



Metropolitan Transportation Authority

# January 2014

MTA Board Action Items



**MEETING AGENDA  
METROPOLITAN TRANSPORTATION AUTHORITY BOARD  
January 29, 2014 10:00 a.m.**

347 Madison Avenue  
Fifth Floor Board Room  
New York, NY

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Date of next MTA Board meeting: Wednesday, February 26, 2014 at 10:00 a.m.

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

**Wednesday, December 18, 2013  
10:00 a.m.**

**The following members were present:**

**Hon. Thomas F. Prendergast, Chairman & CEO  
Hon. Fernando Ferrer, Vice Chairman  
Hon. Andrew Albert  
Hon. Jonathan A. Ballan  
Hon. Robert C. Bickford  
Hon. Allen P. Cappelli  
Hon. Jeffrey A. Kay  
Hon. Mark D. Lebow  
Hon. Susan Metzger  
Hon. Charles G. Moerdler  
Hon. John J. Molloy  
Hon. Mark Page  
Hon. Mitchell H. Pally  
Hon. David A. Paterson  
Hon. Andrew M. Saul  
Hon. Carl V. Wortendyke**

**The following members were absent:**

**Hon. John H. Banks, III  
Hon. Norman Brown  
Hon. James L. Sedore, Jr.**

Catherine Rinaldi, Chief of Staff, James B. Henly, MTA General Counsel, Stephen J. Morello, Counselor to the Chairman, Board Member James Blair, Board Member Ira R. Greenberg, Carmen Bianco, President, NYCTA, Helena Williams, President, Long Island Rail Road, Howard Permut, President, Metro-North Railroad, James Ferrara, President, TBTA, Darryl Irick, President/SVP, MTA Bus Operations and Michael Horodniceanu, President, MTA Capital Construction, also attended the meeting.

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

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

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

1. **PUBLIC SPEAKERS.** There were eighteen (18) public speakers. Refer to the video recording of the meeting produced by the MTA and maintained in MTA records, and to the other agencies' minutes of this date, for identification of the speakers and the content of speakers' statements.

2. **CHAIRMAN'S OPENING COMMENTS.**

Addressing the Metro-North train derailment on December 1, 2013, Chairman Prendergast expressed his condolences and called for a moment of silence in honor of the four people who died.

Chairman Prendergast provided the Board with a factual overview of the train derailment, and discussed the investigative efforts. The Chairman also discussed the corrective actions identified and implemented by Metro-North and announced that the LIRR has also committed to a number of safety improvements since the derailment.

3. **MINUTES.** Upon motion duly made and seconded, the Board approved the minutes of the regular Board meeting held on November 13, 2013.

4. **COMMITTEE ON FINANCE.**

A. **Action Items.** Upon motion duly made and seconded, the Board approved the following action items, described in further detail in the staff summaries and documentation filed with the meeting materials.

1. **New York Power Authority "NYPA" Energy Audits and Retrocommissioning Studies.** Authorized NYPA to perform Phase I of the ASHRAE Level II Energy Audits and Retrocommissioning studies at MTA buildings, and authorized MTA to enter into a Customer Installation Commitment with NYPA for Phase I audits and studies.
2. **Authorization to Issue Transportation Revenue Bonds, Dedicated Tax Fund Bonds, and Triborough Bridge and Tunnel Authority General Revenue and Subordinate Revenue Bonds.** Approved resolutions and all necessary documents to issue new money bonds to finance up to \$2.0 billion of capital projects set forth in approved transit and commuter capital programs, and up to \$330 million to finance capital projects set for in approved bridges and tunnels capital programs.

3. Approval of Supplemental Resolutions Authorizing Refunding Bonds. Approved supplemental resolutions authorizing the issuance of refunding bonds, from time-to-time, subject, if applicable, to the refunding policy adopted by the Board in May, 2010, as amended from time-to-time, and provided that the MTA Chief Financial Officer or the MTA Director of Finance determines that the refunding of such bonds or other obligations will be beneficial to the obligors thereof and/or their affiliates and subsidiaries.
4. Authorization to Increase the Authorized Amount of Open Market Purchase of MTA, TBTA, DTF bonds and 2 Broadway Certificates of Participation. Approved the increase of the authorized amount of open market purchases of MTA Transportation Revenue Bonds, Dedicated Tax Fund Bonds, TBTA General Revenue Bonds, TBTA Subordinate Revenue Bonds and 2 Broadway Certificates of Participation from \$25 million to \$50 million.
5. Authorization to Amend Existing Fuel Hedge Swap Agreements to Conform Rating Downgrade Termination Events to MTA Board Approved Swap Guidelines. Approved a resolution to authorize MTA to amend the definition of Additional Termination Event in existing fuel hedge swap agreements with respect to swap counterparties, so that the definition is consistent with Board-approved Swap Guidelines.
6. Approval of Financial and Swap Advisors/Contract Authorization. Approved the PFM Group contract for financial advisory services in connection with the issuance of MTA and TBTA bonds and other obligations.
7. MTA and TBTA Reimbursement Resolution for Federal Tax Purposes. Approved the reimbursement resolutions required by Federal tax law to preserve the ability to finance certain capital projects on a tax exempt basis.
8. Approval of Environmental Liaison Counsel. Approved the continued participation in legal fee/expense sharing with a sub-group of nine companies (the "G-9") that is utilizing the services of the Gibbons law firm of Newark, New Jersey, to serve as environmental liaison counsel in federal court contribution lawsuits brought to recover environmental remediation costs.

**C. Procurement Items.** Upon motion duly made and seconded, the Board approved the following procurement items. The specifics are set forth in the staff summaries and documentation filed with the meeting materials.

1. Texas Engineering Extension Service - Jurisdictional Crisis Incident Management – No. 11174-0100. Approved an amendment to a Board-approved, non-competitive federally-funded, contract with Texas Engineering Extension Service to provide additional first responders incident management and decision making training to approximately 100 MTA/Regional transit operational and police personnel and extend the contract from December 31, 2013 to August 31, 2015.

2. Ultramar Travel Bureau Inc. – All-Agency/Inspector General Travel Agent Services – No. 13092-0100. Approved a competitively negotiated contract with Ultramar Travel Bureau Inc. to provide travel-related services for the MTA and its affiliated agencies including the MTA Inspector General Office, as well as to coordinate, monitor and report on financial and administrative travel arrangements.
3. AFT Project at NYCT Facility. Approved a competitively negotiated contract to provide technical design, fabrication, crating, storage, delivery, installation and oversight of installation of materials at the MTACC/LIRR East Side Access Diana Cooper, Roosevelt Island Ventilation Facility.
4. PRGX USA Inc. – Audit of All-Agency Vendor Records – No. 13157-0100. Approved a competitively negotiated personal services agreement with PRGX USA Inc. to review, correct and update the All-Agency PeopleSoft vendor database.
5. Various Contractors – Routine Preventative Maintenance Services for MTAPD and Inspector General Vehicles – Nos. 13104-0100 thru 0800. Approved competitively negotiated contracts with The Goodyear Tire & Rubber Company, First Star Auto Repair Inc. d/b/a DaimneFleet Corporation, 54<sup>th</sup> Street Auto Care Inc., Tony's Long Warf Transport LLC, Southshore Motors d/b/a Sayville Ford, Robert H. Bruneau, d/b/a Robert's Service Center, Bright Bay Lincoln Inc., and 1811 Auto Repair Corp. to provide as-needed preventative maintenance services for MTAPD and the Office of the Inspector General's vehicles.

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

**New York City Transit Authority**

1. Authorization to proceed with eminent domain proceeding to facilitate construction to repair or replace damaged sections of the parapet wall at six (6) stations along the Sea Beach Line in Brooklyn, N.Y.
2. Authorization to enter into a master lease with an entity to be formed by Westfield America Limited Partnership in connection with the Fulton Center in lower Manhattan, N.Y.

### **Long Island Rail Road**

3. Lease agreement with W.F. McCoy Petroleum Products, Inc. for property located at 52 Foster Avenue, Bridgehampton, N.Y.
4. License agreement with Bayside Village Business Improvement District, Inc. for landscaping and beautification of lawn at Bayside Station, Bayside, N.Y.

### **Metro-North Railroad**

5. Conveyance of property to WB Pinebrook Associates, LLC for use as an access road located at the east side of Metro-North's New Haven Line right-of-way, west of Palmer Avenue and south of North Avenue, Village of Larchmont, Westchester County, N.Y.
6. Lease agreement with Jacques Torres Adventures, LLC d/b/a Jacques Torres Chocolate for the retail sale of Jacques Torres produced chocolate products at Retail Space MC-86, Grand Central Terminal, Manhattan, N.Y.
7. Lease agreement with Jin Suk Han, d/b/a Embassy Shoe Repair, for the operation of a shoe repair store located at 188 North Main Street, Port Chester, Westchester County, N.Y.

## **5. MTA 2014 FINAL BUDGET AND MTA 2014-2017 FINANCIAL PLAN.**

Chairman Prendergast introduced MTA Chief Financial Officer Robert Foran, who presented the action items for the MTA 2014 Proposed Final Budget and the Proposed MTA Final 2014-2017 Financial Plan for Board consideration and approval. Copies of the proposed Budget and Plan, together with the accompanying staff summary, were distributed to Board Members and are maintained in MTA records.

The Chairman proposed a motion to adopt the Proposed MTA 2014 Final Budget and the Proposed Final Financial Plan for 2014-2017 and opened the floor for discussion.

Details of the Board Members' extended discussion relating to the MTA 2014 Budget and Financial Plan 2014-2017 are included in the video recording of the meeting produced by the MTA and maintained in the MTA records.

In the course of such discussion, Board member Allen Cappelli made a motion, seconded by Board member Mitchell Pally, to modify the Proposed MTA Final Budget prior to its adoption by reallocating Twenty-Five Million Dollars (\$25,000,000) within the proposed Budget for expenditure on service restorations, enhancements and new service initiatives. After extended discussions and debate by Board members, Mr. Cappelli proposed an amendment to his motion to modify the proposed Budget, substituting for it a Board recommendation that the Finance Committee report back to the Board at the April 2014 Board meeting an identified sum of money available for use for further service restorations,

enhancements and new service initiatives. Following further Board member discussion of Mr. Cappelli's proposed amended motion, Mr. Cappelli moved to table his motion, indicating the subject could be brought back up at a subsequent Board meeting. The motion to table, after being seconded, was adopted by the Board without opposition.

Upon motion duly made and seconded, the Board approved the following actions, as set forth in the staff summary accompanying the Budget and Financial Plan materials:

- Adoption of the 2014 Final Proposed Budget and Four-Year Financial Plan 2014-2017, which includes approval of the 2013 Final Estimate and all Plan Adjustments; with such Plan approval superseding prior Board Plan approvals for this period;
  - Authorizing staff, under the guidance of the Chief Executive Officer and the Chief Financial Officer, to take actions to implement the subsidy and other adjustments set forth in the Plan;
  - Authorizing staff to invest \$80 million in 2013 and \$30 million in 2014, and each year thereafter, to reduce the amount of unfunded pension liability associated with the "LIRR Additional Plan";
  - Authorizing staff to invest the unexpended 2013 general reserve to further reduce the unfunded pension liability associated with the "LIRR Additional Plan";
  - Authorizing staff to accelerate \$100 million in repayment to the Capital Finance Fund from 2016 to 2013;
  - Authorizing staff to make additional contributions to the Capital Program of \$60 million in 2014, and \$120 million in 2015, and each year thereafter;
  - Authorizing staff to use \$160 million of Pay as You Go funding to help fund the local share of costs for recovery and resiliency from Superstorm Sandy;
  - Authorizing technical adjustments to MTA budgets and forecasts of a non-material nature in the February Plan;
  - Authorizing adjustment of MTA budgets and forecasts to reflect labor settlements approved from time-to-time by the Board; and
  - Approving additional budget and cash management actions, as has been done in past budget adoptions, as further described in the staff summary.
6. **EXECUTIVE SESSION.** Upon motion duly made and seconded, the Board voted to convene an executive session in accordance with Section 105(1)(d) and (e) of the New York State Public Officers Law to discuss matters relating to collective negotiations and matters of proposed, pending or current litigation. Thereafter, upon motion duly made and seconded, the Board voted to resume proceedings in public session.
7. **ADJOURNMENT.** Upon motion duly made and seconded, the Board voted to adjourn the meeting at 12:25 p.m.

Respectively submitted,

Victoria Clement  
Assistant Secretary

**Minutes of the  
Regular Board Meeting  
for the New York City Transit Authority,  
Manhattan and Bronx Surface Transit Operating Authority,  
Staten Island Rapid Transit Operating Authority and  
MTA Bus Company**

**Wednesday, December 18, 2013  
10:00 a.m.**

**The following members were present:**

**Hon. Thomas F. Prendergast, Chairman & CEO  
Hon. Fernando Ferrer, Vice Chairman  
Hon. Andrew Albert  
Hon. Jonathan A. Ballan  
Hon. Robert C. Bickford  
Hon. Allen P. Cappelli  
Hon. Jeffrey A. Kay  
Hon. Mark D. Lebow  
Hon. Susan Metzger  
Hon. Charles G. Moerdler  
Hon. John J. Molloy  
Hon. Mark Page  
Hon. Mitchell H. Pally  
Hon. David A. Paterson  
Hon. Andrew M. Saul  
Hon. Carl V. Wortendyke**

**The following members were absent:**

**Hon. John H. Banks, III  
Hon. Norman Brown  
Hon. James L. Sedore, Jr.**

**Catherine Rinaldi, Chief of Staff, James B. Henly, MTA General Counsel, Stephen J. Morello, Counselor to the Chairman, Board Member James Blair, Board Member Ira R. Greenberg, Carmen Bianco, President, NYCTA, Helena Williams, President, Long Island Rail Road, Howard Fermut, President, Metro-North Rail Road, James Ferrara, President, TBTA, Darryl Irick, President/SVP, MTA Bus Operations and Michael Horodniceanu, President, MTA Capital Construction, also attended the meeting.**

1. CHAIRMAN PRENDERGAST CALLED THE MEETING TO ORDER

2. PUBLIC COMMENT PERIOD

Seventeen public speakers addressed NYC Transit/MTA Bus issues:

John Samuelson, President, TWU Local 100, discussed issues relating to collective bargaining.

Murray Bodin discussed the importance of adapting to changes and doing things differently.

Eric Josephson discussed the possibility of strike activity from transit workers.

Marty Goodman, TWU, discussed issues relating to safety and protested net zeroes for TWU Local 100 members.

Daniel Cassella, President, ATU Local 726, opposed a decision to give a private bus route (currently run by American Express Bus Company) to Academy Bus Company.

Joanne Brown urged the Board to consider the impact the B37 has on the community and to restore the service to Court Street.

John Denny protested net zeroes, give backs and fare increases.

Maria Escalera asked the Board to fully restore the B37.

Murad Awawdeh discussed changes that have taken place in Brooklyn and asked the Board to completely restore the B37.

William Henderson, PCAC, urged the Board to make a commitment to service enhancements in its new budget.

Dancis Tamares requested that the Board extend the B37 to Court Street.

Sabine Aronowsky discussed the importance of fully restoring the B37.

Luis Acospa asked for the complete restoration of the B37 line.

Edgar Garcia asked the Board to extend the B37 line to Court Street.

Christine Williams discussed various customer concerns she observes as a station agent.

Matt Shotkin discussed a news article concerning an accident involving a man and his dog.

Jackie Delvalle asked for the full restoration of the B37.

3. CHAIRMAN PRENDERGAST'S COMMENTS

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

4. MINUTES

Upon motion duly made and seconded, the Board unanimously approved the minutes of the regular board meeting of MTA NYC Transit, the Manhattan and Bronx Surface Transit Operating Authority, the Staten Island Railway Transit Operating Authority, and MTA Bus Company held on November 13, 2013.

5. COMMITTEE ON FINANCE

Real Estate Item(s):

MTA NYC Transit: Upon motion duly made and seconded, the Board approved: (i) the authorization to confirm a fee title by condemnation to facilitate parapet wall repairs along the Sea Beach Subway Line in Brooklyn, New York; and (ii) a Master Lease with an entity to be formed by Westfield Americas Limited Partnership, relating to portions of the Fulton Center in Lower Manhattan.

6. COMMITTEE ON TRANSIT & BUS OPERATIONS  
NYC Transit & MTA Bus Company

Action Item: Upon motion duly made and seconded, the Board approved the renewal of a retainer agreement with the Transit Adjudication Bureau's current panel of two Senior Hearing Officers in the amounts not to exceed \$70,000.00 and \$55,000.00 for the period of January 1, 2014- December 31, 2014.

Procurements:

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

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

Procurement Ratifications: Upon motion duly made and seconded, the Board approved the ratifications requiring a majority vote (Schedule K in the Agenda). Details of the above items

are set forth in staff summaries, copies of which are on file with the records of the meeting of the Board of the New York City Transit/SIR/MTA Bus Company.

7. CFO PRESENTATION TO A JOINT SESSION OF THE BOARD & FINANCE COMMITTEE

Chairman Prendergast introduced MTA Chief Financial Officer Robert Foran, who presented the action items for the MTA 2014 Proposed Final Budget and the Proposed MTA Final 2014-2017 Financial Plan for Board consideration and approval. Copies of the proposed Budget and Plan, together with the accompanying staff summary, were distributed to Board Members and are maintained in MTA records.

The Chairman proposed a motion to adopt the Proposed MTA 2014 Final Budget and the Proposed Final Financial Plan for 2014-2017 and opened the floor for discussion.

Details of the Board Members' extended discussion relating to the MTA 2014 Budget and Financial Plan 2014-2017 are included in the video recording of the meeting produced by the MTA and maintained in the MTA records.

In the course of such discussion, Board member Allen Cappelli made a motion, seconded by Board member Mitchell Pally, to modify the Proposed MTA Final Budget prior to its adoption by reallocating Twenty-Five Million Dollars (\$25,000,000) within the proposed Budget for expenditure on service restorations, enhancements and new service initiatives. After extended discussions and debate by Board members, Mr. Cappelli proposed an amendment to his motion to modify the proposed Budget, substituting for it a Board recommendation that the Finance Committee report back to the Board at the April 2014 Board meeting an identified sum of money available for use for further service restorations, enhancements and new service initiatives. Following further Board member discussion of Mr. Cappelli's proposed amended motion, Mr. Cappelli moved to table his motion, indicating the subject could be brought back up at a subsequent Board meeting. The motion to table, after being seconded, was adopted by the Board without opposition.

Upon motion duly made and seconded, the Board approved the following actions, as set forth in the staff summary accompanying the Budget and Financial Plan materials:

- Adoption of the 2014 Final Proposed Budget and Four-Year Financial Plan 2014-2017, which includes approval of the 2013 Final Estimate and all Plan Adjustments; with such Plan approval superseding prior Board Plan approvals for this period;
- Authorizing staff, under the guidance of the Chief Executive Officer and the Chief Financial Officer, to take actions to implement the subsidy and other adjustments set forth in the Plan;
- Authorizing staff to invest \$80 million in 2013 and \$30 million in 2014, and each year thereafter, to reduce the amount of unfunded pension liability associated with the "LIRR Additional Plan";
- Authorizing staff to invest the unexpended 2013 general reserve to further reduce the unfunded pension liability associated with the "LIRR Additional Plan";

- Authorizing staff to accelerate \$100 million in repayment to the Capital Finance Fund from 2016 to 2013;
- Authorizing staff to make additional contributions to the Capital Program of \$60 million in 2014, and \$120 million in 2015, and each year thereafter;
- Authorizing staff to use \$160 million of Pay as You Go funding to help fund the local share of costs for recovery and resiliency from Superstorm Sandy;
- Authorizing technical adjustments to MTA budgets and forecasts of a non-material nature in the February Plan;
- Authorizing adjustment of MTA budgets and forecasts to reflect labor settlements approved from time-to-time by the Board; and
- Approving additional budget and cash management actions, as has been done in past budget adoptions, as further described in the staff summary.

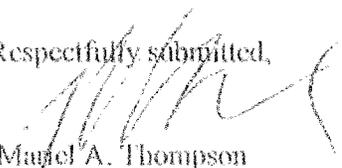
8. EXECUTIVE SESSION

Upon motion duly made and seconded, the Board voted to convene an executive session in accordance with Section 105(1)(d) and (e) of the New York State Public Officers Law to discuss matters relating to collective negotiations and matters of proposed, pending or current litigation. Thereafter, upon motion duly made and seconded, the Board voted to resume proceedings in public session.

9. ADJOURNMENT

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 12:25 p.m.

Respectfully submitted,



Marcel A. Thompson  
Assistant Secretary

Minutes of the Regular Meeting  
Metro-North Commuter Railroad Company  
Wednesday, December 18, 2013  
10:00 a.m.

The following members were present:

Hon. Thomas F. Prendergast, Chairman & CEO  
Hon. Fernando Ferrer, Vice Chairman  
Hon. Andrew Albert  
Hon. Jonathan A. Ballan  
Hon. Robert C. Bickford  
Hon. Allen P. Cappelli  
Hon. Jeffrey A. Kay  
Hon. Mark D. Lebow  
Hon. Susan Metzger  
Hon. Charles G. Moerdler  
Hon. John J. Molloy  
Hon. Mark Page  
Hon. Mitchell H. Pally  
Hon. David A. Paterson  
Hon. Andrew M. Saul  
Hon. Carl V. Wortendyke

The following members were absent:

Hon. John H. Banks, III  
Hon. Norman Brown  
Hon. James L. Sedorc, Jr.

Catherine Rinaldi, Chief of Staff, James B. Henly, MTA General Counsel, Stephen J. Morello, Counselor to the Chairman, Board Member James Blair, Board Member Ira R. Greenberg, Carmen Bianco, President, NYCTA, Helena Williams, President, Long Island Rail Road, Howard Permut, President, Metro-North Railroad, James Ferrara, President, TBTA, Darryl Irick, President/SVP, MTA Bus Operations and Michael Horodniceanu, President, MTA Capital Construction, also attended the meeting.

Chairman Prendergast called the meeting to order.

1. Public Speakers: There were 18 public speakers.

Marty Goodman, former member of TWU Local 100, expressed his opinion that procedural changes and available technology could have prevented the December 1, 2013 derailment.

William Henderson of PCAC commented on the proposed budget to be voted on. He urged the Metro-North to make an additional commitment to enhancing service.

Michael Doyle of ACRE discussed the December 1, 2013 derailment, stating his thoughts and prayers are with the families that suffered a fatality and all who were injured.

ACRE will fully cooperate with the Chairman, the Board and Metro-North management to learn from the incident and make service better and safer.

The subject matter of the remaining public speakers' comments is contained in the video recording of the meeting, produced by the MTA and maintained in MTA records.

2. Chairman's Opening Remarks:

Chairman Prendergast expressed heartfelt condolences to families that suffered a fatality in the December 1, 2013 derailment. A moment of silence was observed in memory of the four deceased commuters. Chairman Prendergast provided an overview of the derailment, the emergency response, the follow-up actions taken by Metro-North and the status of the NTSB investigation. He noted that the NTSB has indicated that the equipment and track performed as intended. NTSB's review of the event recorder revealed the train was operated at 82 mile per hour in a 30 mile per hour zone.

Since the derailment, in coordination with the FRA in response to its December 6<sup>th</sup> Emergency Order, Metro-North has instituted a number of safety initiatives. The actions taken include: installing automatic speed protection at the Spuyten Duyvil curve; developing similar modifications at four other critical curves and at five movable bridges on the New Haven Line; enhanced communication on board trains between the engineer and the rest of the train crew to ensure reduced speeds through critical areas; lowering speed limits at 33 locations; installation of speed restriction signs at Port Chester Station and along the right-of-way to alert engineers of reductions in maximum authorized speed at the four critical curves; modifying older railcars by the end of 2014 with technology that determines if an engineer is operating the train in an alert manner and an expanded speed control program to ensure trains are operated within the appropriate maximum allowable speed. A company-wide safety stand-down was held to improve employee communication, with stand-downs to be held quarterly. The railroad is also participating in the FRA's Confidential Close Call Reporting System. The FRA will conduct Operation Deep Dive, a 60-day comprehensive safety assessment of Metro-North to review Metro-North's compliance with federal regulations, safety-critical procedures and practices and the safety culture at Metro-North. MTA looks forward to the results of this FRA assessment. Long Island Rail Road has taken similar actions on its system, where necessary.

The details of Chairman Prendergast's opening remarks are contained in the video recording of the meeting, produced by the MTA and maintained in MTA records, and in the other agencies' minutes of this date.

3. Approval of Minutes:

Upon motion duly made and seconded the minutes of the Regular Board Meeting of November 13, 2013 were approved.

4. Committee on Finance:

Action Item:

- Executive Order 88 Energy Audits and Retrocommissioning Studies

Upon motion duly made and seconded, the Board approved the action items. A staff summary setting forth the details of the above item is filed with the minutes of the meeting of the Board of the Metropolitan Transportation Authority held this day.

Headquarter Procurements:

The Board voted on headquarters procurements. Among the items approved were: (1) an all-agency, competitively negotiated, personal service contract with Ultramar Travel Bureau, Inc. for booking of air, ground and hotel accommodations for domestic and international travel and (2) an all-agency, competitively negotiated, personal service contract with PRGX USA, Inc. to review, correct and update the All-Agency PeopleSoft vendor database. Staff summaries and reports setting forth the details of the above items are filed with the minutes of the meeting of the Board of the Metropolitan Transportation Authority held this day.

Real Estate Action Items:

Upon motion duly made and seconded, the Board approved the following real estate items recommended to it by the Committee on Finance that relate to Metro-North.

- Conveyance of property to WB Pinebrook Associates, LLC for use as an access road in Larchmont, New York.
- Lease with Jacques Torres Adventures, LLC, d/b/a Jacques Torres Chocolate, for the retail sale of Jacques Torres chocolate products in Retail Space MC-86 at Grand Central Terminal.
- Lease agreement with Jin Suk Han, d/b/a Embassy Shoe Repair, for a retail space at 188 North Main Street, Port Chester, Westchester County, New York.

The vote on the grant of easement to 20 North Realty, LLC for use of an access road in Larchmont, New York was withdrawn.

5. Committee on Long Island Rail Road Procurements:

The Board voted on Long Island Rail Road. Among the items approved were: (1) approval to use the Request for Proposal (RFP) process on behalf of the LIRR and all other MTA agencies to award a competitive five-year strategically sourced contract for industrial supplies, (2) a seven-year miscellaneous service contract on behalf of all MTA operating agencies, MTA headquarters and the Business Service Center (BSC) with Alfabet, Inc. for perpetual software licenses for Enterprise Architecture (EA) software, implementation, training, technical support and maintenance services for LIRR, MNR and BSC.

Staff summaries and reports setting forth the details of the above items are filed with the minutes of the meeting of the Long Island Rail Road held this day.

6. Committee on Metro-North Railroad:

Procurements:

Upon motion duly made and seconded, the Board approved the following non-competitive procurement recommended to it by the Committee on Metro-North Railroad Operations.

- New York State Industries for the Disabled (NYSID) - New York State Preferred Source procurement with NYSID for document scanning and archiving services to support Metro-North's Relocation Project from the Madison Avenue buildings to the Graybar Building.
- Signature Tech., Inc. dba Com-Net - five-year miscellaneous service contract for maintenance and support for the Grand Central Terminal and New Haven Visual Information System (VIS) and Passenger Information Display (PID) Systems.

Upon motion duly made and seconded, the Board approved the following competitive procurements recommended to it by the Committee on Metro-North Railroad Operations.

- Technical Elevator Testing, Inc. (TET) - competitively solicited, 5-year miscellaneous service contract with Technical Elevator Testing, Inc. (TET) to provide safety inspections and testing of 112 elevators at various Metro-North stations and employee facilities in New York State and Connecticut as part of a new program to confirm compliance with current codes and to enhance safety.
- Louis T. Klauder and Associates (LTK) - time extension of 18 months with additional funding for the continuation of construction inspection and engineering services to support the M-8 railcar manufacture.
- All-Agency IT Consultant Services - contract change, executed in accordance with the MTA IT Restructuring Plan and with the knowledge and concurrence of the MTA's new Chief Information Officer, that Metro-North ( the lead agency) is advancing for an All-Agency IT Consultant Services contract that will allow the agencies to retain the services of 38 prequalified vendors in 65 categories to furnish IT Consulting Services on an as-needed basis.
- Georgetown Rail Equipment Company (GREX) - contract change to increase funding and extend an existing contract with Georgetown Rail Equipment Company (GREX) for the provision of Self Propelled Slot Train (SPS) services throughout Metro-North's Operating Territory; no MBE/WBE goals were assigned to the contract due to the highly specialized nature of the work and the unavailability of contractors who are able to do the work.

Upon motion duly made and seconded, the Board approved the following ratifications recommended to it by the Committee on Metro-North Railroad Operations. The ratifications directly support the continued operations of the Maintenance of Way Division for track rehabilitation, drainage improvements, tie replacement, fencing repairs and general cleanup for the critical six-mile section between Melrose and Woodlawn in the Bronx, as well as other areas throughout Metro-North's territory.

- Various Contractors - Track Bed Surfacing – Agreements with Hulcher Services, Inc. and Fred Cook, Jr., Inc. for the provision of specialized hi-rail vacuum trucks with operators to excavate fouled ballast via a vacuum method; agreements with Danella Rental Systems and TNT Equipment for the provision of rotary dump trucks to provide new ballast to the track bed.
- Various Contractors – Tie Plates – (1) Procurement of tie plates (used to fasten the running rail to the crosstie) for the Bronx right-of-way project from Pandrol USA, MRT Track and Services, A&K Railroad Materials, Unitrac Railroad Materials and North American Rail and (2) utilization of the services of East Coast Railroad Services to pre-plate crossties at their facility.

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

7. CFO Presentation on MTA 2014 Budget and Financial Plan 2014-2017:

Chairman Prendergast introduced MTA Chief Financial Officer Robert Foran, who presented the action items for the MTA 2014 Proposed Final Budget and the Proposed MTA Final 2014-2017 Financial Plan for Board consideration and approval. Copies of the proposed Budget and Plan, together with the accompanying staff summary, were distributed to Board Members and are maintained in MTA records.

The Chairman proposed a motion to adopt the Proposed MTA 2014 Final Budget and the Proposed Final Financial Plan for 2014-2017 and opened the floor for discussion.

Details of the Board Members' extended discussion relating to the MTA 2014 Budget and Financial Plan 2014-2017 are included in the video recording of the meeting produced by the MTA and maintained in the MTA records.

In the course of such discussion, Board member Allen Cappelli made a motion, seconded by Board member Mitchell Pally, to modify the Proposed MTA Final Budget prior to its adoption by reallocating Twenty-Five Million Dollars (\$25,000,000) within the proposed Budget for expenditure on service restorations, enhancements and new service initiatives. After extended discussions and debate by Board members, Mr. Cappelli proposed an amendment to his motion to modify the proposed Budget, substituting for it a Board recommendation that the Finance Committee report back to the Board at the April 2014 Board meeting an identified sum of money available for use for further service restorations, enhancements and new service initiatives. Following further Board member discussion of Mr. Cappelli's proposed amended motion, Mr. Cappelli moved to table his motion, indicating the subject could be brought back up at a subsequent Board meeting. The motion to table, after being seconded, was adopted by the Board without opposition.

Upon motion duly made and seconded, the Board approved the following actions, as set forth in the staff summary accompanying the Budget and Financial Plan materials maintained in MTA records:

- Adoption of the 2014 Final Proposed Budget and Four-Year Financial Plan 2014-2017, which includes approval of the 2013 Final Estimate and all Plan Adjustments; with such Plan approval superseding prior Board Plan approvals for this period;

- Authorizing staff, under the guidance of the Chief Executive Officer and the Chief Financial Officer, to take actions to implement the subsidy and other adjustments set forth in the Plan;
- Authorizing staff to invest \$80 million in 2013 and \$30 million in 2014, and each year thereafter, to reduce the amount of unfunded pension liability associated with the "LIRR Additional Plan";
- Authorizing staff to invest the unexpended 2013 general reserve to further reduce the unfunded pension liability associated with the "LIRR Additional Plan";
- Authorizing staff to accelerate \$100 million in repayment to the Capital Finance Fund from 2016 to 2013;
- Authorizing staff to make additional contributions to the Capital Program of \$60 million in 2014, and \$120 million in 2015, and each year thereafter;
- Authorizing staff to use \$160 million of Pay as You Go funding to help fund the local share of costs for recovery and resiliency from Superstorm Sandy;
- Authorizing technical adjustments to MTA budgets and forecasts of a non-material nature in the February Plan;
- Authorizing adjustment of MTA budgets and forecasts to reflect labor settlements approved from time-to-time by the Board; and
- Approving additional budget and cash management actions, as has been done in past budget adoptions, as further described in the staff summary maintained in MTA records.

8. Executive Session:

Upon motion duly made and seconded, the Board voted to convene an executive session in accordance with Section 105(1)(d) and (e) of the New York State Public Officers Law to discuss matters relating to collective negotiations and matters of proposed, pending or current litigation. Thereafter, upon motion duly made and seconded, the Board voted to resume proceedings in public session.

9. Adjournment:

Upon motion duly made and seconded, the members of the Board present voted to adjourn the meeting at 12:25 p.m.

Respectfully submitted,



Linda Montanino  
Assistant Secretary

Minutes of the Regular Meeting  
Long Island Rail Road Company  
347 Madison Avenue  
New York, NY 10017

Wednesday, December 18, 2013  
10:00 a.m.

The following members were present:

Hon. Thomas F. Prendergast, Chairman & CEO  
Hon. Fernando Ferrer, Vice Chairman  
Hon. Andrew Albert  
Hon. Jonathan A. Ballan  
Hon. Robert C. Bickford  
Hon. Allen P. Cappelli  
Hon. Jeffrey A. Kay  
Hon. Mark D. Lebow  
Hon. Susan Metzger  
Hon. Charles G. Moerdler  
Hon. John J. Molloy  
Hon. Mark Page  
Hon. Mitchell H. Pally  
Hon. David A. Paterson  
Hon. Andrew M. Saul  
Hon. Carl V. Wortendyke

The following members were absent:

Hon. John H. Banks, III  
Hon. Norman Brown  
Hon. James L. Scdore, Jr.

Catherine Rinaldi, Chief of Staff, James B. Henly, MTA General Counsel, Stephen J. Morello, Counselor to the Chairman, Board Member James Blair, Board Member Ira R. Greenberg, Carmen Bianco, President, NYCTA, Helena Williams, President, Long Island Rail Road, Howard Permut, President, Metro-North Railroad, James Ferrara, President, TBTA, Darryl Irick, President/SVP, MTA Bus Operations and Michael Horodniceanu, President, MTA Capital Construction, also attended the meeting.

Chairman Prendergast called the meeting to order.

I. **Public Speakers:**

There were eighteen public speakers. William Henderson, Executive Director of the PCAC, spoke in favor of the budgeted service enhancements and in support of additional service enhancements. The subject matter of the other public speakers' comments is contained in the video recording of the meeting, produced by the MTA and maintained in MTA records.

2. **Opening Remarks:**

Chairman Prendergast expressed deepest condolences to those injured in the December 1, 2013 Metro-North derailment, and a moment of silence was observed in memory of the four deceased commuters. Chairman Prendergast provided an overview of the derailment, the emergency response, the follow-up actions taken by Metro-North and the status of the NTSB investigation. He enumerated new safety improvements and protocols that were instituted, and that will be taken, at the direction of Governor Cuomo and the FRA. Chairman Prendergast noted that the Long Island Rail Road, in a similar manner, has committed to a number of safety improvements since the derailment. LIRR has placed speed limit signs on seven critical curves in its network, and signal system modifications will be completed at those locations in 2014. In the interim, a general order reducing approach speeds to maintain a less than twenty mile per hour differential as trains enter slower track segments is in effect. LIRR will install alerters in M-3, DE/DM and C3 cab cars in 2014, and LIRR has expanded its speed compliance program to oversee engineers.

The details of Chairman Prendergast's opening remarks are contained in the video recording of the meeting, produced by the MTA and maintained in MTA records, and in the other agencies' minutes of this date.

3. **Approval of Minutes:**

Upon motion duly made and seconded, the minutes of the Regular Board Meeting of November 13, 2013 were unanimously approved.

4. **Committee on Finance:**

**Action Items:**

Among the action items approved was an item to have energy audits and retrocommissioning studies performed in MTA facilities utilizing the services of the New York Power Authority, consistent with the MTA/NYPA Energy Services Program Agreement approved by the Board in December 2005 in furtherance of the objectives of Executive Order 88, governing the improvement of energy efficiency in State buildings.

**Procurement Items:**

Among the procurement items approved were a \$100,000 not-to-exceed personal services contract to Ultramar Travel Bureau Inc. to provide all-agency travel agent services, and a \$350,000 not-to-exceed personal services contract to PRGX USA Inc. to review, correct and update the All-Agency PeopleSoft vendor database.

**Real Estate Items:**

Upon motion duly made and seconded, the Board approved the following real estate items relating to LIRR:

- Lease Agreement with W.F. McCoy Petroleum Products, Inc., for a term of 10 years with two 10-year options, terminable for corporate purposes on 120 days'

notice, with a total present value over the 30-year period of \$308,013.30, for the property located at 52 Foster Avenue, Bridgehampton, New York; and

- License with Bayside Village Business Improvement District, Inc., for the purpose of landscaping and beautification of the lawn at the LIRR Bayside Station, for a term of 10 years, terminable at will on 60 days' notice, for the total compensation of \$1.00 (fee waived).

Staff summaries and reports setting forth the details of the above items are filed with the minutes of the meeting of the Metropolitan Transportation Authority held this day

5. **Long Island Rail Road Committee:**

**Action Items:**

Upon motion duly made and seconded, the Board approved the following LIRR Action Item:

- Approval of the Project Labor Agreement between The Long Island Rail Road and the Buildings and Construction Trades Council of Nassau and Suffolk, and their constituent unions, applicable to seven projects funded in the 2010-2014 Capital Program, and adoption of the Board Resolution with respect thereto.

**Procurements:**

Upon motion duly made and seconded, the Board approved the following LIRR procurements:

**Non-competitive:**

- Award of a three-year contract to the New York State Industries for the Disabled, a statutory preferred source, in a not-to-exceed amount of \$175,084 to provide semi-annual window washing services at LIRR's Atlantic Avenue Terminal.

**Competitive:**

- On behalf of LIRR and all other MTA agencies, authority to use the RFP process to solicit a five-year strategically sourced contract for Industrial Supplies.
- Approval to award a Public Works contract to Skanska-Posillico (Joint Venture) in the amount of \$34,660,000 to provide Design-Build Services for a new second track to be constructed on the Main Line Ronkonkoma Branch, from Ronkonkoma to west of Central Islip.
- Approval to award a Public Works contract to E.W. Howell, Co., LLC, in the amount of \$18,807,000, including an option, to design and build a new five level commuter parking facility with an additional 500 spaces at the LIRR's Wyandanch Station.
- Approval to award a Public Works contract to Power Resources International, in the amount of \$4,369,416 to design and furnish a new supervisory control system at

Divide Tower and upgrade the associated remote terminal units, inclusive of an option for software and hardware warranties.

- Approval of a competitively bid Personal Services contract to Louis Berger & Assoc., P.C., for as needed Industrial Hygienist Consulting and Laboratory Analysis Services, in support of the Railroad's System Safety Department, for a five-year period, in the not-to-exceed amount of \$385,000.
- On behalf of all MTA Operating Agencies, MTAHQ and the BSC, approval to award a seven- year Miscellaneous Services contract in the not-to-exceed amount of \$613,462 to Alfabet, Inc. for perpetual Software Licenses for Enterprise Architecture software and associated services.
- Approval to award a competitively bid Miscellaneous Services contract to Industrial Process Measurements, Inc. for renewal of as-needed signal motor calibrations and repairs in support of the Railroad's Signal Department, for a three-year period, in the not-to-exceed amount of \$61,919.

**Ratification:**

- Pursuant to an Emergency Declaration, ratification of a purchase contract to Virginia Transformer Corporation, in the amount of \$620,000, to provide two rectifier transformers for the use at LIRR's Island Park and Valley Stream substations.

Board Member Moerdler abstained with respect to the contract award to Power Resources International. Staff summaries and reports setting forth the details of the above items are filed with the minutes of the meeting of the Metropolitan Transportation Authority held this day.

**MTA Capital Construction Procurements:**

Upon motion duly made and seconded, the Board unanimously approved the following MTACC procurements:

1. Modification to URS Corporation Contract No. 98-0001-01 in order to continue services through June 30, 2015 in the amount of \$94,367,654.
2. Modification to Jacobs/LiRo Joint Venture Contract No. PS819 in order to increase the Contract value and extend the Contract Term through June 30, 2015 in the amount of \$28,341,164.
3. Modification to Contract No. CH053 for the installation of an additional communications ductbank in the amount of \$837,913.

With respect to the URS contract, Board Member Saul noted that there was a general policy discussion at the Finance Committee concerning construction management agreements where the contract has been continued beyond the original term, and that the Finance Committee adopted a motion to study the issue and recommend a policy applicable to such contracts. Board Member Cappelli voted in opposition to the URS contract.

Staff summaries and reports setting forth the details of the above items are filed with the minutes of the meeting of the Metropolitan Transportation Authority held this day.

6. MTA 2014 FINAL BUDGET AND MTA 2014-2017 FINANCIAL PLAN.

Chairman Prendergast introduced MTA Chief Financial Officer Robert Foran, who presented the action items for the MTA 2014 Proposed Final Budget and the Proposed MTA Final 2014-2017 Financial Plan for Board consideration and approval. Copies of the proposed Budget and Plan, together with the accompanying staff summary, were distributed to Board Members and are maintained in MTA records.

The Chairman proposed a motion to adopt the Proposed MTA 2014 Final Budget and the Proposed Final Financial Plan for 2014-2017 and opened the floor for discussion.

Details of the Board Members' extended discussion relating to the MTA 2014 Budget and Financial Plan 2014-2017 are included in the video recording of the meeting produced by the MTA and maintained in the MTA records.

In the course of such discussion, Board member Allen Cappelli made a motion, seconded by Board member Mitchell Pally, to modify the Proposed MTA Final Budget prior to its adoption by reallocating Twenty-Five Million Dollars (\$25,000,000) within the proposed Budget for expenditure on service restorations, enhancements and new service initiatives. After extended discussions and debate by Board members, Mr. Cappelli proposed an amendment to his motion to modify the proposed Budget, substituting for it a Board recommendation that the Finance Committee report back to the Board at the April 2014 Board meeting an identified sum of money available for use for further service restorations, enhancements and new service initiatives. Following further Board member discussion of Mr. Cappelli's proposed amended motion, Mr. Cappelli moved to table his motion, indicating the subject could be brought back up at a subsequent Board meeting. The motion to table, after being seconded, was adopted by the Board without opposition.

Upon motion duly made and seconded, the Board approved the following actions, as set forth in the staff summary accompanying the Budget and Financial Plan materials:

- Adoption of the 2014 Final Proposed Budget and Four-Year Financial Plan 2014-2017, which includes approval of the 2013 Final Estimate and all Plan Adjustments; with such Plan approval superseding prior Board Plan approvals for this period;
- Authorizing staff, under the guidance of the Chief Executive Officer and the Chief Financial Officer, to take actions to implement the subsidy and other adjustments set forth in the Plan;
- Authorizing staff to invest \$80 million in 2013 and \$30 million in 2014, and each year thereafter, to reduce the amount of unfunded pension liability associated with the "LIRR Additional Plan";
- Authorizing staff to invest the unexpended 2013 general reserve to further reduce the unfunded pension liability associated with the "LIRR Additional Plan";
- Authorizing staff to accelerate \$100 million in repayment to the Capital Finance Fund from 2016 to 2013;

- Authorizing staff to make additional contributions to the Capital Program of \$60 million in 2014, and \$120 million in 2015, and each year thereafter;
- Authorizing staff to use \$160 million of Pay as You Go funding to help fund the local share of costs for recovery and resiliency from Superstorm Sandy;
- Authorizing technical adjustments to MTA budgets and forecasts of a non-material nature in the February Plan;
- Authorizing adjustment of MTA budgets and forecasts to reflect labor settlements approved from time-to-time by the Board; and
- Approving additional budget and cash management actions, as has been done in past budget adoptions, as further described in the staff summary.

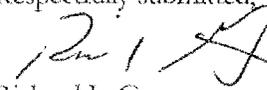
7. **Executive Session:**

The Board convened into Executive Session pursuant to Section 105(1)(d) and (e) of the New York State Public Officers Law to discuss matters relating to proposed, pending or current litigation and collective negotiations. Thereafter, upon motion duly made and seconded, the Board voted to reconvene in public session.

8. **Adjournment:**

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 12:25 p.m.

Respectfully submitted,



Richard L. Gans  
Secretary

Minutes of the Regular Meeting  
Triborough Bridge and Tunnel Authority  
December 18, 2013

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

10:00 a.m.

The following members were present:

Hon. Thomas F. Prendergast, Chairman & CEO, MTA  
Hon. Fernando Ferrer, Vice Chairman, MTA  
Hon. Andrew Albert  
Hon. Jonathan A. Ballan  
Hon. Robert C. Bickford  
Hon. Allen P. Cappelli  
Hon. Jeffrey A. Kay  
Hon. Mark D. LeBow  
Hon. Susan Metzger  
Hon. Charles G. Moerdler  
Hon. John J. Molloy  
Hon. Mark Page  
Hon. Mitchell H. Pally  
Hon. David A. Paterson  
Hon. Andrew M. Saul  
Hon. Carl V. Wortendyke

Not Present:

Hon. John H. Banks, III  
Hon. Norman Brown  
Hon. James L. Sedore, Jr.

Catherine Rinaldi, Chief of Staff, James B. Henly, MTA General Counsel; Stephen J. Morello, Counselor to the Chairman; Board Member James Blair; Board Member Ira R. Greenberg; Carmen Bianco, President, New York City Transit; Helena Williams, President, Long Island Rail Road; Howard Permut, President, Metro-North Railroad; James Ferrara, President, Triborough Bridge and Tunnel Authority; Darryl Irick, President/SVP, MTA Bus Operations; and Michael Horodniceanu, President, MTA Capital Construction, also attended the meeting.

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

Chairman and Chief Executive Officer Prendergast called the meeting to order.

**1. Public Speakers**

There were 18 public speakers. None of the speakers specifically commented on issues regarding the Triborough Bridge and Tunnel Authority. Refer to the video recording of the meeting produced by the MTA and maintained in MTA records, and the MTA's and other agencies' minutes of the meeting of this date, for the content of the speakers' statements.

**2. Chairman and Chief Executive Officer Prendergast's Opening Comments**

Chairman and CEO Prendergast opened his remarks by acknowledging the tragic Metro North Railroad (MNRR) train accident on December 1, 2013 and expressing his deepest condolences to everyone who was injured and asked for a moment of silence in remembrance of the four passengers who died. He then provided an overview of the train derailment, the continuing investigation and the steps that have been taken, including new safety initiatives and protocols, to try to prevent a tragic accident like that from happening again.

The details of Chairman and CEO Prendergast's comments are contained in the video recording of this meeting, produced by the MTA and maintained in MTA records, and the MTA's and other agencies' minutes of the meeting of this date.

**3. Approval of the Minutes of the Regular Meeting November 13, 2013**

Upon a motion duly made and seconded, the minutes of the Regular Board Meeting held on November 13, 2013 were approved.

**4. Committee on Finance**

Upon motions duly made and seconded, the MTA and TBTA Boards approved the following action items recommended to it by the Committee on Finance:

- Authorization to issue Transportation Revenue Bonds, Dedicated Tax Fund Bonds, TBTA General Revenue Bonds and TBTA Subordinate Revenue Bonds to finance the Bond funded portion of existing approved capital projects in 2014;
- Authorization of Supplemental Resolutions Authorizing Refunding Bonds that meet the Board approved Refunding Policy in 2014;
- Authorization to increase the Authorized Amount of Open Market Purchases of MTA, TBTA, DTF Bonds and 2 Broadway Certificates of Participation from \$25 million to \$50 million; and
- Adoption of MTA and TBTA Reimbursement Resolutions for Federal Tax Purposes.

A copy of the staff summaries, resolutions and documents setting forth the details of the above items, as well as discussion with regard to same, are filed with the minutes of the meeting of the Board of the Metropolitan Transportation Authority held this day.

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

**Procurements**

Commissioner Cappelli stated that there are four (4) procurements totaling \$22.047 million.

**Non-Competitive Procurements**

Commissioner Cappelli stated that there were no non-competitive procurements.

**Competitive Procurements**

Commissioner Cappelli stated that there are four (4) competitive procurements totaling \$22.047 million.

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

**Personal Service Contracts**

LiRo Engineers, Inc.	Contract No. PSC-13-2928 Provide Construction Administration and Inspection Services for Project RK-65A, Reconstruction of the Bronx Plaza and RK-75, Interim Repairs to the Manhattan Plaza at the Robert F. Kennedy Bridge.	\$15,943,224.00
Parsons Brinckerhoff/WSP, JV	Contract No. PSC-13-2935 Develop a Master Plan and Conceptual Design for Project VN-84, Upper Level Approaches and Belt Parkway Connector Ramps at the Verrazano Narrows Bridge.	\$4,769,094.00

**Miscellaneous Service Contracts**

Permadur Industries, Inc. d.b.a SISSCO Material Handling (SISSCO)	Contract No. VNM-366 In June 2013 B&T issued a solicitation for a Contractor to provide all labor, materials, equipment and superintendence in order to perform scheduled and unscheduled	\$1,061,100.00
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maintenance and repairs on the newly refurbished traveling platform attached underneath the lower roadway of the Verrazano Narrows Bridge and the four (4) new traveling platform systems including the scissor lifts for the Bronx-Whitestone Bridge. B&T does not possess the resources required to perform these services. The travelers have become an integral part of the inspection and maintenance of the structural members under the deck system on the main spans of the bridges allowing easier and less costly access to the structures and therefore must be maintained. Since this is the first time this requirement has been solicited, no scope comparison with a prior contract can be made. The service requirements were publicly advertised, the solicitation notice was sent to 116 firms and six (6) firms requested copies of the solicitation. On July 18, four (4) bids were submitted as follows:

Bidders	Bid Amount
B & G Elevator/USA Hoist JV	\$876,488.00*
SISSCO	\$1,061,100.00
White Marine, Inc.	\$1,481,695.00
American Crane & Equipment Corp.	\$2,495,903.00

\* B & G Elevator/USA Hoist JV's bid was considered non-responsive and they withdrew their bid.

Following the evaluation of the submission by the next lowest bidder, SISSCO's bid was considered fully responsive to the requirements of the solicitation. In accordance with the responsibility guidelines, it was determined that SISSCO is a responsible bidder. The rates for this contract are fixed for the three year term. SISSCO's overall bid is 26.3% lower than the user's estimate of

\$1,440,000. After a bid analysis and discussion with SISSCO concerning their pricing during a qualification hearing, SISSCO's bid is considered balanced and acceptable. After undertaking a thorough analysis, the MTA Department of Diversity and Civil Rights determined not to assign any goals to this contract due to the highly specialized nature of the work and the unavailability of MWBE contractors able to perform the work. Based on competition, the price is considered fair and reasonable.

A Royal Flush, Inc.

Contract No. 12 MNT-2904Y \$274,305.00

In September 2013 B&T issued a solicitation for a Contractor to perform removal and disposal services of sanitary waste from holding tanks at the Hugh L. Carey Tunnel (HCT), Henry Hudson (HH) and Robert F. Kennedy (RFK) Bridges on an as-needed basis. The service requirements were publicly advertised. The solicitation notice was sent to 191 firms. Seven (7) firms requested copies of the solicitation. On October 16 three (3) bids were submitted as follows:

Bidders	Bid Amount
A Royal Flush, Inc.	\$274,305.00
A&L Cesspool Service Corp.	\$379,065.00
Tully Environmental, Inc.	\$934,028.75

The scope of removal and disposal services for the first three years of the prospective five year contract with A Royal Flush, Inc. differs from that compared with the current three year contract. The estimated quantities (per truckload) for these services decreased at the HH and increased at the HCT and RFK. The overall change in estimated quantities reflects a 30%

decrease. A new line item has been included under the prospective contract so that work at designated sewage pumping stations may be performed. The scope for chemical treatment of the holding tanks and emergency service calls has essentially remained the same. A Royal Flush's overall bid is 14.4% lower than the user's estimate of \$320,269.86. After evaluation of the bids, it was determined that A Royal Flush, Inc. is a responsive, responsible bidder. Based on competition, the price is considered fair and reasonable. The MTA Department of Diversity and Civil Rights has established goals of 20% MBE and 0% WBE for this contract. The contract will not be awarded until the MBE requirements are satisfied.

Commissioner Cappelli stated that there are no ratifications.

**6. MTA 2014 Budget and Financial Plan 2014-2017**

MTA Chief Financial Officer Robert Foran distributed action item materials and discussed the MTA's 2014 Budget and Financial Plan for 2014 through 2017 ("Budget and Plan"). A motion was made to adopt the Budget and Plan. Commissioner Cappelli made a motion to amend the Budget to include a \$25 million fund for investments in service enhancements, restorations and new transportation initiatives. After much discussion, the motion was modified to eliminate a specific dollar amount with an agreement that the Board would further explore increases in service in 2014. Upon a motion duly made and seconded, the Board voted to table the modified motion. The Board then went back to the motion to adopt the Budget and Plan. Upon a motion duly made and seconded, the Board voted to adopt the Budget and Plan.

A copy of the staff summary setting forth the details of the above item and the MTA 2014 Budget and Financial Plan 2014-2017 adoption materials are filed with the minutes of the meeting of the Board of the Metropolitan Transportation Authority.

**7. Executive Session**

Upon a motion duly made and seconded, the Board unanimously voted to convene in Executive Session pursuant to Public Officers Law §§105(1)(d) and (e) to discuss matters relating to proposed, pending or current litigation and collective negotiations.

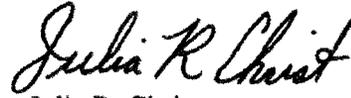
**8. Public Session**

Upon a motion duly made and seconded, the Board unanimously voted to reconvene in Public Session.

9. Adjournment

Upon a motion duly made and seconded, the Board unanimously voted to adjourn the meeting at 12:25 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Julia R. Christ".

Julia R. Christ  
Acting Assistant Secretary

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

**Wednesday, December 18, 2013**

**10:00 a.m.**

The following members were present:

Hon. Thomas F. Prendergast, Chairman & Chief Executive Officer  
Hon. Fernando Ferrer, Vice Chairman  
Hon. Andrew Albert  
Hon. Jonathan A. Ballan  
Hon. Robert C. Bickford  
Hon. Allen P. Cappelli  
Hon. Jeffrey A. Kay  
Hon. Mark D. Lebow  
Hon. Susan Metzger  
Hon. Charles G. Moerdler  
Hon. John J. Molloy  
Hon. Mark Page  
Hon. Mitchell H. Pally  
Hon. David A. Paterson  
Hon. Andrew M. Saul  
Hon. Carl V. Wortendyke

The following members were absent:

Hon. John H. Banks, III  
Hon. Norman Brown  
Hon. James L. Sedore, Jr.

Catherine Rinaldi, Chief of Staff, James B. Henly, MTA General Counsel, Stephen J. Morello, Counselor to the Chairman, Board Member James Blair, Board Member Ira R. Greenberg, Carmen Bianco, President, NYCTA, Helena Williams, President, Long Island Rail Road, Howard Permut, President, Metro-North Railroad, James Ferrara, President, TBTA, Darryl Irick, President/SVP, MTA Bus Operations and Michael Horodniceanu, President, MTA Capital Construction, also attended the meeting.

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

Chairman and Chief Executive Officer ("CEO") Prendergast called the meeting to order.

### **Public Comment Period**

There were eighteen public speakers none of whom spoke on MTA Capital Construction Company matters. The names of the speakers are contained in the minutes of the meeting of the Board of the Metropolitan Transportation Authority held on December 18, 2013. Refer to the video recording of the meeting produced by the Metropolitan Transportation Authority and maintained in its records for the content of the speaker's statement.

### **Chairman and Chief Executive Officer Opening Remarks**

Chairman and Chief Executive Officer ("CEO") Thomas F. Prendergast requested a moment of silence be held for those who lost their lives in the Metro North derailment on December 2, 2013. Refer to the video recording of the Board of the Metropolitan Transportation Authority meeting held on December 18, 2013, produced by the Metropolitan Transportation Authority and maintained in its records for the content of the Chairman and CEO's remarks.

### **Approval of Minutes**

Upon motion duly made and seconded, the Board approved the minutes of the regular meeting of the Board of the Metropolitan Transportation Authority held on November 13, 2013.

### **Committee on Finance**

#### Procurement Items

Upon motion duly made and seconded, the Board approved the following competitive procurement items:

1. Award of a contract to Ultramar Travel Bureau Inc. to provide all-agency travel agent services.
2. Award of an Arts for Transit Project contract to Diane Cooper to provide technical design, fabrication, crating, storage, delivery, installation and oversight of installation of materials for the Roosevelt Island Ventilation Facility.
3. Award of a contract to PRGX USA Inc. to review, correct and update the All-Agency PeopleSoft vendor database.

A copy of the resolutions, Staff Summaries and details of the above items are filed with the records of the meeting of the Board of the Metropolitan Transportation Authority held on December 18, 2013.

#### Real Estate Item

Upon motion duly made and seconded, the Board authorized MTA Real Estate to enter into a Master Lease with Westfield America Limited Partnership for the new Fulton Center.

A copy of the resolution, Staff Summary and details of the above item is filed with the records of the meeting of the Board of the Metropolitan Transportation Authority held on December 18, 2013.

**Committee on New York City Transit and Bus**

Procurement Item

Upon motion duly made and seconded, the Board ratified a modification to the Second Avenue Subway Project's 86<sup>th</sup> Street Station Cavern Mining and Heavy Civil Structural contract with Skanska/Traylor JV in order to address changes to the north support of excavation wall for Entrance 2.

A copy of the resolution, Staff Summary and details of the above item is filed with the records of the meeting of the Board of the Metropolitan Transportation Authority held on December 18, 2013.

**Committee on Long Island Rail Road**

Procurement Items

Upon motion duly made and seconded, the Board approved the following competitive procurement items:

1. A modification to a Program Management Consultant with URS Corporation contract to increase the Board authorized amount and to extend services through June 2015.
2. A modification to the East Side Access Project's Consultant Construction Management Services contract with Jacobs/LiRo Joint Venture to increase the value of the Contract and extend the duration of the Contract until June 30, 2015.
3. A modification to the East Side Access Harold Structures Part I with contract with Tutor Perini Corporation for the installation of an additional communications ductbank.

With respect Item 1 above, Board Member Saul noted that there was a general policy discussion at the Finance Committee concerning construction management agreements where the contract has been continued beyond the original term, and that the Finance Committee adopted a motion to study the issue and recommend a policy applicable to such contracts.

Board Member Cappelli voted in opposition to the Item 1.

A copy of the resolutions, Staff Summaries and details of the above items are filed with the records of the meeting of the Board of the Metropolitan Transportation Authority held on December 18, 2013.

## **MTA Final Budget and MTA 2014-2017 Financial Plan**

Chairman Prendergast introduced MTA Chief Financial Officer Robert Foran, who presented the action items for the MTA 2014 Proposed Final Budget and the Proposed MTA Final 2014-2017 Financial Plan for Board consideration and approval. Copies of the proposed Budget and Plan, together with the accompanying staff summary, were distributed to Board Members and are maintained in MTA records.

The Chairman proposed a motion to adopt the Proposed MTA 2014 Final Budget and the Proposed Final Financial Plan for 2014-2017 and opened the floor for discussion.

Details of the Board Members' extended discussion relating to the MTA 2014 Budget and Financial Plan 2014-2017 are included in the video recording of the meeting produced by the MTA and maintained in the MTA records.

In the course of such discussion, Board member Allen Cappelli made a motion, seconded by Board member Mitchell Pally, to modify the Proposed MTA Final Budget prior to its adoption by reallocating Twenty-Five Million Dollars (\$25,000,000) within the proposed Budget for expenditure on service restorations, enhancements and new service initiatives. After extended discussions and debate by Board members, Mr. Cappelli proposed an amendment to his motion to modify the proposed Budget, substituting for it a Board recommendation that the Finance Committee report back to the Board at the April 2014 Board meeting an identified sum of money available for use for further service restorations, enhancements and new service initiatives. Following further Board member discussion of Mr. Cappelli's proposed amended motion, Mr. Cappelli moved to table his motion, indicating the subject could be brought back up at a subsequent Board meeting. The motion to table, after being seconded, was adopted by the Board without opposition.

Upon motion duly made and seconded, the Board approved the following actions, as set forth in the staff summary accompanying the Budget and Financial Plan materials:

- Adoption of the 2014 Final Proposed Budget and Four-Year Financial Plan 2014-2017, which includes approval of the 2013 Final Estimate and all Plan Adjustments; with such Plan approval superseding prior Board Plan approvals for this period;
- Authorizing staff, under the guidance of the Chief Executive Officer and the Chief Financial Officer, to take actions to implement the subsidy and other adjustments set forth in the Plan;
- Authorizing staff to invest \$80 million in 2013 and \$30 million in 2014, and each year thereafter, to reduce the amount of unfunded pension liability associated with the "LIRR Additional Plan";
- Authorizing staff to invest the unexpended 2013 general reserve to further reduce the unfunded pension liability associated with the "LIRR Additional Plan";
- Authorizing staff to accelerate \$100 million in repayment to the Capital Finance Fund from 2016 to 2013;
- Authorizing staff to make additional contributions to the Capital Program of \$60 million in 2014, and \$120 million in 2015, and each year thereafter;

- Authorizing staff to use \$160 million of Pay as You Go funding to help fund the local share of costs for recovery and resiliency from Superstorm Sandy;
- Authorizing technical adjustments to MTA budgets and forecasts of a non-material nature in the February Plan;
- Authorizing adjustment of MTA budgets and forecasts to reflect labor settlements approved from time-to-time by the Board; and
- Approving additional budget and cash management actions, as has been done in past budget adoptions, as further described in the staff summary.

#### **Executive Session**

Upon motion duly made and seconded, the Board voted to convene into Executive Session pursuant to Section 105(1)(d)(e) of the New York State Public Officers Law to discuss matters relating to proposed, pending or current litigation and collective negotiations.

Thereafter, upon motion duly made and seconded, the Board voted to resume proceedings in public session.

#### **Adjournment**

Upon motion duly made and seconded, the Board voted to adjourn the public meeting at 12:25PM.

Respectfully submitted,



David K. Cannon  
Assistant Secretary

# Staff Summary



<b>Subject</b> Authorization of Insurance-Linked Security Advisor Contract; Approval of Panel Selections for Roles of Legal Counsel, Risk Modeler and Structuring Agent for ILS transactions
<b>Department</b> Finance/Risk and Insurance Management
<b>Department Head Name</b> Robert Foran, CFO; James Henly, General Counsel
<b>Department Head Signature</b> 
<b>Project Manager Name</b> Laureen Coyne, Director of Risk and Insurance Management Patrick McCoy, Director of Finance

<b>Date</b> January 29, 2014
<b>Vendor Name</b> Multiple Vendors
<b>Contract Number</b>
<b>Contract Manager Name</b>
<b>Table of Contents Ref #</b>

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	1/27	X		
2	Board	1/29	X		

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

**PURPOSE:**

To obtain MTA Board authorization to (i) enter into a contract with Raymond James & Associates (“Raymond James”) to serve as Insurance-Linked Securities (“ILS”) Advisor to First Mutual Transportation Assurance Company (FMTAC) and MTA and (ii) establish panels of qualified firms eligible to serve in the roles of ILS Legal Counsel, ILS Initial Purchaser/Structuring Agent and ILS Risk Modeler in connection with future potential insurance/risk transfer transactions of FMTAC and/or the MTA Agencies that may be undertaken.

**BACKGROUND:**

Last year, in the wake of Superstorm Sandy, FMTAC confronted reduced capacity offers from the traditional property reinsurance market with higher pricing in the annual renewal. Addressing the concern that MTA Agencies might be exposed to reduced property risk coverage at higher cost, the Board authorized FMTAC to explore alternative means of obtaining reinsurance capacity through the capital markets, via an insurance-linked securities or catastrophe bond (“ILS” or “cat bond”) transaction. This effort to obtain capital markets-based reinsurance proved successful, culminating on July 31, 2013, in FMTAC’s entry into a \$200 million reinsurance agreement with MetroCat Re Ltd., a Bermuda special purpose insurer, which fully collateralized the reinsurance policy through its issuance of cat bonds.

The reinsurance obtained from MetroCat Re through this inaugural ILS transaction augmented MTA’s existing reinsurance program at a critical time; the inaugural transaction now also provides a platform through which FMTAC can obtain future capital market-financed property reinsurance coverage, in conjunction with coverage that may be obtained by FMTAC through traditional property reinsurance markets. With the assistance and guidance of a Board-approved ILS Advisor, FMTAC and MTA anticipate exploring one or more capital markets based reinsurance transactions in 2014. Prior to executing any such future capital markets based reinsurance transaction in 2014, FMTAC and MTA, through a separate staff summary and resolution would seek Board action providing appropriate authority to finalize such a transaction.

The time constraints attendant to FMTAC’s inaugural capital markets reinsurance transaction in July 2013 (an oncoming 2013 hurricane season meant that any such transaction had to be finalized expeditiously, in advance thereof) did not enable FMTAC and MTA at that time to conduct a RFP process by which to select a roster of firms capable of performing the specialized professional services – including those of ILS risk modeler, ILS legal counsel, ILS initial purchaser/structuring agent, and ILS advisor – required for designing, evaluating and completing capital market-based reinsurance transactions. MTA and FMTAC committed to the Board last June, 2013, at the time the Board authorized this inaugural transaction, that MTA and FMTAC would conduct a competitive RFP thereafter, to select firms qualified to provide professional services required for a subsequent ILS transactions.

Consistent with that commitment, on October 28, 2013, the Finance and Risk and Insurance Management Departments issued a formal Request for Proposals from qualified firms to serve in the following capacities: ILS Financial Advisor, ILS Initial Purchaser/Structuring Agent, ILS Legal Counsel, and ILS Risk Modeler for FMTAC and MTA. The RFP was widely distributed, including direct distribution to 47 known ILS vendors and was also posted on the MTA website. In addition, the RFP was advertised in the following external publications: New York State Contract Reporter, Business Insurance; El Diario; Minority Commerce Weekly; Amsterdam News; New York Post; The Bond Buyer; and the Wall Street Journal National Edition.

This staff summary seeks the Board's authorization to enter into a contract with the recommended ILS Financial Advisor, and seeks Board approval of recommended panels of competitively qualified firms to perform in the three other noted capacities of ILS Initial Purchaser/Structuring Agent, ILS Legal Counsel, and ILS Risk Modeler.

A single ILS Advisor selected would contract with FMTAC and the MTA to provide expert advice on the timing, structure, and execution of any capital market-based risk transfer transactions conducted by MTA and FMTAC in coordination with the procurement and placement of traditional insurance and reinsurance and would work as an advisor to FMTAC and MTA on an ongoing basis for the contract term.

The term of the proposed contract for the ILS Advisor is for a period of three years from the award date, with a two year extension option. The panels for roles of ILS Initial Purchaser/Structuring, ILS Legal Counsel, and ILS Risk Modeling would remain in effect for an anticipated period of three years (or until such time as a successor RFP is conducted and finalized recommending new panels).

Multiple firms are recommended for ILS Initial Purchaser/Structuring Agent, ILS Legal Counsel, and ILS Risk Modeling panels. These firms would be eligible for engagement on a transaction specific basis, and would be responsible for structuring, marketing, modeling and legal review of all aspects of a specific catastrophe bond transaction that was undertaken to provide reinsurance protection for FMTAC and the MTA agencies. A typical cat bond transaction will require the retention of an ILS Risk Modeling firm selected from a panel, one or more firms selected from the panel to serve as ILS Initial Purchasers/Structuring Agents (on the inaugural Metro Cat Re transaction, two separate firms participated in that capacity), and both transactional ILS Legal Counsel and underwriter's (Initial Purchaser's) ILS Legal Counsel. A firm's inclusion on a panel is not a guarantee of work on a future transaction nor will a firm's engagement for a particular transaction constitute an engagement for successor transactions. Firms will be selected from the panels for each future transaction based on the strengths they offer relative to the particular contemplated transaction and the competitiveness of their pricing at that time.

## DISCUSSION:

In response to the RFP, a total of 24 proposals were received by the submission deadline. Proposals (listed in alphabetical order, by category) were received as follows:

- ILS Advisor: Raymond James & Associates ("Raymond James"); and Willis Capital Markets
- ILS Initial Purchaser/Structuring Agent: AON Benfield; Citi; GS Securities; a joint venture of Deutsche Bank Securities and Loop Capital Markets ("Deutsche/Loop"); Goldman Sachs & Co. ("Goldman Sachs"); Morgan Stanley; a joint venture of Natixis Securities Americas, LLC and Rice Financial Products ("Natixis/Rice"); Swiss Re Capital Markets Corporation ("Swiss Re"); PNB Paribas; Willis Capital Markets and Advisory ("Willis"); Jeffries; and Sterne Agee & Leach, Inc. ("Sterne Agee")
- ILS Legal Counsel: Cadwalader, Wickersham & Taft ("Cadwalader"); Drohan Lee LLP; Locke Lord LLP; Mayer Brown; a joint venture of Kramer, Levin Naftalis & Frankel and the McGlashan Law Firm ("Kramer, Levin/McGlashan"); Sidley Austin LLP ("Sidley"); and Sutherland Asbill & Brennan LLP. ("Sutherland")
- ILS Risk Modeler: AIR Worldwide; EQECAT Inc. ("EQECAT"); and Risk Management Solutions Inc. ("RMS").

A selection committee, consisting of representatives from MTA Risk and Insurance Management, MTA Finance Department, MTA Budget, and MTA Legal, reviewed each of the proposals. The selection criteria included consideration of proposers' experience with ILS transactions generally as well as with ILS transactions conducted or sponsored by public entities; the composition of the proposed team that would provide services to MTA/FMTAC; experience with or knowledge of MTA and FMTAC and their insurance programs and risk management needs; the technical capabilities of the proposers; and, for the ILS Advisor and Initial Purchaser/Structuring Agent proposers, the quality of financing and structuring ideas set forth in their proposals. In addition, consideration was given to cost information contained in the proposals.

Following individual panel members' review of the proposals, the Selection Committee met, and unanimously adopted the following recommendations:

*ILS Advisor Selection.* The selection committee was unanimous in its recommendation that Raymond James be selected as ILS Risk Financing Advisor. Raymond James is the only national securities firm with a dedicated public entities/state sponsored risk management specialty group and is widely recognized as the leading risk financing advisory firm. Raymond James has agreed to an annual fee of \$275,000 plus fees for travel and expense.

*ILS Initial Purchaser/Structuring Agent Panel Selection.* For the ILS Initial Purchaser/Structuring Agent panel, the selection committee recommends the following nine proposers: AON Benfield, Citi, Deutsche Bank/Loop, GS Securities, Goldman Sachs, Morgan Stanley, Natixis/Rice, Swiss Re, and Willis Capital Markets. All of these proposers (or teams of proposers) bring experience in structuring and marketing catastrophe bond transactions; a number of the proposers also have worked on substantial cat bond transactions that have been undertaken on behalf of public governmental entities. In addition, two of these nine recommended proposers -- Deutsche Bank/Loop Capital and Natixis/Rice -- are joint ventures that include a NYS certified MWBE firm as a joint venture partner.

*ILS Legal Counsel:* For the ILS Legal Counsel panel, the selection committee recommends the selection of Mayer Brown, Sidley, Cadwalader and Kramer, Levin/McGlashan. The first three firms are recognized leaders in the ILS catastrophe bond legal specialty, offering the broadest and deepest experience available in the field. The fourth proposal recommended for the panel is a joint venture, which combines Kramer Levin, a firm that has demonstrated ILS cat bond transactional experience, teamed with a NYS certified MWBE law firm, McGlashan, that seeks to acquire further experience in this emerging practice area.

*ILS Risk Modeling:* The selection committee recommends all three proposers in this category be placed on the Risk Modeling panel. AIR Worldwide, EQECAT, and RMS are the leading worldwide risk modelers utilized by the major insurance companies. Each of the ILS Risk Modeling firms uses unique proprietary risk models for various perils. FMTAC and MTA are best served by having access to this diversity of expertise in risk modeling. Determination of the firm to model a specific transaction will be made on a combination of factors including peril identified for a cat bond transaction, and fees.

#### **ALTERNATIVES:**

FMTAC and MTA could opt to not consider or pursue future Insurance-Linked Securities ("ILS") transactions sponsored by FMTAC. That alternative is undesirable, given the additional leverage that a capital markets transaction will provide to FMTAC's overall insurance portfolio construction on an annual basis.

#### **RECOMMENDATION:**

After considering each firm's proposals, the selection committee recommends that the Board (i) authorize entry into a contract with Raymond James to provide services as ILS Advisor to FMTAC and MTA for a three year period, subject to an optional renewal by FMTAC and MTA for a two year period; and (ii) approve the firms indicated on Attachment A, to serve on the noted panels for ILS Legal Counsel, ILS Initial Purchaser/Structuring Agent and ILS Risk Modeling, and that each be authorized for future engagement in connection with ILS transactions involving MTA and FMTAC, at prices to be negotiated but which shall not exceed the rates proposed in each of their responses to the RFP.

Attachment A

ILS Initial Purchaser/Structuring Agent Panel

AON Benfield

Citi

Joint venture of Deutsche Bank Securities and Loop Capital Markets

Goldman Sachs & Co.

GS Securities

Morgan Stanley

Joint venture of Natixis Securities Americas, LLC and Rice Financial Products

Swiss Re Capital Markets Corporation

Willis Capital Markets and Advisory

ILS Legal Counsel Panel

Cadwalader, Wickersham & Taft

Joint venture of Kramer, Levin Naftalis & Frankel and the McGlashan Law Firm

Mayer Brown

Sidley Austin LLP

ILS Risk Modeler Panel

AIR Worldwide

EQECAT Inc.

Risk Management Solutions Inc.

# Staff Summary

<b>Subject</b> Municipal Finance Disclosure Policies and Procedures
<b>Department</b> Legal
<b>Department Head Name</b> James Henly, General Counsel
<b>Department Head Signature</b> 
<b>Project Manager Name</b> Katherine McManus, Deputy General Counsel <i>KM</i>

<b>Date</b> January 29, 2014
<b>Vendor Name</b>
<b>Contract Number</b>
<b>Contract Manager Name</b>
<b>Table of Contents Ref #</b>

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	1/27	X		
2	Board	1/29	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal 	3	Chief of Staff
2	CFO 		

**Purpose:**

To obtain MTA and TBTA Board (the "Board") approval of the attached resolution adopting the annexed Municipal Finance Disclosure Policies and Procedures (the "Disclosure Policies and Procedures"). The Disclosure Policies and Procedures primarily formalize existing disclosure practices of MTA and TBTA that are followed in connection with issuances and are intended to reinforce best practices relating to disclosures made in connection with municipal finance offerings and required periodic filings.

**Discussion:**

The annexed Disclosure Policies and Procedures (i) summarize general and ongoing disclosure obligations of MTA and TBTA as issuers; (ii) set forth disclosure best practices to be followed by MTA and TBTA staff and bond counsel with respect to individual bond transactions and the Annual Disclosure Statement; (iii) provide for additional training of staff and Board members with respect to disclosure practices and obligations; and (iv) provide for annual review by the Finance Committee of a report regarding compliance with the Disclosure Policies and Procedures before the filing of the Annual Disclosure Statement.

Municipal issuers must comply with all applicable federal and state securities laws in connection with bond issuances. Municipal issuers necessarily make extensive public disclosures in connection with issuance of bonds and on an ongoing basis after bonds are issued. To facilitate compliance with the applicable securities laws, MTA has prepared written policies and procedures relating to disclosure practices and the training of staff. While current MTA disclosure practices will remain largely unchanged, MTA believes the adoption of written policies is a best practice that will further MTA's objective of ensuring that its disclosures are fair and accurate, comply with all applicable federal and state securities laws, and satisfy contractual obligations undertaken pursuant to its Continuing Disclosure Undertakings.

These Disclosure Policies and Procedures, which are annexed to this Staff Summary, have been prepared by MTA Legal in consultation with MTA's bond counsel and will be distributed annually to Board members and all staff participating in the disclosure process.

**Recommendation:**

It is recommended that the Board adopt the resolution attached to this Staff Summary approving the Disclosure Policies and Procedures.

## RESOLUTION

WHEREAS, the Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority desire to ensure that disclosures made in connection with their municipal finance offerings and required periodic filings related thereto are fair and accurate, and comply with all applicable federal and state laws;

WHEREAS, it is the policy of the Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority to satisfy all contractual obligations undertaken pursuant to its Continuing Disclosure Undertakings entered into in connection with municipal finance offerings in a timely manner;

WHEREAS, the Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority desire to adhere to and promote best practices relating to disclosures; and

WHEREAS, to further the implementation of these objectives, the Metropolitan Transportation Authority and Triborough Bridge and Tunnel Authority desire to adopt the Municipal Finance Disclosure Policies and Procedures annexed hereto;

**NOW, THEREFORE BE IT:**

**RESOLVED** by the Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority that the Municipal Finance Disclosure Policies and Procedures annexed hereto shall be adopted and shall apply to all disclosure undertakings.

Dated: January 29, 2014

# METROPOLITAN TRANSPORTATION AUTHORITY

and

# TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

## Municipal Finance Disclosure Policies & Procedures

### Introduction

The Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority are committed to ensuring that disclosures made in connection with its municipal finance offerings and required periodic filings related thereto are fair, accurate, and comply with applicable federal and state securities laws including common law antifraud provisions under state law and any other applicable laws. Further, it is the policy of both the Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority to satisfy in a timely manner their contractual obligations undertaken pursuant to Continuing Disclosure Undertakings entered into in connection with municipal finance offerings.

In furtherance of these objectives and policies, and to promote best practices relating to disclosures, the Boards of the Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority have adopted the Disclosure Policies and Procedures set forth below, which shall apply to all disclosure undertakings.

### Definitions

Capitalized terms used in these Disclosure Policies and Procedures shall have the meanings set forth below:

**“Annual Disclosure Statement”** means the financial information and operating data required to be filed pursuant to MTA’s Continuing Disclosure Undertakings, including Appendix A, the audited financial statements of MTA, NYCTA, TBTA and the TBTA Independent Engineer’s Report, which are incorporated by specific reference in certain other MTA and TBTA Disclosure Documents. The information includes narrative information relating to MTA Headquarters and each of the operating entities, as well as information that MTA has specifically contracted with bondholders to update on an annual basis in accordance with Securities and Exchange Commission Rule 15c2-12 (“Rule 15c2-12”).

**“Authority”** means, as the context permits or requires, any or all of the following: Metropolitan Transportation Authority (MTA); Triborough Bridge and Tunnel Authority (TBTA); Long Island Rail Road Company (LIRR); Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA); Metro-North Commuter Railroad Company (MNCRC); New York City Transit Authority (NYCTA); Staten Island Rapid Transit Operating Authority (SIRTOA); MTA Bus Company (MTA Bus); MTA Capital

Construction Company (MTACC); First Mutual Transportation Assurance Company (FMTAC); and any other affiliate or subsidiary hereafter created having a common board with the MTA.

“Board” shall mean the MTA Board and/or the TBTA Board, as appropriate.

“Bond Counsel” shall mean any attorney or firm of attorneys of nationally recognized standing in the field of law relating to the issuance of obligations by state and municipal entities selected by the Authority. At any time MTA/TBTA retains more than one bond counsel, all references to bond counsel shall be deemed to include one or more bond counsel, as deemed appropriate by the Deputy General Counsel, Finance.

“Bonds” or “bonds” shall refer to any bonds, notes or other securities offered by any Authority, the disclosure relating to which is subject to the requirements of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934, including Rule 10b-5 thereunder, and Securities Exchange Commission Rule 15c2-12.

“Continuing Disclosure Undertakings” means MTA’s and TBTA’s contractual obligations entered into with the trustee by any Authority in connection with each issuance of Bonds.

“Disclosure Documents” means MTA’s and TBTA’s documents and materials specifically prepared, issued, and distributed in connection with MTA’s and TBTA’s disclosure obligations under applicable federal securities laws or that otherwise could potentially subject MTA and TBTA to liability under such laws, and shall include, but not be limited to the following:

- Annual Disclosure Statement
- Official Statements
- Any filing made by MTA and TBTA with EMMA pursuant to a Continuing Disclosure Undertaking, including material event notices
- Any voluntary filing made by MTA and TBTA that is posted on EMMA
- Any document or other communication from MTA and TBTA that could be viewed as reasonably expected to reach investors and the trading market for MTA’s and TBTA’s Bonds
- Any other document that is reviewed and approved in accordance with these Disclosure Policies and Procedures

“EMMA” means the Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board.

“MTA” means the Metropolitan Transportation Authority, a public benefit corporation of the State of New York.

"Official Statements" means, collectively, preliminary and final Official Statements, remarketing circulars or offering memoranda used in connection with the offering of Bonds. The Official Statement does not attempt to repeat the information in the Annual Disclosure Statement, but instead generally includes such information by specific cross-reference, as expressly authorized by Rule 15c2-12, and updates only the information that has materially changed.

"Rule 15c2-12" means Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, including any official interpretations thereof.

"Staff" means employees of the Authority.

"State" means the State of New York.

"TBTA" means the Triborough Bridge and Tunnel Authority.

## I. General Disclosure Practices

1. The Board, through approval of the documentation relating to individual financings and the review of the related Staff Summary, delegates authority and responsibility to Staff to prepare and distribute an Official Statement, and updates thereto in the case of securities subject to remarketings, which will be prepared in accordance with these Disclosure Policies and Procedures unless the Board otherwise directs.

2. The Board, pursuant to a resolution adopted annually, delegates authority and responsibility to Staff to prepare an Annual Disclosure Statement and any other Disclosure Documents other than Official Statements that may be required to be filed throughout the existing year, which will be prepared in accordance with these Disclosure Policies and Procedures unless the Board otherwise directs.

3. The Deputy General Counsel/Finance, Finance Staff and other Staff deemed necessary, with the assistance of Bond Counsel and advice and direction of General Counsel, shall prepare all Disclosure Documents, including the Annual Disclosure Statement, and shall prepare and submit any other disclosure filings that may be required throughout the year. All Disclosure Documents and any other disclosure filings shall be prepared in accordance with these Disclosure Policies and Procedures unless the Board otherwise directs.

4. The timeline for any particular bond financing for which a Disclosure Document will be prepared shall vary depending on the type of bonds being offered, the security for the bonds, the purpose for the financing, and other factors unique to each bond financing.

## II. On-Going Disclosure

1. The Deputy General Counsel/Finance, Finance Staff and Bond Counsel shall monitor State and national markets generally and, in consultation with the General Counsel, determine whether there is a need for additional disclosure by way of additional periodic filings with EMMA or any recommended supplement to a Disclosure Document.

2. Management's Discussion and Analysis and the Notes to annual and quarterly financial statements (collectively, MD&N) shall be reviewed by the Chief Financial Officer, Finance Staff, and the Deputy General Counsel/Finance, in consultation with General Counsel, prior to their being finalized. The Chief Financial Officer, Finance Staff and the Deputy General Counsel/Finance shall consult with Staff with specific knowledge of various elements of the MD&N and Bond Counsel as they deem appropriate.

## III. Official Statement Review and Disclosure Processes

1. The Deputy General Counsel/Finance and Finance Staff shall timely identify those who, for a particular financing, are appropriate to assist Bond Counsel, underwriter(s), underwriter's counsel, financial advisors, and appropriate Staff in the preparation and review of the related Official Statement.

2. The Deputy General Counsel/Finance and Finance Staff (or their designees) shall be responsible for soliciting material information from Authority departments, subsidiaries, affiliates, or State or other governmental officials and in the case of a TBTA financing, TBTA's consulting engineer for inclusion in the applicable Official Statement, and shall identify Staff and any State or other governmental officials who may have information necessary to prepare or who should review portions of the Official Statement. Staff and State or other governmental officials should be timely contacted and informed that their assistance will be needed for the preparation of the Official Statement.

- a. The Staff and State or other governmental officials shall be contacted as soon as reasonably practical in order to provide adequate time for such individuals to perform a thoughtful and critical review or draft of those portions of the Official Statement assigned to them.
- b. The request for information shall provide that Staff must raise any item which could be material for inclusion in the offering document.
- c. The Deputy General Counsel/Finance shall maintain or cause to be maintained an accurate log of all individuals, departments, subsidiaries, affiliates or State or other governmental officials that were requested to review or draft information in connection with an Official Statement, including what sections such individuals or entities listed above prepared or

reviewed and shall also be responsible for collecting all transmittal letters, certifications, and lists of sources for incorporation into the records to be maintained by the Finance Staff or Deputy General Counsel/Finance.

d. The appropriate outside agency auditors should be apprised of the Authority's schedule for publishing such Official Statement.

3. Once such review or drafting is completed, the particular sections of the Official Statement shall be transmitted by such individuals or entities to the Deputy General Counsel/Finance and Finance Staff.

4. Finance Staff, the Chief Financial Officer, the General Counsel, the Budget Director, the Director of Capital Programs and their delegees, relevant Staff at the operating agencies included in the financing and MTA auditors shall receive the draft of the preliminary Official Statement for review and comment.

5. Other Staff shall be consulted if an issue arises concerning items as to which they have specific knowledge.

6. The draft preliminary Official Statement shall be provided to the senior managing underwriter and its counsel for review and comment.

7. The Deputy General Counsel/Finance and Bond Counsel shall hold due diligence sessions with the appropriate Staff and State officials, and in the case of a TBTA financing, the TBTA's consulting engineer, prior to the printing or posting of a preliminary Official Statement.

8. Bond Counsel shall provide written discussion topics or questions in the form of an agenda in advance of the due diligence session, to the extent practical, to permit all required Staff and State officials, and in the case of a TBTA financing, the TBTA's consulting engineer, as well as underwriters and their counsel, to prepare for the due diligence session and to consider additional matters they deem material to the offering. The due diligence session shall not be limited to the list of written topics or questions or other questions solely from Bond Counsel. Bond Counsel, MTA financial advisor and, in the case of a negotiated transaction, the underwriters and underwriters' counsel shall participate in such due diligence session.

9. At the time of the sale of the Bonds the Deputy General Counsel/Finance, in conjunction with Finance, Budget Staff and Bond Counsel, shall prepare a final Official Statement and satisfy themselves that at the time of sale that such Official Statement is in satisfactory form and that no additional disclosure is required.

10. Annual audited MTA or TBTA financial statements and those for the most recent MTA or TBTA unaudited quarterly reporting period shall be incorporated by reference into the Disclosure Documents. Before the printing of any preliminary or final Official Statement the Deputy General Counsel/Finance and Bond Counsel shall obtain written confirmations from the individuals noted in Exhibit A, by e-mail or otherwise, that they know of no material litigation that has been filed (or threatened with a reasonable likelihood of being filed) against any relevant Authority since the diligence

session and know of no material change that is required to be reflected in the Recent Developments or any other heading of the Disclosure Document.

11. Bond Counsel may be invited to attend any MTA or TBTA presentations to rating agencies and investors made in connection with the offering of bonds. Bond Counsel, the Deputy General Counsel/Finance and Finance Staff shall review any materials used in presentations, meetings or telephone conferences with rating agencies or investors for consistency with the appropriate Official Statement. Appropriate records of meetings and telephone conferences with rating agencies and investors will be kept by the Deputy General Counsel/Finance or Finance Staff.

12. Prior to closing, for each Bond issue the Deputy General Counsel/Finance and Bond Counsel shall obtain written certifications, by e-mail or otherwise, by the designated officials in Exhibit B.

#### IV. The Annual Disclosure Statement (Rule 15c2-12)

1. The Deputy General Counsel/Finance in conjunction with Finance Staff shall distribute sections of the Annual Disclosure Statement to Staff with specific knowledge of various areas. Staff shall review and update said sections. The request for information shall provide that Staff must raise any item which could be material for inclusion in the Annual Disclosure Statement.

2. The audited financial statements of MTA on a consolidated basis, NYCTA and TBTA shall be attached to the annual filing in accordance with MTA's Continuing Disclosure Undertakings under Rule 15c2-12. The Deputy General Counsel/Finance and Finance Staff shall review the MD&N to Financial Statements before they are finalized.

3. The State Division of the Budget shall be requested to provide updates regarding State revenues. MTA Budget staff shall review this information for consistency. Bond Counsel, Legal Staff, the Chief Finance Officer, Budget Staff and Capital Programs Staff shall review multiple drafts, make suggestions for changes and raise questions about content and topics not discussed in the multiple drafts.

4. Diligence sessions shall be held with the operating agencies and headquarters Staff at which presentations shall be made by such groups based upon an agenda prepared by Bond Counsel circulated in advance of the sessions. Finance Staff, Legal Staff, Bond Counsel and representatives of all MTA and TBTA underwriters and all rotating underwriters' counsel shall have the opportunity to ask questions.

5. Bond Counsel, the MTA General Counsel, the Deputy General Counsel/Finance, General Counsel and Staff with specific knowledge of various areas at each of the operating agencies, the Chief Finance Officer, Finance Staff and other Staff at MTA Headquarters shall review and approve the Annual Disclosure Statement in writing, by e-mail or otherwise.

6. The Annual Disclosure Statement, pursuant to MTA's and TBTA's Continuing Disclosure Undertakings, shall be filed at the end of April of each year.

#### V. Role of Bond Counsel

1. MTA and TBTA will require Bond Counsel to perform the following:
  - a. review and comment on MTA's and TBTA's Disclosure Documents;
  - b. coordinate the due diligence process in the manner provided above;
  - c. review presentations and, if requested, attend and/or listen to rating agency or investor presentations related to MTA's and TBTA's bonds, notes and other securities;
  - d. advise MTA and TBTA regarding:
    - (1) specific disclosure issues relating to MTA's and TBTA's financial operations, operating performance and capital program development, including funding, progress and problems;
    - (2) standards of disclosure under applicable securities laws;
    - (3) adequacy of MTA's and TBTA's disclosure in any Disclosure Document;
    - (4) completeness and clarity of the information provided by the State in any Disclosure Document; and
    - (5) other matters as directed by MTA or TBTA.
  - e. interface with the Deputy General Counsel/Finance and Finance Staff with respect to any Disclosure Document;
  - f. provide a securities law supplemental opinion for each financing transaction;
  - g. participate in the preparation, review and approval of the Annual Disclosure Statement; and
  - h. conduct periodic training of Staff on the disclosure process contemplated by the Disclosure Policies and Procedures set forth herein as may be requested from time to time by the Deputy General Counsel/Finance and Finance Staff.

## **VI. Disclosure Practices Training**

Training for Board members and Staff shall be conducted by either Bond Counsel or MTA General Counsel or their designee(s) regarding disclosure practices under applicable state and federal law. It is intended that this training shall assist these individuals in (1) understanding their responsibilities; (2) identifying significant items which may need to be included in the Disclosure Documents; and (3) reporting issues and concerns relating to disclosure. A refresher training program shall be conducted not less than once every two years.

### **1. Board Members**

- a. Board members shall be advised of their general disclosure responsibilities and the extent they may delegate to and rely on Staff's preparation of Disclosure Documents.
- b. Board Members shall be advised of their fiduciary duties under the State's Public Authorities Law.
- c. Specialized training regarding MTA and TBTA disclosure responsibilities shall be conducted for the members of the Finance Committee of the Board.

### **2. Staff**

- a. Staff with responsibility for collecting, preparing or reviewing information that is provided for inclusion in a Disclosure Document or for certifying or confirming its accuracy in accordance with these Disclosure Policies and Procedures, and those persons responsible for executing them, shall attend disclosure training sessions.
- b. The determination as to whether or not a class of employee shall receive such training shall be made by the MTA General Counsel or Deputy General Counsel/Finance in consultation with Bond Counsel and the Chief Financial Officer.

## **VII. Disclosure-Related Document Retention Practices**

MTA's Records Management Program Manual sets forth MTA's document retention schedule. Consistent with MTA's Continuing Disclosure Undertakings, the following documents shall be maintained at least as long as required by MTA's Records Management Program:

- Annual Continuing Disclosure Filings

- Bond Issue Bound Books or CD-ROMs containing bond issue documents
- Bond Issue Executed Documents
- Disclosure Documents
- Investor Materials
- MTA Financial Statements related to bonds
- Note Issue Bound Books or CD-ROMs containing note issue documents
- Note Issue Executed Documents
- Rating Agency Presentation Materials
- Records of all Disclosure Activities, including but not limited to telephone calls, emails and other inquiries from investors
- Unaudited Quarterly and Annual Financial Statements Audited by Outside Auditing Firm

### VIII. General Principles Relating to Disclosure

1. Each Staff member participating in the disclosure process shall be responsible for raising potential disclosure items at all times in the process.

2. Each Staff member participating in the disclosure process should raise any issue regarding disclosure with the MTA General Counsel or Deputy General Counsel/Finance at any time.

3. Recommendations for improvement of these Disclosure Policies shall be solicited and considered by the Deputy General Counsel/Finance and Bond Counsel and if revision is deemed to be appropriate will be reviewed by the General Counsel and the Chief Financial Officer.

4. The process of revising and updating Disclosure Documents should not be viewed as mechanical insertions of more current information; everyone involved in the process should consider the need for revisions in the form and content of the sections for which they are responsible.

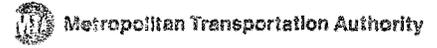
*The Deputy General Counsel/Finance shall provide a report to the Finance Committee each year, at the time of the meeting of the Finance Committee immediately preceding the filing of the Annual Disclosure Statement, regarding compliance with these Disclosure Policies and Procedures during the preceding twelve month period. Such report shall (i) state whether the Annual Disclosure Statement for the current year is being prepared in compliance with the Disclosure Policies and Procedures and whether all Disclosure Documents prepared during the*

*prior twelve month period were prepared in accordance with the Disclosure Policies and Procedures, (ii) describe any issues or problems which arose in connection with compliance with the Disclosure Policies and Procedures during such period, (iii) present any recommendations for changes to the Disclosure Policies and Procedures; (iv) provide an informational copy of the then current draft of the Annual Disclosure Statement to any Finance Committee member who requests one; and (v) provide a printed copy of the final Annual Disclosure Statement to all Board members.*

*A copy of these Disclosure Policies and Procedures shall be distributed annually to Board members and all Staff participating in the disclosure process. Any updates to these Disclosure Policies and Procedures shall be distributed to such groups upon issuance.*

# Staff Summary

## Schedule H: Modifications to Personal Service & Miscellaneous Service Contracts



Item Number:

Vendor Name (& Location): Willis of New York
Description: Extension of Owner Controlled Insurance for East Side Access
Contract Term (Including Options, if any):
Option(s) included in Total Amount? <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 X Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:
Requesting Dept/Div & Dept/Div Head Name: <i>Tammie Lopez</i> Risk and Insurance Management / Laureen Coyne

Contract Number:	AWO/Modification # 4
Original Amount:	\$93,000,000
Prior Modifications:	\$207,860,136
Prior Budgetary Increases:	\$
Current Amount:	\$300,860,136
This Request:	\$16,300,000
% of This Request to Current Amount:	5.4%
% of Modifications (Including This Request) to Original Amount:	241%

**PURPOSE:**

To obtain Board approval to extend the professional liability insurance coverage component of the MTA's Owner Controlled Insurance Program (OCIP) for the East Side Access Project.

**SUMMARY:**

The MTACC East Side Access Project is currently insured through an MTA Owner Controlled Insurance Program (OCIP), which was approved by the Board on December 17, 1998. Willis of NY, the OCIP broker, selected through a competitive RFP process, subsequently marketed and placed OCIP policies in 2003, based upon the then-scheduled completion date and estimated third party construction costs. That policy covers design work completed on or before December 31, 2013, for claims made on or before December 31, 2016. This request for approval is required to purchase Professional Liability coverage with respect to subsequent periods. The new policy would (i) provide coverage for design work and construction phase services performed on or after January 1, 2014, and cover design errors detected up until December 31, 2023, (ii) provide excess coverage for design work performed on or before December 31, 2013 for claims made on or before December 31, 2016, and (iii) provide coverage for design work performed on or before December 31, 2013 for claims made between January 1, 2017 and December 31, 2019. The additional coverage will provide a \$25 million limit at a cost of \$16.3 million, of which, the General Engineering Consultant ("GEC") will contribute \$1.3 Million.

**DISCUSSION:**

The East Side Access Project OCIP provides the MTA and each architect, engineer, contractor, and subcontractor working on the project with uniform Professional Liability (E&O), Environmental Liability, Workers Compensation (WC), General Liability (GL) Excess Liability, Railroad Protective Liability, and Builders Risk Insurance. Policies are underwritten by insurance companies with A.M. Best ratings of A or greater and/or equivalent financial strength. The carriers were competitively selected based upon policy terms, conditions, services and costs offered for this program.

The original Professional Liability Program was placed in London with various insurers led by Lexington Insurance Company (AIG) with participation from AWAC, Zurich and Arch. That policy, which has coverage limits of \$100 million, covers professional services performed on or before December 31, 2013, and has a three year reporting period thereafter, until December 31, 2016, for claims based upon design work performed prior to the expiration of the policy. The new program, which provides coverage limits of \$25 million, was also marketed by Willis, with participation by Lexington (AIG), Berkshire Hathaway, and Lloyds syndicates CV Starr, QBE, and Ironshore.

MTACC is obligated under its contract with the GEC to provide continuing professional liability coverage. However, due to a number of factors, including significant errors and omissions claims that have been asserted against the GEC by the MTA, obtaining coverage to replace the existing limits is not possible and the available limits are costly. To address this and other contractual disputes, the MTA and the GEC have reached an agreement pursuant to which the MTA will provide the \$25 Million coverage discussed above, and limit the GEC's liability for new design work to \$25 Million over the new coverage. For design work completed prior to December 31, 2013, the GEC's limits of liability vary with the insurance available to cover that period. The GEC will contribute \$1.3 Million towards the cost of the new program.

In reaching this agreement and establishing this program of insurance coverage and limitations on liability, MTACC has weighed the risk of errors and omissions claims for the relevant periods and the cost of available insurance and concluded that this program is reasonable, cost effective and in the best interests of the MTA.

**IMPACT ON FUNDING:**

Funding is from the East Side Access Capital Program Budget.

**ALTERNATIVES:**

The procurement of this additional coverage is part of a negotiated solution with the GEC achieved with the assistance of an outside mediator. The only alternative would be to proceed with arbitration.

JANUARY 2014  
MTA REAL ESTATE  
LIST OF REAL ESTATE ACTION ITEMS FOR BOARD APPROVAL

ACTION ITEMS

MTA NEW YORK CITY TRANSIT

License agreement with Metropolitan Fiber Systems of New York, Inc. for the continued operation and maintenance of an existing fiber optic cable facility running through the Lexington Avenue tunnel from Manhattan to Brooklyn

MTA LONG ISLAND RAIL ROAD

Determination and Findings of Public Hearing for the acquisition of 40-36 Main Street, Flushing, Queens, New York

Disposition of Excess LIRR Property identified as Block 2994 Lot 9, in Brooklyn, New York, to James Ruggiero

Lease Agreement with Merrick Newsstand Inc. for the operation of a newsstand at the Merrick Station, Merrick, New York

METROPOLITAN TRANSPORTATION AUTHORITY

Lease with 1-10 Industry Associates L.L.C. for warehouse and archival storage space at 882 Third Avenue, Sunset Park, Brooklyn to be used by the Transit Museum and NYCT's Capital Project Management Group

# 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>GEORGE MCDONALD</b>

Date <b>JANUARY 27, 2014</b>
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	1/27/14	X		
2	Board	1/28/14	X		

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

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

LICENSEE: Metropolitan Fiber Systems of New York, Inc ("MFS")

LOCATION: Running through NYCT's Lexington Avenue tunnel and along its approaches from NYCT's Bowling Green station in Manhattan to NYCT's Borough Hall station in Brooklyn

ACTIVITY: Non-exclusive license of conduit for an existing 144-strand fiber optic cable

ACTION REQUESTED: Approval of terms

TERM: Ten years, with two 5-year renewal options, subject to termination at will by MTA on 60 days' notice

SPACE: Approximately 10,700 linear feet

COMPENSATION: \$413,769.00 for the first license year, with annual increases based on CPI

## COMMENTS

Currently, MFS owns, operates and maintains one 144-strand fiber optic cable that runs approximately 10,700 linear feet through NYCT's Lexington Avenue tunnel and along its approaches from Manhattan to Brooklyn. The installation was made pursuant to a license agreement that recently expired. MFS has requested a new license agreement for the continued occupancy of the Lexington Avenue tunnel.

In accordance with MTA Real Estate's licensing guidelines, this license was not offered by RFP because the occupancy is non-exclusive, space is available to other parties, and the license is terminable at will by MTA upon not less than 60 days' notice. The proposed compensation reflects market value for the 144-strand fiber optic cable installation, as determined based on a comparative utility rate analysis conducted by an independent consultant.

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

Subject <b>EMINENT DOMAIN DETERMINATION &amp; FINDINGS</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>JANUARY 27, 2014</b>
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	01/27/14	X		
2	Board	01/29/14	X		

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

AGENCY: The Long Island Rail Road Company ("LIRR")

LOCATION: 40-36 Main Street, Flushing, New York (Queens Tax Block 5037 Lot 57)

ACTION REQUESTED: Approval of Determination and Findings under the New York Eminent Domain Procedure Law to acquire the above-listed property to construct a new entrance to the Flushing Main Street Station as part of LIRR's Flushing Main Street Station Improvements Project

**COMMENTS.**

In connection with LIRR's Flushing Main Street Station Improvements Project (the "Project"), Board approval is sought to acquire the property located at 40-36 Main Street in Flushing, New York, (Queens Tax Block 5037 Lot 57, the "Property"). The Property is directly north of the LIRR bridge overpass structure and is improved with a one story commercial building approximately 25' x 100' in size that currently is occupied by Ou Jiang City Supermarket. LIRR requires the Property to install and permanently maintain a new elevator that will serve the Manhattan-bound train platform and will be accessible from the west side of Main Street. In order to install this elevator, the existing building on the Property will be demolished. This will require permanent displacement of the supermarket. Acquisition of the Property for this purpose also will enhance LIRR's presence on busy Main Street and provide a safer, more visible entry point for westbound customers than the current entrance in an alley off of 40<sup>th</sup> Road.

On October 28, 2013, the MTA held a public hearing under the New York Eminent Domain Procedure Law ("EDPL") to review the Project's location, public uses, benefits, purposes, and community impacts and to give the public an opportunity to comment on the Project and the proposed property acquisition. As required by law, a notice of the hearing was published in newspapers and sent by certified mail to the Property's owner.

Following a presentation by the MTA's hearing officer, four speakers made statements. MTA received no written comments prior or subsequent to the hearing. The four comments, all in support of the Project, are summarized as follows:

1. A representative of Congresswoman Grace Meng read a statement on behalf of the Congresswoman strongly supporting the Project and congratulating LIRR and MTA for moving it forward.
2. A member of the public urged speedy commencement of the Project and opined that the building on the Property was not architecturally significant and that the supermarket was similar to several others in the neighborhood.
3. Another member of the public stated that the Project would benefit disabled LIRR customers in Flushing who currently have to travel to the Broadway Station for the nearest ADA accessible station.

# Staff Summary



Metropolitan Transportation Authority

## FINANCE COMMITTEE MEETING

### Eminent Domain Determinations and Findings (Cont'd.)

Page 2 of 5

4. Peter Koo, New York City Council Member, 20th District, Queens, stated that he has long advocated the Station's renovation, is pleased that the Project is moving forward, and asked MTA to provide fair compensation to the Property owner and the supermarket tenant that will be displaced.

Both before and after the EDPL public hearing, MTA and LIRR staff have been in contact with the owner of the Property and members of the public to discuss the Project and will continue to work with the affected owner and occupant to address their concerns and mitigate impacts as much as is reasonably possible. MTA Legal and MTA Real Estate will also endeavor to reach a negotiated agreement to purchase the Property in lieu of using eminent domain.

After due consideration of all statements and comments received during the EDPL public hearing comment period, MTA staff recommends Board approval of the acquisition of the Property, by eminent domain if necessary, and approval of the attached Determination and Findings that are legally required under the EDPL.

## ATTACHMENT

### DETERMINATION AND FINDINGS PURSUANT TO ARTICLE 2 OF THE NEW YORK EMINENT DOMAIN PROCEDURE LAW

#### LIRR's FLUSHING MAIN STREET IMPROVEMENTS PROJECT (New Station Elevator serving the Manhattan-Bound Platform)

On the proposed acquisition of the property located at  
40-36 Main Street, Flushing, NY (a/k/a Queens Tax Block 5037, Lot 57)

In accordance with Section 204 of the New York Eminent Domain Procedure Law ("EDPL"), the Board of the Metropolitan Transportation Authority ("MTA") hereby approves the acquisition of property interests described below by eminent domain, if necessary, and adopts the following statutory findings:

#### 1. EDPL Public Hearing.

On October 28, 2013, on prior notice duly given to the public and the affected property owner, MTA held an EDPL public hearing to inform the public and to receive the public's comments on the proposed acquisition of the property located at 40-36 Main Street in Flushing, Queens, New York (the "Property") to support LIRR's Flushing Main Street Improvements Project (the "Project"). All oral and written comments received during the public comment period have been reviewed, made part of the record, and given due consideration.

#### 2. Location and Nature of Property Interests.

The Property to be acquired is located at 40-36 Main Street, Flushing, New York, in Queens Tax Block 5037 Lot 57. It is directly north of the LIRR bridge overpass structure. The Property is improved with a one story commercial building that is approximately 25' x 100' in size and currently is occupied by Ou Jiang City Supermarket. The Property is required to install and permanently maintain and operate a new elevator that will serve the Manhattan-bound train platform and will be accessible from the west side of Main Street. In order to install this elevator, the existing building on the Property will be demolished. This will require permanent displacement of all occupants in the building.

#### 3. Public Use and Public Benefits.

The Project in its entirety will include installation of one elevator to serve the eastbound platform of the LIRR Flushing Main Street Station (the "Station") and one elevator to serve the westbound, Manhattan-bound Station platform. These new elevators will conform to the accessibility standards set by the Americans with Disabilities Act, also known as the "ADA". The Project will include a new ticket office on Main Street, and new canopies, stairs, platform railings, platform lighting, and tactile warning strips on platform edges. The existing platform lighting fixtures and platform railings were installed in 1987 and replacing them with modern equipment will improve safety at the Station.

The Project will enhance LIRR's presence on Main Street and result in greater and more convenient accessibility to the Station. The ticket office will be more accessible to both the eastbound and westbound customers, and customers will have an improved ability to circulate between platforms. The westbound platform will have 2 means of egress to accommodate customers arriving via College Point Boulevard and 40th Road, and the Station's presence and visibility on the west side of Main Street will be more pronounced, making the Station easier for customers to locate and navigate.

#### 4. Reasons for Selecting the Location of Property Interests Needed for the Project.

Access to the Station platform on the Manhattan-bound side is currently limited to a narrow staircase accessed by a narrow alleyway off 40th Road. LIRR originally considered constructing the ADA elevator for the Manhattan-bound platform at that location. That plan would result in a number of constructability challenges and less than desirable consequences.

Among other things, it would require LIRR to construct a structural steel overpass to connect the westbound and eastbound elevator towers to allow for safe and adequate passage of customers between the 2 platforms. The overpass structure would be assembled and erected from the adjacent municipal parking lot directly south of the LIRR right-of-way. A large crane would need to be assembled on site by a smaller crane in order to construct and erect the 83' long overpass, and based on the size of the crane and radius required, LIRR's contractor would need to secure half of the municipal parking lot area during construction. LIRR also would require permission from the adjacent property owners to lift the structure over their roofline in order to swing it into place because both 40th Road and the alleyway are too narrow to completely accommodate the overhead crane. Finally, this option would require LIRR to coordinate with the New York City Parks Department and Department of Transportation to acquire space further west of the Project site on the north side of the right-of-way to construct temporary stairs for customer access to the platforms during construction.

Locating the elevator at 40-36 Main Street is a preferable option because it will provide a safer, more visible entry point for Manhattan-bound LIRR customers than the current entrance in the alley off of 40th Road. By constructing the elevator there, an overpass no longer will be required for safe circulation and crossover between platforms because both station platform access points will be in close proximity of each other and will be easily accessed along the Main Street sidewalk. Construction and future maintenance and security monitoring costs associated with the additional overpass level and supporting structures and platform extensions will be eliminated, as well as the visual impacts of an overpass from Main Street. More importantly, eliminating the overpass and rerouting circulation to the street level will provide customers with more convenient access for circulation between platforms and provide a more convenient and accessible route for ADA customers.

#### 5. Displacement and Relocation.

In order to install the elevator for the westbound platform, the existing building on the Property will be demolished. This will require permanent displacement of all occupants in the building. The Property is currently occupied by the Ou Jiang City supermarket. MTA will provide relocation assistance to all eligible occupants who are displaced by the LIRR's acquisition of the Property.

#### 6. General Effects of the Project on the Environment and Residents of the Local Community.

This Project is exempt from the State Environmental Quality Review Act under Section 1266(11) of the Public Authorities Law because it involves an insubstantial addition to an existing transportation use. Nonetheless, LIRR will construct the Project in a manner that will mitigate its impacts on the local community.

Construction impacts: At the start of the Project, a construction barricade wall approximately 8 feet high will be erected between the sidewalk and the LIRR property on the west side of Main Street. This barricade will extend approximately 3 feet onto the sidewalk, but a minimum sidewalk width of 5 feet will be provided at all times, allowing sufficient space for continued pedestrian use.

Behind this barricade, LIRR will demolish the existing structure at 40-36 Main Street, install one ADA elevator on both the westbound and eastbound platforms, and will construct a new stairway at both the westbound and eastbound platforms. The existing stairway to the westbound platform at 40th Road also will be refurbished.

On the platform level, both the westbound and eastbound platforms will be extended in order to accommodate the new elevators. New railings will be installed, along with LED lighting that will be brighter and more contained than the existing lighting.

Demolition of the building at 40-36 Main Street will involve removing a substantial quantity of construction debris from the site, which will be accomplished using trucks. Any asbestos or lead paint abatement work that may be encountered in the course of the demolition will be performed in accordance with all applicable standards and regulatory requirements.

As with all construction on this Project, the LIRR will monitor noise, vibration, and air quality to ensure that all applicable performance standards are met by its contractors.

Pedestrian and Traffic Impacts: Because substantially all of the work associated with this Project will be done behind a barricade, LIRR anticipates minimal pedestrian and traffic impacts. The only anticipated disruptions to pedestrian and traffic flow will occur during the brief periods of time during which materials are delivered to and debris is removed from the site. At such times LIRR and its contractor will ensure that appropriate mitigation measures are taken. Because the elevator towers that will be installed as part of this Project will be fabricated off-site, LIRR anticipates minimal construction impacts associated with their delivery and installation.

Land Use Impacts: The new elevators will introduce new visual elements on the west side of Main Street, but care has been taken in the design to ensure that the new structures are similar to other common features of Downtown Flushing's streetscape and will not be incongruous to the visual environment.

Displacement and Relocation: Acquisition of 40-36 Main Street will result in the permanent displacement of all occupants. Currently, the site is occupied by Ou Jiang City Supermarket. To mitigate the impact of displacement, MTA will provide relocation assistance to all eligible occupants in accordance with the New York State law.

Socio-Economic Impacts: LIRR does not anticipate that any other businesses or individuals will experience adverse socio-economic impacts as a result of the construction activities associated with this Project. LIRR has and will continue to employ its community outreach program to keep the neighborhood and its elected representatives informed about construction activities taking place.

MTA will continue to employ its community outreach program throughout construction to keep the affected neighborhood informed about construction activities taking place.

**ANYONE SEEKING JUDICIAL REVIEW OF THE ABOVE DETERMINATION AND FINDINGS MUST COMMENCE LEGAL ACTION IN ACCORDANCE WITH EDPL § 207 NO LATER THAN 30 DAYS AFTER MTA COMPLETES ITS TWO-DAY PUBLICATION OF THIS DOCUMENT, OR A SYNOPSIS THEREOF.**

# Staff Summary

Subject <b>DISPOSITION OF LIRR EXCESS PROPERTY</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>JANUARY 27, 2014</b>
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	1/27/14	X		
2	Board	1/29/14	X		

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

**AGENCY:** MTA Long Island Rail Road ("LIRR")  
**PURCHASER:** James Ruggiero  
**LOCATION:** Block 2994, Lot 9, Brooklyn, New York (the "Property")  
**ACTIVITY:** Sale of fee interest  
**ACTION REQUESTED:** Approval of terms  
**SPACE:** Approximately 30,000 square feet  
**COMPENSATION:** \$310,000.00

### COMMENTS:

The Property is a remnant of the former LIRR Evergreen Branch. Train service on the Evergreen Branch was discontinued in the 1970's and most of the right-of-way was subsequently sold off to private parties. The Property, however, was never sold. It has been deemed surplus by LIRR, and was offered for sale via a request for proposals ("RFP") issued in 2012.

After the RFP was released, the owner of an adjoining property, which has an encroaching use on the Property, commenced an action against MTA seeking title to the Property by adverse possession, and filed a notice of pendency on the Property (the "Action"). MTA filed a motion to dismiss the action, pending determination of which the two proposals received in response to the RFP (\$900,000 from Steven Hon, another adjacent owner, and \$250,000 from James Ruggiero, a third adjacent owner) were held in abeyance.

Subsequent to the RFP's deadline, the court denied MTA's motion to dismiss. In an effort to avoid the risks and costs of continuing the legal action, the RFP was modified to condition the sale of the Property on the successful purchaser stepping into MTA's position regarding the Action, which would require the purchaser to assume and defend the Action and indemnify MTA from any and all costs, claims, losses liabilities and expenses arising from the Action or any other action or proceeding relating to title to the Property.

In response to this modification, Steven Hon withdrew his proposal, stating that he was interested only in acquiring title to the Property free and clear of any encumbrances, including the Action. James Ruggiero, however, offered to purchase the Property, subject to the Action, for \$310,000, which equals estimated fair market value for LIRR's interest taking into account the risks to title presented by the pending Action.

# Staff Summary

## FINANCE COMMITTEE MEETING

### Disposition of LIRR Excess Property (Cont'd.)

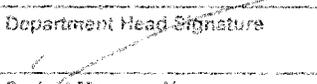
Page 2 of 2



Metropolitan Transportation Authority

Based on the foregoing and an assessment of potential litigation prospects and costs, MTA Real Estate and MTA Legal jointly recommend entering into a contract to sell the Property to James Ruggiero 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>ROBERT GOLOBERG</b>

Date <b>JANUARY 27, 2014</b>
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	01/27/14	X		
2	Board	01/27/14	X		

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

AGENCY: MTA Long Island Rail Road ("LIRR")  
 LESSEE: Merrick Newsstand Inc  
 LOCATION: Merrick Station, Merrick, New York  
 ACTIVITY: Newsstand  
 ACTION REQUESTED: Approval of Terms  
 TERM: 10 Years  
 SPACE: Approximately 60 square feet  
 COMPENSATION: Base Rent as follows:

Year	Annual	Monthly	Annual Increase	Per sq. ft.
1	\$21,000.00	\$1,750.00		\$350.00
2	\$21,630.00	\$1,802.50	3%	\$360.50
3	\$22,278.00	\$1,856.50	3%	\$371.30
4	\$22,947.00	\$1,912.25	3%	\$382.45
5	\$23,635.00	\$1,969.58	3%	\$393.92
6	\$24,345.00	\$2,028.75	3%	\$405.75
7	\$25,075.00	\$2,089.58	3%	\$417.92
8	\$25,827.00	\$2,152.25	3%	\$430.45
9	\$26,602.00	\$2,216.83	3%	\$443.37
10	\$27,400.00	\$2,283.33	3%	\$456.67

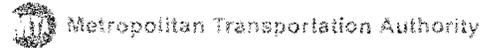
SECURITY: Three months minimum rent plus guaranty of Shahid Haroon (limited to six month's rent after vacating of premises)

COMMENTS:

MTA RED recently issued a request for proposals for the Merrick Station newsstand, and received two proposals. Merrick Newsstand Inc., whose principal is Shahid Haroon, submitted a proposal with an NPV of \$151,308.73, calculated at a 8% discount rate, for a ten year term. Mr. Haroon proposes significant improvements to the newsstand, at an estimated cost

## Staff Summary

### FINANCE COMMITTEE MEETING Merrick Newsstand Inc. (Cont'd.)

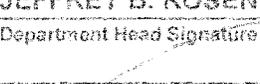


Page 2 of 2

of \$55,000. The other proposal was submitted by Newsstation, Inc., which offered only \$10,235.86 on a present value basis, again calculated at 9% for the ten year term. The rent offered by Mr. Haroon approximates the fair market value of the property as estimated by MTA RED's independent consultant. Mr. Haroon is the successful licensee and operator of the LIRR's Rockville Centre Station newsstand and its Great Neck Station newsstand and has the resources to complete the required improvements.

Based on the foregoing, MTA RED requests authorization to enter into a lease agreement with Shahid Haroon based on the terms described above.

# 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>January 27, 2014</b>
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	01/27/14	X		
2	Board	01/29/14	X		

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

AGENCY/TENANT: New York City Transit Museum (Museum") & New York City Transit ("NYCT")

LANDLORD: 1-10 Industry Associates L.L.C. (an affiliate of Jamestown Properties Corp.)

LOCATION: Bush Terminal a.k.a. Industry City – 882 Third Avenue, Brooklyn, NY (the "Building").

ACTIVITY: New lease for warehouse and archival storage space to be used by the Museum and NYCT's Capital Project Management Group ("CPM").

ACTION REQUESTED: Approval of terms.

LEASED PREMISES: Approximately 27,433 rentable square feet ("RSF") comprising a portion of the fourth floor of the Building, to be allocated as follows:

<u>User</u>	<u>RSF</u>	<u>USF</u>
-Museum	20,355	16,378
- <u>NYCT CPM</u>	<u>7,078</u>	<u>5,696</u>
TOTAL	27,433	22,074

LANDLORD WORK: Landlord to provide at its own cost a turnkey installation, encompassing required "tenant improvements" as well as improvements to base building, based on final construction and engineering drawings that are to be prepared by Landlord at Landlord's cost and consistent with preliminary plans and specifications heretofore provided to Landlord by NYCT.

Landlord will contribute \$20.00 per rentable square foot towards the cost of such installation.

POSSESSION/RENT COMMENCEMENT: Possession upon substantial completion of Landlord's Work. Rent commencement 90 days following Possession.

INITIAL TERM: 10 years from Possession.

RENEWAL TERM: One 5-year extension at Tenant's option.

# Staff Summary

FINANCE COMMITTEE MEETING  
Liberty View (Cont'd.)

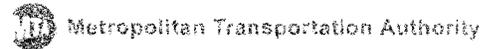
ANNUAL BASE RENT:	<p><u>Initial Term</u> Years 1-5 Years 6-10</p> <p><u>Renewal Terms</u> Years 11-15</p>	<table border="0"> <tr> <td style="text-align: right;"><u>Annual Rent</u></td> <td style="text-align: right;"><u>Rent per sq. ft.</u></td> </tr> <tr> <td style="text-align: right;">\$521,227.00</td> <td style="text-align: right;">\$19.00</td> </tr> <tr> <td style="text-align: right;">\$603,526.00</td> <td style="text-align: right;">\$22.00</td> </tr> </table> <p>95% of fair market value taking into account tax and operating expense escalations and all other relevant factors.</p>	<u>Annual Rent</u>	<u>Rent per sq. ft.</u>	\$521,227.00	\$19.00	\$603,526.00	\$22.00
<u>Annual Rent</u>	<u>Rent per sq. ft.</u>							
\$521,227.00	\$19.00							
\$603,526.00	\$22.00							
REAL PROPERTY TAX ESCALATION:	<p>Tenant to pay its proportionate share of increases in taxes over the base fiscal year 2014/15. However, no such escalation amount will accrue or be payable until the first anniversary of Possession.</p>							
OPERATING EXPENSE ESCALATION:	<p>Tenant to pay its proportionate share of increases in base building operating expenses over a calendar 2014 base year. However, no such escalation amount will accrue or be payable until the first anniversary of Possession.</p>							
UTILITIES:	<p>Tenant will be responsible for the cost of the electricity it uses in the Leased Premises as measured by submeter with a 3% mark-up at Con Edison's SC 9 Rate 1.</p>							
PARKING	<p>Tenant will receive four complimentary parking spaces in the Building's parking lot.</p>							
SERVICES:	<p>Heating (during normal business hours), building security and automatic freight elevator services (during normal business hours) will be provided by Landlord at no extra cost. At Tenant's option, Landlord will provide cleaning services at Tenant's expense (based on Landlord's actual cost without mark-up).</p>							
MAINTENANCE & REPAIR:	<p>At its sole cost and expense, Landlord will be responsible for maintenance and repair of building common areas, common building systems and structural components.</p> <p>Tenant will be responsible for maintenance and repair of air-conditioning equipment, rooftop equipment and emergency power generating equipment installed at Tenant's behest, and for non-structural repairs within the Leased Premises. Landlord will provide any maintenance, repairs or alterations that tenant requests at Landlord's actual cost and Tenant's expense without offset.</p>							
SECURITY DEPOSIT:	<p>None</p>							

COMMENTS:

As previously reported to and discussed with the Finance Committee (and for the reasons set forth at length in a written report presented to the Finance Committee at its April 2011 meeting, as updated by a progress report presented to the Finance Committee at its March 2013 meeting), MTA Real Estate, with the assistance of Cushman & Wakefield ("C&W"), TPG Architecture ("TPG") and various other departments of the MTA and its operating agencies, has devised, and been working to refine and implement, a plan to relocate Metro-North, MTA Police Department and MTA headquarters personnel and equipment from the MTA's properties at 341-347 Madison Avenue (the "Madison Avenue Properties"), and then dispose of the Madison Avenue Properties for redevelopment. Such redevelopment will avoid the costs of remedying years of deferred maintenance while unlocking the asset value of the underlying development site. MTA management has targeted the end of 2014 for the delivery of vacant possession of the Madison Avenue Properties to a developer.

## Staff Summary

FINANCE COMMITTEE MEETING  
Liberty View (Cont'd.)



Page 3 of 4

The plan envisions that MTA headquarters personnel will be relocated to the MTA's office building at 2 Broadway, following a re-stacking and densification of that building. However, to accomplish such re-stacking it will first be necessary to relocate the Museum's archival storage space, which is currently located on the 20th floor at 2 Broadway.

With C&W's help, the Museum and MTA Real Estate developed an initial space program (which set forth various adjacency, security and environmental requirements with respect to the various elements of the Museum's collection) and then considered a variety of potential solutions, including leasing space in a specialized fine art storage facility and adapting existing warehouse facilities within the MTA portfolio. However, it became evident that the cost of maintaining the collection in available commercial fine art storage facilities would be prohibitive and that, due to the specific environmental requirements for archival storage, there was nothing suitable within the MTA portfolio. Accordingly, it was determined that renting and upgrading new space in a suitably secure conventional warehouse facility would be the most cost-effective solution. Given the Museum's need to locate its archives within reasonably close proximity to the Museum's exhibition facility and additional storage facilities in downtown Brooklyn, and the need for good access to public transportation to facilitate employee and visitor access to the facility, it was determined that a location in Brooklyn would be most suitable, although Long Island City would also be considered.

Following a comprehensive survey by C&W of available space, encompassing in excess of 40 properties in Brooklyn and Long Island City, three suitable buildings were identified in Sunset Park -- the Building, 850 Third Avenue and 630 Flushing Avenue. A detailed request for proposals was sent out to the owners of all three buildings, to which only the Building responded. Subsequently, however the MTA's requirement increased due to the impact of Superstorm Sandy on other MTA facilities, whereupon MTA Real Estate issued an amended request for proposals to which only the owner of 850 Third Avenue responded. On the strength of such response, in July, 2013 the MTA Board approved a proposal to lease space in 850 Third Avenue, Brooklyn. Unfortunately, the owners of 850 Third Ave. proved unable to perform, so that MTA Real Estate was obligated to re-open its search for suitable space. Upon re-canvassing by C&W, it was determined that the Building is being repositioned under new, well capitalized ownership and that suitable space is now available in the Building on the foregoing terms, which reflect the current fair market value of the Leased Premises.

The rent payable under the lease will be apportioned among the Museum and CPM for MTA's internal accounting purposes based on their respective fit-out requirements and not just the amount of space they occupy. The Landlord has agreed to provide a turnkey installation; the first \$20 per rentable square foot of the cost (exclusive of Base Building Work) will be borne by Landlord and the balance will be Tenant's responsibility. Landlord has provided Tenant with a gross maximum price of \$2,424,870 for the alterations and improvements, based on preliminary plans and specifications provided by Tenant that will be incorporated into the lease agreement. When the final construction plans and specifications for Landlord's Work have been completed, Landlord's Work will be competitively bid out on an open-book basis under the supervision of the MTA. If the final out-of-pocket cost to Landlord of Landlord's Work (exclusive of Landlord's Base Building Work) is less than such maximum cost, then Tenant will be entitled to 80% of such savings.

Based on the foregoing, MTA Real Estate requests authorization to enter into a lease with 1-10 Industry Associates L.L.C on the above-described terms and conditions.

## **SERVICE CHANGES: IMPLEMENT B37, MODIFY B70 AND B8**

### **Service Issue**

As part of the 2013 Service Investments, the B37, which was discontinued during the 2010 service cuts, is proposed to be established along 3<sup>rd</sup> Avenue between Bay Ridge and Atlantic Avenue-Barclays Center Station. Additionally, the B70 is proposed to be rerouted between 92<sup>nd</sup> Street / 7<sup>th</sup> Avenue and Bay Ridge Avenue / 8<sup>th</sup> Avenue, and the B8 is proposed to operate between the Brooklyn Veterans Administration Hospital and the Bay Ridge-95 St **R** station at all times. Currently, the B8 terminates at the Brooklyn Veterans Administration Hospital except during late night hours when it continues to Bay Ridge. The new service was the subject of a public hearing on November 14, 2013.

The implementation of the B37 responds to growing commercial areas in Boerum Hill, Gowanus, Sunset Park, and Bay Ridge and ongoing requests from residents and elected officials to return local bus service to 3<sup>rd</sup> Avenue.

In response to concerns expressed at the public hearing about the B37 not going to its former terminal at Court Street and Livingston Street, to facilitate easy transfers with the new B37 and to provide more areas with direct service to Downtown Brooklyn, MTA Bus will add three new stops to the B103 limited-stop service on 3<sup>rd</sup> Avenue and 4<sup>th</sup> Avenue in Gowanus and Boerum Hill.

### **Recommendation**

Implement the B37 between Bay Ridge and Atlantic Avenue-Barclays Center Station and modify the B70 and B8. Install three new stops on the B103 in Gowanus and Boerum Hill.

### **Budget Impact**

The net operational cost associated with this service is \$2.06 million annually. Funding for the service was included in the 2013 Service Investments Package, approved by the MTA Board in July 2013.

### **Proposed Implementation Date**

June 2014.

# Staff Summary

Subject	Implement B37, Modify B70 and B8
Department	Operations Planning
Department Head Name	Peter G. Cafiero
Department Head Signature	
Project Manager Name	Sarah Wyss

Date	January 6, 2014
Vendor Name	N/A
Contract Number	N/A
Contract Manager Name	N/A
Table of Contents Ref #	N/A

Board Action					
Order	To	Date	Approval	Info	Other
1	President		X		
2	Board		X		

Internal Approvals			
Order	Approval	Order	Approval
8	President	X 4	VP General Counsel
7	Executive VP	3	Director OMB
X 6	SVP Buses	2	VP GCRA
X 5	VP Corp. Comm.	1	Chief OP

**Purpose**

To obtain Presidential and MTA Board approval to implement the B37 and modify the B70 and B8 to serve the Boerum Hill, Gowanus, Sunset Park and Bay Ridge neighborhoods, Barclays Center and Fort Hamilton.

**Discussion**

As part of the 2013 Service Investments, the B37, which was discontinued during the 2010 service cuts, is proposed to be established along 3<sup>rd</sup> Avenue between Bay Ridge and Atlantic Avenue-Barclays Center Station. Additionally, the B70 is proposed to be rerouted between 92<sup>nd</sup> Street / 7<sup>th</sup> Avenue and Bay Ridge Avenue / 8<sup>th</sup> Avenue, and the B8 is proposed to operate between the Brooklyn Veterans Administration Hospital and the Bay Ridge-95 St **R** station at all times.

The new service was the subject of a public hearing on November 14, 2013. There were extensive written and oral comments on the B37, nearly all reflecting a common theme: Support for the return of the B37, but opposition to terminating the service at Atlantic Avenue-Barclays Center Station instead of its pre-2010 terminus at Court Street in Downtown Brooklyn. The location of the terminus was influenced by the heavy traffic congestion in Downtown Brooklyn in addition to the more than a dozen bus routes already serving the area. On the pre-2010 B37 route, reliability was greatly reduced by downtown congestion, discouraging ridership on the rest of the route.

In response to these concerns, MTA Bus Company has proposed adding three new stops to the B103 limited-stop service on 3<sup>rd</sup> Avenue (northbound) and 4<sup>th</sup> Avenue (southbound) to facilitate easy transfers with the B37 for customers accessing Downtown Brooklyn and direct service to Downtown Brooklyn for many customers in Gowanus and Boerum Hill. New bus stops are proposed along the B103 route in the vicinity of 9<sup>th</sup> Street, 3<sup>rd</sup> Street, and Warren Street, to be added in April 2014 (please see Figure 2).

The B37 is proposed to have a southern terminal at Shore Road and 4<sup>th</sup> Avenue and travel via Shore Road, 3<sup>rd</sup> Avenue, Atlantic Avenue, and 4<sup>th</sup> Avenue to Atlantic Avenue Barclays Center. Traveling southbound the B37 is proposed to use 4<sup>th</sup> Avenue, Bergen Street, 3<sup>rd</sup> Avenue, and Marine Avenue.

The B70 is proposed be rerouted between 92<sup>nd</sup> Street / 7<sup>th</sup> Avenue and Bay Ridge Avenue / 8<sup>th</sup> Avenue. The southbound B70 would use 70<sup>th</sup> Street, Ovington Avenue, 7<sup>th</sup> Avenue, Fort Hamilton Parkway, and 92<sup>nd</sup> Street. The northbound B70 would use Fort Hamilton Parkway, 7<sup>th</sup> Avenue, and North Service Roadway. The route will be unchanged north of 70<sup>th</sup> Street.

The B8 is proposed to run between the Brooklyn Veterans Administration Hospital and the Bay Ridge-95 St **R** station at all times. Currently it only operates between the Brooklyn Veterans Administration Hospital and the Bay Ridge-95 St **R** station between 12:00 a.m. and 5:30 a.m. From the Brooklyn Veterans Administration Hospital it would operate on Poly Place, 7<sup>th</sup> Avenue, 92<sup>nd</sup> Street, and 4<sup>th</sup> Avenue, to stand on 4<sup>th</sup> Avenue between 94<sup>th</sup> Street and 95<sup>th</sup> Street.

These service changes are proposed to go into effect on June 29, 2014. The B37 is proposed to operate every 20 minutes on weekdays and every 30 minutes on weekends between 5:00 a.m. and 12:00 a.m. There would be no change to the frequency or span of the B70. The B8 would begin operating between the Brooklyn Veterans Administration Hospital and the Bay Ridge-95 St **R** station at all times, with no other changes to the frequency or span.

A service equity analysis, conducted in accordance with Title VI of the Civil Rights Act of 1964 and related Federal Transit Administration guidance materials, found that the B37 service and B70 and B8 service changes would not result in a disproportionate impact on either minority or below-poverty populations.

## **Recommendation**

Implement the B37 between Bay Ridge and Atlantic Avenue-Barclays Center Station and modify the B70 and B8. Install three new stops on the B103 in Gowanus and Boerum Hill.

## **Alternatives to the Proposed Service Change**

1. *Do not restore the B37.* Does not address the requests of the community for more service or new demand in growing commercial areas in Boerum Hill, Gowanus, Sunset Park, and Bay Ridge.
2. *Restore the B37 to Downtown Brooklyn.* Adds \$500,000 to annual operating cost and contributes to existing congestion problems in Downtown Brooklyn, negatively affecting reliability of the B37 and other buses that serve downtown.

## **Budget Impact**

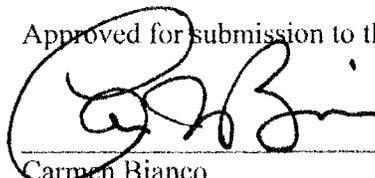
The net operational cost associated with this service is \$2.06 million annually.

# Staff Summary

Proposed Implementation Date

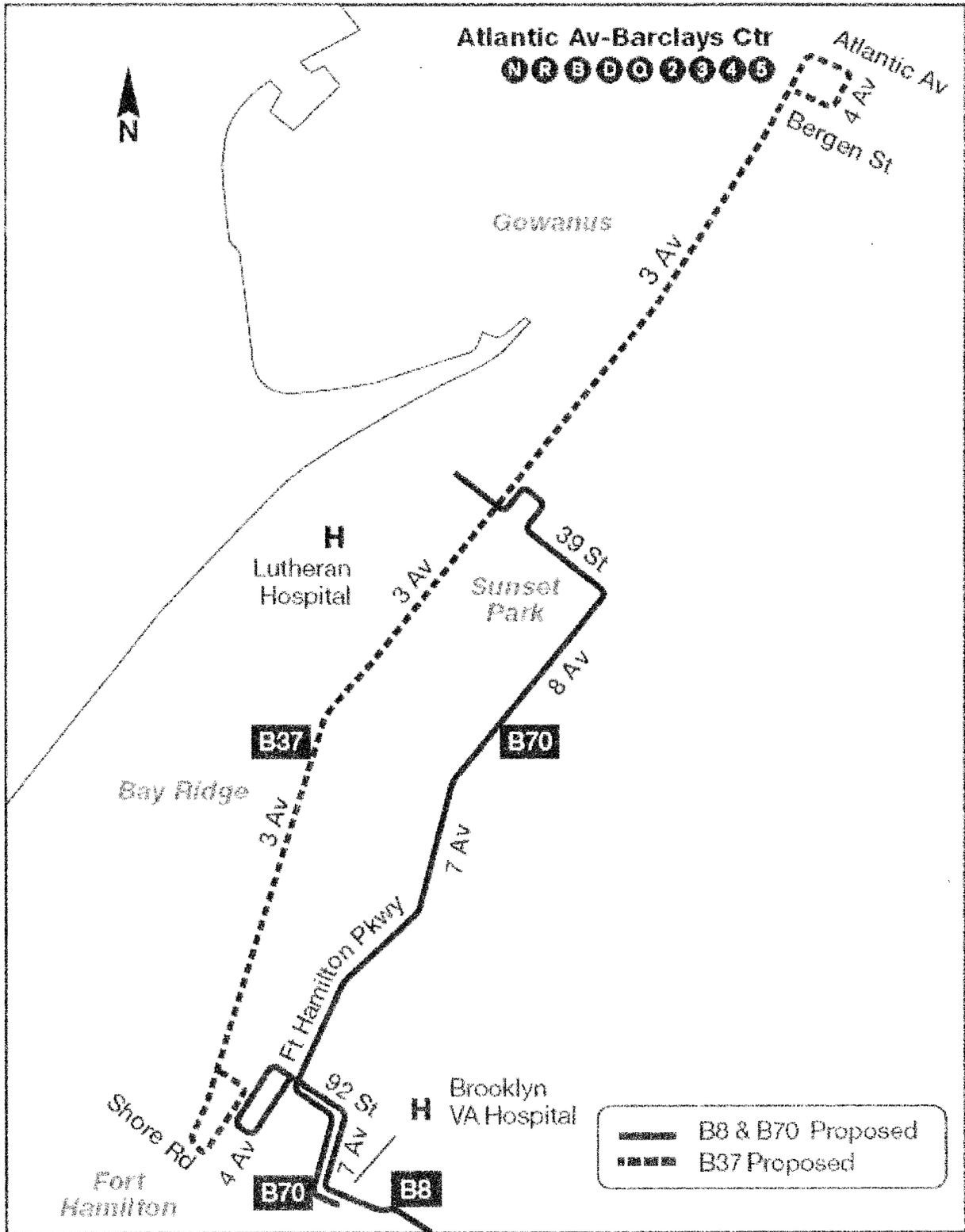
June 2014.

Approved for submission to the Board:

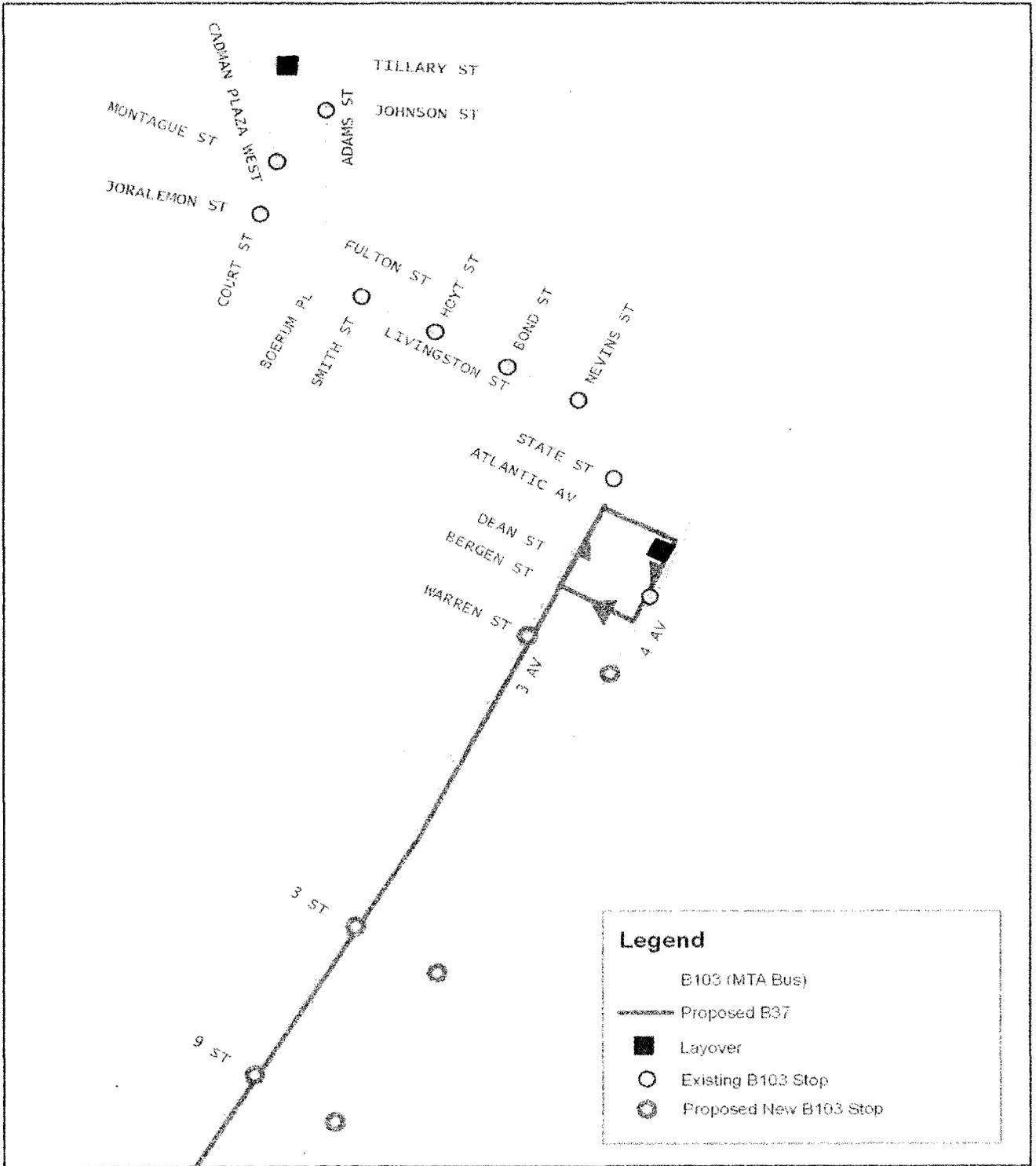


Carmen Bianco  
President

**Figure 1 – B37, B70 and B8 Service Changes**



**Figure 2 – B37 and B103**



## BOARD RESOLUTION

WHEREAS, in a Staff Summary dated January 6, 2014, the Chief of Operations Planning has recommended the following action as a part of the 2013 Service Investments:

- Implement the B37 and modify the B70 and B8 to serve the Boerum Hill, Gowanus, Sunset Park and Bay Ridge neighborhoods, Barclays Center and Fort Hamilton. In response to concerns raised at the public hearing about the B37 not going to Court Street and Livingston Street in Downtown Brooklyn, three new stops will be installed on the B103 in Gowanus and Boerum Hill.

WHEREAS, a public hearing was held on the proposed change on November 14, 2013 and a summary of public comment and NYC Transit staff response accompanied the Staff Summary; and

WHEREAS, upon a review of the Staff Summary and the documents referenced in or attached to it, the Board has determined that the proposed changes are funded as part of the 2013 Service Investments;

WHEREAS, the Board has considered the analysis of this major service change prepared in accordance with Title VI requirements, and has considered the impacts of this proposed change upon riders of mass transportation services, including minority and low-income users of such services;

NOW, THEREFORE IT IS RESOLVED that the Board approves the service changes described in said Staff Summary and attachments; and authorizes the President or his designee to implement such changes at such time as deemed practicable.

## Public Comments on the B37, B70 and B8 Service Changes

### Summary of Public Comments and Staff Responses

As part of the 2013 Service Investments, B37 service will be implemented along 3<sup>rd</sup> Avenue between Bay Ridge and Atlantic Avenue-Barclays Center Station on June 29, 2014. Additionally, the B70 will be rerouted between 92<sup>nd</sup> Street / 7<sup>th</sup> Avenue and Bay Ridge Avenue / 8<sup>th</sup> Avenue, and the B8 will operate between the Brooklyn Veterans Administration Hospital and the Bay Ridge 95 St  station at all times.

The new service was the subject of a public hearing on November 14, 2013 at 2 Broadway. Community members were invited to submit oral and written comments on the proposed plan.

This document summarizes oral comments received at the November 14, 2013 public hearing and written comments submitted to the MTA. For the purposes of the Staff Summary, the only comments listed below are those directly related to the B37, B70, and B8 proposals. Comments are paraphrased for clarity. Following each comment is the New York City Transit staff response where necessary.

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**Comment:** Numerous commenters expressed general support for restoring the B37 and operating the B8 to Bay Ridge at all times.

**Comment:** The B37 should continue to Court Street as it did pre-2010 instead of terminating at Barclays Center.

**Response:** Downtown Brooklyn is a congested area already served by more than a dozen bus routes. Traveling to Borough Hall greatly reduced the reliability of the B37, discouraging ridership on the rest of the route. Additionally, extending the route to downtown Brooklyn would add an estimated \$500,000 to the annual operating cost of the route. In response to these concerns, MTA Bus Company has proposed adding three new stops to the B103 limited-stop service on 3<sup>rd</sup> Avenue and 4<sup>th</sup> Avenue to facilitate easy transfers with the B37 for customers accessing downtown Brooklyn and direct service to downtown Brooklyn for many customers in Gowanus and Boerum Hill. New bus stops are proposed along the B103 route at 9<sup>th</sup> Street, 3<sup>rd</sup> Street, and Warren Street, to be added in April 2014. B103 stops on 3<sup>rd</sup> Avenue will be shared with the B37. Additionally, the B37 will share a southbound bus stop with the B103 on 4<sup>th</sup> Avenue at Dean Street. This will ensure that customers who do need to transfer from the B37 to the B103 to access downtown Brooklyn can do at the same bus stop.

**Comment:** The B37 should have longer hours, preferably 24 hours a day.

**Response:** Limited funding was available for this route, and overnight ridership was not

## Public Comments on the B37, B70 and B8 Service Changes

Page 2 of 3

January 6, 2014

expected to be high enough to justify service. The service will be monitored and adjustments will be made as appropriate.

**Comment:** As an alternative to the pre-2010 route, the B37 could terminate at the Jay Street - MetroTech subway station.

**Response:** In addition to the pre-2010 route to Court Street, other routes into downtown Brooklyn were evaluated, including Jay Street. Jay Street is heavily congested, including five bus routes that currently stop near the subway station. Utilizing Jay Street was determined to be operationally unfeasible.

**Comment:** Transfers from the B37 to a downtown route will be difficult for seniors and the disabled because they have to cross Atlantic Avenue.

**Response:** In response to these concerns, MTA Bus Company has proposed adding three new stops to the B103 limited-stop service on 3<sup>rd</sup> Avenue and 4<sup>th</sup> Avenue to facilitate easy transfers with the B37 for customers accessing downtown Brooklyn and direct service to downtown Brooklyn for many customers in Gowanus and Boerum Hill. New bus stops are proposed along the B103 route at 9<sup>th</sup> Street, 3<sup>rd</sup> Street, and Warren Street, to be added in April 2014. B103 stops on 3<sup>rd</sup> Avenue will be shared with the B37. Additionally, the B37 will share a southbound bus stop with the B103 on 4<sup>th</sup> Avenue at Dean Street. This will ensure that customers who do need to transfer from the B37 to the B103 to access downtown Brooklyn can do so at the same bus stop.

**Comment:** The B70 should not be rerouted away from 8<sup>th</sup> Avenue to Fort Hamilton Parkway.

**Response:** The B70 is not being rerouted away from 8<sup>th</sup> Avenue. It will continue to use 8<sup>th</sup> Avenue between Ovington Avenue and 39<sup>th</sup> Street.

**Comment:** The B37 should run along 4<sup>th</sup> Avenue to Shore Road, originating on 3<sup>rd</sup> Avenue.

**Response:** Due to demand, land use conditions, and the existence of a subway line along 4<sup>th</sup> Avenue, it was determined that restoring the B37 to 3<sup>rd</sup> Avenue would be the best way to serve customers.

**Comment:** The B37 should run every 10 to 15 minutes.

**Response:** Expected ridership and limited funding did not justify more frequent service on the B37. The service will be monitored and adjustments will be made as appropriate.

**Comment:** The B70 should be combined with the B16.

**Response:** The B70 and B16 serve different neighborhoods. Combining them would result in a loss of service for customers in some areas.

**Comment:** The B37 should be restored earlier in 2014, preferably in winter.

**Response:** The logistics of the planning and implementation process require a significant lead time for new service. June 2014 was determined to be the most realistic time frame for implementing service.

**Public Comments on the B37, B70 and B8 Service Changes**

Page 3 of 3

January 6, 2014

**Comment:** The B8 should run every 10 minutes instead of 20.

**Response:** Ridership levels and limited funding do not justify an increase in frequency on the B8 at this time. The service will be monitored and adjustments will be made as appropriate.

# Report

## PROCUREMENTS

The Procurement Agenda this month includes 10 actions for a proposed expenditure of \$29.6M.

<b>Subject</b> Request for Authorization to Award Various Procurements					
<b>Department</b> Materiel Division – NYCT					
<b>Department Head Name</b> Stephen M. Plochochi					
<b>Department Head Signature</b>					
<b>Project Manager Name</b> Rose Davis					
<b>Board Action</b>					
<b>Order</b>	<b>To</b>	<b>Date</b>	<b>Approval</b>	<b>Info</b>	<b>Other</b>
1	Committee	1/27/14			
2	Board	1/29/14			

January 15, 2014				
<b>Department</b>				
<b>Department Head Name</b>				
<b>Department Head Signature</b>				
<b>Table of Contents Ref #</b>				
<b>Internal Approvals</b>				
	<b>Approval</b>		<b>Approval</b>	
	President NYCT		President MTACC	
	Executive VP		President MTA Bus	
X	Capital Prog. Management	X	Subways	
	Law	X	Diversity/Civil Rights	

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

**PURPOSE:**

To obtain approval of the Board to award various contracts and purchase orders, and to inform the NYC Transit Committee of these procurement actions.

**DISCUSSION:**

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

Schedules Requiring Majority Vote

Schedule H: Modifications to Personal/Miscellaneous Service Contracts	1	\$	22.3 M
• Cubic Transportation Systems	\$ 22.3 M		
SUBTOTAL			
	1	\$	22.3 M

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

MTA Bus Company proposes to award Non-Competitive procurements in the following categories: NONE

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

<u>Procurements Requiring Two-Thirds Vote:</u>	<u># of Actions</u>	<u>\$ Amount</u>
Schedule B: Competitive Requests for Proposals (Solicitation of Purchase and Public Work Contracts)	1	\$ TBD M
<u>Schedules Requiring Majority Vote</u>		
Schedule G: Miscellaneous Service Contracts	2	\$ 3.3 M
Schedule L: Budget Adjustments to Estimated Quantity Contracts	1	\$ 3.0 M
SUBTOTAL	4	\$ 6.3 M

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

**MTA Bus Company proposes to award Competitive procurements in the following categories: NONE**

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

<u>Schedules Requiring Two-Thirds Vote:</u>		
Schedule D: Ratification of Completed Procurement Actions	4	\$ 1.0 M
SUBTOTAL	4	\$ 1.0 M
TOTAL	9	\$ 29.6 M

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

**MTA Bus Company proposes to award Ratifications in the following categories: NONE**

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

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

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

## **BOARD RESOLUTION**

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

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

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

NOW, the Board resolves as follows:

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

JANUARY 2014

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

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

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

- I. Cubic Transportation Systems**                      **\$22,300,000 (Est.)**                      Staff Summary Attached  
**Contract# A-33778/05F9210.7**

Modification to the contract for software and maintenance support of the Automated Fare Collection System, in order to extend the term of the contract.

**JANUARY 2014**

**LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL**

**Procurements Requiring Two-Thirds Vote:**

**B. Competitive Requests for Proposals (Solicitation of Purchase and Public Work Contracts)**

(Staff Summaries required for items estimated to be greater than \$1M.)

- |  |                              |                                      |
|--|------------------------------|--------------------------------------|
| <b>1. Contractor To Be Determined</b>                              | <b>Cost To Be Determined</b> | <b><u>Staff Summary Attached</u></b> |
| <b>Three years, plus 2 one-year options</b>                        |                              |                                      |
| <b>Contract# TBD</b>   |                              |                                      |
| RFP Authorizing Resolution for Pharmacy Benefits Manager Services. |                              |                                      |

**JANUARY 2014**

**LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL**

**Procurements Requiring Majority Vote:**

**G. Miscellaneous Service Contracts**

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

2. **Diamond Reporting, Inc. &** **\$2,430,000 (Est.)**
3. **Jay Deitz & Associates, LTD** **\$899,000 (Est.)**

**Four Bids/Low Bidder – Five-year contract  
RFQ# 43386**

This is to award two competitively-bid all-agency five-year miscellaneous service contracts for stenographic services to Diamond Reporting, Inc. (Diamond) and Jay Dietz & Associates (Dietz) in the estimated amounts of \$2,430,000 and \$899,000, respectively, for a combined total of \$3,329,000. The agencies utilize court stenographic services from outside firms to record and prepare typed transcripts of verbatim testimony, on-call video-taping at qualification hearings, examinations before trial, public and labor hearings and other judicial or quasi-judicial proceedings on an as-needed basis. The participating agencies are NYC Transit, MTA Bus Company (MTABC), Metro-North Railroad (MNR), Long Island Railroad (LIRR), and Bridges and Tunnels (B&T). The contracts for NYC Transit will be centrally managed by Materiel Operations – System Wide Contracts Management (SWCM).

An invitation to bid was advertised with the intent to make two awards and, based on an extensive outreach, two new bidders participated. This resulted in four bids, of which Diamond and Dietz were the lowest and second-lowest bidders, respectively. As the level of activity among specific agencies is difficult to predict and schedule, the demand for stenographic services may exceed one contractor's ability to provide an adequate amount of reporters. Therefore, this solicitation was designed to be awarded to two firms, and will be split approximately 75% to Diamond and 25% to Dietz. The contracts will be utilized on an as-needed basis and agencies will have the option of using either contractor for services.

The price schedule lists firm pricing for years 1-3, with years 4-5 listed separately in order to provide bidders an opportunity to bid price adjustments in the later years of the contract. Following a qualification hearing, Diamond was deemed qualified to perform the required services. Diamond is certified as a WBE by the NYC Department of Small Business Services. Dietz, the incumbent, has provided satisfactory stenographic services for NYC Transit and other agencies since 1999 and was also deemed qualified.

Based on the competitive prices obtained through the bid, the rates of both firms are deemed to be fair and reasonable. A price comparison of the most common item on the current contract indicates that the unit price as bid by Diamond will decrease by 15%. The estimated share of expenditures, by agency, is as follows: NYC Transit for \$1,540,000, MTABC for \$665,000, MNR for \$742,000, LIRR for \$274,000, and B&T for \$108,000.

**JANUARY 2014**

**LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL**

**L. Budget Adjustments to Estimated Quantity Contracts**

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

4.	<b>Henningson, Durham and Richardson, Inc.</b> <b>Contract# CM-1364</b> <b>August 8, 2008 – August 7, 2014</b>	<b>Original Amount:</b> <b>Prior Modifications:</b> <b>Prior Budgetary Increases:</b> <b>Current Amount:</b>  <b>This Request:</b>  <b>% of This Request to Current Amount:</b> <b>% of Mods/Budget Adjustments (including This Request) to Original Amount:</b>	\$ 3,000,000 \$ 0 \$ 3,000,000 \$ 6,000,000  \$ 3,000,000  50% 200%
----	--	--	---

**Discussion:**

This budget adjustment will add additional funding to Indefinite Quantity Consultant contract CM-1364 with Henningson, Durham and Richardson, Inc. (HDR), which was approved by the Board in August 2008 for use by the MTA Bus Company (MTABC). The requested funding increase is \$3 million for continued work on Superstorm Sandy-related design tasks.

The unforeseen and devastating effects of Superstorm Sandy necessitated a series of emergency assessments, designs and repairs to restore service to the NYC Transit system. Additional consultant services were required for the development of projects to: 1) assess and remedy the effects of damage at transit facilities, and 2) design for the repair and/or replacement of equipment and property at various MTA locations. In order for NYC Transit to act quickly in meeting needs, in April 2013 the Board approved a budget adjustment of \$3 million for this contract enabling the consultant to conduct assessments and preliminary designs for recovery and resiliency. These projects include the 148<sup>th</sup> Street and 207<sup>th</sup> Street Yards and the Broad Channel/Rockaway Line.

The requested budget adjustment will be sufficient to cover NYC Transit's task orders under CM-1364 that are logical continuations of design work already being performed by HDR, as well as replenish the budget for MTABC needs. CM-1364 is a non-budgeted contract, and every task order is funded separately through a project budget. Task orders will not be issued until this budget modification is approved. The pricing for this contract was considered fair and reasonable at the time of the original solicitation. For the remaining task orders to be issued under this contract, HDR will reduce certain technical salary rates and its overhead rate, which results in an overall reduction of approximately 3% in billing rates.

JANUARY 2014

LIST OF RATIFICATIONS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

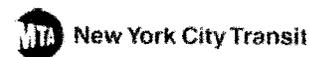
**D. Ratification of Completed Procurement Actions**

(Staff Summaries required for items requiring Board approval.) Note – in the following solicitations, NYC Transit attempted to secure a price reduction. No other substantive negotiations were held except as indicated for individual solicitations.

1. TelSys GmbH	\$84,869 (Est.)	<u>Staff Summary Attached</u>
2. Molinari & Associates, Inc.	\$157,126 (Est.)	↓
3. Parsons	\$211,302 (Est.)	↓
4. Honeywell RFQ# 69135	\$548,696 (Est.)	↓

Purchase contracts utilized for the testing of new technology in order to detect and warn against intrusions on tracks in station areas.

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



Item Number: 1

<b>Vendor Name (&amp; Location)</b> Cubic Transportation Systems, Inc. (New York, NY)	
<b>Description</b> Automatic Fare Collection System	
<b>Contract Term (including Options, if any)</b> Two years	
<b>Option(s) included in Total Amount?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a	
<b>Procurement Type</b> <input 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: Non-comp	
<b>Funding Source</b> <input checked="" type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input checked="" type="checkbox"/> Other: some work may be FTA funded	
<b>Requesting Dept/Div &amp; Dept/Div Head Name:</b> Fare Payment Programs, Michael DeVitto	

<b>Contract Number</b> A-33778/05F9210	<b>AWO/Modification #</b> 7
<b>Original Amount:</b>	\$ 15,000,000
<b>Prior Modifications:</b>	\$ 20,000,000
<b>Prior Budgetary Increases:</b>	\$ 38,000,000
<b>Current Amount:</b>	\$ 73,000,000
<b>This Request:</b>	\$ 22,300,000 (Est.)
<b>% of This Request to Current Amount:</b>	31.0%
<b>% of Modifications (including This Request) to Original Amount:</b>	535.0%

**Discussion:**

This modification seeks Board approval to exercise the two-year option available under Mod. No. 6 to extend a non-competitive miscellaneous service contract with Cubic Transportation Systems, Inc. (Cubic) to continue to provide support for NYC Transit's Automatic Fare Collection (AFC) system from March 1, 2014 through February 29, 2016 in the estimated amount of \$22.3 million. Although the estimated spend for this two-year option is \$29.3 million, the Project Office anticipates a budget surplus of \$7 million, which will be applied to this Mod. No. 7. NYC Transit plans to utilize FTA funding for certain AFC equipment damaged by Superstorm Sandy.

In September 2005, the Board approved the award of AFC contract 3378/05F9210 to Cubic for a five-year term in the estimated amount of \$15 million. It is an Indefinite Quantity task order contract that includes negotiated labor rates. Under the contract, Cubic provides software programming and maintenance support for NYC Transit's MetroCard/AFC System on an as-needed basis. This work can include computer programming and software development; furnishing and delivering AFC equipment; and providing engineering services for updating AFC equipment configurations. Since award of the contract, the Board has approved three budget adjustments totaling \$38 million, as well as a contract extension for three years in the amount of \$20 million (Mod. No. 6). That three-year extension included this two-year option, but did not include funding for the option period. The adjusted contract value is \$73 million.

This two-year option is being exercised in order to accommodate requests for various AFC needs submitted by NYC Transit and its affiliates, including but not limited to: replacement of equipment damaged by Superstorm Sandy, purchase of AFC equipment for the Second Avenue project, the purchase of AFC equipment for the Cortlandt Street Station project, and ongoing state-of-good-repair work. This equipment will include, among other things, electronic turnstiles, MetroCard vending machines, MetroCard readers, and integrated farebox units.

This two-year option will provide the time needed for NYC Transit to determine how much longer the current AFC system will need to be supported before it is decommissioned and replaced by the MTA's New Fare Payment System. A future Board request to modify this contract will incorporate these future support requirements.

MTA-Audit completed an audit of Cubic's labor rates, field overhead rates, administrative costs and profit for the aforementioned three-year extension beginning March 2011, as well as this two-year option. Subsequently, NYC Transit's Technology Contracts Management and Cost/Price Analysis units conducted negotiations with Cubic to achieve additional savings on both the three-year extension and the additional two-year option. As a result of these negotiations, Cubic reduced its annual escalation rate for future contract years from 4% to 3%, reduced its profit from 10% to 8.5%, and eliminated all NY office costs from billing rates. NYC Transit realized significant savings over the extension period based on these concessions, and will continue to do so through the proposed two-year option.

All work will be conducted via task orders issued on an as-needed basis, at which time a scope of work will be developed and Cubic will provide a proposal that includes pricing based on agreed upon labor rates. Every proposal from Cubic is evaluated and analyzed in preparation for negotiations, and a task order is issued only once NYC Transit deems Cubic's proposed cost to be fair and reasonable.

# Staff Summary

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

<b>SUMMARY INFORMATION</b>	
<b>Vendor Name</b> RFP Authorizing Resolution	<b>Contract Number</b> TBD
<b>Description</b> Pharmacy Benefits Manager Services	
<b>Total Estimated Amount</b> Cost To Be Determined	
<b>Contract Term (including Options, if any)</b> Three-years, plus 2 one-year options	
<b>Option(s) included in Total Amount?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Renewal?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
<b>Solicitation Type</b> <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
<b>Funding Source</b> <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

**PURPOSE:**

To request that the Board determine that competitive bidding is impractical or inappropriate and that it is in the public interest to issue a competitive Request for Proposals (RFP), pursuant to subdivision 9(f) of §1209 of the Public Authorities Law, to seek a Pharmacy Benefits Manager(s) (PBM) to administer the prescription drug program for various represented employees, retirees and their dependents.

**DISCUSSION:**

Subdivision 9(f) of §1209 of the Public Authorities Law permits NYC Transit, when it is in the public interest, to use a competitive RFP in lieu of competitive bidding in order to evaluate qualitative factors in addition to cost in making an award. Approval is requested to use such an approach to retain a PBM to administer the prescription drug program.

As part of collective bargaining agreements, the Transport Workers Union (TWU), Amalgamated Transit Union (ATU), MTA Bus Company (MTABC) and certain members of bargaining and other groups are entitled to receive employee benefits. The contract(s) to be awarded will provide prescription drug benefits to approximately 150,000 participants, comprised of employees, retirees and their dependents. As part of collective bargaining, NYC Transit assumed responsibility for administering their employee and retiree benefits program starting with the TWU on July 1, 2003 to reduce administrative costs and increase effectiveness of the benefits program. Since that time, NYC Transit has administered these plans with providers for medical and prescription drugs for the employee and retiree benefits program.

In June 2009, the Board approved the award of a three-year contract with an effective date of September 1, 2009 to Innoviant, Inc. (now known as OptumRx, Inc.), a subsidiary of United Health Group, Inc. to provide PBM services in the estimated amount of \$490 million. The Board has also approved the extension of the contract and the exercising of an option that extended the term through December 31, 2014 and increased the estimated contract amount to \$940 million. Of the total annual expenditure for the prescription drug program, approximately 90% is for the cost of the drugs and the remaining balance is for dispensing prescriptions and fees for administration.

A PBM is a third party administrator of prescription drug programs and is primarily responsible for processing and paying prescription drug claims for the drug plan. A PBM is also responsible for developing and maintaining the formulary (list of prescription medications that a drug plan will pay for), contracting with pharmacies, and negotiating discounts and rebates with drug manufacturers. Due to their larger purchasing pool for prescription drugs, PBMs can negotiate rebates and discounts on behalf of their clients.

PBMs operate using different business and pricing models. Based on a recommendation made by an NYC Transit consultant for health benefits issues, NYC Transit will solicit, evaluate and negotiate a contract based on a traditional pricing model as this offers the most savings and is more prevalent in the market today with claims priced uniformly at fixed discounts and dispensing fees.

By using the RFP process, NYC Transit will have the opportunity to evaluate technical factors such as experience and stability of the proposer in addition to the various proposers' offers on pricing for retail, mail, Employer Group Waiver Plan + Wrap (EGWP) and specialty drugs dispensed, audit provisions, financial guarantees, and overall cost. The proposals will also be evaluated based on criteria such as compliance with NYC Transit requirements and contract terms, maintaining a large network of pharmacies, prior experience and capability, and services offered. In addition, the RFP process will enable NYC Transit to explore different programs that the PBM may have to lower costs, or result in more than one award, based on the various elements of the program.

In an effort to achieve further savings based on the incentives contained in the Affordable Care Act, NYC Transit may also seek a separate PBM to administer the EGWP prescription drug plan for Medicare retirees and their dependents. Although NYC Transit would prefer to make a single PBM award for both the commercial and EGWP plans, it will seek a provider(s) that offers the best service and lowest cost for each plan. As such, multiple awards may be made in order to achieve these objectives.

**IMPACT ON FUNDING:**

Funds are available in NYC Transit's Health and Welfare Budget under Account No. 701741, Responsibility Center No. 7551 and Function No. 991. Approximately 7% of the total cost is attributable to MTABC.

**ALTERNATIVES:**

Issue an Invitation to Bid. Not recommended, given the factors cited above and the negotiating flexibility an RFP affords.

**RECOMMENDATION:**

It is recommended that the Board determine that competitive bidding is impractical or inappropriate and that it is in the public interest to use the competitive RFP process, pursuant to Subdivision 9(f) of §1209 of the Public Authorities Law, to award the contract.





**Metro-North Railroad**

**Procurements  
January 2014**

<b>Subject</b> Request for Authorization to Award Various Procurements						<b>Date</b> January 6, 2014			
<b>Department</b> Procurement and Material Management						<b>Vendor Name</b> Various			
<b>Department Head Name</b> Anthony J. Bombace, Jr.						<b>Contract Number</b> Various			
<b>Department Head Signature</b>						<b>Contract Manager Name</b> Various			
<b>Project Manager Name</b>						<b>Table of Contents Ref #</b>			
<b>Board Action</b>						<b>Internal Approvals</b>			
<b>Order</b>	<b>To</b>	<b>Date</b>	<b>Approval</b>	<b>Info</b>	<b>Other</b>	<b>Approval</b>		<b>Approval</b>	
1	MNR Comm Mtg	1-27-14	x			[Signature]	President	[Signature]	General Counsel
2	MTA Board Mtg	1-29-14	x			x	Sr. VP Operations	[Signature]	Capital Programs
						x	Sr. VP Administration	[Signature]	VP Planning
						x	VP Finance & IT	x	Chief of Staff
<b>Internal Approvals (cont.)</b>									
<b>Order</b>	<b>Approval</b>	<b>Order</b>	<b>Approval</b>	<b>Order</b>	<b>Approval</b>	<b>Order</b>	<b>Approval</b>	<b>Order</b>	<b>Approval</b>
	Press		Government Relations		Labor Relations		Human Resources		Other
			Safety						

**PURPOSE:**

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

**DISCUSSION:**

MNR proposes to award non-competitive procurements in the following categories:

	# of Actions	\$ Amount
<u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u>	NONE	
<u>Schedules Requiring Majority Vote</u>		
Schedule G: Miscellaneous Service Contracts	1	\$97,147
• Zetron, Inc.		\$97,147
Schedule J: Modifications to Miscellaneous Procurement Contracts	1	\$27,682,000
• Kawasaki Railcar Inc. (KRC)		\$27,682,000
<b>SUB TOTAL:</b>	<b>2</b>	<b>\$27,779,147</b>



## METROPOLITAN TRANSPORTATION AUTHORITY

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

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

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

NOW, the Board resolves as follows:

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

JANUARY 2014

METRO-NORTH RAILROAD

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedules Requiring Majority Vote:

**G. Miscellaneous Service Contracts**

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

**1. Zetron, Inc. \$97,147 (not-to-exceed)**

**Install, Test and Commission the Acom Communications System**

Approval is requested for a non-competitive, miscellaneous service contract with Zetron, Inc. to install, test and commission the Acom Communication System for the Metro North Railroad Emergency Control Center (ECC). The FRA mandates working radio communications between the rail dispatcher and all equipment and workers on the rights-of-way. The Acom system provides a computer based console for each rail dispatcher position to interface with all wayside radios, telephone and intercom services in order to communicate with trains and coordinate operations personnel throughout MNR's territory.

The Acom system at the ECC will serve as the fall back/disaster recovery system to the Operations Control Center (OCC) system. Zetron is the Original Equipment Manufacturer (OEM) for MNR's Acom system and the proprietary vendor of the Acom system hardware, database, servers and communications software. Additionally, all consoles, ancillary equipment, microprocessor devices, and software are all proprietary to Zetron, and upgrade services are obtainable only through Zetron.

The installation, testing and commissioning of the Acom Communications System at the ECC will provide MNR with redundancy as the ECC system will be a replica of the system in the OCC. The system will have an automatic cut-over feature in case of an emergency. This Communications system will provide not only a disaster recovery system but will also allow for the OCC system to have down-time if the system were ever to require an upgrade to the hardware or software components.

The total cost of this procurement is not-to-exceed \$97,147 and it includes installation, testing and commissioning of an Acom Communication System for the ECC. In accordance with the MTA-All Agency Procurement Guidelines, a notification of the intended sole source procurement was placed in the New York State Contract Reporter, The Daily Challenge, the New York Post, El Diario, and on the MTA website. After undertaking a thorough analysis, the MTA Department of Diversity and Civil Rights determined not to assign any goals to this contract due to the proprietary nature of the work and the unavailability of NYS-certified M/WBE contractors/subcontractors able to perform the work. All pricing is deemed fair and reasonable. All work shall be completed no later than May 31, 2014. This procurement is to be funded by the MNR Operating Budget.

**J. Modifications to Miscellaneous Procurement Contracts**

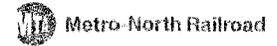
(Approvals/Staff Summaries required for individual change orders greater than \$250K. Approvals without Staff Summaries required for change orders greater than 15% of previously approved amount which are also at least \$50K)

**2. Kawasaki Railcar Inc. (KRC) \$27,682,000**

*Staff Summary Attached*

Approval is requested for miscellaneous, non-competitive procurements and various contract changes with Kawasaki Railcar Inc. (KRC) in the gross amount of \$36,076,000, plus other consideration, with KRC providing i) three new M-8 cars; ii) 12 truck assemblies; iii) repair of four damaged M-8 cars; iv) capital spare parts; and v) Bench Test Equipment to allow for diagnostic testing and maintenance of the entire, 405 car M-8 fleet. A pre-existing credit of \$8.394M will be used to offset a portion of the total cost of \$27.682M.

Schedule J: Modifications to Miscellaneous Procurement Contracts



Item Number: J

Vendor Name (& Location) Kawasaki Railcar Inc. (KRC)	Contract Number 12797	AWO/Modification #
Purchase of additional equipment, materials and services in support of M-8 program (including replacement and repair of railcars damaged in May 17, 2013 derailment)	Orig. Amt.: (210 base cars): \$521,521,500 Contr. Option-170 cars: \$377,894,654 Contr. Change-25 single cars: <u>\$84,625,000</u> \$984,041,154	
Contract Term (including Options, if any)	Prior Options and Changes:	\$ 462,519,654
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Prior Budgetary Increases:	\$ 0
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	Current Amount:	\$ 984,041,154
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	This Request:	\$27,682,000
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input checked="" type="checkbox"/> Other: w/ CDOT	% of This Request to Current Amount:	2.8%
Requesting Dept/Div & Dept/Div/Head Name: Procurement & Material Management, Anthony J. Bombace, Jr.	% of Modifications (including This Request) to Original Amount:	94%

**Kawasaki Railcar Inc. (KRC) \$36.076M (with \$8.394M offset by credits, resulting in net cost of \$27.682M)**

Approval is requested for miscellaneous, non-competitive procurements and various contract changes with Kawasaki Railcar Inc. (KRC) in the gross amount of \$36,076,000, plus other consideration as detailed below, with KRC providing i) three new M-8 cars; ii) 12 truck assemblies; iii) repair of four damaged M-8 cars; iv) capital spare parts; and v) Bench Test Equipment to allow for diagnostic testing and maintenance of the entire, 405 car M-8 fleet. A pre-existing credit of \$8.394M will be used to offset a portion of the total cost.

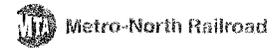
The parties to the M-8 contract ("the Contract") have, since 2012, been working on the technical requirements of various items required for the on-going and long-term maintenance of the M-8 railcars. These include specifying the Bench Test Equipment (BTE) that is required to perform diagnostic testing of critical sub-systems, as well as defining the capital spare part requirements to support the M-8 fleet.

Further to the above discussions related to BTE and spare parts, the May 17, 2013 New Haven line derailment in Bridgeport, CT resulted in additions to the list of materials and services that MNR needs to acquire from KRC, including i) three new M-8 railcars (a 'married pair' and a B car) to replace cars damaged beyond repair; ii) additional truck assemblies so that MNR forces can repair two damaged cars; and iii) the provision of labor and parts by KRC so four additional cars that suffered significant damage also can be repaired and returned to revenue service.

The only cost effective and technically sound method of purchasing the three cars is by utilizing the M-8 Contract. As the original car manufacturer, KRC (along with its major sub-suppliers) is uniquely qualified and positioned to produce these three cars, and the placement of the order at this time is critical to best take advantage of KRC's current production schedule, material availability and availability of their railcar production facility. The price negotiated for the three cars is \$10.95M, or \$3.65M per car. MTA Audit has reviewed and substantiated the related cost data from KRC and its sub-suppliers to confirm the cost of the three cars. MTA Audit has also performed a similar review concerning the agreed upon price for the BTE.

As noted above, there is a pressing need to repair six other M-8 cars damaged in the May 17<sup>th</sup> derailment so they can be returned to revenue service. As such, the agreement with KRC includes the purchase of twelve (12) M-8 Truck Assemblies, four of which will be used by MNR MoE forces to affect repairs on two damaged M-8 cars, with the other eight units serving as spares for projected future maintenance needs.

Schedule J: Modifications to Miscellaneous Procurement Contracts



Last, as noted, KRC will perform repairs on the four additional M-8 cars that were significantly damaged in the derailment. Because it is not possible to estimate the extent and duration of the work required to repair the four cars or to estimate the costs with any degree of certainty in advance of such work, the repairs will be deemed Extra Work under the terms of the Contract, with KRC being compensated on a time and material basis, with the charges subject to post-audit review.

The procurement thus includes five elements -- capital spare parts, BTE, three new cars, 12 truck assemblies and the repair of the four damaged cars, and provides for MNR's use of an existing credit to offset a portion of the total cost. The final price terms for the items to be purchased are as follows:

<u>Item</u>	<u>Agreed Upon Price</u>
Capital Spare Parts Package	\$8.426M
Twelve Spare Trucks	\$5.2M
Bench Test Equipment Package	\$11.5M
3 M-8 cars	\$10.95M
TOTAL	\$36.076M
Less credit to be applied	\$8.394M
Total cash to be paid	\$27.682M

The total net cost of this agreement, once the pre-existing credit is applied, is \$27.682M, excluding the cost to repair the four damaged cars.

Because such New Haven main line costs are allocated between CDOT and MNR, MNR's share of the total cost is \$9.244M and CDOT's share is \$18.437M.

JANUARY 2014

METRO-NORTH RAILROAD

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedules Requiring Majority Vote:

G. Miscellaneous Service Contracts

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

**I. Corys Thunder Inc.**

**\$4,697,023**

Staff Summary Attached

**Upgrade for Locomotive Simulator Systems & Preventative Maintenance & Support**

Approval is requested to award a negotiated six year miscellaneous service contract (RFP process, four proposals received, two firms shortlisted) to Corys Thunder Inc. (Corys) to replace the current analog technology software used for Training Simulation for MNR train engineers with Computer Generated Images (CGI) technology. The new simulator system will utilize CGI technology to re-create and map the existing track layout for all of MNR's territory. It will also re-create various scenarios such as extreme weather, tunnel conditions, high-beam train lighting conditions, and flag and track conditions.

MNR's Training Department currently utilizes the training simulation software to train newly hired engineers and to recertify current engineers as required by FRA regulations. The current software simulates the M-4, M-7 & M-8 fleet of trains and is in need of replacement and expansion. The new and upgraded simulator system software will replace the outdated technology; will expand the system to include all of MNR's territory as well as all of the modes of operations of the current MNR railcar fleet.

In accordance with MNR and MTA procurement guidelines, an advertisement for the required services was placed in the New York State Contract Reporter, the New York Post, El Diario, Daily Challenge, and on the MNR website. MNR received four proposals in response to the RFP from: Corys Thunder Inc., FAAC, Lucille Maud and PS Technology. Both Corys Thunder and FAAC were short-listed to give oral presentations, and after oral presentations, the MNR Selection Committee unanimously selected Corys Thunder Inc. as the best overall firm to perform the work based on their project team's qualifications, superior solutions, capability, and cost. Cory's proposal of \$4,697,023 was the overall lowest price, is 2.5% less than the MNR estimate for the work and is considered fair and reasonable for the level of services anticipated for this project. By selecting Corys (the owner of the proprietary software used in MNR's current simulation system), MNR will be able to reuse the current available image libraries as a plug-and-play item at no additional cost.

After receiving a request for a waiver of goals submitted by the contractor, the MTA Department of Diversity and Civil Rights completed a thorough analysis and determined not to assign any goals to this contract due to the nature of the work and the unavailability of NYS-certified contractors/subcontractors able to perform the work. The procurement is to be funded by the MNR Operating Budget.

2. **CitiStorage, Inc.** **\$3,424,477 (not-to-exceed)** *Staff Summary Attached*  
**All-Agency Records Management**

Approval is requested for a competitively solicited (RFP process, E-Procurement platform used, three proposals received), all-agency miscellaneous service contract for a five year base period with five, one-year renewable options to provide Records Management Services. This contract will be utilized by the following MTA Agencies: Metro-North Railroad (the lead Agency), Long Island Rail Road, Bridges and Tunnels, MTA Bus Co., MTA Headquarters, and New York City Transit. The total not-to-exceed amount of the contract is \$3,424,477, which includes the combined annual storage costs of all Agencies for the five-year base term and associated costs related to the removal and transportation of material boxes from the current vendor, Iron Mountain.

MNR publicly advertised the RFP in the New York State Contract Reporter, New York Post, El Diario and the MNR website on June 19, 2013. Five firms responded: CitiStorage, Iron Mountain, Cornerstone Records Management, GRM Document Management, and Crown Records Management.

A two-step method RFP was administered through the MedPricer E-Procurement Platform. The E-Procurement platform is the MTA Board approved competitive process for soliciting and receiving proposals electronically and competitively negotiating in real-time on-line with the vendors competing for the procurement. Prospective proposers downloaded the RFP documents directly from the internet-based web site, submitted all requests for information and uploaded their technical and cost proposals to the platform. Based on the total weighted average score of both technical and cost components reviewed by the Selection Committee, three firms were selected as finalists (CitiStorage, Iron Mountain, and Cornerstone Records Management) and were requested to submit Best and Final Offers (BAFO) based on key factors (i.e.-unit costs per/box stored, destruction and permanent removal costs as well as the absorption of the transfer fee to relocate existing files from Iron Mountain). This process was used to identify the contractor providing the best overall value. CitiStorage was rated the highest of all three proposers, having overall costs for box storage, destruction and transfer that were approximately 20% lower than the other two proposers. In comparison to the unit prices presently paid for the various services, the MTA Agencies will realize a combined savings of approximately \$467K over the initial five year term of the contract and an estimated \$738K in the event the five annual renewal options are exercised. All unit costs for retrieval, removal and destruction will stay the same for the initial five year contract period and through the period of options if exercised.

After undertaking a thorough analysis, the MTA Department of Diversity and Civil Rights determined not to assign any goals to this contract due to the unavailability of NYS-certified M/WBE contractors/subcontractors able to perform the work. This procurement is to be funded by each participating Agency's Operating Budget.

**J. Modifications to Miscellaneous Procurement Contracts**

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

3. **Sportworks Northwest, Inc.**                      **\$330,911 (not-to-exceed)**                      **Staff Summary Attached**  
**Purchase of Bicycle Racks for M-8 Railcars**

Approval is requested to exercise an option to purchase 110 (100 production units and 10 spares) bicycle racks for installation on 50 Connecticut Department of Transportation (CDOT) owned M-8 railcars at a cost not-to-exceed \$45,500. In addition, MNR is also seeking approval to elect future options available from the original MTA Board approved award in January 2011 to complete the installation of bike racks on the remaining 330 railcars in the M-8 fleet in the total amount not-to-exceed \$285,411. The 25 M-8 single cars will not be equipped with bike racks.

In 2011, Sportworks was awarded a competitively solicited miscellaneous purchase contract to provide prototype bicycle racks to be used in MNR Rail Equipment. The Sportworks' design was field tested on an M-8 railcar which was met with positive feedback by the public and subsequently approved for usage in partnership with MNR and CDOT. Presently, CDOT has authorized the fabrication and delivery of 110 production units and spares for an expanded field test on 50 M-8 railcars (2 racks per car). The total value for this action is \$45,500. Subsequent options for installation on the remaining cars in the M-8 fleet may be elected at a cost not-to-exceed \$285,411. CDOT approval will be required prior to exercising the options.

The total cost of this procurement is not-to-exceed \$330,911 for this action and potential future options. The estimated total cost for the M-8 Railcars shall be shared on 65/35% per the MNR/CDOT Service Agreement. The cost expanded field test for the 110 production units, \$45,500, is to be funded 100% by CDOT. After undertaking a thorough analysis, the MTA Department of Diversity and Civil Rights determined not to assign any goals to this contract due to the nature of the work and the unavailability of either NYS or CT-certified contractors/subcontractors able to perform the work.

# Staff Summary

Item Number <b>G</b>					
Dept & Dept Head Name: Procurement & Material Management, Anthony Lombardi, Jr.					
Division & Division Head Name: Sen. VP - Administration, Raymond Burney					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	M-N Comm Mtg.	1-27-14	X		
2	MTA Board Mtg.	1-29-14	X		
Internal Approvals					
Order	Approval	Order	Approval		
X	President	X	Sr. V.P. Operations		
X	Sr. V.P. Admin.		V.P. Planning		
X	V.P. Finance & IT	X	General Counsel		
	Capital Programs				

SUMMARY INFORMATION	
Vendor Name Corys Thunder	Contract Number 1-31692
Description Upgrade for Locomotive Simulator Systems & Preventative Maint. & Support	
Total Amount \$4,697,023 (not-to-exceed)	
Contract Term (including Options, if any) Six Years	
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 Capital Project # L0882705 Work Order # 60286	
<input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other	

**Narrative**

**I. PURPOSE/RECOMMENDATION:**

Approval is requested to award a negotiated six year miscellaneous service contract (RFP process, four proposals received, two firms shortlisted) to Corys Thunder Inc. (Corys) to replace the current analog technology software used for Training Simulation for MNR train engineers with Computer Generated Images (CGI) technology. The new simulator system will utilize CGI technology to re-create and map the existing track layout for all of MNR's territory. It will also re-create various scenarios such as extreme weather, tunnel conditions, high-beam train lighting conditions, and flag and track conditions.

**II. DISCUSSION:**

MNR's Training Department currently utilizes the training simulation software to train newly hired engineers and to recertify current engineers as required by FRA regulations. The current software simulates the M-4, M-7 & M-8 fleet of trains and is in need of replacement and expansion. The new and upgraded simulator system software will replace the outdated technology; will expand the system to include all of MNR's territory as well as all of the modes of operations of the current MNR railcar fleet.

The scope of work for the new system will include development and implementation of CGI technology re-creating and mapping the existing track layout for all MNR territories including, but not limited to:

- GCT to Poughkeepsie
- GCT to Brewster
- GCT to New Haven, Danbury, Waterbury
- Brewster to Wassaic.
- All the Yards.

# Staff Summary

On September 12, 2013 a Request for Proposal (RFP) was issued to eleven (11) firms. The RFP was advertised in the New York State Contract Reporter, the New York Post, El Diario, Daily Challenge and on the MTA/MNR Website. Of the 11 firms solicited, four proposals were received from: Corys, FAAC, Lucille Maud, and PS Technology. PS Technology's proposal was deemed nonresponsive as they did not include the contract terms and conditions with their proposal and requested that their proposal be withdrawn.

A Selection Committee comprised of members representing Metro-North's Training Department and the Procurement and Material Management Department evaluated the proposals. The criteria for selection established in the RFP are as follows:

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

After a technical evaluation of the three responsive proposals, the Selection Committee selected two firms for oral presentation: Corys and FAAC. After oral presentations, the MNR Selection Committee unanimously selected Corys as the best overall firm to perform the work based on their project team's qualifications, superior solutions, capability, and cost. Corys is the incumbent vendor providing maintenance and support to the present simulators and owns the proprietary software rights to the current system. Cory's proposal of \$4,697,023 was the overall lowest price, is 2.5% less than the MNR estimate for the work and is considered fair and reasonable for the level of services anticipated for this project. By selecting Corys (the owner of the proprietary software used in MNR's current simulation system), MNR will be able to reuse the current available image libraries as a plug-and-play item at no additional cost.

The required scope of work will be completed within one year of award and will be followed by maintenance and support for five years. The total duration of this contract will be six years.

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

After receiving a request for a waiver of goals submitted by the contractor, the MTA Department of Diversity and Civil Rights completed a thorough analysis and determined not to assign any goals to this contract due to the nature of the work and the unavailability of NYS-certified contractors/subcontractors able to perform the work.

### IV. IMPACT ON FUNDING:

The total cost of this procurement is not-to-exceed \$4,697,023 and it is to be funded by the MNR Operating Budget.

### V. ALTERNATIVES:

There are no alternatives to this award. MNR does not have the in-house technical expertise to manufacture and develop the operating software for these simulators.

# Staff Summary

Item Number G					
Dept & Dept Head Name: Procurement & Material Management, Anthony J. Blompace, Jr.					
Division & Division Head Name: Sen. VP - Administration, Raymond Burney					
<b>Board Reviews</b>					
Order	To	Date	Approval	Info	Other
1	M-N Comm.Mtg.	1-27-14	X		
2	MTA Board Mtg.	1-29-14	X		
<b>Internal Approvals</b>					
Order	Approval	Order	Approval		
X	President		Sr. V.P. Operations		
X	Sr. V.P. Admin.	X	Sr. V.P. Planning		
X	V.P. Finance & IT	X	General Counsel		
	Capital Programs				

SUMMARY INFORMATION	
Vendor Name CitiStorage, Inc.	Contract Number RFP 9054-A
Description All Agency Records Management	
Total Amount \$3,424,477 (not-to-exceed)	
Contract Term (including Options, if any) Five Year Base Term with Five Annual Renewal Options	
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:**

Approval is requested for a competitively solicited (RFP, E-Procurement platform used, three proposals received), all-agency, miscellaneous service contract for a five-year base period with five, one-year renewable options to provide Records Management Services. This contract will be utilized by the following MTA Agencies: Metro-North Railroad (the lead Agency), Long Island Rail Road, Bridges and Tunnels, MTA Bus Co., MTA Headquarters, and New York City Transit. The total not-to-exceed amount of the contract is \$3,424,477, which includes the combined annual storage costs of all Agencies for the five-year base term and associated costs related to the removal and transportation of material boxes from the current vendor, Iron Mountain.

**II. DISCUSSION:**

The current All-Agency Records Management Contract was awarded in June 2000 to Iron Mountain by MNR as the lead agency with an original expiration date of August 3, 2013. The contract was extended through August 3, 2014, to allow adequate time to solicit this new RFP, site tours, oral presentations and receive Best and Final Offers (BAFO) and complete negotiations from the Proposers. Further, the contract extension also allows adequate time to transfer the Agency's existing files from the current contractor, Iron Mountain to CitiStorage. NYCT presently utilizes the firm, CitiStorage under a separate competitively solicited and awarded contract. The transfer will take approximately one year to complete.

MNR publicly advertised RFP No. 9054-A in the New York State Contract Reporter, New York Post, El Diario and on the MNR website on June 19, 2013. Five firms responded to the RFP: CitiStorage, Iron Mountain, Cornerstone Records Management, GRM Document Management, and Crown Records Management.

A two-step method RFP was administered through the MedPricer E-Procurement Platform. The E-Procurement platform is the MTA Board approved competitive process for soliciting and receiving proposals electronically and competitively negotiating in real-time on-line with the vendors competing for the procurement. Prospective proposers downloaded the RFP documents directly from the internet-based web site, submitted all requests for information and uploaded their technical and cost proposals to the platform.

## Staff Summary

On July 18, 2013, the technical proposals were formally received by MedPricer and the e-files were forwarded to MNR Procurement on July 24<sup>th</sup>. Five firms submitted proposals – CitiStorage, Iron Mountain, Cornerstone Records Management, GRM Document Management, and Crown Records Management. On August 1, 2013, MedPricer opened the Cost Proposals in the presence of the Selection Committee and conducted an electronic Live Negotiation via their E-Procurement Platform. Under this live negotiation, a series of questions were posed by the participating MTA Agencies, to all of the proposers. The live negotiation also provided an opportunity for the firms to submit “real-time” revised pricing. The goal of the live negotiation was to gauge the firms’ understanding of the Work Scope, clarify any information provided in the technical proposal, and eliminate those firms whose proposals were not competitive in the RFP-described technical areas.

As the possibility existed for the substantial transfer of existing boxes (based upon a vendor other than the incumbent being awarded this contract), the pricing requested within the RFP was based on the willingness to absorb 40% of the current vendors’ (Iron Mountain for MNR, LIRR, Bus and B & T, and HQ and CitiStorage for NYCT) permanent removal cost, as well as the standard costs (storage, supply, delivery, handling, retrieval, refile, and reboxing). This “absorption cost” question was posed during the live negotiation and yielded acceptances from Iron Mountain, CitiStorage and Cornerstone. Crown Records Management and GRM Document Management did not respond positively.

Based on the total weighted average score of both technical and cost components reviewed by the Selection Committee, three firms were selected as finalists (CitiStorage, Iron Mountain, and Cornerstone Records Management) and were requested to submit Best and Final Offers (BAFO) based on key factors (i.e.-unit costs per/box stored, destruction and permanent removal costs as well as the absorption of the transfer fee to relocate existing files from Iron Mountain). This process was used to identify the contractor providing the best overall value. CitiStorage was rated the highest of all three proposers, having overall costs for box storage, destruction and transfer that were approximately 20% lower than the other two proposers. In comparison to the unit prices presently paid for the various services, the MTA Agencies will realize a combined savings of approximately \$467K over the initial five year term of the contract and an estimated \$738K in the event the five annual renewal options are exercised. All unit costs for retrieval, removal and destruction will stay the same for the initial five year contract period and through the period of options if exercised.

Therefore, the Selection Committee determined that CitiStorage provides the best value and overall service for the required All-Agency Records Management Services.

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

After undertaking a thorough analysis, the MTA Department of Diversity and Civil Rights determined not to assign any goals to this contract due to the unavailability of NYS-certified M/WBE contractors/subcontractors able to perform the work.

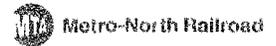
### IV. IMPACT ON FUNDING:

Each Participating Agency will fund their portion of the Contract utilizing their respective Operating Budgets.

### V. ALTERNATIVES:

There are no alternatives for this Contract; MTA does not have the available space nor expertise to provide for Records Management Services.

**Schedule J: Modifications to Miscellaneous Procurement Contracts**



Item Number: J

Vendor Name (& Location) Sportworks Northwest, Inc.		Contract Number 65846	AWO/Modification # 1
Description Purchase of Bicycle Racks for M-8 Railcars		Original Amount:	\$ 85,000
Contract Term (including Options, if any) N/A		Prior Modifications:	\$ 0.00
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Prior Budgetary Increases:	\$ 0.00
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive		Current Amount:	\$ 85,000
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:		This Request:	\$ 330,911 (not-to-exceed)
Funding Source <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input checked="" type="checkbox"/> Other: CDOT		% of This Request to Current Amount:	% 389.3
Requesting Dept/Div & Dept/Div Head Name: Procurement & Material Management, Anthony Lombace, Jr.		% of Modifications (including This Request) to Original Amount:	% 389.3

**Discussion:**

Approval is requested to exercise an option to purchase 110 (100 production units and 10 spares) bicycle racks for installation on 50 Connecticut Department of Transportation (CDOT) owned M-8 railcars at a cost not-to-exceed \$45,500. In addition, MNR is also seeking approval to elect future options available from the original MTA Board approved award in January 2011 to complete the installation of bike racks on the remaining 330 railcars in the M-8 fleet in the total amount not-to-exceed \$285,411. The 25 M-8 single cars will not be equipped with bike racks.

In 2011, Sportworks was awarded a competitively solicited miscellaneous purchase contract to provide prototype bicycle racks to be used in MNR Rail Equipment. The Sportworks' design was field tested on an M-8 railcar which was met with positive feedback by the public and subsequently approved for usage in partnership with MNR and CDOT. Presently, CDOT has authorized the fabrication and delivery of 110 production units and spares for an expanded field test on 50 M-8 railcars (2 racks per car). The total value for this action is \$45,500. Subsequent options for installation on the remaining cars in the M-8 fleet may be elected at a cost not-to-exceed \$285,411. CDOT approval will be required prior to exercising the options.

The total cost of this procurement is not-to-exceed \$330,911 for this action and potential future options. The estimated total cost for the M-8 Railcars shall be shared on 65/35% per the MNR/CDOT Service Agreement. The cost expanded field test for the 110 production units, \$45,500, is to be funded 100% by CDOT. After undertaking a thorough analysis, the MTA Department of Diversity and Civil Rights determined not to assign any goals to this contract due to the nature of the work and the unavailability of either NYS or CT-certified contractors/subcontractors able to perform the work.

JANUARY 2014

METRO-NORTH RAILROAD

LIST OF RATIFICATIONS FOR BOARD APPROVAL

Schedules Requiring Majority Vote:

**K. Ratification of Completed Procurement Actions**

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

**1. Unified Power, USA Inc. \$188,640 (not-to-exceed)**

**Replacement of Two Uninterrupted Power Supply (UPS) Systems**

Ratification is requested of a non-competitive procurement for the replacement of two Uninterrupted Power Supply (UPS) Systems (UPS-1 and UPS-2) that supply emergency backup power. As one of the two UPS systems was not functional, and the other has reached the end of its useful life, the immediate repair and replacement of both units was necessary to ensure that MNR's Operations Control Center (OCC) and its Centralized Traffic Control (CTC) system remains fully operational with adequate emergency backup power systems. Unified Power, the OEM of MNR's current system, has the necessary material in house to support the immediate repair, replacement and installation of the existing UPS system.

The cost to be paid for this emergency procurement is deemed to be fair and reasonable. The total cost is not-to-exceed \$188,640 and it is funded by the MNR Operating Budget.

**LONG ISLAND RAIL ROAD**

**PROCUREMENTS**

**FOR**

**BOARD ACTION**

**January 29, 2014**



Subject Request for Authorization to Award Various Procurements						Date January 29, 2014			
Department Procurement & Logistics									
Department Head Name <i>Dennis L. Mahon</i>									
Dennis L. Mahon, Chief Procurement & Logistics Officer									
Department Head Signature									
Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
1	LI Committee	1/27/14				X	President <i>[Signature]</i>		VP & Chief Financial Officer
2	MTA Board	1/29/14				X	Sr. VP-Administration <i>[Signature]</i>		VP, General Counsel & Secy
							Sr. VP-Operations		
							Executive VP		

**PURPOSE:**

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

**DISCUSSION:**

LIRR proposes to award Non-Competitive Procurements in the following categories:	# of Actions	# of Actions
	NONE	

LIRR proposes to award Competitive Procurements in the following categories:

Schedules Requiring Two-Thirds Vote

Schedule C: Competitive Requests for Proposals (Award of Purchase & Public Wk Contracts)	1	\$ 10,453,300
SUBTOTAL:	1	\$ 10,453,300

LIRR proposes to award Ratifications in the following categories:	NONE
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<b>TOTAL:</b>	<b>1</b>	<b>\$ 10,453,300</b>
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**BUDGET IMPACT:**

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

**RECOMMENDATION:**

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

METROPOLITAN TRANSPORTATION AUTHORITY

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

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

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

NOW, the Board resolves as follows:

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



JANUARY 2014

MTA LONG ISLAND RAIL ROAD

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

*Procurements Requiring Two-Thirds Vote*

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

- |    |   |                     |                               |
|----|---|---------------------|-------------------------------|
| 1. | <b>ABC Construction Contracting</b><br><b>Pinnacle Environmental</b><br><b>Coastal Environmental Group</b><br><b>Competitive</b><br><b>Contract No. TBD</b> | <b>\$10,453,300</b> | <i>Staff Summary Attached</i> |
|----|---|---------------------|-------------------------------|

LIRR requests MTA Board approval to award three blanket contracts to ABC Construction Contracting, Inc., Pinnacle Environmental Corporation, and Coastal Environmental Group for on-call asbestos, lead and biological contaminant abatement and demolition services to be performed on LIRR property. The total amount of all contracts, inclusive of options, is estimated in the not-to-exceed amount of \$10,452,351.00. The scope of work includes the abatement of asbestos, lead and biological matter in LIRR buildings, bridges, structures, manholes, and cables associated with Operating and Capital funded work. Demolition services in direct association with abatement are also included. The LIRR has selected three contractors for this on-call work. The total amount of all contracts, inclusive of options, is estimated in the not-to-exceed amount of \$10,452,351.00.

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

Staff Summary



Item Number: 1					
Dept & Dept Head Name: Procurement & Logistics, Dennis Mahon					
Department Head Signature & Date : <i>CMA Contract for D Mahon 1-14-14</i>					
Division & Division Head Name: Occupational Safety & Training, Lori Ebbighausen					
Division Head Signature & Date <i>[Signature] 1/15/14</i>					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	LI Committee	1.27.14			
2	MTA Board	1.29.14			
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 & Sec'y <i>[Signature]</i>	1	Sr. VP/Administration <i>[Signature]</i>		

SUMMARY INFORMATION	
Vendor Name ABC Construction Contracting, Pinnacle Environmental, and Coastal Environmental Group	Contract Number 6131
Description: On-Call Contractor Abatement Services for Asbestos, Lead, and Biological Contaminants (Includes demolition in direct association with abatement services.)	
Total Amount: \$10,453,300 (\$6,271,980 base 3 year contract plus \$4,181,320 for 2 year option)	
Contract Term (including Options, if any) 5 years (3 year base contract plus 2 year option)	
Options(s) included in Total Amount: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-Competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input checked="" type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

Narrative

**I. PURPOSE/RECOMMENDATION:** LIRR requests MTA Board approval to award three Blanket contracts to ABC Construction Contracting, Inc., Pinnacle Environmental Corporation, and Coastal Environmental Group for on-call asbestos, lead and biological contaminant abatement and demolition services to be performed on LIRR property. This is a procurement of services that are currently covered under a contract that will expire in March 2014.

**II. DISCUSSION:**

The MTA Board previously approved the use of the RFP method for the procurement of this on call abatement and demolition work on March 13, 2013. The scope of work includes the abatement of asbestos, lead and biological matter in LIRR buildings, bridges, structures, manholes, and cables associated with Operating and Capital funded work. Demolition services in direct association with abatement are also included. The LIRR has selected three contractors for this on-call work. The total amount of all contracts, inclusive of options, is estimated in the not-to-exceed amount of \$10,452,351.00.

As abatement work is identified by "Task Order", the contractors will be issued a Request for Task Order Proposals which will include the specification describing the work. Proposals will be submitted utilizing pre-negotiated labor rates and will be evaluated subsequent to a pre-proposal conference and site tour. The contractor submitting the proposal that provides the best overall value to the LIRR considering price, schedule, and other related factors, such as impacts to the LIRR (e.g. flagging), LIRR staff required, and use of abatement consultants, will be awarded a Task Order for the specific work. Having multiple vendors under contract facilitates timely responses, resolution of emergencies, unforeseen situations, adequate supply of resources, and competition.

All contracts will be zero dollar-based blanket contract awards. Contractors will only be issued Task Orders as planned work is identified and authorized under the procedures identified above. None of the contracts commit the LIRR to award

## Staff Summary



any work.

Eight firms purchased the required Contract Documents, and five of those firms submitted proposals on September 16, 2013. Proposals were evaluated against the following criteria: Cost, Past Performance under similar contracts/Experience of firm, Corporate resources/Key personnel, Project Management and Overall responsiveness to RFP.

The Technical Evaluation Committee was comprised of individuals from Corporate Safety and Training, Engineering, and Department of Program Management departments. The TEC evaluated past experience in working on similar assignments as well as experience with all facets of work required beyond general environmental remediation or individual facets of abatement work. The following five firms proposed: Apex Development, Inc, WRS Environmental, Coastal Environmental, ABC Construction Contracting, and Pinnacle Environmental. The proposal from Apex Development, Inc. and WRS were found to be non-responsive to the minimum requirements set forth in the RFP and were eliminated from further evaluation under this procurement. It was determined by the contracting officer that the areas in which they were deficient (experience; technical qualifications), could not be remedied.

The remaining firms, ABC, Coastal Environmental, and Pinnacle met or exceeded the RFP requirements. Each proposed qualified personnel and exceeded the minimum requirements regarding experience with asbestos, lead-based paint, and biological contaminants in a transportation environment.

Labor rate negotiations were completed on November 14, 2013 with the three firms selected, ABC, Pinnacle and Coastal Environmental adjusted their labor rates to be within and not to exceed NYS prevailing wage requirements.

**III. D/M/WBE INFORMATION:** The MTA Department of Diversity and Civil Rights has set goals of 10% and 10% for MBE/WBE participation. Of the three contractors, one, Coastal Environmental Group, is an MBE firm. Both ABC and Pinnacle Environmental provided these same services under our most recent contract which covers the period April 2008 through March 2014. They successfully performed the work under the contract which had no goals established by DDCR. Coastal Environmental has not completed any prior MTA contract therefore, no assessment of the firm's M/WBE performance can be determined at this time.

**IV. ADVERTISING:** On August 8, 2013, LIRR advertised this contract on the MTA website as well as in the New York State Contract Reporter, the New York Post, El Diario, and in the Minority Commerce Weekly.

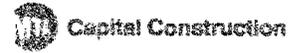
**V. IMPACT ON FUNDING:** Work will be funded on a task order basis as projects arise, using Capital or Operating funds.

**VI. ALTERNATIVES:** An alternative would be to procure each project separately, which would adversely affect operations by not allowing adequate turnaround time for planned, reactive, and emergency work.

**LONG ISLAND COMMITTEE  
BOARD PROCUREMENT PACKAGE**

**January 2014**

# Staff Summary



Subject	Request for Authorization to Award Various Procurements				
Department	Law and Procurement				
Department Head Name	Evan M. Eisland				
Department Head Signature					
Project Manager Name	David K. Cannon				
Board Action					
Order	To	Date	Approval	Info	Other
1	Long Island Committee	1/27/14	X		
2	Board	1/29/14	X		

Date: January 9, 2014			
Vendor Name Various			
Contract Number Various			
Contract Manager Name Various			
Table of Contents Ref #			
Internal Approvals			
	Approval		Approval
	President	3	Chief Financial Officer
	Executive Vice President	2	Vice President, Project Controls
			Chief Procurement Officer

**PURPOSE**

To obtain approval of the Board to award various contracts and to inform the Long Island Committee of these procurement actions.

**DISCUSSION**

MTA Capital Construction proposes to award Competitive Procurements in the following category:

Procurements Requiring Two-Thirds Vote	# of Actions	\$ Amount
Schedule C Competitive Request for Proposals (Award of Purchase or Public Work Contracts)	3	\$865,385,009
<b>TOTAL</b>	<b>3</b>	<b>\$865,385,009</b>

**Responsibility/Responsiveness and Compliance**

MTACC found the contractors in the following Staff Summary Sheets to be in all respects, responsive and responsible, and in compliance with State laws and regulations concerning procurements.

**Budget Impact:**

The approval of the contracts will obligate MTA Capital Construction capital funds in their respective amounts listed. Funds are available in the current capital budget for this purpose.

**Recommendation:**

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

MTA Capital Construction Company  
BOARD RESOLUTION

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

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

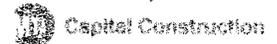
WHEREAS, in accordance with Section 2879 of the Public Authorities Law and the All-Agency Guidelines for Procurement of Services, the Board authorizes the award of certain service contracts and certain change orders to service contracts.

NOW, the Board resolves as follows:

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



Staff Summary



Item Number 1					
Dept & Dept Head Name: East Side Access, A. Paskoff					
Division and Division Head Name:					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	LI Committee	1/27/14	X		
2	Board	1/29/14	X		
Internal Approvals					
Order	Approval	Order	Approval		
3	Chief Financial Officer AD	6	President		
2	VP Project Controls	5	Executive Vice President		
	Chief Procurement Officer		Sr. Vice President & General Counsel		

SUMMARY INFORMATION	
Vendor Name Ansaldo STS USA, Inc.	Contract Number VS086
Description System Package 3 – Tunnel Signal Procurement for the ESA Project	
Total Amount \$20,795,259	
Contract Term 63 Months	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

**I. PURPOSE/RECOMMENDATION:**

Pursuant to Article IV of the MTA All-Agency Procurement Guidelines, MTACC requests Board approval to award Contract VS086, Systems Facilities Package No. 3, Tunnel Signal Procurement for the East Side Access Project, to Ansaldo STS, USA Inc. in the amount of \$20,795,259 and for a period of 63 Months.

**II. DISCUSSION:**

On February 27, 2012, the Board adopted a resolution declaring that competitive bidding was impractical or inappropriate and that, pursuant to Subdivision 4(f) of Section 1265-a of the Public Authorities Law and Article III (A) (6) of the All Agency Procurement Guidelines, it is in the public interest to issue a Competitive Request for Proposal ("RFP"), for Systems Package 3 – Tunnel Signal Procurement Package, for the East Side Access Project.

The scope of work for Contract VS086 covers the final design, manufacture, test and delivery of the GCT Tunnels signal system and associated wayside signaling equipment. The installation of the signal equipment will be performed under a separate future contract. The work under Contract VS086 requires not only specific technical expertise but also a highly skilled labor force. As part of Contract VS086, and in addition to the design, manufacture, test and delivery of the tunnel signal system, the Contractor must (i) be on-site fulltime to support the installation, testing and placing in revenue service of their equipment, (ii) interface with contractors providing other related systems, and (iii) monitor the condition of the equipment and the environment in which the equipment is kept until Final Completion.

Prior to the solicitation for the systems contracts, MTACC conducted an industry outreach to obtain comments on how best to package the systems work. Several major contractors with appropriate experience in similar projects, including some that had not previously performed work for LIRR, were given an information package to review. Meetings were held with the contractors to discuss issues such as packaging, scheduling, and specifications, lead times for the fabrication of equipment and material, coordination between contracts, and industry capacity to handle the work. MTACC's systems packages and the Request for Proposal ("RFP") for this Contract incorporate information gleaned from this outreach effort.

The Request for Proposals was advertised on August 21, 2012. The advertisement was placed in the New York State Contract Reporter, NY Post, Engineering and News Record, Minority Commerce Weekly and the MTA Website. The advertisement was also picked up by an independent source – Axis Track Report (a rail industry web based project reporting and tracking service). A total of five prospective proposers requested the RFP Documents. Proposals were received on January 15, 2013 from two (2) firms: (1) Ansaldo STS USA, Inc. (ASTS) and (2) GE Transportation Systems Global Signal (GETS).

Upon receipt of the proposals, MTACC contacted the other plan-holders to ascertain why they had not submitted a proposal. The responses were either that they did not manufacture or fabricate the required equipment or simply that they had decided against pursuing this procurement opportunity.

## Staff Summary

Item Number 1

The Selection Committee evaluated the two proposals based on the RFP evaluation criteria and requirements, which included but was not limited to the proposer's project organization, project schedule, experience, detailed estimated manpower, other workload/contractual commitments, plan for performing the work, safety and quality assurance plan, agreement with the proposed terms and conditions, and cost.

After the technical evaluation period (which included evaluation of the written proposals and written clarifications from both Proposers), MTACC deemed the GETS proposal as not technically responsive because its proposed system did not meet specified minimum criteria. Specifically, the system proposed by GETS (i) had not been in operation in the United States for at least one year, and (ii) did not comply with, and was not exempted from, Federal Railroad Administration 49 CFR 236 Subpart H. Both of these requirements are critical considering the location, number of trains involved and complexity of being adjacent to Harold Interlocking.

The Selection Committee found the proposal by Ansaldo STS to be technically acceptable and it met the RFP Requirements. Accordingly, upon completion of the review of Technical Proposals, only Ansaldo's cost proposal was opened.

Ansaldo's original cost proposal was \$21,398,405 to execute and carry out the work as prescribed by the contract. MTACC's estimate was \$21,023,212. Negotiations were held with discussions focusing on the work scope, contract terms and conditions and cost saving recommendations. Upon completion of the negotiations, Ansaldo was requested to submit a Best and Final Offer. On December 3, 2013, Ansaldo submitted a BAFO for \$20,795,259 which MTACC accepted and is \$603,146 (2.8%) less than Ansaldo's original Proposal. The negotiated price of \$20,795,259 is considered to be fair and reasonable as it compares favorably to the MTACC estimate of \$21,023,212.

Responsibility checks were performed on Ansaldo and no Significant Adverse Information as defined in the MTA All-Agency Responsibility Guidelines. A financial analysis was performed and Ansaldo was deemed to be financially stable with the necessary financial resources to perform the work under this Contract.

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

This Contract is federally funded and is therefore covered by the regulation promulgated by the U.S Department of Transportation at 49 CFR Part 26. The Department of Diversity and Civil Rights (DDCR) reviewed the requirements of the Contract and after undertaking a thorough analysis, DDCR determined not to assign any goals to this contract due to the highly specialized nature of the work and the unavailability of DBE contractors able to perform the work.

Ansaldo has not completed any MTA contracts with assigned D/M/WBE goals; therefore, no assessment of the firm's D/M/WBE performance can be made at this time.

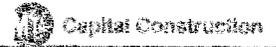
### IV. IMPACT ON FUNDING:

Funding for this Contract will be from the 2010 - 2014 Capital Program and the Federal Government (FTA).

### V. ALTERNATIVES

There are no viable alternatives for procuring this work at this time. Based on the evaluation of the RFPs, Ansaldo's was the only technically responsive proposal and their BAFO provided the MTA with a fair and reasonable price.

**Schedule C Competitive Request for Proposals (Award of Purchase or Public Work Contracts)**



**Staff Summary**

<b>Item Number 2</b>					
Dept & Dept Head Name: East Side Access, A. Paskoff					
Division and Division Head Name:					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	LI Committee	1/27/14	X		
2	Board	1/29/14	X		
Internal Approvals					
Order	Approval	Order	Approval		
3	Chief Financial Officer <i>AD</i>	6	President		
2	VP Project Controls	5	Executive Vice President		
	Chief Procurement Officer <i>Sne</i>	4	SVP & General Counsel		

SUMMARY INFORMATION	
Vendor Name Frontier – Kemper Constructors	Contract Number CM006
Description CM006- Manhattan North Structures for the ESA Project	
Total Amount \$294,201,750	
Contract Term 32 Months	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

**I. PURPOSE/RECOMMENDATION:**

Pursuant to Article IV of the MTA All-Agency Procurement Guidelines, MTACC requests Board approval to award Contract CM006, Manhattan North Structures for the East Side Access Project to Frontier – Kemper Constructors in the amount of \$294,201,750 for a period of 32 Months.

**II. DISCUSSION:**

On March 11, 2013, the Board adopted a resolution declaring that competitive bidding was impractical or inappropriate and that, pursuant to Subdivision 4(f) of Section 1265-a of the Public Authorities Law and Article III (A) (6) of the All Agency Procurement Guidelines, it is in the public interest to issue a Competitive Request for Proposal ("RFP"), for CM006, Manhattan North Structures for the East Side Access Project.

On November 21, 2012, all of the bids that were received for the Contract CM012R, Manhattan Structures II and Facilities Fit-Out CM012, were rejected as they were considerably higher than the Budget and Estimate. The revised strategy for procurement of the work that was included in CM012 was to issue several Additional Work Orders under current Contracts, and to award three new Contracts for the remaining work. The proposed CM006 – Manhattan North Structures Contract is one of the three new smaller Contracts. (Contract CM005 Manhattan South Structures was awarded on September 9, 2013, and Contract CM007 is scheduled to be awarded later this year).

The work under Contract CM006 is to fabricate and construct the permanent structural concrete lining, interior structures, and fit-out for caverns and tunnels previously excavated by others beneath and to the North of the existing Grand Central Terminal located in Manhattan. Much of the work requires not only specific technical expertise but also a highly skilled labor force.

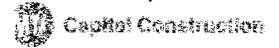
The Request for Proposals was advertised on August 20, 2013. The advertisement appeared in the New York State Contract Reporter, NY Post, Engineering News Record, the Minority Commerce Weekly and the MTA Website. A total of 23 firms requested the RFP Documents. On October 17, 2013 proposals were received from the following entities:

- Bernard Railroad LLC
- Frontier – Kemper Constructors
- Granite Construction Northeast
- Manhattan North Structures, Joint Venture
- Michels Corporation
- Skanska/Shea, JV

The Selection Committee evaluated the proposals based on the RFP evaluation criteria of a) Overall project cost, b) Project Schedule, and c) Technical Proposal.

**Schedule C Competitive Request for Proposals (Award of Purchase or Public Work Contracts)**

**Staff Summary**



Item Number 2

Page 2 of 2

First, the Selection Committee evaluated the Technical proposals and Schedules. Based on this initial evaluation all six proposers were invited to give Oral Presentations on their technical approach and answer questions or provide clarifications. Following the oral presentations the Selection Committee finalized the scores on the technical and schedule proposal, concluded that all of the firms were technically qualified and then proceeded to open the Cost Proposal. Upon completion of the evaluation of the Cost Proposal, all of the proposers were deemed to be in a competitive range.

Based upon, among other things, comments and questions received during Oral Presentations, the Scope of Work was amended and then all proposers were requested to submit a Best and Final Offer (BAFO). The BAFOs were received on December 22, 2013 and the pricing is as follows:

Frontier – Kemper Constructors	\$296,201,750
Granite Construction Northeast	\$311,884,300
Michels Corporation	\$319,723,619
Manhattan North Structures, Joint Venture	\$323,347,000
Bernard Railroad LLC	\$334,005,213
Skanska/Shea, JV	\$357,960,000

The Selection Committee reviewed the BAFOs and determined that Frontier – Kemper Constructors provided the best overall technical proposal and the best value to MTACC. Upon further negotiation, Frontier-Kemper reduced their BAFO price by \$2,000,000 leading to a Last and Final Offer of \$294,201,750, which MTACC accepted. The agreed upon cost of \$294,201,750 is \$17,682,550 less than the second ranked firm's BAFO, compares favorably to MTACC's estimate of \$343,491,125 and is considered to be fair and reasonable.

Responsibility checks were performed on Frontier-Kemper and no Significant Adverse Information ("SAI") as defined in the MTA All-Agency Responsibility Guidelines was uncovered. Frontier – Kemper Constructors is a Wholly-Owned Subsidiary of Tutor Perini Corporation (Tutor-Perini) who has pre-existing SAI. By memorandum dated July 6, 2011, the Chairman and CEO addressed the previous SAI with regard to Tutor Perini and granted approval to make future awards to Perini and its subsidiaries unless new SAI regarding Tutor-Perini is uncovered. No new SAI has been uncovered with regard to Perini since that time.

A financial analysis was performed and Frontier-Kemper was deemed to be financially stable with the necessary financial resources to perform the work under this Contract.

**III. DBE INFORMATION:**

This Contract is federally funded and is therefore covered by the regulation promulgated by the U.S Department of Transportation at 49 CFR Part 26. The Department of Diversity and Civil Rights (DDCR) reviewed the requirements of the Contract and after undertaking a thorough analysis, DDCR established an 8.5% Disadvantaged Business Enterprise (DBE) goal which Frontier-Kemper has pledged to meet.

In consideration of Frontier – Kemper Constructors' past D/M/WBE performance, Frontier-Kemper has achieved its previous D/M/WBE goals on its other MTA Contract.

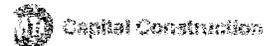
**IV. IMPACT ON FUNDING:**

Funding for this Contract will be from the 2010 – 2014 Capital Program and the Federal Government (FTA).

**V. ALTERNATIVES:**

There are no viable alternatives for performing this work at this time. Frontier – Kemper Constructors' BAFO provided the MTA with the best overall value.

Schedule C Competitive Request for Proposals (Award of Purchase or Public Work Contracts)



Staff Summary

Item Number 3					
Dept & Dept Head Name: East Side Access, A. Paskoff					
Division and Division Head Name:					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	Li Committee	1/27/14	X		
2	Board	1/29/14	X		
Internal Approvals					
Order	Approval	Order	Approval		
3	Chief Financial Officer	6	President		
2	VP Project Controls	5	Executive Vice President		
1	Chief Procurement Officer	3	Sr. Vice President & General Counsel		

SUMMARY INFORMATION	
Vendor Name Tutor Perini Corporation	Contract CS179
Description Systems Facilities Package No. 1 for East Side Access Project	
Total Amount \$550,388,000	
Contract Term 75 Months	
Option(s) included in Total Amount?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Renewal?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type <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 checked="" type="checkbox"/> Federal <input type="checkbox"/> Other	

**I. PURPOSE/RECOMMENDATION:**

Pursuant to Article IV of the MTA All-Agency Procurement Guidelines, MTACCT requests Board approval to award Contract CS179, Systems Facilities Package No. 1 for the East Side Access ("ESA") Project to Tutor Perini Corporation, in the amount of \$550,388,000 (includes options) and for a period of 75 months.

**II. DISCUSSION:**

On January 26, 2011, the Board adopted a resolution declaring that competitive bidding was impractical or inappropriate and that it was in the public interest to issue a competitive Request for Proposal ("RFP"), pursuant to Article III F of the All Agency Procurement Guidelines for Contract CS179, Systems Facilities Package No. 1 for the East Side Access ("ESA") Project.

CS179 is the first systems package installation contract for the East Side Access Project. The work under this Contract will be performed in the LIRR Grand Central Terminal (GCT) terminus station and the tunnels connecting the Harold interlocking to GCT. This work includes fabrication, installation and testing of communications, public address, variable message signage, LIRR and emergency services radio systems, ESA control rooms and systems, SCADA (Supervisory Controls and Data Acquisition) systems, security CCTV and access control, fire detection, tunnel lighting, tunnel ventilation, and tunnel facility power systems for the East Side Access facilities. Under this Contract, the Contractor is responsible for the coordination of overall systems integration and the responsibility to interface with trackwork, traction power, signal systems within the tunnels and with the facility power, heating, ventilation, air conditioning, lighting, elevators, and escalators in GCT. These systems are provided under adjacent contracts including contracts for tunnel systems and equipment (CS084, CS284 and VS086), Manhattan structures and facilities (CM005, CM006 and CM007), Vent Plant Facilities (CM013, CM013A), GCT concourse (CM014A and CM014B) and the for the Plaza Substation and Queens Structures (CQ032). Much of the work requires not only specific technical expertise but also a highly skilled labor force.

Prior to the solicitation for the systems contracts, MTACC conducted an industry outreach to obtain comments on how best to package the systems work. Several major contractors with appropriate experience in similar projects were given an information package to review. Meetings were held with the contractors to discuss issues such as packaging, scheduling, specifications, lead times for the fabrication of equipment and material, coordination between contracts, and industry capacity to handle the work. MTACC's systems packages and the Request for Proposal ("RFP") for this Contract incorporate information gleaned from this outreach effort. In addition, MTACC conducted a Project Overview Meeting in cooperation with the General Contractors Association of New York and the Building Trades Employers Association. An information package for CS179 was distributed at this meeting which included pre-final drawings, plans, diagrams, and a brief Scope of Work intended to provide a better understanding of the project scope and to ensure competition.

The Request for Proposals was advertised and issued on May 16, 2011. The advertisement appeared in the New York State Contract Reporter, NY Post, Engineering News Record, the Minority Commerce Weekly and the MTA Website. A total of fifty eight (58) firms requested the RFP of which approximately twenty (20) firms are considered to be prime contractors. On February 13, 2012, proposals were received from the following firms and/or Joint Ventures ("JV"): 1) Tutor Perini Corp., (Perini) 2) Kiewit Infrastructure (Kiewit), 3) Skanska/RailWorks JV, (Skanska/RailWorks) and 4) John Picone/E.J. Electric, JV. (Picone/EJ).

The Selection Committee evaluated the proposals based on the RFP evaluation criteria which included, among other things, the proposer's project organization, project schedule, experience, detailed estimated manpower, other contractual commitments, plan of approach, safety approach, quality assurance approach, assumptions, willingness to agree to proposed terms and conditions, adherence to the RFP requirements and cost. Upon conclusion of the technical, schedule and cost evaluations, all four (4) proposers were determined by the Selection Committee to be in a competitive range. There were however, still open questions/clarifications related to the work scope, schedule and cost that needed to be resolved before proceeding with negotiations. Therefore, the selection committee recommended that continued discussions for information gathering purposes related to those issues be held with all four (4) proposers. Informational gathering meetings to discuss specific items related to cost/schedule issues were conducted with all four firms. Expectations were clarified and recorded and revised cost proposals were requested from each of the four proposers. Based on the revised proposals, Kiewit was deemed not to be in a competitive range with the other qualified proposers and MTACC elected not to continue negotiations with Kiewit.

Over the next several months, meetings were held with the remaining proposers to provide further clarifications with regard to technical scope, terms and conditions, obsolescence, access restraints and associated cost savings. During this period, however, MTACC received bids on adjacent Contract CM012R, Manhattan Structures, which were rejected because all were over the Contract's budget. Because the CM012R Contract contained work which must be completed before the CS179 Contractor can perform its work, the rejection of the CM012R bids delayed further negotiation of the CS179 Contract.

CM012R was repackaged into three contracts, CM005, CM006 and CM007. Once the new packaging for the CM012R scope was developed and a risk assessment completed, MTACC revised the Access Restraints and Milestones for CS179 to coordinate with the new contract schedules. The overall schedule duration was increased from 44 months to 75 months. In addition, the CS179 work was allocated into a base contract with seven (7) options. The first five (5) options are designed to control the risk of delay to completion of work within contracts CM005, CM006 and CM007 and other contracts that must complete work before the CS179 contractor will have access to certain areas. The options do not have to be exercised if those contracts are substantially delayed. Two (2) additional options protect the MTA from equipment obsolescence and to provide flexibility to advance the fabrication of long lead equipment within existing funding constraints. Moreover, a number of the options are designed to be exercised only after additional Capital Plan funding is expected to be available. The Proposer's were asked to submit a Best and Final Offer (BAFO) based on the Options and the revised Access Restraints and Milestones.

On December 12, 2013, the three proposers submitted their final BAFOs in the following amounts:

Tutor Perini Corporation	\$550,388,000
John Picone/E.J. Electric Joint Venture	\$565,300,000
Skanska/Rail Works Joint Venture	\$565,880,000

The Selection Committee reviewed the BAFOs and unanimously selected the BAFO from Perini as the best overall technical proposal and as offering the best value to the MTA. Tutor Perini's BAFO in the amount of \$550,388,000 is \$14,912,000 less than the number two ranked firm's and falls within an acceptable parameter of MTACC's estimate (\$531,579,528 which reflected an earlier start time and shorter duration) and is therefore considered to be fair and reasonable.

MTACC is requesting Board approval for the base amount of \$333,588,000 plus the options amount of \$216,800,000, although the initial award will be only for the Base amount. The Options will be exercised by MTACC's Chief Procurement Officer only when it is clear that the required predecessor work will be complete, and, the work areas and funding for an option are available.

Responsibility checks were performed and Tutor Perini has pre-existing Significant Adverse Information ("SAI") as defined in the AII-Agency Responsibility Guidelines. By memorandum dated July 6, 2011, the Chairman and CEO addressed the previous SAI and granted approval to make future awards to Perini and its subsidiaries unless new SAI regarding Tutor-Perini is uncovered. No new SAI has been uncovered with regard to Tutor-Perini since that time.

A financial analysis was performed and Perini was deemed to be financially stable and has the necessary financial resources to perform the work under this Contract.

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

This Contract is federally funded and is therefore covered by the regulation promulgated by the U.S Department of Transportation at 49 CFR Part 26. The Department of Diversity and Civil Rights (DDCR) reviewed the requirements of the Contract and after undertaking a thorough analysis, the DDCR established a 17% DBE goal which Perini has pledged to meet.

In consideration of Perini's past D/M/WBE performance, Perini is currently short of its DBE goal on one MTACC Contract, CH054A. This is primarily due to the fact that certain items of work which were included in the Contract as allowance items allocated to DBEs have not been necessary. However, Tutor Perini has reaffirmed its commitment to maximizing its DBE participation under that Contract and is currently looking for additional DBE opportunities. Tutor-Perini has achieved its previous D/M/WBE goals on its other MTA Contracts.

**Staff Summary**

Item Number 3

**IV. IMPACT ON FUNDING:**

Funding for this Contract will be from the 2010 – 2014 (Base Work) and 2015 -2019 (Option Work) Capital Programs and the Federal Government (FTA).

**V. ALTERNATIVES:**

There are no viable alternatives for performing this work at this time. Based on the evaluation of the RFPs, Tutor Perini's proposal was highest rated and provides the MTA with the best value and with a fair and reasonable price.



# Bridges and Tunnels

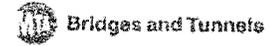
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## Procurements January 2014



# Staff Summary



<b>Subject:</b>	Request for Authorization to Award Various Procurements
<b>Department:</b>	Procurement
<b>Department Head Name</b>	M. Margaret Terry <i>MWT</i>
<b>Department Head Signature</b>	
<b>Project Manager Name</b>	Various

<b>Date</b>	January 9, 2014
<b>Vendor Name</b>	
<b>Contract Number</b>	
<b>Contract Manager Name</b>	
<b>Table of Contents Ref #</b>	

Board Action					
Order	To	Date	Approval	Info	Other
1	President	1/9/14	<i>MWT</i>		
2	MTA B&T Committee	1/27/14			
3	MTA Board	1/29/14			

Internal Approvals			
Order	Approval	Order	Approval
	President		EVP Operations
	Executive Vice President		Chief Procurement Officer
	VP Administration		Chief Engineer
<i>MWT</i>	SVP & General Counsel		

Internal Approvals (cont.)							
Order	Approval	Order	Approval	Order	Approval	Order	Approval
	Chief Financial Officer		Chief Technology Officer		Chief Health & Safety Officer		Chief EEO Officer
	Chief Security Officer		Chief Maintenance Officer		MTA Office of Civil Rights		

**PURPOSE:**

To obtain approval of the Board to award various contracts and purchase orders, and to inform the MTA B&T Committee of these procurement actions.

**DISCUSSION:**

MTA B&T proposes to award Non-Competitive procurements in the following categories: None.

MTA B&T proposes to award Competitive procurements in the following categories:

Schedules Requiring Majority Vote		# of Actions	\$ Amount
Schedule G	Miscellaneous Service Contracts	1	\$0.467M
SUBTOTAL		1	\$0.467M

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

Schedules Requiring Majority Vote		# of Actions	\$ Amount
Schedule K	Ratification of Completed Procurement Actions (Involving Schedule E-J)	2	\$3.410M
SUBTOTAL		2	\$3.410M
TOTAL		3	\$3.877M

**BUDGET IMPACT:**

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

**RECOMMENDATION:**

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

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

**MTA BRIDGES & TUNNELS**  
**TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY**

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

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

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

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

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

**LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL**  
**JANUARY 2014**

**MTA BRIDGES & TUNNELS**

**Procurements Requiring Majority Vote:**

**G: Miscellaneous Service Contracts**

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

1. **Engineered Energy Solutions, Inc.** **\$466,895.00**  
**Contract No. 13-MNT-2910**

5 yr. contract – Competitive Bid – Low responsive bid/2 bids

In October 2013 B&T issued a solicitation for a contractor to provide all labor, equipment and materials for the maintenance of the local ventilation control systems located at the ventilation buildings of the Queens Midtown (QMT) and Hugh L. Carey (HCT) Tunnels. The service requirements were publicly advertised. The solicitation notice was sent to 107 firms and five firms requested a copy of the solicitation. On November 15 two (2) bids were submitted as follows:

<u>Bidders</u>	<u>Bid Amount</u>
Engineered Energy Solutions, Inc.	\$466,895.00
Transdyn, Inc.	\$796,917.22

The scope of services for the first three years of the five year prospective contract with EES is the same as that compared with the current contract. Preventive maintenance, unscheduled repair and emergency repair rates for the initial three year period under the prospective contract compared with the same period under the current contract are on average 4.8% lower than the current rates. The rates are fixed over the five year period. EES' bid is 6.1% lower than the user's estimate of \$497,448. After evaluation of the bids, it was determined that Engineered Energy Solutions, Inc. is a responsive, responsible bidder. Based on competition, the price is considered fair and reasonable. The MTA Department of Diversity and Civil Rights has established goals of 10% MBE and 10% WBE for this contract. The Contract will not be awarded until the M/WBE requirements are satisfied. Funding is available in the Operating Budget under GL #711315.

**LIST OF RATIFICATIONS FOR BOARD APPROVAL**  
**JANUARY 2014**

**MTA BRIDGES & TUNNELS**

**Procurements Requiring Majority Vote:**

**K: Ratification of Completed Procurement Actions (Involving Schedule E – J)**

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

1. **Restani Construction Corporation**                      **\$2,912,728.62**                      **Staff Summary Attached**  
**Contract No. VN-03B**  
Amendment for de-watering and initial cleaning work performed at the Hugh L. Carey Tunnel (HCT) as a result of Superstorm Sandy. At B&T's request Restani mobilized at the HCT under Contract VN-03B, Toll Plaza Improvements at the Verrazano-Narrows Bridge.
  
2. **PB Americas, Inc. New York, New York**                      **\$496,975.92**                      **Staff Summary Attached**  
**Contract No. PSC-10-2877**  
Amendment for additional engineering support services to assess the structural integrity of the tunnels and various buildings at the HCT's (formerly Brooklyn-Battery Tunnel's) Manhattan plaza and the Queens Midtown Tunnel's (Queens) plaza as a result of Superstorm Sandy under Project AW-98, Feasibility Study for Tunnel Modernization and Improvements at the Queens Midtown and Brooklyn-Battery Tunnel.

**Schedule K: Ratification of Completed Procurement Actions (Involving Schedules E Through J)**
**Item Number: 1 (Final)**

<b>Vendor Name (&amp; Location)</b> Restani Construction Corporation	<b>Contract Number</b> VN-03B	<b>AWO/Modification #</b>
<b>Description</b> Toll Plaza Improvements at the Verrazano Narrows Bridge (Emergency De-Watering at the Hugh L. Carey Tunnel)	<b>Original Amount:</b>	\$49,949,976.35
<b>Contract Term (including Options, if any)</b> September 30, 2011 – June 29, 2015	<b>Prior Modifications:</b>	\$643,394.00
<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Prior Budgetary Increases:</b>	\$0.00
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	<b>Current Amount:</b>	\$50,593,370.75
<b>Solicitation Type</b> <input type="checkbox"/> RFP <input checked="" type="checkbox"/> Bid <input type="checkbox"/> Other:	<b>This Request:</b>	\$2,912,728.62
<b>Funding Source</b> <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input checked="" type="checkbox"/> Other:	<b>% of This Request to Current Amount:</b>	5.8%
<b>Requesting Dept/Div &amp; Dept/Div Head Name:</b> Engineering & Construction, Joe Keane, PE	<b>% of Modifications (including This Request) to Original Amount:</b>	7.1%

**Discussion:**

As a result of Tropical Storm Sandy (Sandy), B&T is seeking the Board's ratification under the All-Agency Procurement Guidelines under the Declaration of Emergency issued by the President effective on October 29, 2012 for the de-watering and cleaning work performed by Restani Construction Corporation (Restani) at the Hugh L. Carey Tunnel (HCT) in an amount totaling \$2,912,728.62. Restani mobilized at B&T's request and performed the required emergency de-watering and initial cleaning of the HCT prior to B&T re-opening the tunnel to traffic (single lane) on November 11, 2012, with its complete re-opening on November 19, 2012. These operations were essential prior to determining the extent of the damage to the facility and to assess the immediate emergency repairs required.

Sandy resulted in extensive flooding of both tunnel tubes entering through the HCT Manhattan Plaza via Morris Street, the Manhattan Blower Building and Manhattan Cellular Structure. Salt water, debris and contaminant laden floodwaters inundated the HCT, thereby causing tunnel system failures and its closure for approximately two weeks. The HCT is a critical infrastructure facility, vital to the New York City and national economies. It was imperative that immediate recovery efforts to de-water and clean the tunnel commence prior to assessing the damage and eventual safe re-opening of the tunnel to traffic. Restani provided labor, materials, equipment, superintendence, project management and all items deemed necessary to complete the Work. Restani submitted costs to substantiate billings in the amount of \$2,966,905.70. Costs were reviewed and negotiations resulted in B&T and Restani agreeing to the amount of \$2,912,728.62, which included pipes and hoses purchased by Restani, which were transferred to B&T for its future use. Additional costs associated with the work of a subcontractor remain to be finalized and are the subject of negotiations. These subcontractor costs are anticipated to range between \$450,000 and \$650,000. The negotiated amount is fair and reasonable based on prevailing wages in effect at that time and the other costs to perform the Work. Funding was made available from the Operating Budget, Sandy-B&T Emergency Repairs to Critical Infrastructure Projects.

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

Item Number: **2** (Final)

<b>Vendor Name (&amp; Location)</b> PB Americas, Inc. New York, New York	<b>Contract Number</b> PSC-10-2877	<b>AWO/Modification #</b>
<b>Description</b> Project AW-98, Feasibility Study for Tunnel Modernization and Improvements at the Queens Midtown and Brooklyn Battery Tunnel	<b>Original Amount:</b>	\$1,937,461.00
<b>Contract Term (including Options, if any)</b> June 8, 2011 – April 7, 2014	<b>Prior Modifications:</b>	\$0.00
<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>Prior Budgetary Increases:</b>	\$0.00
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	<b>Current Amount:</b>	\$1,937,461.00
<b>Solicitation Type</b> <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	<b>This Request:</b>	\$496,975.92
<b>Funding Source</b> <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input checked="" type="checkbox"/> Other:	<b>% of This Request to Current Amount:</b>	25.7%
<b>Requesting Dept/Div &amp; Dept/Div Head Name:</b> Engineering & Construction, Joe Keane, P.E.	<b>% of Modifications (Including This Request) to Original Amount:</b>	25.7%

**Discussion:**

Tropical Storm Sandy resulted in extensive tunnel flooding of both the Hugh L. Carey (HCT) and Queens Midtown Tunnels (QMT). Salt water, debris and contaminant laden floodwater entered the tunnels through the HCT's Manhattan Plaza and the QMT's Queens Plaza. The HCT and QMT are critical infrastructure facilities, vital to the New York City and national economies. PB Americas, Inc.'s (PBA) original scope included potential hazard investigations related to flood and storm surge, earthquake and fire to assess the tunnels adequacy to withstand and to respond to these hazards. In the immediate aftermath of Tropical Storm Sandy, PBA was directed to provide additional engineering support services to assess the flooded tunnels and various buildings at both the HCT and QMT as follows: (i) provide assessments of the structural integrity, life safety, electrical, mechanical, ventilation and pumping systems to ensure the tunnels and their operating systems were safe prior to opening of the tunnels to traffic and for B&T facility personnel; (ii) provide a global tunnel flood experience report to better understand world wide tunnel flood responses, recovery, protection and preparedness and (iii) provide engineering services and analyses for the purposes of evaluating and expeditiously recommending rapid mitigation flood protection measures in order to prevent future flood events. PBA was determined to be the most qualified and cost effective means of performing the additional services listed below, based on their previous and current tunnel expertise and experience at both facilities. Previously, \$350,000 was committed by B&T to commence the assessments at the tunnels.

PBA submitted initial proposals for the services totaling \$518,955. The Engineer's estimates totaled \$493,643. The Authority and PBA reviewed the costs for the Work performed as well as the remaining cost to be incurred (\$25,000) and agreed to the negotiated amount of \$496,975.92, which is 0.7% above the estimate and is fair and reasonable. Funding was made available from the Operating Budget, Sandy-B&T Emergency Repairs to Critical Infrastructure.