Sub 2000AB	TBTA Sub 2000CD		
Remarketing Agent		JP Morgan	Citigroup		
Liquidity Provider		JPMorgan	Lloyds TSB (NY)		
Liquidity/Insurer		SBPA/Assured	SBPA/Assured		
Par Outstanding (\$m)		130.25	89.85		
Liquidity/Insurer		130.25	89.85		
Outstanding	SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA
5/29/2012	0.18%	0.45%	-0.27%	0.29%	0.11%
6/5/2012	0.16%	0.45%	-0.29%	0.27%	0.11%
6/12/2012	0.19%	0.45%	0.26%	0.30%	0.11%
6/19/2012	0.20%	0.55%	0.35%	0.30%	0.10%
6/26/2012	0.18%	0.50%	0.32%	0.29%	0.11%
7/3/2012	0.15%	0.50%	0.35%	0.26%	0.11%

**METROPOLITAN TRANSPORTATION AUTHORITY  
VARIABLE RATE: FLOATING RATE NOTES  
RATE RESETS REPORT (Trailing 6-Weeks)**

**Transportation Revenue Bonds**

Issue		TRB 2002D-2	TRB 2012A-1	TRB 2012A-2	TRB 2012A-3				
Remarketing Agent		Wells Fargo	BoNY Mellon	BoNY Mellon	BoNY Mellon				
Initial Purchase Date		Note 1	05/15/13	05/15/14	05/15/15				
Liquidity/Insurer		CCA/Assured	None	None	None				
Par Outstanding (\$m)		200.00	50.00	50.00	50.00				
Swap Notional (\$m)		200.00	None	None	None				
Date	SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA
5/30/2012	0.18%	0.99%	0.81%	0.32%	0.14%	0.37%	0.19%	0.57%	0.39%
6/6/2012	0.16%	0.99%	0.83%	0.30%	0.14%	0.35%	0.19%	0.55%	0.39%
6/13/2012	0.19%	0.99%	0.80%	0.33%	0.14%	0.38%	0.19%	0.58%	0.39%
6/20/2012	0.20%	0.99%	0.79%	0.34%	0.14%	0.39%	0.19%	0.59%	0.39%
6/27/2012	0.18%	0.99%	0.81%	0.32%	0.14%	0.37%	0.19%	0.57%	0.39%
7/4/2012	0.15%	0.99%	0.84%	0.29%	0.14%	0.34%	0.19%	0.54%	0.39%

**Dedicated Tax Fund Bonds**

Issue		DTF 2002B-3a	DTF 2002B-3b	DTF 2002B-3c	DTF 2002B-3d				
Remarketing Agent		Morgan Stanley	Morgan Stanley	Morgan Stanley	Morgan Stanley				
Maturity Date		11/01/17	11/01/18	11/01/19	11/01/20				
Liquidity/Insurer		None	None	None	None				
Par Outstanding (\$m)		46.60	48.60	50.70	15.90				
Swap Notional (\$m)		46.60	48.60	50.70	15.90				
Date	SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA
5/30/2012	0.18%	0.93%	0.75%	1.08%	0.90%	1.13%	0.95%	1.18%	1.00%
6/6/2012	0.16%	0.91%	0.75%	1.06%	0.90%	1.11%	0.95%	1.16%	1.00%
6/13/2012	0.19%	0.94%	0.75%	1.09%	0.90%	1.14%	0.95%	1.19%	1.00%
6/20/2012	0.20%	0.95%	0.75%	1.10%	0.90%	1.15%	0.95%	1.20%	1.00%
6/27/2012	0.18%	0.93%	0.75%	1.08%	0.90%	1.13%	0.95%	1.18%	1.00%
7/4/2012	0.15%	0.90%	0.75%	1.05%	0.90%	1.10%	0.95%	1.15%	1.00%

Issue		DTF 2008B-3a	DTF 2008B-3b	DTF 2008B-3c			
Remarketing Agent		Goldman Sachs	Goldman Sachs	Goldman Sachs			
Maturity Date		11/01/12	11/01/13	11/01/14			
Liquidity/Insurer		None	None	None			
Par Outstanding (\$m)		35.00	54.47	44.74			
Swap Notional (\$m)		35.00	54.47	38.73			
Date	SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA
5/30/2012	0.18%	0.58%	0.40%	0.73%	0.55%	0.86%	0.68%
6/6/2012	0.16%	0.56%	0.40%	0.71%	0.55%	0.84%	0.68%
6/13/2012	0.19%	0.59%	0.40%	0.74%	0.55%	0.87%	0.68%
6/20/2012	0.20%	0.60%	0.40%	0.75%	0.55%	0.88%	0.68%
6/27/2012	0.18%	0.58%	0.40%	0.73%	0.55%	0.86%	0.68%
7/4/2012	0.15%	0.55%	0.40%	0.70%	0.55%	0.83%	0.68%

**TBTA General Revenue Bonds**

Issue		TBTA Sr. 2005B-4a	TBTA Sr. 2005B-4b	TBTA Sr. 2005B-4c	TBTA Sr. 2005B-4d	TBTA Sr. 2005B-4e					
Remarketing Agent		U.S. Bank									
Initial Purchase Date		1/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017					
Liquidity/Insurer		None	None	None	None	None					
Par Outstanding (\$m)		30.40	37.50	38.70	43.80	45.20					
Swap Notional (\$m)		30.40	37.50	38.70	43.80	45.20					
Date	SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA
7/4/2012	0.15%	0.26%	0.11%	0.25%	0.10%	0.53%	0.38%	0.75%	0.60%	0.81%	0.70%

<sup>1</sup>The TRB 2002D-2 Bonds are privately placed. Wells Fargo is the liquidity provider for these bonds.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**VARIABLE RATE: DAILY MODE**  
**RATE RESETS REPORT (Trailing 10 Days)**

**Transportation Revenue Bonds**

Issue		TRB 2005D-2	
Dealer		Morgan Stanley	
Liquidity Provider		Helaba	
Type of Liquidity		LoC	
Par Outstanding (\$m)		100.00	
Swap Notional (\$m)		100.00	
Date	SIFMA	Rate	Spread to SIFMA
6/27/2012	0.18%	0.24%	0.06%
6/28/2012	0.18%	0.24%	0.06%
6/29/2012	0.18%	0.23%	0.05%
6/30/2012	0.18%	0.23%	0.05%
7/1/2012	0.18%	0.23%	0.05%
7/2/2012	0.18%	0.22%	0.04%
7/3/2012	0.18%	0.18%	0.00%
7/4/2012	0.15%	0.18%	0.03%
7/5/2012	0.15%	0.15%	0.00%
7/6/2012	0.15%	0.13%	-0.02%

**TBTA General Revenue Bonds**

Issue		TBTA 2003B-3		TBTA 2005A-1		TBTA 2005B-2a		TBTA 2005B-2b	
Dealer		US Bancorp		US Bancorp		JP Morgan		JP Morgan	
Liquidity Provider		US. Bank		CALPERS		CALPERS		CALPERS	
Type of Liquidity		LoC		LoC		LoC		LoC	
Par Outstanding (\$m)		60.52		60.90		89.73		48.50	
Swap Notional (\$m)		None		23.76		89.73		48.50	
Date	SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA	Rate	Spread to SIFMA
6/27/2012	0.18%	0.14%	-0.04%	0.15%	-0.03%	0.16%	-0.02%	0.16%	-0.02%
6/28/2012	0.18%	0.14%	-0.04%	0.15%	-0.03%	0.16%	-0.02%	0.16%	-0.02%
6/29/2012	0.18%	0.13%	-0.05%	0.14%	-0.04%	0.17%	-0.01%	0.17%	-0.01%
6/30/2012	0.18%	0.13%	-0.05%	0.14%	-0.04%	0.17%	-0.01%	0.17%	-0.01%
7/1/2012	0.18%	0.13%	-0.05%	0.14%	-0.04%	0.17%	-0.01%	0.17%	-0.01%
7/2/2012	0.18%	0.10%	-0.08%	0.11%	-0.07%	0.15%	-0.03%	0.15%	-0.03%
7/3/2012	0.18%	0.09%	-0.09%	0.10%	-0.08%	0.14%	-0.04%	0.14%	-0.04%
7/4/2012	0.15%	0.09%	-0.06%	0.10%	-0.05%	0.14%	-0.01%	0.14%	-0.01%
7/5/2012	0.15%	0.09%	-0.06%	0.10%	-0.05%	0.12%	-0.03%	0.12%	-0.03%
7/6/2012	0.15%	0.08%	-0.07%	0.09%	-0.06%	0.10%	-0.05%	0.10%	-0.05%

Issue		TBTA 2005B-2c	
Dealer		US Bancorp	
Liquidity Provider		US. Bank	
Type of Liquidity		LoC	
Par Outstanding (\$m)		57.37	
Swap Notional (\$m)		57.37	
Date	SIFMA	Rate	Spread to SIFMA
6/27/2012	0.18%	0.14%	-0.04%
6/28/2012	0.18%	0.14%	-0.04%
6/29/2012	0.18%	0.13%	-0.05%
6/30/2012	0.18%	0.13%	-0.05%
7/1/2012	0.18%	0.13%	-0.05%
7/2/2012	0.18%	0.10%	-0.08%
7/3/2012	0.18%	0.09%	-0.09%
7/4/2012	0.15%	0.09%	-0.06%
7/5/2012	0.15%	0.09%	-0.06%
7/6/2012	0.15%	0.08%	-0.07%

Report Date 7/6/2012

**METROPOLITAN TRANSPORTATION AUTHORITY VARIABLE RATE REPORT:  
AUCTION RATE**

**WEEKLY AUCTIONS**

Issue	LIBOR Formula Fail Rate	LIBOR Formula Fail Rate		
	TRB 2002B-1	COPs 2004A-1	COPs 2004A-2	COPs 2004A-3
<b>Outstanding Par (\$ M)</b>	105.250	16.425	11.500	42.825
<b>Swap Notional (\$m)</b>	None	16.425	11.500	42.825
<b>Final Maturity</b>	11/1/2022	1/1/2030	1/1/2030	1/1/2030
<b>Broker Dealer(s)</b>	JP Morgan Merrill Lynch	JP Morgan Merrill Lynch	JP Morgan	JP Morgan Merrill Lynch
<b>Insurer</b>	Assured	Ambac	Ambac	Ambac
<b>Auction Frequency</b>	Tuesday	Monday	Tuesday	Wednesday
<i>May 21 thru May 25, 2012</i>	<b>0.478%</b>	<b>0.659%</b>	<b>0.657%</b>	<b>0.657%</b>
<i>May 28 thru June 1, 2012</i>	<b>0.478%</b>	<b>0.657%</b>	<b>0.657%</b>	<b>0.657%</b>
<i>June 4 thru June 8, 2012</i>	<b>0.480%</b>	<b>0.659%</b>	<b>0.659%</b>	<b>0.662%</b>
<i>June 11 thru June 15, 2012</i>	<b>0.482%</b>	<b>0.662%</b>	<b>0.662%</b>	<b>0.665%</b>
<i>June 18 thru June 22, 2012</i>	<b>0.488%</b>	<b>0.670%</b>	<b>0.670%</b>	<b>0.674%</b>
<i>June 25 thru June 29, 2012</i>	<b>0.491%</b>	<b>0.674%</b>	<b>0.674%</b>	<b>0.674%</b>
<i>July 2 thru July 6, 2012</i>	<b>0.492%</b>	<b>0.673%</b>	<b>0.676%</b>	<b>0.676%</b>
<i>Corresponding Libor Rate</i>	<b>0.246%</b>	<b>0.245%</b>	<b>0.246%</b>	<b>0.246%</b>
<i>Fail Rate</i>	<b>200%</b>	<b>275%</b>	<b>275%</b>	<b>275%</b>

**28 & 35 DAY AUCTIONS**

Issue	LIBOR Formula Fail Rate		
	TRB 2002B-2	COPs 2004A-4	COPs 2004A-5
<b>Outstanding Par (\$ M)</b>	105.250	39.400	4.200
<b>Swap Notional (\$m)</b>	None	39.400	4.200
<b>Final Maturity</b>	11/1/2022	1/1/2030	1/1/2030
<b>Broker Dealer(s)</b>	JP Morgan Merrill Lynch	JP Morgan	JP Morgan
<b>Insurer</b>	Assured	Ambac	Ambac
<b>Auction Frequency</b>	28-Days	35-Days	35-Days
<i>February 2012</i>	<b>0.489%</b>	<b>0.697%</b>	<b>0.675%</b>
<i>March 2012</i>	<b>0.484%</b>	<b>0.665%</b>	<b>0.663%</b>
<i>April 2012</i>	<b>0.480%</b>	<b>0.659%</b>	<b>0.657%</b>
<i>May 2012</i>	<b>0.480%</b>	<b>0.657%</b>	<b>0.657%</b>
<i>June 2012</i>	<b>0.484%</b>	<b>0.674%</b>	<b>0.657%</b>
<i>Corresponding Libor Rate</i>	<b>0.242%</b>	<b>0.245%</b>	<b>0.239%</b>
<i>Fail Rate</i>	<b>200%</b>	<b>275%</b>	<b>275%</b>

MTA DEBT OUTSTANDING (\$ in Millions)

July 6, 2012

Type of Credit	Underlying Ratings (Moody's /S&P / Fitch)	Series	BPA Sale Date	Principal Iss. Amount	Current Amount Outstanding	Average Annual Debt Service	Maturity Date (Final)	All-In True Interest Cost (%)	Notes
MTA Transportation Revenue Bonds (A2/A/A)		2002A	5/9/02	\$2,894 185	\$1,251 335		11/15/32	5.31	
		2002B	5/28/02	210 500	210 500		11/1/22	2.57	(1) (5)
		2002D	5/29/02	400 000	374 725		11/1/32	4.21	(2) (7) (16)
		2002E	6/12/02	397 495	233 815		11/15/31	5.13	
		2002F	11/14/02	446 110	34 230		11/15/31	4.81	
		2002G	11/19/02	400 000	200,000		11/1/26	2.22	(5) (8)
		2003A	5/8/03	475 340	358 450		11/15/32	4.49	
		2003B	7/30/03	751 765	423 525		11/15/32	5.10	
		2005A	2/9/05	650 000	590 640		11/15/35	4.76	
		2005B	6/22/05	750 000	670 790		11/15/35	4.80	
		2005C	10/19/05	150 000	74 390		11/15/16	4.19	
		2005D	11/1/05	250 000	250 000		11/1/35	3.99	(4) (6) (11)
		2005E	11/1/05	250 000	250,000		11/1/35	3.92	(4) (8)
		2005F	11/16/05	468,760	388 920		11/15/35	4.88	
		2005G	12/7/05	250 000	233 540		11/1/26	4.34	
		2005H	11/22/05	173 370	30 160		11/15/12	4.06	
		2006A	7/13/06	475 000	411 045		11/15/35	4.89	
		2006B	12/13/06	717,730	677 665		11/15/36	4.52	
		2007A	6/27/07	425 615	396 025		11/15/37	4.84	
		2007B	12/6/07	415 000	387 170		11/15/37	4.75	
		2008A	2/13/08	512,470	480 700		11/15/38	4.91	
		2008B	2/13/08	487 530	487 530		11/15/30	3.82	(10) (17)
		2008C	10/17/08	550 000	494 000		11/15/13	6.68	
		2009A	10/6/09	502 320	485 900		11/15/39	3.79	(14)
		2010A	1/6/10	363 945	363 945		11/15/39	4.44	(14)
		2010B	2/4/10	656 975	651,975		11/15/39	4.29	(14)
		2010C	6/30/10	510 485	503,910		11/15/40	4.27	
		CP-2	9/16/10	900 000	900 000		58 days	1.20	(9)
		2010D	11/23/10	754 305	742 455		11/15/40	5.15	
		2010E	12/21/10	750 000	750,000		11/15/40	4.57	(14)
		2011A	7/12/11	400,440	400 440		11/15/46	4.95	
		2011B	9/13/11	99 560	99 560		11/1/41	1.28	(5) (8)
	2011C	11/2/11	197,950	197 950		11/15/28	3.99		
	2011D	11/30/11	480 165	480 165		11/15/46	4.57		
	2012A	3/7/12	150 000	150,000		11/15/42	0.44	(19)	
	2012B	3/7/12	250 000	250 000		11/15/39	3.85		
	2012C	4/18/12	727,430	727,430		11/15/47	4.22		
	2012D	6/28/12	<u>1,263 365</u>	<u>1,263 365</u>		<u>11/15/32</u>	<u>3.51</u>	(21)	
	Total		20,507 810	16,876 250	\$1,170 0 thru 2032	WATIC	4.61		
TBTA General Revenue Bonds (Aa3/AA-/AA-)		EFC 1996A	6/26/96	28 445	7 295		1/1/18	5.85	(3)
		2001B	12/18/01	148 200	134 070		1/1/32	6.17	(4) (8)
		2001C	12/18/01	148 200	134 070		1/1/32	6.17	(4) (8)
		2002B	9/19/02	2,157 065	1,608 975		11/15/32	4.56	
		2002F	11/8/02	246 480	216 400		11/1/32	3.07	(2) (4)
		2003B	12/9/03	250 000	206 190		1/1/33	2.29	(8) (13) (18)
		2005A	5/10/05	150 000	132 770		11/1/35	2.17	(5) (8) (18)
		2005B	7/6/05	800,000	586 800		1/1/32	3.56	(4) (8) (18)
		2006A	6/8/06	200 000	179 705		11/15/35	4.72	
		2007A	6/13/07	223,355	207,895		11/15/37	4.84	
		2008A	3/13/08	822 770	779 535		11/15/38	4.93	
		2008B	3/13/08	252,230	252 230		11/15/38	4.02	(10)
		2008C	7/16/08	629,890	599 505		11/15/38	4.72	
		2009A	2/11/09	475 000	466 490		11/15/38	5.35	
		2009B	9/10/09	200 000	200 000		11/15/39	3.63	(14)
		2010A	10/20/10	346 960	341 925		11/15/40	3.45	(14)
		2011A	10/4/11	609 430	609 430		1/1/28	3.59	
	2012A	6/6/12	<u>231 490</u>	<u>231 490</u>		<u>11/15/42</u>	<u>3.69</u>		
	Total		7,919 515	6,894 775	\$483 4 thru 2032	WATIC	4.40		
TBTA Subordinate Revenue Bonds (A1/A+/A+)		2000AB	11/01/00	263 000	130 250		1/1/19	6.32	(2) (4)
		2000CD	11/01/00	263,000	89 850		1/1/19	6.32	(2) (4)
		2002E	10/23/02	756 095	756 095		11/15/32	5.34	
		2003A	2/27/03	500,170	413 715		11/15/32	4.91	
		2008D	7/16/08	<u>491 110</u>	<u>447 545</u>		<u>11/15/28</u>	<u>4.69</u>	
		Total		2,273,375	1,837 455	\$146 7 thru 2032	WATIC	5.20	
	MTA Dedicated Tax Fund Bonds (AA/AA-)		2002A	8/7/02	1,246 870	956 810		11/15/32	5.05
		2002B	9/4/02	440 000	427 850		11/1/22	4.63	(2) (4) (20)
		2004A	2/26/04	250 000	142 995		11/15/18	3.49	
		2004B	3/9/04	500 000	294,460		11/15/28	4.51	
		2004C	12/15/04	120 000	66 670		11/15/18	3.77	
		2006A	6/7/06	350 000	314 880		11/15/35	4.18	
		2006B	10/25/06	410 000	374 165		11/15/36	4.28	
		2008A	6/24/08	352 915	345 715		11/1/31	3.90	(2) (4)
		2008B	8/6/08	348 175	341 710		11/1/34	1.12	(5) (8)
		2009A	3/12/09	261 700	252 935		11/15/39	5.55	(15)
		2009B	4/23/09	500 000	485 575		11/15/30	5.00	
		2009C	4/23/09	750 000	750 000		11/15/39	4.89	(14)
		2010A	3/17/10	502 990	495 285		11/15/40	3.91	(14)
		2011A	3/23/11	<u>127 450</u>	<u>126 915</u>		<u>11/15/21</u>	<u>2.99</u>	
	Total		6,160 100	5,375 965	\$386 9 thru 2034	WATIC	4.56		

See accompanying notes on next page

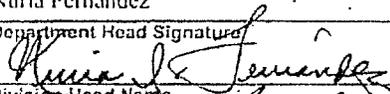
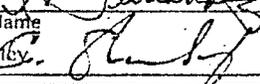
MTA State Service Contract Bonds (AA-/AA-)	2002A	6/5/02	1,715,755	272,670		7/1/31	5.29
	2002B	6/26/02	679,450	126,875		7/1/31	4.93
	Total		2,395,205	399,545	\$165.0 thru 2031	WATIC	5.18
MTA Certificates of Participation (2 Broadway) (Caa/CC/NR) <sup>(12)</sup>	2004A	9/21/04	357,925	114,350		1/1/30	4.15 (1) (4)
	Total		357,925	114,350	\$ 27.2 thru 2030	WATIC	4.15
<b>Grand Total - Bonds and Notes:</b>			<b><u>\$39,613,930</u></b>	<b><u>\$31,498,340</u></b>			

#### NOTES

- (1) Variable Rate Bonds initially issued in Auction Rate Mode.
- (2) Variable Rate Bonds initially issued in Weekly Mode. Backed by Standby Bond Purchase Agreement(s).
- (3) Subsidized loan provided through the NYS Water Pollution Control Revolving Fund for certain projects designed to remedy sources of groundwater contamination at various MTA sites. Estimated TIC after subsidy is 4.2842%, which does not reflect NYS Environmental Facilities Corporation, Series 2011A refunding.
- (4) Variable rate bonds swapped to fixed rate. True Interest Cost (TIC) based on swap rate plus support costs of variable rate bonds. Synthetic fixed rate issues are included in the WATIC.
- (5) TIC represents average cost of financing to date, including interest, liquidity or auction agent fees, and remarketing fees. Variable rate issues are not included in the WATIC.
- (6) Subseries 2005D-2 are Variable Rate Bonds initially issued in Daily Mode. Backed by a Direct pay letter of credit.
- (7) Subseries 2002D-1 swapped to fixed at 3.385% to 1/1/2006, 4% variable rate estimated thereafter. Subseries 2002D-2 swapped to fixed in two steps: 3.627% to 1/1/2007, 4.45% thereafter to maturity. True Interest Cost (TIC) based on swap rate, estimated variable rate plus support costs of variable rate bonds.
- (8) Variable Rate Bonds initially issued in Weekly Mode. Backed by a Direct pay letters of credit.
- (9) Variable Rate BANs issued as Commercial Paper. Maturities range from 1 to 270 days. Average maturity and cost of capital are listed. CP cost of capital is not included in WATIC.
- (10) Variable Interest Rate Bonds initially issued in Term Rate Mode.
- (11) Variable Rate Bonds initially issued in Auction Rate Mode, converted to Variable Rate bonds on 11/7/2008 2005D-1 \$150m in Weekly Mode; 11/11/2008 2005D-2 \$100m in Daily Mode.
- (12) Reflects rating of Ambac Assurance Corporation.
- (13) Variable rate bonds are partially swapped to fixed rate. True Interest Cost (TIC) based on swap rate plus support costs of variable rate bonds.
- (14) Fixed rate bonds, all or part of which, were issued as federally taxable Build America Bonds (BABs). In case of BABs, True Interest Cost (TIC) is net of 35% interest subsidy.
- (15) On 8/3/2011 Subseries 2008B-2 and B-3 were converted to Floating Rate Tender Notes subseries 2008B-3a,b, and c.
- (16) On 5/25/2011 Subseries 2002D-2 were converted to Term Rate Mode and then privately placed. On 5/9/2012 Subseries 2002D-1 was remarketed at a lower par amount (\$174.725m) and then converted into Fixed Rate Mode.
- (17) On 11/2/2011 Subseries 2008B-1 were converted into Fixed Rate Mode.
- (18) On 1/1/2012 Subseries 2003B-3, 2005A-1, and 2005B-2 were converted into Daily Mode. Backed by a Direct pay letter of credit. On 6/28/2012 Subseries 2005B-4 was converted to Floating Rate Tender Notes.
- (19) Floating Rate Tender Notes.
- (20) As remarketed on 3/28/2012.
- (21) Closing date for this transaction is August 20, 2012.

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# Staff Summary

<b>Subject</b>	Request for Authorization to Award Various Procurements
<b>Department</b>	Executive
<b>Department Head Name</b>	Nuria Fernández
<b>Department Head Signature</b>	
<b>Division Head Name</b>	Clifford Shockley 

<b>Date</b>	July 16, 2012
<b>Vendor Name</b>	Various
<b>Contract Number</b>	Various
<b>Contract Manager Name</b>	Various
<b>Table of Contents Ref #</b>	

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance	7/23/12			
2	Board	7/25/12			

Internal Approvals			
Order	Approval	Order	Approval
			Office of Civil Rights
		2	Legal 
4	CFO 		ITG
1	Procurement 	3	COO 

**PURPOSE:**

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

**DISCUSSION:**

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

- Schedule E: Miscellaneous Procurement Contracts
- Bloomberg LP (New York) = \$849,000

MTAHQ proposes to award Competitive procurements in the following categories:

Schedules Requiring Majority Vote

- Schedule F: Personal Service Contracts  
 Schedule J: Modification to Miscellaneous Procurement Contracts

	# of Actions	\$ Amount
MTAHQ proposes to award Non-competitive procurements in the following categories:	1	\$ 849,000.00
MTAHQ proposes to award Competitive procurements in the following categories:		
Schedule F: Personal Service Contracts	2	\$ 6,381,775.00
Schedule J: Modification to Miscellaneous Procurement Contracts	1	\$ 582,600.00
<b>SUBTOTAL</b>	<b>4</b>	<b>\$6,964,375.00</b>
MTAHQ presents the following procurement actions for Ratification:	None	None
<b>TOTAL</b>	<b>4</b>	<b>\$ 7,813,375.00</b>

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

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

BOARD RESOLUTION

METROPOLITAN TRANSPORTATION AUTHORITY

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

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

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

NOW, the Board resolves as follows:

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

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

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

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

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

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

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

**LIST OF PROCUREMENTS FOR BOARD APPROVAL, JULY 2012**  
**NON-COMPETITIVE PROCUREMENTS**

**METROPOLITAN TRANSPORTATION AUTHORITY**

*Procurements Requiring Majority Vote:*

**E. Miscellaneous Procurement Contracts**

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

- |   |                                     |                                      |
|---|-------------------------------------|--------------------------------------|
| <b>1. Bloomberg LP</b><br><b>Bloomberg Financial Marketing Information</b><br><b>And Security Description</b><br><b>Contract No. 12166-0100</b> | <b>\$849,000</b><br>(not-to-exceed) | <b><u>Staff Summary Attached</u></b> |
|---|-------------------------------------|--------------------------------------|

Sole Source – 60 months

Contractor to provide proprietary license and lease agreement for: a) current and historical financial market information; b) analytical information; c) security pricing information input to the PeopleSoft system; d) market valuations of MTA/TBTA swap portfolios; e) commodity prices for fuel hedges; f) detailed security descriptions; and g) equipment upgrades and relocation on a contingency basis, if needed, for the Finance and Treasury Departments. The monthly cost for the Bloomberg services is estimated to be \$13,320. This includes subscription and equipment for six (6) terminals, security data license and communication lines (F1/T1 line). The monthly rates are the same as charged under the current MTA contract. (We anticipate CPI increases in the future). Bloomberg charges the same standard rates to all its commercial, as well as federal and New York State customers, for its proprietary licenses and lease agreements and will not reduce these rates, thus the total five year estimated cost of \$849,000 is considered fair and reasonable.

# Staff Summary

## Schedule E: Miscellaneous Procurement Contracts

Item Number:

<b>Vendor Name (&amp; Location)</b> Bloomberg LP (New York)
<b>Description</b> Bloomberg Financial Marketing Info. and Security Description
<b>Contract Term (including Options, if any)</b> August 1, 2012 through July 31, 2017
<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Procurement Type</b> <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive
<b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole Source.

<b>Contract Number</b> 12166-0100	<b>Renewal?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Total Amount</b>	\$849,000
<b>Funding Source</b> <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
<b>Requesting Dept/Div &amp; Dept/Div Head Name</b> CFO/Treasury, R Foran/V Dayal	
<b>Contract Manager</b> Caron Christian	

### DISCUSSION:

To recommend that the Board approve the award of a non-competitive, miscellaneous procurement contract to Bloomberg LP for a proprietary license and lease agreement to continue providing: a) current and historical financial market information; b) analytical information; c) security pricing information input to the PeopleSoft system; d) market valuations of MTA/TBTA swap portfolios; e) commodity prices for fuel hedges; f) detailed security descriptions; and g) equipment upgrades and relocation on a contingency basis, if needed, for the Finance and Treasury Departments for a period of sixty (60) months from August 1, 2012 through July 31, 2017 for a total, not-to-exceed amount of \$849,000 (which includes an anticipated annual 3% CPI for years two through five).

In June 2007, the Board approved the award of a sole source contract to Bloomberg LP for a proprietary license and lease agreement for the provision of financial market information and analytical information. The current contract will expire on July 31, 2012. In order to continue these essential services, a new contract is required. Bloomberg is considered a leader in providing the combination of real time financial news and analytical systems, and no other market system has the capability of achieving the same degree of integration of information and analytics as Bloomberg proprietary financial system.

The Bloomberg platform allows MTA to effectively manage the MTA's investment portfolio in-house.

Specifically the Bloomberg system is used for the following: i) soliciting bids from external trading desks for sale or purchases of MTA/TBTA investments; ii) Monitoring of current financial markets including security price information, government auctions, pricing of MTA and TBTA debt, commodity prices related to MTA fuel hedges, economic news releases, municipal news releases, and credit ratings including Standards and Poors', Fitch's and Moody's; iii) Verifying mathematical accuracy and security descriptions including CUSIP numbers, current par amounts, maturity dates, current coupons for variable rates issues, issue dates, and other items which affect the pricing, valuation, clearing, and settlement of securities; iv) Providing the pricing information used by PeopleSoft to price the MTA portfolios including security collateral held under repurchase agreements; v) Assisting in public inquiries regarding MTA debt; and vi) Providing a readily accessible backup of the investment and debt portfolios of the MTA, etc

The monthly cost for the Bloomberg services is estimated to be \$13,320. This includes subscription and equipment for six (6) terminals, security data license and communication lines (F1/T1 line). The monthly rates are the same as charged under the existing MTA contract. (We anticipate CPI increases in the future). Bloomberg charges the same standard rates to all its commercial, as well as federal and New York State customers, for its proprietary licenses and lease agreements and will not reduce these rates, thus the total five year estimated cost of \$849,000 is considered fair and reasonable.

**LIST OF PROCUREMENTS FOR BOARD APPROVAL, JULY 2012**  
**COMPETITIVE PROCUREMENTS**

**METROPOLITAN TRANSPORTATION AUTHORITY**

*Procurements Requiring Majority Vote:*

**F. Personal Service Contracts**

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

- 1. Milliman, Inc.** **\$1,406,775** Staff Summary Attached  
**Actuarial and Risk Consulting Services** (not-to-exceed)  
**Contract No. 12019-0100**  
Competitively negotiated – 7 proposals – 60 months  
Contractor to provide Actuarial and Risk Management Consulting services in connection with the self-insured programs of the MTA Agencies and programs insured through First Mutual Transportation Assurance Company, MTA's wholly-owned captive insurance company for a period of 60 months from August 1, 2012 through July 31, 2017, at a total cost not to exceed \$1,406,775 which includes contingencies of \$200,000. The Contractor will assist in assessment of the financial positions of the insurance programs held within the captive; annual loss reserve analysis as required under GASB Regulation #10, along with projection of cash payouts; actuarial analysis and statement of actuarial opinion for the MTA Captive Insurance Company; and General Consulting and Optional Actuarial Services as directed by the project manager. Milliman proposed a total five-year cost of \$1,325,950. As a result of negotiations, this five-year cost was reduced to \$1,206,775.00, which represents a negotiated savings of 8.98% or \$119,175.00. The fully loaded hourly rates are the same or lower than the rates that have been paid over the previous year under the current five-year contract; and will remain firm for the duration of this contract. Based on the negotiated savings, the cost of \$1,406,775 is deemed to be fair and reasonable.
  
- 2. NEPC, LLC** **\$4,975,000** Staff Summary Attached  
**Multi-Agency Pension Investment Advisor** (not-to-exceed)  
**Contract No. 12010-0100**  
Competitively negotiated – 5 proposals – 60 months  
Contractor to provide a full range of professional investment advisory services to the MTA Defined Benefit Pension Plan (MTA DB Plan), the Long Island Rail Road Plan for Additional Pensions (LIRR Additional Plan), the Cash Balance Plan for Metro-North Railroad (MNR Plan), the Manhattan and Bronx Surface Transit Operating Authority Pension Plan (MaBSTOA Plan) and the MTA Retiree Welfare Benefits Plan (also known as Other Post-Employment Benefits "OPEB" Plan). The initial cost for all plans of \$5,517,416 submitted by NEPC was reduced as a result of negotiations to \$4,975,000, for a savings of \$542,416 or 9.8%. The negotiated cost of \$4,105,000 for the pension plans is based on the same fee structure of 2 basis points that was negotiated under the current five-year contract. The pricing that MTA is receiving is equal to or lower than what NEPC charges other federal, state and local agencies for similar sized and structured plans. Based on the above, the total cost of \$4,975,000 is considered to be fair and reasonable.

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

**J. Modifications to Miscellaneous Procurement Contracts**

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

**3. Acquia, Inc.**

**\$582,600 Staff Summary Attached**

**Cloud Based Infrastructure**

(not-to-exceed)

**And Web Application**

**Contract No. 12059-0100**

Base plus supplement amount = \$844,242

Ride Competitively-bid NYS Contract

Increase funding to continue to enhance and expand on the MTA's development of a cloud-hosted and cloud-managed infrastructure and web applications, marking the MTA's first initiative to reduce the costs for purchasing hardware and software services, while at the same time enhancing and expanding the capacity of the MTA and its operating agencies to provide better customer service including more real time information. As a result of negotiations, the initial cost of \$561,460 for the three additional initiatives was reduced to \$442,600 for a savings of \$118,860 or 21.2%. A contingency of \$140,000 is included for a total not-to-exceed amount of \$582,600 which is considered fair and reasonable. The pricing being obligated under this amendment is equal to or lower than the pricing that is offered to New York State and Federal Government agencies.

# Staff Summary

## Schedule F: Personal Service Contracts

Item Number:					
Dept & Dept Head Name: General Counsel/James Henly					
Division & Division Head Name: Risk & Insurance Management/Laureen Coyne					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	Finance	7/23/12			
2	Board	7/25/12			
Internal Approvals					
Order	Approval	Order	Approval		
1	Procurement <i>ec</i>	4	Diversity and Civil Rights <i>ec</i>		
2	Risk & Insurance Management <i>ymc</i>	3	Legal <i>ymc</i>		
		5	CFO <i>ymc</i>		

SUMMARY INFORMATION	
Vendor Name: Milliman, Inc.	Contract Number: 12019-0100
Description: Actuarial and Risk Management Consulting Services	
Total Amount: \$1,406,775	
Contract Term (Including Options, if any) August 1, 2012 to July 31, 2017	
Option(s) Included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

**Narrative**

**I. PURPOSE/RECOMMENDATION:**

To obtain Board approval to award a competitively negotiated, personal services contract to Milliman, Inc., to provide Actuarial and Risk Management Consulting services in connection with the self-insured programs of the MTA Agencies and programs insured through First Mutual Transportation Assurance Company, MTA's wholly-owned captive insurance company. The proposed contract will be for a period of 60 months from August 1, 2012 through July 31, 2017, at a total cost not to exceed \$1,406,775 which includes \$1,206,775.00 for the five year term of the contract and \$200,000 in contingencies for general consulting and optional actuarial work.

**II. DISCUSSION:**

The MTA Risk & Insurance Management (RIM) Department has responsibility for the administration of First Mutual Transportation Assurance Company (FMTAC), which is MTA's wholly owned captive insurance company. FMTAC and RIM require the use of an actuarial firm to assist in assessment of the financial positions of the insurance programs held within the captive in order to insure their continued financial stability as well as their ability to meet present and expected future obligations. As in the past, the actuarial firm will provide detailed year-end loss reserve analysis for the MTA agencies to meet their financial accounting obligations under Governmental Accounting Standards Board (GASB) Regulation #10. In addition, MTA RIM has the responsibility for analyzing the need for either the placement of insurance or the establishment of other risk financing arrangements for each of the operating agencies. This function requires periodic actuarial analysis and/or audit capabilities beyond the usual recurring tasks stated above. The services to be performed by the selected consultant include: Annual loss reserve analysis as required under GASB Regulation #10, along with projection of cash payouts; Actuarial analysis and statement of actuarial opinion for the MTA Captive Insurance Company; and General Consulting and Optional Actuarial Services as directed by the project manager.

MTA's current, competitively awarded contract for Actuarial and Risk Management Consulting Services with Milliman, Inc. will expire on July 31, 2012. For the five year period commencing August 1, 2012, MTA issued a competitive Request for Proposals (RFP) which was publicly advertised. Letters informing potential proposers of the availability of the RFP package were mailed to twenty-one firms. Seven proposals were received. A selection committee, comprised of representatives from MTA's Risk & Insurance Management, MTA Comptroller, MTA Legal Counsel, NYCT Comptroller, LIRR Comptroller and MNR Comptroller, evaluated the proposals and recommended that, through the e-procurement process, Procurement negotiate with the two firms found to be technically qualified (Milliman Inc. and Huggins Actuary Services, Inc.). Following negotiations, the selection committee unanimously determined that Milliman, Inc. is the most qualified firm to perform the services required by this RFP, based on the selection criteria of the RFP, which included experience of the proposed staff, design and implementation approach, and proposed cost of services.

# Staff Summary

Milliman proposed a total five-year cost of \$1,325,950. As a result of negotiations, this five-year cost was reduced to \$1,206,775.00, which represents a negotiated savings of 8.98% or \$119,175.00. The fully loaded hourly rates are the same or lower than the rates that have been paid over the previous year under the current five-year contract; and will remain firm for the duration of this contract. Based on the above, the five-year cost of \$1,206,775, which was lower than the cost proposal of the other firm that had been technically qualified, is deemed to be fair and reasonable. A contingent amount of \$200,000 is included for optional actuarial services that may be required during the five year period. Based on the negotiated savings the cost of \$1,406,775 is deemed to be fair and reasonable.

MTA has conducted a responsibility review and other due diligence with regard to Milliman, Inc. and has determined Milliman, Inc. to be responsible for award.

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

No D/M/WBE goals were established by the MTA Department of Diversity and Civil Rights for this contract. The goal was waived because there were no MWBE subcontractors capable of providing actuarial services required for the contract.

### IV. IMPACT ON FUNDING:

The total not-to-exceed cost of \$1,406,775 consisting of \$1,206,775.00 for the five-year contract and \$200,000 for contingencies will be funded through the Risk and Insurance management Department.

### V. ALTERNATIVES:

1. Do not contract for an Actuarial Consulting Contract. This alternative is not recommended. Failure to provide these services would result in violation of several regulations, would undermine the financial stability of several MTA key financial institutions, and could result in unacceptable business loss.
2. Perform services in-house. This alternative is not feasible or cost effective. MTA does not have the staff with specialized expertise for these services.

# Staff Summary

## Schedule F: Personal Service Contracts

Item Number:						SUMMARY INFORMATION	
Dept & Dept Head Name: Human Resources/Margaret Connor						Vendor Name: NEPC, LLC	
Division & Division Head Name:						Contract Number: 12010-0100	
						Description: Multi-Agency Pension Investment Advisor	
						Total Amount: \$4,975,000	
Board Reviews						Contract Term (including Options, if any) September 1, 2012 through August 31, 2017	
Order	To	Date	Approval	Info	Other	Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
1	Finance	7/23/12				Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
2	Board	7/25/12				Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
						Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Internal Approvals						Funding Source: <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input checked="" type="checkbox"/> Other: Pension Plan Trust Funds	
Order	Approval	Order	Approval				
1	Procurement <i>cat</i>	3	Div. Sec. and Civ. Rights <i>cat</i>				
2	Human Resources <i>me</i>	4	Legal <i>RB</i>				
		5	CFO <i>RB</i>				

**Narrative**

**I. PURPOSE/RECOMMENDATION**

To obtain Board approval to award a multi-agency, competitively negotiated, personal services contract to NEPC, LLC ("NEPC") to provide a full range of professional investment advisory services to the MTA Defined Benefit Pension Plan (MTA DB Plan), the Long Island Rail Road Plan for Additional Pensions (LIRR Additional Plan), the Cash Balance Plan for Metro-North Railroad (MNR Plan), the Manhattan and Bronx Surface Transit Operating Authority Pension Plan (MaBSTOA Plan) and the MTA Retiree Welfare Benefits Plan (also known as Other Post-Employment Benefits "OPEB" Plan). The term of the contract will be for a period of five (5) years from September 1, 2012 through August 31, 2017 for a total cost not to exceed cost of \$4,975,000.

**II. DISCUSSION**

Professional investment advisory services are required in order to advise the managing Boards and Committee ("Boards") of the MTA DB Plan, the LIRR Additional Plan, the MNR Plan, the MaBSTOA Plan and the OPEB Plan. The current contract for these services will expire on August 31, 2012 and in order to continue these services, MTAHQ issued a Request for Proposals (RFP) which was publicly advertised in the NY Post, El Diario and Minority Weekly and mailed letters to 20 potential proposers, advising of the RFP's availability. Five (5) firms submitted proposals: Callan Associates, Dahab, Investment Performance Services, NEPC, and Segal Rogerscasey.

A Selection Committee, consisting of finance and human resources representatives from MTAHQ, LIRR, MNR and MaBSTOA, evaluated the proposals and unanimously decided that NEPC was the most technically qualified firm to provide the services outlined in the proposal. Compared to the other proposals NEPC has significant investment experience, and has demonstrated a clear understanding of the objectives and offered creative and practical recommendations.

MTA has conducted a responsibility review and other due diligence with regard to NEPC and has deemed NEPC to be responsible for award.

# Staff Summary



Contract No. 12010-0100

Page 2 of 2

The initial cost for all plans of \$5,517,416 submitted by NEPC was reduced as a result of negotiations to \$4,975,000, for a savings of \$542,416 or 9.8%. The negotiated cost of \$4,105,000 for the pension plans is based on the same fee structure of 2 basis points that was negotiated under the current five-year contract. The pricing that MTA is receiving is equal to or lower than what NEPC charges other federal, state and local agencies for similar sized and structured plans. Based on the above, the total cost of \$4,975,000 is considered to be fair and reasonable.

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

No D/M/WBE goals were established by MTA's Department of Diversity and Civil Rights for this contract. The goal was waived due to the complexity of the pension plans and the fiduciary responsibility.

### IV. IMPACT ON FUNDING:

The total cost for the five-year contract is \$4,975,000, and is chargeable to the following Pension Plans: MTA DB Plan - \$2,075,000, LIRR Additional Plan - \$425,000, MaBSTOA Plan - \$1,600,000, MNR Plan - \$5,000, and for the OPEB Plan - \$870,000.

### V. ALTERNATIVES:

1. Do not continue the services. This is not a viable alternative because these services are required by the plan Boards to perform their fiduciary duties required by the Plans.
2. Perform the services in-house. This is not a recommended or feasible alternative. The MTA and the operating agencies do not have the staff or the expertise to perform the investment advisory services required by the plan Boards.

MTA Form R0050-007

# Staff Summary

## Schedule J: Modifications to Miscellaneous Procurement Contracts



Item Number:

<b>Vendor Name (&amp; Location):</b> Acquia, Inc.
<b>Description:</b> Cloud Based Infrastructure and Web Based Application
<b>Contract Term (including Options, if any):</b> Thirty-Six (36) Months
<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Procurement Type:</b> <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive
<b>Solicitation Type:</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: NYS Ride
<b>Funding Source:</b> <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:
<b>Requesting Dept/Div &amp; Dept/Div Head Name:</b> COO/EITG & N. Fernandez/W. Hibri

<b>Contract Number:</b> 12059-0100	<b>AWO/Modification #</b> 2
<b>Original Amount:</b>	\$771,758.05
<b>Prior Modifications:</b>	\$72,484.00
<b>Prior Budgetary Increases:</b>	\$
<b>Current Amount:</b>	\$844,242.05
<b>This Request:</b>	\$582,600
<b>% of This Request to Current Amount:</b>	69%
<b>% of Modifications (including This Request) to Original Amount:</b>	85%

### DISCUSSION:

Board approval is requested to increase the scope of work and increase the amount obligated under the base contract to further enhance and expand on the cloud-based infrastructure and expedite the introduction of technology that will streamline customer communication into the MTA on safety and security issues. In March 2012, the MTA Board approved a contract with Acquia, Inc. (against a New York State Contract) for the development of a cloud-hosted and cloud-managed infrastructure and web applications, marking the first time the MTA has deployed cloud services to reduce spending on hardware and software services while simultaneously expanding the capacity of the MTA operating agencies to deliver better customer service, including more real-time information.

As part of this set of cloud-based initiatives, MTA launched a cloud-hosted, cloud-managed Emergency/Weather Page on mta.info, which enables the MTA to easily respond to and accommodate sudden spikes in customers' requests during natural or man-made emergencies. In the fall of 2012, MTA and MTA NYCT will launch an application developers' web feed of real-time subway arrival and departure information for the A Division lines 1 through 6. This dynamic-data feed will allow MTA's A Division riders to gain access to new apps that offer estimated time of arrivals and departures (ETAs and ETDs). This fall's launch of ETAs and ETDs for the A Division subway lines is a logical extension of the Open Data services our customers already enjoy through NYCT's Bus Time and Metro-North's Train Time.

The cycle of innovation in cloud technology and the expansion in the capacity of cloud technology to reduce the costs of delivering services have been quite rapid, creating professional development needs for the MTA staff and new opportunities for the development of SmartPhone applications that were not anticipated at the time that the contract was initially awarded in March. Some of the projects MTA will immediately engage are:

1. Development of an infrastructure for communicating safety and security concerns
2. Enhanced failover capability to ensure that the cloud solution continues to operate in case there is a failure
3. Additional workshops for MTA agency software programmers who need to acquire cloud skills and skills in Drupal, a leading free, open-source content management system (CMS).

As the MTA and its agencies build upon and expand their use of cloud-based services, other projects will be forthcoming. These will be awarded pursuant to a competitive Request for Proposal process. The MTA is forecasting a number of initiatives, some of which have the potential of generating revenue for the MTA. These initiatives include the following:

1. Development of an application for safety, security and quality-of-life issue reporting as well as any remaining infrastructure needs.
2. Development and launch of Eye of the Future and Capital Program Dash Board, decision-support tools for sharing capital program data among authorities and agencies and for pooling the purchasing power of public authorities and public agencies in the purchase of commodities and services.
3. Enhance MTA.info to allow the public to make it easier to read and use MTA's data. This project would also include the development of a searchable archive for mta.info.
4. Pilots that would shape the creation of an MTA e-commerce site where the MTA and the MTA operating agencies could sell images from its archives and transit-related objects, vintage pieces of equipment, replicas and reproductions.
5. Pilots focused on ad-supported messages using Drupal managed content in stations, and possible ad-supported messaging to rolling stock.

As a result of negotiations, the initial cost of \$561,460 for the three additional initiatives was reduced to \$442,600 for a savings of \$118,860 or 21.2%. A contingency of \$140,000 is included for a total not-to-exceed amount of \$582,600 which is considered fair and reasonable. The pricing being obligated under this amendment is equal to or lower than the pricing that is offered to New York State and Federal Government agencies.

# Staff Summary

Item Number <b>E</b>					
Dept & Dept Head Name: Procurement & Material Management, Anthony Lombace, Jr.					
Division & Division Head Name: Sen VP - Administration, Raymond Bumey					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	M-N Comm.Mtg	7-23-12	X		
2	MTA Board Mtg.	7-25-12	X		
Internal Approvals					
Order	Approval	Order	Approval		
	President		VP/Operations		
	Sr. V.P. Admin.		VP Planning		
	VP Finance & IT	X	General Counsel		
	Capital Programs				

SUMMARY INFORMATION	
Vendor Name Black Box Network Services	Contract Number 1000013014
Description PBX Equipment Replacement/Upgrade	
Total Amount \$3,302,720 not-to-exceed	
Contract Term (including Options, if any) Twelve Years (one year delivery, one year warranty, ten year maint.)	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Renewal <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input checked="" type="checkbox"/> Other: CDOT	

## I. PURPOSE/RECOMMENDATION:

Approval is requested to award a competitively solicited and negotiated (RFP process, two proposals received), miscellaneous procurement contract to design, furnish, integrate, test, and commission Avaya-brand Private Branch Exchange (PBX) communication equipment. The upgrade/replacement systems and equipment is required throughout twelve MNR locations (seven in New York and five in Connecticut).

The total contract to be awarded to Black Box Network Solutions, Inc. ("Black Box") is not-to-exceed \$3,302,720 over a twelve year period (one-year staged delivery and implementation for all twelve locations, one-year warranty, and ten years of remedial and preventative maintenance).

## II. DISCUSSION:

### Background

The MNR Private Branch Exchange (PBX) is an internal phone switch system connecting all MNR internal and external phone/ communication lines. The PBX provides phone services including internal calling, access to the public telephone networks and permits low cost interconnection to other MTA properties. It is connected via a combination of leased high-speed data lines and Metro-North's fiber optic system. MNR's present telephone infrastructure consists of a variety of Avaya-brand PBX equipment including various forms of ancillary and remote communication equipment (peripheral battery systems, servers etc.), nearing the end of its useful life and/or have reached their maximum port and processing capacity. The infrastructure requires new and in some cases additional hardware to utilize new telephony features and added security safeguards, as well as system expansion capacity.

The upgrade/replacement systems and equipment are required at twelve MNR locations (seven in New York and five in Connecticut). To ensure uninterrupted and continued Network interoperability and compatibility, Metro-North is seeking to upgrade and replace the equipment with Avaya-brand PBX systems and equipment. The new Avaya PBX equipment is compatible with the present infrastructure and will communicate with MNR's existing analog & digital telephone services to ensure a state of good repair for all telecommunication networks. Obtaining non-Avaya equipment would require a massive infrastructure investment to all existing sites such as rewiring of existing buildings, closets for telecom equipment, and the purchase of over 3,000 new IP phone sets.

## Staff Summary

The new Avaya equipment will support the existing infrastructure and is flexible to conform to planned new construction and space refit projects in which to migrate into voice-over-IP (VOIP). The ability to migrate to VOIP is essential and will transition MNR prior to system obsolescence as traditional digital technology is waning and VOIP is becoming the new core standard for processing telephony. Additionally, the new PBX will provide advancements in detection & alarm / event notifications.

### Procurement Discussion

A competitive Request for Proposal (RFP) was publicly advertised in the New York State Contract Reporter, the New York Post the Daily Challenge and the MNR website in March 2012. Although there are only 2 known PBX system integrators, the advertising and vendor search yielded a total of forty-six firms who expressed interest in obtaining the RFP documents. In April 2012, solicitation documents were sent to all forty-six firms including seven M/WBE firms.

Concurrently, a Selection Committee was formed consisting of representatives from the Communications & Signals and Procurement Departments. Proposals were evaluated based on the criteria established and included in the RFP, as follows: 1) vendor understanding, capability and credentials to fully meet the work scope requirements, including how services will be performed to furnish, deliver, install and maintain the upgrade and replacement of the PBX System, 2) Project Management Plans, and commitment of relevant resources including the qualifications of key personnel and reliability to perform services within MNR's geographic area, 3) overall cost of all equipment, installation, training, hardware/software, maintenance services and all optional services, and 4) demonstrated qualifications, background and past experience on similar projects

On June 7, 2012, two proposals were received from Black Box Network Services ("Black Box") and Shared Solutions and Services, Inc. ("Shared Solutions"). A survey of non-responding contractors was performed and revealed that vendors who did not participate were unable to commit sufficient resources and unique expertise to fully satisfy all RFP requirements. The RFP required specific vendor credentials to successfully engineer, integrate, test, train and provide on-going remote and onsite maintenance.

Black Box submitted their initial cost proposal for all equipment, installation, training, hardware/software and one year warranty services totaling \$2,695,452; and Shared Solutions proposed a cost of \$3,029,150.

Black Box and Shared Solutions provided vendor presentations on June 12, 2012, as both firms were deemed technically qualified to fulfill the requirements of the RFP. Following the presentations, the Committee unanimously selected Black Box to provide all material, engineering, labor, installation, implementation, and on-going maintenance services for the PBX system upgrade and replacement for the twelve MNR locations. The Black Box proposal best demonstrated relevant technical knowledge and project management experience, and exhibited confidence in performing the required tasks at a lower cost than Shared Solutions; conversely the Shared Solutions proposal was deficient of critical components required by the RFP and took exceptions to the performance and acceptance requirements.

The new PBX systems will bring MNR's telephone systems to a state of good repair and address the capacity issue. This award will provide the necessary software and hardware to expand the systems and provide additional features to fit MNR's needs now and into the future.

Historically, PBX Systems have a useful life of ten years. The telephony network is crucial to the communications of MNR and maintaining them in good working condition is a necessity. A limited number of maintenance providers have met the required experience with MNR's electromagnetic interference and high voltage environment, and also have knowledge of MNR's territory and telecommunication infrastructure. As a cost requirement of the vendor proposals, both firms outlined services and quoted pricing for optional and on-going maintenance services for a ten year period beyond the warranty. The services under the maintenance program include the following: annual system monitoring, remedial maintenance (priority emergency service, emergency service, and non-emergency service), disaster recovery plan in the event of a major system outage/emergency.

# Staff Summary

## Cost Analysis

Following the oral presentations, both firms were requested to submit revised pricing. Black Box submitted a revised cost proposal of \$2,689,520, a 0.2% reduction from their original proposal of \$2,695,452. Shared Services submitted a higher cost proposal (\$3.34M) than originally submitted as they included those items that were needed to respond fully to the RFP. Additionally, Shared Services took exceptions to the acceptance and performance requirements of the RFP. At this time, further discussions and cost negotiations were completed with Black Box, and MNR received an additional 8.8% discount, yielding a total cost reduction of \$254,032 (9%). The final base project cost of all equipment, installation, training, including hardware/software and one year warranty services is \$2,441,420.

The total not-to-exceed award amount to Black Box will be \$3,302,720 which includes the base award amount of \$2,441,420 and on-going maintenance for a ten year period totaling \$861,300. The total cost is 13% below the Engineer's estimate of \$3,803,301.

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

No M/WBE goals were assigned to this project.

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

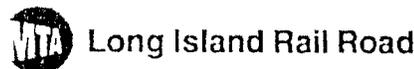
Funding is provided as follows: 70% (\$2,324,245) MNR Capital Program, Project #M604-01-11 (PBX Equipment Upgrade), Task: M09352; and 30% by CDOT (\$978,475) CAF #11-05-03R1, through administrative assets.

## **V. ALTERNATIVES:**

There are no alternatives as various parts of the current PBX systems are presently in need of upgrade and replacement. Parts of the systems have reached their maximum port and processing capacity, requiring additional hardware/software to utilize new telephony features and to provide necessary security safeguards, as well as to allow for system expansion.

Schedule J: Modifications to Miscellaneous Procurement Contracts

Staff Summary



Item Number: 3

<b>Vendor Name (&amp; Location)</b> Sybase, Inc., (561 Virginia Rd., Concord, MA 01742)
<b>Description</b> Software Upgrade and Maintenance of TIMACS
<b>Contract Term (including Options, if any)</b> 9/27/12 – 9/26/14 with Extension Option from 9/27/14-9/26/15
<b>Option(s) included in Total Amount?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Procurement Type</b> <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-Competitive
<b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification
<b>Funding Source</b> <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:
<b>Requesting Dept/Div &amp; Dept/Div Head Name:</b> Information Technology, Scott M. Dieterich

<b>Contact Number</b> IT05570/C4BP03505	<b>AWO/Modification #</b> 1
<b>Original Amount:</b>	\$401,329.37
<b>Prior Modifications:</b>	\$ 0
<b>Prior Budgetary Increases:</b>	\$ 0
<b>Current Amount:</b>	\$401,329.37
<b>This Request:</b>	\$413,269.70
<b>% of This Request to Current Amount:</b>	102.98%
<b>% of Modifications (including This Request) to Original Amount:</b>	102.98%

**Discussion:**

LIRR requests approval to award a contract modification to Sybase, Inc. (Sybase) in the amount of \$413,269.70 to extend its existing contract for an additional two years through September 26, 2014 with an option for one additional year to September 26, 2015.

Under this contract, Sybase provides preventive and remedial maintenance, support, and upgrades for the database product, which supports LIRR's Train Information, Monitoring and Control System (TIMACS). TIMACS is critical to LIRR's operation as it captures various aspects of train movement, including train location, scheduled and actual arrival and departure times enabling LIRR to provide customers with train on-time performance information. TIMACS enables LIRR Transportation Services personnel to monitor the movement of all trains remotely through control towers, which communicate with the TIMACS Central Server, and to properly operate and route trains in an effort to optimize on-time performance, especially during peak periods. TIMACS was developed in March 1994 and was later modified in June 1994 to support Penn Station Central Control (PSCC) with the addition Amtrak and New Jersey Transit trains that run in the joint operating territory and New Jersey towers that are west of PSCC. Monitoring trains, especially in peak periods, would be virtually impossible without the information provided by TIMACS. The initial requisition was reviewed by the BSC and no other MTA Agency expressed a need for Sybase software support at that time.

The Sybase software products and maintenance support are proprietary to Sybase, which precludes any other vendor from maintaining, providing updates and fixes to this software. Under this modification, the contract will be extended for an additional two years of services, with an option to further extend for an additional year, to allow LIRR's Information Technology Department, in conjunction with Transportation Services to perform a joint business analysis, on-going research and future planning required for the development and rewrite of the TIMACS application. We anticipate the business analysis will take up to one year and the product development will take an additional 1 to 1.5 years. The TIMACS rewrite supports the MTA database standardization to Oracle as well as the MTA initiatives for improved operational and customer information. The TIMACS system was scheduled to be rewritten as part of the Operational Management System (OMS) in 2007, but was canceled due to budget cuts.

LIRR originally obtained the Sybase Database Licenses and software support in 1994 through a "piggyback" of the Sybase New York State Office of General Services Contract (NYSOGS). Under the terms of the NYSOGS Contract, Sybase was allowed annual uplifts of up to 8% for maintenance. Annual renewals were effectuated through the NYSOGS Contract until 2009, at which time Sybase would not renew its NYSOGS Contract. At that time, the Board authorized LIRR to enter into a sole source maintenance contract with Sybase, which was approved by the MTA Board in 2009. Under this sole source agreement, cost increases for annual maintenance renewals were limited to 5%. For this contract extension, LIRR was able to negotiate a reduction in the annual maintenance uplift from the 5% uplift to approximately 3%, representing a savings of approximately \$15,000.00. The agreed upon cost for the 3 year extension is \$413,269.70, consisting of \$133,493.79 for Year 1, \$137,712.10, for Year 2 and \$142,063.81 for Year 3. Therefore, based on the foregoing, the cost is considered fair and reasonable.

The total cost for ongoing maintenance and support is funded by LIRR's Operating Budget

Schedule F: Personal Service Contracts

Staff Summary



Item Number: 2

Dept & Dept Head Name: Procurement & Logistics, Dennis Mahon

Department Head Signature & Date: *[Signature]* 7/6/12

Division & Division Head Name: M/W Engineering, Kevin Tomlinson

Division Head Signature & Date: *[Signature]*

Board Reviews

Order	To	Date	Approval	Info	Other
1	LI Committee	07.23.12			
2	MTA Board	07.25.12			

Internal Approvals

Order	Approval	Order	Approval
6	President <i>[Signature]</i>	3	VH/CFO <i>[Signature]</i>
5	Executive VP <i>[Signature]</i>	2	Sr VP/Operations <i>[Signature]</i>
4	VP/Gen'l Counsel & Sec'y <i>[Signature]</i>	1	Sr VP/Administration <i>[Signature]</i>

Narrative

SUMMARY INFORMATION

Vendor Name: KLD Labs Incorporated | Contract Number: TBD

Description: Maintenance & Repair of subsystems on LIRR Track Geometry Vehicle (TC82)

Total Amount: \$242,983 NTE

Contract Term (Including Options, if any): August 1, 2012 – July 31, 2015

Options(s) Included in Total Amount:  Yes  No

Renewal?:  Yes  No

Procurement Type:  Competitive  Non-Competitive

Solicitation Type:  RFP  Bid  Other:

Funding Source:  Operating  Capital  Federal  Other:

**I. PURPOSE/RECOMMENDATION:**

LIRR requests MTA Board approval to award a three year Sole Source Contract to KLD Labs incorporated (KLD) in an amount not-to-exceed \$242,983, to provide the following services: (i) calibration, (ii) scheduled & unscheduled maintenance and (iii) provide extended warranty coverage and required spare parts to perform non-warranty repairs for KLD's ORIAN and Third Rail Measurement System (TRMS). ORIAN and TRMS are both critical subsystems on LIRR's Track Geometry Vehicle (TC82) that is used to measure, record and analyze track and third rail geometry characteristics.

**II. DISCUSSION:**

FRA guidelines and LIRR Operating Procedures require routine inspection and maintenance of track to insure the safe operation of train movement. To achieve this, LIRR utilizes the TC82, whose subsystems must be in good working order for inspection services to be successfully performed. Should KLD's services be required, the contract specifies that they provide a response within 48 hours of being contacted by the LIRR, so as to minimize the time that the TC82 might be out of service.

KLD is the Original Equipment Manufacturer of both the ORIAN system, which is an optical/laser based rail profile measurement system and the TRMS, which measures the distance from the running rail to the third rail to ensure that appropriate distances are maintained. Both systems were developed and manufactured by KLD and are proprietary to them. Therefore, KLD is the only known responsible source for these services. Under previous contracts, KLD provided these services to the LIRR in an acceptable manner. LIRR has complied with the MTA All-Agency Procurement Guidelines and with PAL 1265-a (3) regarding the posting of advertisements in order to identify potential alternate suppliers having placed advertisements in the NYS Contract Reporter and in the NY Post. No other firms expressed an interest in competing for this contract.

A breakdown of the \$242,983 NTE amount includes: (i) a fixed price of \$200,638 for scheduled maintenance and extended warranty service for both the ORIAN and TRMS systems and (ii) an estimated cost of \$42,345 for any non-warranty repairs such as damage due to equipment striking debris on the tracks. Maintenance is performed on a quarterly basis and extended warranty services are performed on an as-needed basis. Non-warranty repairs will be provided on an as required basis. KLD's price for system maintenance and extended warranty represents 1.57% annual increase over its most recent contract with LIRR. Accordingly, these prices have been determined to be fair and reasonable.

## Staff Summary



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

There are no D/M/DBE goals for this solicitation.

**IV. IMPACT ON FUNDING:**

This contract will be funded by LIRR operating budget.

**V. ALTERNATIVES:**

None at this time. KLD is the Original Equipment Manufacturer who developed and manufactured both the ORIAN and TRMS subsystems, which are proprietary to them. KLD is the only known responsible source for these services.

Schedule B: Competitive Requests for Proposals (Solicitation of Purchase and Public Work Contracts)

Staff Summary



Long Island Rail Road

Item Number: 4					
Dept & Dept Head Name: Procurement & Logistics, Dennis Mahon <i>D. Mahon</i> 7/6/12					
Division & Division Head Name: ESA Readiness & Special Projects, John Coulter <i>John Coulter</i>					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	LI Committee	7.23.12			
2	MTA Board	7.25.12			
Internal Approvals					
Order	Approval	Order	Approval		
6	President <i>[Signature]</i>	3	VP/CFO <i>[Signature]</i>		
5	Executive VP <i>[Signature]</i>	2	Sr. VP/Operations <i>[Signature]</i>		
4	VP/Gen'l Counsel <i>[Signature]</i>	2	Sr. VP/Administration <i>[Signature]</i>		

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

Narrative

**I. PURPOSE/RECOMMENDATION**

LIRR, on behalf of Metropolitan Transportation Authority Police Department (MTAPD), requests approval to adopt a resolution declaring that competitive bidding is impractical or inappropriate, and that it is therefore in the public interest to use the Request for Proposal (RFP) process pursuant to Section 1265-a of the Public Authorities Law to award a contract to design and build the MTA Police Department's radio system.

**II. DISCUSSION**

The MTAPD is the police agency of New York's Metropolitan Transportation Authority (MTA). Officers of the MTAPD are fully empowered under the New York State Criminal Procedure Laws and are commissioned in the state of Connecticut. Its jurisdiction extends across fourteen counties in two states, covers approximately 5,000 square miles, including New York City, Long Island, southeastern New York State and southern Connecticut, serves a population of 14.4 million people, and ensures the safety and well-being of over 169 million MTA riders each year. As part of daily operations, MTAPD police officers require the use of a two-way radio system as the primary method of receiving dispatch orders, reporting information back to headquarters, and to call for emergency aid and assistance. This project will provide for the upgrade and enhancement of the MTA PD Radio system and associated infrastructure through strategic partnerships with local and state agencies as well as the installation of contemporary equipment and technologies throughout the 14 counties served by the MTAPD.

In October 2010, the Board authorized a contract award to Booz Allen Hamilton (later to be subsumed by CH2M Hill) for the performance of an alternatives analysis study. Upon completion of this study, the consultant presented a Final Alternative Recommendation Report (FARR), which provided a conceptual design for the single best alternative that satisfies all aspects of a public safety - grade radio system. Based on the FARR, the Board authorized the exercise of Option #1, which permitted CH2M Hill to further develop the concept to a 30% level of Design, which will provide a foundation infrastructure design and technical specifications that will formulate the base documents to be used in the next phase of procurement, a Competitive Request for Proposals (RFP) for the Design and Build of the MTA PD Radio System. CH2M Hill forecasts completion of the 30% design package in October 2012.

The final design, construction and implementation of a public safety grade radio system is a technically complex undertaking that will require a Design/Build entity that is qualified and experienced in the engineering and construction of land based mobile radio communication networks. The utilization of the RFP process will allow the LIRR/MTAPD to

## Staff Summary



Long Island Rail Road

better assess which consultant/contractors are capable of performing this work. The technical scope of work provided in the RFP would be based on design documents that are 30% complete, which is insufficient for the formal competitive bid process. The RFP process affords the LIRR the ability to select a consultant/contractor based upon multiple considerations, including technical ability, experience, and completion schedule, rather than a selection process driven by price alone. The RFP process also provides the agency with the ability to evaluate, refine and negotiate the proposals as well as to work out a fair allocation of risk to insure competition.

The use of the Design/Build process has become more frequent in the public sector as evidenced by the MTA Board's previous authorization of this type of procurement mechanism. Previous MTA Design/Build projects include: LIRR's Babylon Yard Substation, East Side Access Arch Street Shop, and Atlantic Avenue Viaduct.

### III. D/M/WBE INFORMATION

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

### IV. IMPACT ON FUNDING

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

### V. ALTERNATIVES

There are no other alternatives available at this time. The MTA agencies do not have the qualified manpower available to coordinate, design, develop, program, install, construct, and cut-over the complex integration associated with this project. Without the services of a qualified third-party firm with design/build engineering and construction experience, the MTA will not be able to move forward with the implementation of the Police radio system.



[JULY 2012]

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

I. Budget Adjustments to Estimated Quantity Contracts

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

<p>1. Corporate Transportation Group, Ltd. Contract # 10L0373 January 13, 2011- January 12, 2013</p>	<p>Original Amount: \$ 49,208,816 Prior Modifications: \$ 0 Prior Budgetary Increases: \$ 0 Current Amount: \$ 49,208,816  This Request: \$ 32,686,941  % of This Request to Current Amount: 66.4% % of Mods/Budget Adjustments (including This Request) to Original Amount: 66.4%</p>
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**Discussion:**

This budget adjustment will add additional funding to Contract #10L0373 to provide continued Broker-based car services for Paratransit's Access-A-Ride (AAR) customers through the end of the contract term, January 12, 2013. Contract #10L0373 is a two-year test-and-evaluation pilot initiative that utilizes one Contractor to schedule and dispatch pre-arranged trips for Paratransit's ambulatory passengers through a non-dedicated subcontractor network of livery and black car service providers.

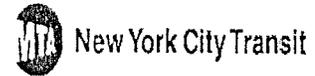
The purpose of the pilot initiative is to test and evaluate the concept that the Broker model could provide the vehicle capacity to perform a high volume of trips without compromising the quality of service. The use of a non-dedicated service provides a cost benefit to NYC Transit in that Paratransit does not bear the direct responsibility for maintenance and operating costs, as is the case with the dedicated Primary service for Paratransit. The pilot initiative offers pricing that is on average 39% lower than the current average cost-per-trip of \$53 for dedicated Primary service. The current average cost-per-trip for Broker trips is \$32.

Following Board approval in December 2010, the pilot was awarded to Corporate Transportation Group, Ltd. (CTG) in January 2011 as a test-and-evaluation procurement for an estimated amount of \$49,208,816. The initial mobilization plan for the pilot proposed an incremental roll out of trips, starting with 250 trips per day and ramping up to 5,000 trips per week day and 2,500 trips per weekend day (Saturdays and Sundays) by month 22 of the contract. CTG's in-house fleet of vehicles, existing network of service providers, and advanced dispatch and reservation system, however, provided the capacity for an accelerated ramp up of trips, allowing CTG to reach service levels of 5,000 trips per week day and 3,150 trips per weekend day by January 2012, nine months earlier than anticipated. Additionally, Paratransit expects to ramp up the trip volume to 7,500 trips per week day and 4,300 trips per weekend day beginning August 2012 through the end of the contract term.

This budget adjustment is required to cover the funding shortfall that resulted from the accelerated ramp-up of completed trips, the projected increase in trip volume that will continue through the end of the contract term, and the underestimating of the cost-per-trip, which was originally estimated at \$30.51. Continuing Broker-based car service under this pilot at the newly projected trip volumes also affords Paratransit the opportunity to further develop and streamline the operation, as a new procurement for a long-term replacement contract for Broker-based car services is already in progress.

This pilot has enabled Paratransit to achieve an estimated savings of \$18,643,998 through May 2012. The \$13,213,147 remaining in the contract coupled with the additional funding provided through the approval of this budget adjustment for \$32,686,941 will provide the opportunity to save an additional \$22,727,340 through the end of the contract term. Procurement requested a price concession and successfully secured a \$1.00 rate discount for select intraborough trips in the Bronx, Brooklyn and Queens. The pricing for this contract is considered fair and reasonable.

Schedule H: Modifications to Personal Service & Miscellaneous Contracts



Item Number: 2

Vendor Name (& Location) First Transit, Inc. (Cincinnati, OH)
Description Staffing and operation of the Paratransit Call Center
Contract Term (including Options, if any) April 16, 2004 – November 30, 2012
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:
Requesting Dept/Div & Dept/Div Head Name: Department of Buses, Darryl C. Irick

Contract Number	AWO/Modification #
03A8610	5
Original Amount:	\$ 103,596,442
Option Amount:	\$ 21,898,242
Total Amount:	\$ 125,494,684
Prior Modifications:	\$ (282,058)*
	\$ 36,929,427
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 162,142,053
This Request:	\$ 8,431,779 (Est.)
% of This Request to Current Amount:	5.2%
% of Modifications (including This Request) to Total Amount:	35.9%

**Discussion:**

This modification will extend the contract for up to an additional four months from December 1, 2012 through March 31, 2013.

This contract was competitively solicited and awarded to First Transit, Inc. (First Transit) in 2004. First Transit provides the necessary staff to operate an ADA Paratransit Call Center that includes processing trip requests through advanced Reservations, address same day service delivery issues, assist with development and issuance of daily paratransit schedules and provide customer information on trip status to Paratransit registrants on a 24-hour basis.

In 2009, Modification # 1 was awarded to exercise a contractual option to extend the contract term for two years, from June 1, 2009 through May 31, 2011. The option was exercised to ensure contractor continuity during the implementation of new efficiency measures, such as an Automatic Vehicle Location Monitoring (AVLM) system, which has been successfully accomplished; and Interactive Voice Response (IVR) technology, with an anticipated roll out of fourth quarter 2012. Modification # 2 was awarded July 2010 which memorialized the contractual changes made as a result of the Rapid Procurement Initiative negotiations implemented by the MTA in February 2010, where savings were identified in the areas of Staff, Overhead and Profit totaling \$282K. In May 2011, Modification # 3 extended the contract for an additional 12 months, from June 1, 2011 through May 31, 2012, and in May 2012, Modification # 4 further extended the contract for an additional 6 months, from June 1, 2012 through November 30, 2012 to secure a sufficient amount of time to conduct a competitive solicitation for a replacement contract.

It was believed that Modifications 3 and 4 would have afforded sufficient time to solicit and review new proposals for the replacement contract, including a cost reduction initiative which included the possibility of relocating the Paratransit Call Center from its current location in Long Island City, NY to an offsite location. However, the research involved with potentially implementing an offsite facility (e.g. cost analyses, methods of staffing and operation, disaster recovery, and approach to the cutover of service with a potential new vendor, new site, or both), as well as recent changes to the in house estimate for an offsite opportunity, resulted in extended negotiations and the need to request interim proposals prior to requesting Best and Final Offers (BAFOs), in order to achieve the best value for NYC Transit. The delay in requesting BAFOs effectively pushes the anticipated Board action to a future date, leaving insufficient start up time (only 60 days) – as 90 days is the minimum required start up time for most Proposers, whether onsite or offsite. Therefore, additional time is required in order to complete the RFP. NYC Transit is requesting this Modification #5 to extend the contract for up to an additional four months, from December 1, 2012 through March 31, 2013, in the estimated amount of \$8,431,779. With this extension under way, we expect to request BAFOs in the near future.

During negotiations of the previous extension agreement (awarded May 31, 2012), Procurement attempted to secure a price concession but First Transit indicated that any price reduction at that time would adversely affect its current operation, thus pricing remained firm for the extension period. The final price was found to be fair and reasonable. For this Modification #5, a price concession was requested however First Transit advised that, for the same aforementioned reason, pricing shall remain at the current rates.

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



Item Number: 3

<b>Vendor Name (&amp; Location)</b> Louis T. Klauder and Associates (Ambler, PA)
<b>Description</b> Provide consulting services for new and converted CBTC-ready subway cars
<b>Contract Term (including Options, if any)</b> September 9, 2009 – September 8, 2013
<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a
<b>Procurement Type</b> <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive
<b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Negotiation
<b>Funding Source</b> <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other
<b>Requesting Dept/Div &amp; Dept/Div Head Name:</b> Department of Subways, Carmen Bianco

<b>Contract Number</b> CM-1385	<b>AWO/Modification #</b> 3
<b>Original Amount:</b>	\$ 5,911,800
<b>Prior Modifications:</b>	\$ 0
<b>Prior Budgetary Increases:</b>	\$ 0
<b>Current Amount:</b>	\$ 5,911,800
<b>This Request:</b>	\$ 21,427,113 (Est.)
<b>% of This Request to Current Amount:</b>	262.4%
<b>% of Modifications (including This Request) to Total Amount:</b>	262.4%

**Discussion:**

This retroactive modification will exercise a revised option to provide consulting services associated with car procurement Contract R-34188 and will extend the term of Contract CM-1385 for an additional six years from September 9, 2013 through September 8, 2019, add an additional sub-consultant, and address scope of work changes made as a result of the award of the option to car procurement Contract R-34188. In March 2012 LTK was directed to proceed with a portion of the work covered by this modification.

In July 2009, Board approval was obtained to award this non-competitive sole source contract to Louis T. Klauder and Associates (LTK) to provide consulting services relating to new and converted Communication Based Train Control-ready (CBTC-ready) subway cars under Contract R-34188 with Kawasaki Rail Car, Inc. (Kawasaki). Under this modification, LTK will continue to provide consulting services for 103 new and 370 converted cars to match the revised mix of new and converted cars provided for under the December 2011 exercise of the option for the R-34188 car procurement contract.

Under the base contract for Contract CM-1385, LTK provides consulting services described herein for 23 new and 10 converted subway cars for a term of four years. The agreement also included an option for additional consulting services related to an additional 473 cars in the amount of \$17,112,903, predicated on the quantities of 163 new and 310 converted cars. However, when the option was exercised for the R-34188 car procurement contract in December 2011 and the number of new and converted cars restructured to 103 new cars and 370 converted cars, it became necessary to modify this Contract CM-1385 to match the number of new and converted cars pursuant to the modified Contract R-34188. Additionally, this modification is necessary due to substantive changes to the work scope of the R-34188 option (whereby all conversion work would be performed solely by Kawasaki at its Yonkers facility instead of the original split effort whereby the non-cab cars would have been converted jointly with NYC Transit personnel at the 207 St. Overhaul Shop), changes in the delivery schedule, the restructuring of the number of new and converted cars for Contract R-34188, and LTK's offering as a cost saving measure, to add YTT International (YTT), a per diem consultant in Japan, to conduct pre-shipment inspections of components in lieu of LTK performing this function with its own staff. The award of the modification to Kawasaki for the option cars yielded savings of approximately \$46M. The award of this modification to LTK will support those efforts.

This modification will retain LTK's services beyond Kawasaki's completion of deliveries of all new and converted cars under Contract R-34188 through and including the warranty period and contract close-out period.

It became necessary for LTK to commence certain work that falls within the scope of this modification (primarily for pre-shipment inspections of new car components for the R-34188 Option in Japan) prior to obtaining Board approval to award this modification. LTK was directed to proceed with that limited scope of work; therefore, this modification approval is retroactive.

LTK's proposal for this Modification No. 3 is based on labor rates for LTK staff and YTT staff that are 5.7% and 30.0% respectively lower than the contractually allowable rates originally contained in the Contract. Based on the above, LTK's Proposal price is considered fair and reasonable.

Schedule G: Miscellaneous Service Contracts



Item Number: 2

Vendor Name (& Location) TEOCO (Fairfax, VA)		Contract Number RFQ. 25815		Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Description Maintenance support for the SONET ATM Network Management System		Total Amount:		\$9,545,000 (Est.)	
Contract Term (including Options, if any) Five Years		Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:			
Option(s) Included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a		Requesting Dept/Div & Dept/Div Head Name: Department of Subways, Carmen Bianco			
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive					
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Non-Competitive Sole Source					

Discussion:

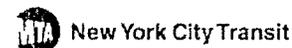
This contract will provide maintenance support for the SONET ATM Network Management System (NMS).

In August 2000, the Board approved the award of competitively negotiated Contract No. W-32648 for Phase I of a SONET/ ATM Communications Network System (SACNS) to Siemens Transportation Systems, Inc./Transit Technologies (JV) to design, furnish and install a SONET network, which would transmit all Asynchronous Transfer Mode (ATM) switch traffic from passenger stations in Sub-division "A". Subsequently in December 2004, the Board approved the award of competitively negotiated Contract No. Contract W-32652 to the JV for SACNS Phase 2 to provide the ATM switch and ancillary equipment required to complete the SACNS network for passenger stations in Sub-division "B". In both phases, the existing fiber optic cable was extended into each passenger station's communication room, which allowed for delivery of network connectivity and communications services in passenger stations. The entire SACNS network is monitored and managed from the Rail Control Center (RCC) SONET ATM Command Center using a network management system and alarm reporting system (NMS) that was furnished under Contract No. W-32652.

The company that provided the NMS as a subcontractor to the JV was TTI Telecom, which later was acquired by a company known now as TEOCO. TEOCO's software interfaces with and monitors the entirety of network elements provided in each of the SACNS contracts. This software is the key network surveillance and management tool for the entire network. It provides the initial identification and notification of network problems in real time across the network to the RCC. In order for NYC Transit to operate, maintain and manage all of the network equipment and the various management systems, a direct management support contractor is required. TEOCO is the developer of the software and is the sole provider of software support. The criticality of this operation dictates that only TEOCO provide support because of their unique expertise in maintaining this software. Maintenance will encompass telephone and diagnostic support and software upgrades.

TEOCO submitted a proposal of \$9,545,000, which is comprised of \$7,670, 000 for five years of basic maintenance that includes software support, remote diagnostics, one year of on-site support and training; and \$1,875,000 for two software upgrade options. Board approval is requested for the entire amount to assure that any upgrade can be implemented when required. Based on a review and analysis, TEOCO's price was found to be fair and reasonable. Software maintenance costs to monitor a network of this significance are within the market range of fair and reasonableness. This contract is subject to review and approval by the New York State Office of the State Comptroller ("Comptroller"). Award of the contract cannot be made until Comptroller approval is obtained.

Schedule A: Non-Competitive Purchases and Public Work Contracts



Item Number: 1

Vendor Name (& Location) Plasser American Corp. (Chesapeake, VA)	Contract Number RFQ# 21162	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Description Purchase of replacement parts, troubleshooting, repair services and training	Total Amount: \$3,611,925 NYCT \$2,951,998 LIRR \$423,963 MNR	\$6,987,886 (Est.)
Contract Term (including Options, if any) Five years	Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a	Requesting Dept/Div & Dept/Div Head Name: Department of Subways, Carmen Bianco	
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive		
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Non-Competitive Sole Source		

Discussion:

It is requested that the Board declare competitive bidding impractical or inappropriate pursuant to Public Authorities Law §1209, subsection 9(b) due to the existence of a single responsible source, and approve award of a multi-agency estimated quantity contract to Plasser American Corporation (Plasser) for replacement parts, troubleshooting, repair services and training for various track working equipment for NYC Transit, Metro North Railroad (MNR) and Long Island Rail Road (LIRR), with NYC Transit as the lead agency.

All of the equipment and related components were either manufactured by Plasser or manufactured by others and integrated into the equipment by Plasser. All of the units are sophisticated electronic and mechanical equipment tailor-made to perform various functions required for installing, testing and maintaining each agency's rail system. Plasser is a worldwide leader in the transit and rail industries. Only Plasser has the factory-trained personnel capable of properly troubleshooting the equipment, recommending repair work and training in-house forces in the appropriate repair procedures. Replacement parts will be installed either by Plasser or by each agency's personnel who will have the day-to-day responsibility for maintenance. Plasser will repair certain equipment for which each agency lacks the expertise to make such repairs.

NYC Transit's equipment includes four track geometry cars, two flash butt rail welding units, eight switch and production tampers and two ballast distributors/regulators. LIRR's equipment includes one track geometry car, three ballast regulators and four switch/panel tilt transport cars. MNR's equipment includes one ballast regulator, two tampers and one track stabilizer. Any additional Plasser equipment used by the agencies during the term of this agreement will be covered by this contract.

Plasser's proposal of \$6,987,885 is comprised of estimated quantities for parts - \$5,296,875 (75.8%), labor - \$1,441,010 (20.6%), and travel - \$250,000 (3.6%). Plasser periodically publishes two industry-wide price books, both of which start at the same baseline pricing for parts and labor. Plasser provides a price book to the MTA agencies with FOB-delivered pricing for parts which includes a 3.5% discount off the delivered price for Plasser parts. This 3.5% discount is not offered to all customers. The MTA agencies receive a 10% mark-up on cost for non-Plasser parts.

The MTA agencies also receive a 10% discount off the published labor rates for work performed by Plasser on Plasser-manufactured equipment. This discount on labor rates is not provided by Plasser to its other customers. No discount is offered on labor rates for work performed on non-Plasser equipment. Plasser has stated that the MTA agencies are receiving its most favored customer pricing for both parts and service.

A sample analysis of parts purchased from Plasser in the last 12 months shows an increase in price of less than 1.0%. This compares favorably to the applicable Producer Price Indices which indicates an increase of 4.4% over the same 12 month period. In comparison to the prior contract, labor rates for items that were common to both the prior and new contract increased by approximately 2.0% per year over the 5 years. This compares favorably to the applicable Bureau of Labor and Statistics data which indicates an increase of 2.8% per year over the same 5 year period. Plasser's proposed rates for parts and labor were reviewed by Cost/Price Analysis Unit and deemed fair and reasonable based upon the above analysis. This contract is subject to review and approval by the New York State Office of the State Comptroller ("Comptroller"). Award of the contract cannot be made until Comptroller approval is obtained.

Schedule I: Modifications to Purchase and Public Work Contracts



Item Number: 5

Vendor Name (& Location)	
Optum Rx, Inc. (Irvine, CA)	
Description	
Pharmacy Benefits Manager	
Contract Term (including Options, if any)	
September 1, 2009 – August 31, 2012	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	
Funding Source	
<input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name:	
Division of Human Resources, Dawn Pinnock	

Contract Number	AWO/Modification #
0819983	2
Original Amount:	\$ 490,000,000
Prior Modifications:	\$ 0
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 490,000,000
This Request:	\$ 250,000,000 (Est.)
% of This Request to Current Amount:	51.0%
% of Modifications (including This Request) to Original Amount:	51.0%

Discussion:

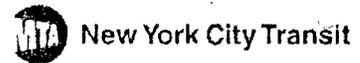
This modification is to extend the contract term for 16 months from September 1, 2012 through December 31, 2013.

In June 2009, the Board approved a three year contract in the estimated amount of \$490,000,000 to Innoviant, Inc., now known as Optum Rx, Inc., for pharmacy benefits management (PBM) services. Under the contract, Optum Rx, a wholly owned subsidiary of UnitedHealth Group, performs PBM services for members of Transport Workers Union Local 100 (TWU), Amalgamated Transit Union (ATU) Locals 726 and 1056, Subway Surface Supervisors Association (SSSA), Transit Supervisory Organization (TSO), Local 106 and the MTA Bus Company. The services include paying claims from dispensing pharmacies on behalf of members and administering a mail fulfillment order drug program. The projected annual expenditure with Optum Rx for their services is approximately \$190,000,000, wherein approximately 90% is for the cost of prescription drugs and 10% are fees for administration and dispensing of prescription drugs.

Since the provision of employee benefits is subject to ongoing collective bargaining, the parameters of a new pharmacy benefits plan are not certain. A finalized benefit plan is preferred in order to solicit a new contract via RFP. As the PBM services must continue without interruption, there is no alternative than to continue to have Optum Rx provide these services in order to ensure that the members have uninterrupted prescription drug coverage. NYC Transit has budgeted \$250,000,000 to extend the current contract with Optum Rx for 16 months. The extension also includes an option for up to 12 additional months and \$200 million. Separate authorization will be sought prior to exercise of this option.

For this extension, Optum Rx proposed to change the pricing model from transparent, which is based on a "pass through" of costs, to traditional, which includes fixed discounts and dispensing fees. Based on a benchmarking analysis conducted by AON Hewitt Benefits Consultant for clients of similar size and plan design, the traditional pricing model offered by Optum Rx may result in savings to NYC Transit. However, these projections and pricing methods, including past pricing validation, must be completed prior to a new pricing structure being agreed upon. Additionally, it is anticipated that the extension will provide sufficient time for NYC Transit to conduct a competitive RFP in order to evaluate the cost of various prescription drug benefit plans and their fee structures, and to be able to award a contract that is both competitive and cost effective.

Schedule K: Ratification of Completed Procurement Actions



Item Number: 1-2

<b>Vendor Name (&amp; Location)</b>	
Henry Brothers Electronics, Inc. (Fair Lawn, NJ)	
Electronic Security in Under River Tunnel – URT 1 Project	
<b>Contract Term (including Options, if any)</b>	
June 16, 2011 – June 15, 2012	
<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a	
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
<b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	
<b>Funding Source</b>	
<input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	
<b>Requesting Dept/Div &amp; Dept/Div Head Name:</b>	
Capital Program Management, Frederick E. Smith	

<b>Contract Number</b>	<b>AWO/Modification #:</b>
C-11473	1 & 3
<b>Original Amount:</b>	\$ 8,495,254
<b>Prior Modifications:</b>	\$ 0
<b>Prior Budgetary Increases:</b>	\$ 0
<b>Current Amount:</b>	\$ 8,495,254
<b>This Request:</b>	
Mod. 1: \$830,000	
Mod. 3: \$1,590,000	
	\$ 2,420,000
<b>% of This Request to Current Amount:</b>	28.5%
<b>% of Modifications (including This Request) to Original Amount:</b>	28.5%

**Discussion:**

These retroactive modifications are for various changes needed to complete this security project.

This contract is for the furnishing, installation, wiring and testing of video cabinets and fiber optic distribution panels in eighteen communication rooms in under river tunnels (URTs). It also is for the furnishing, installation and integration testing of cameras, infrared spotlights, card readers, intercoms, intrusion detection systems in the URTs and the communications rooms.

Pursuant to the Emergency Declaration relating to security issues, MTACC solicited and awarded this contract to complete work left unfinished by Lockheed Martin Transportation & Security Systems (Lockheed Martin) after its termination for default of the Integrated Electronic Security System (IESS/C3) contract. This contract is for the completion of URT Package #1 of the IESS/C3 system. NYC Transit assumed responsibility for managing this contract and will design, solicit, award and manage a future contract for the completion of combined URT Packages #2 and #3. Substantial completion of the original contract work is currently forecast for November 30, 2012. A future modification will provide an extension of time.

**Modification No. 1**

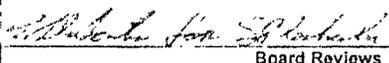
In connection with the default proceedings, Lockheed Martin prepared drawings and documents which detailed work accomplished and remaining work. MTACC awarded this contract based upon those drawings and documents. As work progressed, it became apparent that the Lockheed Martin drawings and documents were inaccurate with respect to 14 of the 18 communications rooms. A post-award field survey was undertaken to develop the scope of work of this retroactive modification which primarily consists of extending conduit and cable which Lockheed Martin ended outside the communication rooms, but needs to be brought into the rooms; it also includes furnishing ancillary equipment in the rooms. The work primarily is performed at night and on weekends. The contractor submitted a cost proposal in the amount of \$2,396,951; NYC Transit's estimate was \$757,828. Following extensive scope clarification meetings, negotiations resulted in the agreed upon lump sum price of \$830,000, which was found to be fair and reasonable. Savings of \$1,566,951 were achieved. On March 21, 2012, the SVP/Chief Engineer signed a retroactive waiver; the contractor was directed to proceed on March 26, 2012, to mitigate delay.

**Modification No. 3**

The security access control and monitoring systems are supported by communications rooms at the ends of the URTs. The existing power plants in those communications rooms pre-dated the IESS project. NYC Transit previously upgraded the power plant in one room, by a modification to the Siemens ATM-B contract. This retroactive modification will cover the furnishing and installation of power plant equipment for the other 17 communications rooms. The contractor submitted a cost proposal in the amount of \$2,367,147; NYC Transit's estimate was \$1,460,600. Negotiations resulted in an agreed upon lump sum price of \$1,590,000, which was found to be fair and reasonable. The SVP/Chief Engineer signed a retroactive waiver and the contractor was directed to proceed the same day, to mitigate delay.

# Staff Summary



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

SUMMARY INFORMATION	
Vendor Name Bearing Distributors Inc.	Contract Number 4081
Description NYC Transit Commodity No. 12-68-2415 Tapered Roller Bearing Assembly	
Total Amount \$999,900 (Est.)	
Contract Term (Including Options, if any) Fifteen Months	
Option(s) Included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

**I. PURPOSE / RECOMMENDATION**

To request Board approval for the purchase of NYC Transit Commodity No. 12-68-2415 Tapered Roller Bearing Assembly from Bearing Distributors Inc. in the estimated amount of \$999,900

**II. DISCUSSION**

In May 2011, MTAHQ obtained Board approval to conduct an e-procurement pilot program with MedPricer, LLC in order to determine whether e-procurement would yield substantial cost savings by reducing both the prices paid for purchases of goods and services as well as the administrative costs of procurements. E-Procurement is a competitive process for soliciting and receiving bids electronically in real time online with vendors competing for a procurement, and then awarding a contract. Under this e-procurement pilot program, MTA agencies using e-procurement software, will award a limited number of procurements that, in the case of goods, otherwise would have been awarded by traditional sealed competitive bidding. The pilot program procurements are being conducted pursuant to subdivision 9(f) of PAL 1209. Accordingly, the proposed final award of each of the pilot e-procurement solicitations will be submitted to the Board for approval.

NYC Transit identified this tapered roller bearing assembly as a candidate for the e-procurement pilot program. This item was chosen because it was determined that there were multiple suppliers that would participate in this competitive solicitation process. This tapered roller bearing is used on the high speed pinion shaft for Westinghouse and General Electric gear units. The Division of Car Equipment requires this item for Scheduled Maintenance System and regular maintenance requirements for various NYC Transit subway car fleets throughout the system. The e-procurement was conducted on April 24, 2012. The solicitation was evaluated strictly on price. The results of this e-procurement are as follows:

VENDOR/CONTRACTOR	ADDRESS CITY & STATE	QUANTITY	UNIT PRICE	TOTAL COST	TERMS	FOB
1. Bearing Distributors Inc.	Stratford, CT	9,000	\$113.20	\$1,018,800.00	Net 30	Delivered
2. Jamaica Bearings Co. Inc.	New Hyde Park, NY	9,000	\$117.85	\$1,060,650.00	Net 30	Delivered
3. Muncie Transit Supply	Muncie, IN	9,000	\$125.26	\$1,127,340.00	Net 30	Delivered

This item is on NYC Transit Qualified Products List (QPL) and all three vendors quoted on an approved product manufactured by Timken.

The pricing submitted from Bearing Distributors Inc. (BDI) through the e-procurement process was 8.3% higher than the previous contract awarded in March 2011. Due to the price increase from the previous procurement, NYC Transit reviewed the PPI for Tapered Roller Bearings and it revealed a 5.8% increase since the previous procurement was awarded. A market survey of all the participants was performed after the e-procurement was conducted. The results of this survey revealed that lower pricing would have been received had this requirement been conducted as a standard competitive sealed bid. The terms of the solicitation required the awardee to pay 1.5% of the awarded price to MedPricer as an administrative fee. The vendors that participated in the e-procurement indicated that they had increased their bid prices by 1.5% to compensate for the administrative fee.

# Staff Summary

In an attempt to obtain reduced pricing, NYC Transit was able to have MedPricer waive its fee and proceed without utilizing the e-procurement process. Subsequently, all three of the aforementioned vendors were requested to submit revised final prices. The results of this revised pricing request are as follows:

VENDOR/CONTRACTOR	ADDRESS CITY & STATE	QUANTITY	UNIT PRICE	TOTAL COST	TERMS	FOB
1. Bearing Distributors Inc.	Stratford, CT	9,000	\$111.10	\$999,900	Net 30	Delivered
2. Jamaica Bearings Co. Inc.	New Hyde Park, NY	9,000	\$118.97	\$1,070,730	Net 30	Delivered
3. Muncie Transit Supply	Muncie, IN	9,000	\$123.41	\$1,110,690	Net 30	Delivered

This effort resulted in a unit price reduction of \$2.10 or 1.89% from the pricing initially offered by BDI in response to this e-procurement, for a total savings of \$18,900.

This is an Estimated Quantity Contract being awarded to BDI. Delivery begins 90 days after receipt of an order from NYC Transit. The resulting Estimated Quantity Contract will be in effect for 15 months from the date of the award without limitations on the quantity of orders or the total amount expended and will require BDI to deliver various quantities within 14 days from issuance of a release purchase order. NYC Transit is not obligated to accept any or all of the Estimated Quantity Contract.

Procurement has found the price offered to be fair and reasonable based upon adequate price competition. Having evaluated all the available facts, Procurement finds BDI to be responsible.

It is recommended that the award be made to BDI in the total dollar amount of \$999,900 in accordance with the terms of the MTA NYC Transit Estimated Quantity Contract.

### III. D/M/WBE INFORMATION

There are no D/M/WBE goals required for this procurement.

### IV. IMPACT ON FUNDING

Funds for the procurement of this inventory commodity item are available through NYC Transit's operating budget. The resulting contract is a non-obligatory, estimated quantity contract. As a result, any changes in the operating budget or forecast will not impose any unforeseen expenditures upon NYC Transit.

### V. ALTERNATIVES

Cancel the solicitation and re-solicit using traditional competitive bidding procedures. This is not recommended because NYC Transit has an immediate requirement for this item. Additionally, re-soliciting this item may not result in the most favorable pricing since NYC Transit has already received the best pricing.

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**METROPOLITAN TRANSPORTATION AUTHORITY**  
**February Financial Plan - 2012 Adopted Budget**  
**Consolidated Accrual Statement of Operations by Category**  
**May 2012**  
(\$ in millions)

	Nonreimbursable				Reimbursable				Total			
	Adopted Budget	Actual	Favorable (Unfavorable)		Adopted Budget	Actual	Favorable (Unfavorable)		Adopted Budget	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent			Variance	Percent
<b>Revenue</b>												
Farebox Revenue	\$433.0	\$436.2	\$3.2	0.7	\$0.0	\$0.0	\$0.0	-	\$433.0	\$436.2	\$3.2	0.7
Vehicle Toll Revenue	133.7	132.2	(1.5)	(1.1)	0.0	0.0	0.0	-	133.7	132.2	(1.5)	(1.1)
Other Operating Revenue	47.4	41.2	(6.2)	(13.1)	0.0	0.0	0.0	-	47.4	41.2	(6.2)	(13.1)
Capital & Other Reimbursements	0.0	0.0	0.0	-	123.4	113.6	(9.8)	(7.9)	123.4	113.6	(9.8)	(7.9)
<b>Total Revenue</b>	<b>\$614.2</b>	<b>\$609.6</b>	<b>(\$4.5)</b>	<b>(0.7)</b>	<b>\$123.4</b>	<b>\$113.6</b>	<b>(\$9.8)</b>	<b>(7.9)</b>	<b>\$737.6</b>	<b>\$723.3</b>	<b>(\$14.3)</b>	<b>(1.9)</b>
<b>Expenses</b>												
<b>Labor:</b>												
Payroll	\$359.0	\$366.6	(\$7.6)	(2.1)	\$45.5	\$39.1	\$6.5	14.2	\$404.6	\$405.7	(\$1.1)	(0.3)
Overtime	38.9	45.1	(6.2)	(15.9)	8.1	9.5	(1.4)	(16.8)	47.0	54.6	(7.5)	(16.0)
Health and Welfare	70.8	81.5	(10.7)	(15.1)	5.1	4.3	0.8	15.6	75.9	85.8	(9.9)	(13.0)
OPEB Current Payment	34.8	36.6	(1.8)	(5.1)	0.0	0.0	0.0	-	34.8	36.6	(1.8)	(5.1)
Pensions	49.2	38.0	11.2	22.8	3.4	3.5	(0.2)	(4.6)	52.6	41.5	11.1	21.0
Other Fringe Benefits	44.5	45.6	(1.2)	(2.6)	12.1	10.4	1.7	14.1	56.6	56.1	0.5	1.0
Reimbursable Overhead	(27.8)	(24.5)	(3.3)	(11.9)	27.8	24.5	3.4	12.1	0.0	(0.0)	0.1	*
<b>Total Labor Expenses</b>	<b>\$569.6</b>	<b>\$589.0</b>	<b>(\$19.5)</b>	<b>(3.4)</b>	<b>\$102.1</b>	<b>\$91.3</b>	<b>\$10.8</b>	<b>10.6</b>	<b>\$671.6</b>	<b>\$680.3</b>	<b>(\$8.6)</b>	<b>(1.3)</b>
<b>Non-Labor:</b>												
Electric Power	\$39.8	\$34.5	\$5.3	13.2	\$0.0	\$0.1	(\$0.1)	*	\$39.8	\$34.6	\$5.2	13.1
Fuel	23.6	16.3	7.4	31.2	0.0	0.0	0.0	0.0	23.6	16.3	7.4	31.2
Insurance	1.7	1.6	0.1	8.4	1.1	0.8	0.3	24.3	2.8	2.4	0.4	14.6
Claims	17.0	20.5	(3.6)	(21.0)	0.0	0.0	0.0	-	17.0	20.5	(3.6)	(21.0)
Paratransit Service Contracts	34.4	30.7	3.7	10.7	0.0	0.0	0.0	-	34.4	30.7	3.7	10.7
Maintenance and Other Operating Contracts	42.0	34.4	7.6	18.1	5.9	7.5	(1.6)	(26.6)	47.9	41.9	6.0	12.5
Professional Service Contracts	20.8	22.9	(2.0)	(9.7)	3.8	4.7	(0.8)	(21.5)	24.7	27.5	(2.8)	(11.5)
Materials & Supplies	38.7	34.9	3.8	9.9	9.9	8.7	1.3	12.7	48.6	43.5	5.1	10.4
Other Business Expenses	11.9	12.9	(1.0)	(8.2)	0.5	0.6	(0.1)	(24.9)	12.4	13.5	(1.1)	(8.8)
<b>Total Non-Labor Expenses</b>	<b>\$230.0</b>	<b>\$208.7</b>	<b>\$21.3</b>	<b>9.3</b>	<b>\$21.3</b>	<b>\$22.4</b>	<b>(\$1.0)</b>	<b>(4.9)</b>	<b>\$251.3</b>	<b>\$231.1</b>	<b>\$20.3</b>	<b>8.1</b>
<b>Other Expense Adjustments:</b>												
Other	2.8	1.4	1.4	49.2	0.0	0.0	0.0	-	2.8	1.4	1.4	49.2
General Reserve	0.0	0.0	0.0	-	0.0	0.0	0.0	-	0.0	0.0	0.0	-
<b>Total Other Expense Adjustments</b>	<b>\$2.8</b>	<b>\$1.4</b>	<b>\$1.4</b>	<b>49.2</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>-</b>	<b>\$2.8</b>	<b>\$1.4</b>	<b>\$1.4</b>	<b>49.2</b>
<b>Total Expenses before Non-Cash Liability Adjs.</b>	<b>\$802.4</b>	<b>\$799.2</b>	<b>\$3.2</b>	<b>0.4</b>	<b>\$123.4</b>	<b>\$113.6</b>	<b>\$9.8</b>	<b>7.9</b>	<b>\$925.8</b>	<b>\$912.8</b>	<b>\$13.0</b>	<b>1.4</b>
Depreciation	179.5	171.3	8.2	4.6	0.0	0.0	0.0	-	179.5	171.3	8.2	4.6
OPEB Obligation	27.2	29.1	(2.0)	(7.2)	0.0	0.0	0.0	-	27.2	29.1	(2.0)	(7.2)
Environmental Remediation	0.2	0.2	0.0	0.2	0.0	0.0	0.0	-	0.2	0.2	0.0	0.2
<b>Total Expenses</b>	<b>\$1,009.2</b>	<b>\$999.7</b>	<b>\$9.5</b>	<b>0.9</b>	<b>\$123.4</b>	<b>\$113.6</b>	<b>\$9.8</b>	<b>7.9</b>	<b>\$1,132.6</b>	<b>\$1,113.3</b>	<b>\$19.3</b>	<b>1.7</b>
<b>Net Surplus/(Deficit) excluding Subsidies and Debt Service</b>	<b>(\$395.1)</b>	<b>(\$390.1)</b>	<b>\$5.0</b>	<b>1.3</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>-</b>	<b>(\$395.1)</b>	<b>(\$390.1)</b>	<b>\$5.0</b>	<b>1.3</b>
Subsidies	297.0	440.5	143.5	48.3	0.0	0.0	0.0	-	297.0	440.5	143.5	48.3
Debt Service	123.6	113.4	10.2	8.2	0.0	0.0	0.0	-	123.6	113.4	10.2	8.2

- Results are preliminary and subject to audit review  
- Differences are due to rounding  
\* Variance exceeds 100%

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**February Financial Plan - 2012 Adopted Budget**  
**Consolidated Accrual Statement of Operations by Category**  
**May Year-to-Date**  
(\$ in millions)

	Nonreimbursable				Reimbursable				Total			
	Adopted Budget	Actual	Favorable (Unfavorable)		Adopted Budget	Actual	Favorable (Unfavorable)		Adopted Budget	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent			Variance	Percent
<b>Revenue</b>												
Farebox Revenue	\$2,061.7	\$2,080.1	\$18.4	0.9	\$0.0	\$0.0	\$0.0	-	\$2,061.7	\$2,080.1	\$18.4	0.9
Vehicle Toll Revenue	604.0	608.1	4.1	0.7	0.0	0.0	0.0	-	604.0	608.1	4.1	0.7
Other Operating Revenue	224.5	231.6	7.1	3.2	0.0	0.0	0.0	-	224.5	231.6	7.1	3.2
Capital & Other Reimbursements	0.0	0.0	0.0	-	589.1	544.2	(44.9)	(7.6)	589.1	544.2	(44.9)	(7.6)
<b>Total Revenue</b>	<b>\$2,890.1</b>	<b>\$2,919.8</b>	<b>\$29.6</b>	<b>1.0</b>	<b>\$589.1</b>	<b>\$544.2</b>	<b>(\$44.9)</b>	<b>(7.6)</b>	<b>\$3,479.2</b>	<b>\$3,464.0</b>	<b>(\$15.2)</b>	<b>(0.4)</b>
<b>Expenses</b>												
<b>Labor:</b>												
Payroll	\$1,742.3	\$1,741.2	\$1.1	0.1	\$216.2	\$193.4	\$22.8	10.5	\$1,958.5	\$1,934.7	\$23.8	1.2
Overtime	191.9	214.7	(22.8)	(11.9)	37.9	45.0	(7.0)	(18.5)	229.8	259.7	(29.8)	(13.0)
Health and Welfare	354.5	357.2	(2.8)	(0.8)	22.8	19.4	3.5	15.1	377.3	376.6	0.7	0.2
OPEB Current Payment	176.6	170.6	6.0	3.4	0.0	0.0	0.0	-	176.6	170.6	6.0	3.4
Pensions	243.7	235.9	7.8	3.2	14.0	14.2	(0.2)	(1.3)	257.7	250.1	7.6	3.0
Other Fringe Benefits	215.5	217.9	(2.4)	(1.1)	59.2	53.2	5.9	10.0	274.7	271.1	3.6	1.3
Reimbursable Overhead	(135.3)	(136.3)	1.0	0.7	135.4	136.3	(0.9)	(0.6)	0.1	0.0	0.1	99.8
<b>Total Labor Expenses</b>	<b>\$2,789.2</b>	<b>\$2,801.3</b>	<b>(\$12.1)</b>	<b>(0.4)</b>	<b>\$485.5</b>	<b>\$461.5</b>	<b>\$24.1</b>	<b>5.0</b>	<b>\$3,274.7</b>	<b>\$3,262.7</b>	<b>\$12.0</b>	<b>0.4</b>
<b>Non-Labor:</b>												
Electric Power	\$209.5	\$190.3	\$19.2	9.2	\$0.1	\$0.3	(\$0.2)	*	\$209.6	\$190.6	\$19.0	9.0
Fuel	122.6	112.1	10.5	8.6	0.0	0.0	(0.0)	(11.1)	122.6	112.1	10.5	8.6
Insurance	9.4	5.8	3.6	38.7	4.3	3.4	1.0	22.5	13.7	9.1	4.6	33.6
Claims	85.1	90.0	(4.8)	(5.7)	0.0	0.0	0.0	-	85.1	90.0	(4.8)	(5.7)
Paratransit Service Contracts	163.6	150.1	13.5	8.3	0.0	0.0	0.0	-	163.6	150.1	13.5	8.3
Maintenance and Other Operating Contracts	210.8	176.4	34.4	16.3	29.9	26.4	3.5	11.6	240.7	202.8	37.9	15.7
Professional Service Contracts	105.2	89.6	15.6	14.8	16.3	13.4	3.0	18.2	121.5	102.9	18.6	15.3
Materials & Supplies	199.1	175.7	23.4	11.8	52.7	38.4	14.3	27.1	251.8	214.1	37.7	15.0
Other Business Expenses	63.2	57.9	5.3	8.4	0.2	0.9	(0.7)	*	63.4	58.8	4.6	7.3
<b>Total Non-Labor Expenses</b>	<b>\$1,168.6</b>	<b>\$1,047.8</b>	<b>\$120.8</b>	<b>10.3</b>	<b>\$103.6</b>	<b>\$82.7</b>	<b>\$20.8</b>	<b>20.1</b>	<b>\$1,272.1</b>	<b>\$1,130.5</b>	<b>\$141.6</b>	<b>11.1</b>
<b>Other Expense Adjustments:</b>												
Other	14.1	6.7	7.4	52.5	0.0	0.0	0.0	-	14.1	6.7	7.4	52.5
General Reserve	0.0	0.0	0.0	-	0.0	0.0	0.0	-	0.0	0.0	0.0	-
<b>Total Other Expense Adjustments</b>	<b>\$14.1</b>	<b>\$6.7</b>	<b>\$7.4</b>	<b>52.5</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>-</b>	<b>\$14.1</b>	<b>\$6.7</b>	<b>\$7.4</b>	<b>52.5</b>
<b>Total Expenses before Non-Cash Liability Adjs.</b>	<b>\$3,971.9</b>	<b>\$3,855.8</b>	<b>\$116.1</b>	<b>2.9</b>	<b>\$589.1</b>	<b>\$544.0</b>	<b>\$45.1</b>	<b>7.7</b>	<b>\$4,561.0</b>	<b>\$4,399.7</b>	<b>\$161.2</b>	<b>3.5</b>
Depreciation	885.3	857.4	27.9	3.1	0.0	0.0	0.0	-	885.3	857.4	27.9	3.1
OPEB Obligation	368.4	491.1	(122.7)	(33.3)	0.0	0.0	0.0	-	368.4	491.1	(122.7)	(33.3)
Environmental Remediation	2.5	3.0	(0.5)	(18.7)	0.0	0.0	0.0	-	2.5	3.0	(0.5)	(18.7)
<b>Total Expenses</b>	<b>\$5,228.1</b>	<b>\$5,207.3</b>	<b>\$20.8</b>	<b>0.4</b>	<b>\$589.1</b>	<b>\$544.0</b>	<b>\$45.1</b>	<b>7.7</b>	<b>\$5,817.1</b>	<b>\$5,751.2</b>	<b>\$65.9</b>	<b>1.1</b>
<b>Net Surplus/(Deficit) excluding Subsidies and Debt Service</b>	<b>(\$2,337.9)</b>	<b>(\$2,287.5)</b>	<b>\$50.4</b>	<b>2.2</b>	<b>\$0.0</b>	<b>\$0.3</b>	<b>\$0.3</b>	<b>-</b>	<b>(\$2,337.9)</b>	<b>(\$2,287.3)</b>	<b>\$50.7</b>	<b>2.2</b>
Subsidies	3,132.5	3,122.2	(10.4)	(0.3)	0.0	0.0	0.0	-	3,132.5	3,122.2	(10.4)	(0.3)
Debt Service	845.0	841.0	4.0	0.5	0.0	0.0	0.0	-	845.0	841.0	4.0	0.5

-- Results are preliminary and subject to audit review  
-- Differences are due to rounding  
\* Variance exceeds 100%

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET**  
**EXPLANATION OF VARIANCES BETWEEN ADOPTED BUDGET AND ACTUAL ACCRUAL BASIS**  
**May 2012**  
(\$ in millions)

Generic Revenue or Expense Category	Nonreimb or Reimb	MAY		Reason for Variance	YEAR-TO-DATE		Reason for Variance
		Favorable (Unfavorable)			Favorable (Unfavorable)		
		\$	%		\$	%	
Farebox Revenue	NR	3.2	0.7	The LIRR, NYCT and MNR had favorable variances of \$1.6M, \$1.4M and \$0.3M, respectively, primarily due to higher-than-forecasted ridership which was aided by higher NYC employment	18.4	0.9	The LIRR, MNR, NYCT and MTA Bus had favorable variances of \$9.4M, \$5.2M, \$2.3M and \$1.6M, respectively, primarily due to higher-than-forecasted ridership which was aided by favorable weather and higher NYC employment.
Vehicle Toll Revenue	NR	(1.5)	(1.1)	Variance due to lower traffic volume and a lower average toll.	4.1	0.7	Variance primarily due to higher traffic volume in January and February resulting from favorable weather and higher NYC employment
Other Operating Revenue	NR	(6.2)	(13.1)	FMTAC was unfavorable by (\$7.3M) due to a negative shift in the market value of the invested asset portfolio. NYCT was unfavorable by (\$0.2M) due to lower advertising, real estate, and paratransit urban tax revenues. B&T was (\$0.2M) unfavorable mostly due to timing. These results were partially offset by a favorable outcome of \$1.1M at MNR as a result of higher net GCT retail revenue, timing differences in the start of the GCT Trainshed project, and advertising revenue. The favorable outcome of \$0.2M at the LIRR was primarily due to higher advertising and rental revenue.	7.1	3.2	Reflects overall favorable outcomes of: \$4.0M at MNR as a result of higher net GCT retail revenue, timing differences in the start of the GCT Trainshed project, and higher advertising and commissary revenue, \$0.9M at MTA Bus reflecting greater insurance recoveries and student fare reimbursements; \$0.7M at B&T due to higher revenues from the auctioning of obsolete non-revenue fleet vehicles, higher receipts from vendor settlements, and higher collections of outstanding E-ZPass account balances; \$0.5M at NYCT mainly due to higher Transit Adjudication Bureau (TAB) fees; \$0.5M at MTA HQ due to the timing of Transit Museum sales; and \$0.3M at FMTAC due to a positive shift in the market value of the invested asset portfolio.
Payroll	NR	(7.6)	(2.1)	NYCT had an unfavorable variance of (\$10.9M) primarily due to higher retroactive wages based on a recent ATU arbitration ruling. MTA Bus had an unfavorable variance of (\$1.3M) mostly due to higher average rates of pay and the timing of reimbursable project work. These results were partially offset by favorable variances at MTAHQ, MNR, B&T and the LIRR of \$1.7M, \$1.1M, \$0.9M, and \$0.6M, respectively, primarily due to vacancies.	1.1	0.1	MNR, MTAHQ, B&T, and SIR had favorable variances of \$5.2M, \$4.9M, \$3.1M, and \$1.0M, respectively, primarily due to vacancies, while the LIRR had a favorable variance of \$2.2M primarily due to vacancies and lower penalty and retiree payments. These results were partially offset by unfavorable variances at NYCT of (\$8.1M) mostly due to higher retroactive wages based on a recent ATU arbitration ruling, and MTA Bus of (\$7.2M) mostly due to higher average rates of pay and the timing of reimbursable project work.
Overtime	NR	(6.2)	(15.9)	The unfavorable outcome of (\$3.9M) at NYCT was due to additional requirements for signals inspection/maintenance, the FASTRACK program, and vacancy coverage. The LIRR was (\$0.9M) unfavorable primarily as a result of higher vacancy/absentee coverage. At MTA HQ, the unfavorable outcome of (\$0.5M) reflects the timing of reimbursements for directed patrol. MNR was (\$0.5M) unfavorable due to holiday and Yankee Stadium coverage requirements. MTA Bus was (\$0.4M) unfavorable as a result of vacancies and the impact of an unbudgeted contractual labor award (see Overtime Decomposition Report for more details).	(22.8)	(11.9)	Reflects overall unfavorable outcomes of: (\$17.3M) at NYCT mainly due to additional requirements for signals inspection/maintenance, bus maintenance, the FASTRACK program, lower employee availability/higher vacancy coverage requirements, and the timing of "banked" overtime payments to represented employees, (\$3.0M) at MTA HQ resulting from the timing of reimbursements for directed patrol, (\$2.7M) at the LIRR due to higher vacancy/absentee coverage requirements and rates, and (\$2.3M) at MTA Bus due to the residual effects of the bus maintenance program along with higher vacancies and the impact of an unbudgeted contractual labor award. Partially offsetting these results were favorable outcomes of: \$1.7M at MNR due to the impact of mild weather conditions and the reduced need for night-of-way and car fleet maintenance; and \$1.2M at B&T, due to favorable weather conditions, lower vacancy/absentee coverage requirements, and efficient usage of staff for law enforcement activities (see Overtime Decomposition Report for more details).

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET**  
**EXPLANATION OF VARIANCES BETWEEN ADOPTED BUDGET AND ACTUAL ACCRUAL BASIS**  
**May 2012**  
(\$ in millions)

Generic Revenue or Expense Category	Nonreimb or Reimb	MAY		Reason for Variance	YEAR-TO-DATE		Reason for Variance
		Favorable (Unfavorable)			Favorable (Unfavorable)		
		\$	%		\$	%	
Health and Welfare	NR	(10.7)	(15.1)	NYCT had an unfavorable variance of (\$12.9M) primarily due to higher claims, timing, and the non-realization of Federal subsidies from an employee early retirement program. Partially offsetting these results were favorable variances at MNR and the LIRR of \$1.0M and \$0.8M, respectively, due to lower rates and vacancies. MTA Bus was \$0.3M favorable due to timing.	(2.8)	(0.8)	NYCT had an unfavorable variance of (\$16.2M) primarily due to higher claims, timing, and the non-realization of Federal subsidies from an employee early retirement program. This result was partially offset by favorable variances at MNR, the LIRR, B&T, and MTA HQ of \$5.7M, \$4.0M, \$1.6M and \$1.4M, respectively, primarily due to lower rates and higher vacancies. MTA Bus and SIR had favorable variances of \$0.4M and \$0.3M, respectively, due to timing.
OPEB - Current Payment	NR	(1.8)	(5.1)	Higher than expected medical claims charges and timing were responsible for unfavorable variances of (\$1.4M) at MTA Bus and (\$1.0M) at NYCT. This was partially offset by a favorable variance at the LIRR of \$0.7M, due to lower rates and fewer retirees.	6.0	3.4	Lower rates and fewer retirees were responsible for favorable variances of \$4.5M at NYCT, \$2.3M at the LIRR, \$0.7M at B&T, and \$0.5M at MTAHQ. These results were partially offset by unfavorable variances of (\$1.0M) at MTA Bus due to higher than expected medical claims charges and timing, and at MNR of (\$0.9M) due to a higher number of retirees.
Pensions	NR	11.2	22.8	Results reflect an overall favorable timing difference of \$9.0M for MaBSTOA expenses at NYCT, the timing of accruals for MTA Police pensions at MTAHQ of \$2.3M, and underruns at the LIRR of \$0.4M due to a lower than-estimated allocation to the reimbursable budget. These results were partially offset by an unfavorable variance of (\$0.5M) at MTA Bus due to the timing of accruals.	7.8	3.2	Results reflect the timing of accruals for MTA Police pensions at MTAHQ of \$8.3M, underruns at the LIRR of \$1.6M due to a lower-than-estimated allocation to the reimbursable budget, and higher vacancies at MNR of \$0.5M. These results were partially offset by unfavorable timing differences of (\$1.8M) at NYCT for MaBSTOA expenses and (\$0.7M) at MTA Bus.
Other Fringe Benefits	NR	(1.2)	(2.6)	NYCT had an unfavorable variance of (\$2.6M) primarily due to reduced overhead credits resulting from reimbursable payroll underruns and higher FICA payments. This result was partially offset by favorable variances of \$1.0M and \$0.7M at the LIRR and MNR, respectively, mostly due to lower-than-projected Federal Employers Liability Act (FELA) indemnity payments and vacancies.	(2.4)	(1.1)	NYCT was unfavorable by (\$7.3M) primarily due to reduced overhead credits resulting from reimbursable payroll underruns and higher FICA payments. MTA HQ was unfavorable by (\$2.9M) primarily due to an adjustment for Workers Compensation litigation accruals. B&T was unfavorable by (\$0.4M) primarily due to higher Social Security and NYS Unemployment Insurance. SIR was unfavorable by (\$0.3M) primarily due to higher Workers' Compensation payments. Partially offsetting these results were favorable variances of \$4.6M and \$4.1M at the LIRR and MNR, respectively, primarily due to lower-than-projected Federal Employers Liability Act (FELA) indemnity payments and vacancies.
Reimbursable Overhead	NR	(3.3)	(11.9)	MTA HQ was (\$1.8M) unfavorable due to the timing of expense recovery billings. Lower capital project activity resulted in unfavorable outcomes of (\$0.7M) at the LIRR, (\$0.6M) at NYCT and (\$0.3M) at MNR.	1.0	0.7	MTA HQ was \$5.8M favorable due to the timing of expense recovery billings. This result was partially offset by unfavorable outcomes of (\$2.4M) at the LIRR, (\$1.9M) at MNR, and (\$0.3M) at B&T, reflective of lower capital project activity.
Electric Power	NR	5.3	13.2	The overall favorable outcome primarily reflects the impact of lower rates, consumption and the timing of adjustments: \$2.1M at NYCT, \$2.0M at the LIRR, \$0.6M at MNR, and \$0.3M at B&T.	19.2	9.2	The overall favorable outcome primarily reflects the impact of lower rates, consumption and the timing of adjustments: \$8.0M at the LIRR, \$5.3M at MNR, \$3.4M at NYCT, \$1.3M at B&T, and \$1.1M at MTA HQ (due to the timing of expense recovery billings).

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET**  
**EXPLANATION OF VARIANCES BETWEEN ADOPTED BUDGET AND ACTUAL ACCRUAL BASIS**  
**May 2012**  
(\$ in millions)

Generic Revenue or Expense Category	Nonreimb or Reimb	Favorable (Unfavorable)		Reason for Variance	Favorable (Unfavorable)		Reason for Variance
		\$	%		\$	%	
Fuel	NR	7.4	31.2	MTA Bus was \$5.9M favorable primarily due to an accrual adjustment. NYCT was \$1.5M favorable primarily due to lower heating fuel expenses and bus fuel consumption.	10.5	8.6	MTA Bus was \$6.1M favorable primarily due to an accrual adjustment. NYCT was \$5.0M favorable primarily due to lower heating fuel expenses and bus fuel consumption. Partially offsetting these results was an unfavorable variance of (\$0.7M) at MTA HQ primarily due to timing.
Insurance	NR	0.1	8.4	NYCT had a favorable variance of \$1.2M primarily due to reductions in the paratransit fleet size resulting from increased use of taxis/vouchers. Partially offsetting this result were unfavorable variances at FMTAC and MTA Bus of (\$0.8M) and (\$0.2M), respectively, primarily due to timing.	3.6	38.7	NYCT was favorable by \$5.2M mainly attributable to reductions in the paratransit fleet size resulting from increased use of taxis/vouchers. MTA HQ was favorable by \$3.6M primarily due to a prior period adjustment. B&T was favorable by \$0.6M as a result of lower liability insurance premiums. Partially offsetting these results was an unfavorable variance at FMTAC of (\$5.7M) due to a premium audit adjustment and timing. MTA Bus was unfavorable by (\$0.4M) primarily due to a prior period adjustment.
Claims	NR	(3.6)	(21.0)	FMTAC was unfavorable by (\$3.5M) due to an increase in required reserves based on an actuarial re-estimate.	(4.8)	(5.7)	FMTAC was unfavorable by (\$8.0M) due to an increase in required reserves based on an actuarial re-estimate. This outcome was offset by favorable results of \$2.5M at MTAHQ due to an accrual adjustment and \$0.3M at the LIRR and MNR, due to timing.
Paratransit Service Contracts	NR	3.7	10.7	The favorable outcome at NYCT was mostly due to increased utilization by riders of lower costing taxis and vouchers, fewer completed trips, reduced call center activity, and stricter eligibility certifications.	13.5	8.3	The favorable outcome at NYCT was mostly due to increased utilization by riders of lower costing taxis and vouchers, fewer completed trips, reduced call center activity, stricter eligibility certifications, and fewer vehicle rehabilitations.
Maintenance and Other Operating Contracts	NR	7.6	16.1	NYCT was \$3.6M favorable mainly due to the timing of vehicle maintenance and repairs and painting expenses. MTAHQ was \$2.0M favorable due to lower maintenance and repair charges for IESS and 2 Broadway. B&T had a favorable variance of \$1.3M as a result of lower expenses for major maintenance and painting, E-ZPass tag purchases and security services. MTA Bus was \$1.0M favorable primarily due to timing. Slightly offsetting these results was an unfavorable variance of (\$0.4M) at the LIRR primarily due to the timing of expenses for joint facilities.	34.4	16.3	NYCT was \$13.1M favorable mainly due to the timing of building-related and uniform expenses, non-revenue vehicle purchases and subway car disposal costs. MTAHQ was \$7.4M favorable due to lower maintenance and repair charges for 2 Broadway and IESS. The LIRR was \$6.3M favorable largely due to the timing of vegetation management, security initiatives (IESS) and telephone/data services. MNR was \$4.8M favorable due to the timing of locomotive overhauls and lower expenditures for the Harlem River Lift Bridge repairs, utilities, bus transfer services, New Haven Shop improvements and environmental/hazardous waste removal services. B&T had a favorable variance of \$1.8M as a result of lower expenses for major maintenance and painting, E-ZPass tag purchases and security services. MTA Bus was \$1.0M favorable due to timing.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET**  
**EXPLANATION OF VARIANCES BETWEEN ADOPTED BUDGET AND ACTUAL ACCRUAL BASIS**  
**May 2012**  
**(\$ in millions)**

Generic Revenue or Expense Category	Nonreimb or Reimb	MAY		Reason for Variance	YEAR-TO-DATE		Reason for Variance
		Favorable (Unfavorable)			Favorable (Unfavorable)		
		\$	%		\$	%	
Professional Service Contracts	NR	(2.0)	(9.7)	Results reflect overall unfavorable timing differences of (\$2.5M) at NYCT (mostly bond services), and (\$1.5M) at MTA HQ (primarily IT service contracts), partially offset by a favorable variance of \$0.8M at the LIRR primarily due to the timing of IT expenses and marketing promotions. In addition, MNR had a \$0.6M favorable variance primarily due to lower expenditures for medical services, IT services and equipment, legal, training and financial services and B&T had a favorable variance of \$0.5M primarily due to lower expenditures for planning studies.	15.6	14.8	MTA HQ was \$5.3M favorable primarily due to the timing of IT service contracts. The LIRR was \$4.5M favorable as a result of prior period accrual adjustments and the timing of expenses for IT and legal services. B&T was \$3.7M favorable mainly due to lower expenses for planning studies, office equipment and repair services, engineering services, IT consultants and bond issuances. MNR was \$1.6M favorable due to lower expenditures for legal, bridge inspections, IT services and equipment, medical services, training and financial services.
Materials & Supplies	NR	3.8	9.9	The favorable result of \$2.4M at NYCT was largely attributable to the timing of maintenance material requirements, higher scrap sales and inventory adjustments. MTA Bus was \$0.5M favorable due to timing. The favorable outcome of \$0.5M at the LIRR was primarily due to the timing of pool material chargeouts and inventory adjustments. MNR was \$0.4M favorable primarily due to lower switch & signal material usage, inventory adjustments, and lower rolling stock parts & supplies usage.	23.4	11.8	Reflects overall favorable outcomes of \$7.8M at NYCT largely attributable to the timing of maintenance material requirements, scrap sales and inventory adjustments, \$7.4M at the LIRR caused by lower usage of running repair material in the support and car shops, RCM material for the diesel fleet, timing, and inventory adjustments, \$5.8M at MNR primarily reflecting lower usage of rolling stock material attributable to the impact of mild winter weather and revised maintenance cycles on the older NHL car fleet, \$1.1M at B&T resulting from timing and lower expenses for roadway equipment, de-icing materials and fence and rail, and \$0.6M at both SIR and MTA Bus due to timing.
Other Business Expenses	NR	(1.0)	(8.2)	MNR was (\$0.6M) unfavorable reflecting higher NJT subsidy payments due to prior period service cost adjustments and lower revenue. NYCT was (\$0.3M) unfavorable mainly due to the timing of stationery & supplies and other account expenses. Credit Card fees was primarily responsible for an unfavorable variance of (\$0.3M) at B&T and FMTAC was (\$0.2M) unfavorable primarily due to higher-than-budgeted general & administrative and safety loss control expenses. These results were partially offset by an favorable variance of \$0.2M at the LIRR due to timing.	5.3	8.4	NYCT was \$2.2M favorable primarily due to underruns in Metro-Card Vending Machine (MVM) debit/credit card charges. MTAHQ and the LIRR were favorable by \$1.3M and \$1.2M, respectively due to timing. FMTAC was \$0.4M favorable primarily due to lower-than-budgeted general & administrative and safety loss control expenses.
Other Expense Adjustments	NR	1.4	49.2	Variance due to the timing of expenses.	7.4	52.5	Variance due to the timing of expenses.
Depreciation	NR	8.2	4.6	Timing differences in project completions and assets reaching beneficial use resulted in favorable variances of \$7.4M at NYCT, \$1.2M at MNR, and \$0.4M at the LIRR, and unfavorable variances of (\$0.6M) at MTAHQ and (\$0.3M) at MTA Bus.	27.9	3.1	Timing differences in project completions and assets reaching beneficial use resulted in favorable variances of \$25.8M at NYCT, \$3.5M at MNR, \$1.9M at the LIRR, and \$0.8M at B&T, and unfavorable variances of (\$3.2M) at MTA HQ and (\$0.9M) at MTA Bus.
Other Post-Employment Benefits	NR	(2.0)	(7.2)	Reflects the value associated with the unfunded accrued liability for post employment benefits.	(122.7)	(33.3)	Reflects the value associated with the unfunded accrued liability for post employment benefits. The variance was primarily due to a 2011 year-end actuarial update.
Environmental Remediation	NR	0.0	0.2	No variance.	(0.5)	(18.7)	Unfavorable variance reflects overall higher remediation efforts. MTA Bus (\$1.8M unfavorable), MNR \$1.4M favorable.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET**  
**EXPLANATION OF VARIANCES BETWEEN ADOPTED BUDGET AND ACTUAL ACCRUAL BASIS**  
**May 2012**  
(\$ in millions)

Generic Revenue or Expense Category	Nonreimb or Reimb	MAY				YEAR-TO-DATE			
		Favorable (Unfavorable)		Reason for Variance	Favorable (Unfavorable)		Reason for Variance		
		\$	%		\$	%			
Capital & Other Reimbursements	R	(9.8)	(7.9)	Timing was primarily responsible for the overall unfavorable variance.	(44.9)	(7.6)	Timing was primarily responsible for the overall unfavorable variance.		
Payroll	R	6.5	14.2	The overall favorable variance was primarily due to the timing of project activity.	22.8	10.5	The overall favorable variance was primarily due to the timing of project activity.		
Overtime	R	(1.4)	(16.8)	The overall unfavorable result was primarily attributable to NYCT (\$1.0M) and due to additional track work, power, and signal-related requirements. The LIRR was (\$0.3M) unfavorable due to the timing of project activity.	(7.0)	(18.5)	The unfavorable result is mostly attributable to NYCT (\$6.8M) and results from additional track work, power, and signal-related requirements.		
Health and Welfare	R	0.8	15.6	NYCT had a favorable variance of \$0.5M due to timing. Other agency variances were minor.	3.5	15.1	NYCT had a favorable variance of \$2.2M due to timing. MNR and MTACC were favorable by \$0.6M and \$0.4M, respectively, primarily due to lower project activity and rates. Other agency variances were minor.		
Pensions	R	(0.2)	(4.6)	Timing was responsible for an unfavorable variance of (\$0.4M) at the LIRR. This was partially offset by a \$0.2M favorable variance at MNR due to lower project activity.	(0.2)	(1.3)	Timing was responsible for an unfavorable variance of (\$1.6M) at the LIRR. This was partially offset by favorable variances of \$1.0M at MNR and \$0.4M at MTACC due to timing.		
Other Fringe Benefits	R	1.7	14.1	NYCT had a favorable variance of \$1.7M primarily due to lower direct overhead expenses resulting from reimbursable payroll underruns. Other agency variances were minor.	5.9	10.0	NYCT had a favorable variance of \$5.6M primarily due to lower direct overhead expenses resulting from reimbursable payroll underruns. The LIRR was favorable by \$0.5M due to timing. Partially offsetting these results was an unfavorable variance at MNR of (\$0.3M) primarily due to rate differentials and project adjustments.		
Reimbursable Overhead	R	3.4	12.1	The timing of expense recovery billings resulted in a favorable variance of \$1.8M at MTA HQ. Other favorable outcomes were a result of lower-than-budgeted project activity--\$0.7M at the LIRR, \$0.6M at NYCT, and \$0.4M at MNR.	(0.9)	(0.6)	The timing of expense recovery billings resulted in an unfavorable variance of (\$5.8M) at MTA HQ, which was partially offset by favorable results of \$2.4M at the LIRR, \$2.0M at MNR, and \$0.3M at B&T, due to the timing of project activity.		
Insurance	R	0.3	24.3	Agency variances were minor.	1.0	22.5	The LIRR and MNR had a favorable variances of \$0.5M and \$0.4M, respectively, due to lower project activity.		
Maintenance and Other Operating Contracts	R	(1.6)	(26.6)	MNR was unfavorable by \$1.6M primarily due to higher activity on the Port Jervis Reconstruction (Phase 2), West Haven Station and Cos Cob West Substation projects. The LIRR was (\$0.4M) unfavorable primarily due to the timing of project activity. Partially offsetting these results was a \$0.4M favorable variance at NYCT largely due to the timing of safety equipment expenses.	3.5	11.6	MNR was favorable by \$4.2M primarily due to lower activity on the Port Jervis Reconstruction (Phase 2) project, West Haven Station, ferry operations and guard booth design projects. NYCT was \$0.6M favorable largely due to the timing of safety equipment expenses. Partially offsetting these results was an unfavorable variance of (\$1.4M) at the LIRR primarily due to the timing of project activity.		

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET**  
**EXPLANATION OF VARIANCES BETWEEN ADOPTED BUDGET AND ACTUAL ACCRUAL BASIS**  
**May 2012**  
(\$ in millions)

Generic Revenue or Expense Category	Nonreimb or Reimb	MAY		Reason for Variance	MAY		YEAR-TO-DATE		Reason for Variance
		Favorable (Unfavorable)			Favorable (Unfavorable)		Favorable (Unfavorable)		
		\$	%		\$	%	\$	%	
Professional Service Contracts	R	(0.8)	(21.5)	NYCT was \$1.3M unfavorable primarily due to the timing of IT hardware and data center expenses. MNR was (\$0.6M) unfavorable primarily due to higher activity on the M-8 car procurement and West Haven Station projects. Partially offsetting these results was a favorable variance of \$0.9M at MTA HQ due to the timing of Risk Management activity and a favorable \$0.2M variance at the LIRR due to the timing of project activity.	3.0	18.2	Results reflect overall favorable timing differences in Risk Management and West Side Yard project activity at MTA HQ (\$2.3M), data center charges at NYCT (\$0.9M), MTA chargebacks, legal and engineering services at MTA CC (\$0.6M) and the timing of project activity at the LIRR (\$0.5M). These results were partially offset by an unfavorable variance of (\$1.2M) at MNR primarily due to higher activity on the West Haven Station project.		
Materials & Supplies	R	1.3	12.7	The timing of project activity and payments for project material resulted in favorable outcomes of \$0.6M at the LIRR, \$0.5M at NYCT, and \$0.3M at MNR. These were partially offset by an unfavorable outcome of (\$0.3M) at SIR.	14.3	27.1	MNR was \$11.0M favorable resulting from lower project activity on the Danbury Branch Signal System and C-28 Track programs, in addition to scheduling changes on a number of projects. The LIRR had a favorable variance of \$5.4M due to the timing of project activity and payments for material. These results were partially offset by unfavorable variances of (\$1.5M) at NYCT due to the timing of track maintenance material requirements and (\$0.3M) at both SIR and MTA Bus due to timing.		
Other Business Expenses	R	(0.1)	(24.9)	Agency variances were minor.	(0.7)	*	NYCT was (\$0.5M) unfavorable due to the timing of reimbursable job closing adjustments and the LIRR was (\$0.2M) unfavorable due to the timing of project activity.		
Subsidies	NR	143.5	48.3	The favorable variance for May of \$143.5 million was due mostly to higher than budget PMT transactions, due partially to timing of booking accrual and to real positive results from catch-up second quarter payments by some small business owners.	(10.4)	(0.3)	The unfavorable year-to-date variance of \$10.4 million was due to lower than budgeted City Subsidy to MTA Bus (\$19.8M) and MTA Aid (\$12.4M), that were mostly timing related. Also contributing to the unfavorable variance were lower CDOT (\$16.0M), as a result of a reduced Metro-North deficit resulting from favorable revenues and lower expenses, lower real estate revenues (\$13.7M) and PBT revenues (\$10.9M). This was partially offset by favorable PMT (\$46.9M) and MMTOA (\$10.6M).		
Debt Service	NR	10.2	8.2	The favorable variance of \$10.2 million was mainly due to the timing of interest payments and the reversal of a prior period timing difference.	4.0	0.5	The favorable variance of \$4.0 million was mainly due to lower than budgeted variable rates and timing of interest payments for the commercial paper program.		

## OVERTIME REPORTING May 2012

The attached table presents consolidated results of overtime on the basis of hours and costs and reflects changes resulting from MTA DMB's review of ways to improve overtime reporting. Note that changes were also made to the overtime definitions presented on the overtime legend (also attached).

For detailed overtime results please refer to the Agency reports located in the financial reporting sections of Agency operating committee agendas.

Below is a summary of the major consolidated variances for May 2012 (month and year-to-date).

### **2012 OVERTIME REPORTING - PRELIMINARY MAY RESULTS (NON-REIMBURSABLE)**

#### **Month**

Total overtime was (\$6.1M), or (16%), unfavorable to budget.

*"Vacancy/Absentee Coverage"* had a (\$4.0M) unfavorable variance mostly attributable to numerous vacancies at NYCT for train operators, station agents, station maintainers, bus operators, and bus dispatchers, as well as craft & foreman vacancies in the Maintenance of Equipment Department at the LIRR. *"Programmatic/Routine Maintenance"* had an unfavorable variance of (\$1.9M), the bulk of which was in NYCT and mostly due to maintenance and inspection backlogs in Signals and the FasTrack project. This was partially offset by a favorable variance at the LIRR due to better management oversight of Maintenance of Equipment. *"Other"* had an unfavorable variance of (\$0.5M) mostly attributable to payroll lag adjustments at B&T. *"Safety/Security/Law Enforcement"* had a (\$0.3M) unfavorable variance mostly attributable to higher overtime coverage for directed patrol and additional grant coverage at MTAHQ. These results were partially offset by a favorable variance of \$0.5M in *"Scheduled Service"*.

#### **Year-to-Date**

Total year-to-date overtime was (\$22.4M), or (12%), unfavorable to budget.

*"Programmatic/Routine Maintenance"* had an unfavorable variance of (\$14.0M) mostly attributable to NYCT and due to maintenance and inspection backlogs in Signals, the FasTrack project, fleet reliability improvement efforts in Buses, and the payment of "banked" overtime to represented employees. This was partially offset by a favorable variance at MNR of \$1.8M due mainly to better than anticipated rolling stock performance resulting from the mild winter weather. *"Vacancy/Absentee Coverage"* had a (\$12.5M) unfavorable variance mostly attributable to vacancies at NYCT, the LIRR, and MTA Bus. This was partially offset by a favorable variance at B&T due to management actions and lower-than-expected traffic congestion. *"Safety/Security/Law Enforcement"* had a (\$2.5M) unfavorable variance mostly attributable to higher overtime coverage for directed patrol and additional grant coverage at MTAHQ. These results

**OVERTIME REPORTING**  
**May 2012**

were partially offset by favorable variances of \$4.0M in "*Scheduled Service*" and \$2.4M in "*Weather Emergencies*" which was attributable to mild winter weather.

Metropolitan Transportation Authority  
2012 February Financial Plan  
Non-Reimbursable/Reimbursable Overtime  
(\$ in millions)

	May						May Year-to-Date					
	Adopted Budget		Actuals		Var. - Fav./Unfav)		Adopted Budget		Actuals		Var. - Fav./Unfav)	
	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
<b>NON-REIMBURSABLE OVERTIME</b>												
<u>Scheduled Service</u>	468,852	\$16.1	456,979	\$15.6	11,873 2.5%	\$0.5 3.1%	2,297,703	\$79.1	2,206,015	\$75.1	91,688 4.0%	\$4.0 5.0%
<u>Unscheduled Service</u>	212,271	\$6.8	245,562	\$6.7	(33,290) (15.7%)	\$0.1 1.5%	993,262	\$31.7	1,113,479	\$31.2	(120,217) (12.1%)	\$0.5 1.6%
<u>Programmatic/Routine Maintenance</u>	245,962	\$8.8	312,008	\$10.7	(66,047) (26.9%)	(\$1.9) (21.0%)	1,173,511	\$42.0	1,679,079	\$56.0	(505,567) (43.1%)	(\$14.0) (33.4%)
<u>Unscheduled Maintenance</u>	2,575	\$0.1	1,076	\$0.1	1,499 58.2%	\$0.1 59.9%	10,858	\$0.6	6,340	\$0.3	4,518 41.6%	\$0.2 41.2%
<u>Vacancy/Absentee Coverage</u>	84,364	\$4.1	175,490	\$8.1	(91,126) -108.0%	(4.0) -97.1%	394,946	\$19.5	663,262	\$32.0	(268,337) -67.9%	(12.5) -64.2%
<u>Weather Emergencies</u>	9,560	\$0.4	13,487	\$0.6	(3,927) -41.1%	(\$0.2) -36.8%	193,790	\$7.8	136,902	\$5.5	56,888 29.4%	\$2.4 30.5%
<u>Safety/Security/Law Enforcement</u>	20,118	\$0.9	23,321	\$1.2	(3,203) -15.9%	(\$0.3) -32.0%	95,492	\$4.2	130,042	\$6.7	(34,550) -36.2%	(\$2.5) -60.8%
<u>Other</u>	23,982	\$1.6	9,404	\$2.1	14,578 60.8%	(\$0.5) *	114,220	\$6.7	73,978	\$7.1	40,243 35.2%	(\$0.4) (6.1%)
Subtotal	1,067,684	\$38.9	1,237,326	\$45.0	(169,641) (15.9%)	(\$6.1) (15.7%)	5,273,782	\$191.6	6,009,117	\$214.0	(735,335) (13.9%)	(\$22.4) (11.7%)
<b>REIMBURSABLE OVERTIME</b>	219,144	\$8.0	248,202	\$9.4	(29,058)	(\$1.4)	1,015,585	\$37.6	1,192,158	\$44.8	(176,573)	(\$7.2)
<b>TOTAL OVERTIME</b>	<b>1,286,828</b>	<b>\$46.9</b>	<b>1,485,528</b>	<b>\$54.4</b>	<b>(198,700)</b>	<b>(\$7.5)</b>	<b>6,289,367</b>	<b>\$229.3</b>	<b>7,201,275</b>	<b>\$258.9</b>	<b>(911,908)</b>	<b>(\$29.6)</b>

\* Exceeds 100%

NOTES Totals may not add due to rounding

Percentages are based on each type of Overtime and not on Total Overtime

SIR's Overtime information is not included in May's Overtime Decomposition Report. As a result, the YTD budget and actual dollars do not reconcile to the consolidated financial report

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**2012 Overtime Reporting**  
**Overtime Legend**

<u>Type</u>	<u>Definition</u>
<i>Scheduled Service</i>	Crew book/Regular Run/Shift hours (above 8 hours) required by train crews, bus/tower/block operators, transportation supervisors/dispatchers, fare sales and collection, Train & Engineers, as well as non-transportation workers whose work is directly related to providing service (includes coverage for holidays).
<i>Unscheduled Service</i>	Service coverage resulting from extraordinary events not related to weather, such as injuries, mechanical breakdowns, unusual traffic, tour length, late tour relief, and other requirements that arise that are non-absence related.
<i>Programmatic/Routine Maintenance</i>	<i>Program Maintenance</i> work for which overtime is planned (e.g. Railroad Tie Replacement, Sperry Rail Testing, Running Board Replacement Programs). This also includes <i>Routine Maintenance</i> work for which OT has been planned, as well as all other maintenance <u>not resulting from extraordinary events</u> , including running repairs. Program/Routine maintenance work is usually performed during hours that are deemed more practical in order to minimize service disruptions, and includes contractual scheduled pay over 8 hours.
<i>Unscheduled Maintenance</i>	Resulting from an <u>extraordinary event</u> (not weather-related) requiring the use of unplanned maintenance to perform repairs on trains, buses, subway and bus stations, depots, tracks and administrative and other facilities, including derailments, tour length and weekend coverage.
<i>Vacancy/Absentee Coverage</i>	Provides coverage for an absent employee or a vacant position.
<i>Weather Emergencies</i>	Coverage necessitated by extreme weather conditions (e.g. snow, flooding, hurricane, and tornadoes), as well as preparatory and residual costs.
<i>Safety/Security/Law Enforcement</i>	Coverage required to provide additional customer & employee protection and to secure MTA fleet facilities, transportation routes, and security training.
<i>Other</i>	Includes overtime coverage for clerical, administrative positions that are eligible for overtime.
<i>Reimbursable Overtime</i>	Overtime incurred to support projects that are reimbursed from the MTA Capital Program and other funding sources.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**February Financial Plan - 2012 Adopted Budget**  
**Consolidated Accrual Subsidy Detail**  
**May 2012**

Accrued Subsidies:	Current Month			Year-to-Date		
	Adopted Budget	Actual	Variance	Adopted Budget	Actual	Variance
<b>Dedicated Taxes</b>						
Mass Transportation Operating Assistance Fund (MMTOA)	50.0	50.0	50.0	\$1,332.8	\$1,343.5	\$10.6
Petroleum Business Tax	46.3	46.9	0.6	247.1	236.2	(10.9)
MRT 1 (Gross)	15.1	15.8	0.7	75.7	71.8	(3.9)
MRT 2 (Gross)	7.6	7.8	0.1	38.2	35.7	(2.5)
Urban Tax	32.8	29.6	(3.2)	163.9	156.6	(7.3)
Investment Income	-	-	-	0.2	-	(0.2)
	<b>\$101.8</b>	<b>\$100.0</b>	<b>(\$1.8)</b>	<b>\$1,855.6</b>	<b>\$1,843.7</b>	<b>(\$11.8)</b>
<b>New State Taxes and Fees</b>						
Payroll Mobility Taxes	137.4	237.1	99.7	681.6	728.6	46.9
Payroll Mobility Tax Replacement Funds	-	50.0	50.0	50.0	50.0	-
MTA Aid Taxes <sup>1</sup>	-	-	-	75.3	62.9	(12.4)
	<b>\$137.4</b>	<b>\$287.1</b>	<b>\$149.7</b>	<b>\$806.9</b>	<b>\$841.5</b>	<b>\$34.6</b>
<b>State and Local Subsidies</b>						
NYS Operating Assistance	-	-	-	187.9	187.9	-
NYC and Local 18b						
New York City	-	-	-	1.9	1.9	-
Nassau County	-	-	-	11.6	11.6	-
Suffolk County	-	-	-	7.5	7.5	-
Westchester County	-	-	-	7.3	7.3	-
Putnam County	-	-	-	0.4	0.4	-
Dutchess County	-	-	-	0.4	0.4	-
Orange County	-	-	-	0.1	0.1	-
Rockland County	-	-	-	0.0	0.0	-
CDOT Subsidies	8.2	4.2	(4.0)	46.0	30.0	(16.0)
Station Maintenance	13.1	17.2	4.1	65.6	68.3	2.7
	<b>\$21.3</b>	<b>\$21.4</b>	<b>\$0.1</b>	<b>\$328.8</b>	<b>\$316.5</b>	<b>(\$13.3)</b>
<b>Sub-total Dedicated Taxes &amp; State and Local Subsidies</b>	<b>\$260.6</b>	<b>\$408.6</b>	<b>\$148.0</b>	<b>\$2,991.3</b>	<b>\$3,000.7</b>	<b>\$9.4</b>
City Subsidy to MTA Bus	36.5	32.0	(4.5)	\$141.2	121.5	(19.8)
<b>Total Dedicated Taxes &amp; State and Local Subsidies</b>	<b>\$297.0</b>	<b>\$440.6</b>	<b>\$143.5</b>	<b>\$3,132.5</b>	<b>\$3,122.2</b>	<b>(\$10.4)</b>
<b>Inter-Agency Subsidy Transactions</b>						
B&T Operating Surplus Transfer	50.3	(5.3)	(55.6)	185.8	147.6	(38.2)
	<b>\$50.3</b>	<b>(\$5.3)</b>	<b>(\$55.6)</b>	<b>\$185.8</b>	<b>\$147.6</b>	<b>(\$38.2)</b>
<b>Total Accrued Subsidies</b>	<b>\$347.3</b>	<b>\$435.2</b>	<b>\$87.9</b>	<b>\$3,318.4</b>	<b>\$3,269.7</b>	<b>(\$48.6)</b>

<sup>1</sup> License, Vehicle Registration, Tax and Auto Rental Fees  
Note: Differences are due to rounding.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**February Financial Plan - 2012 Adopted Budget**  
**Consolidated Accrual Subsidy Detail**  
**Explanation of Variances**  
(\$ in millions)

**May 2012**

Accrued Subsidies	Variance \$	Variance %	Explanations
MRT(b) 1 (Gross)	0.7	4.6%	MRT-1 transactions were slightly higher than budget for the month.
Urban Tax	(3.2)	(9.8%)	Urban taxes were slightly unfavorable for the month due to lower than budgeted commercial real estate transactions in New York City.
Payroll Mobility Taxes	99.7	72.6%	The favorable variance for the month was primarily due to the timing of accruals by MTA Accounting, however, a small amount of the variance reflect real favorable receipts.
CDOT Subsidies	(4.0)	(48.7%)	Variance was due primarily to lower Metro-North expenses and higher revenue.
City Subsidy to MTA Bus	(4.5)	(21.3%)	Variance was mostly timing related. Drawdowns are related to the timing of cash obligations for MTA Bus.
B&T Operating Surplus Transfer	(55.6)	> (100%)	The unfavorable variance was due primarily to the timing of accruals for the month.

**Year-to-Date**

Accrued Subsidies	Variance \$	Variance %	Explanations
Mass Transportation Operating Assistance Fund (MMTOA)	10.6	>100%	The favorable revenues were due to slightly higher MMTOA appropriation in NYS' 2012-13 Enacted Budget than was forecasted in the MTA February Plan, which was based on earlier revenue estimates. The MTA July Plan was updated to reflect this change.
Petroleum Business Tax	(10.9)	(4.4%)	Year-to-date PBT results were unfavorable. Based on transactions to date, it appears that the MTA February PBT forecast was slightly overstated, this was revised in the MTA July Plan.
MRT(b) 1 (Gross)	(3.9)	(5.1%)	The YTD variance was slightly unfavorable due to lower MRT-1 transactions than expected.
MRT(b) 2 (Gross)	(2.5)	(6.5%)	The YTD variance was slightly unfavorable due to lower MRT-2 transactions than expected.
Urban Tax	(7.3)	(4.5%)	See explanation for the month.
Payroll Mobility Taxes	46.9	6.9%	Year-to-date revenues were favorable due mostly to accrual timing delays; however, a small portion of the variance reflect real favorable results.
MTA Aid Taxes	(12.4)	(16.4%)	The year-to-date unfavorable variance was due to delay in collections and transfer of funds to the MTA by NYS. This should be reversed with the next quarterly payment in June.
CDOT Subsidies	(16.0)	(34.7%)	Variance was due primarily to lower Metro-North expenses and higher revenue.
City Subsidy to MTA Bus	(19.8)	(11.1%)	Variance was mostly timing related. Drawdowns are related to the timing of cash obligations for MTA Bus.
B&T Operating Surplus Transfer	(38.2)	(20.6%)	The unfavorable YTD variance was due to the timing of booking accruals.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**FEBRUARY FINANCIAL PLAN - ADOPTED BUDGET (1)**  
**DEBT SERVICE**  
(\$ in millions)

May 2012

	Adopted Budget	Actual	Variance	% Variance	Explanation
Dedicated Tax Fund:					
NYC Transit	\$10.6	\$5.4	\$5.2		
Commuter Railroads	2.2	1.2	1.1		
<i>Dedicated Tax Fund Subtotal</i>	\$12.8	\$6.5	\$6.3	49.2%	Timing of debt service deposits.
MTA Transportation Revenue:					
NYC Transit	\$34.4	\$32.5	\$1.9		
Commuter Railroads	22.9	\$20.9	2.1		
MTA Bus	0.9	\$1.1	(0.2)		
<i>MTA Transportation Subtotal</i>	\$58.2	\$54.4	\$3.7	6.4%	Reversal of prior timing difference.
Commercial Paper:					
NYC Transit	\$1.8	\$0.1	\$1.8		
Commuter Railroads	1.1	\$0.0	1.1		
MTA Bus	0.0	\$0.0	0.0		
<i>Commercial Paper Subtotal</i>	\$3.0	\$0.1	\$2.9	95.5%	Lower than budgeted rates, timing of interest payments.
2 Broadway COPs:					
NYC Transit	\$1.8	\$1.0	\$0.8		
Bridges & Tunnels	0.3	\$0.1	0.1		
MTA HQ	0.3	\$0.1	0.1		
<i>2 Broadway COPs Subtotal</i>	\$2.3	\$1.3	\$1.1	46.4%	Partial refunding of outstanding 2 Broadway COPs bonds with TRB refunding bonds
TBTA General Resolution (2)					
NYC Transit	\$15.8	\$17.0	(\$1.2)		
Commuter Railroads	7.4	\$7.6	(0.2)		
Bridges & Tunnels	11.9	\$14.0	(2.2)		
<i>TBTA General Resolution Subtotal</i>	\$35.1	\$38.6	(\$3.6)	-10.2%	Timing of debt service deposits.
TBTA Subordinate (2)					
NYC Transit	\$6.6	\$6.8	(\$0.1)		
Commuter Railroads	2.9	\$3.0	(0.1)		
Bridges & Tunnels	2.6	\$2.7	(0.0)		
<i>TBTA Subordinate Subtotal</i>	\$12.2	\$12.4	(\$0.2)	-1.9%	
<b>Total Debt Service</b>	<b>\$123.6</b>	<b>\$113.4</b>	<b>\$10.2</b>	<b>8.2%</b>	
Debt Service by Agency:					
NYC Transit	\$71.0	\$62.6	\$8.4		
Commuter Railroads	36.6	32.6	4.0		
MTA Bus	0.9	1.1	(0.2)		
Bridges & Tunnels	14.8	16.9	(2.1)		
MTAHQ	0.3	0.1	0.1		
<b>Total Debt Service</b>	<b>\$123.6</b>	<b>\$113.4</b>	<b>\$10.2</b>	<b>8.2%</b>	

Totals may not add due to rounding.

**Notes:**

- (1) Budgeted debt service is calculated based upon projected monthly deposits from available pledged revenues into debt service accounts. Actual payments to bondholders are made from the debt service accounts when due as required for each series of bonds and do not conform to this schedule.
- (2) Generally, the calendarization of monthly debt service deposits is calculated by dividing projected annual debt service by 12. Month to month variations ("timing differences") on the existing debt portfolio can occur based upon, among other things, (a) for all bonds, the date when income from the securities in which the debt service accounts are invested becomes available varies. (b) for variable rate financings, differences between (i) the budgeted interest rate and the actual interest rate, (ii) projected interest payment dates to bondholders and actual interest payment dates to bondholders, and (iii) projected monthly funding dates for accrued debt service and actual funding dates, (c) for transactions with swaps, the difference between when MTA/TBTA funds debt service and the receipt of the corresponding swap payment by the counterparty, and difference between rates received and rates paid and (d) for commercial paper, the interest payment date is the date of the maturity of the commercial paper and the dealers set the term of the commercial paper from 1 to 270 days, which is not foreseeable at the time the annual debt service budgets are prepared.
- (3) Debt service is allocated among Transit, Commuter, MTA Bus, and TBTA categories based on actual spending of bond proceeds for approved capital projects. Allocation of 2 Broadway COPs is based on occupancy.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**FEBRUARY FINANCIAL PLAN - ADOPTED BUDGET (1)**  
**DEBT SERVICE**  
**(\$ in millions)**

**May 2012 Year-to-Date**

	Adopted Budget	Actual	Variance	% Variance	Explanation
<b>Dedicated Tax Fund:</b>					
NYC Transit	\$128.9	\$126.2	\$2.6		
Commuter Railroads	27.0	\$27.1	(0.2)		
<i>Dedicated Tax Fund Subtotal</i>	\$155.8	\$153.4	\$2.5	1.6%	
<b>MTA Transportation Revenue:</b>					
NYC Transit	\$241.1	\$252.0	(\$10.9)		
Commuter Railroads	160.9	\$164.2	(3.3)		
MTA Bus	6.3	\$10.7	(4.3)		
<i>MTA Transportation Subtotal</i>	\$408.3	\$426.9	(\$18.6)	-4.5%	Partial refunding of outstanding 2 Broadway COPs bonds with TRB refunding bonds.
<b>Commercial Paper:</b>					
NYC Transit	\$9.2	\$0.3	\$8.8		
Commuter Railroads	5.7	\$0.2	5.5		
MTA Bus	0.1	\$0.1	0.0		
<i>Commercial Paper Subtotal</i>	\$15.0	\$0.6	\$14.4	96.2%	Lower than budgeted rates, timing of interest payments.
<b>2 Broadway COPs:</b>					
NYC Transit	\$9.1	\$4.6	\$4.5		
Bridges & Tunnels	1.3	\$0.7	0.6		
MTA HQ	1.3	\$0.6	0.6		
<i>2 Broadway COPs Subtotal</i>	\$11.7	\$5.9	\$5.7	49.1%	Partial refunding of outstanding 2 Broadway COPs bonds with TRB refunding bonds.
<b>TBTA General Resolution (2)</b>					
NYC Transit	\$78.8	\$84.5	(\$5.7)		
Commuter Railroads	37.0	\$37.8	(0.8)		
Bridges & Tunnels	77.6	\$69.8	7.7		
<i>TBTA General Resolution Subtotal</i>	\$193.4	\$192.1	\$1.3	0.7%	
<b>TBTA Subordinate (2)</b>					
NYC Transit	\$33.2	\$33.9	(\$0.7)		
Commuter Railroads	14.6	\$14.9	(0.3)		
Bridges & Tunnels	13.1	\$13.4	(0.3)		
<i>TBTA Subordinate Subtotal</i>	\$60.8	\$62.1	(\$1.3)	-2.1%	
<b>Total Debt Service</b>	<b>\$845.0</b>	<b>\$841.0</b>	<b>\$4.0</b>	<b>0.5%</b>	
<b>Debt Service by Agency:</b>					
NYC Transit	\$500.2	\$501.5	(\$1.3)		
Commuter Railroads	245.2	244.2	1.0		
MTA Bus	6.4	10.7	(4.3)		
Bridges & Tunnels	92.0	83.9	8.1		
MTAHQ	1.3	0.6	0.6		
<b>Total Debt Service</b>	<b>\$845.0</b>	<b>\$841.0</b>	<b>\$4.0</b>	<b>0.5%</b>	

Totals may not add due to rounding.

**Notes:**

- (1) Budgeted debt service is calculated based upon projected monthly deposits from available pledged revenues into debt service accounts. Actual payments to bondholders are made from the debt service accounts when due as required for each series of bonds and do not conform to this schedule.
- (2) Generally, the calendarization of monthly debt service deposits is calculated by dividing projected annual debt service by 12. Month to month variations ("timing differences") on the existing debt portfolio can occur based upon, among other things, (a) for all bonds, the date when income from the securities in which the debt service accounts are invested becomes available varies, (b) for variable rate financings, differences between (i) the budgeted interest rate and the actual interest rate, (ii) projected interest payment dates to bondholders and actual interest payment dates to bondholders, and (iii) projected monthly funding dates for accrued debt service and actual funding dates, (c) for transactions with swaps, the difference between when MTA/TBTA funds debt service and the receipt of the corresponding swap payment by the counterparty, and difference between rates received and rates paid and (d) for commercial paper, the interest payment date is the date of the maturity of the commercial paper and the dealers set the term of the commercial paper from 1 to 270 days, which is not foreseeable at the time the annual debt service budgets are prepared.
- (3) Debt service is allocated among Transit, Commuter, MTA Bus, and TBTA categories based on actual spending of bond proceeds for approved capital projects. Allocation of 2 Broadway COPs is based on occupancy.

METROPOLITAN TRANSPORTATION AUTHORITY  
 February Financial Plan - 2012 Adopted Budget  
 Cash Subsidy Detail by Agency  
 (\$ in millions)

May 2012

	NYC Transit			Commuter Railroads			SIR			MTA Bus			MTAHO			TOTAL		
	Adopted Budget	Actual	Variance	Adopted Budget	Actual	Variance	Adopted Budget	Actual	Variance	Adopted Budget	Actual	Variance	Adopted Budget	Actual	Variance	Adopted Budget	Actual	Variance
<b>Cash Subsidies:</b>																		
<b>Dedicated Taxes</b>																		
MTOA <sup>1</sup>	\$85.8	\$85.6	\$0.0	\$42.7	\$42.7	\$0.0	\$0.3	\$0.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$126.5	\$126.6	\$0.1
Petroleum Business Tax	46.1	40.4	(5.7)	8.1	7.1	(1.0)	-	-	-	-	-	-	-	-	-	54.3	47.6	(6.7)
MRT <sup>2</sup> 1 (Gross)	-	-	-	-	-	-	-	-	-	-	-	-	15.1	14.4	(0.7)	15.1	14.4	(0.7)
MRT <sup>2</sup> 2 (Gross)	-	-	-	-	-	-	-	-	-	-	-	-	7.8	7.0	(0.6)	7.6	7.0	(0.6)
Other MRT <sup>2</sup> Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
Urban Tax	32.8	29.4	(3.4)	-	-	-	-	-	-	-	-	-	-	-	-	32.8	29.4	(3.4)
Investment Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
	\$184.5	\$155.4	(\$29.1)	\$50.8	\$49.8	(\$1.0)	\$0.3	\$0.3	\$0.0	\$0.0	\$0.0	\$0.0	\$22.8	\$21.4	(\$1.4)	\$238.4	\$227.0	(\$11.4)
<b>New State Taxes and Fees</b>																		
Payroll Mobility Tax	100.3	118.8	19.6	37.1	44.3	7.2	-	-	-	-	-	-	-	-	-	137.4	164.2	26.8
Payroll Mobility Tax Replacement Funds	0.0	36.5	36.5	0.0	13.5	13.5	-	-	-	-	-	-	-	-	-	0.0	50.0	50.0
MTA Aud <sup>3</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
	\$100.3	\$155.3	\$55.1	\$37.1	\$57.8	\$20.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$137.4	\$214.2	\$76.8
<b>State and Local Subsidies</b>																		
NYS Operating Assistance	39.5	39.5	0.0	7.3	7.3	0.0	0.1	0.1	0.0	-	-	-	-	-	-	47.0	47.0	0.0
<b>NYC and Local 18b</b>																		
New York City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
Nassau County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
Suffolk County	-	-	-	0.0	1.9	1.9	-	-	-	-	-	-	-	-	-	0.0	1.9	1.9
Westchester County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
Putnam County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
Dutchess County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
Orange County	-	-	-	0.0	0.0	0.0	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
Rockland County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
CDOT Subsidies	-	-	-	8.2	3.8	(4.3)	-	-	-	-	-	-	-	-	-	8.2	3.8	(4.3)
Station Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
Inter-Agency Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
NYCT Charge Back of MTA Bus Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
Pay-As-You Go Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
	\$39.5	\$39.5	(\$0.0)	\$16.5	\$13.0	(\$2.4)	\$0.1	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$55.1	\$62.7	(\$2.4)
<b>Sub-total Dedicated Taxes &amp; State and Local Subsidies</b>	\$304.3	\$351.3	\$47.0	\$103.4	\$120.7	\$17.4	\$0.4	\$0.4	\$0.0	\$0.0	\$0.0	\$0.0	\$22.8	\$21.4	(\$1.4)	\$430.9	\$493.8	\$63.0
City Subsidy to MTA Bus	-	-	-	-	-	-	-	-	-	\$26.0	\$18.5	(\$7.5)	-	-	-	26.0	18.5	(7.5)
<b>Total Dedicated Taxes &amp; State and Local Subsidies</b>	\$304.3	\$351.3	\$47.0	\$103.4	\$120.7	\$17.4	\$0.4	\$0.4	\$0.0	\$26.0	\$18.5	(\$7.5)	\$22.8	\$21.4	(\$1.4)	\$456.9	\$512.3	\$55.4
<b>Inter-Agency Subsidy Transactions</b>																		
B&T Operating Surplus Transfer	15.0	17.2	2.2	24.1	26.5	2.4	-	-	-	-	-	-	-	-	-	39.1	43.7	4.6
	\$15.0	\$17.2	\$2.2	\$24.1	\$26.5	\$2.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$39.1	\$43.7	\$4.6
<b>Total Cash Subsidies</b>	\$319.4	\$368.5	\$49.2	\$127.4	\$147.2	\$19.8	\$0.4	\$0.4	\$0.0	\$26.0	\$18.5	(\$7.5)	\$22.8	\$21.4	(\$1.4)	\$496.0	\$556.1	\$60.0

<sup>1</sup> Metropolitan Mass Transportation Operating Assistance Fund

<sup>2</sup> License, Vehicle Registration, Tax and Auto Rental Fees

Note: Differences are due to rounding

METROPOLITAN TRANSPORTATION AUTHORITY  
February Financial Plan - 2012 Adopted Budget  
Cash Subsidy Detail by Agency  
(\$ in millions)

Year-to-Date

Cash Subsidies:	NYC Transit			Commuter Railroads			SHR			MTA Bus			MTAHC			TOTAL		
	Adopted Budget	Actual	Variance	Adopted Budget	Actual	Variance	Adopted Budget	Actual	Variance	Adopted Budget	Actual	Variance	Adopted Budget	Actual	Variance	Adopted Budget	Actual	Variance
<b>Dedicated Taxes</b>																		
MMTCA <sup>(*)</sup>	\$85.6	\$92.7	7.1	\$42.7	\$46.3	3.7	\$0.3	\$0.3	0.0	\$0.0	\$0.0	0.0	\$0.0	\$0.0	0.0	\$128.5	\$139.3	10.8
Petroleum Business Tax	216.8	199.1	(17.7)	38.3	35.1	(3.1)	-	-	-	-	-	-	-	-	-	255.1	234.3	(20.8)
MRT <sup>(**)</sup> 1 (Gross)	-	-	-	-	-	-	-	-	-	-	-	-	75.7	69.9	(5.8)	75.7	69.9	(5.8)
MRT <sup>(**)</sup> 2 (Gross)	-	-	-	-	-	-	-	-	-	-	-	-	38.2	34.7	(3.5)	38.2	34.7	(3.5)
Other MRT <sup>(**)</sup> Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	(1.3)	0.0	1.3	(1.3)	-	1.3
Urban Tax	183.9	158.6	(25.3)	-	-	-	-	-	-	-	-	-	-	-	-	183.9	158.6	(25.3)
Investment Income	-	-	-	0.2	-	(0.2)	-	-	-	-	-	-	-	-	-	0.2	-	(0.2)
	\$466.3	\$450.4	(\$15.9)	\$81.2	\$81.5	\$0.3	\$0.3	\$0.3	\$0.0	\$0.0	\$0.0	\$0.0	\$112.6	\$104.8	(\$8.1)	\$680.4	\$636.7	(\$43.7)
<b>New State Taxes and Fees</b>																		
Payroll Mobility Tax	497.6	507.6	10.0	184.0	187.7	3.7	-	-	-	-	-	-	-	-	-	681.6	695.3	13.7
Payroll Mobility Tax Replacement Funds	36.5	36.5	-	13.5	13.5	-	-	-	-	-	-	-	-	-	-	50.0	50.0	0.0
MTA Aud <sup>(d)</sup>	47.4	39.6	(7.8)	27.9	23.3	(4.6)	-	-	-	-	-	-	-	-	-	75.3	62.9	(12.4)
	\$581.5	\$583.7	\$2.2	\$225.4	\$224.6	(\$0.9)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$806.9	\$808.3	\$1.3
<b>State and Local Subsidies</b>																		
NYS Operating Assistance	39.5	39.5	(0.00)	7.3	7.3	-	0.1	0.1	0.00	-	-	-	-	-	-	47.0	47.0	0.0
NYC and Local 18b																		
New York City	-	-	-	0.5	0.5	(0.0)	-	-	-	-	-	-	-	-	-	0.5	0.5	(0.0)
Nassau County	-	-	-	2.9	2.9	0.0	-	-	-	-	-	-	-	-	-	2.9	2.9	0.0
Suffolk County	-	-	-	1.9	3.8	1.9	-	-	-	-	-	-	-	-	-	1.9	3.8	1.9
Westchester County	-	-	-	1.8	1.8	0.0	-	-	-	-	-	-	-	-	-	1.8	1.8	0.0
Putnam County	-	-	-	0.1	1.8	1.8	-	-	-	-	-	-	-	-	-	0.1	1.8	1.8
Dutchess County	-	-	-	0.1	0.1	(0.0)	-	-	-	-	-	-	-	-	-	0.1	0.1	(0.0)
Orange County	-	-	-	0.0	0.1	0.1	-	-	-	-	-	-	-	-	-	0.0	0.1	0.1
Rockland County	-	-	-	0.0	0.1	0.0	-	-	-	-	-	-	-	-	-	0.0	0.1	0.0
CDOT Subsidies	-	-	-	46.0	31.5	(14.5)	-	-	-	-	-	-	-	-	-	46.0	31.5	(14.5)
Station Maintenance	-	-	-	-	3.0	3.0	-	-	-	-	-	-	-	-	-	0.0	3.0	3.0
Inter-Agency Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	-	0.0
NYCT Charge Back of MTA Bus Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	-	0.0
Pay-As-You-Go Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	-	0.0
	\$39.5	\$39.5	(\$0.0)	\$60.6	\$52.8	(\$7.8)	\$0.1	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$100.3	\$82.5	(\$17.8)
<b>Sub-total Dedicated Taxes &amp; State and Local Subsidies</b>	\$1,087.3	\$1,073.6	(\$13.7)	\$367.2	\$358.9	(\$8.4)	\$0.4	\$0.4	\$0.0	\$0.0	\$0.0	\$0.0	\$112.6	\$104.8	(\$8.1)	\$1,587.6	\$1,537.5	(\$50.2)
City Subsidy to MTA Bus	-	-	-	-	-	-	-	-	-	\$140.7	\$2.5	(\$148.2)	-	-	-	140.7	\$2.5	(\$148.2)
<b>Total Dedicated Taxes &amp; State and Local Subsidies</b>	\$1,087.3	\$1,073.6	(\$13.7)	\$367.2	\$358.9	(\$8.4)	\$0.4	\$0.4	\$0.0	\$140.7	\$2.5	(\$148.2)	\$112.6	\$104.8	(\$8.1)	\$1,708.3	\$1,630.0	(\$78.3)
<b>Inter-Agency Subsidy Transactions</b>																		
B&T Operating Surplus Transfer	61.2	80.4	19.19	110.4	138.6	28.2	-	-	-	-	-	-	-	-	-	171.6	219.0	47.4
	\$61.2	\$80.4	\$19.2	\$110.4	\$138.6	\$28.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$171.6	\$219.0	\$47.4
<b>Total Cash Subsidies</b>	\$1,148.5	\$1,154.0	\$5.5	\$477.6	\$497.5	\$19.8	\$0.4	\$0.4	\$0.0	\$140.7	\$2.5	(\$148.2)	\$112.6	\$104.8	(\$8.1)	\$1,879.9	\$1,848.9	(\$30.9)

\* Metropolitan Mass Transportation Operating Assistance Fund

\*\* License, Vehicle Registration, Taxi and Auto Rental Fees

Note: Differences are due to rounding

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**February Financial Plan - 2012 Adopted Budget**  
**Consolidated Subsidy Cash**  
**Explanation of Variances**  
(\$ in millions)

**May 2012**

<b>Cash Subsidies</b>	<b>Variance \$</b>	<b>Variance %</b>	<b>Explanations</b>
Petroleum Business Tax	(3.7)	-12.3%	Most of the unfavorable variance for the month and the year reflects a slightly overstated PBT forecast in the MTA February Plan that was corrected in the July Plan
MRT <sup>(9)</sup> 1 (Gross)	(0.7)	-4.9%	MRT-1 cash receipts were slightly below the budget for the month. Year-to-date receipts were also slightly unfavorable due to lower-than-expected MRT-1 transactions.
MRT <sup>(9)</sup> 2 (Gross)	(0.6)	-8.3%	MRT-2 cash receipts were slightly below the budget for the month. Year-to-date results were also slightly unfavorable
Urban Tax	(3.4)	(10.3%)	The unfavorable variance was due to slightly lower-than-expected commercial real estate activity in New York City for the month. Year-to-date results were also slightly unfavorable.
Payroll Mobility Tax	26.8	19.5%	The favorable variance was due to higher than forecasted receipts for the month, due partially to positive timing delays, as well as to real favorable receipts.
CDOT Subsidies	(4.3)	(53.2%)	The unfavorable variance was primarily to lower Metro-North expenses and higher revenue
City Subsidy to MTA Bus	(7.5)	(28.9%)	The unfavorable variance was mostly timing related. Drawdowns are related to the timing of cash obligations for MTA Bus.
B&T Operating Surplus Transfer	4.0	11.8%	The variance was mostly timing related

**Year-to-Date**

<b>Cash Subsidies</b>	<b>Variance \$</b>	<b>Variance %</b>	<b>Explanations</b>
MMTOA <sup>(9)</sup>	10.8	>100%	The favorable revenues were due to a supplemental payment from NY State; the State in its 2011-12 year-end reconciliation released funds collected in that period prior to the close of its fiscal year on March 31, 2012. This unscheduled MMTOA March payment to the MTA was not anticipated in the MTA forecast
Petroleum Business Tax	(20.8)	-8.2%	Based on transactions to date, most of the unfavorable variance was due to slightly overstated PBT forecast in the MTA February Plan that was corrected in the MTA July Plan
MRT <sup>(9)</sup> 1 (Gross)	(5.8)	-7.7%	See explanation for the month.
MRT <sup>(9)</sup> 2 (Gross)	(3.5)	-9.2%	See explanation for the month.
Urban Tax	(5.3)	(3.3%)	See explanation for the month
Payroll Mobility Tax	13.7	2.0%	The favorable year-to-date variance was due primarily to real positive receipts, which represents catch-up first quarter tax payments from some small businesses in the MTA region
MTA Aid <sup>(9)</sup>	(12.4)	(16.4%)	The unfavorable YTD variance were due to timing delays in collections and transfer of the taxes and fees by NYS
Orange County	0.1	> 100%	See explanation for the month.
Rockland County	0.0	> 100%	See explanation for the month.
CDOT Subsidies	(14.5)	(31.6%)	See explanation for the month.
City Subsidy to MTA Bus	(48.2)	(34.2%)	See explanation for the month
B&T Operating Surplus Transfer	47.4	27.6%	The favorable YTD variance was due to underruns in expenses and to timing

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**February Financial Plan - 2012 Adopted Budget**  
**Total Positions by Function and Agency**  
**May 2012**

Category	Adopted Budget	Actual	Favorable/ (Unfavorable)
<b>Total Positions</b>	<b>65,993</b>	<b>64,782</b>	<b>1,211</b>
NYC Transit	45,769	45,410	359
Long Island Rail Road	6,567	6,426	141
Metro-North Railroad	6,295	5,898	397
Bridges & Tunnels	1,666	1,562	104
Headquarters	1,765	1,597	168
Staten Island Railway	268	261	7
Capital Construction Company	134	128	6
Bus Company	3,529	3,500	29
<b>Non-reimbursable</b>	<b>59,439</b>	<b>59,489</b>	<b>(50)</b>
NYC Transit	41,128	41,616	(488)
Long Island Rail Road	5,714	5,731	(17)
Metro-North Railroad	5,531	5,373	158
Bridges & Tunnels	1,622	1,518	104
Headquarters	1,717	1,555	162
Staten Island Railway	265	258	7
Capital Construction Company	-	-	-
Bus Company	3,462	3,438	24
<b>Reimbursable</b>	<b>6,554</b>	<b>5,293</b>	<b>1,261</b>
NYC Transit	4,641	3,794	847
Long Island Rail Road	853	695	158
Metro-North Railroad	764	525	239
Bridges & Tunnels	44	44	-
Headquarters	48	42	6
Staten Island Railway	3	3	-
Capital Construction Company	134	128	6
Bus Company	67	62	5
<b>Total Full Time</b>	<b>65,823</b>	<b>64,546</b>	<b>1,277</b>
NYC Transit	45,615	45,193	422
Long Island Rail Road	6,567	6,426	141
Metro-North Railroad	6,294	5,897	397
Bridges & Tunnels	1,666	1,562	104
Headquarters	1,765	1,597	168
Staten Island Railway	268	261	7
Capital Construction Company	134	128	6
Bus Company	3,514	3,482	32
<b>Total Full-Time Equivalents</b>	<b>170</b>	<b>236</b>	<b>(66)</b>
NYC Transit	154	217	(63)
Long Island Rail Road	-	-	-
Metro-North Railroad	1	1	-
Bridges & Tunnels	-	-	-
Headquarters	-	-	-
Staten Island Railway	-	-	-
Capital Construction Company	-	-	-
Bus Company	15	18	(3)

Note: Totals may differ due to rounding

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**February Financial Plan - 2012 Adopted Budget**  
**Total Positions by Function and Agency**  
**May 2012**

Function/Agency	Adopted Budget	Actual	Favorable/ (Unfavorable)
<b>Administration</b>	<b>4,239</b>	<b>4,067</b>	<b>172</b>
NYC Transit	1,807	1,912	(105)
Long Island Rail Road	632	589	43
Metro-North Railroad	509	470	39
Bridges & Tunnels	73	63	10
Headquarters	983	859	124
Staten Island Railway	22	28	(6)
Capital Construction Company	39	13	26
Bus Company	174	133	41
<b>Operations</b>	<b>29,090</b>	<b>28,868</b>	<b>222</b>
NYC Transit	21,702	21,633	69
Long Island Rail Road	2,134	2,129	5
Metro-North Railroad	2,126	2,022	104
Bridges & Tunnels	769	682	87
Headquarters	-	-	-
Staten Island Railway	91	94	(3)
Capital Construction Company	-	-	-
Bus Company	2,268	2,308	(40)
<b>Maintenance</b>	<b>29,384</b>	<b>28,608</b>	<b>776</b>
NYC Transit	20,538	20,142	396
Long Island Rail Road	3,689	3,594	95
Metro-North Railroad	3,563	3,315	248
Bridges & Tunnels	402	407	(5)
Headquarters	-	-	-
Staten Island Railway	155	139	16
Capital Construction Company	-	-	-
Bus Company	1,037	1,011	26
<b>Engineering/Capital</b>	<b>1,708</b>	<b>1,712</b>	<b>(4)</b>
NYC Transit	1,218	1,221	(3)
Long Island Rail Road	112	114	(2)
Metro-North Railroad	97	91	6
Bridges & Tunnels	148	137	11
Headquarters	-	-	-
Staten Island Railway	-	-	-
Capital Construction Company	95	115	(20)
Bus Company	38	34	4
<b>Public Safety</b>	<b>1,572</b>	<b>1,527</b>	<b>45</b>
NYC Transit	504	502	2
Long Island Rail Road	-	-	-
Metro-North Railroad	-	-	-
Bridges & Tunnels	274	273	1
Headquarters	782	738	44
Staten Island Railway	-	-	-
Capital Construction Company	-	-	-
Bus Company	12	14	(2)
<b>Total Positions</b>	<b>65,993</b>	<b>64,782</b>	<b>1,211</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**February Financial Plan - 2012 Adopted Budget**  
**Total Positions by Function and Occupational Group**  
**May 2012**

FUNCTION/OCCUPATIONAL GROUP	Adopted Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Administration</b>	<b>4,239</b>	<b>4,067</b>	<b>172</b>
Managers/Supervisors	1,538	1,425	113
Professional, Technical, Clerical	2,528	2,617	(89)
Operational Hourlies	173	25	148
<b>Operations</b>	<b>29,090</b>	<b>28,868</b>	<b>222</b>
Managers/Supervisors	3,195	3,101	94
Professional, Technical, Clerical	1,120	1,087	33
Operational Hourlies	24,775	24,680	95
<b>Maintenance</b>	<b>29,384</b>	<b>28,608</b>	<b>776</b>
Managers/Supervisors	4,736	4,557	179
Professional, Technical, Clerical	2,397	2,241	156
Operational Hourlies	22,251	21,810	441
<b>Engineering/Capital</b>	<b>1,708</b>	<b>1,712</b>	<b>(4)</b>
Managers/Supervisors	446	433	13
Professional, Technical, Clerical	1,260	1,277	(17)
Operational Hourlies	2	2	-
<b>Public Safety</b>	<b>1,572</b>	<b>1,527</b>	<b>45</b>
Managers/Supervisors	185	177	8
Professional, Technical, Clerical	139	128	11
Operational Hourlies	1,248	1,222	26
<b>Total Positions</b>	<b>65,993</b>	<b>64,782</b>	<b>1,211</b>
Managers/Supervisors	10,100	9,693	407
Professional, Technical, Clerical	7,444	7,350	94
Operational Hourlies	48,449	47,739	710

	<u>Current Month Stabilization Fund</u>			<u>Year to Date Stabilization Fund</u>			
		<u>Commuter</u>	<u>Transit</u>	<u>Commuter</u>	<u>Transit</u>	<u>Total</u>	
	<u>From Date</u> <u>To Date</u>	<u>(General Fd)</u> 05/01/12 05/31/12	<u>(TA Stab)</u> 05/01/12 05/31/12	<u>Total</u> 05/01/12 05/31/12	<u>(General Fd)</u> 01/01/12 05/31/12	<u>(TA Stab)</u> 01/01/12 05/31/12	<u>Total</u> 01/01/12 05/31/12
<b>Opening Balance</b>		\$16,664	\$97,423	\$114,088	\$164,354	\$100,873	\$265,228
<b>RECEIPTS</b>							
Interest Earnings		0,006	0,028	0,035	0,062	0,098	0,160
<b>New York State</b>							
State and regional mass transit taxes - MMTOA		42,700	85,990	128,690	46,334	92,995	139,329
MTTF		7,136	40,437	47,573	35,143	199,144	234,288
Total Dedicated Taxes Received		49,836	126,427	176,263	81,477	292,140	373,617
Less DIF Debt Service		1,154	5,369	6,523	27,141	126,231	153,372
Net Dedicated Taxes for Operations		48,682	121,058	169,740	54,336	165,909	220,245
Payroll Mobility Tax		0,000	0,000	0,000	126,440	359,867	486,307
MTA Aid Trust Taxes		23,319	39,612	62,931	23,319	39,612	62,931
Operating Assistance - 18b		7,313	39,668	46,981	7,313	39,668	46,981
NYS School Fares		0,000	6,313	6,313	0,000	6,313	6,313
Additional Mass Transp Operating Assistance		0,000	n/a	0,000	0,000	n/a	0,000
Total - New York State		\$79,313	\$206,561	\$285,875	\$211,408	\$611,379	\$822,786
<b>Local</b>							
Dutchess County							
Operating Assistance - 18b		\$0,000	n/a	\$0,000	\$0,095	n/a	\$0,095
Station Maintenance		0,000	n/a	0,000	0,000	n/a	0,000
Nassau County							
Operating Assistance - 18b		0,000	n/a	0,000	2,896	n/a	2,896
Station Maintenance		0,000	n/a	0,000	0,000	n/a	0,000
New York City							
Operating Assistance - 18b		0,000	0,000	0,000	0,468	0,000	0,468
Urban - Real Property & Mortgage Recording Tax		n/a	29,388	29,388	n/a	158,558	158,558
Additional Assistance New York City		n/a	0,000	0,000	n/a	0,000	0,000
Station Maintenance		0,000	n/a	0,000	0,000	n/a	0,000
Orange County							
Operating Assistance - 18b		0,037	n/a	0,037	0,073	n/a	0,073
Station Maintenance		0,000	n/a	0,000	0,000	n/a	0,000
Putnam County							
Operating Assistance - 18b		0,000	n/a	0,000	0,190	n/a	0,190
Station Maintenance		0,000	n/a	0,000	0,000	n/a	0,000
Rockland County							
Operating Assistance - 18b		0,000	n/a	0,000	0,015	n/a	0,015
Station Maintenance		0,000	n/a	0,000	0,000	n/a	0,000
Suffolk County							
Operating Assistance - 18b		1,879	n/a	1,879	3,759	n/a	3,759
Station Maintenance		0,000	n/a	0,000	0,000	n/a	0,000
Westchester County							
Operating Assistance - 18b		0,000	n/a	0,000	3,671	n/a	3,671
Station Maintenance		0,000	n/a	0,000	0,000	n/a	0,000
Total - Local		\$1,916	\$29,388	\$31,304	\$11,167	\$158,558	\$169,725
<b>MTA Bridges and Tunnels- Surplus Transfers</b>							
		26,491	17,214	43,705	138,600	80,358	218,958
<b>Total Subsidy and Other Receipts</b>							
		\$107,720	\$251,163	\$360,884	\$361,175	\$850,295	\$1,211,470
<b>MTA Sources for Interagency Loans</b>							
B&T Necessary Reconstruction Reserve		\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000
MTA Capital Program - Non-Resolution Funds		0,000	0,000	0,000	0,000	0,000	0,000
MRT-2 Corporate Account		0,000	0,000	0,000	0,000	0,000	0,000
Revenue Anticipation Notes		0,000	0,000	0,000	0,000	0,000	0,000
Total Loans		\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000
<b>Total Receipts and Loans Received</b>							
		\$107,720	\$251,163	\$360,919	\$361,175	\$850,295	\$1,211,470

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	<u>Current Month Stabilization Fund</u>			<u>Year to Date Stabilization Fund</u>		
	<u>Commuter</u>	<u>Transit</u>	<u>Total</u>	<u>Commuter</u>	<u>Transit</u>	<u>Total</u>
	<u>(General Fd)</u>	<u>(TA Stab)</u>		<u>(General Fd)</u>	<u>(TA Stab)</u>	
From Date	05/01/12	05/01/12	05/01/12	01/01/12	01/01/12	01/01/12
To Date	05/31/12	05/31/12	05/31/12	05/31/12	05/31/12	05/31/12
<b><u>Brought forward from prior page</u></b>						
Opening Balance	\$36,664	\$97,423	\$134,088	\$164,354	\$100,873	\$265,228
Total Receipts and Loans Received	107,727	253,192	360,919	361,237	850,393	1,211,630
Total Cash and Receipts Available	\$144,391	\$350,615	\$495,006	\$525,591	\$951,266	\$1,476,858
<b><u>DISBURSEMENTS</u></b>						
<b><u>Revenue Supported Debt Service</u></b>	21,987	36,379	58,366	165,592	261,911	427,503
<b><u>Agency Operations</u></b>						
MTA Long Island Railroad	47,370	0,000	47,370	250,105	0,000	250,105
MTA Metro-North Rail Road	0,000	0,000	0,000	34,860	0,000	34,860
MTA New York City Transit	0,000	250,000	250,000	0,000	625,000	625,000
MTA NYCT for SIRTOA	0,000	0,024	0,024	0,000	0,143	0,143
Capital Program Contribution	0,000	0,000	0,000	0,000	0,000	0,000
Forward Energy Contracts	0,000	0,000	0,000	0,000	0,000	0,000
Capital Security Account	0,000	0,000	0,000	0,000	0,000	0,000
Repayment of GASB Loans	0,000	0,000	0,000	0,000	0,000	0,000
Total Debt Service and Operations	\$69,357	\$286,403	\$355,760	\$450,557	\$887,054	\$1,337,611
<b><u>Repayment of Interagency Loans</u></b>						
B&T Necessary Reconstruction Reserve	0,000	0,000	0,000	0,000	0,000	0,000
MTA Capital Program - Non-Resolution Funds	0,000	0,000	0,000	0,000	0,000	0,000
MRT-2 Corporate Account	0,000	0,000	0,000	0,000	0,000	0,000
Revenue Anticipation Notes	0,000	0,000	0,000	0,000	0,000	0,000
Total Loans Payback	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000
Total Disbursements	\$69,357	\$286,403	\$355,760	\$450,557	\$887,054	\$1,337,611
<b><u>STABILIZATION FUND BALANCE</u></b>	<b>\$75,034</b>	<b>\$64,212</b>	<b>\$139,246</b>	<b>\$75,034</b>	<b>\$64,212</b>	<b>\$139,246</b>
<b><u>Ending Loan Balances</u></b>						
B&T Necessary Reconstruction Reserve	0,000	0,000	0,000	0,000	0,000	0,000
MTA Capital Program - Non-Resolution Funds	155,000	345,000	500,000	155,000	345,000	500,000
MRT-2 Corporate Account	0,000	0,000	0,000	0,000	0,000	0,000
Revenue Anticipation Notes	0,000	0,000	0,000	0,000	0,000	0,000
	\$155,000	\$345,000	\$500,000	\$155,000	\$345,000	\$500,000
<b><u>End of Month NYCT Operating Fund borrowing from MTA Invest Pool not included in Ending Loan Balances above</u></b>						
	n/a	\$313,050	\$313,050	n/a	\$313,050	\$313,050
<b><u>Total Loan Balances (including negative Operating and Stabilization Fund Balances)</u></b>				\$155,000	\$658,050	\$813,050

**METROPOLITAN TRANSPORTATION AUTHORITY  
FAREBOX RECOVERY AND FAREBOX OPERATING RATIOS  
2012 ADOPTED BUDGET AND ACTUALS  
MAY 2012**

<b>FAREBOX RECOVERY RATIOS</b>		
	<b>2012 <u>Adopted Budget</u></b>	<b>2012 <u>YTD Actual</u></b>
New York City Transit	37.9%	42.0%
Staten Island Railway	12.0%	13.4%
Long Island Rail Road	29.4%	31.3%
Metro-North Railroad	39.6%	45.9%
Bus Company	<u>30.2%</u>	<u>30.4%</u>
<b>MTA Agency Average</b>	<b>36.5%</b>	<b>40.2%</b>

<b>FAREBOX OPERATING RATIOS</b>		
	<b>2012 <u>Adopted Budget</u></b>	<b>2012 <u>YTD Actual</u></b>
New York City Transit	56.6%	63.7%
Staten Island Railway	18.1%	20.5%
Long Island Rail Road	44.5%	48.0%
Metro-North Railroad	58.4%	62.0%
Bus Company	<u>36.6%</u>	<u>36.9%</u>
<b>MTA Agency Average</b>	<b>53.9%</b>	<b>59.5%</b>

Farebox recovery ratio has a long-term focus. It includes costs that are not funded in the current year, except in an accounting-ledger sense, but are, in effect, passed on to future years. Those costs include depreciation and interest on long-term debt. Approximately 20% (and sometimes more) of MTA costs are not recovered in the current year from farebox revenues, other operating revenues or subsidies. That is why MTA operating statements generally show deficits. In addition, the recovery ratio allocates centralized MTA services to the Agencies, such as Security, the costs of the Inspector General, Civil Rights, Audit, Risk Management, Legal and Shared Services.

Farebox operating ratio focuses on Agency operating financial performance. It reflects the way MTA meets its statutory and bond-covenant budget-balancing requirements, and it excludes certain cost that are not subject to Agency control, but are provided centrally by MTA.

In the agenda materials for the Meeting of the Metro-North and Long Island Committees, the calculations of the farebox operating and recovery ratios for the LIRR and MNR use a revised methodology to put the railroads on a more comparable basis. Those statistics, which are included in the respective financial and ridership reports of both Agencies, differ from the statistics presented in this table.



Metropolitan Transportation Authority

State of New York

New York City Transit  
Long Island Rail Road  
Metro-North Railroad  
Bridges and Tunnels  
Bus Company

## **Report on Revenue Passengers and Vehicles Ridership Data Thru May, 2012**

**NOTE: Ridership data are preliminary and subject to revision as well as adjustments warranted by annual audit review.**

Prepared by:  
MTA Division of Management & Budget

Wednesday July 10, 2012

**Metropolitan Transportation Authority**

**May**

Revenue Passengers	2010	2011	Percent Change	2012	Percent Change
<b>MTA New York City Transit</b>	198,755,061	201,322,443	1.29%	208,689,956	3.66%
MTA New York City Subway	136,822,538	141,880,529	3.70%	148,373,541	4.58%
MTA New York City Bus	61,932,523	59,441,914	-4.02%	60,316,415	1.47%
<b>MTA Bus Company</b>	10,538,187	10,577,404	0.37%	10,850,497	2.58%
<b>MTA Staten Island Railway</b>	372,053	406,054	9.14%	409,979	0.97%
<b>MTA Long Island Rail Road</b>	6,743,764	6,739,212	-0.07%	7,172,588	6.43%
<b>MTA Metro-North Railroad</b>	6,731,056	6,948,660	3.23%	7,242,998	4.24%
<i>East of Hudson</i>	6,580,762	6,788,759	3.16%	7,094,282	4.50%
Harlem Line	2,164,271	2,223,927	2.76%	2,318,904	4.27%
Hudson Line	1,322,076	1,349,153	2.05%	1,399,291	3.72%
New Haven Line	3,094,415	3,215,679	3.92%	3,376,087	4.99%
<i>West of Hudson</i>	150,294	159,901	6.39%	148,716	-6.99%
Port Jervis line	105,774	111,096	5.03%	93,989	-15.40%
Pascack Valley Line	44,520	48,805	9.62%	54,727	12.13%
<b>MTA Long Island Bus</b>	2,606,397	2,606,187	-0.01%		
(Total Passengers)					
<b>MTA Bridges &amp; Tunnels</b>	25,980,868	25,144,889	-3.22%	25,176,841	0.13%
<b>Total All Agencies</b>	<b>223,140,121</b>	<b>225,993,773</b>	<b>1.28%</b>	<b>234,366,018</b>	<b>3.70%</b>
(Excludes Bridges and Tunnels)					
Weekdays:	20	21		22	
Holidays:	1	1		1	
Weekend Days	10	9		8	
Days:	31	31		31	

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**Metropolitan Transportation Authority**

**May**

Revenue Passengers Year to Date	2010	2011	Percent Change	2012	Percent Change
<b>MTA New York City Transit</b>	951,175,487	954,070,198	0.30%	984,134,678	3.15%
MTA New York City Subway	657,199,396	676,297,165	2.91%	700,048,950	3.51%
MTA New York City Bus	293,976,091	277,773,033	-5.51%	284,085,728	2.27%
<b>MTA Bus Company</b>	49,926,869	48,815,591	-2.23%	50,994,854	4.46%
<b>MTA Staten Island Railway</b>	1,798,867	1,890,647	5.10%	1,943,078	2.77%
<b>MTA Long Island Rail Road</b>	32,741,411	32,150,030	-1.81%	33,937,782	5.56%
<b>MTA Metro-North Railroad</b>	32,252,136	32,702,783	1.40%	34,293,702	4.86%
<i>East of Hudson</i>	31,499,339	31,935,977	1.39%	33,593,639	5.19%
Harlem Line	10,546,836	10,605,068	0.55%	11,078,258	4.46%
Hudson Line	6,205,835	6,270,399	1.04%	6,507,804	3.79%
New Haven Line	14,746,668	15,060,510	2.13%	16,007,577	6.29%
<i>West of Hudson</i>	752,797	766,806	1.86%	700,063	-8.70%
Port Jervis line	528,149	528,083	-0.01%	439,055	-16.86%
Pascack Valley Line	224,648	238,723	6.27%	261,008	9.34%
<b>MTA Long Island Bus</b>	12,344,093	12,161,858	-1.48%	0	-100.00%
(Total Passengers)					
<b>MTA Bridges &amp; Tunnels</b>	116,518,844	113,251,360	-2.80%	115,802,107	2.25%
<b>Total All Agencies</b>	<b>1,067,894,770</b>	<b>1,069,629,248</b>	<b>0.16%</b>	<b>1,105,304,094</b>	<b>3.34%</b>
(Excludes Bridges and Tunnels)					
Weekdays:	103	103		105	
Holidays:	4	3		4	
Weekend Days	44	45		43	
Days:	151	151		152	

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**Metropolitan Transportation Authority**

**May**

12 Month Averages	2010	2011	Percent Change	2012	Percent Change
<b>MTA New York City Transit</b>	191,692,882	192,001,343	0.16%	194,651,099	1.38%
MTA New York City Subway	132,214,165	135,274,649	2.31%	138,682,205	2.52%
MTA New York City Bus	59,478,717	56,726,695	-4.63%	55,968,895	-1.34%
<b>MTA Bus Company</b>	10,011,372	9,926,300	-0.85%	10,038,380	1.13%
<b>MTA Staten Island Railway</b>	350,936	371,839	5.96%	386,324	3.90%
<b>MTA Long Island Rail Road</b>	6,843,765	6,747,027	-1.41%	6,897,563	2.23%
<b>MTA Metro-North Railroad</b>	6,655,928	6,795,528	2.10%	6,969,059	2.55%
<i>East of Hudson</i>	6,498,836	6,637,299	2.13%	6,835,170	2.98%
Harlem Line	2,166,905	2,190,778	1.10%	2,236,445	2.08%
Hudson Line	1,287,368	1,310,054	1.76%	1,333,125	1.76%
New Haven Line	3,044,564	3,136,467	3.02%	3,265,600	4.12%
<i>West of Hudson</i>	157,092	158,230	0.72%	133,889	-15.38%
Port Jervis line	111,499	109,578	-1.72%	83,350	-23.94%
Pascack Valley Line	45,593	48,652	6.71%	50,539	3.88%
<b>MTA Long Island Bus</b>	2,560,535	2,552,888	-0.30%	2,018,374	-20.94%
<b>MTA Bridges &amp; Tunnels</b>	24,201,331	24,037,229	-0.68%	23,838,027	-0.83%
<b>Total All Agencies</b>	<b>215,554,882</b>	<b>215,842,037</b>	<b>0.13%</b>	<b>217,861,152</b>	<b>0.94%</b>
(Excludes Bridges and Tunnels)					
Weekdays:	20	21		22	
Holidays:	1	1		1	
Weekend Days	10	9		8	
Days:	31	31		31	

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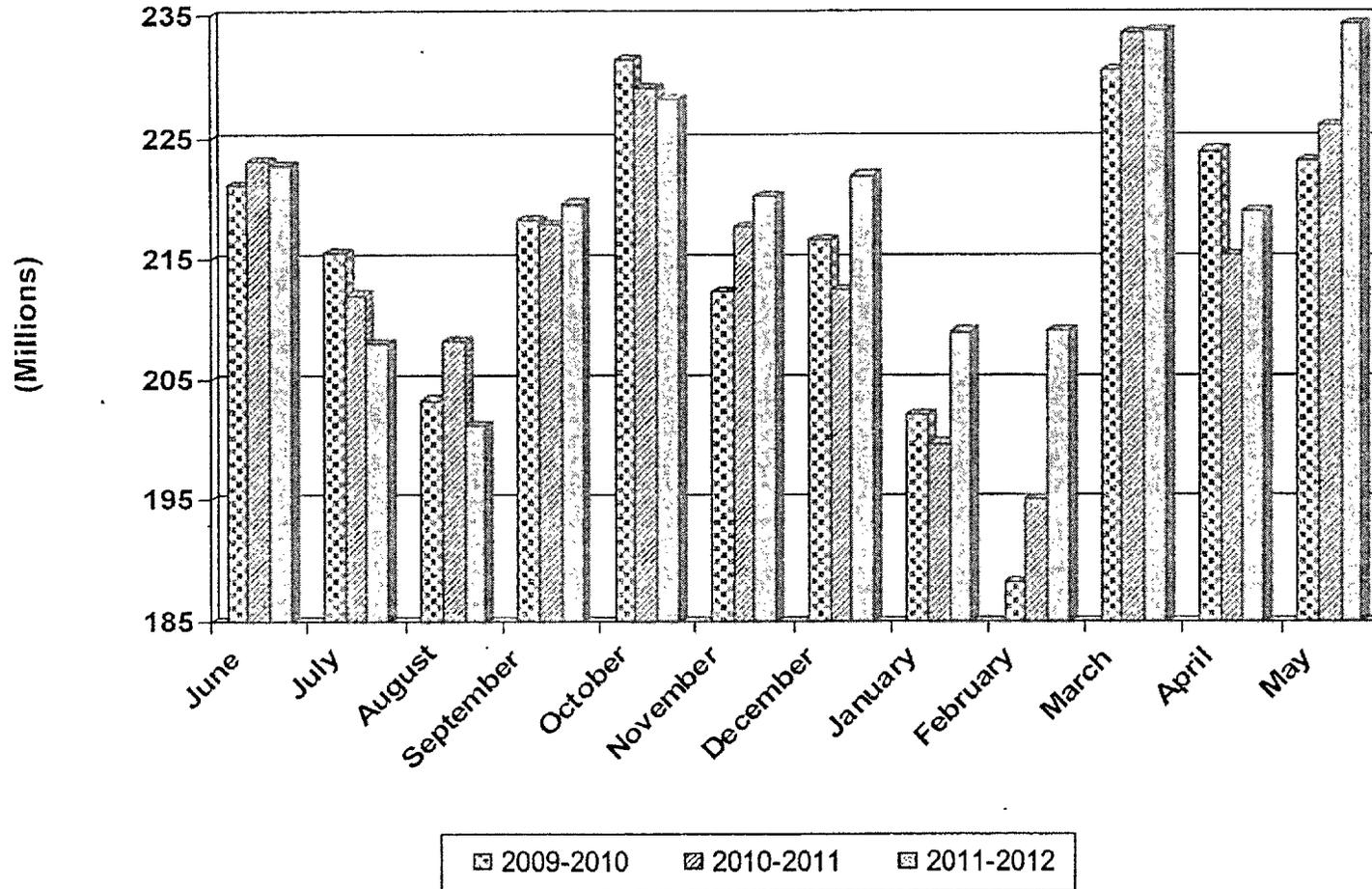
**Metropolitan Transportation Authority**

**May**

Average Weekday Passengers	2010	2011	Percent Change	2012	Percent Change
<b>MTA New York City Transit</b>	7,734,333	7,728,432	-0.08%	7,812,775	1.09%
MTA New York City Subway	5,332,941	5,450,246	2.20%	5,552,619	1.88%
MTA New York City Bus	2,401,392	2,278,186	-5.13%	2,260,156	-0.79%
<b>MTA Bus Company</b>	419,911	416,250	-0.87%	414,093	-0.52%
<b>MTA Staten Island Railway</b>	16,238	17,127	5.47%	16,840	-1.68%
<b>MTA Long Island Rail Road</b>	291,072	280,553	-3.61%	288,384	2.79%
<b>MTA Metro-North Railroad</b>	282,281	283,162	0.31%	285,774	0.92%
<i>East of Hudson</i>	274,774	275,544	0.28%	279,003	1.26%
Harlem Line	91,128	90,818	-0.34%	91,782	1.06%
Hudson Line	55,015	54,625	-0.71%	54,880	0.47%
New Haven Line	128,631	130,101	1.14%	132,341	1.72%
<i>West of Hudson</i>	7,507	7,618	1.48%	6,771	-11.12%
Port Jervis line	5,282	5,293	0.21%	4,280	-19.14%
Pascack Valley Line	2,225	2,325	4.49%	2,491	7.14%
<b>MTA Long Island Bus</b>	105,382	103,207	-2.06%		
<b>MTA Bridges &amp; Tunnels</b>	857,707	833,621	-2.81%	831,618	-0.24%
<b>Total All Agencies</b>	<b>8,743,836</b>	<b>8,725,524</b>	<b>-0.21%</b>	<b>8,817,865</b>	<b>1.06%</b>
(Excludes Bridges and Tunnels)					
Weekdays:	20	21		22	
Holidays:	1	1		1	
Weekend Days	10	9		8	
Days:	31	31		31	

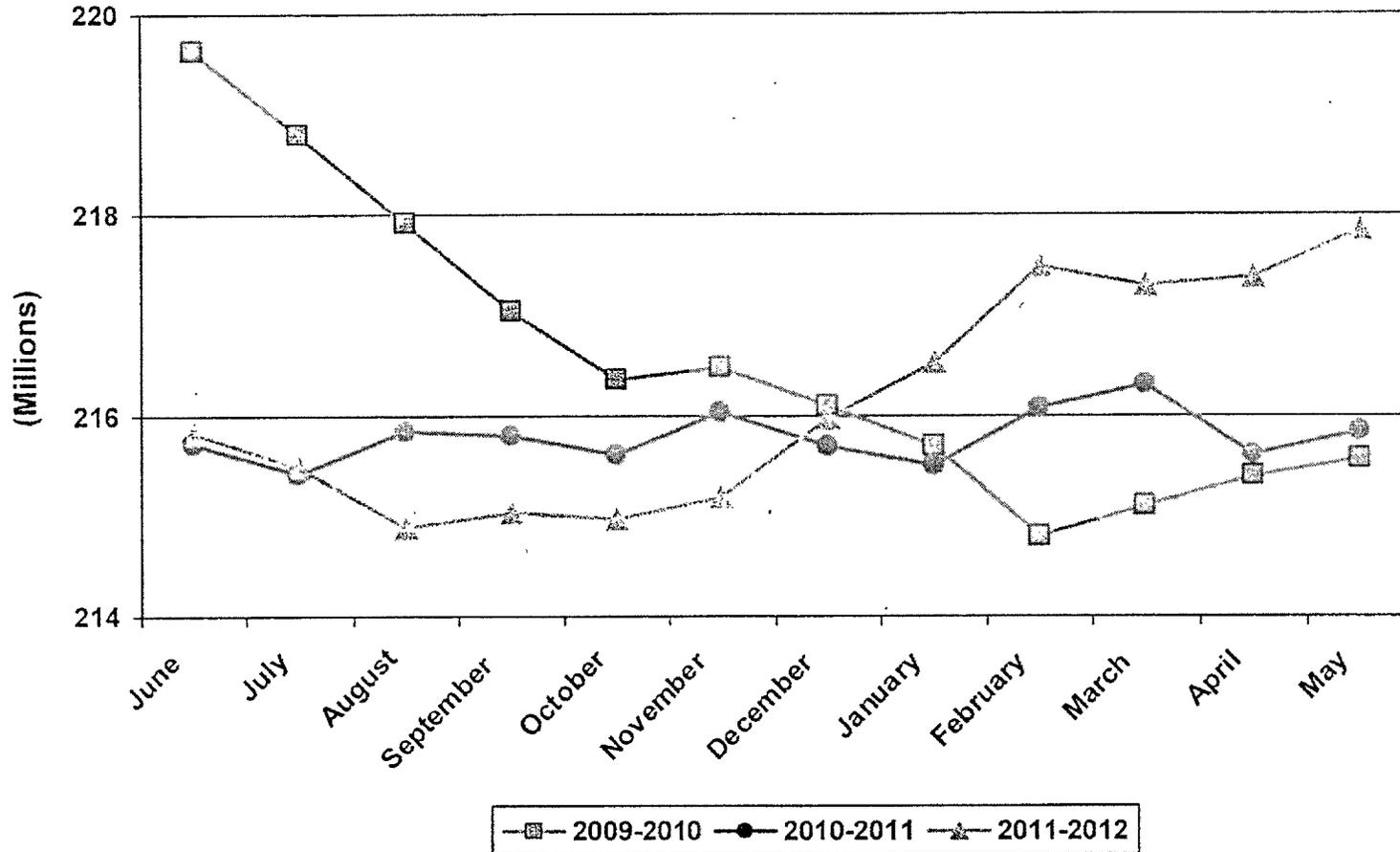
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### Metropolitan Transportation Authority Revenue Passengers



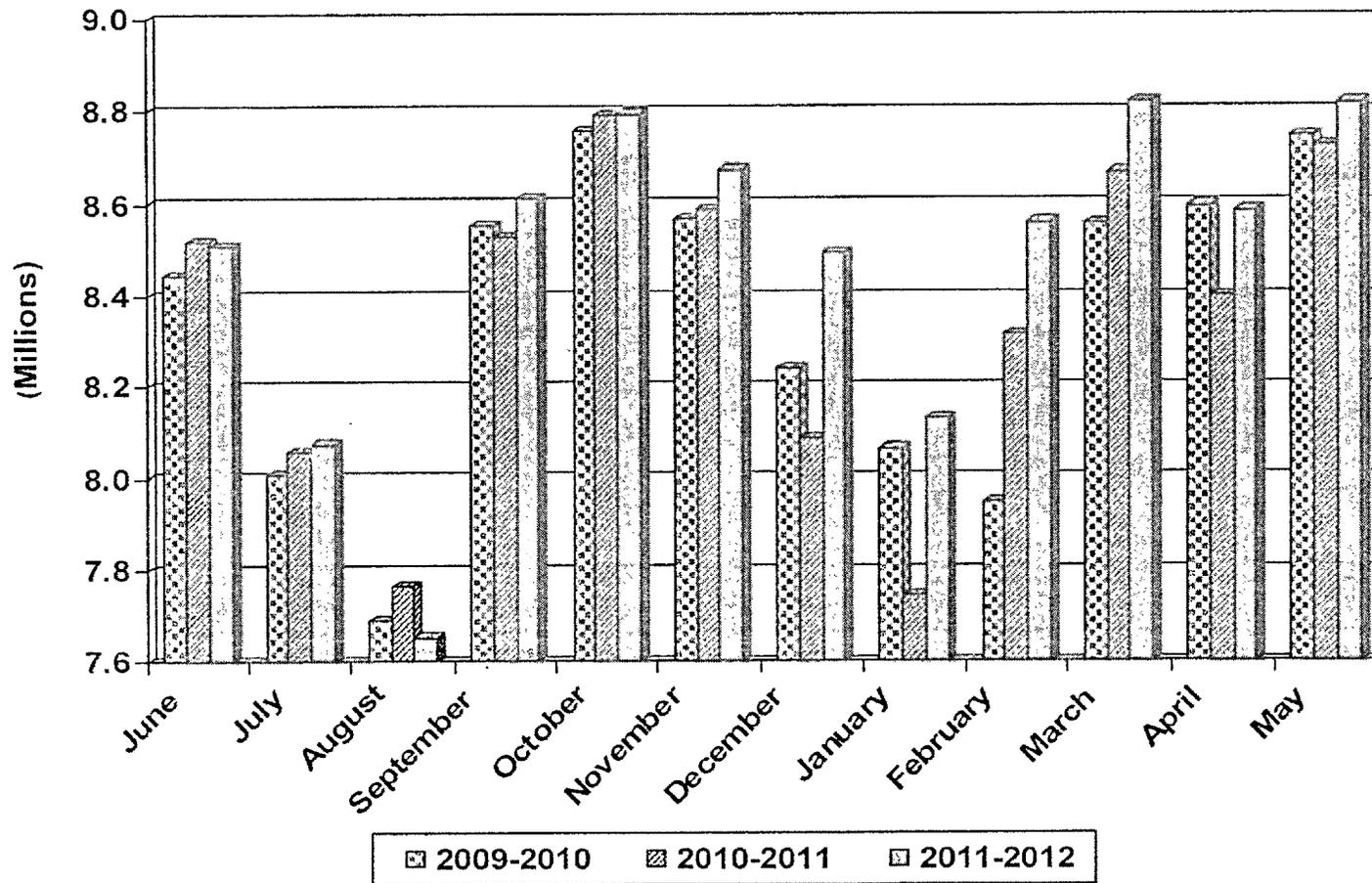
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### Metropolitan Transportation Authority 12 Month Averages



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### Metropolitan Transportation Authority Average Weekday Passengers



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## Metropolitan Transportation Authority

Revenue Passengers					
Service Month	2009-2010	2010-2011	Percentage Change	2011-2012	Percentage Change
June	221,162,472	223,103,562	0.88%	222,752,375	-0.16%
July	215,573,962	212,066,298	-1.63%	207,985,788	-1.92%
August	203,247,645	208,201,066	2.44%	201,155,187	-3.38%
September	218,289,545	217,861,963	-0.20%	219,645,196	0.82%
October	231,413,017	229,020,391	-1.03%	228,204,933	-0.36%
November	212,377,004	217,697,861	2.51%	220,299,709	1.20%
December	216,700,171	212,524,052	-1.93%	221,961,609	4.44%
January	202,097,591	199,628,491	-1.22%	209,004,100	4.70%
February	188,151,877	195,117,125	3.70%	209,133,184	7.18%
March	230,569,713	233,530,153	1.26%	233,767,193	0.10%
April	223,935,468	215,359,706	-3.83%	219,033,599	1.71%
May	223,140,121	225,993,773	1.28%	234,366,018	3.70%
12 Month Ave	215,554,882	215,842,037	0.13%	217,861,152	0.94%
Year-to-Date	1,067,894,770	1,069,629,248	0.16%	1,105,304,094	3.34%

12 Month Averages					
Service Month	2009-2010	2010-2011	Percentage Change	2011-2012	Percentage Change
June	219,627,123	215,716,640	-1.78%	215,812,771	0.04%
July	218,795,959	215,424,334	-1.54%	215,472,729	0.02%
August	217,918,385	215,837,119	-0.96%	214,885,572	-0.44%
September	217,033,871	215,801,488	-0.57%	215,034,175	-0.36%
October	216,363,243	215,602,102	-0.35%	214,966,220	-0.29%
November	216,476,649	216,045,507	-0.20%	215,183,041	-0.40%
December	216,108,986	215,697,497	-0.19%	215,969,520	0.13%
January	215,688,613	215,491,739	-0.09%	216,537,465	0.49%
February	214,795,870	216,072,176	0.59%	217,486,066	0.65%
March	215,088,340	216,318,879	0.57%	217,291,834	0.45%
April	215,393,701	215,604,232	0.10%	217,379,256	0.82%
May	215,554,882	215,842,037	0.13%	217,861,152	0.94%

Average Weekday Passengers					
Service Month	2009-2010	2010-2011	Percentage Change	2011-2012	Percentage Change
June	8,442,011	8,518,239	0.90%	8,506,573	-0.14%
July	8,007,692	8,057,781	0.63%	8,074,383	0.21%
August	7,690,743	7,764,501	0.96%	7,654,456	-1.42%
September	8,553,572	8,527,032	-0.31%	8,611,764	0.99%
October	8,755,500	8,769,906	0.39%	8,793,243	0.04%
November	8,567,163	8,586,114	0.22%	8,673,296	1.02%
December	8,239,048	8,088,436	-1.83%	8,494,117	5.02%
January	8,064,743	7,746,524	-3.95%	8,130,473	4.96%
February	7,949,176	8,315,195	4.60%	8,560,503	2.95%
March	8,556,327	8,669,386	1.32%	8,818,988	1.73%
April	8,594,113	8,398,302	-2.28%	8,584,112	2.21%
May	8,743,836	8,725,524	-0.21%	8,817,865	1.06%

## MTA New York City Transit

## Revenue Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	196,112,489	197,916,535	0.92%	197,684,348	-0.12%
July	191,298,798	187,797,149	-1.83%	184,243,874	-1.89%
August	180,042,932	184,255,088	2.34%	178,166,924	-3.30%
September	194,082,586	193,582,215	-0.26%	195,244,293	0.86%
October	206,104,049	204,007,805	-1.02%	203,261,681	-0.37%
November	188,959,292	193,742,558	2.53%	195,963,623	1.15%
December	192,538,951	188,644,573	-2.02%	197,113,772	4.49%
January	180,082,870	176,374,136	-0.95%	186,071,099	4.32%
February	167,702,719	174,315,460	3.94%	186,338,266	6.90%
March	205,362,791	208,218,804	1.39%	208,156,917	-0.03%
April	199,272,046	191,839,355	-3.73%	194,878,440	1.58%
May	198,755,061	201,322,443	1.29%	208,689,956	3.66%
12 Month Ave	191,692,882	192,001,343	0.16%	194,651,099	1.38%
Year-to-Date	951,175,487	954,070,198	0.30%	984,134,678	3.15%

## 12 Month Averages

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	195,207,463	191,843,219	-1.72%	191,981,995	0.07%
July	194,507,758	191,551,415	-1.52%	191,685,888	0.07%
August	193,739,982	191,902,428	-0.95%	191,178,541	-0.38%
September	192,965,097	191,860,731	-0.57%	191,317,048	-0.28%
October	192,413,749	191,686,044	-0.38%	191,254,871	-0.22%
November	192,499,817	192,084,649	-0.22%	191,439,960	-0.34%
December	192,194,850	191,760,118	-0.23%	192,145,726	0.20%
January	191,837,331	191,617,723	-0.11%	192,787,140	0.61%
February	191,029,936	192,168,785	0.60%	193,789,040	0.84%
March	191,288,994	192,406,786	0.58%	193,783,883	0.72%
April	191,561,615	191,787,395	0.12%	194,037,140	1.17%
May	191,692,882	192,001,343	0.16%	194,651,099	1.38%

## Average Weekday Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	7,451,057	7,523,882	0.98%	7,516,270	-0.10%
July	7,066,668	7,092,620	0.37%	7,104,703	0.17%
August	6,774,185	6,837,402	0.93%	6,758,450	-1.15%
September	7,562,646	7,535,550	-0.36%	7,616,195	1.07%
October	7,757,513	7,778,564	0.27%	7,785,087	0.08%
November	7,559,289	7,582,992	0.31%	7,658,485	1.00%
December	7,285,619	7,144,832	-1.93%	7,497,041	4.93%
January	7,129,049	6,844,587	-3.99%	7,178,274	4.88%
February	7,033,952	7,381,871	4.95%	7,585,010	2.75%
March	7,587,902	7,698,602	1.46%	7,813,478	1.49%
April	7,613,298	7,440,153	-2.27%	7,599,664	2.14%
May	7,734,333	7,728,432	-0.08%	7,812,775	1.09%

## MTA New York City Subway

## Revenue Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	134,648,137	137,818,880	2.35%	140,586,973	2.01%
July	132,724,155	131,521,063	-0.91%	131,263,668	-0.20%
August	124,224,421	129,371,938	4.14%	127,893,199	-1.14%
September	132,833,276	134,732,986	1.43%	138,489,313	2.79%
October	140,846,909	142,035,154	0.84%	144,166,578	1.50%
November	129,502,770	135,682,453	4.77%	139,668,952	2.94%
December	134,590,912	135,836,148	0.93%	142,068,824	4.59%
January	124,549,460	127,637,258	2.48%	132,812,778	4.05%
February	116,664,456	124,055,125	6.33%	132,381,109	6.71%
March	141,662,474	146,487,199	3.41%	147,401,147	0.62%
April	137,500,468	136,237,054	-0.92%	139,080,375	2.09%
May	136,822,538	141,880,529	3.70%	148,373,541	4.58%
12 Month Ave	132,214,165	135,274,649	2.31%	138,682,205	2.52%
Year-to-Date	657,199,396	676,297,165	2.91%	700,048,950	3.51%

## 12 Month Averages

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	133,495,449	132,478,393	-0.76%	135,505,323	2.28%
July	133,068,516	132,378,136	-0.52%	135,483,874	2.35%
August	132,522,804	132,807,095	0.21%	135,360,646	1.92%
September	132,057,412	132,965,405	0.69%	135,673,673	2.04%
October	131,689,412	133,064,425	1.04%	135,851,291	2.09%
November	131,757,665	133,579,399	1.38%	136,183,500	1.95%
December	131,655,550	133,683,168	1.54%	136,702,889	2.26%
January	131,522,192	133,940,485	1.84%	137,134,183	2.38%
February	131,209,805	134,556,374	2.55%	137,828,015	2.43%
March	131,623,244	134,958,434	2.53%	137,904,177	2.18%
April	131,931,646	134,853,150	2.21%	138,141,120	2.44%
May	132,214,165	135,274,649	2.31%	138,682,205	2.52%

## Average Weekday Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	5,128,650	5,249,681	2.36%	5,355,314	2.01%
July	4,929,014	4,998,748	1.41%	5,097,919	1.98%
August	4,707,751	4,826,516	2.52%	4,863,820	0.77%
September	5,184,454	5,256,598	1.39%	5,415,945	3.03%
October	5,311,422	5,419,113	2.03%	5,519,975	1.86%
November	5,190,638	5,307,376	2.25%	5,456,286	2.81%
December	5,082,646	5,137,650	1.08%	5,392,467	4.96%
January	4,925,418	4,892,799	-0.66%	5,113,166	4.50%
February	4,907,727	5,260,405	7.19%	5,391,274	2.49%
March	5,235,369	5,423,118	3.59%	5,530,836	1.99%
April	5,258,453	5,295,535	0.71%	5,427,522	2.49%
May	5,332,941	5,450,246	2.20%	5,552,619	1.88%

## MTA New York City Bus

## Revenue Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	61,464,352	60,097,655	-2.22%	57,097,375	-4.99%
July	58,574,643	56,276,086	-3.92%	52,980,206	-5.86%
August	55,818,511	54,883,150	-1.68%	50,273,725	-8.40%
September	61,249,310	58,849,229	-3.92%	56,754,980	-3.55%
October	65,257,140	61,972,651	-5.03%	59,095,103	-4.64%
November	59,456,522	58,060,105	-2.35%	56,294,671	-3.04%
December	57,948,039	52,808,425	-8.87%	55,044,948	4.24%
January	55,533,410	50,736,878	-8.64%	53,258,321	4.97%
February	51,038,263	50,260,335	-1.52%	53,957,157	7.36%
March	63,700,317	61,731,605	-3.09%	60,755,770	-1.58%
April	61,771,578	55,602,301	-9.99%	55,798,065	0.35%
May	61,932,523	59,441,914	-4.02%	60,316,415	1.47%
12 Month Ave	59,478,717	56,726,695	-4.63%	55,968,895	-1.34%
Year-to-Date	293,976,091	277,773,033	-5.51%	284,085,728	2.27%

## 12 Month Averages

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	61,712,014	59,364,826	-3.80%	56,476,671	-4.87%
July	61,439,242	59,173,280	-3.69%	56,202,015	-5.02%
August	61,217,178	59,095,333	-3.47%	55,817,896	-5.55%
September	60,907,685	58,895,326	-3.30%	55,643,375	-5.52%
October	60,724,337	58,621,619	-3.46%	55,403,579	-5.49%
November	60,742,153	58,505,251	-3.68%	55,256,460	-5.55%
December	60,539,300	58,076,949	-4.07%	55,442,837	-4.54%
January	60,315,140	57,677,238	-4.37%	55,652,957	-3.51%
February	59,820,132	57,612,411	-3.69%	55,961,026	-2.87%
March	59,665,750	57,448,352	-3.72%	55,879,706	-2.73%
April	59,629,969	56,934,245	-4.52%	55,896,020	-1.82%
May	59,478,717	56,726,695	-4.63%	55,968,895	-1.34%

## Average Weekday Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	2,322,407	2,274,201	-2.08%	2,160,956	-4.98%
July	2,137,654	2,093,872	-2.05%	2,006,784	-4.16%
August	2,066,434	2,010,886	-2.69%	1,894,630	-5.78%
September	2,378,192	2,278,952	-4.17%	2,200,250	-3.45%
October	2,446,091	2,359,451	-3.54%	2,265,112	-4.00%
November	2,368,651	2,275,616	-3.93%	2,202,199	-3.23%
December	2,202,973	2,007,182	-8.89%	2,104,574	4.85%
January	2,203,631	1,951,788	-11.43%	2,065,108	5.81%
February	2,126,225	2,121,466	-0.22%	2,193,736	3.41%
March	2,352,533	2,275,484	-3.28%	2,282,642	0.31%
April	2,354,845	2,144,618	-8.93%	2,172,142	1.28%
May	2,401,392	2,278,186	-5.13%	2,260,156	-0.79%

## MTA Bus Company

## Revenue Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	10,177,844	10,362,337	1.81%	10,157,752	-1.97%
July	9,665,572	9,709,091	0.45%	9,359,912	-3.60%
August	9,209,826	9,598,938	4.22%	9,112,914	-5.06%
September	10,245,840	10,213,437	-0.32%	10,147,416	-0.65%
October	10,971,456	10,772,444	-1.81%	10,571,255	-1.87%
November	10,046,931	10,198,423	1.51%	10,166,855	-0.31%
December	9,892,130	9,445,337	-4.52%	9,949,597	5.34%
January	9,371,140	8,948,729	-4.51%	9,578,127	7.03%
February	8,639,731	8,807,613	1.94%	9,658,843	9.66%
March	10,863,886	10,784,536	-0.73%	10,947,264	1.51%
April	10,513,925	9,697,309	-7.77%	9,960,123	2.71%
May	10,538,187	10,577,404	0.37%	10,850,497	2.58%
12 Month Ave	10,011,372	9,926,300	-0.85%	10,038,380	1.13%
Year-to-Date	49,926,869	48,815,591	-2.23%	50,994,854	4.46%

## 12 Month Averages

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	10,119,283	10,026,747	-0.91%	9,909,251	-1.17%
July	10,083,848	10,030,373	-0.53%	9,880,153	-1.50%
August	10,047,022	10,062,799	0.16%	9,839,651	-2.22%
September	10,001,003	10,060,099	0.59%	9,834,149	-2.25%
October	9,978,445	10,043,515	0.65%	9,817,383	-2.25%
November	10,009,579	10,056,139	0.47%	9,814,753	-2.40%
December	9,999,375	10,018,906	0.20%	9,856,774	-1.62%
January	9,992,552	9,983,705	-0.09%	9,909,224	-0.75%
February	9,945,934	9,997,686	0.52%	9,980,160	-0.18%
March	9,962,511	9,991,083	0.29%	9,993,721	0.03%
April	9,995,131	9,923,032	-0.72%	10,015,622	0.93%
May	10,011,372	9,926,300	-0.85%	10,038,380	1.13%

## Average Weekday Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	393,530	399,709	1.57%	392,545	-1.79%
July	361,991	371,177	2.54%	365,281	-1.59%
August	351,930	360,375	2.40%	349,686	-2.97%
September	408,988	405,532	-0.85%	403,218	-0.57%
October	422,463	421,441	-0.24%	415,028	-1.52%
November	411,985	409,255	-0.66%	405,717	-0.86%
December	384,693	368,375	-4.24%	389,201	5.65%
January	384,035	353,022	-8.08%	379,963	7.63%
February	371,860	382,662	2.90%	401,678	4.97%
March	410,253	406,662	-0.88%	419,855	3.25%
April	409,886	383,699	-6.39%	396,206	3.26%
May	419,911	416,250	-0.87%	414,093	-0.52%

## MTA Staten Island Railway

## Revenue Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	358,940	386,819	7.77%	404,083	4.46%
July	322,378	328,874	2.02%	327,303	-0.48%
August	288,741	325,403	12.70%	333,401	2.46%
September	358,930	379,483	5.73%	405,022	6.73%
October	387,062	408,020	5.41%	425,857	4.37%
November	352,352	383,064	8.72%	405,710	5.91%
December	343,956	359,753	4.59%	391,429	8.80%
January	338,263	356,386	5.36%	385,644	8.21%
February	309,924	333,719	7.68%	367,154	10.02%
March	397,677	427,999	7.62%	415,419	-2.94%
April	380,950	366,489	-3.80%	364,882	-0.44%
May	372,053	406,054	9.14%	409,979	0.97%
12 Month Ave	350,936	371,839	5.96%	386,324	3.90%
Year-to-Date	1,798,867	1,890,647	5.10%	1,943,078	2.77%

## 12 Month Averages

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	353,148	353,259	0.03%	373,277	5.67%
July	351,423	353,800	0.68%	373,146	5.47%
August	349,689	356,855	2.05%	373,813	4.75%
September	346,273	358,568	3.55%	375,941	4.85%
October	344,181	360,315	4.69%	377,428	4.75%
November	345,187	362,874	5.12%	379,315	4.53%
December	343,928	364,190	5.89%	381,954	4.88%
January	343,143	365,701	6.57%	384,393	5.11%
February	343,096	367,683	7.17%	387,179	5.30%
March	345,315	370,210	7.21%	386,130	4.30%
April	348,704	369,005	5.82%	385,997	4.60%
May	350,936	371,839	5.96%	386,324	3.90%

## Average Weekday Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	14,955	15,922	8.47%	16,610	4.32%
July	12,963	13,507	4.20%	13,821	2.32%
August	12,082	13,002	7.51%	13,291	2.22%
September	15,519	16,136	3.98%	17,244	6.87%
October	16,124	17,241	6.93%	18,063	4.77%
November	15,818	16,414	3.77%	17,302	5.41%
December	14,334	15,030	4.86%	16,526	9.95%
January	15,203	15,224	0.14%	16,557	8.76%
February	14,600	15,698	7.52%	16,578	5.61%
March	15,962	17,125	7.29%	16,934	-1.12%
April	15,838	15,562	-1.74%	15,800	1.53%
May	16,238	17,127	5.47%	16,840	-1.68%

## MTA Long Island Rail Road

## Revenue Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	7,478,422	7,279,744	-2.66%	7,178,901	-1.39%
July	7,286,295	7,238,718	-0.65%	7,042,470	-2.71%
August	7,154,348	7,108,665	-0.64%	6,837,184	-3.82%
September	6,932,125	6,834,199	-1.41%	6,887,995	0.79%
October	6,997,677	6,804,525	-2.76%	6,903,268	1.45%
November	6,532,672	6,563,349	0.47%	6,815,374	3.84%
December	7,002,228	6,985,089	-0.24%	7,167,781	2.62%
January	6,247,660	5,890,855	-5.71%	6,431,658	9.18%
February	5,811,552	5,836,491	0.43%	6,373,028	9.19%
March	7,007,149	7,031,512	0.35%	7,102,378	1.01%
April	6,931,286	6,651,960	-4.03%	6,858,130	3.10%
May	6,743,764	6,739,212	-0.07%	7,172,588	6.43%
12 Month Ave	6,843,765	6,747,027	-1.41%	6,897,563	2.23%
Year-to-Date	32,741,411	32,150,030	-1.81%	33,937,782	5.56%

## 12 Month Averages

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	7,113,631	6,827,208	-4.03%	6,738,623	-1.30%
July	7,060,054	6,823,244	-3.35%	6,722,269	-1.48%
August	7,026,550	6,819,437	-2.95%	6,699,646	-1.76%
September	6,994,546	6,811,276	-2.62%	6,704,129	-1.57%
October	6,946,310	6,795,180	-2.18%	6,712,357	-1.22%
November	6,943,609	6,797,737	-2.10%	6,733,359	-0.95%
December	6,912,571	6,796,308	-1.68%	6,748,584	-0.70%
January	6,880,250	6,766,575	-1.65%	6,793,651	0.40%
February	6,857,320	6,768,653	-1.29%	6,838,362	1.03%
March	6,857,302	6,770,683	-1.26%	6,844,267	1.09%
April	6,848,013	6,747,406	-1.47%	6,861,448	1.69%
May	6,843,765	6,747,027	-1.41%	6,897,563	2.23%

## Average Weekday Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	299,030	290,508	-2.85%	287,735	-0.95%
July	288,334	296,549	2.85%	300,068	1.19%
August	266,800	280,172	-2.31%	266,920	-4.73%
September	289,942	285,944	-1.38%	288,504	0.90%
October	282,319	285,328	1.07%	288,692	1.18%
November	295,964	287,221	-2.95%	298,001	3.75%
December	280,003	279,299	-0.25%	296,869	6.29%
January	272,255	269,444	-1.03%	281,448	4.46%
February	269,143	270,350	0.45%	281,543	4.14%
March	271,905	273,253	0.50%	286,263	4.76%
April	278,901	278,587	-0.11%	286,139	2.71%
May	291,072	280,553	-3.61%	288,384	2.79%

## MTA Metro-North Railroad

## Revenue Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	7,034,778	7,158,126	1.75%	7,327,291	2.36%
July	7,000,919	6,992,466	-0.12%	7,012,229	0.28%
August	6,551,798	6,912,973	5.51%	6,704,764	-3.01%
September	6,670,065	6,852,629	2.74%	6,960,470	1.57%
October	6,952,772	7,027,596	1.08%	7,042,872	0.22%
November	6,485,758	6,810,467	5.01%	6,948,147	2.02%
December	6,922,906	7,089,300	2.40%	7,339,230	3.53%
January	6,057,658	6,058,385	0.01%	6,537,572	7.91%
February	5,687,951	5,823,842	2.39%	6,395,893	9.82%
March	6,938,210	7,067,303	1.86%	7,145,215	1.10%
April	6,837,261	6,804,593	-0.48%	6,972,024	2.46%
May	6,731,056	6,948,660	3.23%	7,242,998	4.24%
12 Month Ave	6,655,928	6,795,528	2.10%	6,969,059	2.55%
Year-to-Date	32,252,136	32,702,783	1.40%	34,293,702	4.86%

## 12 Month Averages

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	6,833,596	6,666,207	-2.45%	6,809,625	2.15%
July	6,792,876	6,665,502	-1.88%	6,811,272	2.19%
August	6,755,044	6,695,600	-0.88%	6,793,922	1.47%
September	6,726,953	6,710,814	-0.24%	6,802,908	1.37%
October	6,680,558	6,717,049	0.55%	6,804,181	1.30%
November	6,678,456	6,744,108	0.98%	6,815,655	1.06%
December	6,658,262	6,757,974	1.50%	6,836,482	1.16%
January	6,635,337	6,758,035	1.85%	6,876,414	1.75%
February	6,619,578	6,769,359	2.26%	6,924,085	2.29%
March	6,634,219	6,780,117	2.20%	6,930,578	2.22%
April	6,640,238	6,777,395	2.07%	6,944,531	2.47%
May	6,655,928	6,795,528	2.10%	6,969,059	2.55%

## Average Weekday Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	283,438	288,218	1.69%	293,413	1.80%
July	277,735	283,928	2.23%	290,510	2.32%
August	265,745	273,549	2.94%	266,109	-2.72%
September	276,477	283,870	2.67%	286,603	0.96%
October	277,081	287,333	3.70%	286,373	-0.33%
November	284,106	290,232	2.16%	293,791	1.23%
December	274,400	280,900	2.37%	294,479	4.83%
January	264,201	264,246	0.02%	274,231	3.78%
February	259,621	264,614	1.92%	275,694	4.19%
March	270,305	273,743	1.27%	282,429	3.17%
April	276,191	280,302	1.49%	286,303	2.14%
May	282,281	283,162	0.31%	285,774	0.92%

## East of Hudson

## Revenue Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	6,864,270	6,992,372	1.87%	7,164,509	2.46%
July	6,830,791	6,832,493	0.02%	6,854,351	0.32%
August	6,392,629	6,747,243	5.55%	6,551,648	-2.90%
September	6,511,692	6,693,644	2.79%	6,860,460	2.49%
October	6,788,990	6,867,305	1.15%	6,945,233	1.13%
November	6,336,672	6,654,086	5.01%	6,851,079	2.96%
December	6,761,647	6,924,466	2.41%	7,201,122	4.00%
January	5,917,527	5,916,958	-0.01%	6,407,976	8.30%
February	5,556,169	5,685,834	2.33%	6,265,036	10.19%
March	6,769,641	6,896,269	1.87%	6,994,607	1.43%
April	6,675,240	6,648,157	-0.41%	6,831,738	2.76%
May	6,580,762	6,788,759	3.16%	7,094,282	4.50%
12 Month Ave	6,498,836	6,637,299	2.13%	6,835,170	2.98%
Year-to-Date	31,499,339	31,935,977	1.39%	33,593,639	5.19%

## 12 Month Averages

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	6,665,183	6,509,511	-2.34%	6,651,644	2.18%
July	6,626,236	6,509,653	-1.76%	6,653,465	2.21%
August	6,590,041	6,539,204	-0.77%	6,637,166	1.50%
September	6,563,248	6,554,367	-0.14%	6,651,067	1.48%
October	6,518,760	6,560,893	0.65%	6,657,561	1.47%
November	6,516,991	6,587,344	1.08%	6,673,977	1.32%
December	6,497,963	6,600,912	1.58%	6,697,032	1.46%
January	6,476,421	6,600,865	1.92%	6,737,950	2.08%
February	6,461,804	6,611,670	2.32%	6,786,217	2.64%
March	6,476,509	6,622,223	2.25%	6,794,411	2.60%
April	6,482,725	6,619,966	2.12%	6,809,710	2.87%
May	6,498,836	6,637,299	2.13%	6,835,170	2.98%

## Average Weekday Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	275,684	280,680	1.81%	286,011	1.90%
July	269,985	276,306	2.34%	282,626	2.29%
August	258,176	266,011	3.03%	258,877	-2.68%
September	268,932	276,296	2.74%	281,839	2.01%
October	269,633	279,708	3.74%	281,728	0.72%
November	276,266	282,409	2.22%	288,936	2.31%
December	267,059	273,395	2.37%	287,900	5.31%
January	256,833	256,810	-0.01%	267,748	4.26%
February	252,703	257,367	1.85%	269,157	4.58%
March	262,962	266,296	1.27%	275,580	3.49%
April	268,823	272,859	1.50%	279,630	2.48%
May	274,774	275,544	0.28%	279,003	1.26%

## Harlem Line

## Revenue Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	2,307,258	2,300,223	-0.30%	2,320,897	0.90%
July	2,248,584	2,226,434	-0.99%	2,198,107	-1.27%
August	2,092,806	2,179,564	4.15%	2,111,456	-3.12%
September	2,168,025	2,206,183	1.76%	2,253,778	2.16%
October	2,272,964	2,275,602	0.12%	2,283,643	0.35%
November	2,112,525	2,198,951	4.09%	2,247,234	2.20%
December	2,253,857	2,297,316	1.93%	2,343,967	2.03%
January	1,996,515	1,975,045	-1.08%	2,127,333	7.71%
February	1,870,292	1,913,040	2.29%	2,075,606	8.50%
March	2,287,299	2,304,100	0.73%	2,321,334	0.75%
April	2,228,459	2,188,956	-1.77%	2,235,081	2.11%
May	2,164,271	2,223,927	2.76%	2,318,904	4.27%
12 Month Ave	2,166,905	2,190,778	1.10%	2,236,445	2.08%
Year-to-Date	10,546,836	10,605,068	0.55%	11,078,258	4.46%

## 12 Month Averages

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	2,245,647	2,166,318	-3.53%	2,192,501	1.21%
July	2,232,595	2,164,473	-3.05%	2,190,141	1.19%
August	2,220,522	2,171,702	-2.20%	2,184,465	0.59%
September	2,209,669	2,174,882	-1.57%	2,188,431	0.62%
October	2,192,367	2,175,102	-0.79%	2,189,101	0.64%
November	2,189,026	2,182,304	-0.31%	2,193,125	0.50%
December	2,180,277	2,185,926	0.26%	2,197,013	0.51%
January	2,171,309	2,184,137	0.59%	2,209,703	1.17%
February	2,164,529	2,187,699	1.07%	2,223,250	1.63%
March	2,167,053	2,189,099	1.02%	2,224,687	1.63%
April	2,165,757	2,185,807	0.93%	2,228,530	1.95%
May	2,166,905	2,190,778	1.10%	2,236,445	2.08%

## Average Weekday Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	93,131	92,885	-0.26%	93,237	0.38%
July	89,516	90,784	1.42%	91,588	0.89%
August	85,275	86,582	1.53%	84,033	-2.94%
September	90,060	91,552	1.66%	93,133	1.73%
October	90,796	93,240	2.69%	93,197	-0.05%
November	92,842	93,893	1.13%	95,500	1.71%
December	89,618	91,183	1.75%	94,527	3.67%
January	87,248	86,168	-1.24%	89,422	3.78%
February	85,507	86,918	1.65%	89,675	3.17%
March	89,165	89,286	0.14%	91,890	2.92%
April	90,192	90,375	0.20%	92,081	1.89%
May	91,128	90,818	-0.34%	91,782	1.06%

## Hudson Line

## Revenue Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	1,367,135	1,382,018	1.09%	1,408,063	1.88%
July	1,379,094	1,360,953	-1.32%	1,358,800	-0.16%
August	1,292,620	1,360,653	5.26%	1,297,903	-4.61%
September	1,301,812	1,331,091	2.25%	1,358,616	2.07%
October	1,346,263	1,361,131	1.10%	1,359,385	-0.13%
November	1,237,169	1,303,840	5.39%	1,332,264	2.18%
December	1,318,485	1,350,557	2.43%	1,374,664	1.78%
January	1,154,801	1,159,493	0.41%	1,228,283	5.93%
February	1,084,284	1,108,812	2.26%	1,201,829	8.39%
March	1,328,645	1,340,022	0.86%	1,343,475	0.26%
April	1,316,029	1,312,919	-0.24%	1,334,926	1.68%
May	1,322,076	1,349,153	2.05%	1,399,291	3.72%
12 Month Ave	1,287,368	1,310,054	1.76%	1,333,125	1.76%
Year-to-Date	6,205,835	6,270,399	1.04%	6,507,804	3.79%

## 12 Month Averages

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	1,325,112	1,288,608	-2.75%	1,312,224	1.83%
July	1,318,268	1,287,096	-2.36%	1,312,045	1.94%
August	1,311,462	1,292,766	-1.43%	1,306,815	1.09%
September	1,307,613	1,295,206	-0.95%	1,309,109	1.07%
October	1,298,876	1,296,445	-0.19%	1,308,964	0.97%
November	1,297,335	1,302,001	0.36%	1,311,332	0.72%
December	1,291,438	1,304,673	1.02%	1,313,341	0.66%
January	1,285,984	1,305,064	1.48%	1,319,074	1.07%
February	1,281,336	1,307,108	2.01%	1,326,825	1.51%
March	1,282,587	1,308,056	1.99%	1,327,113	1.46%
April	1,283,101	1,307,797	1.92%	1,328,947	1.62%
May	1,287,368	1,310,054	1.76%	1,333,125	1.76%

## Average Weekday Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	54,910	55,395	0.88%	56,110	1.29%
July	54,396	54,811	0.76%	55,677	1.58%
August	52,084	53,417	2.56%	51,158	-4.23%
September	53,679	54,777	2.05%	55,594	1.49%
October	53,394	55,281	3.50%	54,963	-0.54%
November	53,993	55,266	2.36%	56,109	1.53%
December	52,201	53,368	2.24%	55,091	3.23%
January	50,220	50,319	0.20%	51,340	2.03%
February	49,456	50,296	1.70%	51,721	2.83%
March	51,678	51,763	0.16%	52,943	2.28%
April	53,066	53,787	1.36%	54,535	1.39%
May	55,015	54,625	-0.71%	54,880	0.47%

## New Haven Line

## Revenue Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	3,189,877	3,310,131	3.77%	3,435,549	3.79%
July	3,203,113	3,245,106	1.31%	3,297,444	1.61%
August	3,007,203	3,207,026	6.64%	3,142,289	-2.02%
September	3,041,855	3,156,370	3.76%	3,248,066	2.91%
October	3,169,763	3,230,572	1.92%	3,302,205	2.22%
November	2,986,978	3,151,295	5.50%	3,271,581	3.82%
December	3,189,305	3,276,593	2.74%	3,482,491	6.28%
January	2,766,211	2,782,420	0.59%	3,052,360	9.70%
February	2,601,593	2,663,982	2.40%	2,987,601	12.15%
March	3,153,697	3,252,147	3.12%	3,329,798	2.39%
April	3,130,752	3,146,282	0.50%	3,261,731	3.67%
May	3,094,415	3,215,679	3.92%	3,376,087	4.99%
12 Month Ave	3,044,564	3,136,467	3.02%	3,265,600	4.12%
Year-to-Date	14,746,668	15,060,510	2.13%	16,007,577	6.29%

## 12 Month Averages

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	3,094,425	3,054,585	-1.29%	3,146,918	3.02%
July	3,075,373	3,058,084	-0.56%	3,151,280	3.05%
August	3,058,057	3,074,736	0.55%	3,145,885	2.31%
September	3,045,966	3,084,279	1.26%	3,153,527	2.25%
October	3,027,517	3,089,346	2.04%	3,159,496	2.27%
November	3,030,630	3,103,039	2.39%	3,169,520	2.14%
December	3,026,248	3,110,313	2.78%	3,186,678	2.46%
January	3,019,128	3,111,664	3.06%	3,209,173	3.13%
February	3,015,940	3,116,863	3.35%	3,236,141	3.83%
March	3,026,869	3,125,067	3.24%	3,242,612	3.76%
April	3,033,867	3,126,362	3.05%	3,252,233	4.03%
May	3,044,564	3,136,467	3.02%	3,265,600	4.12%

## Average Weekday Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	127,643	132,400	3.73%	136,664	3.22%
July	126,073	130,711	3.68%	135,361	3.56%
August	120,817	126,012	4.30%	123,686	-1.85%
September	125,193	129,967	3.81%	133,112	2.42%
October	125,443	131,207	4.59%	133,568	1.80%
November	129,431	133,250	2.95%	137,327	3.06%
December	125,240	128,844	2.88%	138,282	7.33%
January	119,365	120,323	0.80%	126,986	5.54%
February	117,740	120,153	2.05%	127,761	6.33%
March	122,119	125,247	2.56%	130,747	4.39%
April	125,565	128,697	2.49%	133,014	3.35%
May	128,631	130,101	1.14%	132,341	1.72%

## West of Hudson

## Revenue Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	170,508	165,754	-2.79%	162,782	-1.79%
July	170,128	159,973	-5.97%	157,878	-1.31%
August	159,169	165,730	4.12%	153,116	-7.61%
September	158,373	158,985	0.39%	100,010	-37.09%
October	163,782	160,291	-2.13%	97,639	-39.09%
November	149,086	156,381	4.89%	97,068	-37.93%
December	161,259	164,834	2.22%	138,108	-16.21%
January	140,131	141,427	0.92%	129,596	-8.37%
February	131,782	138,008	4.72%	130,857	-5.18%
March	168,569	171,034	1.46%	150,608	-11.94%
April	162,021	156,436	-3.45%	140,266	-10.32%
May	150,294	159,901	6.39%	148,716	-6.99%
12 Month Ave	157,092	158,230	0.72%	133,889	-15.38%
Year-to-Date	752,797	766,806	1.86%	700,063	-8.70%

## 12 Month Averages

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	168,414	156,696	-6.96%	157,982	0.82%
July	166,640	155,849	-6.48%	157,807	1.26%
August	165,002	156,396	-5.22%	156,756	0.23%
September	163,706	156,447	-4.43%	151,842	-2.94%
October	161,798	156,156	-3.49%	146,621	-6.11%
November	161,465	156,764	-2.91%	141,678	-9.62%
December	160,299	157,062	-2.02%	139,451	-11.21%
January	158,916	157,170	-1.10%	138,465	-11.90%
February	157,774	157,689	-0.05%	137,869	-12.57%
March	157,710	157,894	0.12%	136,167	-13.76%
April	157,513	157,429	-0.05%	134,821	-14.36%
May	157,092	158,230	0.72%	133,889	-15.38%

## Average Weekday Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	7,754	7,538	-2.79%	7,402	-1.80%
July	7,750	7,622	-1.65%	7,884	3.44%
August	7,569	7,538	-0.41%	7,232	-4.06%
September	7,545	7,574	0.38%	4,764	-37.10%
October	7,448	7,625	2.38%	4,645	-39.08%
November	7,840	7,823	-0.22%	4,855	-37.94%
December	7,341	7,505	2.23%	6,579	-12.34%
January	7,368	7,436	0.92%	6,483	-12.82%
February	6,918	7,247	4.76%	6,537	-9.80%
March	7,343	7,447	1.42%	6,849	-8.03%
April	7,368	7,443	1.02%	6,673	-10.35%
May	7,507	7,618	1.48%	6,771	-11.12%

## Port Jervis line

## Revenue Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	121,391	115,518	-4.84%	116,786	1.10%
July	123,037	111,651	-9.25%	110,772	-0.79%
August	114,686	116,730	1.78%	104,640	-10.36%
September	113,274	110,427	-2.51%	50,582	-54.19%
October	116,874	110,500	-5.45%	46,093	-58.29%
November	105,554	107,453	1.80%	46,692	-56.55%
December	115,022	114,571	-0.39%	85,576	-25.31%
January	98,769	96,984	-1.81%	80,570	-16.92%
February	92,218	94,908	2.92%	81,766	-13.85%
March	117,630	117,095	-0.45%	93,911	-19.80%
April	113,758	108,000	-5.06%	88,819	-17.76%
May	105,774	111,096	5.03%	93,989	-15.40%
12 Month Ave	111,499	109,578	-1.72%	83,350	-23.94%
Year-to-Date	528,149	528,083	-0.01%	439,055	-16.86%

## 12 Month Averages

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	122,305	111,010	-9.24%	109,683	-1.19%
July	120,814	110,061	-8.90%	109,610	-0.41%
August	119,378	110,231	-7.66%	108,603	-1.48%
September	118,305	109,994	-7.03%	103,616	-5.80%
October	116,748	109,463	-6.24%	98,248	-10.24%
November	116,286	109,621	-5.73%	93,185	-14.99%
December	115,152	109,583	-4.84%	90,769	-17.17%
January	113,937	109,435	-3.95%	89,401	-18.31%
February	112,881	109,659	-2.85%	88,306	-19.47%
March	112,547	109,614	-2.61%	86,374	-21.20%
April	112,093	109,134	-2.64%	84,775	-22.32%
May	111,499	109,578	-1.72%	83,350	-23.94%

## Average Weekday Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	5,521	5,254	-4.84%	5,311	1.08%
July	5,606	5,320	-5.10%	5,531	3.97%
August	5,453	5,310	-2.62%	5,037	-5.14%
September	5,397	5,261	-2.52%	2,409	-54.21%
October	5,315	5,256	-1.11%	2,192	-58.30%
November	5,550	5,376	-3.14%	2,336	-56.55%
December	5,238	5,218	-0.38%	4,077	-21.87%
January	5,192	5,098	-1.81%	4,031	-20.93%
February	4,839	4,981	2.93%	4,084	-18.01%
March	5,126	5,100	-0.51%	4,271	-16.25%
April	5,174	5,138	-0.70%	4,224	-17.79%
May	5,282	5,293	0.21%	4,280	-19.14%

## Pascack Valley Line

## Revenue Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	49,117	50,236	2.28%	45,996	-8.44%
July	47,091	48,322	2.61%	47,106	-2.52%
August	44,483	49,000	10.15%	48,476	-1.07%
September	45,099	48,558	7.67%	49,428	1.79%
October	46,908	49,791	6.15%	51,546	3.52%
November	43,532	48,928	12.40%	50,376	2.96%
December	46,237	50,263	8.71%	52,532	4.51%
January	41,362	44,443	7.45%	49,026	10.31%
February	39,564	43,100	8.94%	49,091	13.90%
March	50,939	53,939	5.89%	56,697	5.11%
April	48,263	48,436	0.36%	51,467	6.26%
May	44,520	48,805	9.62%	54,727	12.13%
12 Month Ave	45,593	48,652	6.71%	50,539	3.88%
Year-to-Date	224,648	238,723	6.27%	261,008	9.34%

## 12 Month Averages

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	46,109	45,686	-0.92%	48,298	5.72%
July	45,826	45,789	-0.08%	48,197	5.26%
August	45,625	46,165	1.18%	48,153	4.31%
September	45,401	46,453	2.32%	48,226	3.82%
October	45,050	46,694	3.65%	48,372	3.59%
November	45,179	47,143	4.35%	48,493	2.86%
December	45,147	47,479	5.17%	48,662	2.53%
January	44,978	47,736	6.13%	49,064	2.78%
February	44,893	48,030	6.99%	49,563	3.19%
March	45,163	48,280	6.90%	49,793	3.13%
April	45,420	48,295	6.33%	50,046	3.63%
May	45,593	48,652	6.71%	50,539	3.88%

## Average Weekday Passengers

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	2,233	2,264	2.28%	2,091	-8.45%
July	2,144	2,302	7.37%	2,353	2.22%
August	2,116	2,228	5.29%	2,195	-1.48%
September	2,148	2,313	7.68%	2,355	1.82%
October	2,133	2,369	11.06%	2,453	3.55%
November	2,290	2,447	6.86%	2,519	2.94%
December	2,103	2,287	8.75%	2,502	9.40%
January	2,176	2,338	7.44%	2,452	4.88%
February	2,079	2,266	8.99%	2,453	8.25%
March	2,217	2,347	5.86%	2,576	9.84%
April	2,194	2,305	5.06%	2,449	6.25%
May	2,225	2,325	4.49%	2,491	7.14%

## MTA Bridges &amp; Tunnels

## Revenue Vehicles

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	25,553,456	25,937,063	1.50%	25,289,003	-2.50%
July	25,860,233	25,981,715	0.47%	25,490,788	-1.89%
August	25,809,041	26,202,259	1.52%	24,253,530	-7.44%
September	24,543,957	24,617,701	0.30%	23,976,096	-2.61%
October	25,004,440	25,470,647	1.86%	24,135,980	-5.24%
November	23,629,477	24,016,670	1.64%	23,443,442	-2.39%
December	23,496,526	22,969,330	-2.24%	23,665,382	3.03%
January	22,330,921	20,408,730	-8.61%	21,776,550	6.70%
February	19,147,302	20,176,144	5.37%	21,280,142	5.47%
March	24,489,353	23,928,232	-2.29%	23,908,261	-0.08%
April	24,570,400	23,593,365	-3.98%	23,660,313	0.28%
May	25,980,868	25,144,889	-3.22%	25,176,841	0.13%
12 Month Ave	24,201,331	24,037,229	-0.68%	23,838,027	-0.83%
Year-to-Date	116,518,844	113,251,360	-2.80%	115,802,107	2.25%

## 12 Month Averages

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	24,309,318	24,233,298	-0.31%	23,983,224	-1.03%
July	24,307,188	24,243,422	-0.26%	23,942,313	-1.24%
August	24,284,294	24,276,190	-0.03%	23,779,919	-2.04%
September	24,304,529	24,282,335	-0.09%	23,726,452	-2.29%
October	24,310,426	24,321,186	0.04%	23,615,230	-2.90%
November	24,313,384	24,353,452	0.16%	23,567,461	-3.23%
December	24,282,616	24,309,519	0.11%	23,625,465	-2.81%
January	24,312,656	24,149,337	-0.67%	23,739,450	-1.70%
February	24,138,916	24,235,073	0.40%	23,831,450	-1.67%
March	24,179,792	24,188,313	0.04%	23,829,786	-1.48%
April	24,180,766	24,106,894	-0.31%	23,835,365	-1.13%
May	24,201,331	24,037,229	-0.68%	23,838,027	-0.83%

## Average Weekday Vehicles

Service Month	2009 - 2010	2010 - 2011	Percent Change	2011 - 2012	Percent Change
June	859,066	877,977	2.20%	855,894	-2.52%
July	853,096	867,327	1.67%	853,553	-1.59%
August	855,041	860,105	0.59%	832,806	-3.17%
September	844,803	839,296	-0.65%	823,591	-1.87%
October	833,901	837,927	0.48%	801,026	-4.40%
November	814,894	822,205	0.90%	801,634	-2.50%
December	812,383	764,702	-5.87%	793,943	3.82%
January	767,460	682,304	-11.10%	748,115	9.65%
February	698,047	750,861	7.57%	768,649	2.37%
March	814,359	788,941	-3.12%	797,013	1.02%
April	839,381	812,864	-3.16%	809,433	-0.42%
May	857,707	833,621	-2.81%	831,618	-0.24%

# Fuel Hedge Program

MTA Finance Committee

July 2012

# Hedge Activity

## Ultra Low Sulfur Diesel Hedges

	Start	End	Lock in	Gallons
			Price/Gal	Hedged/Mn
Trade 1	Mar-2011	Feb-2012	\$3.160	527,426
Trade 2	Apr-2011	Mar-2012	\$3.117	534,788
Trade 3	Jun-2011	May-2012	\$3.050	546,448
Trade 4	Jun-2011	May-2012	\$2.980	559,284
Trade 5	Jul-2011	Jun-2012	\$2.852	292,193
Trade 6	Jan-2012	Jun-2013	\$2.889	1,115,342
Trade 7	Mar-2012	Aug-2013	\$3.121	356,011
Trade 8	Apr-2012	Sep-2013	\$3.213	207,523
Trade 9	May-2012	Oct-2013	\$3.161	193,328
Trade 10	Jun-2012	Nov-2013	\$2.995	176,219
Trade 11	Jun-2012	Nov-2013	\$2.767	200,779
Trade 12	Aug-2012	Jan-2014	\$2.696	154,550

## Natural Gas Hedge

	Start	End	Lock in	MMBtus
			Price/MMBtu	Hedged/Mn
Trade 1	Apr-2011	Mar-2012	\$4.242	235,766

Assumed Commodity Prices				
	Diesel Fuel		Natural Gas	
	2012	2013	2012	2013
February Plan	\$2.99	\$2.95	\$4.16	\$4.70

## Annual Impact on February Financial Plan (as of 7/3/2012)

	(\$ in millions)	
	2012	2013
<u>Ultra Low Sulfur Diesel</u>		
Current Prices vs. February Plan	\$4.127	\$29.835
Impact of Hedge	(1.274)	(5.111)
Net Impact: Fav/(Unfav)	\$2.853	\$24.724
<u>Compressed Natural Gas</u>		
Current Prices vs. February Plan	\$23.062	\$16.741
Impact of Hedge	(1.157)	0.000
Net Impact: Fav/(Unfav)	\$21.905	\$16.741
<u>Summary</u>		
Current Prices vs. February Plan	\$27.189	\$46.576
Impact of Hedge	(2.431)	(5.111)
Net Impact: Fav/(Unfav)	\$24.758	\$41.465

Estimated impact based on monthly average price times forecast usage, which may differ from actual purchases.

**JULY 2012**  
**MTA REAL ESTATE**  
**FINANCE COMMITTEE AGENDA ITEMS**

**1. ACTION ITEMS**

**MTA NEW YORK CITY TRANSIT**

- a. License agreement with Lev Alter for the operation of an employee cafeteria at NYC Transit's 207<sup>th</sup> Street subway shop/yard complex
- b. License agreement with Eskander Shazada for the operation of a newsstand at Astor Place Station, Lexington Avenue Line, New York, New York
- c. Lease with A2Z Wireless & Electronics, Inc. for the operation of a retail store at 1368 East Gun Hill Road, Bronx, New York
- d. License agreement with Bayis Ester for the operation of a recreation area in the vicinity of the NYC Transit's 38<sup>th</sup> Street Yard, Brooklyn, NY
- e. Modification of License Agreement with Transit Wireless, LLC
- f. New lease for NYCT Electronics Maintenance Division offices, storage and training facilities

**MTA METRO-NORTH RAILROAD**

- g. Personal services contract extension with Jones Lang LaSalle Americas, Inc, for retail property management services at Grand Central Terminal
- h. Personal services contract extension with Williams Jackson Ewing Inc. for retail leasing agent at Grand Central Terminal
- i. Lease extension with ISISTERS, LLC for less space parking spaces at 76 and 86 Viaduct Road, Stamford, CT

**MTA LONG ISLAND RAIL ROAD**

- j. License agreement with Oyster Rides, LLC, for taxi parking at the Hicksville Station, Hicksville, New York
- k. License Agreement with Ametek Thermal Systems, Inc., d/b/a/ Ametek Hughes Treitler, for parking and storage of equipment in an existing shed at Garden City, New York
- l. License Agreement with UTF Trucking, Inc., for parking and dispatching of trucks and trailers at LIRR's Arch Street Yard

## **MTA BRIDGES & TUNNELS**

- m. Amendment to license agreement with Municipal Art Society of New York, relating to the annual 9/11 "Tribute in Light" at the Battery Parking Garage

## **MTA CAPITAL CONSTRUCTION**

- n. Lease for Second Avenue Subway community information center at 1628 Second Avenue in Manhattan

## **2. INFORMATION ITEMS**

- a. Status report on month-to-month licenses
- b. Status report on agreements entered into directly by the Real Estate Department
- c. Status report on Grand Central Terminal Vanderbilt Hall events
- d. Status report on Grand Central Terminal Graybar Passage retail kiosks
- e. Entry permit between B&T and Cruz Contractors LLC, for the performance of vibration and structural monitoring at the Queens Midtown Tunnel in Long Island City, NY
- f. Entry permit between B&T and Mueser Rutledge Consulting Engineers, for the performance of Test pit excavation, boring sample excavation, and vibration and structural monitoring at the Queens Midtown Tunnel in Manhattan, NY

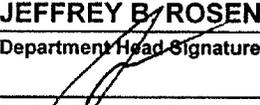
<b><u>Legal Name</u></b>	<b><u>Popular Name</u></b>	<b><u>Abbreviation</u></b>
New York City Transit Authority	MTA New York City Transit	NYC Transit
The Long Island Rail Road Company	MTA Long Island Rail Road	LIRR
Metropolitan Suburban Bus Authority	MTA Long Island Bus	LI Bus
Metro-North Commuter Railroad Company	MTA Metro-North Railroad	MNR
Triborough Bridge and Tunnel Authority	MTA Bridges and Tunnels	MTA B&T
MTA Capital Construction Company	MTA Capital Construction	MTACC
MTA Bus Company	MTA Bus Company	MTA Bus

*Staten Island Rapid Transit Operating Authority is a subsidiary of the Metropolitan Transportation Authority. Its popular name is MTA Staten Island Railway (abbreviated SIR).*

*Manhattan and Bronx Surface Transit Operating Authority is a subsidiary of the New York City Transit Authority (abbreviated as MaBSTOA).*

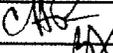
# **MTA NEW YORK CITY TRANSIT**

# Staff Summary

Subject <b>LICENSE AGREEMENT</b>
Department <b>REAL ESTATE</b>
Department Head Name <b>JEFFREY B. ROSEN</b>
Department Head Signature 
Project Manager Name <b>IAN SALSBERG</b>

Date <b>JULY 23, 2012</b>
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/23/12	X		
2	Board	7/25/12	X		

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

AGENCY: New York City Transit ("NYCT")  
 LICENSEE: Mr. Lev Alter  
 LOCATION: 207<sup>th</sup> Street Shop/Yard Employee Cafeteria  
 ACTIVITY: Operation of employee cafeteria  
 ACTION REQUESTED: Approval of terms  
 TERM: Ten years, subject to termination by NYCT at will upon 60 days' notice  
 SPACE: Approximately 1,800 square feet  
 COMPENSATION:

	<u>Year</u>	<u>Annual</u>	<u>Monthly</u>	<u>% Increase</u>
	1	\$6,600.00	\$550.00	
	2	\$6,840.00	\$570.00	3.50%
	3	\$7,080.00	\$590.00	3.50%
	4	\$7,320.00	\$610.00	3.50%
	5	\$7,560.00	\$630.00	3.50%
	6	\$7,824.00	\$652.00	3.50%
	7	\$8,100.00	\$675.00	3.50%
	8	\$8,400.00	\$700.00	3.50%
	9	\$8,700.00	\$725.00	3.50%
	10	\$9,000.00	\$750.00	3.50%

**COMMENTS:**

A Request for Proposals ("RFP") was offered in April of 2012 for the employee cafeteria at the 207<sup>th</sup> Street subway shop/yard complex, which has been vacated by the previous licensee; two proposals were received.

The highest proposal, calculated on a present value basis using a discount rate of 9%, was from Mr. Sean Legree, at \$190,119. A second proposal was received from Mr. Lev Alter, with an NPV of \$48,497. Interviews with both proposers were conducted by a panel including representatives from MTA Real Estate and the superintendent of the 207<sup>th</sup> Street shop/yard. The interviewing panel was of the unanimous opinion that, financial considerations aside, Mr. Alter's proposal was much stronger than that of Mr. Legree, who would not commit to being onsite after initial staffing and setup, and whose proposed menu was not as responsive to the menu desired for the cafeteria.

# Staff Summary

## FINANCE COMMITTEE MEETING 207<sup>th</sup> Street Employee Cafeteria (Cont'd.)



Page 2 of 2

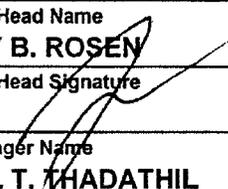
Moreover, the credit bureau employed by MTA Real Estate tried on several occasions to obtain the required financial information from Mr. Legree, but was unable to do so. Thereafter, MTA Real Estate reached out directly to Mr. Legree and was similarly rebuffed in its efforts to secure this information, which MTA Real Estate routinely requires in order to determine whether proposers have the financial resources to successfully operate a given business. Mr. Legree's failure to demonstrate his financial capability is of particular concern here because, based on MTA Real Estate's discussions with the outgoing concessionaire at the 207<sup>th</sup> Street facility, the compensation offered by Mr. Legree appears to have been based on an unduly optimistic assessment of potential concession revenue. As it is, Mr. Alter's proposed Year 1 license fee is more than double the annual fee that was paid by the prior licensee.

Mr. Alter has the financial resources to start up and operate the concession, as demonstrated in his application and in follow up by MTA Real Estate's credit bureau. He and his proposed employees (including his son, a culinary school graduate) have experience preparing food for large groups.

MTA Real Estate recommends proceeding with Mr. Alter at 207<sup>th</sup> Street. Mr. Legree was unable to provide the minimal financial information to provide any comfort level that he could effectively start up, staff and operate the cafeteria, while MTA is confident that Mr. Alter will establish a successful operation that will cater to the needs of the many employees at 207<sup>th</sup> Street.

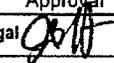
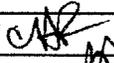
Based on the foregoing, MTA Real Estate requests authorization to enter into a license agreement with Lev Alter on the above-described terms and conditions.

# Staff Summary

Subject <b>LICENSE AGREEMENT</b>
Department <b>REAL ESTATE</b>
Department Head Name <b>JEFFREY B. ROSEN</b>
Department Head Signature 
Project Manager Name <b>MICHAEL T. THADATHIL</b>

Date <b>JULY 23, 2012</b>
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	07/23/12	X		
2	Board	07/25/12	X		

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

AGENCY: MTA New York City Transit ("NYCT")  
 LICENSEE: Eskander Shazada  
 LOCATION: Astor Place Station, Lexington Avenue Line, New York, NY  
 ACTIVITY: Operation of a newsstand  
 ACTION REQUESTED: Approval of terms  
 TERM: Ten years, subject to termination by NYCT at will upon 60 days' notice  
 SPACE: Approximately 157 square feet

COMPENSATION:	Year	Annual	Monthly	% Increase	Per Sq. Ft.
	1	\$75,000.00	\$6,250.00		\$ 477.71
	2	\$77,300.00	\$6,441.67	3.07%	\$ 492.36
	3	\$79,700.00	\$6,641.67	3.10%	\$ 507.64
	4	\$82,100.00	\$6,841.67	3.01%	\$ 522.93
	5	\$84,600.00	\$7,050.00	3.05%	\$ 538.85
	6	\$87,200.00	\$7,266.67	3.07%	\$ 555.41
	7	\$90,000.00	\$7,500.00	3.21%	\$ 573.25
	8	\$92,800.00	\$7,733.33	3.11%	\$ 591.08
	9	\$95,600.00	\$7,966.67	3.02%	\$ 608.92
	10	\$99,500.00	\$8,291.67	4.08%	\$ 633.76

**COMMENTS:**

The subject newsstand license was publicly offered via a request for proposals ("RFP"). In response to the RFP, MTA Real Estate received a total of 14 responsive proposals. All 14 proposers were given the opportunity through an addendum to modify their financial compensation offers when NYCT subsequently granted permission for newsstands to sell New York State Lottery products at subway newsstands (the "lottery addendum"). In response to the lottery addendum, 7 revised proposals were received.

The financial compensation proposed (calculated on a present value basis using a discount rate of 9%) ranged from \$551,646 to \$43,767. The top two proposals, in order of present value, were made by:

1. Abdul Hamid - \$551,646; and
2. Eskander Shazada - \$542,406.

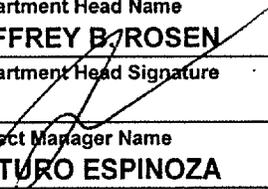
# Staff Summary

## FINANCE COMMITTEE MEETING Astor Place Station (Cont'd.)

Mr. Hamid, the top proposer, subsequently withdrew his proposal, having determined that his work to construct two other NYCT newsstands at which he is the licensee (Union Turnpike/Kew Gardens and Utica Avenue) would preclude him from dedicating the necessary resources to designing, constructing, and operating the Astor place newsstand. Mr. Shazada has operated a Parks Department newsstand in East New York for the past four years and has received a favorable recommendation from the Parks Department. He has the ownership and operating experience and the financial resources to successfully operate the Astor Place Station newsstand.

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

# Staff Summary

Subject <b>LEASE AGREEMENT</b>
Department <b>REAL ESTATE</b>
Department Head Name <b>JEFFREY B. ROSEN</b>
Department Head Signature 
Project Manager Name <b>ARTURO ESPINOZA</b>

Date <b>July 23, 2012</b>
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/23/12	X		
2	Board	7/25/12	X		

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

AGENCY: MTA New York City Transit ("NYCT")  
 LESSEE: A2Z Wireless & Electronics Corp. ("A2Z Wireless")  
 LOCATION: 1368 East Gun Hill Road, Bronx, New York  
 ACTIVITY: Sale of wireless devices, mobile phones, accessories, and service plans  
 ACTION REQUESTED: Approval of terms  
 TERM: 10 years  
 SPACE: Street level retail – approx. 754 sq. ft.

COMPENSATION:	Year	Annual	Monthly	% Increase	Per Sq. Ft.
	1	\$36,000.00	\$3,000.00		\$47.75
	2	\$37,440.00	\$3,120.00	4%	\$49.66
	3	\$38,937.60	\$3,244.80	4%	\$51.64
	4	\$40,495.10	\$3,374.59	4%	\$53.71
	5	\$42,114.90	\$3,509.58	4%	\$55.86
	6	\$43,799.50	\$3,649.96	4%	\$58.09
	7	\$45,551.50	\$3,795.96	4%	\$60.41
	8	\$47,373.60	\$3,947.80	4%	\$62.83
	9	\$49,268.50	\$4,105.71	4%	\$65.34
	10	\$51,239.20	\$4,269.93	4%	\$67.96

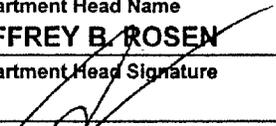
## COMMENTS

This street-level retail space, located at 1368 East Gun Hill Road within the Gun Hill Road Station on the Dyre Avenue Line, was recently offered via a request for proposals ("RFP"). A2Z Wireless's proposal was the one proposal received in response to the RFP. The present value of the rent proposed by A2Z Wireless (calculated at a 9% discount rate) is \$315,804.77 and exceeds the fair market rental value as estimated by MTA Real Estate's independent consultant.

Mr. Zaid Nagi, the owner of A2Z Wireless, has extensive experience in the sale of mobile devices and service plans in the Bronx. He will personally guarantee the obligations of A2Z Wireless under the lease. He operates two other locations in the Bronx, at 3981 White Plains Road and at 4712 White Plains Road. Mr. Nagi has an acceptable credit score and sufficient financial resources to build out and operate the store.

Based on the foregoing, MTA Real Estate requests authorization to enter into a lease agreement with A2Z Wireless on the above-described terms and conditions.

# Staff Summary

Subject <b>LICENSE AGREEMENT</b>
Department <b>REAL ESTATE</b>
Department Head Name <b>JEFFREY B. ROSEN</b>
Department Head Signature 
Project Manager Name <b>ARTURO ESPINOZA</b>

Date <b>JULY 23, 2012</b>
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/23/12	X		
2	Board	7/25/12	X		

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

AGENCY: MTA New York City Transit ("NYCT")  
 LICENSEE: Bayis Ester Chana, Inc. ("Bayis Ester")  
 LOCATION: Vacant land, BMT Right-of-Way, Part of Brooklyn Block 5582, Lots 2 and 7, adjacent to 945 39<sup>th</sup> Street, Brooklyn, NY (the "Property")  
 ACTIVITY: Recreation area for a school  
 ACTION REQUESTED: Approval of terms  
 TERM: Ten years, terminable at will by NYCT upon 60 days' notice.  
 SPACE: Approximately 4,900 square feet

COMPENSATION:	Year	Annual Compensation	Monthly	PSF	% increase
	1	\$10,000.00	\$833.33	\$2.07	N/A
	2	\$10,500.00	\$875.00	\$2.18	5%
	3	\$11,025.00	\$918.75	\$2.28	5%
	4	\$11,576.25	\$964.69	\$2.40	5%
	5	\$12,155.06	\$1,012.92	\$2.52	5%
	6	\$12,762.82	\$1,063.57	\$2.65	5%
	7	\$13,400.96	\$1,116.75	\$2.78	5%
	8	\$14,071.00	\$1,172.58	\$2.92	5%
	9	\$14,774.55	\$1,231.21	\$3.06	5%
	10	\$15,513.28	\$1,292.77	\$3.22	5%

## COMMENTS

Congregation Sanz of Lakewood owns a building adjacent to the Property, (an unused strip of land associated with NYCT's 38<sup>th</sup> Street Yard), where it operates a primary school and childcare facility through Bayis Ester. Bayis Ester proposes to use the Property as a playground.

The Property is located directly behind Bayis Ester's school building, with no direct access from the street. The building housing the school is the only privately-owned real estate directly adjacent to the Property. Nearby property owners, however, could access the Property were they also allowed to use other portions of NYCT's right-of-way. Therefore, a request for proposals (RFP) for the licensing of the Property was issued and the neighboring owners notified thereof. Bayis Ester was the sole respondent to the RFP.

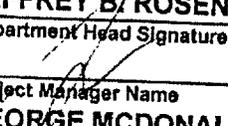
# Staff Summary

## FINANCE COMMITTEE MEETING Bayis Ester Chana, Inc. (Cont'd.)

Bayis Ester will be responsible for the construction of a masonry wall, leaving a 3' buffer between such wall and the existing fence that is on the side of the property that faces the NYCT operating right-of-way, and for installing a 6' fence along the borderlines of the Property perpendicular to the right-of-way. Plans for these and any additional installations to support the playground use such as paving and drainage will be subject to NYCT review and approval. Appropriate conditions on use, maintenance, insurance, and an agreement to indemnify NYCT would be obtained from Bayis Esther as part of the license agreement

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

# Staff Summary

Subject <b>MODIFICATION OF LICENSE AGREEMENT</b>
Department <b>REAL ESTATE</b>
Department Head Name <b>JEFFREY B. ROSEN</b>
Department Head Signature 
Project Manager Name <b>GEORGE MCDONALD</b>

Date <b>JULY 23, 2012</b>
Vendor Name <b>TRANSIT WIRELESS, LLC</b>
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/23/12	x		
2	Board	7/25/12	x		

Internal Approvals			
Order	Approval	Order	Approval
		1	MTA Legal 
3	Chief of Staff 	4	President NYCT 
2	Chief Financial Officer 		

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

**LICENSEE:** Transit Wireless, LLC ("TW")

**LOCATION:** 277 NYCT underground subway stations

**ACTIVITY:** License for installation of cellular/PCS and WiFi wireless telecommunications network

**ACTION REQUESTED:** Approval of a modification to the license agreement between NYCT and TW

**PURPOSE:** To request that the Board (1) approve a modification to the license agreement between NYCT and TW to facilitate TW's entry into a loan agreement with a syndicate of lenders; and (2) authorize the Chairman and Chief Executive Officer of NYCT and his/her designees to execute and deliver contracts and other documents and take other actions to implement the license agreement, as modified.

This modification would, among other things,:

- add provisions to the license agreement that will enable TW to enter into a loan agreement with a syndicate of financial institutions for funding a portion of the cost of the construction of the TW network; and
- refine the provisions of the License Agreement relating to revenue sharing.

In addition, in connection with the modification, NYCT would enter into an agreement with TW's lenders providing the lenders with standard notice, cure, transfer, assignment and substitution rights typically found in project finance documentation.

**BACKGROUND:** In 2007, following a request for proposals process, the Board approved the award of a license agreement to TW that granted TW an exclusive license to provide commercial cellular/PCS and WiFi service in NYCT's 277 underground subway stations. Under the arrangement, TW acts as a neutral host, constructing the distributed antenna system within the NYCT stations (but not within any of the tunnels between stations) and sublicensing rights to use that system to cellular/PCS carriers and WiFi providers. TW's majority owner (Broadcast Australia) is an investment and operating company that specializes in the broadcast and telecommunications fields and is majority owned by Canada's largest public pension fund.

## FINANCE COMMITTEE MEETING

### Modification of License Agreement (Cont'd)

#### BACKGROUND: (Cont'd)

The project is divided into two parts: an initial build ("Initial Build") of 6 stations and a full build ("Full Build") of the remaining 271 stations. The six Initial Build stations, all located in the Chelsea area of Manhattan, have been in commercial service since October, 2011 for AT&T and T-Mobile subscribers (TW is in negotiations with other carriers for their participation in the network). The service in the Initial Build stations has performed well, there has been no interference with NYCT communications and the public reaction has been favorable. TW is obligated to commence construction of Phase 1 of the Full Build (30 midtown stations) this summer.

In September, 2011, the Board approved modifications to the license agreement that, among other things:

- divided the Full Build into seven discrete phases;
- established a Full Build construction period of 6 years; and
- granted NYCT an option, which if exercised by NYCT would piggyback on the TW cell phone and WiFi network to provide NYCT with wireless communications access to support certain of its own operational networking needs. (In May, 2012, TW and NYCT agreed on the terms under which TW will construct and operate an Additional Services network in 15 of the 30 Phase 1 Full Build stations that will provide the connectivity for the Help Point implementation in those stations.)

A copy of the staff summary for the September, 2011 Board action is attached.

In 2007 it was anticipated that the carriers would finance all of the capital costs of the construction of the network and pay a fixed rent per station that would be shared between NYCT and TW. NYCT was entitled to the payment of a revenue share equal to the higher of the \$3 million minimum annual compensation (escalated by CPI) or 50% of net revenues. The 2011 license agreement modification increased the minimum annual compensation to \$3.3 million.

Since 2007, access to capital for projects such as this has been constrained and the capital budgets of the carriers have been reduced. To address those changes, TW has developed a new financing structure that includes a loan facility and requires TW to make a greater equity investment than it originally intended. Since the 2011 modification, TW has been working with a syndicate of lenders to finalize the terms of such loan facility. In order to make the project financeable, standard project finance provisions relating to notice, cure, transfer, assignment and substitution are being added to the license agreement. In addition, a direct agreement would be entered into between NYCT and TW's lenders. NYCT has been represented in these negotiations by the project finance group at Orrick, Herrington & Sutcliffe, a law firm that is internationally recognized in the project finance field. TW is obligated to reimburse NYCT for Orrick's costs.

Over this same period, TW's commercial arrangements with the carriers have become more complicated, with multiple payment streams that do not directly correlate to specific expense reimbursement or revenue categories. These changes, together with the restructuring of the capital funding, have necessitated refinements to the revenue sharing provisions to ensure that they work appropriately. In the original arrangements, the carriers were funding 100% of the capital costs during the construction period and the only revenues shared between NYCT and TW were the monthly rent payments made by the carriers for occupancy of the stations. The modified provisions address the fact that there are multiple revenue streams and expense deductions that must now be tracked to determine the net revenues that are subject to sharing. NYCT will continue to receive the higher of the \$3.3 million minimum annual compensation (escalated by CPI) or 50% of net revenues and the refinements are projected to result in higher overall net revenues paid to NYCT than were anticipated under the original revenue sharing provisions.

## FINANCE COMMITTEE MEETING Modification of License Agreement (Cont'd)

The principal changes relating to revenue sharing are:

- on the revenue side, all payments from the sublicensees (the carriers) will be treated as gross revenues, however characterized; and
- on the expense side, TW will be entitled to deduct from gross revenues (a) an amount equal to the debt service on its third-party loans at a fixed rate of 7% and (b) an amount equal to an notional return of 7% on the equity it invests in excess of \$25 million (such excess being the amount that would in the 2007 financing model have been funded with carrier debt and thus entitled to an above the line return similar to TW's actual debt). In addition, TW will be able to deduct most of its costs in designing, constructing and operating the network (90% during the construction phase and 80% during the operating phase).

The parties have also agreed that MTA is entitled to 10% of the gross revenues that arise from the use of the portion of the TW network that is outside of the NYCT system. This was not part of the 2007 revenue sharing arrangement and could, over the long-term, be a significant additional source of revenue to NYCT.

In addition, the concept of a licensor event of default has been added to the license agreement to address the lenders' concern that after providing financing, they would have limited recourse if NYCT took actions in violation of the terms of the license agreement that took away TW's ability to install and operate the TW network. In such unlikely event, the lenders would be entitled to repayment from NYCT of the outstanding principal amount of their loan, together with capped hedge breakage costs. A licensor event of default provision is standard in this type of project financing. However, the risk to NYCT is minimal because such a default would be triggered only if NYCT willfully ceased to perform substantially all of its obligations under the license agreement, and such cessation substantially frustrated or rendered it impossible for TW to build its network.

### RECOMMENDED ACTIONS:

Because the provision of cellular/PCS and WiFi service in the underground subway stations will enhance customer convenience and will provide operational support and a revenue stream to NYCT, and because NYCT has exercised its option for piggybacking on the TW wireless network for operational purposes in 15 stations, it is recommended that the Board adopt the attached resolution, which authorizes the Chairman and Chief Executive Officer of NYCT and his/her designees to execute the license agreement modifications and related documents and to take other necessary or appropriate steps as he/she may deem necessary, desirable or appropriate to implement the proposed license modifications and to enter into the direct agreement with TW's lenders.

## RESOLUTION

### BOARD OF THE NEW YORK CITY TRANSIT AUTHORITY

**WHEREAS**, in 2007, following a request for proposal process, the Board of the New York City Transit Authority ("NYCT") approved the award of a license agreement (the "License Agreement") to Transit Wireless LLC ("TW") that granted TW an exclusive license to provide commercial cellular/PCS and WiFi service in NYCT's 277 underground subway stations;

**WHEREAS**, following Board approval in September, 2011, the License Agreement was modified to divide the construction of the remaining 271 stations (the "Full Build") into seven discrete phases, to establish a Full Build construction period of 6 years, and to grant NYCT an option which if exercised by NYCT would piggyback on the TW cell phone and WiFi network to provide NYCT with wireless communications access to support certain of its own operational networking needs;

**WHEREAS**, since the 2011 modification, TW has been working with a syndicate of lenders to finalize the terms of a loan facility that would provide debt financing for the Full Build;

**WHEREAS**, NYCT has completed negotiations with TW regarding modifications to the License Agreement and the terms of a direct agreement between NYCT and TW's lenders that will enable TW to enter into a loan agreement for such loan facility;

**WHEREAS**, NYCT and TW have also completed negotiation of modifications to the terms of the License Agreement to refine the revenue sharing arrangements between the parties to address changes to the project's financing structure and the way in which the sublicensees of the TW network, namely the cell phone carriers and WiFi providers, pay the various costs associated with their use of the network;

**WHEREAS**, the proposed modifications to the License Agreement and the proposed direct agreement between NYCT and TW will permit the Full Build to move forward on terms that continue to provide substantial benefits to NYCT; and

**WHEREAS**, the provision of cellular/PCS and WiFi service in the underground subway stations will enhance customer convenience and will provide operational support and a revenue stream to NYCT;

**NOW THEREFORE**, upon the recommendation of the Chairman and Chief Executive Officer of the NYCT, the Board of the NYCT resolves as follows:

1. The Chairman and Chief Executive Officer and his/her respective designees are hereby authorized to execute and deliver any and all contracts and other necessary or appropriate agreements, documents, writings and other instruments and to take any other necessary or appropriate steps as he/she may deem necessary, desirable or appropriate to implement the Full Build, including (a) the modification to the License Agreement between NYCT and TW pertaining to the installation and operation of cellular/PCS and WiFi wireless telecommunications services in NYCT's underground subway stations and (b) the direct agreement between NYCT and TW's lenders, all as more fully described in the Staff Summary to which this Resolution is attached.
2. The Chairman and Chief Executive Officer and his/her designees are hereby authorized to take any and all actions as may be required necessary to satisfy applicable legal or regulatory requirements in connection with the foregoing actions.

# Staff Summary

**Subject**  
**MODIFICATION OF LICENSE AGREEMENT**

**Department**  
**REAL ESTATE**

**Department Head Name**  
**JEFFREY B. ROSEN**

**Department Head Signature**

**Project Manager Name**  
**CLARETHA FENNICK**

**Date**  
**SEPTEMBER 28, 2011**

**Vendor Name**

**Contract Number**

**Table of Contents Ref #**

FOR REFERENCE  
PURPOSES  
ONLY

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	8/28/11	Y		
2	Board	1/28/11	X		

Internal Approvals			
Order	Approval	Order	Approval
1	MTA Legal	4	President NYCT
2	Chief of Staff		
3	Chief Financial Officer		

**Narrative**

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

**LICENSEE:** Transit Wireless, LLC ("TW")

**LOCATION:** 277 NYCT underground subway stations

**ACTIVITY:** License for installation of cellular/PCS and WiFi wireless telecommunications network

**ACTION REQUESTED:** Approval of modified terms

**COMMENTS:**

**PURPOSE:** To request Board approval of a modification to a license agreement between NYCT and TW, and to authorize the Chairman and Chief Executive Officer of NYCT and his/her designees to execute and deliver contracts and other documents and take other actions to implement the proposed modification and, if deemed by the Chairman and Chief Executive Officer to be prudent, to exercise and implement the option included in such proposed modification.

**This modification would:**

- accelerate the commencement date of the build-out of the network following the imminent completion of the 6 station proof-of-concept stage;
- break the network build-out into 7 phases and reduce the overall period that TW has to complete the build-out of the network; and
- provide NYCT with an option to have TW expand the network's functionality to enable NYCT to use that network for NYCT's own operational purposes.

**BACKGROUND:** In 2007, following a request for proposals process, the Board approved the award of a license agreement to TW that granted TW an exclusive license to provide commercial cellular/PCS and WiFi service in NYCT's 277 underground subway stations. Under the arrangement, TW acts as a neutral host, constructing the distributed antenna system within the NYCT stations (but not within any of the tunnels between stations) and sublicensing rights to use that system to cellular/PCS carriers and WiFi providers. TW's majority owner is an investment and operating company that specializes in the broadcast and telecommunications fields and is owned by Canada's largest public pension fund.

## Staff Summary

### FINANCE COMMITTEE MEETING

#### Modification of License Agreement (Cont'd)

#### BACKGROUND: (Cont'd)

The project is divided into two parts: an initial build ("Initial Build") of 6 stations and a full build ("Full Build") for the remaining 271 stations. The six Initial Build stations, all located in the Chelsea area of Manhattan, are scheduled to go into commercial service this month for AT&T and T-Mobile subscribers. TW continues to negotiate with Verizon, Sprint, MetroPCS and WiFi providers for their participation in the network. The revenues from the sublicensing of the network to carriers and other sublicensees are to be shared 50%/50% as between TW and NYCT.

The current license agreement provides that the costs of the construction of the primary network (which TW estimates at between \$150 - 200 million) are wholly the responsibility of TW. Pursuant to sublicense agreements with TW, the wireless carriers will be obligated to support such capital costs by paying to TW both an up-front per station capital charge for each station as it is constructed and ongoing monthly capital charges for each station. TW will be required to use equity and debt to fund that portion of the capital costs not covered by such payments from the carriers and then use the ongoing carrier capital repayments to amortize the cost of the capital costs.

The provisions of the current license agreement that are proposed to be amended under the modification described below:

- condition TW's right to commence the Full Build on the carriers' satisfaction on TW having at least one of the major cellular/PCS carriers committed to the entire Full Build and being satisfied with the certainty and sufficiency of the financing of the entire Full Build;
- provide that once TW starts the Full Build it must complete installations at substantially all of the stations (265 of the 277 stations) or be subject to revocation of the license (which would mean loss of its investment);
- obligate TW to commence the Full Build by no later than January, 2013;
- provide that TW has 4 years to complete the Full Build following commencement (although, because there is an additional 5 year period with aggregate liquidated payments capped at a total of \$8 million before NYCT has the ability to trigger a termination for delay, the practical result is that TW could extend the Full Build period out to 9 years before it would lose its investment); and
- provide that the minimum annual revenue share due to NYCT is \$3 million (which is escalated by CPI and is initially prorated by the proportion of stations in service until installations at all of the stations are completed).

**PROPOSED MODIFICATION:** As a result of the financial downturn, TW for some time has reported that equity investors and lenders have much less appetite for risk than was the case in 2007 and that carriers' capital budgets for network construction have been reduced. While TW is now completing the Initial Build, there is substantial doubt that it will be able to finance the Full Build under the existing license terms and current market conditions.

TW has approached NYCT to request modifications to the license agreement that would enable TW to attract the investments needed to deliver the contemplated network in the NYCT underground stations. Negotiations have produced a proposed license modification that should permit TW to move forward into the Full Build on terms that would be acceptable to its potential equity investors, debt providers and the carriers, while continuing to providing substantial benefits to NYCT.

The critical change in the proposed license amendment would be to break the Full Build into seven discrete phases. The phases would be required to be constructed in sequential order. Having commenced a particular phase, TW would be obligated to complete that phase. TW would have a set period of time to commence and to complete each phase in the sequence. If TW failed to timely complete a phase, the amended license agreement would provide for delay damages and a failure to complete would lead to a default. If TW completed a phase but failed to commence the next phase within a specified period of time, TW would lose the right to commence any additional phases. If that were to occur, NYCT would be free to seek other alternatives for deployment of cellular/PCS and WiFi service in those stations where the TW network had not been installed. Although MTA would have to undertake the process of soliciting offers from other providers to enable service at the remaining stations, there is no technical or financial requirement that all of the stations be part of a single network. The carriers themselves or another neutral host could provide the service in those stations not served by the TW network.

## Staff Summary

### FINANCE COMMITTEE MEETING

#### Modification of License Agreement (Cont'd)

As part of the modification, TW would agree to a Full Build construction period of 6 years and commencement of the Full Build by no later than July 26, 2012. This new schedule would accelerate the start of the Full Build and creates greater certainty as to the duration of the project than the original license's Full Build schedule arrangement where TW could extend the Full Build out to 9 years before NYTA had the ability to trigger a termination for delay.

The proposed phasing plan has been structured to protect against TW cherry picking the most highly trafficked stations for early completion, since permitting that would reduce the carriers' incentive to complete all of the stations. The phasing plan also provides geographic diversity so that no particular borough is put at the end of the list with respect to network installation at underground stations. (Above ground stations which are located outside of Manhattan, already have cellular access because they have no barriers to access emergency signals.)

FOR REFERENCE  
PURPOSES ONLY

An important component of the proposed modification that may provide substantial benefit to NYCT is that TW would agree to grant NYCT an option, which if exercised by NYCT, would provide NYCT with wireless communications access to support certain of its own operational networking needs (such as Ticket Point and New Fare Payments). This option for NYCT access to the TW wireless network would piggyback on the core TW network. Following exercise of the option (which would be exercisable for any or all of the underground stations on a phase by phase basis), NYCT would be obligated to pay the capital costs attributable to the additional infrastructure and an allocable share of the operating costs associated with NYCT's use of the TW network, together with a network capacity charge. If NYCT were to exercise this option at all 277 underground stations, the one-time capital costs are estimated not to exceed \$6 million. Up to \$6 million of such costs would be paid through an offset to NYCT's revenue stream under the license agreement. If there were additional capital costs, which is not anticipated, the excess over \$6 million would be required to be paid by NYCT as incurred. NYCT's annual operating cost payments to TW would consist of two components: (1) NYCT's allocable share of TW's actual costs to operate their network (e.g. power, network management and control, outage response, maintenance and repair), which costs are estimated not to exceed \$1.25 billion per year for all 277 stations; and (2) a monthly network capacity charge that would range between \$300 to \$600 per month per station (to be escalated by CPI) depending on the level of service requested by NYCT at each station. (If the NYCT network were installed on all 277 stations, the annual capacity charge would range between \$1 to \$2 million (to be escalated by CPI)).

MTA retained NYSTEC, an independent telecommunications consultant on the Board-approved panel of on-call telecommunications consultants, to review the pricing of the network capacity charge associated with the option. NYSTEC concluded, based on its review of the TW network, TW's charges to the carriers for WiFi service, and other industry comparables, that the monthly charge of between \$300 to \$600 per station is below market and is fair and reasonable to NYCT for the bandwidth and service levels associated with the optional network services. By structuring these additional services as future options, before making a commitment NYCT will be able to compare the cost and value of the TW optional network services against the cost and value of the alternative network solutions when each construction phase is commencing.

As part of the proposed modification, TW has also agreed to increase the annual minimum revenue share from \$3 million to \$3.3 million.

In an ideal world, NYCT would hold TW to its original commitment to "build it all" or "lose it all". But the reality in today's financial environment is that such a structure is not commercially feasible. NYCT's choice is to modify the TW license or to hold the line, wait the 18 months TW has left to start the Full Build and then, if TW doesn't commence construction, start over with a new solicitation (which would be likely to result in further delay and a phasing structure very similar to the TW modified structure).

## Staff Summary

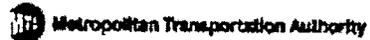
### RECOMMENDED ACTIONS:

Page 4 of 5

Because the provision of cellular/PCS and WiFi service in the underground subway stations will enhance customer convenience and will provide operational support and a revenue stream to NYCT, and because the option for an NYCT wireless network may be of substantial value to NYCT, it is recommended that the Board adopt the attached resolution, which authorizes the Chairman and Chief Executive Officer of NYCT and his/her designees to execute the contracts and to take other necessary or appropriate steps which may be necessary, desirable, or appropriate to implement the proposed license modification and, if deemed by the Chairman and Chief Executive Officer of NYCT to be prudent, to exercise and implement the option included in each proposed modification.

**FOR REFERENCE  
PURPOSES  
ONLY**

## Staff Summary



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### RESOLUTION

#### BOARD OF THE NEW YORK CITY TRANSIT AUTHORITY

WHEREAS, in 2007, following a request for proposal process, the Board of the New York City Transit Authority ("NYCT") approved the award of a license agreement (the "License Agreement") to Transit Wireless LLC ("TW") that granted TW an exclusive license to provide commercial cellular PCS and WiFi services at NYCT's underground subway stations;

WHEREAS, as a result of the financial downturn following subprime mortgage, TW for some time has reported that equity investors and lenders have much less appetite for risk than was the case in 2007 and that carriers' capital budgets for network construction have been reduced;

WHEREAS, TW has approached NYCT to request modifications to the License Agreement that would enable TW to attract the investments needed to deliver the contemplated network within the NYCT underground stations;

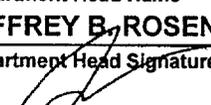
WHEREAS, the provision of cellular/PCS and WiFi services in NYCT's underground subway stations will enhance customer convenience and will provide operational support and a revenue stream to NYCT, and the option for an NYCT wireless network may be of significant value to NYCT; and

WHEREAS, negotiations between NYCT and TW have produced a proposed modification to the License Agreement that should permit TW to move forward into the Full Build on terms that would be acceptable to its potential equity investors, debt providers and the carriers, while continuing to providing substantial benefits to NYCT;

NOW THEREFORE, upon the recommendation of the Chairman and Chief Executive Officer of the NYCT, the Board of the NYCT resolves as follows:

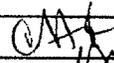
1. The Chairman and Chief Executive Officer and his/her respective designees are hereby authorized to execute and deliver any and all contracts and other necessary or appropriate agreements, documents, writings and other instruments and to take any other necessary or appropriate steps as he/she may deem necessary, desirable or appropriate to implement the modification to the License Agreement between NYCT and TW pertaining to the installation and operation of cellular/PCS and WiFi wireless telecommunications services in NYCT's underground subway stations as more fully described in the Staff Summary to which this Resolution is attached, and, deemed by the Chairman and Chief Executive Officer of NYCT to be prudent, to exercise and implement the options included in such proposed modification.
2. The Chairman and Chief Executive Officer and his/her designees are hereby authorized to take any and all actions as may be required necessary to satisfy applicable legal or regulatory requirements in connection with the foregoing actions.

# Staff Summary

Subject <b>NEW LEASE AGREEMENT</b>
Department <b>REAL ESTATE</b>
Department Head Name <b>JEFFREY B. ROSEN</b>
Department Head Signature 
Project Manager Name <b>Andrew D. Greenberg</b>

Date <b>July 23, 2012</b>
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/23/12	X		
2	Board	7/25/12	X		

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

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

LESSOR: 29-76 Realty Co., LLC

LOCATION: 29-76 Northern Boulevard, Long Island City, New York

ACTIVITY: New lease for NYCT Electronics Maintenance Division ("EMD") offices, storage and training facilities

ACTION REQUESTED: Approval of terms

TERM: Ten years

RENEWAL OPTIONS: One for five years at negotiated rental rates, and another for an additional five years renewal option at rent to be determined when option is exercised, as described below

SPACE: Approximately 26,980 rentable square feet ("rsf") /approximately 23,742 usable square feet ("usf"), comprising a portion of the ground floor

POSSESSION / LEASE COMMENCEMENT: Seven days following delivery of the space with all alterations and improvements substantially completed.

RENT COMMENCEMENT: Three months following possession

BASE RENT: Years 1-5: \$283,290.00 per annum - \$10.50 per rentable sq. ft. per annum  
 Years 6-10: \$311,619.00 per annum - \$11.55 per rentable sq. ft. per annum  
 Years 11-15\*: \$342,915.80 per annum - \$12.71 per rentable sq. ft. per annum  
 \*If Tenant exercises its first renewal option. Second year renewal option rent to be 90% of fair market value.

REAL PROPERTY TAXES: Pro rata share of increases in real estate taxes over base 2013/14 NYC tax year, based on full assessed valuation adjusted for 100% occupancy.

OPERATING EXPENSE ESCALATION: Fixed annual increases equal to 2% of base rent, compounding annually

TENANTS ALTERATIONS & IMPROVEMENTS and ARCHITECTURAL PLANS: Landlord will bid out and provide "turn-key" improvements in accordance with Tenant's plans and specifications. Landlord will contribute \$12.00 per rentable sq. ft. towards cost of such improvements and amortize any additional out-of-pocket cost (as documented to Tenant's reasonable satisfaction) over the initial lease term on a straight line basis with interest not to exceed 5%. Tenant, at its option, will have the right to reimburse Landlord in a lump sum payment following substantial completion of the improvements, or may elect

# Staff Summary

## FINANCE COMMITTEE MEETING 29-76 Realty Co., LLC (Cont'd)

Page 2 of 2

some combination of lump sum payment and amortization.

Landlord will prepare all architectural and engineering plans at its sole cost and expense and make any necessary filings with the NYC Buildings Department.

**UTILITIES:**

Direct meter to the public utility.

**SERVICES:**

Landlord will provide cleaning, HVAC maintenance and repairs at Tenant's cost and expense. Tenant will have 24 hour/seven day use of its own exclusive loading dock and access to freight elevator service during normal business hours.

**PARKING:**

Landlord will guarantee access to 15 parking spots for trucks and vehicles. Eight will be provided in the attached parking garage and seven in the yard adjoining the loading docks. Three parking spaces will be provided by Landlord at no additional cost (two in the garage and one in the yard), while the additional spaces will be provided at a rate of \$125/month per space in the garage and \$150/month per space in the yard.

**HOLDOVER:**

At lease expiration, Tenant may upon 90 days advance notice extend the lease for up to four months at the then escalated rent. Thereafter, Tenant will become a month-to-month Tenant at 115% of the escalated rent cancellable by either party on sixty days' notice.

**SECURITY DEPOSIT:**

None

**COMMENTS:**

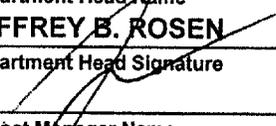
Due to the impending disposition of 370 Jay Street in Brooklyn, EMD needs to relocate. This 24 hour/seven day operation needs to be located within close walking distance to a subway station, due to the heavy equipment employees need to bring to other locations. There are no owned or leased facilities within the MTA portfolio that can accommodate this requirement. Cushman & Wakefield identified approximately fifty locations and six were inspected. 29-76 Northern Boulevard is the best-suited to EMD's operations, and the rent is consistent with market rents for similar facilities.

29-76 Northern Boulevard already houses MTACC operations and it is therefore anticipated that it will be possible to document this new lease quickly and inexpensively. EMD will require approximately 4,600 usable square feet for offices to house 54 employees and use the remaining space to accommodate 300 maintainers, conference and training rooms, large storage rooms, a record office, test equipment and data equipment rooms, male and female locker rooms with showers, a safety room, a break room, roll call rooms and a shop work room.

Based on the foregoing, MTA Real Estate requests authorization to enter into a lease with 29-76 Realty Co., LLC on the above-described terms and conditions.

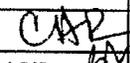
# **MTA METRO NORTH RAILROAD**

# Staff Summary

Subject <b>CONTRACT EXTENSION</b>
Department <b>REAL ESTATE</b>
Department Head Name <b>JEFFREY B. ROSEN</b>
Department Head Signature 
Project Manager Name <b>NANOU MARSHALL</b>

Date <b>JULY 23, 2012</b>
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/23/12	X		
2	Board	7/25/12	X		

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

AGENCY: MTA Metro-North Railroad ("Metro-North")  
 LICENSOR: Jones Lang LaSalle Americas, Inc. ("JLL")  
 ACTIVITY: Retail property management services at Grand Central Terminal  
 ACTION REQUESTED: One year extension of contract number 06069-0100

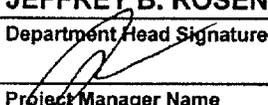
## COMMENTS

JLL provides property management services in support of the retail operations at Grand Central Terminal ("GCT"). Its responsibilities encompass all aspects of such operations apart from marketing space to potential tenants (a function that is currently performed by Williams, Jackson, Ewing Inc.), including specifically rent collection, lease administration and enforcement; oversight of tenant fit-out and other construction projects, marketing and promotions (including the programming of events in Vanderbilt Hall), housekeeping and engineering services, financial management and arranging for the provision to tenants of utilities and other "pass-through" services. The contract was competitively bid and initially awarded to JLL for the five-year period from January 1, 2007 to December 31, 2011. It was subsequently extended for one year pursuant to the MTA's "rapid procurement" initiative, in consideration of JLL agreeing to reduce its management fee, and is now scheduled to expire on December 31, 2012.

JLL oversees a substantial operating budget (currently in the amount of \$10,180,103 for 2013), which is developed annually in consultation with MTA Real Estate and Metro-North and approved each year in advance by MTA staff and then submitted to the Board each year as part of Metro-North's operating budget. Such amount includes amounts paid through JLL to some 26 subcontractors, whose subcontracts are competitively bid out under MTA supervision, as well as payments for utilities and other commodities; a relatively small portion of such amount (equal to 2.025% of gross GCT retail revenue, or \$613,171 based on the \$31,092,503 of revenue currently projected for 2013) is retained by JLL as a management fee. An additional \$2,775,324 has been budgeted for JLL's payroll and the remainder represents payments for utilities and other third-party expenses.

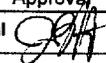
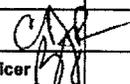
Board authorization is sought to extend the term of JLL's contract for one year so as to ensure seamless and uninterrupted management and operation of the Terminal throughout the upcoming Grand Central Terminal Centennial (the "Centennial"). The Centennial, which will take place throughout 2013, will entail a wide variety of special events, publications, exhibitions, educational initiatives and physical improvements that will place significant special demands on the GCT manager. As planning for the Centennial has intensified, JLL has played and will continue to play a central role in the planning and implementation of the Centennial program. JLL's continued participation in its current capacity is critical to the success of the Centennial. To replace JLL at this time with a new manager would jeopardize the success of the Centennial and is not recommended. An RFP will be issued in the second quarter of 2013 in anticipation of a new property management services contract for the period coming January 1, 2014.

# Staff Summary

Subject <b>CONTRACT EXTENSION</b>
Department <b>REAL ESTATE</b>
Department Head Name <b>JEFFREY B. ROSEN</b>
Department Head Signature 
Project Manager Name <b>NANCY MARSHALL</b>

Date <b>JULY 23, 2012</b>
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/23/12	X		
2	Board	7/25/12	X		

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

AGENCY: MTA Metro-North Railroad ("Metro-North")  
 LICENSOR: William Jackson Ewing Inc. ("WJE")  
 ACTIVITY: Retail leasing agency services at Grand Central Terminal  
 ACTION REQUESTED: One year extension of contract number C906092-0100

## COMMENTS

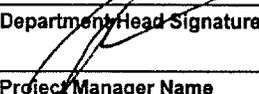
On February 28, 2007, following a competitive RFP process, the MTA Board approved the award of a personal services contract to WJE for retail leasing agent services for Grand Central Terminal ("GCT"). The contract initially covered the five-year period between March 1, 2007 and February 28, 2012, and called for a fixed yearly fee of \$299,400 or \$1,497,000.00 over the five-year period. In consideration of such fixed fee, and in lieu of conventional brokerage commissions that would be significantly higher, WJE seeks out prospective tenants for the various retail spaces at GCT as they become available, and then assists in the preparation of RFPs and in the evaluation of proposals received in response to such RFPs.

For the past several years, WJE has worked as part of a team with Jones Lang LaSalle Americas, Inc. (JLL), which is the retail property manager at GCT. The upgrading of the quality of the retail at GCT and concomitant increases in the MTA's income that have been achieved in recent years have been attributable in large part to the respective efforts of these two firms. However, it is in the best interest of the MTA for the JLL and WJE contracts to expire as of a common expiration date, so that, as such expiration date approaches, the MTA will be in a position to solicit combined proposals for property management and leasing agent services. Accordingly, in March of this year, the term of WJE's contract was extended for ten months through December 2012 so that it would end concurrently with JLL's contact.

Pursuant to a separate staff summary (the "JLL Staff Summary"), MTA Real Estate is seeking Board authorization to extend JLL's contract through December 2013 to provide seamless retail operations management at GCT throughout the GCT Centennial year. Accordingly, authorization is also hereby requested to extend the term of WJE's contract, so that the expiration dates of the two contracts will continue to coincide.

The alternatives are to (1) extend neither of the two contracts, which would disrupt planning for the GCT Centennial, or (2) extend only the JLL contract and solicit a new retail leasing agent for a term commencing on January 1, 2013. MTA Real Estate feels strongly that it is optimal for firms to have the ability to submit concurrent proposals with respect to leasing services and retail management services. Issuing a single RFP for such services is expected to increase the pool, and potentially the quality, of proposers interested in providing these services to the MTA.

# Staff Summary

Subject <b>LEASE EXTENSION</b>
Department <b>REAL ESTATE</b>
Department Head Name <b>JEFFREY B. ROSEN</b>
Department Head Signature 
Project Manager Name <b>MICHAEL DANIELS</b>

Date <b>JULY 23, 2012</b>
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/23/12	X		
2	Board	7/25/12	X		

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

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

LANDLORD: ISISTERS, LLC

LOCATION: 76 and 86 Viaduct Road, Stamford, CT

ACTIVITY: Lease modification and extension

ACTION REQUESTED: Approval of terms

TERM: August 1, 2012 – July 31, 2017

RENEWAL OPTION: August 1, 2017 – July 31, 2022

SPACE: 75 parking spaces

BASE RENT: August 1, 2012 – July 31, 2014  
\$81,348.00 per annum / \$6,779.00 per month / \$90.39 per space per month

August 1, 2014 – July 31, 2017  
\$82,164.00 per annum / \$6,847.00 per month / \$91.29 per space per month

RENEWAL OPTION: Five years  
\$86,268.00 per annum / \$7,189.00 per month / \$95.85 per space per month

REPAIRS AND MAINTENANCE: Landlord's responsibility

**COMMENTS:**

Metro-North currently leases 69 parking spaces at 76 and 86 Viaduct Road from ISISTERS, LLC for employee parking. These spaces are located adjacent to a building owned by Connecticut Department of Transportation at 90 Viaduct Road, where MNR employees are domiciled. The lease expires July 31, 2012.

There are no plans to relocate Metro-North staff in the foreseeable future. Metro-North considers this site to be ideal given its parking requirement and there are no other available parking lots in the immediate area. To accommodate increased staffing, six spaces will be added to the 69 currently leased, for a total of 75.

The proposed rent in the first year of the amendment is a 2% increase per space over the current rent per space. Local brokers indicate that the proposed rents are within the market range for parking spaces in the area.

# Staff Summary

**FINANCE COMMITTEE MEETING  
ISISTERS, LLC (Cont'd.)**

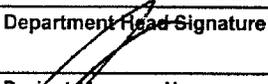


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Based on the foregoing, MTA Real Estate requests authorization to enter into a lease modification and extension agreement with ISISTERS, LLC on the above-described terms and conditions.

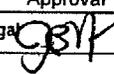
# **MTA LONG ISLAND RAIL ROAD**

# Staff Summary

Subject <b>LICENSE AGREEMENT</b>
Department <b>REAL ESTATE</b>
Department Head Name <b>JEFFREY B. ROSEN</b>
Department Head Signature 
Project Manager Name <b>JOHN COYNE</b>

Date <b>JULY 23, 2012</b>
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/23/12	X		
2	Board	7/25/12	X		

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

AGENCY: MTA Long Island Rail Road ("LIRR")  
 LICENSEE: Oyster Rides, LLC  
 LOCATION: Hicksville Station  
 ACTIVITY: License of taxi parking spaces  
 ACTION REQUESTED: Approval of terms  
 TERM: 5 years, terminable at will by LIRR on 60 days' notice  
 SPACE: 5 parking spaces  
 COMPENSATION:

License Year	Monthly Compensation	Annual Compensation
1	\$541.67	\$6,500.00
2	\$557.92	\$6,695.00
3	\$574.58	\$6,895.00
4	\$591.75	\$7,101.00
5	\$609.50	\$7,314.00

## COMMENTS

Virtually all of the LIRR licenses for taxi spaces and taxi dispatch offices were scheduled to expire at the end of June, 2012, and, accordingly, in January 2012, MTA Real Estate issued a request for proposals ("RFP") with respect to the expiring inventory. The RFP offered 40 parcels in all, with parcels consisting of taxi parking only (each parcel consisting of 1 to 15 spaces), taxi spaces with an adjacent dispatch office, or stand-alone dispatch offices. The Board approved the grant of licenses for 35 of the 40 parcels in May and June of this year. Of the four remaining parcels offered in the RFP but accounted for neither in the prior staff summaries nor in this staff summary, Real Estate plans to offer two (spaces at Massapequa and, pending resolution of a title issue a dispatch office at Huntington) in a future RFP, and will reevaluate for possible future marketing spaces at Bayside and one taxi dispatch office at Hicksville, both of which received no bids.

Two proposals were received for the subject parcel, one from Oyster Rides, LLC, with a present value, discounted at 9% ("PV") of \$26,706.68, and one proposal from L.I. Yellow Cab Corp., with a PV of \$19,785.74. Both proposers were offered the opportunity to submit best and final offers after submitting their initial offers, but neither chose to do so.

# Staff Summary

## FINANCE COMMITTEE MEETING Oyster Rides, LLC (Cont'd.)

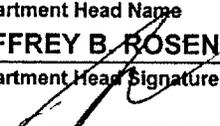


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Oyster Rides, LLC, based in Oyster Bay, New York, is the incumbent at the above-referenced parcel at Hicksville Station. Its principal, George Melillo, has sufficient financial resources to successfully operate the business under this proposed license.

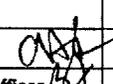
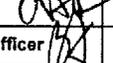
Based on the foregoing, MTA Real Estate requests authorization to enter into a license agreement with Oyster Rides, LLC on the above-described terms and conditions.

# Staff Summary

Subject <b>LICENSE AGREEMENT</b>
Department <b>REAL ESTATE</b>
Department Head Name <b>JEFFREY B. ROSEN</b>
Department Head Signature 
Project Manager Name <b>DORRIE MASSARIA ROBERTS</b>

Date <b>July 23, 2012</b>
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/23/12	X		
2	Board	7/25/12	X		

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

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

LICENSEE: Ametek Thermal Systems, Inc. d/b/a Ametek Hughes-Treitler ("Hughes-Treitler")

LOCATION: Central Branch Right-of-Way, north of licensee's commercial property at 300 Endo Boulevard, Garden City, NY (the "Property")

ACTIVITY: Commercial parking and storage of equipment

ACTION REQUESTED: Approval of terms

TERM: Ten years, subject to termination at will by LIRR on 60 days' notice

SPACE: Approximately 20,280 square feet

COMPENSATION:	Year	Annual Compensation	Price PSF	Annual Increase
	1	\$34,353.96	\$1.69	
	2	\$35,384.58	\$1.74	3%
	3	\$36,446.12	\$1.80	3%
	4	\$37,539.50	\$1.85	3%
	5	\$38,665.68	\$1.90	3%
	6	\$39,825.66	\$1.96	3%
	7	\$41,020.42	\$2.02	3%
	8	\$42,251.04	\$2.08	3%
	9	\$43,518.57	\$2.15	3%
	10	\$44,824.13	\$2.21	3%

**COMMENTS:**

Hughes-Treitler currently holds a month-to-month license to use the Property for parking by Hughes-Treitler's employees and visitors and for storage of dry goods and equipment. The Property is not directly accessible from the street, but is

# Staff Summary

## FINANCE COMMITTEE MEETING

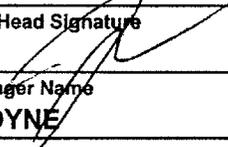
Ametek Thermal Systems, Inc. (Cont'd.)

accessible through Hughes-Treitler's property, which fronts on Endo Blvd. The owner of the only other property adjacent to the site, 450 Acquisition Company, LLC, was contacted regarding the site and is not interested in using it.

MTA Real Estate contacted real estate brokers who advised that, taking into account the property's limited access and MTA's 60-day termination rights, the proposed compensation represents market value for this site. Hughes-Treitler will be responsible for maintaining the existing lighting, fencing, paving and drainage.

Based on the foregoing, MTA Real Estate requests authorization to enter into an agreement with Hughes-Treitler on the above-described terms and conditions.

# Staff Summary

Subject <b>LICENSE AGREEMENT</b>
Department <b>REAL ESTATE</b>
Department Head Name <b>JEFFREY B. ROSEN</b>
Department Head Signature 
Project Manager Name <b>JOHN COYNE</b>

Date <b>JULY 23, 2012</b>
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/23/12	X		
2	Board	7/25/12	X		

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

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

LICENSEE: UTF Trucking, Inc. , a subsidiary of Fresh Direct Holdings, LLC (collectively, "Fresh Direct")

LOCATION: Arch Street Yard, Queens, Block 72, Part of Lot 1, also known as 46-26 Crane Street, Long Island City, New York

ACTIVITY: Parking and dispatching of trucks and trailers, employee parking, and storage of ancillary equipment

ACTION REQUESTED: Approval of terms

TERM: 3 years, subject to termination at will by MTA on 60 days' notice

SPACE: Approximately 20,000 square feet

COMPENSATION:

License Year	Annual	Monthly
1	\$132,600.00	\$11,050.00
2	\$136,578.00	\$11,381.50
3	\$140,675.34	\$11,722.95

## COMMENTS

LIRR will soon begin developing its Wheelspur Yard ("Wheelspur"), in Long Island City, into an intermodal freight rail facility (the "Wheelspur Project"). Once an active rail yard, Wheelspur was decommissioned in 1958 and subsequently licensed to light industrial users. The conversion of Wheelspur into an intermodal freight facility has required vacating Wheelspur's current occupants, which have heretofore occupied the premises pursuant to sublicense agreements with one of two master licensees, 11th Street Associates, Inc. and Marc 1 of New York, Inc.

The largest occupant at Wheelspur is Fresh Direct, which occupies Wheelspur via a sublicense agreement through its subsidiary, C.I.L. Structure, Inc. Fresh Direct, which operates a grocery delivery business in the New York metropolitan region, has been parking approximately 120 of its delivery vehicles at the Wheelspur Yard.

This past February, Fresh Direct entered into a transaction with the State and City of New York pursuant to which it will relocate from Long Island City to the Bronx. Fresh Direct's new headquarters in the Bronx, which is currently under construction, is expected to be ready for occupancy in 2015. Fresh Direct had intended to continue its occupancy at

# Staff Summary

## FINANCE COMMITTEE MEETING

### UTF Trucking, Inc (Cont'd.)

Wheelspur to house a large portion of its delivery fleet until its new Bronx facility was ready for occupancy. As a result of the Wheelspur Project, however, Fresh Direct must now relocate its fleet at Wheelspur Yard to other locations in the vicinity of its current Long Island City headquarters until 2015.

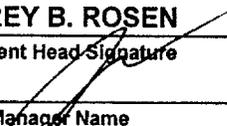
Fresh Direct has signed a stipulation of settlement with LIRR agreeing to vacate Wheelspur by August 31, 2012. As an inducement to Fresh Direct to vacate Wheelspur on a timely basis, and to preserve a portion of the revenue stream LIRR received from the commercial occupants at Wheelspur beyond the August 31 vacancy date, LIRR has offered Fresh Direct a license to allow it to park 39 trucks and trailers, as well as up to 12 employee owned vehicles, and to conduct dispatching operations at another LIRR facility, the Arch Street Yard, located approximately ½ mile from Wheelspur. The portion of the Arch Street Yard proposed to be licensed to Fresh Direct will not be required by LIRR until MTA LIRR East Side Access comes on line in 2019.

LIRR and Fresh Direct have agreed to a rate of \$216.67 per vehicle per month (\$2,600 annualized) for each of the 39 trucks and trailers and for the 12 employee vehicles that Fresh Direct intends to park at Arch Street Yard, resulting in annual compensation of \$132,600 for the first license year. Applying that rate to the number of vehicles Fresh Direct intends to park at Arch Street Yard will result in compensation of \$132,600.00 in the first license year, which will thereafter be inflated at 3% per year. Based on a the approximately 20,000 square foot area that Fresh Direct Trucking will occupy, compensation per square foot will be \$6.63 per square foot in the first license year. Discussions with brokers specializing in industrial and commercial property in the outer boroughs indicate that, given the site's unique configuration and access limitations, and factoring in MTA's 60 day termination right and other restrictions that will be placed on Fresh Direct, the proposed license fee exceeds the market value of the site.

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

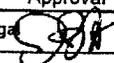
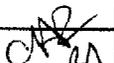
**MTA  
BRIDGES  
&  
TUNNELS**

# Staff Summary

Subject <b>AMENDMENT TO LICENSE AGREEMENT</b>
Department <b>REAL ESTATE</b>
Department Head Name <b>JEFFREY B. ROSEN</b>
Department Head Signature 
Project Manager Name <b>PAUL M. FITZPATRICK</b>

Date <b>JULY 23, 2012</b>
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/23/12	X		
2	Board	7/25/12	X		

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

AGENCY: MTA Bridges and Tunnels ("B&T").

LICENSEE: Municipal Art Society of New York ("MAS").

LOCATION: Battery Parking Garage ("BPG"), 63 Greenwich Street, New York, NY 10006.

ACTIVITY: Installation, maintenance, storage and removal of lighting.

ACTION REQUESTED: Approval of terms.

TERM: Three years, terminable at will by B&T on 60 days' notice.

SPACE: BPG Annex roof for Tribute In Light event, and ramp corner between 6<sup>th</sup> floor and rooftop for storage.

COMPENSATION: \$12,000 per year.

COMMENTS

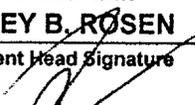
Since September of 2005, B&T has annually licensed a portion of the BPG to the MAS for the Tribute in Light. Under this license, the MAS uses a portion of the roof for approximately three weeks to stage the production, and uses five parking spaces between the 6<sup>th</sup> floor and the roof year round to store the lights used in the display. The lighting displays are fragile and could be subject to damage were they to be transported to remote storage locations.

The MTA has been asked by the City of New York to extend the agreement for three years to cover the 2012-2014 installations, on the same terms and conditions. Given current average occupancies at the BPG, revenue is not currently impacted by the installation. However, use of the BPG is expected to increase as development projects are completed in the area. MTA Real Estate will reevaluate the compensation called for under this proposed license agreement from time to time.

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

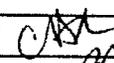
# **MTA CAPITAL CONSTRUCTION**

# Staff Summary

Subject <b>LEASE AGREEMENT</b>
Department <b>REAL ESTATE</b>
Department Head Name <b>JEFFREY B. ROSEN</b>
Department Head Signature 
Project Manager Name <b>ANDREW GREENBERG</b>

Date <b>JULY 23, 2012</b>
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/23/12	X		
2	Board	7/25/12	X		

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

AGENCY: MTA Capital Construction ("MTACC") – Second Avenue Subway Project

LANDLORD: Sendar Equities c/o Roxann Management, 8300 Republic Airport, Suite 200, Farmingdale, New York, 11735

LOCATION: 1628 Second Avenue, New York, NY, located between 84<sup>th</sup> and 85th Streets

ACTIVITY: Second Avenue Subway community information center

ACTION REQUESTED: Approval of terms

PREMISES: Approximately 1,560 usable square feet ("USF") of ground floor retail space and approximately 1,416 USF of basement space

POSSESSION: Seven days following delivery of Premises with Landlord's work substantially completed

RENT COMMENCEMENT: Four months following possession

TERM: From Possession Date to December 31, 2016

COMPENSATION:

Rent Year	Gross Base Rent	Net Rent	Net Rent per ground floor USF
All years	\$176,000.00	\$109,369.36	\$70.11

The Premises constitute a condominium unit and thus a separate tax lot. The foregoing net rent amounts were derived by subtracting the projected fiscal 2012/13 taxes (\$66,630.34, which equals \$42.71 per square foot) from the negotiated gross base rent. Such amount will be subject to a one-time adjustment to reflect the City of New York's final assessment for fiscal year 2012/2013.

REAL PROPERTY TAXES: MTACC will be responsible for reimbursing Landlord for 100% of any real estate taxes attributable to the subject condominium unit. However, the MTA intends to assert its tax exemption immediately upon lease execution.

OPERATING EXPENSE ESCALATION: MTACC to pay operating expenses fixed at 2.5% of net rent, commencing with the first anniversary of Rent Commencement Date, compounding annually.

RENEWAL OPTION: Three one-year renewal options at 95% of appraised fair market value (net of real property taxes).

# Staff Summary

## FINANCE COMMITTEE MEETING

Sendar Equities c/o Roxann Management (Cont'd)

Page 2 of 2

- ELECTRICITY:** To be provided on a direct meter basis by Con Edison
- MAINTENANCE & REPAIRS** Landlord responsible for sidewalk maintenance and cleaning, snow removal, and for all structural repairs. Landlord will maintain HVAC system at MTACC's expense. MTACC responsible for cleaning its premises and for all non-structural repairs to the premises.
- LANDLORD'S WORK:** Landlord, at MTACC's cost, will fit out the Premises based upon MTACCs' plans and specifications.
- SECURITY DEPOSIT:** None

### COMMENTS

MTACC plans to open a Second Avenue Subway Information Center before the end of 2012 to provide Second Avenue Subway project information, space for public meetings, and access to project staff. Cushman & Wakefield assisted with the search for suitable sites. Tours of six sites were conducted.

Due to its condominium status and the Landlord's willingness to allow MTA to net out the taxes from the gross base rent (which is within the market range for similar spaces), its central location in the Second Avenue Subway project area, and its ideal size, 1628 Second Avenue is the preferred site of the six sites toured. Based on the foregoing, MTA Real Estate requests authorization to enter into a lease for the Premises on the above-described terms and conditions.

# **INFORMATION ITEMS**

# Memorandum



## Metropolitan Transportation Authority

State of New York

Date July 23, 2012  
To Members of the Finance Committee  
From Jeffrey B. Rosen, Director, Real Estate  
Re **Status of Month-to-month Licenses for Passenger Amenities**

---

In June 1988, the MTA Board adopted a policy, which allows the Real Estate Department to enter into month-to-month agreements for "passenger service oriented concessions without individual Committee or Board approval". Attached is a status report of month-to-month agreements, which were executed pursuant to the policy.

**TENANTS CURRENTLY ON MONTH-TO-MONTH AGREEMENTS**

**MONTH: JULY 2012**

AGENCY	LOCATION (STATION)	TENANT/USE	SF	DATE OF AGREEMENT	MONTHLY COMPENSATION	COMMENT
1. NYCT	WTC Station 8 <sup>th</sup> Ave. Line, Manhattan	Fakhrul Alam/Newsstand	420	January 2004	\$121.54	Special site conditions will require interim tenancy until there is a station rehab
2. NYCT	West 4 <sup>th</sup> St. Station	Bachubhai Mehta/Newsstand (2)	96 96	June 2006	\$15,435.00	Publicly offered in October 2010
3. NYCT	Grand Street Station (B and D trains), Manhattan	Mahabubar Rahman	91	April 2006	\$882.00	Publicly offered in October 2010
4. NYCT	179 <sup>th</sup> Street Station (F train), Queens	Bachubhai Mehta/Newsstand	180	January 2008	\$1,400.00	Publicly offered in October 2011
5. NYCT	51 <sup>st</sup> Street-Lexington Avenue (6 train)	Bachubhai Mehta/Newsstand (2)	192	June 2008	\$7,600.00	Publicly offered in October 2011
6. NYCT	Astor Place (6 train), Manhattan	Fakhrul Alam/Newsstand	60	September 2008	\$3,900.00	Publicly offered in October 2010
7. LIRR	Bellmore Station, Bellmore, NY	Newsstation, Inc./Newsstand	120	March 2009	\$300	To be publicly offered first quarter 2012
8. LIRR	Wantagh Station, Wantagh, NY	Newsstation, Inc./Newsstand	121	March 2009	\$300	To be publicly offered first quarter 2012
9. LIRR	Massapequa Station, Massapequa, NY	Newsstation, Inc./Newsstand	120	September 2009	\$150	To be publicly offered first quarter 2012
10. NYCT	34 <sup>th</sup> St-Penn Station, Broadway 7 <sup>th</sup> Ave. Line	IRT News, Inc. / Newsstands (4)	720	February 2010	\$12,000	To be publicly offered by October 2012
11. LIRR	Hicksville Station, Hicksville, NY	Sunset Airport Trans Corp./Taxi Parking (4 spaces)	648	December 2011	\$4,795.54	To be publicly offered first quarter 2012
12. LIRR	Hicksville Station, Hicksville, NY	LI Yellow Cab Corp./Taxi Parking (1 space)	162	December 2011	\$350.00	To be publicly offered first quarter 2012

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# Memorandum



## Metropolitan Transportation Authority

State of New York

Date July 23, 2012

To Members of the Finance Committee

From Jeffrey B. Rosen, Director, Real Estate

Re **Report on Agreements Entered into Directly by the Real Estate Department with tenants in good standing or through the RFP or RTN process with a 5-year revenue stream, which does not exceed \$150,000, or 10-year stream not in excess of \$300,000**

---

Attached is a listing of agreements entered into directly by the Real Estate Department during the preceding month, pursuant to the Board's April 26, 2007 resolution.

That resolution delegates authority to the Chairman, Executive Director, and Director of Real Estate to enter into lease or license agreements with tenants on behalf of the MTA and its agencies.

For each such agreement, the term may not exceed ten years, and aggregate compensation may not exceed \$300,000, or \$150,000 for five-year agreements. The resolution similarly delegates authority to renew license agreements with tenants in good standing with the same limitations.

**REPORT ON AGREEMENTS ENTERED INTO DIRECTLY BY THE REAL ESTATE DEPARTMENT  
PURSUANT TO BOARD POLICY**

**July, 2012**

Agency/Project Manager	Renewal/RFP Generated	Licensee	Location/Use	Term	Rental		Annual Increase	Size/Weekday Ridership	Price/SF	
					Year	Compensation			Year	PSF
A. Espinoza	RFP	Hazikhair, Inc.	South Ferry, Manhattan, Newsstand	10 years	1	\$23,220.00	-	130 sq ft / 28,583 passengers	1	\$178.62
					2	\$23,916.60	3%		2	\$183.97
					3	\$24,634.98	3%		3	\$189.50
					4	\$25,374.00	3%		4	\$195.18
					5	\$26,135.00	3%		5	\$201.04
					6	\$26,919.00	3%		6	\$207.07
					7	\$27,726.00	3%		7	\$213.28
					8	\$28,558.00	3%		8	\$219.68
					9	\$29,415.00	3%		9	\$226.27
					10	\$30,297.00	3%		10	\$233.05

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# Memorandum



## Metropolitan Transportation Authority

State of New York

Date July 23, 2012  
To Members of the Finance Committee  
From Jeffrey B. Rosen, Director, Real Estate  
Re **GCT's Vanderbilt Hall Events Forecast**

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The following report will be presented to the Real Estate Committee by GCT Development on a monthly basis. The events forecast will show events planned for Vanderbilt Hall in the next three to four month period. This calendar will always be subject to last minute changes for technical or scheduling reasons.

**JULY 2012 Event Forecast**

Event	Date	Description	Space	Use
Blackberry	July 9 - 20	Demonstrations of new Blackberry tablet PENDING	Vanderbilt Hall	Public
Mark Heavey Meeting	July 17, 2012	For the Centennial. Licensing Meeting	West Side Vanderbilt Hall	Private
AECOM Blood Drive	July 19, 2012	Blood drive	Vanderbilt Hall	Public
EA Sports	July 30, 2012	Video game exhibit PENDING	Vanderbilt Hall	Public

# Memorandum



## Metropolitan Transportation Authority

State of New York

Date July 23, 2012  
To Members of the Finance Committee  
From Jeffrey B. Rosen, Director, Real Estate  
Re **GCT – Graybar Passage Retail Kiosks**

---

The following report will be presented by GCT Development office of the Real Estate Department whenever a new retail Permit Agreement has been entered into under the Retail Kiosk program approved by the MTA Board in January 2006.

GRAND CENTRAL TERMINAL

GRAYBAR PASSAGE RETAIL KIOSK PROGRAM

New Licensees-Month of July 2012

<b>Licensee</b>	<b>License Dates</b>	<b>Use</b>	<b>Monthly Compensation</b>
Umsteigen	7/1/2012-9/30/2012	The retail sale of licensee produced silk screened t shirts	7/2012: \$2,500 8/2012: \$2,500 9/2012: \$2,500
Ozone Designs Inc	7/1/2012-9/30/2012	The retail sale of licensee produced socks and hosiery	7/2012: \$2,500 8/2012: \$2,500 9/2012: \$2,500

# Staff Summary

Subject <b>ENTRY PERMIT</b>
Department <b>REAL ESTATE</b>
Department Head Name <b>JEFFREY B. ROSEN</b>
Department Head Signature
Project Manager Name <b>PAUL M. FITZPATRICK</b>

Date <b>JULY 23, 2012</b>
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/23/12	X		

Internal Approvals			
Order	Approval	Order	Approval
			Legal
	Chief of Staff		
	Chief Financial Officer		

AGENCY: MTA Bridges and Tunnels ("B&T"), ("Permitter").

LICENSOR: Cruz Contractors LLC ("Cruz")

LOCATION: Queens Midtown Tunnel ("QMT"), Long Island City, NY

ACTIVITY: Permit to Enter.

TERM: One week, June 25 to July 1, 2012. The Term of this Permit may be extended on a week-to-week basis, upon written request by Permittee and approved by Permitter.

SPACE: QMT North Tube.

COMPENSATION: \$1,250.00.

## COMMENTS

In conjunction with the City of New York's Hunters Point South development site in Long Island City (the "Development"), which is adjacent to the QMT, access to the facility has been requested by Cruz Contractors for the installation of a vibration monitoring system and to perform structural monitoring. The permitted area is within the north tube of the QMT adjacent to the development site located at the intersection of Second Street and Borden Avenue with the East River. The project is to install a reinforced concrete sewer pipe to support the Development and monitoring will be necessary while installation work is in progress.

Pursuant to Board Policy to issue short-term access agreements on behalf of MTA Bridges and Tunnels Facilities (see attached), an Entry Permit has been issued to Cruz, in a form approved by MTA Legal with the appropriate insurance coverage, pursuant to the above terms and conditions.

# Staff Summary

Subject <b>ENTRY PERMIT</b>
Department <b>REAL ESTATE</b>
Department Head Name <b>JEFFREY B. ROSEN</b>
Department Head Signature
Project Manager Name <b>PAUL M. FITZPATRICK</b>

Date <b>JULY 23, 2012</b>
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/23/12	X		

Internal Approvals			
Order	Approval	Order	Approval
			Legal
	Chief of Staff		
	Chief Financial Officer		

AGENCY: MTA Bridges and Tunnels ("B&T"), ("Permitter").

PERMITTEE: Mueser Rutledge Consulting Engineers ("MRCE").

LOCATION: Queens Midtown Tunnel ("QMT"), New York, NY.

ACTIVITY: Permit to Enter.

TERM: Approximately two months, from June 25 to August 31, 2012. The term of this permit may be extended on a week-to-week basis upon written request by Permittee and Permitter.

SPACE: Manhattan portion of the QMT at Station 26+70 (both tubes) and at the Manhattan Ventilation Building located between 41<sup>st</sup> and 42<sup>nd</sup> Streets and First Avenue and the East River.

COMPENSATION: \$1,250.00

## COMMENTS

In conjunction with the design and construction of a proposed tower to be owned by the United Nations, certain work, including the excavation of test pits, excavation and obtaining of boring samples, installation and maintenance of vibration monitoring equipment and facility condition assessment must be performed in the QMT locations described above.

Work is expected to last approximately two months and will correspond to regular lane closures. Access and scheduling will be coordinated with B&T.

Pursuant to Board Policy to issue short-term access agreements on behalf of MTA Bridges and Tunnels Facilities, an Entry Permit has been issued to MRCE, in a form approved by MTA Legal with the appropriate insurance coverage, pursuant to the above terms and conditions.

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