



Metropolitan Transportation Authority

July 2014

MTA Board Action Items



MTA Regular Board Meeting

MTAHQ, 5th floor Board Room

Monday, 7/28/2014

2:30 - 4:00 PM ET

1. PUBLIC COMMENTS PERIOD Discussion

2. APPROVAL OF MINUTES

a. MTA Regular Board Minutes, June 25, 2014

MTAHQ Minutes - June 25, 2014 - Page 5

b. NYCT/MaBSTOA/SIRTOA/Bus Company Regular Board Minutes, June 25, 2014

NYCTA Minutes - June 25, 2014 - Page 10

c. MTA Metro-North Railroad Regular Board Minutes, June 25, 2014

M-N Minutes - June 25, 2014 - Page 13

d. MTA Long Island Rail Road Regular Board Minutes, June 25, 2014

LIRR Minutes - June 25, 2014 - Page 17

e. Triborough Bridge & Tunnel Authority Regular Board Minutes, June 25, 2014

TBTA Minutes - June 25, 2014 - Page 22

f. MTA Capital Construction Regular Board Minutes, June 25, 2014

MTACC Minutes - June 25, 2014 - Page 28

3. COMMITTEE ON FINANCE

a. Action Items

i. Authorization to Issue Special Obligation Taxable Refunding Bonds, Series 2014

Authorization to Issue Special Obligation Taxable Refunding Bonds, Series 2014 - Page 30

ii. Addition of Outside Counsel to Approved Panel

Addition of Outside Counsel to Approved Panel - Page 74

iii. MTA 2010-2014 Capital Plan Amendment

2010-2014 Capital Plan Amendment - Page 77

iv. 2010-2014 Capital Plan Amendment - B&T Repair Program

2010-2014 Capital Plan Amendment - B&T Repair Program - Page 83

b. Procurements

Procurement Staff Summary & Resolution - Page 86

i. Non-Competitive (no items)

ii. Competitive

Competitive - Page 88

iii. Ratifications

Ratifications - Page 99

c. Real Estate Items

i. Real Estate Items

Real Estate Items - Page 100

4. COMMITTEE ON NYCT & BUS

a. Action Items

i. ADA Accessibility

ii. Service Changes: Bx24 Extension

NYCT Bx24 Extension - Page 110

b. Procurements

Procurement Staff Summary & Resolution - Page 116

i. Non-Competitive

NYCT Non-Competitive Actions - Page 120

ii. Competitive

NYCT Competitive Actions - Page 122

iii. Ratifications

NYCT Ratifications - Page 133

5. COMMITTEE ON METRO NORTH RAILROAD

a. Procurements

Procurements - Page 137

i. Non-Competitive

Non-Competitive - Page 141

ii. Competitive

Competitive - Page 147

iii. Ratifications (no items)

6. COMMITTEE ON LIRR

a. Procurements LIRR

LIRR Procurements - Page 155

i. Non-Competitive

LIRR Non-Competitive Procurements - Page 159

ii. Competitive

LIRR Competitive Procurements - Page 162

iii. Ratification (no items)

b. Procurements MTACC

MTACC Procurements - Page 166

i. Non-Competitive (no items)

ii. Competitive

MTACC Competitive Procurements - Page 169

iii. Ratification (no items)

7. COMMITTEE ON MTA BRIDGES & TUNNELS OPERATIONS

a. Procurements

B&T Procurements - Page 173

i. Non-Competitive (no items)

ii. Competitive

Competitive - Page 176

iii. Ratifications (no items)

8. OTHER MTA BUSINESS

a. Action Item

i. Overall Three-Year DBE Goal for FFYs 2015-2017

DBE Goals FFYs 2015-2017 - Page 187

9. FIRST MUTUAL TRANSPORTATION ASSURANCE CO (FMTAC) (no items)

10. EXECUTIVE SESSION

No August Meeting

Next Meeting: Wednesday, September 24, 2014

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

**Wednesday, June 25, 2014
10:00 a.m.**

The following members were present:

**Hon. Thomas F. Prendergast, Chairman & CEO
Hon. Fernando Ferrer, Vice Chairman
Hon. Andrew Albert
Hon. John H. Banks, III
Hon. Norman Brown
Hon. Allen P. Cappelli
Hon. Jeffrey A. Kay
Hon. Mark D. Lebow
Hon. Susan Metzger
Hon. Charles G. Moerdler
Hon. John J. Molloy
Hon. Mitchell H. Pally
Hon. James L. Sedore, Jr.
Hon. Polly Trottenberg
Hon. Carl V. Wortendyke**

The following members were absent:

**Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. Andrew M. Saul**

Catherine Rinaldi, Chief of Staff, Jerome F. Page, General Counsel, Stephen J. Morello, Counselor to the Chairman, Board Member Vincent Tessitore, Jr., Carmen Bianco, President, NYCTA, Patrick A. Nowakowski, President, Long Island Rail Road, Joseph J. Giulietti, 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 two (2) public speakers, neither of whom spoke on items specific to the MTA agenda. 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.**

Chairman Prendergast introduced and welcomed new Board Member Polly Trottenberg, replacing Board Member Mark Page whose term has expired. The Chairman also announced the appointment of new Board Members Neal Zuckerman, Metro-North Commuter Council Representative, who replaces James F. Blair; and Iris Weinshall, whose term begins in July and who replaces Board Member Mark Lebow. Chairman Prendergast acknowledged the contributions of Board Members Mark Page, James Blair and Mark Lebow, and he extended his gratitude to each member for their outstanding service to the transit network and to New York State.

The Chairman briefed the Board Members on the status of the LIRR labor negotiations, and he stated that Anita Miller, MTA Labor Relations Director, led a news conference to update the press and the public on the status of the LIRR labor negotiations the previous day. The Chairman, reiterating Ms. Miller's comments to the press, said that the MTA is doing everything it can to avoid a work stoppage, including offering the union a deal that would give current employees exactly what the union has repeatedly said it would accept. Chairman Prendergast said that a meeting with union representatives is scheduled for Friday and he remains hopeful that a deal will be reached.

Chairman Prendergast reported on the Transportation Reinvention Commission, a commission recommended by Governor Cuomo to ensure that MTA's Capital Programs adequately account for climate, demographic and ridership shifts that are expected to shape mass transit in the current century. Chairman Prendergast said that the commission is chaired jointly by former U.S. Transportation Secretary Ray LaHood and former Administrator of the Federal Aviation Administration Jane Garvey, who will oversee twenty-two members representing business, construction, planning, transit, finance and advocacy groups. The Commission members are expected to create a wide-range of perspectives on how the MTA should face its future. The Commission will also host public input sessions scheduled on July 15th, 16th and 17th, and will feature presentations by subject matter experts, as well as public comment sessions. Chairman Prendergast said that MTA would provide more details with regard to the public input sessions in the coming weeks.

3. **MINUTES.** Upon motion duly made and seconded, the Board approved the minutes of the regular Board meeting held on May 21, 2014.

4. **COMMITTEE ON FINANCE.**

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

1. 2014 State Public Work Enforcement Fund (“PWEF”) Assessment. Authorized staff to remit the 2014 State assessment on the MTA and its constituent agencies for the PWEF, including the adjustment for the 2013 overpayment, to the State Department of Labor.

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

1. DiRad Technologies, Inc. – Telephone Interactive Voice Response System – No. 13122-0100. Approved the award of a competitively negotiated, miscellaneous contract to provide a Telephone Interactive Voice Response System including technical support and maintenance for MTAHQ’s Business Services Center for a period of five years.
2. TDX Construction Corporation – Small Business Mentor Program Services – No. 10009-0100, S/A #4. Approved (i) an amendment to a previously Board-approved competitively awarded personal services contract for additional funding in the amount of \$1,500,000 to continue to provide construction management services for Small Business Development Program (“SBDP”), and (ii) approved funding of \$21,518,570 for the remaining two option years of the SBDP for a combined not-to-exceed total of \$23,018,570.
3. Carver Federal Savings Bank, New York, NY – MTA Small Business Development Program (“SBDP”) Loan Program – No. 10074-0100, S/A #1. Approved an amendment to a previously Board-approved competitively negotiated, personal services contract to extend the Small Business Loan Contract for two years, from August 1, 2014 through July 30, 2016, and provide funding of a not-to-exceed amount of \$320,000 for such services.
4. Oracle America Inc. – Maintenance, Consulting Services and Social Relationship Management Software for Oracle/RightNow – No. 01221-0200, S/A #21. Approved the extension of the existing Board approved, competitively awarded Oracle/RightNow Customer Relationship Management (CRM) proprietary software license and maintenance contract, including professional technical services for the All-Agency Email Response Management System for a twenty-four (24) month period from 8/1/2014 to 7/31/2016; and approved the purchase of

Social Relationship Management Software (SRM) and additional messaging capabilities.

- 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. Board members Pally and Moerdler expressed their support for the Grand Central restaurant lease, however they urged the Board to consider similar upgrades and improvements to Penn Station. Refer to the video recording of the meeting produced by the MTA and maintained in MTA records for further details of Board members' discussion on Real Estate item # 3 below.

New York City Transit Authority

1. Lease agreement with It's A Middle, LLC for parking space to support adjacent 24/7 training facility located at West 13th Street, near former PS 248 (Block 7114, Lot 52), Brooklyn, N.Y.
2. Modification to a license agreement with Transit Wireless, LLC ("TW") to grant NYCT the option to connect Help Points and the New Fare Payments System into TW's communications network and to allow TW to provide incidental Help Point installation support.

Metro-North Railroad

3. Lease and license agreement with American Great Dane NY LLC for a fine dining restaurant café (including both on-premises and take-away services) and bakery/deli in Vanderbilt Hall West, Space MC-16, MC-17, and Space D at Grand Central Terminal.
4. License agreement and extension with the Village of Tuckahoe for commuter parking at the former Revlon Parking Lot (Section 33, Block 7, Lot 1 and 8, Section 32, Block 1, Lot 2), Village of Tuckahoe, N.Y.

Long Island Rail Road

5. Modification to agreements relating to Atlantic Yards Agreements overbuild.

Metropolitan Transportation Authority

5. Parking permit agreements to support emergency alternative transportation in the event of a LIRR strike.
- 5. EXECUTIVE SESSION.** Upon motion duly made and seconded, the Board voted to convene an executive session in accordance with Section 105(1)(e) of the New York State Public Officers Law to discuss matters relating to collective negotiations. Upon motion

duly made and seconded, the Board approved the following agreements, with Commissioner Moerdler recusing himself from item (ii) below:

- (i) the Collective Bargaining Agreement between the MTA New York City Transit Authority and the Transport Workers Union, Local 106, Station Supervisor Level II;
- (ii) the Collective Bargaining Agreement between MTA Bridges and Tunnels and District Council 37, Local 1931, Triborough Bridge and Tunnel Maintainers;
- (iii) the Collective Bargaining Agreement between MTA Long Island Bus and the Subway Surface Supervisors Association, Maintenance Supervisors, Dispatchers and Foremen, covering the period from September 2, 2009 through December 31, 2011, the date of cessation of operations of LI Bus; and
- (iv) the Collective Bargaining Agreement between the MTA Bus Company and the Amalgamated Transit Union, Local 1181, AFL-CIO.

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

Board Member Mark Lebow thanked the Chairman and the Board and said that he is proud to have served as an MTA Board Member for twelve years.

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

Respectively submitted,

Victoria Clement
Assistant Secretary

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

**Wednesday, June 25, 2014
10:00 a.m.**

The following members were present:

**Hon. Thomas F. Prendergast, Chairman & CEO
Hon. Fernando Ferrer, Vice Chairman
Hon. Andrew Albert
Hon. John H. Banks, III
Hon. Norman Brown
Hon. Allen P. Cappelli
Hon. Jeffrey A. Kay
Hon. Mark D. Lebow
Hon. Susan Metzger
Hon. Charles G. Moerdler
Hon. John J. Molloy
Hon. Mitchell H. Pally
Hon. James L. Sedore, Jr.

Hon. Polly Trottenberg
Hon. Carl V. Wortendyke**

The following members were absent:

**Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. Andrew M. Saul**

Catherine Rinaldi, Chief of Staff, Jerome F. Page, General Counsel, Stephen J. Morello, Counselor to the Chairman, Board Member Vincent Tessitore, Jr., Carmen Bianco, President, NYCTA, Patrick A. Nowakowski, President, Long Island Rail Road, Joseph J. Giuliatti, 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.

1. **CHAIRMAN PRENDERGAST CALLED THE MEETING TO ORDER**

2. **PUBLIC COMMENT PERIOD**

Two public speakers addressed MTA NYC Transit/MTA Bus issues:

Mr. X spoke about some of the concerns he has with the MTA.

Louis Bailey, WEACT, discussed the needs of transit riders.

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 May 21, 2014.

5. **COMMITTEE ON FINANCE**

Real Estate Item:

MTA NYC Transit: Upon motion duly made and seconded, the Board approved (i) a lease agreement between It's A Middle, LLC and MTA NYC Transit for parking lot use; and (ii) agreements and modifications of agreements between MTA NYC Transit and Transit Wireless, LLC.

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

Action Items:

South Ferry Leak Mitigation: Upon motion duly made and seconded, the Board approved the addition of leak mitigation at the South Ferry Terminal and in the tunnel north of the Terminal to the 2010-2014 Capital Program. This project is included as part of the contract for the Superstorm Sandy Recovery Project at South Ferry.

Installation of Help Points (HP) at 70 Additional Stations: Upon motion duly made and seconded, the Board approved the advance of additional Help Point locations in the 2010-2014 Capital Program. This program will be increased by 70 stations, from a total of 152 to 222.

Implementation of M12: Upon motion duly made and seconded, the Board approved the implementation of the M12 between the West Village and Columbus Circle.

Implementation of X21: Upon motion duly made and seconded, the Board approved the implementation of the X21 Super Express between Eltingville in Staten Island and Midtown Manhattan.

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 G in the Agenda). Details of the above items are set forth in staff summaries, copies of which are on file with the records of the meeting of the Board of MTA NYC Transit/SIR/MTA Bus Company.

Board Member Albert raised a question concerning the transit wireless item as to whether Help Points will still have wired access in addition to wireless options, to which Chairman Prendergast responded that they would, but at a later date.

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

7. EXECUTIVE SESSION


Upon motion duly made and seconded, the Board voted to convene an executive session in accordance with Section 105(1)(e) of the New York State Public Officers Law to discuss matters relating to collective bargaining negotiations.

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

8. ADJOURNMENT

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

Respectfully submitted,


Mariel A. Thompson
Assistant Secretary

Minutes of the Regular Meeting
Metro-North Commuter Railroad Company
347 Madison Avenue
New York, NY 10017

Wednesday, June 25, 2014
10:00 a.m.

The following members were present:

Hon. Thomas F. Prendergast, Chairman & CEO
Hon. Fernando Ferrer, Vice Chairman
Hon. Andrew Albert
Hon. John H. Banks, III
Hon. Norman Brown
Hon. Allen P. Cappelli
Hon. Jeffrey A. Kay
Hon. Mark D. Lebow
Hon. Susan Metzger
Hon. Charles G. Moerdler
Hon. John J. Molloy
Hon. Mitchell H. Pally
Hon. James L. Sedore, Jr.
Hon. Polly Trottenberg
Hon. Carl V. Wortendyke

The following members were absent:

Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. Andrew M. Saul

Joseph J. Giuliatti, President, Metro-North Railroad, Catherine Rinaldi, MTA Chief of Staff, Jerome F. Page, MTA General Counsel, Stephen J. Morello, Counselor to the Chairman, Board Member Vincent Tessitore, Jr., Carmen Bianco, President, NYCTA, Patrick A. Nowakowski, President, Long Island Rail Road, 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 two public speakers, none of whom spoke concerning Metro-North agenda items. The details of the speakers' comments are contained in the video recording of the meeting, produced by the Metropolitan Transportation Authority (MTA) and maintained in MTA records, and in the minutes of the other Agencies of this date.

2. Chairman's Opening Remarks:

The Chairman introduced newly appointed Board member Polly Trottenberg, noting her extensive background in public service. The Chairman also noted that new Board member Neil Zuckerman was confirmed in June and will be replacing Metro-North Commuter Counsel Board member James Blair and that Iris Weinshall will join the Board in July, replacing Board member Mark Lebow. The Chairman expressed his gratitude to Board members Blair, Lebow and Page for their outstanding contributions to the MTA. The Chairman discussed the labor dispute with the LIRR unions, noting that the MTA is doing everything possible to prevent a work stoppage. The Chairman reported that the Transportation Reinvention Commission has been established to address future capital needs arising from demographic changes and global climate change.

The details of the chairman's comments are contained in the video recording of the meeting, produced by the Metropolitan Transportation Authority (MTA) and maintained in MTA records, which recording includes discussions between Board Members and the Chairman, and in the minutes of the other Agencies of this date.

3. Approval of Minutes:

Upon motion duly made and seconded, the minutes of the Regular Board Meeting of May 21, 2014 were approved.

4. Committee on Finance:

Action Item:

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

- 2014 State PWEF Assessment.

The details of the above item above are contained in the minutes of the MTA Board held this day, a staff summary filed with the minutes and in the video recording of the meeting, produced by the Metropolitan Transportation Authority (MTA) and maintained in MTA records.

Procurements:

The MTA Board voted on MTA Headquarters procurements.

The following competitive procurement that relates to Metro-North was approved:

- Board approval to (i) extend the existing Board approved, competitively awarded Oracle/RightNow Customer Relationship Management proprietary software license and maintenance contract, including professional technical services for the All-Agency Email Response Management System for a 24 month period from August 1, 2014 to July 31, 2016 in the amount of \$381,638 and (ii) purchase Social Relationship Management Software (SRM) and additional messaging capabilities in the amount of \$137,280 for a total amount of \$518,918.

The details of the above item above are contained in the minutes of the MTA Board held this day, a staff summary filed with the minutes and in the video recording of the meeting, produced by the Metropolitan Transportation Authority (MTA) and maintained in MTA records.

Real Estate Items:

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

- Lease with American Great Dane, NY, LLC for a first class fine dining restaurant, café (including both on-premises and take-away service) and bakery/deli in Retail Spaces MC-16, MC-17, Vanderbilt Hall West and Space D at Grand Central Terminal.
- Agreement extension with the Village of Tuckahoe for commuter parking at Tuckahoe Station.

The details of the above items above are contained in the minutes of the MTA Board held this day, staff summaries filed with the minutes and in the video recording of the meeting, produced by the Metropolitan Transportation Authority (MTA) and maintained in MTA records, which recording contains comments made by Board members.

5. Committee on Metro-North Railroad :

Procurements:

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

- A non-competitive, negotiated, five-year, miscellaneous procurement contract with Railware, Inc. for maintenance and support of Metro-North's Centralized Traffic Control System and installation of simulator software to aide in training Rail Traffic Controllers) and also Enhanced Employee Protection System upgrades.
- A non-competitive, one-time, miscellaneous service contract with Kato Engineering, Inc. for the repair and return of a BL20 locomotive alternator.
- A modification to a miscellaneous procurement contract with Transportation Technology Center, Inc. to provide further analysis of Metro-North's track infrastructure with a Track Loading Vehicle and Ground Penetrating Radar.

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

- Approval to use the Request for Proposal (RFP) process to select a team of architects/engineers/contractors to design and construct the restoration of the power and signal infrastructure on the Hudson Line from CP-5 to CP-35, that was damaged as a result of Super Storm Sandy.

- A competitive, two-year miscellaneous service contract with Progress Railway Services Corp. to provide pick-up and unit exchange (UTEX) services for freight car wheel sets.

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

- Ratification of an emergency purchase of 2,000 crossties for scheduled track work along Metro-North's New Haven Line at Bridgeport, Connecticut.

The details of the above items are contained in staff summaries and reports filed with the records of this meeting and in the video recording of the meeting produced by the MTA and maintained in the MTA records, which recording includes discussions between Board Members and Metro-North staff relating to the above items.

7. Executive Session:

Upon motion duly made and seconded, the Board voted to convene in Executive Session pursuant to Section 105(1)(e) of the New York State Public Officers Law to discuss matters relating to 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 members of the Board present voted to adjourn the meeting at 11:00 a.m.

Respectfully submitted,

Linda Montanino
Assistant Secretary

June 2014 Board Minutes
Legal/Corporate

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

Wednesday, June 25, 2014
10:00 a.m.

The following members were present:

Hon. Thomas F. Prendergast, Chairman & CEO
Hon. Fernando Ferrer, Vice Chairman
Hon. Andrew Albert
Hon. John H. Banks, III
Hon. Norman Brown
Hon. Allen P. Cappelli
Hon. Jeffrey A. Kay
Hon. Mark D. Lebow
Hon. Susan Metzger
Hon. Charles G. Moerdler
Hon. John J. Molloy
Hon. Mitchell H. Pally
Hon. James L. Sedore, Jr.
Hon. Polly Trottenberg
Hon. Carl V. Wortendyke

The following members were absent:

Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. Andrew M. Saul

Catherine Rinaldi, Chief of Staff, Jerome F. Page, General Counsel, Stephen J. Morello, Counselor to the Chairman, Board Member Vincent Tessitore, Jr., Carmen Bianco, President, NYCTA, Patrick A. Nowakowski, President, Long Island Rail Road, Joseph J. Giulietti, 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 two public speakers, neither of whom spoke on LIRR agenda items. The details of the speakers' comments are contained in the video recording of the meeting, produced by MTA and maintained in the MTA records, and in the minutes of the other Agencies of this date.

2. Opening Remarks:

The Chairman introduced the new Board member, Polly Trottenberg. He discussed her extensive background in public service. The Chairman noted that new Board member Neil Zuckerman was confirmed in June and will be replacing Metro-North Commuter Counsel Board member James Blair. Iris Weinshall will join the Board in July, replacing Board member Mark Lebow. The Chairman expressed his gratitude to Board outgoing members Blair, Lebow and Page for their outstanding contributions to the MTA. The Chairman discussed the labor dispute with the LIRR unions, summarizing the MTA's offer and noting that the MTA is doing everything it can to prevent a work stoppage. The Chairman reported that the Transportation Reinvention Commission has been established to address future capital needs arising from demographic changes and global climate change.

The details of the chairman's comments are contained in the video recording of the meeting, produced by the MTA and maintained in MTA records, which recording includes discussions between Board Members and the Chairman, and in the minutes of the other Agencies of this date.

3. Approval of Minutes:

Upon motion duly made and seconded, the minutes of the Regular Board Meeting of May 21, 2014 were approved.

4. Committee on Finance:

Action Item:

Upon motion duly made and seconded, the Board approved actions related to payment of the State assessment on the MTA and its constituent agencies for the Public Works Enforcement Fund for calendar year 2014.

Procurements:

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

- Approval of an amendment to a previously Board-approved, competitively awarded, personal services contract with TDX Construction Corporation (“TDX”) for additional funding in the amount of \$1,500,000 to continue to provide construction management (CM) services for the Small Business Development Program (“SBDP”) and (ii) to request funding of \$21,518,570 for the remaining two option years of the Small Business Development Program for a combined not-to-exceed total of \$23,018,570.
- Approval of an amendment to a previously Board-approved, competitively negotiated, personal services contract to Carver Federal Savings Bank (“Carver”) to extend the Small Business Loan Contract for two years, from August 1, 2014 through July 30, 2016, and provide funding of a not-to-exceed amount of \$320,000 for such services, to allow Carver to continue to provide banking loan services for contractors participating in the mentor programs.
- Approval to: (i) extend the existing Board approved, competitively awarded Oracle/RightNow Customer Relationship Management (CRM) proprietary software license and maintenance contract, including professional technical services for the All-Agency Email Response Management System for a twenty-four (24) month period from 8/1/2014 to 7/31/2016 in the amount of \$381,638; and (ii) purchase Social Relationship Management Software (SRM) and additional messaging capabilities in the amount of \$137,280 for a total amount of \$518,918.

Real Estate Items:

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

- Authorization for the Chairman and/or his designee(s) to enter into amended project agreement(s) (1) permitting the developer of the Atlantic Yards overbuild project to commence early construction of overbuild platform foundations, simultaneously with its construction of the LIRR permanent yard facilities, and (2) in consideration of the expanded scope of work, and upon the posting of an additional guaranty, extending the completion deadline for the LIRR permanent yard from September 1, 2016 until December 1, 2017.
- Approval for MTA to enter into permits with the following entities to support emergency alternative transportation in the event of an LIRR strike:
 - Queens Ballpark for use of selected parking areas near CitiField for emergency shuttle bus staging and park and ride using nearby #7 service;
 - The Port Authority of New York and New Jersey for use of selected parking areas near JFK Airport for emergency shuttle bus pick up and drop off and park and ride using nearby A subway service;
 - Nassau Community College for use of selected parking areas for emergency shuttle bus pick up and drop off;

- The State University of New York for use of selected parking facilities for carpooling at Farmingdale State College; and
- The New York State Office of Parks Recreation and Historic Preservation for use of parking facilities for carpooling at six state parks.

The total daily cost for these parking locations will be approximately \$12,000.

With respect to a Lease agreement with American Great Dane NY LLC at Grand Central Terminal, Board member Pally reiterated his position that facilities provided to LIRR riders at Penn Station should be upgraded.

Staff summaries 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:

Procurements:

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

- A competitively-bid Miscellaneous Service Contract to United Cesspool, Inc. in the not-to-exceed amount of \$200,000 for the daily removal, transport, neutralization and lawful disposal of wastewater from the Ronkonkoma Train Wash Facility, for a two-year period beginning July 1, 2014.

A staff summary setting forth the details of the above item is 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 approved the following procurement items for MTACC:

1. Modification to Contract No. CH054A to provide for trenchless excavation for the installation of seven hundred linear foot section of storm sewer pipe in the amount of \$2,200,000.
2. Modification to Contract No. CM005 for the installation of the final lining of Access Tunnels #1 & #2. This is a scope and budget transfer in the amount of \$5,095,500.

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.

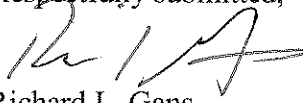
6. Executive Session:

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

7. Adjournment:

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

Respectfully submitted,



Richard L. Gans
Secretary

Minutes of the Regular Meeting
Triborough Bridge and Tunnel Authority
June 25, 2014

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. John H. Banks, III
Hon. Norman Brown
Hon. Allen P. Cappelli
Hon. Jeffrey A. Kay
Hon. Mark D. LeBow
Hon. Susan Metzger
Hon. Charles G. Moerdler
Hon. John J. Molloy
Hon. Mitchell H. Pally
Hon. James L. Sedore, Jr.
Hon. Polly Trottenberg
Hon. Carl V. Wortendyke

Not Present:

Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. Andrew M. Saul

Catherine Rinaldi, Chief of Staff; Jerome F. Page, General Counsel; Stephen J. Morello, Counselor to the Chairman; Board Member Vincent Tessitore, Jr.; Carmen Bianco, President, New York City Transit; Patrick A. Nowakowski, President, Long Island Rail Road; Joseph J. Giulietti, 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 two (2) 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 to the other agencies' minutes 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 introducing Polly Trottenberg, Commissioner for the New York City Department of Transportation, as a new Board member and he announced that Neal Zuckerman, Metro-North Commuter Council and Iris Weinshall, Vice Chancellor of the City University of New York have also been appointed to the Board. Chairman Prendergast acknowledged the extraordinary contributions of three (3) outgoing Board members Mark Page, Jim Blair and Mark Lebow.

With regard to developments in labor negotiations with the Long Island Rail Road, Chairman Prendergast stated that the MTA is doing everything it can to avoid a work stoppage, including offering a deal that would give current employees exactly what they have repeatedly stated that they would accept and making modest modifications for new employees hired after the agreement goes into effect but that they would remain the highest paid railroad workers in the Country.

Chairman Prendergast announced the newly created Transportation Reinvention Commission, which will be jointly chaired by former U.S. Transportation Secretary Ray LaHood and former Federal Aviation Administrator Jane Garvey and there will be 22 commission members representing business, construction, planning, transit, finance and advocacy groups. It will ensure that the MTA's Capital Programs will adequately account for global changes in climate and more frequent weather events as well as demographic changes in ridership and population.

Commissioner Moerdler stated that Chairman Prendergast's comments about the proposal offered to Long Island Rail Road workers do not parallel what the workers asked for and he will ask the unions to defer their strike date so that both sides may negotiate in good faith. Commissioner Albert inquired about the Transportation Reinvention Commission and whether they will be making recommendations to the Board and Commissioner Kay asked whether it will include funding options. Chairman Prendergast responded that the Commission would be making recommendations to the Board and will address state of good repair and financing alternatives.

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 May 21, 2014

Upon a motion duly made and seconded, the minutes of the Regular Board Meeting held on May 21, 2014 were approved.

4. Committee on Finance

Upon motions duly made and seconded, the Board approved the following recommended to it by the Committee on Finance:

(a) Action Items:

- Authorize the payment of the 2014 State Public Work Enforcement Fund Assessment.

(b) Procurements:

- 4 competitive procurement actions in the amount of \$25 million.

(c) Real Estate Items:

- 6 real estate action items.

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 six (6) procurements totaling \$10.152 million.

Non-Competitive Procurements

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

Competitive Procurements

Commissioner Cappelli stated that there are six (6) competitive procurements totaling \$10.152 million.

Personal Service Contracts

Parsons Brinckerhoff AECOM	Contract No. PSC-14-2953A Contract No. PSC-14-2953B Provide Professional Services as Needed for an Environmental Review of TBTA's Toll Related Actions.	\$1,500,000.00 (Aggregate not to exceed amount for two contracts)
The Louis Berger Group	Contract No. PSC-12-2907C The Authority requires the services of several multi-disciplined environmental firms to provide design, supervision and air monitoring services for asbestos and incidental lead abatement projects on an as- needed basis. The required services will be assigned to the firms on a rotating basis by the issuance of work orders. Each work order will be negotiated separately utilizing the labor, overhead and profit rates in each contract. The total amount of all work orders issued under these contracts will not exceed \$750,000. The service requirements were publicly advertised. Eleven (11) firms submitted proposals. The proposals were evaluated against established criteria set forth in the RFP, including cost, record of performance of the firm, qualifications of the firm/personnel, and depth of understanding of project scope. The committee had selected four firms: ATC Group Services Inc. d/b/a Cardno ATC (ATC);	\$750,000.00 (Aggregate not to exceed amount for four contracts)

Environmental Planning and Management Inc. (EPM); Creative Environment Solutions Corp. (CES) and LBG based on their experience, their in-depth understanding of the Work in order to perform the services required under the prospective contracts as well as the qualifications of the personnel proposed. Previously, the Board approved the award of contracts to three of the firms (ATC, EPM and CES) in November 2013.

LBG's award was delayed due to responsibility issues. TBTA reviewed such information and after due consideration thereof, determined that LBG should be deemed a responsible bidder under the All-Agency Responsibility Guidelines, a recommendation with which the Chairman concurred. Each contract shall be awarded in an amount not-to-exceed \$750,000 for all four (4) contracts. The MTA DDCR has established a MBE goal of 10% and a WBE goal of 10% for the referenced contracts. This contract will not be awarded without approval of MTA DDCR.

Miscellaneous Service Contracts

Corporate Courier New York, Inc.	<p>Contract No. 13-OFS-2922</p> <p>In January 2014 B&T issued a joint solicitation for a contractor(s) to provide messenger and motor services for both on-call and scheduled pick-up and delivery of letters, packages and other related items, to and from the offices of various B&T and MTA locations. The services are required to enable the agencies to send and receive Board Information, packages, paychecks, civil service and pension documents and other original documents throughout New York, New Jersey and Connecticut including express deliveries within two hours of the agency's request. The service requirements were publicly advertised. The solicitation notice was sent to 54 firms and eight firms requested copies of the solicitation. On March 4 the following bids were submitted:</p>	\$157,407.00
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<u>Bidders</u>	<u>B&T</u>	<u>MTA</u>
Corporate Courier New York, Inc.	\$10,359.00	\$147,048.00
Deluxe Delivery Systems, Inc.	\$18,913.00	\$195,692.50
A-1 International Inc.	\$23,945.75	\$393,612.50
HealthEx Corp.	\$25,308.10	\$228,917.00
Avant Business Services Corp.	\$33,405.00	\$344,595.00

The scope of services under the prospective contract for B&T has not changed compared with that under its current contract. A price analysis comparing the prospective rates under B&T's procurement when compared with the rates under its current contract reflects an overall average decrease of more than 50%. Given that the MTA's scope of services has changed compared with its current contract, a meaningful comparison between the rates under the prospective contract versus the current contract cannot be made. In connection with the agencies' estimates, the bid amounts are: (i) 46.7% lower than the estimate of \$19,427.80 for B&T and (ii) 29.5% lower than the estimate of \$208,662.50 for the MTA. After evaluation of the bids, it was determined that Corporate Courier New York, Inc. is a responsive, responsible bidder. Based on competition, the prices are 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.

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

Hatch Mott MacDonald, NY Inc.	Contract No. PSC-12-2913 Perform ongoing design initiatives necessary for the successful completion of the construction documents and construction support services for Projects BB-28S; Super Storm Sandy Restoration and Mitigation and Projects BB-28, Phase II, Rehabilitation of the Tunnel at the Hugh L. Carey Tunnel.	\$6,319,445.00
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AWL Industries Inc.	Contract No. 10-MNT-2860 Add funding for maintenance and repair of heating, ventilation and air conditioning systems located at various facilities and extend the contract through November 2014.	\$1,097,167.22
Dewberry Engineers, Inc.	Contract No. PSC-11-2895 Perform Task 7, Construction Support Services, in accordance with the terms of the contract.	\$328,609.22

Commissioner Cappelli stated that the Committee members who were present at the Committee meeting considered and voted in favor of the procurements although a Committee quorum was not present. Upon a motion duly made and seconded, the Board approved the procurements recommended to it by the Committee for MTA Bridges and Tunnels Operations.

Ratifications

Commissioner Cappelli stated that there are no ratifications.

6. 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)(e) to discuss matters relating to collective negotiations.

7. Public Session

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

8. Adjournment

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

Respectfully submitted,



Julia R. Christ
Acting Assistant Secretary

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

**Wednesday, June 25, 2014
10:00 a.m.**

The following members were present:

Hon. Thomas F. Prendergast, Chairman & CEO
Hon. Fernando Ferrer, Vice Chairman
Hon. Andrew Albert
Hon. John H. Banks, III
Hon. Norman Brown
Hon. Allen P. Cappelli
Hon. Jeffrey A. Kay
Hon. Mark D. Lebow
Hon. Susan Metzger
Hon. Charles G. Moerdler
Hon. John J. Molloy
Hon. Mitchell H. Pally
Hon. James L. Sedore, Jr.
Hon. Polly Trottenberg
Hon. Carl V. Wortendyke

The following members were absent:

Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. Andrew M. Saul

Catherine Rinaldi, Chief of Staff, Jerome F. Page, General Counsel, Stephen J. Morello, Counselor to the Chairman, Board Member Vincent Tessitore, Jr., Carmen Bianco, President, NYCTA, Patrick A. Nowakowski, President, Long Island Rail Road, Joseph J. Giulietti, 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 ("Chairman") Prendergast called the meeting to order.

Public Comment Period

There were two public speakers none of whom spoke on matters regarding MTA Capital Construction. The names of the speakers and the subject matter of their comments are contained in the minutes of the Regular Meeting of the Board of the Metropolitan Transportation Authority held on June 25, 2014.

Chairman and Chief Executive Officer's Opening Remarks

Chairman Prendergast introduced new Board Member Polly Trottenberg. The Chairman also announced the appointment of additional Board appointees Neal Zuckerman and Iris Weinshall. Both will be formerly introduced at the next Board meeting.

Chairman Prendergast acknowledged the extraordinary contributions made by outgoing Board members Mark Page, Jim Blair and Mark Lebow.

Chairman Prendergast spoke about the Transportation Reinvention Commission (the "Commission") which has been tasked by Governor Cuomo to ensure that the 2015-2019 Capital Program accounts for the effects of global and demographic changes on our transportation system. The Commission is chaired jointly by former US Transportation Secretary Ray LaHood and former Federal Aviation Administrator Jane Garvey. The Commission will consist of 22 members representing business, construction, planning, transit, finance and advocacy groups both on national and international levels. The Commission will be hosting public input sessions from July 15th through July 17th featuring presentations by subject matter experts as well as providing opportunities for the public to comment. The Chairman will keep the Board closely informed on the work as it develops. More detail about the public input sessions will be released in the coming weeks.

The remainder of the Chairman's remarks are contained in the minutes of the Regular Meeting of the Board of the Metropolitan Transportation Authority held on June 25, 2014.

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 May 21, 2014.

Committee on Finance

Procurement

Upon motion duly made and seconded, the Board approved a contract modification for the extension of the Oracle/RightNow Customer Relationship Management (CRM) proprietary software license and maintenance contract (including professional technical services for the All-Agency Email Response Management System) and for the purchase of Social Relationship Management Software (SRM) with additional messaging capabilities.

A copy of the Resolution, Staff Summary and details of the above item is filed with the records of the Regular Meeting of the Board of the Metropolitan Transportation Authority held on June 25, 2014.

Committee on Long Island Rail Road

Procurement

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

1. Modification to Contract No. CH054A to provide for trenchless excavation for the installation of a seven hundred linear foot section of storm sewer pipe in the amount of \$2,200,000.
2. Modification to Contract No. CM005 for the installation of the final lining of Access Tunnels #1 & #2. This is a scope and budget transfer in the amount of \$5,095,500.

A copy of the Resolution, Staff Summaries and details of the above items are filed with the records of the Regular Meeting of the Board of the Metropolitan Transportation Authority held on June 25, 2014.

Executive Session

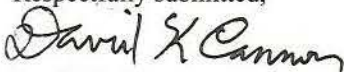
Upon motion duly made and seconded, the Board voted to convene into Executive Session pursuant to Section 105(1)(e) of the New York State Public Officers Law to discuss matters relating to collective bargaining negotiations.

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 11:00 AM.

Respectfully submitted,





David K. Cannon
Assistant Secretary

Staff Summary

Subject Authorization to Issue Special Obligation Taxable Refunding Bonds, Series 2014
Department Finance
Department Head Name Robert E. Foran, Chief Financial Officer
Department Head Signature 
Project Manager Name Patrick J. McCoy, Director of Finance 

Date July 28, 2014
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	7/28			
2	Board	7/28			

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

Purpose

The MTA Finance Department is seeking Board adoption of the annexed Bond Resolution Authorizing Special Obligation Taxable Refunding Bonds, Series 2014 (the "Bond Resolution") and authorization for the issuance of bonds thereunder (the "Series 2014 Taxable Refunding Bonds"). Recent federal tax law guidance allows the MTA to exercise its retained early redemption rights on certain Transit Facilities and Commuter Facilities bonds previously defeased and escrowed to maturity (the "Defeased Bonds"). The proceeds of the Series 2014 Taxable Refunding Bonds will be used to purchase U.S. Treasury securities sufficient to pay off the Defeased Bonds in full at their early redemption date, currently expected to be within 45 days of the date of issuance of the Series 2014 Taxable Refunding Bonds, and to pay costs of issuance and related fees and expenses. The remaining proceeds will be available to pay operating and maintenance expenses of the Transit and Commuter systems. In addition, any remaining cash flow equal to the difference between (1) the total amount of the income stream produced by the U.S. Treasury securities (the "Defeasance Securities") currently held in the defeasance escrow for the Defeased Bonds (that would have been the source of payment of principal and interest on the Defeased Bonds until their maturity) and (2) the amount of such income stream necessary to pay the principal and interest on the Series 2014 Taxable Bonds, will be available, over time, to be applied to the operating and maintenance needs of the Transit and Commuter systems. Subject to market conditions at the time of the issuance of the Series 2014 Taxable Refunding Bonds, the total amount of excess proceeds is estimated to be approximately \$32 million, with the potential for additional savings in 2020-2021. All proceeds and any additional savings will be applied to the operating and maintenance needs of the Transit and Commuter systems.

The Defeasance Securities will be transferred to the trustee for holders of the Series 2014 Taxable Refunding Bonds and will be used to pay principal and interest on the Series 2014 Taxable Refunding Bonds to maturity. The Series 2014 Taxable Refunding Bonds will not be secured by any other revenues or assets of the MTA or its affiliates or subsidiaries.

Discussion

The Defeasance Securities deposited in the escrow accounts relating to the Defeased Bonds during MTA's debt reorganization in 2002 serve to defease a total of seven series of previously issued Transit Facilities and Commuter Facilities bonds by generating sufficient moneys to pay debt service on such bonds through their scheduled maturities. (These escrows were funded with cash

and therefore no refunding bonds were issued in 2002 for the purpose of defeasing these bonds.) MTA retained its right to redeem the Defeased Bonds on an early redemption date in the event such a redemption were to be permitted in the future. In 2013, the Internal Revenue Service issued proposed regulations that enable MTA to exercise its retained early redemption rights on the Defeased Bonds. MTA finance staff, in consultation with MTA's bond counsel and financial advisor, have determined that current law (1) permits this transaction provided that the proceeds of taxable bonds are the source of payment of the early redemption of the Defeased Bonds and (2) requires that the Defeasance Securities secure the Series 2014 Taxable Refunding Bonds.

MTA Board approval is being requested for the aforementioned transaction, including approval of the following:

- the adoption of the Bond Resolution which, among other things, authorizes the selection of underwriters for the Series 2014 Taxable Refunding Bonds, the preparation and delivery of a Preliminary Official Statement, Official Statement, bond purchase agreement and continuing disclosure agreement relating to the Series 2014 Taxable Refunding Bonds, and the taking of other standard actions relating to the issuance of such Bonds;
- the issuance and sale, in one or more series and subseries and from time to time, of the Series 2014 Refunding Taxable Bonds, which will be secured by and payable solely from the Defeasance Securities;
- using the proceeds from the sale of the Series 2014 Taxable Refunding Bonds to purchase U.S. Treasury securities sufficient to pay off the Defeased Bonds in full at their early redemption date or dates or to repay any interim borrowing incurred for such purpose, with the remainder of the proceeds used to pay of costs of issuance and related fees and expenses and to provide monies for the operating and maintenance expenses of the Transit and Commuter systems;
- the selection of the accelerated redemption date or dates for the Defeased Bonds;
- the appointment of the current escrow agent for the Defeased Bonds, which is currently in possession of the Defeasance Securities that will be transferred under the Bond Resolution to secure the payment of principal of and interest on the Series 2014 Taxable Refunding Bonds, as the Trustee for the Series 2014 Taxable Refunding Bonds;
- the purchase of U.S. Treasury securities pursuant to a direct purchase or competitive bidding process sufficient in amount to pay the Defeased Bonds in full at their early redemption date;
- the transfer of Defeasance Securities to the Bond Resolution funds and accounts to secure the Series 2014 Taxable Refunding Bonds;
- the application of any excess cash flows or proceeds generated from this transaction to the operating and maintenance needs of the Transit and Commuter Systems; and
- all other actions necessary and desirable to effectuate the transactions contemplated by the Bond Resolution.

Alternatives

MTA could choose to not issue the Series 2014 Taxable Refunding Bonds, which would eliminate the economic benefits described in this Staff Summary.

Recommendation

That the MTA Board (a) adopt the annexed Bond Resolution, authorizing the issuance of the Series 2014 Taxable Refunding Bonds, as well as all actions related to the payment of the Defeased Bonds at their early redemption date and the transferring of the securities currently securing the Defeased Bonds to secure the Series 2014 Taxable Refunding Bonds described above, including other costs of issuance and transaction costs, from time to time deemed necessary or desirable in connection therewith; and (b) authorize the issuance of the Series 2014 Taxable Refunding Bonds, the payment of the Defeased Bonds and such other

Staff Summary

related actions hereunder, which authorizations shall continue in effect without any further action by the Board until December 31, 2014, unless modified or repealed prior to that date.

METROPOLITAN TRANSPORTATION AUTHORITY

**BOND RESOLUTION AUTHORIZING SPECIAL OBLIGATION
TAXABLE REFUNDING BONDS, SERIES 2014**

Adopted July 28, 2014

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**BOND RESOLUTION AUTHORIZING SPECIAL OBLIGATION
TAXABLE REFUNDING BONDS, SERIES 2014**

BE IT RESOLVED by the Members of the Metropolitan Transportation Authority as follows:

ARTICLE I.

DEFINITIONS AND STATUTORY AUTHORITY

Section 1.01. Definitions. As used in this Resolution, unless a different meaning clearly appears from the context, the following terms shall have the following meanings:

Act means the Metropolitan Transportation Authority Act, being Title 11 of Article 5 of the New York Public Authorities Law, as from time to time amended;

Authority means the Metropolitan Transportation Authority, the corporation organized and existing under the Act, and any successor thereto.

Authorized Officer means, in the case of the Authority, the Chairman and the Vice Chairman, the Executive Director, the Comptroller, the Chief Financial Officer, the Secretary and any Assistant Secretary of the Authority, the Director of Finance, the Director of Treasury, and the Director of Budget and Financial Management of the MTA, and any other person authorized by the Authority to perform the act or sign the document in question; and in the case of the Trustee, the President, a Vice President, a Corporate Trust Officer, an Assistant Corporate Trust Officer, a Trust Officer or an Assistant Trust Officer of the Trustee, and when used with reference to any act or document also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by-laws of the Trustee.

Bond or Bonds means any of the bonds of the Authority authorized and issued pursuant to this Resolution.

Bond Counsel means Nixon Peabody LLP, Hawkins Delafield & Wood LLP or any other attorney or firm of attorneys of nationally recognized standing in the field of law relating to the issuance of bonds by state and municipal entities, selected by the Authority.

Bondholder or Holder of Bonds or Holder or any similar term, when used with reference to a Bond or Bonds, means any person who shall be the registered owner of any Bond or Bonds.

Book Entry Bonds means Bonds authorized to be issued to and registered in the name of a Securities Depository directly or indirectly for the beneficial owners thereof.

Certificate of Determination means a certificate of an Authorized Officer of the Authority fixing terms, conditions and other details of Bonds in accordance with the delegation of power to do so under Section 2.02 hereof.

City means The City of New York.

Debt Service Fund means the Debt Service Fund established pursuant to Section 5.02(a) hereof.

DTC has the meaning set forth in Section 3.09 hereof.

Escrow Agent means The Bank of New York Mellon, having the duties, responsibilities and rights provided for as Escrow Agent in the Resolution, and its successor or successors and any other bank or trust company which may at any time be substituted in its place pursuant hereto.

Escrow Fund means the Escrow Fund established pursuant to Section 5.02(b) hereof.

Outstanding, when used with reference to Bonds, means, as of any date, all Bonds authenticated and delivered hereunder, except (i) any Bond cancelled by the Trustee at or prior to such date, (ii) any Bond deemed to have been paid in accordance with Section 9.01 hereof, and (iii) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to Article III or Section 4.05 hereof.

Proceeds Fund means the Proceeds Fund established pursuant to Section 5.03 hereof.

RANs means the Revenue Anticipation Notes (Working Capital Revolving Credit Facility), Series 2013 issued or to be issued pursuant to the Series 2013 Transportation Revenue Anticipation Note Resolution (Working Capital Revolving Credit Facility) adopted by the Authority on July 24, 2013.

Record Date means the fifteenth day (whether or not a business day) of the calendar month next preceding an interest payment date on the Bonds.

Redemption Price, when used with respect to a Bond, means the principal amount of such Bond payable upon redemption thereof pursuant to Article IV hereof.

Refunded Bonds means the bonds of the Authority of the series, maturities and principal amounts set forth in Schedule A hereto.

Refunded Bonds Commuter Facilities Escrow Agreement means the Multiple Series Commuter Facilities Revenue Bonds Escrow Agreement, dated May 30, 2002, between the Authority and The Bank of New York Mellon, as successor to JPMorgan Chase Bank, N.A., as trustee thereunder.

Refunded Bonds Escrow Agreements means, collectively, the Refunded Bonds Commuter Facilities Escrow Agreement and the Refunded Bonds Transit Facilities Escrow Agreement.

Refunded Bonds Transit Facilities Escrow Agreement means the Multiple Series Transit Facilities Revenue Bonds Escrow Agreement, dated May 30, 2002, between the

Authority and The Bank of New York Mellon, as successor to JPMorgan Chase Bank, N.A., as trustee thereunder.

Released Escrow Amounts has the meaning given such term in Section 2.01 hereof.

Released Escrow Securities means the escrow securities originally securing the Refunded Bonds which are released from the provisions of the Refunded Bonds Escrow Agreements in order to secure the payment of the principal and Sinking Fund Installments of and interest on the Bonds.

Resolution means this Bond Resolution Authorizing Special Obligation Taxable Refunding Bonds, Series 2014, as from time to time amended or supplemented in accordance with the terms and provisions hereof.

Securities Depository means the entity in whose name the Book Entry Bonds are registered.

Serial Bonds means the Bonds so designated in the Certificate of Determination.

Sinking Fund Installment means, as of any date of calculation and with respect to any Term Bonds, so long as any Term Bonds are Outstanding, the amount of money required by the Certificate of Determination to be paid on a single future July 1 or January 1 for the retirement of any Outstanding Bonds of said Series which mature after said future July 1 or January 1, but does not include any amount payable by the Authority by reason only of the maturity of a Bond, and said future July 1 or January 1 is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Bonds are deemed to be Bonds entitled to such Sinking Fund Installment.

State means the State of New York.

Substituted Escrow Amounts has the meaning given such term in Section 2.01 hereof.

Substituted Escrow Securities means the escrow securities purchased by the Authority with the proceeds of the Bonds in order to provide for the payment of the principal of, premium, if any, and interest on the Refunded Bonds on the early redemption date as provided in Section 2.01 hereof.

Term Bonds means the Bonds so designated in the Certificate of Determination and payable from Sinking Fund Installments.

Trust Estate means, collectively, but subject to the terms and provisions of Section 5.01, all right, title and interest of the Authority in: (i) the proceeds of the sale of the Bonds, (ii) the Released Escrow Securities and any money received by the Trustee in respect thereof, and (iii) the Proceeds Fund and the Debt Service Fund and the moneys and investments on deposit therein from time to time to the extent permitted hereby.

Trustee means the bank or trust company appointed as Trustee and paying agent for the Bonds pursuant to Section 7.01 hereof, which shall also be the escrow agent under the Refunded

Bonds Escrow Agreements, and having the duties, responsibilities and rights provided for in the Resolution, and its successor or successors and any other bank or trust company which may at any time be substituted in its place pursuant hereto.

Section 1.02. Authority of this Resolution. This Resolution is adopted pursuant to the provisions of the Act.

Section 1.03. Resolution Constitutes Contract. In consideration of the purchase and acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, the Resolution shall be deemed to be and shall constitute a contract among the Authority, the Trustee and such Bondholders and the transfer, pledge and lien made herein and the covenants and agreement herein set forth to be performed by or on behalf of the Authority shall be for the equal and ratable benefit, protection and security of the legal holders of any and all such Bonds, all of which, regardless of time or times of their maturity, shall be of equal rank and without preference, priority, or distinction of any of the Bonds over any other thereof except as expressly provided herein or permitted hereby.

ARTICLE II.

AUTHORIZATION AND ISSUANCE OF BONDS

Section 2.01. Authorization of Bonds. There are hereby authorized to be issued Bonds of the Authority in an aggregate principal amount up to the maximum amount of Bonds that can be secured as provided herein to be designated as “Special Obligation Taxable Refunding Bonds, Series 2014” and there is hereby created a continuing pledge and lien as provided hereby to secure the payment of the principal and Sinking Fund Installments of and interest on all the Bonds. The Bonds shall be special obligations of the Authority payable solely from the Trust Estate and the Escrow Fund, as the case may be, all in the manner more particularly provided herein. The designation of the Bonds shall, in addition to the name “Special Obligation Taxable Refunding Bonds, Series 2014”, include such further or different designations as the Authority shall determine. Upon issuance of the Bonds, there shall be delivered to the Trustee the verification reports set forth in Section 2.03(f) hereof.

The Bonds shall be issued for the purpose of providing moneys for the purchase of securities (the “Substituted Escrow Securities”) meeting the requirements of the respective Refunded Bonds Escrow Agreements and any required cash amount, together sufficient to provide for the payment of the principal of and interest on the Refunded Bonds on the early redemption date or dates established by the Authority pursuant to the exercise of the retained early redemption rights retained by the Authority in respect of the Refunded Bonds referred to in Section (7) of the respective Refunded Bonds Escrow Agreements (such Substituted Escrow Securities and cash are referred to herein as the “Substituted Escrow Amounts”). The securities and cash currently securing the payment of the principal of and interest on the Refunded Bonds to maturity will be released from the lien and pledge of the Refunded Bonds Escrow Agreements (the “Released Escrow Securities”) and irrevocably transferred to the Escrow Agent for deposit to the Escrow Fund hereunder as security for the payment of the principal of and interest on the Bonds (such Released Escrow Securities and cash are referred to herein as the “Released Escrow Amounts”).

In addition, the proceeds of the Bonds may be used for the payment of costs of issuance of the Bonds and related fees and expenses and to provide moneys for the operation and maintenance needs of the Transit and Commuter Systems.

The Authority may use the proceeds of RANs to the extent necessary or desirable to accommodate the early purchase of the Substituted Escrow Securities or for other purposes authorized by this Resolution if such use of the proceeds of the RANs will result in a financial or other benefit to the Authority. The proceeds of the Bonds may be used to repay any such RANs.

The Bonds of the Authority shall not be a debt of the City or the State, nor shall the City or the State be liable thereon, nor shall the Bonds be payable out of any funds other than those of the Authority hereby transferred or pledged to the payment of the principal and Sinking Fund Installments of and interest on all the Bonds.

Section 2.02. Delegation of Authority. There is hereby delegated to each Authorized Officer of the Authority, subject to the limitations contained in the Resolution, the following power with respect to the Bonds:

(a) to determine whether and when to issue any Bonds, the amount of the Bonds to be applied to finance Substituted Escrow Securities or refinance the proceeds of RANs, and the amount of the proceeds of the Bonds, estimated to be necessary to pay the costs of issuance of the Bonds and capitalized interest, if any;

(b) to determine the uses of the proceeds of the Bonds not needed for the purposes set forth in Section 2.02(a), such uses to be consistent with the payment of operation and maintenance expenses of the transit and commuter systems of the Authority;

(c) to determine the principal amounts of the Bonds to be issued for the purposes set forth in this Resolution and whether such principal amounts constitute a separate series or a subseries of Bonds, which principal amounts (and the aggregate of all such series and subseries) shall not exceed the principal amounts permitted by this Resolution;

(d) to determine the maturity date and principal amount of each maturity of the Bonds and the amount and due date of each Sinking Fund Installment, if any;

(e) to determine the date or dates which the Bonds shall be dated and the interest rate or rates of the Bonds or the manner of determining such interest rate or rates; provided, however, that the Bonds shall be subject to a maximum interest rate of not greater than 10% per annum;

(f) to determine the Redemption Price or Redemption Prices, if any, and the optional and mandatory redemption terms, if any, for the Bonds, including make-whole redemption provisions as deemed necessary or convenient in connection with the sale and delivery of the Bonds;

(g) to determine whether the sale of the Bonds shall be conducted on either a negotiated or competitive bid basis and, as applicable, to determine the purchase price for the Bonds to be paid by the purchaser or purchasers referred to in one or more bond purchase

agreements or a bank direct purchase agreement, which may include such original issue discount and original issue premium as shall be determined in the related Certificate of Determination; provided, however, that, in the case of Bonds sold on a negotiated basis, the underwriters' discount reflected in such purchase price shall not exceed \$10.00 for each one thousand dollars (\$1,000) principal amount of the Bonds;

(h) to take all actions required for the Bonds to be eligible under the rules and regulations of DTC for investment and trading as uncertificated securities, to execute and deliver a standard form of letter of representation with DTC and notwithstanding any provisions to the contrary contained in this Resolution, to include in the related Certificate of Determination such terms and provisions as may be appropriate or necessary to provide for uncertificated securities in lieu of Bonds issuable in fully registered form;

(i) to determine the selection of calculation agents, verification agents, bidding agents or any other agents or parties to ancillary arrangements and the terms of any such arrangements;

(j) to determine the advisability, as compared to an unenhanced transaction, of obtaining one or more credit facilities, to select a provider or providers thereof and to determine and accept the terms and provisions and price thereof, to determine such other matters related thereto as in the opinion of the officer executing the related Certificate of Determination shall be considered necessary or appropriate and to effect such determinations by making any changes in or additions to this Resolution required by credit facility providers, if any, or required by a rating agency in order to attain or maintain specific ratings on the Bonds, or relating to the mechanisms for the repayment of amounts advanced thereunder or payment of fees, premiums, expenses or any other amounts, notices, the provision of information, and such other matters of a technical, mechanical, procedural or descriptive nature necessary or appropriate to obtain or implement a credit facility with respect to the Bonds, and to make any changes in connection therewith;

(k) to make such changes in or from the form of this Resolution as may be required by a rating agency in order to attain or maintain specific ratings on the Bonds;

(l) to make such changes in or from the form of this Resolution as may be necessary or desirable in order to cure any ambiguities, inconsistencies or other defects; and

(m) to provide for the purchase at public or private sale of the Substituted Escrow Securities necessary to provide for the payment of the principal of and premium, if any, and interest on the Refunded Bonds at the early redemption date thereof and to amend, modify or supplement the provisions of the Refunded Bonds Escrow Agreements and the duties, responsibilities and compensation of the escrow agent(s) under the Refunded Bonds Escrow Agreements in order to provide for the early redemption of the Refunded Bonds, and all other actions necessary and desirable to provide for the early redemption of the Refunded Bonds, the use of the proceeds of the Bonds not necessary for the purchase of the Substituted Escrow Securities and costs of issuance and related fees and expenses;

(n) to provide for the securing of the Bonds by the Trust Estate and by the Escrow Fund, as the case may be, including making determinations from time to time as to whether or not the reinvestment of certain Released Escrow Securities as currently provided in the Refunded Bonds Escrow Agreements needs to occur, and whether or not there needs to be created any additional escrow fund or fund(s) to secure the Bonds for the benefit of the holders thereof;

(o) to determine the form of the Bonds and the form of the Trustee's certificate of authentication thereon, and to include a form of such in a Certificate of Determination;

(p) subject to the provisions of Section 2.04 hereof, to provide directions for the application of the proceeds of the Bonds;

(q) to appoint the same bank that is acting as escrow agent under the Refunded Bonds Escrow Agreements as the Trustee and the Escrow Agent for the Bondholders;

(r) to use the proceeds of RANs in any manner necessary or convenient consistent with the provisions of this Resolution; and

(s) any other provisions deemed advisable by an Authorized Officer of the Authority not in conflict with the provisions of the Resolution.

Such Authorized Officer shall execute one or more Certificate of Determinations evidencing determinations or other actions taken pursuant to the authority granted in the Resolution, and any such Certificate of Determination shall be conclusive evidence of the action or determination of such Authorized Officer as stated therein. Determinations set forth in the related Certificate of Determination shall have the same effect as if set forth in this Resolution.

Section 2.03. Provisions for Issuance of Bonds. The Bonds authorized to be issued shall be executed by the Authority and delivered to the Trustee. Such Bonds shall from time to time and in such amounts as are directed by the Authority be authenticated by the Trustee and by it delivered to or upon the order of the Authority upon receipt of the consideration therefor and upon delivery to the Trustee of:

(a) A copy of the Resolution;

(b) Copies of each of the Refunded Bonds Escrow Agreements, certified by an Authorized Officer of the Authority, as well as all documents, reports and other requirements necessary to provide for the release of the Released Escrow Amounts from the Refunded Bonds Escrow Agreements;

(c) A copy of the Certificate of Determination executed in connection with such Bonds;

(d) A written order as to the delivery of such Bonds, signed by an Authorized Officer of the Authority, describing the Bonds to be delivered, designating the purchaser or

purchasers to whom such Bonds are to be delivered, and stating the consideration for such Bonds;

(e) A certificate of an Authorized Officer of the Authority stating that the Authority is not, and, as a result of the issuance of such Bonds, shall not be, in default in the performance of any of the covenants, conditions, agreements or provisions contained herein;

(f) A letter or written report prepared by a firm of certified public accountants verifying the accuracy of the arithmetical computations establishing that the Substituted Escrow Amounts deposited under the respective Refunded Bonds Escrow Agreements in substitution for the Released Escrow Amounts shall be sufficient to pay at the time of such deposit the principal of and interest on the Refunded Bonds on the early redemption date or dates established by the Authority pursuant to Section (7) of the respective Refunded Bonds Escrow Agreements and that the Released Escrow Amounts transferred to the Escrow Fund shall be sufficient to pay the principal and Sinking Fund Installments of and interest on the Bonds as the same shall become due;

(g) Unless the Trustee is a party thereto, a copy of the agreement, if any, between the Authority and the Securities Depository for any Book Entry Bonds; and

(h) An Opinion of Bond Counsel in customary form to the effect that (i) the Authority has the right and power under the Act to adopt the Resolution, and the Resolution has been duly and lawfully adopted by the Authority, is in full force and effect, and is valid and binding upon the Authority, and enforceable in accordance with its terms, and no other authorization for the Resolution is required as of the date thereof; (ii) the Resolution creates the valid pledge and lien which it purports to create of the Trust Estate in the manner and to the extent provided in Section 5.01; (iii) the Bonds are valid and binding obligations of the Authority, enforceable in accordance with their terms and the terms of the Resolution and entitled to the benefits of the Act as amended to the date of such Opinion of Bond Counsel, and (iv) such Bonds have been duly and validly authorized and issued in accordance with law and the Resolution; provided, however, that such opinion may be qualified to the extent that enforceability of rights and remedies may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally or as to the availability of any particular remedy.

Section 2.04. Deposit and Application of Proceeds. The proceeds, including accrued interest and premium, if any, received from the sale of any or all of the Bonds shall, simultaneously with the delivery of the Bonds to the purchaser thereof, be deposited into the Proceeds Fund for application to the purchase of the Substituted Escrow Securities to be deposited along with cash, if any, included in the respective Substitute Escrow Amounts in the respective Refunded Bonds Escrow Agreements; to the payment of costs of issuance of the Bonds; and to provide moneys for the operation and maintenance needs of the Transit and Commuter Systems; provided, however, that accrued interest may be deposited in the Debt Service Fund established hereunder and any accrued interest so deposited shall be invested only in non-callable, direct obligations of the United States of America (not including mutual funds or unit investment trusts) maturing at such times and in sufficient amounts and bearing interest at

such rates as necessary to pay the interest on the Bonds on the first interest payment date after the issuance of the Bonds.

Section 2.05. Official Statement.

1. The use of a Preliminary Official Statement in substantially the form presented to the Board at this meeting is hereby approved. The distribution in connection with the offering and sale of the Bonds of a Preliminary Official Statement in such form, with such changes, insertions and omissions as an Authorized Officer of the Authority deems advisable, is hereby authorized. An Authorized Officer of the Authority may deem such Preliminary Official Statement “final” in accordance with SEC Rule 15c2-12.

2. Any Authorized Officer of the Authority is hereby authorized to execute and deliver, in the name and on behalf of the Authority, a final Official Statement in substantially the form of the Preliminary Official Statement, with such changes, insertions and omissions as said Authorized Officer deems advisable, and to permit the distribution of said Official Statement in connection with the offering and sale of the Bonds.

Section 2.06. Bond Purchase Agreement. The use of a Bond Purchase Agreement, by and between the Authority and Jefferies LLC and Wells Fargo Bank, National Association (or an affiliate), as representative of the underwriters of the Bonds named therein, in substantially the form of the most recent bond purchase agreement used in connection with the issuance and sale of Transportation Revenue Bonds is hereby approved, except that there shall be appropriate revisions therein reflecting this Resolution and the security for the Bonds consistent with the Preliminary Official Statement presented to the Board at this meeting. Any Authorized Officer of the Authority is hereby authorized to execute said agreement in the name and on behalf of the Authority substantially in such form, with such changes, insertions and omissions as may be approved by said Authorized officer, said execution being conclusive evidence of such approval.

Section 2.07. Continuing Disclosure Agreement. The use of a Continuing Disclosure Agreement, by and between the Authority and the Trustee, providing for the Authority’s compliance with SEC Rule 15c2-12 as generally described in Attachment 2 to the form of Preliminary Official Statement presented to the Board at this meeting. Any Authorized Officer of the Authority is hereby authorized to execute said agreement in the name and on behalf of the Authority substantially in the form used in prior financings of the Authority, with such changes, insertions and omissions as may be approved by said Authorized Officer, said execution being conclusive evidence of such approval.

Section 2.08. Execution of Documents. Any Authorized Officer of the Authority is hereby authorized to execute and deliver, in the name and on behalf of the Authority, any and all documents and instruments, and to do and cause to be done any and all acts and things, said Authorized Officer deems necessary or advisable in connection with the offering, sale and issuance of the Bonds and to carry out the transactions contemplated hereby. Any Authorized Officer may execute and deliver one or more Certificates of Determination in connection with the issuance and delivery of the Bonds and any refunding bonds permitted by Section 2.09 hereof and any amendments to this Resolution.

Section 2.09. Additional Obligations. The Authority reserves the right to issue bonds, notes or any other obligations pursuant to other and separate resolutions of the Authority, so long as such bonds, notes or other obligations are not entitled to a charge or lien or right prior or equal to the charge or lien created hereby, or prior or equal to the rights of the Authority and Holders of Bonds provided hereby or with respect to the moneys and investments and earnings on such investments pledged hereunder. Notwithstanding the foregoing, the Authority may issue bonds secured by the Trust Estate on a parity with the Bonds to refund all or any portion of the Bonds provided that it files with the Trustee prior to issuance thereof the same documents required by the provisions of Section 2.03 hereof, taking into consideration the Bonds, if any, to remain outstanding after the issuance of such refunding bonds and the refunding bonds to be issued.

ARTICLE III.

GENERAL TERMS AND PROVISIONS OF BONDS

Section 3.01. Place and Medium of Payment. Except as otherwise provided in the Certificate of Determination, principal and Redemption Price, if any, on the Bonds shall be payable to the registered owner of the Bond when due upon presentation of such Bond at the principal corporate trust office of the Trustee. The Bonds shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts (or to the extent permitted by law, in any other coin or currency authorized pursuant to a Certificate of Determination).

Bonds shall be issued in the form of fully registered Bonds without coupons. Bonds, the certificate of authentication, if any, and the form of assignment shall be in substantially the form provided for in the Certificate of Determination with such appropriate variations, omissions, substitutions and insertions as are permitted or required hereby or thereby or are required by law, and may have such letters, numbers or other marks of identification and such legends and endorsements placed thereon as may be required to comply with any applicable laws or rules or regulations, or as may, consistent herewith, be determined by the Authorized Officers of the Authority executing such Bonds, as evidenced by their execution of the Bonds. Any portion of the text of any Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of such Bond, or as multiple pages (with or without such a reference). Bonds may be typewritten, printed, engraved, lithographed or otherwise produced.

Bonds shall be dated, and shall bear or not bear interest, as provided in the Certificate of Determination authorizing such Bonds.

Section 3.02. Legends. The Bonds may contain, or have endorsed thereon, such provisions, specifications and descriptive words not inconsistent herewith as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, or otherwise, as may be determined by the Authority.

Section 3.03. Execution and Authentication. The Bonds shall be executed in the name of the Authority by the manual or facsimile signature of an Authorized Officer or in such

other manner as may be required by law or specified in a Certificate of Determination. In case any of the officers who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been actually delivered, such Bonds may, nevertheless, be delivered as herein provided, and may be issued as if the persons who signed such Bonds had not ceased to hold such offices. Any Bond may be signed on behalf of the Authority by such persons as at the actual time of the execution of such Bond shall be duly authorized or hold the proper office in the Authority, although at the date of the Bonds such persons may not have been so authorized or have held such office.

Bonds shall bear thereon a certificate of authentication, executed manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under the Resolution and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of the Authority shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under the Resolution and that the Holder thereof is entitled to the benefits of the Resolution.

Section 3.04. Interchangeability of Bonds. Bonds, upon surrender thereof at the office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the Holder or his duly authorized attorney, may, at the option of such Holder, be exchanged for an equal aggregate principal amount of Bonds of the same maturity and interest rate of any other authorized denomination.

Section 3.05. Negotiability, Transfer and Registry. All the Bonds issued under the Resolution shall be negotiable, subject to the provisions for registration and registration of transfer contained in the Resolution and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Authority shall maintain and keep, at the office of the Trustee, books for the registration and registration of transfer of Bonds; and, upon presentation thereof for such purpose at said office and under such reasonable regulations as it or the Trustee may prescribe, the Authority shall register or cause to be registered therein, and permit to be transferred thereon, the registration of any Bond entitled to registration or registration of transfer. So long as any of the Bonds remain Outstanding, the Authority shall make all necessary provision to permit the exchange of Bonds at the office of the Trustee.

Section 3.06. Transfer of Bonds. The transfer of each Bond shall be registrable only upon the books of the Authority, which shall be kept by the Trustee, by the Holder thereof in person or by his attorney authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee executed by the Holder or his authorized attorney. Upon the registration of transfer of any such Bond, the Authority shall issue in the name of the transferee a new Bond of the same aggregate principal amount, maturity and interest rate as the surrendered Bond.

The Authority and the Trustee may deem and treat the person in whose name any Outstanding Bond shall be registered upon the books of the Authority as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of; or on account of the principal and Redemption Price, if any, of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon his order

shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Authority nor the Trustee shall be affected by any notice to the contrary. The Authority agrees to indemnify and save the Trustee harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, unless acting in bad faith or with negligence under the Resolution, in so treating such registered owner.

Section 3.07. Regulations with Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Bonds or registering the transfer of Bonds is exercised, the Authority shall execute and the Trustee shall deliver Bonds in accordance with the provisions of the Resolution. All Bonds surrendered in any such exchanges or registrations of transfer shall forthwith be canceled by the Trustee. For every such exchange or registration of transfer of Bonds, whether temporary or definitive, the Authority or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

Section 3.08. Bonds Mutilated, Destroyed, Lost or Stolen. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Authority shall execute, and thereupon the Trustee shall deliver, a new Bond of like tenor, maturity, interest rate and principal amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Trustee evidence satisfactory to the Authority and the Trustee that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Authority and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Authority and the Trustee may prescribe and paying such expenses as the Authority and Trustee may incur. All Bonds so surrendered to the Trustee shall be canceled by it. If any such Bond shall have matured, or if such Bond shall have been called for redemption or a redemption date pertaining thereto shall have passed, instead of issuing a new Bond the Authority may cause the same to be paid without surrender thereof upon indemnity satisfactory to the Authority and the Trustee. Any such new Bonds issued pursuant to this Section 3.08 in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Authority, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under the Resolution, in any money or securities held by the Authority or the Trustee for the benefit of the Holders of Bonds.

Section 3.09. Book Entry Bonds. The Authority may employ a book-entry-only system of registration with respect to any Bonds and may utilize the procedures regarding such registration set forth in this Section 3.09, as such procedures may be modified or superseded pursuant to the Certificate of Determination authorizing such Bonds. Any provisions of the Resolution inconsistent with book-entry-only Bonds shall not be applicable to such book-entry-only Bonds.

Any Authorized Officer is hereby authorized to take all actions required for the Bonds to be eligible under the rules and regulations of The Depository Trust Company ("DTC"), 55 Water Street, New York, New York, for investment and trading as uncertificated securities. DTC is hereby appointed as the initial Securities Depository for the Bonds, with Cede & Co., a nominee

thereof, being the initial registered owner of the Bonds. In the event that any Securities Depository resigns or is removed, any Authorized Officer may select a substitute Securities Depository. The Authority and the Trustee, and any agent of the Authority or the Trustee, may treat any Securities Depository in whose name any Bonds is registered as the owner of such Bond for all purposes under the Resolution. For so long as the Securities Depository is the registered owner of the Bonds, procedures with respect to the transmission of notices and the transfer of ownership of, redemption of and payment of principal or Redemption Price, if any, of and interest on such Bonds so held shall be in accordance with arrangements among the Trustee, the Authority and the Securities Depository.

So long as the Bonds are registered in the name of the Securities Depository, the Authority and the Trustee shall have no responsibility or obligation to any Securities Depository participant, indirect participant or beneficial owner of the Bonds. Without limiting the immediately preceding sentence, the Authority and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of any Securities Depository or any Securities Depository participant or indirect participant with respect to any beneficial ownership interest in the Bonds, (ii) the delivery to any Securities Depository participant, indirect participant, beneficial owner or any other person, other than the Securities Depository, of any notice with respect to the Bonds, including any notice of redemption or tender, or (iii) the payment to any Securities Depository participant, indirect participant, beneficial owner or any other person, other than the Securities Depository, of any amount with respect to the principal of or Redemption Price or interest on the Bonds.

The Authority, in its sole discretion and without the consent of any other person, may terminate the services of any Securities Depository with respect to any Bonds. Notice of such termination shall be given by the Authority to the Trustee prior to or simultaneously with such termination. In the event the book-entry only system is discontinued with respect to the Bonds, principal and Redemption Price of and interest on the Bonds shall be paid as provided in the Resolution.

Consistent with DTC book-entry provisions, one or more typewritten certificates shall be prepared for each maturity of the Bonds and registered in the name of the Securities Depository. There shall be no physical distribution of bond or other certificates to beneficial owners of such Bonds. In the event that the Bonds do not qualify to be held by the Securities Depository or that either the Authority determines to discontinue the book-entry only system or DTC determines to discontinue providing its service with respect to the Bonds and there is no successor Securities Depository, the bond or other certificates shall be delivered in the form required by the Resolution.

Unless otherwise directed by an Authorized Officer, "CUSIP" identification numbers will be imprinted on the Bonds, but such numbers shall not constitute a part of the contract evidenced by the Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the Bonds. As a convenience to the Holders of the Bonds, the Authority and the Trustee may use such CUSIP numbers in any notices to the Holders of the Bonds, including any notices of redemption of the Bonds. Failure on the part of the Authority or the Trustee to use such CUSIP numbers in any notice to Holders of the Bonds shall not constitute an Event of Default or any similar violation of the Authority's contract with

such Holders. The Authority will promptly notify the Trustee of any change in the CUSIP numbers.

ARTICLE IV.

REDEMPTION OF BONDS

Section 4.01. Authorization of Redemption. The Bonds shall be subject to optional redemption at the discretion of the Authority as provided in a Certificate of Determination. Term Bonds subject to mandatory redemption prior to maturity from Sinking Fund Installments shall be redeemable, in accordance with this Article IV, at such times, at such Redemption Prices and upon such terms as may otherwise be specified herein or in the Certificate of Determination.

Section 4.02. Sinking Fund Redemptions. Whenever by the terms hereof the Trustee is required to redeem Bonds from Sinking Fund Installments the Trustee shall select the Bonds of the maturities to be redeemed in the manner provided in Section 4.03 hereof, give the notice of redemption and pay out of moneys available therefor the Redemption Price thereof, together with interest accrued to the redemption date, to the Trustee in accordance with the terms of this Article IV.

Section 4.03. Selection of Bonds to Be Redeemed. In the event of redemption of less than all the Outstanding Bonds of like tenor, maturity and interest rate, the Trustee shall select, as directed by the Authority (as to the timing of such selection, manner of such selection or otherwise) or otherwise in such manner as the Trustee in its discretion shall deem appropriate and fair, the numbers of the Bonds to be redeemed and portions of any thereof to be redeemed in part. Bonds of denominations equal or less than the minimum authorized denomination thereof may be redeemed only as a whole. Bonds of denominations of more than the minimum authorized denomination thereof may be redeemed either as a whole or in part (which, if redeemed in part, must assure that the portion of the Bond which is not redeemed is an authorized denomination). For the purposes of this Section 4.03, Bonds, or portions thereof, which have theretofore been selected for redemption shall not be deemed Outstanding.

Section 4.04. Notice of Redemption. When redemption of Bonds is required by the Resolution pursuant to Section 4.02, the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds, which notice shall specify the CUSIP numbers, maturities and, if any maturity shall include Bonds bearing different interest rates and all Bonds of such maturity are not being redeemed, the interest rate of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of any like tenor, maturity and interest rate are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed, and, if applicable, that such notice is conditional and the conditions that must be satisfied. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and

after such date interest thereon shall cease to accrue and be payable. Such notice shall be given not less than 30 days nor more than 45 days, or for such other period as may be specified in a Certificate of Determination, before the redemption date, to the Holders of any Bonds or portions of Bonds which are to be redeemed. Failure so to give any such notice to any particular Holder shall not affect the validity of the proceedings for the redemption of Bonds not owned by such Holder and failure of any Holder to receive such notice shall not affect the validity of the proposed redemption of Bonds. The Authority may provide notices of redemption at such additional times as it may determine necessary or appropriate. Notices of redemption shall be sent by first class mail, postage prepaid.

The Certificate of Determination may provide for the delivery of a conditional notice of redemption in the case of Bonds subject to optional redemption.

Section 4.05. Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 4.04, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the office specified in such notice, such Bonds, or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date. If there shall be called for redemption less than all of a Bond, the Authority shall execute and cause to be delivered, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, at the option of the Owner thereof, Bonds of like tenor, maturity and interest rate in any of the authorized denominations. If, on the redemption date, money for the redemption of all the Bonds or portions thereof of any like tenor, maturity and interest rate to be redeemed, together with interest to the redemption date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Bonds or portions thereof of such maturity and interest rate so called for redemption shall cease to accrue. If said money shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

ARTICLE V.

PLEDGE OF TRUST ESTATE; DEBT SERVICE FUND; PROCEEDS FUND

Section 5.01. Pledge of Trust Estate. There are hereby pledged for the payment of the principal and Redemption Price of, and interest on, and Sinking Fund Installments for, the Bonds, in accordance their terms and the provisions of the Resolution, all right, title and interest of the Released Escrow Amounts on deposit in the Escrow Fund and all right, title and interest of the Authority in the Trust Estate, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution. The pledge created by this Section 5.01 shall in all respects secure on a pari passu basis all of the Bonds, and any refunding bonds permitted by Section 2.09 hereof, and, except as expressly so stated, nothing contained in the Resolution shall be deemed to confer on the Holders of any Bonds any rights in the Trust Estate or the Escrow Fund superior or inferior to the Holders of any

other Bonds. The pledge created by this Section 5.01 shall be valid and binding from the date of issuance of the Bonds, and the Trust Estate and the Escrow Fund shall immediately be subject to the lien of such pledge without any physical delivery thereof or any further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof. Subject to the provisions of the first sentence of this Section 5.01, the Escrow Fund and the Trust Estate is and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the Resolution, and, with respect to the Trust Estate, all corporate action on the part of the Authority to that end has been duly and validly taken. All Funds established under this Resolution shall be held by the Trustee or the Escrow Agent, as the case may be, separate and apart from all other funds and moneys of the Authority and the Trustee and there shall be no commingling of any of the funds or moneys on deposit in the Funds established hereunder with the funds or moneys on deposit in any of the other Funds established hereunder or with any other funds or moneys of the Authority or the Trustee.

Section 5.02. Debt Service Fund and Escrow Fund.

(a) There is hereby established the Debt Service Fund which shall be held and maintained by the Trustee. On the day of issuance of the Bonds, contemporaneous with the deposit of the Substituted Escrow Amounts with the escrow agents under the Refunded Bonds Escrow Agreements, the Released Escrow Amounts shall be concurrently released from the escrows by the escrow agents under the Refunded Bonds Escrow Agreements and transferred to the Trustee for deposit to the Debt Service Fund. Promptly upon the receipt thereof, the Trustee shall irrevocably transfer the Released Escrow Amounts to the Escrow Agent for deposit into the Escrow Fund.

(b) Separate and apart from the Debt Service Fund and the Trust Estate, there is hereby established the Escrow Fund which shall be held and maintained by the Escrow Agent. On the day of issuance of the Bonds, the Trustee shall irrevocably transfer the Released Escrow Amounts to the Escrow Agent as provided in Section 5.02(a) hereof. The Escrow Fund shall be a special and irrevocable trust fund to be held by the Escrow Agent. The deposit of the Released Escrow Amounts in the Escrow Fund shall constitute an irrevocable deposit of such amounts in trust solely for the payment of the principal and Redemption Price of and interest on the Bonds and any refunding bonds permitted by Section 2.09 hereof on and prior to the redemption date or maturity date thereof, as the case may be, and the principal of and interest earnings on such Released Escrow Amounts shall be used solely for such purposes, except as otherwise permitted by Schedule B hereto. The trusts hereby created shall be irrevocable. The terms and provisions relating to the Escrow Fund are set forth in Schedule B hereto.

(c) The parties hereto intend that the transfer of the Released Escrow Amounts to the Escrow Agent for deposit into the Escrow Fund shall constitute an absolute and irrevocable transfer and not a loan or pledge. Notwithstanding anything to the contrary set forth in this Resolution, if a court of competent jurisdiction determines that the transfer of the Released Escrow Amounts to the Escrow Agent for deposit into the Escrow Fund constitutes a loan or a pledge and not an absolute and irrevocable transfer, then the parties hereto intend that the Escrow Fund shall be treated as part of the Trust Estate and pledged in accordance with Section 5.01

above as if the Escrow Fund had been included within the definition of “Trust Estate” in Section 1.01 above.

Section 5.03. Proceeds Fund. The Trustee shall deposit into the Proceeds Fund the net proceeds of the sale of the Bonds. The Trustee shall use the moneys on deposit in the Proceeds Fund to fund the Substitute Escrow Amounts on the date of issuance and sale of the Bonds. All remaining amounts on deposit in the Proceeds Fund shall be paid to, or at the direction of, the Authority to pay for the costs of issuance of the Bonds and to pay operation and maintenance expenses of the transit and commuter systems of the Authority.

ARTICLE VI.

PARTICULAR COVENANTS

The Authority covenants and agrees with the Holders of the Bonds as follows:

Section 6.01. Payment of Bonds. The Authority shall duly and punctually pay or cause to be paid from the Trust Estate and the Escrow Fund as provided in this Resolution the principal, Sinking Fund Installments and Redemption Price of and interest on every Bond, on the dates and at the places and in the manner provided in the Bonds according to the true intent and meaning thereof.

Section 6.02. Extension of Payments of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payments of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time for payment of such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any Event of Default, to the benefit of the Resolution or to any payment out of the Trust Estate, except subject to the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest.

Section 6.03. Power to Issue Bonds and Make Pledges. The Authority is duly authorized pursuant to law to create and issue the Bonds, to adopt this Resolution and to pledge the moneys, securities and funds purported to be pledged by this Resolution in the manner and to the extent provided in this Resolution. The moneys, securities and funds so pledged are and shall be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by this Resolution, and all corporate action on the part of the Authority to that end has been duly and validly taken. The Bonds and the provisions of this Resolution are and shall be the valid and legally enforceable obligations of the Authority in accordance with their terms and the terms of this Resolution. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the moneys, securities and funds under this Resolution and all the rights of the Bondholders under this Resolution against all claims and demands of all persons whomsoever.

Section 6.04. Further Assurances. To the extent permitted by law, the Authority from time to time shall make, do, execute, adopt, acknowledge and deliver, and take all and

every such further acts, deeds, conveyances, assignments, resolutions, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights and interests in the Trust Estate and the Escrow Fund so assigned, or intended so to be, or which the Authority or the Escrow Agent may become bound to pledge or assign.

Section 6.05. Accounts and Reports. The Escrow Agent shall keep proper books of record and account relating to the Released Escrow Amounts and the debt service relating to the Bonds. A copy of each record and account shall be filed semi-annually after each interest payment date on the Bonds with the Authority and the Trustee and the Trustee shall send a copy thereof to any Holder filing with the Trustee a written request therefor.

Section 6.06. Creation of Liens. The Authority shall not create or cause to be created any lien or charge prior or equal to that of the Bonds on the Trust Estate or any lien or charge on the Escrow Fund.

Section 6.07. Offices for Payment and Registration of Bonds. Except as otherwise provided in the Resolution, the Authority shall at all times maintain one or more offices or agencies in the City and State where Bonds may be presented for payment, registration, transfer or exchange, and where notices, demands and other documents may be served upon the Authority in respect of the Bonds or of the Resolution. The Authority may appoint the Trustee as its agent to maintain such office or agency for the payment, redemption, registration, transfer or exchange of Bonds and for the service upon the Authority of such notices, demands and other documents. The Authority may also maintain one or more offices or agencies outside of the City or State for the same purposes.

Section 6.08. General. The Authority shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions hereof in accordance with the terms of such provisions and, to the extent material to the interests of the Holders, the Act.

Upon the date of issuance of the Bonds, all conditions, acts and things required by the statutes of the State and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds, shall exist, have happened and have been performed and the issuance of such Bonds, together with all other indebtedness of the Authority, shall be within every debt and other limit prescribed by the laws of the State.

Section 6.09. Agreement of the State; No Bankruptcy. In accordance with Section 1271 of the Act, the Authority does hereby include the pledge and agreement of the State with the Holders of the Bonds that the State will not limit or alter the denial of authority under subdivision 9 of Section 1269 of the Act, or the rights vested in the Authority by the Act to fulfill the terms of any agreement made with such Holders, or in any way impair the rights and remedies of such Holders until such agreements, bonds, notes and obligations with such Holders, together with the interest thereon, and all costs and expenses for which the Authority is liable in connection with any action or proceeding by or on behalf of such Holders, are fully met and discharged.

ARTICLE VII.

CONCERNING THE TRUSTEE

Section 7.01. Appointment and Acceptance of Trustee. On or prior to the delivery of the Bonds, the Authority shall appoint a Trustee. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing and delivering to the Authority a written acceptance thereof.

Section 7.02. Duties, Liabilities and Rights of the Trustee.

(a) Prior to the occurrence of an Event of Default of which an Authorized Officer of the Trustee has written notice or actual knowledge, and after the curing or waiver of any Event of Default which may have occurred:

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Resolution, and no implied covenants or obligations shall be read into the Resolution against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of the Resolution; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee is under a duty to examine same to determine whether or not they conform to the requirements of the Resolution.

(b) In case an Event of Default of which an Authorized Officer of the Trustee has written notice or actual knowledge has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by the Resolution, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use in the conduct of such person's own affairs.

(c) No provision of the Resolution shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

1. this subsection (c) shall not be construed to limit the effect of subsection (a) of this Section 7.02;
2. the Trustee is not and shall not be liable for any error of judgment made in good faith by an Authorized Officer of the Trustee, unless it is proven that the Trustee was negligent in ascertaining the pertinent facts;
3. the Trustee is not and shall not be liable with respect to any action taken or omitted to be taken by it in good faith (i) in accordance with the direction of the Holders of the applicable percentage of Bonds then Outstanding relating to the time, method and place of conducting any proceeding for

any remedy available to the Trustee, or (ii) which it believes to be authorized or within its rights or powers under the Resolution;

4. no provision of the Resolution shall require the Trustee to expend or risk its own funds or otherwise incur any personal or financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, for which it has not received a satisfactory indemnity;
5. the Trustee may rely on any document believed by it to be genuine and to have been signed or presented by the proper person and shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit;
6. the Trustee shall not be charged with knowledge of an Event of Default unless an Authorized Officer of the Trustee shall have received written notice from a Holder or the Authority or have actual knowledge; provided that the Trustee shall be deemed to have actual knowledge of any failure to pay principal or Redemption Price of or interest on Bonds when due;
7. the Trustee shall not be under any obligation, to take any action that is discretionary hereunder;
8. neither the Trustee nor any of its directors, officers, employees or agents shall be personally liable for any action taken, suffered or omitted by the Trustee in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon the Trustee by the Resolution;
9. the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians, or nominees and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent, attorney, custodians or nominees appointed with due care by it hereunder; and
10. the Trustee may request that the Authority deliver a certificate of an Authorized Officer setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant hereto, which certificate may be signed by any person authorized to sign such a certificate, including any person specified as so authorized in any such certificate previously delivered and not superseded.

(d) Whether or not expressly so provided, every provision of the Resolution relating to the conduct or affecting the liability of or affording protection to the Trustee is subject to the provisions of this Section 7.02.

Section 7.03. Property Held in Trust. All moneys and investments conveyed to or held by the Trustee at any time pursuant to the terms hereof shall be and hereby are assigned, transferred and set over unto the Trustee in trust for the purposes and under the terms and conditions hereof.

Section 7.04. Evidence on Which Trustee May Act. The Trustee shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel of its selection, who may or may not be counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, omitted to be taken or suffered by it under the Resolution in good faith and in accordance therewith.

Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of the Resolution; but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

Except as otherwise expressly provided in the Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the Authority to the Trustee shall be sufficiently executed if executed in the name of the Authority by an Authorized Officer.

Section 7.05. Compensation. The Authority shall pay to the Trustee from time to time such compensation as shall be agreed to in writing between the Trustee and the Authority for all services rendered under the Resolution (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under the Resolution. Notwithstanding the foregoing, the Trustee shall have no lien and will not assert any lien whatsoever on the Released Escrow Amounts or amounts on deposit in the Debt Service Fund for the payment of any such compensation, expenses, charges, counsel fees or other disbursements, except to the extent of any surplus as provided in Section 5.02(f) hereof. To the extent permitted by law, the Authority further agrees to indemnify and save the Trustee and its officers, directors, agents, and employees harmless against any and all liabilities, losses, damages, claims or expenses which it may incur in the acceptance, exercise and performance of its powers and duties hereunder and which are not due to its willful misconduct, negligence or bad faith. The obligations of this Section 7.05 shall survive the discharge of the Resolution. No obligation of the Authority to make any payment to the Trustee shall have the benefit of any lien on or pledge or assignment of the Trust Estate or the Escrow Fund.

The Trustee shall notify the Authority promptly of any claim for which it may seek indemnity. The Authority shall defend the claim and the Trustee shall cooperate in the defense.

The Trustee may have separate counsel and the Authority shall pay the reasonable fees and expenses of such counsel.

Section 7.06. Permitted Acts. The Trustee may become the Holder of any Bonds or any other obligations of the Authority, with the same rights it would have if it were not a Trustee. To the extent permitted by law and pursuant to the Resolution, the Trustee may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Holders of Bonds or the holders of any other obligations of the Authority or to effect or aid in any reorganization growing out of the enforcement of the Bonds or any other obligations the Authority or the Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

Section 7.07. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by the Resolution by giving not less than 60 days' written notice to the Authority and mailing notice thereof to the Holders of the Bonds, specifying the date when such resignation shall take effect, at least 45 days prior to the effective date, provided that such resignation shall take effect upon *the later of* (i) the day specified in such notice and (ii) the day a successor shall have been appointed by the Authority or the Holders of Bonds as provided in Section 7.09 and shall have qualified therefor.

Section 7.08. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Holders of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Authority. In addition, so long as no Event of Default shall have occurred and be continuing hereunder and the Trustee is not pursuing any right or remedy available to it pursuant to the Resolution, the Trustee may be removed by the Authority at any time for failure to provide reasonably acceptable services, failure to charge reasonably acceptable fees or any other reasonable cause, all as determined by a certificate of an Authorized Officer filed with the Trustee. Any such removal shall not be effective until a successor shall have been appointed by the Authority or the Holders of Bonds as provided in Section 7.09 and shall have qualified therefor.

Section 7.09. Successor Trustee. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and acknowledged by such Holders of Bonds or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the Authority and the predecessor Trustee; provided, nevertheless, that unless a successor Trustee shall have been appointed by the Holders of Bonds as aforesaid, the Authority by a duly executed written instrument signed by an Authorized Officer of the Authority shall therewith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by the Holders of Bonds as authorized in this Section 7.09. The Authority shall mail notice of any such appointment made by it to all Holders within 20 days

after such appointment. Any successor Trustee appointed by the Authority shall, immediately and without further act, be superseded by a Trustee appointed by the Holders of Bonds.

If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section 7.09 within 45 days after the Trustee shall have given to the Authority written notice as provided in Section 7.07 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Bond may, at the expense of the Authority, apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any Trustee appointed under the provisions of this Section 7.09 in succession to the Trustee shall be a bank that is organized under the laws of the State or is a national banking association organized under the laws of the United States of America, doing business and having a corporate trust office in The City of New York, and having a capital and surplus aggregating at least \$100 million, if there be such a Bank willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

Section 7.10. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under the Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Authority, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all money, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Authority, or of the successor Trustee, and, upon the payment of all of its charges hereunder, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under the Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority.

Section 7.11. Merger or Consolidation of the Trustee. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Trustee may sell or transfer all or substantially all of its municipal corporate trust business, provided such person shall be a bank that is organized under the laws of the State or is a national banking association organized under the laws of the United States of America, doing business and having a corporate trust office in The City of New York, and having a capital and surplus aggregating at least \$100 million, and shall be authorized by law to

perform all the duties imposed upon it by the Resolution, shall be the successor to such Trustee without the execution or filing of any paper or the performance of any further act.

Section 7.12. Continuing Disclosure Agreements. The Trustee shall be entitled to the same rights and the same degree of indemnification in its execution and performance of each continuing disclosure agreement entered into pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 as amended, as it is under the Resolution.

ARTICLE VIII.

DEFAULTS AND REMEDIES

Section 8.01. Events of Default. An event of default shall exist under this Resolution (an “event of default”) if:

(a) default is made in the payment of the principal, Redemption Price, Sinking Fund Installment or interest on any Bond after the same shall become due and payable; or

(b) the Authority shall default in the due and punctual performance or observance of any other of the covenants, agreements or conditions on its part contained in the Resolution, or in the Bonds, and such default shall continue for a period of thirty (30) days after written notice thereof requiring the same to be remedied shall have been given to the Authority by the Trustee, provided, that if the failure stated in the notice cannot be remedied within the applicable period, the Trustee shall not unreasonably withhold its consent to an extension of such time if corrective action has been instituted by the Authority within such period and is being diligently pursued; or

(c) the pledge created in Section 5.01 shall, at any time and for any reason, cease to be in full force and effect or a final judgment shall be rendered which shall declare the pledge to be null and void, or shall declare that the pledge does not establish in any material respect the lien it purports to establish, or that the pledge is not for the benefit of the Holders of the Bonds.

Section 8.02. Powers of Trustee in Respect of an Event of Default. In the event that any event of default specified in Section 8.01 shall occur and be continuing, the Trustee may, and, upon written request of the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, shall, in its name:

- (a) by suit, action or proceeding in accordance with the civil practice law and rules enforce all rights of the Holders of Bonds;
- (b) bring suit upon the Bonds against the Authority;
- (c) by action or suit, require the Authority to account as if it were the trustee of an express trust for the Holders of the Bonds; or
- (d) by action or suit, enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds.

The remedies conferred upon or reserved to the Trustee in respect of any event of default are not intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or now or hereafter existing at law or in equity or by statute; provided, however, that the Trustee or the Holders of the Bonds shall not have the right to declare all Bonds to be immediately due and payable. No delay or omission to exercise any right or power accruing upon any event of default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than notice as may be expressly required herein.

The Trustee shall, in addition to the foregoing powers, have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incidental to the general representation of Holders of Bonds in the enforcement and protection of their rights.

The Authority covenants that if an event of default shall have happened and shall not have been remedied, the books of record and account of the Authority and all other records relating to the Trust Estate shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys and, upon demand of the Trustee, the Authority will account, as if it were the trustee of an express trust, for the Trust Estate for such period as shall be stated in such demand.

Section 8.03. Priority of Payments After Default. In the event that the funds held by the Trustee shall be insufficient for the payment of interest and principal or Redemption Price then due on the Bonds, such funds (excluding funds held for the payment or redemption of particular Bonds which have theretofore become due at maturity or by call for redemption) and any other money received or collected by the Trustee, after making provision for the payment of any expenses necessary in the opinion of the Trustee to preserve the continuity of the amounts to be received under the Resolution or otherwise to protect the interest of the Holders of the Bonds, and for the payment of the charges and expenses and liabilities incurred and advances made by the Trustee in the performance of its duties under the Resolution, shall be applied as follows:

Unless the principal of all of the Bonds shall have become due and payable,

First: To the payment to the persons entitled thereto of all installments of interest then due with respect to Bonds in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installments due on the same date, then to the payment thereof ratably, according to the amounts due on such installments and interest components, to the persons entitled thereto, without any discrimination or preference, except as to the difference in the respective rates of interest specified in such Bonds; and

Second: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and,

if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal and Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

If the principal of all of the Bonds shall have become due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

The provisions of this Section 8.03 are in all respects subject to the provisions of Section 6.02.

Section 8.04. Termination of Proceedings. In case any proceedings taken by the Trustee on account of any event of default shall have been discounted or abandoned for any reason, then in every such case the Authority, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

Section 8.05. Bondholders' Direction of Proceedings. Anything in this Resolution to the contrary notwithstanding, the Holders of the majority in principal amounts of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this Resolution, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

Section 8.06. Limitation on Rights of Bondholders. No Holder of any Bond shall have any right to institute any suit, action or other proceeding hereunder, or for the protection or enforcement of any right under this Resolution or any right under law unless such Holder shall have given written notice of the event of default or breach of duty on account of which such suit, action or proceeding is to be taken, and unless the Holders of not less than twenty-five per centum (25%) in principal amount of the Bonds then outstanding shall have made written request of the Trustee after the right to exercise such powers of right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted under the law or to institute such action, suit or proceeding in its name and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers under this Resolution or for any other remedy hereunder or under law. It is understood and intended that no one or more Holders of the Bonds hereby secured shall have any right in

any manner whatever by his or their action to affect, disturb or prejudice the security of this Resolution, or to enforce any right hereunder or under law with respect to the Bonds or this Resolution, except in the manner herein provided, and that all proceedings shall be instituted, had and maintained in the manner herein provided and for the benefit of all Holders of the Outstanding Bonds. Notwithstanding the foregoing provisions of this Section 8.06 or any other provisions of this Article VIII, the obligation of the Authority shall be absolute and unconditional to pay the principal of and interest on the Bonds to the respective Holders thereof at the respective due dates thereof, and nothing herein shall affect or impair the right of action, which is absolute and unconditional, of such Holders to enforce such payment.

Anything to the contrary notwithstanding contained in this Section 8.06, or any other provision of this Resolution, each Holder of any Bond by his acceptance thereof shall be deemed to have agreed that any court in its discretion may require, in any suit for the enforcement of any right or remedy under the Resolution, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the reasonable costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in any such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this paragraph shall not apply to any suit instituted by the Trustee, to any suit instituted by any Bondholder, or group of Bondholders, holding at least twenty-five per centum (25%) in principal amount of the Bonds Outstanding, or to any suit instituted by any Bondholder for the enforcement of the payment of the principal of or interest on any Bond on or after the respective due dates thereof expressed in such Bond.

Section 8.07. Possession of Bonds by Trustee Not Required. All rights of action hereunder or under any of the Bonds, enforceable by the Trustee, may be enforced by it without the possession of any of the Bonds or the production thereof on the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the Holders of such Bonds to which such action relates, subject to the provisions hereof.

Section 8.08. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Holders of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 8.09. No Waiver of Default. No delay or omission of the Trustee or of any Holder of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Article VIII to the Trustee and the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

The Trustee may, and upon written request of Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds, shall, waive any default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit,

action or proceeding instituted by it under the provisions of the Resolution or before the completion of the enforcement of any other remedy hereunder; but no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

Section 8.10. Notice of Event of Default. The Trustee shall give to the Bondholders notice of each event of default hereunder known to the Trustee within fifteen (15) days after knowledge of the occurrence thereof, unless such event of default shall have been remedied or cured before the giving of such notice. Such notice of event of default shall be given by the Trustee by mailing written notice thereof to all registered Holders of Bonds as the names and addresses of such Holders appear upon the books, for registration and transfer of Bonds as kept by the Trustee.

ARTICLE IX.

DEFEASANCE

Section 9.01. Defeasance. If the Authority shall pay or cause to be paid to the Holders of all Bonds then Outstanding the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the Resolution, then, at the option of the Authority, expressed in an instrument in writing signed by an Authorized Officer and delivered to the Trustee, the covenants, agreements and other obligations of the Authority to the Holders of Bonds shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Authority, execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction and the Trustee shall pay over or deliver to the Authority all money, securities and funds held by it pursuant to the Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

Outstanding Bonds or any portions thereof for the payment or redemption of which money shall have been set aside and shall be held in trust by the Trustee shall at the respective maturity or redemption dates thereof be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section 9.01. Outstanding Bonds or any portions thereof shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section 9.01, (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail as provided in Article IV notice of redemption on said date of such Bonds, (b) there shall have been irrevocably deposited with the Trustee either money in an amount which shall be sufficient, or Defeasance Securities (as defined in a Certificate of Determination) the principal of and the interest on which when due will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, to pay when due, the principal or Redemption Price, if applicable, and interest due and to become due on such Bonds or such portions thereof on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event such Bonds are not by their terms maturing or are not subject to redemption within the next succeeding 60 days, the Authority shall have given the

Trustee in form satisfactory to it irrevocable instructions to mail, as soon as practicable, a notice to the Holders of such Bonds that the deposit required by (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 9.01 and stating such maturity or redemption date upon which money is to be available for the payment of the principal or Redemption Price, if applicable, on such Bonds. Neither Defeasance Securities nor money deposited with the Trustee pursuant to this Section 9.01 nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; provided, however, that any money on deposit with the Trustee, (i) to the extent such money will not be required at any time for such purpose, shall be paid over to the Authority as received by the Trustee, free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under the Resolution, and (ii) to the extent such money will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient, together with any money available to the Trustee for such purpose, to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Notwithstanding any other provision hereof, the Authority may at the time of defeasance elect to retain the right to redeem or require the tender of any obligations deemed paid pursuant to this Section 9.01. The Trustee shall, at the direction of the Authority, select the Bonds or portions thereof that are deemed to have been paid in advance of the redemption of such Bonds.

Anything in the Resolution to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the principal or Redemption Price of or interest on any of the Bonds which remains unclaimed for two (2) years after the date when such principal, Redemption Price or interest, respectively, has become due and payable, either at stated maturity dates or by call for earlier redemption, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when such principal, Redemption Price, or interest, respectively, became due and payable, shall, at the written request of the Authority, be repaid by the Trustee to the Authority, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Holders of Bonds shall look only to the Authority for the payment of such principal, Redemption Price, or interest, respectively. Notwithstanding the foregoing or anything in the Resolution to the contrary, any money held by the Trustee in trust for the payment and discharge of any Bonds which remains unclaimed after such money was to be applied to the payment of such Bonds in accordance with the Resolution may be applied in accordance with the provisions of the Abandoned Property Law of the State, being Chapter 1 of the Consolidated Laws of the State or any successor provision thereto, and upon such application, the Trustee shall thereupon be released and discharged with respect thereto and the Holders of Bonds shall look only to the Authority or the Comptroller of the State for the payment of such Bonds. Before being required to make any such payment to the Authority or to apply such money in accordance with the Abandoned Property Law of the State, the Trustee shall, at the expense of the Authority, cause to be mailed to the Holders entitled to receive such money a notice that said money remains unclaimed and that, after a date named in said notice, which date shall be not less than thirty (30) days after the date of the mailing, the balance of such money then unclaimed will be returned to the Authority or applied in accordance with the Abandoned Property Law of the State, as the case may be.

ARTICLE X.

EXECUTION OF INSTRUMENTS BY BONDHOLDERS AND PROOFS OF HOLDERSHIP OF BONDS

Section 10.01. Evidence of Signatures of Bondholders and Ownership of Bonds.

Any request, consent or other instrument which the Resolution may require or permit to be signed and executed by a Holder or Holders of Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Holder or Holders of Bonds in person or by his or their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of an instrument appointing any such attorney, or the holding or owning by any person of such Bonds, shall be sufficient for any purpose hereof (except as otherwise herein expressly provided) if made as in this Section 10.01 provided, but the Trustee may nevertheless in its discretion require further or other proof in cases where it deems the same desirable.

The fact and date of the execution by any Holder of Bonds or his attorney of such instrument may be proved by the certificate, which need not be acknowledged or verified, of any officer of a bank or trust company satisfactory to the Trustee or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The authority of the person or persons executing any such instrument on behalf of a corporate Holder of Bonds may be established without further proof if such instrument is signed by a person purporting to be the president or a vice president of such corporation with a corporate seal affixed and attested by a person purporting to be its secretary or an assistant secretary.

The ownership of Bonds and the amount, numbers and other identification, and date of holding or owning the same shall be proved by the registry books. Any request, consent or vote of the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done or omitted to be done by the Authority or the Trustee in accordance therewith.

ARTICLE XI.

MISCELLANEOUS

Section 11.01. Modification or Amendment. No material modification or amendment of this Resolution or any resolution amendatory hereof or supplemental hereto, may be made without the consent in writing of the Holders of a majority or more in principal amount of the Bonds then Outstanding; provided, however, that no modification or amendment shall permit (i) a change in the maturity of such Bonds or (ii) a reduction in the rate of interest thereon or in the amount of the principal obligation or (iii) a change in the obligation to pay the principal of and interest on the Bonds as the same shall become due from the Released Escrow Amounts or (iv) a reduction in the percentage of holders of such Bonds, required above, for such modifications or amendments, without the consent of all of the Holders of such Bonds. No such modification or amendment shall be made unless the Trustee shall have received written

notification from each other rating service if then rating the Bonds that such modification or amendment will not result in a reduction or withdrawal of the then applicable rating on the Bonds by such rating service.

Section 11.02. Preservation and Inspection of Documents. All documents received by the Trustee from the Authority or from Holders of Bonds under the provisions hereof shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, any Holders of Bonds and their agents and their representatives, any of whom may make copies thereof; provided, however, that with respect to inspection by a Holder of Bonds a written request of such Holder of Bonds must have been received by the Trustee at least five (5) business days prior to the date of inspection.

Section 11.03. Moneys and Funds Held for Particular Bonds. The amounts held by the Trustee or the Escrow Agent for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on the Bonds due on any date with respect to particular Bonds shall, pending such payment, be set aside and held in trust by it for the Holders of such Bonds entitled thereto, and for the purposes hereof such principal, Sinking Fund Installments, if any, or Redemption Price of and interest on such Bonds due after such date thereof, shall no longer be considered to be unpaid. Upon the payment in full of the Bonds at the applicable redemption or maturity date and the amounts, if any, owed to the Trustee hereunder, all remaining moneys held by the Trustee or the Escrow Agent shall be released to the Authority.

Section 11.04. Cancellation of Bonds. The Trustee shall forthwith cancel all Bonds which have been paid by it and may destroy such Bonds and deliver a certificate to that effect to the Authority. No such Bonds shall be deemed Outstanding Bonds hereunder and no Bonds shall be issued in lieu thereof.

Section 11.05. No Recourse under Resolution or on the Bonds. All covenants, stipulations, promises, agreements and obligations of the Authority contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Authority and not of any member, officer or employee of the Authority in his individual capacity. No recourse shall be had for the payment of the principal, Sinking Fund Installments, if any, or interest on the Bonds or for any claims based thereon or on the Resolution against any member, officer or employee of the Authority or any person executing the Bonds, all such liability, if any, being expressly waived and released by every Holder of Bonds by the acceptance of the Bonds.

Section 11.06. Parties of Interest. Nothing herein, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or party other than the Authority, Trustee and the Holders of the Bonds any rights, remedies or claims hereunder or by reason hereof or under or by reason of any covenant, condition or stipulation thereof. All covenants, stipulations, promises and agreements herein contained by or on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, Trustee and the Holders from time to time of the Bonds.

Section 11.07. Severability of Invalid Provisions. If any one or more of the covenants, stipulations, promises, agreements or obligations provided herein on the part of the Authority or the Trustee to be performed should be held to be contrary to law, then such

covenant or covenants, stipulation or stipulations, promise or promises, agreement or agreements, or obligation or obligations shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations herein contained and shall in no way affect the validity of the other provisions hereof or of the Bonds.

Section 11.08. Headings. Any headings preceding the text of the several Articles and Sections hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part hereof nor shall they affect its meaning, construction or effect.

Section 11.09. Governing Laws. The Resolution shall be governed by and construed in accordance with the laws of the State.

Section 11.10. Effective Date. This Resolution shall take effect immediately upon its adoption.

SCHEDULE A
REFUNDED BONDS

Commuter Facilities Revenue Bonds Series	Maturity Date (July 1)	Outstanding Par Amount	Interest Rate
1997B	2017	\$10,020,000	5.000%
1997B	2020	11,595,000	5.000
1997B	2024	18,380,000	5.125
1997D	2015	7,460,000	5.000
1997D	2016	7,860,000	5.000
1997D	2017	2,630,000	5.125
1997D	2022	15,310,000	5.125
1998B	2018	20,975,000	4.875
1998B	2026	98,025,000	4.750

Transit Facilities Revenue Bonds Series	Maturity Date (July 1)	Outstanding Par Amount	Interest Rate
1998B	2018	\$20,430,000	4.875%
1998B	2026	95,175,000	4.750

SCHEDULE B

TERMS AND PROVISIONS OF ESCROW FUND

1. All terms defined in the Resolution and used in this Schedule B shall have the meanings assigned to them by the Resolution; provided that the term “Escrow Securities” shall mean only direct obligations of, or obligations the full and timely payment of which is unconditionally guaranteed by, the United States of America which shall not be subject to redemption or be prepayable prior to maturity and shall not include mutual funds and unit investment trusts which invest in such obligations.

2. The Escrow Agent is hereby directed to purchase, and the Escrow Agent agrees to purchase, with amounts held in the Escrow Fund, the securities described in Schedule C to the respective Refunded Bonds Escrow Agreements, at the times specified in said Exhibit, to the extent such securities are available for purchase. As more particularly detailed in a Certificate of Determination, upon the receipt of an opinion of Bond Counsel to the effect that a revision or cancellation of the purchase of the securities described in such Schedule Cs will not adversely affect the exclusion from gross income for Federal income tax purposes of interest on the Refunded Bonds from gross income for Federal income tax purposes, the Escrow Agent shall revise or cancel the purchase of the securities described in such Schedule Cs consistent with the opinion of Bond Counsel. If, in the opinion of Bond Counsel, the purchase of the securities described in such Schedule Cs may be revised or cancelled, and Bond Counsel has delivered the opinion described in the preceding sentence, taking into consideration the availability of such excess amounts, the Authority may provide for the redemption of the Bonds from any excess amounts remaining as a result of such revisions or cancellation as provided in the Certificate of Determination.

3. Upon receipt by the Escrow Agent of a certification from a nationally recognized independent certified public accountant or a firm of such accountants that the principal of and interest on the moneys and securities on deposit in the Escrow Fund, together with other moneys available for such purpose on deposit in the Escrow Fund, shall be sufficient to pay without reinvestment, when due, the principal or Redemption Price of and interest on the Bonds through maturity, any moneys remaining on deposit in the Escrow Fund in excess of such amounts on each July 1 after payment of principal and Sinking Fund Installments of and interest on the Bonds on such July 1, and not needed for the payment of principal and Sinking Fund Installments of and interest on the Bonds on any subsequent interest payment date shall be applied by the Escrow Agent to the payment or prepayment of fees and expenses of the Trustee and the Escrow Agent due under the Resolution, and any remainder shall be held by the Escrow Agent in the Escrow Fund and invested in Escrow Securities maturing on or prior to the next interest payment date.

4. Other than as provided in paragraph 3 hereof, prior to any other withdrawal from the Escrow Fund of moneys not needed to pay the principal or Redemption Price of and interest due or to become due on the Bonds through redemption or maturity, the Authority shall provide to the Trustee and the Escrow Agent (a) a certification from a nationally recognized independent certified public accountant or a firm of such accountants that after any such withdrawal the principal of and interest on the moneys and securities on deposit in the Escrow Fund, together

with other moneys available for such purpose on deposit in the Escrow Fund, shall be sufficient to pay without reinvestment, when due, the principal or Redemption Price of and interest on the Bonds and (b) if applicable, an opinion of nationally recognized bond counsel addressed to the Authority and the Escrow Agent that such withdrawal will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Refunded Bonds.

5. As of the date of delivery of the Bonds, the Authority will represent, warrant, and certify to the Escrow Agent that the Released Escrow Securities deposited in the Escrow Fund are Escrow Securities and that the Released Escrow Amounts mature at such times and in such amounts such that, based solely upon calculations and certifications made to it by a verification agent, the maturing principal of and the interest on the Released Escrow Amounts will be sufficient to pay when due the principal or Redemption Price, if applicable, of and interest due and to become due on the Bonds, on and prior to the redemption date or maturity date thereof.

6. The deposit of the Released Escrow Amounts in the Escrow Fund shall constitute an irrevocable deposit of Escrow Securities and cash, if any, in trust solely for the payment of the principal and Redemption Price of and interest on the Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and the principal of and interest earnings on such Released Escrow Amounts shall be used solely for such purposes, except as permitted in paragraphs (3) and (4) hereof.

7. There shall be no substitution of any securities for any other Released Escrow Securities at any time held in the Escrow Fund unless such substituted securities are Escrow Securities, and then only upon the written request of the Authority, which shall be accompanied by (i) the written opinion of Bond Counsel to the effect that such substitution can be made without affecting adversely either the security for or the exclusion from gross income for Federal income tax purposes of interest on the Refunded Bonds, and (ii) the written verification of a nationally recognized independent certified public accountant or a firm of such accountants satisfactory to the Authority that the principal and interest from such substitute Released Escrow Securities, together with any other amounts available in the Escrow Fund, including, but not limited to, non-substituted Released Escrow Securities, will be sufficient to pay without reinvestment, when due, the principal or Redemption Price of and interest on the Bonds.

8. The Escrow Agent is hereby instructed to take, and the Escrow Agent hereby agrees that it will take, all the actions required to be taken by it under the Resolution, including the timely transfer of moneys to the paying agent under the Resolution, in order to effectuate this Resolution. The Escrow Agent hereby agrees to apply the Released Escrow Amounts in accordance with the provisions of the Resolution. Any liability of the Escrow Agent for the payment of the principal and Redemption Price of and interest on the Bonds shall be limited to the application of the Released Escrow Amounts and the interest earnings thereon available for such purposes in the Escrow Fund.

9. The trusts hereby created shall be irrevocable and the holders of the Bonds shall have an express lien on all Released Escrow Amounts deposited in the Escrow Fund and the interest earnings thereon until paid out, used and applied in accordance with this Schedule B.

10. This Schedule B is made pursuant to and in furtherance of the Resolution and for the benefit of the holders from time to time of the Bonds and it shall not be repealed, revoked, altered or amended without the written consent of a majority in aggregate principal amount of such holders and the written consent of the Escrow Agent; provided, however, that the Authority and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Schedule B as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Schedule B, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Schedule B;
- (b) to grant to or confer upon the Escrow Agent for the benefit of the holders of the Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent;
- (c) to subject to the Escrow Fund additional funds, securities or properties; and
- (d) to make any changes required in connection with any initial rating of the Bonds by any rating agency.

11. Prior to entering into an amendment or agreement relating to clause (d) above, if any rating agency shall have assigned a rating to the Bonds, the Escrow Agent shall receive notice in writing from such rating agency to the effect that such amendment or agreement will not, by itself, result in the withdrawal or reduction of the ratings on the Bonds assigned by such rating agency.

12. The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds with respect to compliance with paragraph (10), including the extent, if any, to which any change, modification or addition affects the rights of the holders of the Bonds, or that any instrument executed hereunder complies with the conditions and provisions of paragraph (10).

13. The Authority shall give prior written notice and draft legal documents of any repeal, revocation, severance, alteration or amendment of this Schedule B or of the Resolution with respect to any modification or amendment affecting the Bonds to any rating agency that is then rating the Bonds.

14. The Escrow Agent shall have no duties or responsibilities with respect to the Escrow Fund and the Released Escrow Amounts other than those expressly set forth in this Escrow Agreement.

15. In consideration of the services rendered by the Escrow Agent under this Resolution, the Authority agrees to and shall pay to the Escrow Agent its proper fees and expenses, including all reasonable expenses, charges, counsel fees and other disbursements incurred by it or by its attorneys, agents and employees in and about the performance of their powers and duties hereunder, from any moneys of the Authority lawfully available therefor and the Escrow Agent shall have no lien and will not assert any lien whatsoever upon any of the moneys in the Escrow Fund for the payment of such proper fees and expenses or for any other

reason except as provided in paragraph (6) hereof. The Escrow Agent shall not be required to expend or risk any of its own funds in the performance of its duties hereunder. The Escrow Agent shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct; and shall not be liable for errors in judgment made in good faith unless it has been negligent in ascertaining pertinent facts. The Authority further agrees to defend, indemnify and save the Escrow Agent harmless against and from any claims, liabilities, losses, cash and expenses (including but not limited to attorneys' fees and expenses) which the Escrow Agent may incur (a) in the exercise and performance of its powers and duties hereunder and which are not due to its negligence or willful misconduct or (b) due to the negligence, misconduct or default of the Authority.

16. The Escrow Agent shall have no responsibility with respect to the validity or sufficiency of this Escrow Agreement, or with respect to the validity of any of the Refunded General Revenue Bonds. The Escrow Agent may conclusively rely and shall be protected in acting or refraining from acting upon any written opinion, notice, certification, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties. In the administration of this Escrow Agreement and the Escrow Fund hereunder, the Escrow Agent may execute any of its powers and perform its duties hereunder directly or through agents or attorneys and may consult with counsel, accountants and other skilled persons to be selected and retained by it. The Escrow Agent shall not be liable or responsible for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons or for misconduct or negligence of agents appointed with due care.

17. The Escrow Agent shall have the right but not the obligation to require and receive such written certifications or instructions from the Authority as the Escrow Agent reasonably deems necessary before taking any action hereunder.

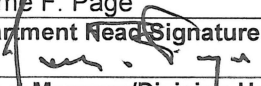
18. The Escrow Fund and this Schedule B shall terminate when all Bonds and interest thereon have been paid and discharged. Upon such termination, all moneys remaining in the Escrow Fund shall be released to the Authority.

19. In no event shall the Escrow Agent be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Escrow Agent shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

20. If an event of default shall have happened and shall not have been remedied, the books of record and account and all other records relating to the Escrow Fund shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys.





Staff Summary

Page 1 of 2

Subject Addition of Outside Counsel to Approved Panel
Department MTA Office of General Counsel
Department Head Name Jerome F. Page
Department Head Signature 
Project Manager/Division Head Jerome F. Page/Helene Fromm/Rhonda Moll

Date July 28, 2014
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	7/28/14			
2	Board	7/28/14			

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

Purpose:

To obtain Board approval to add the law firms listed on Attachment A to MTA's panel of outside counsel available for assignment to all types of matters except personal injury or property damage, Federal Employers' Liability Act and Workers' Compensation (there being a separate panel of firms for matters in those PI-related subject areas). The fifteen listed firms, all of which are either New York State certified Minority/Women Business Enterprises ("MWBEs") (or are pending MWBE certification), or qualify as small business concerns ("SBCs"), were selected through a competitive Request for Proposal ("RFP") process conducted pursuant to Section 2879(3)(b)(i) of the Public Authorities Law (the "Discretionary Procurement Law"). The RFP sought proposals from certified MWBE or SBC law firms (including sole practitioners) interested in providing legal services for employment-related and civil rights matters up to \$200,000 per assignment as permitted by the Discretionary Procurement Law.

Discussion:

In employment-related and civil rights matters involving MTA or its constituent agencies, legal representation is provided by in-house counsel employed within the agency legal departments, and, on an as needed basis, by outside law firms included on the all-agency approved counsel panel. Seeking to expand participation by qualified MWBE firms and/or SBC law firms, MTA issued an RFP in March 2014, pursuant to the Discretionary Procurement Law, seeking proposals from MWBE and SBC law firms interested in providing legal services for employment-related and civil rights matters.

To maximize MWBE and SBC firm participation in the RFP, in addition to advertising the RFP in the *New York Law Journal* and the *New York State Contract Reporter*, MTA sent notice of the RFP to all New York State MWBE law firms listed in the State MWBE registry, placed ads in the *Minority Commerce Weekly*, as well as the *Connecticut Law Tribunal*, *Amsterdam News*, *El Diario*, *New York Post* and *New York Times*. MTA also provided notice of the RFP to a number of minority and women's bar associations, and separately sent notices of the RFP to law firms that attended two information sessions organized by the MTA Department of Diversity and Civil Rights prior to the release of the RFP, as well as to law firms identified by a Lexis search as having 5 to 10 employees and practicing in the areas of employment law and civil rights within the metropolitan region, including three Connecticut counties.

A total of 61 proposals were submitted in the requested practice areas (36 for employment-related matters and 25 for civil rights matters) by thirty-seven firms, including many MWBE certified firms. Twenty-four firms proposed for both areas. The fifteen firms recommended for addition to the panel, identified on Attachment A, include eleven firms certified as NYS certified MWBEs (including one that was certified after submitting its proposal) and two firms that are in the process of obtaining certification.

The fifteen firms were selected competitively. Proposals received were initially reviewed and individually scored by a committee of MTA in-house counsel who represent MTA agencies in civil rights and employment matters and by a lawyer working for the Department of Diversity and Civil Rights. The numerical ratings from that committee were reviewed by a Selection Panel, which consisted of the General Counsels of MTAHQ, NYCT, MTA Bus, Metro-North, LIRR, MTACC and the MTA Chief Diversity Officer. The Selection Panel is recommending to the Board that the fifteen firms identified on Attachment A be added to the all-agency non-PI outside counsel panel. (The RFP criteria, which were used to evaluate the proposals, were (i) the qualifications and experience of the firm and of the particular attorneys who would be handling the MTA's matters; (ii) the cost of legal services and disbursements, including such factors as rates, discounts, staffing, cost-effectiveness, and proposals for alternative fee arrangements; (iii) the firm's equal employment opportunity profile and commitment to diversity, including its status as an MWBE and/or its history of hiring, training, developing, promoting and retaining minority and women attorneys; and (iv) the overall quality of the response and the firm's demonstration of a clear understanding of the MTA's mission.)

Upon Board approval of these additions and the execution of retainers, the firms listed on Attachment A may be contractually assigned the handling of particular employment-related, civil rights and other non-PI matters. It is a goal of the MTA to obtain quality legal representation in all such matters at the most cost-efficient rates achievable. The retainers to be executed by the approved firms accordingly will provide for rates no greater than 80% of an attorney's or a paralegal's normal and customary rates.

As in the past, it is requested that the Board's approval of the firms listed on Attachment A also entail the approved use of a successor firm, in the event a firm on the list should subsequently merge into another firm, or a partner or principal lawyer in charge of an MTA matter at one of the listed firms moves to a different firm.

Recommendation:

It is recommended that the Board approve the appointment of the firms listed on Attachment A to the non-PI approved outside counsel panel and authorize the MTA's execution of retainers with those firms as set forth above.

Attachment A

Law Firms Added to MTA All-Agency Outside Counsel Panel for Other than Tort/FELA/WC Pursuant to RFP # 14038

Biedermann Hoenig Semprivo

Charles Leonard Mitchell, Esq.*

Crumbie Law Group LLC**

Gonzalez Saggio & Harlan LLP*

Greenwald Doherty LLP

Jane N. Barrett & Associates, L.L.C.*

Krez & Flores, LLP*

Morris Duffy Alonso & Faley, LLP*

Pugh, Jones and Johnson, P.C.*

Roach Bernard, PLLC*

Rush & Sabbatino, PLLC*

Shapiro, Beilly & Aronowitz LLP*

Stacy Gray, P.C.**


Towne, Ryan & Partners, P.C.*

Wong Fleming*

*Certified New York State MBE, WBE or MWBE Firm

**Certification Pending

Staff Summary

Subject MTA 2010-2014 Capital Plan Amendment
Department Administration
Department Head Name Craig Stewart
Department Head Signature 
Project Manager Name Stephen Berrang, Stephanie Delisle

Date July 28, 2014
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance	7/28			
2	Board	7/28			

Internal Approvals			
Order	Approval	Order	Approval
4	Chairman/CEO		
3	Chief of Staff		
2	Chief Financial Officer		
1	Legal		

Narrative

Purpose:

To obtain MTA Board approval of the proposed amendment to select elements of the MTA Disaster Recovery, i.e., "Sandy," and New York City Transit (NYCT) portions of the MTA 2010-2014 Capital Plan and a change in the funding plan, for subsequent submission to the Capital Program Review Board (CPRB) for their approval, as provided by statute.

Discussion:

Background: On April 28, 2010, the MTA Board approved a proposed \$23.812 billion 2010-2014 Capital Plan. The CPRB deemed it approved on June 1, 2010. (The MTA Bridges and Tunnels 2010-2014 Capital Plan is not included in this discussion because it does not require CPRB approval.) On December 21, 2011, the MTA Board approved an amendment that reduced the plan to \$22.195 billion. This amendment, deemed approved by the CPRB on March 27, 2012, provided full funding for the plan through future efficiency initiatives and revised financing. The amendment did not identify specific savings at the project level, but noted that the savings would be identified in a future amendment and were expected to be achieved without impacts to customer benefits. On December 19, 2012, the MTA Board approved an amendment to the Plan adding projects totaling \$3.977 billion for the repair and restoration of MTA agency assets damaged as a result of Superstorm Sandy, which struck the region on October 29, 2012. This amendment resulted in a \$26.172 billion overall plan that was deemed approved by the CPRB on January 22, 2013. On July 24, 2013, the MTA Board approved an amendment to the Plan adding mitigation projects totaling \$5.674 billion to help protect the system against future storms and disruptions. That amendment also provided updated, project-level detail on the \$22.195 billion core program budget; it resulted in a \$31.849 billion overall plan that was deemed approved by the CPRB on August 26, 2013.

Proposed 2010-2014 Capital Plan Amendment: This amendment proposes reallocating the budgets of select plan elements primarily to reflect revised project estimates for work in the Disaster Recovery Repair and Mitigation, i.e., "Sandy," Programs. In addition, several elements in NYCT's program are adjusted to reflect new projects or revised project estimates. For some elements, the result is a budget increase near or more than 10% over the CPRB-approved budget. Last, there is a change to the funding plan relating to a Railroad Rehabilitation & Improvement Financing (RRIF) loan. The overall \$31.849 billion plan envelope remains unchanged.

Sandy Recovery Program (Attachment A): Based on experience from continued project scope development and design as well as ongoing construction, agencies have refined their projections of needs to repair damage from Superstorm Sandy. For example, NYCT's strategy of bundling repair work in under-river tubes allows for efficiencies of repairs along the right-of-way. Further assessment reveals need for increased allocations in areas such as Track and Shops and Yards. In addition, repairs to cars did not require capital investment. Adjustments in Long Island Rail Road (LIRR) elements reflect updated scopes and estimates. Several elements are more than 10% over the CPRB-approved element budget as a result of these changes. However, the total \$3.977 billion CPRB-covered Sandy recovery allocation is not affected.

Sandy Mitigation Program (Attachment B): The proposed changes align the Sandy Mitigation program with estimates supporting the MTA's application in March 2014 for funding under the FTA's Tier III Competitive Resiliency grant program. The MTA submitted 17 priority projects in the application, estimated at \$3.9 billion in federal and local funds. Though formal design has not begun for these projects, agencies developed scopes and order-of-magnitude estimates for them in preparation for the application. This resulted in lower priorities in several NYCT areas but increased priorities in the NYCT Stations and Shops and Yards areas and in the LIRR Yards area. To reflect this, \$269.2 million is moved from NYCT and MTA Bus to LIRR. Also, several elements are more than 10% over the CPRB-approved element budget as a result of these changes. However, the total \$5.674 billion CPRB-covered mitigation allocation is unchanged.

NYCT Core Program (Attachment C): Programmatic changes and updated project estimates result in several elements in NYCT's program to be near or more than 10% over the CPRB-approved element budget. These elements include:

- **Disabled Accessibility:** Two new projects providing full ADA accessibility at two stations on the Sea Beach Line created in a separate Board action. Funding comes from an existing reserve in the Passenger Stations category.
- **Other Station Improvements:** A new \$110 million project is added for initial work to reconstruct NYCT's Cortlandt St. station on the Broadway-7th Ave. line. This station was destroyed in the 2001 attacks on the World Trade Center and is to be rebuilt in coordination with redevelopment of the site. Funding for this work includes \$80 million from savings from various projects and \$30 million from a project to improve transportation infrastructure in the Church St. Corridor of the World Trade Center site.
- **Communications:** A new project for additional station Help Points was created in a separate Board action, and revised cost estimates were identified for existing projects for Help Points, PA/CIS and PSLAN network. Funding for these comes from program savings that NYCT has experienced, notably through favorable bids.
- **Service Vehicles:** Designs for future projects and a revised estimate for a work train purchase were identified. Funding for these comes from program savings that NYCT has experienced, notably through favorable bids.

Impacts on Funding (Attachment D):

The federal RRIF loan assumption is reduced by \$2.2 billion and MTA Bonds increased by an equal amount. This change allows MTA to issue MTA bonds in the capital markets or to be pledged to the Federal Railroad Administration (FRA) as security for the RRIF loan. MTA's application for an ESA RRIF Loan, originally submitted in April 2011, as amended in January 2014 to include positive train control projects, remains before the FRA. Note that repayment of the \$2.2 billion RRIF Loan was previously included against the MTA's legislated bond cap, and the proposed change should not impact MTA creditworthiness or bond ratings. Further, MTA's Financial Plan conservatively assumes that the original \$2.2 billion ESA RRIF Loan would be accomplished at the prevailing MTA Transportation Revenue Bond interest rate.

Alternatives:

There are no viable alternatives. This amendment is necessary to enable vital capital projects to address core needs, promote recovery from Superstorm Sandy, and enhance system resiliency to better withstand future climate events and disruptions. Pursuant to the Public Authorities Law, plan element increases exceeding 10% require CPRB approval; the proposed changes include such increases. Without CPRB approval of the changes, certain work may be halted.

Recommendation:

That the MTA Board of Directors approves the proposal to amend the CPRB portion of the MTA 2010-2014 Capital Plan as described and authorize the proposal to be submitted to the CPRB for their approval.

Attachment A
MTA 2010-2014 Capital Plan Amendment
MTA Disaster Recovery Program: Repair Element Changes
(\$ in millions)

Agency	Element	Category – Element Description	CPRB Approved Plan July 2013	Proposed Plan	Change
NYCT	E-T01-02	Subway Cars – Subway Cars Repairs: Sandy	\$4.0	-	(\$4.0)
NYCT	E-T04-02	Passenger Stations – Station Repairs: Sandy	\$280.0	\$250.0	(\$30.0)
NYCT	E-T05-02	Track – Track/Switch Repairs: Sandy	\$205.0	\$335.0	\$130.0 *
NYCT	E-T06-02	Line Equipment – Line Equipment Repairs: Sandy	\$330.0	\$290.0	(\$40.0)
NYCT	E-T07-02	Line Structures – Line Structure Repairs: Sandy	\$96.0	\$50.0	(\$46.0)
NYCT	E-T08-02	Signals & Communications – Signal/Comm Repairs: Sandy	\$654.0	\$475.0	(\$179.0)
NYCT	E-T10-02	Shops & Yards – Shops & Yards Repairs: Sandy	\$750.0	\$919.0	\$169.0 *
LIRR	E-L04-02	Line Structures – Line Structure Repairs: Sandy	\$75.6	\$76.3	\$0.7
LIRR	E-L05-02	Communications & Signals – Comm/Signal Repairs: Sandy	\$56.4	\$60.8	\$4.4
LIRR	E-L06-02	Shops and Yards – Shop & Yard Repairs: Sandy	\$64.9	\$56.1	(\$8.8)
LIRR	E-L09-02	Miscellaneous – Miscellaneous Repairs: Sandy	\$6.0	\$9.7	\$3.7 *
Net Change					-

Numbers may not total due to rounding

*Indicates proposed element allocation is greater than 10% over CPRB-approved level

Attachment B
MTA 2010-2014 Capital Plan Amendment
MTA Disaster Recovery Program: Mitigation Element Changes
(\$ in millions)

Agency	Element	Category – Element Description	CPRB Approved Plan July 2013	Proposed Plan	Change
NYCT	E-T04-03	Passenger Stations – Station Mitigation: Sandy	\$184.0	\$592.5	\$408.5 *
NYCT	E-T06-03	Line Equipment – Line Equipment Mitigation: Sandy	\$800.0	\$410.3	(\$389.7)
NYCT	E-T07-03	Line Structures – Lines Structure Mitigation: Sandy	\$1,893.4	\$525.0	(\$1,368.4)
NYCT	E-T08-03	Signals & Communications – Signal/Comm Mitigation: Sandy	\$850.0	\$385.0	(\$465.0)
NYCT	E-T10-03	Shops & Yards – Shops & Yards Mitigation: Sandy	\$325.0	\$1,779.3	\$1,454.3 *
NYCT	E-T16-03	Miscellaneous/Emergency – Miscellaneous Mitigation: Sandy	\$137.7	\$148.4	\$10.7
SIR	E-S07-03	Staten Island Railway – SIR Mitigation: Sandy	\$100.0	\$226.0	\$126.0 *
MTA Bus	E-U03-03	Bus Company Projects – Bus Company Mitigation: Sandy	\$45.5	-	(\$45.5)
LIRR	E-L04-03	Line Structures – Line Structure Mitigation: Sandy	\$4.0	\$9.9	\$5.9 *
LIRR	E-L06-03	Shops and Yards – Shop & Yard Mitigation: Sandy	\$85.0	\$348.3	\$263.3 *
Net Change					-

Numbers may not total due to rounding

*Indicates proposed element allocation is greater than 10% over CPRB-approved level

Attachment C
MTA 2010-2014 Capital Plan Amendment
New York City Transit Program Element Changes
(\$ in millions)

Agency	Element	Category – Element Description	CPRB Approved Plan July 2013	Proposed Plan	Change
NYCT	T-604-12	Passenger Stations – Station Work	\$1,393.2	\$1,333.3	(\$59.9)
NYCT	T-604-13	Passenger Stations – Disabled Accessibility	\$244.1	\$291.6	\$47.5 *
NYCT	T-604-14	Passenger Stations – Other Station Improvements	\$137.6	\$217.6	\$80.0 *
NYCT	T-607-03	Line Structures – Line Structure Rehabilitation	\$508.9	\$468.9	(\$40.0)
NYCT	T-608-06	Signals & Communications – Communications Systems	\$728.8	\$800.4	\$71.6
NYCT	T-609-04	Traction Power – Power Distribution	\$132.6	\$130.5	(\$2.1)
NYCT	T-613-02	Service Vehicles – Service Vehicles	\$103.0	\$128.8	\$25.8 *
NYCT	Various	Project Savings	N/A	N/A	(\$102.9)
SIR	S-607-01	Staten Island Railway – SIR Miscellaneous	\$118.9	\$98.9	(\$20.0)
Net Change					-

Numbers may not total due to rounding

*Indicates proposed element allocation is greater than 10% over CPRB-approved level



Attachment D
MTA 2010-2014 Capital Plan Amendment
Funding Plan Changes
(\$ in millions)

Funding Plan	CPRB Approved Plan July 2013	Proposed Plan	Change
Federal Formula, Flexible and Misc.	\$5,827	\$5,827	-
Federal High Speed Rail	295	295	-
Federal Security	221	221	-
Federal RRIF Loan	2,200	-	(2,200)
MTA Bus Federal Formula/Match	148	148	-
City Capital Funds	762	762	-
State Assistance	770	770	-
MTA Bonds	10,503	12,703	2,200
Other	1,472	1,472	-
Superstorm Sandy Recovery Funds			-
• Insurance and federal reimbursement (including interim MTA borrowing) *	8,732	8,732	-
• Pay-as-you-go capital	160	160	-
• MTA Bonds	758	758	-
Total 2010-2014 CPRB Plan	\$31,849	\$31,849	-

* Subject to future federal appropriation and guidance.




Numbers may not total due to rounding

Staff Summary

Subject 2010-2014 Capital Plan Amendment – B&T Repair Program
Department Administration
Department Head Name Craig Stewart
Department Head Signature 
Project Manager Name Stephen Berrang 

Date July 28, 2014
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance	7/28			
2	Board	7/28			

Internal Approvals			
Order	Approval	Order	Approval
4	Executive Director/CEO		
3	Chief of Staff		
2	Chief Financial Officer		
1	Legal		

Narrative

Purpose:

To obtain MTA Board approval of the proposed amendment to the MTA Bridges and Tunnels (B&T) Sandy Repair portion of the MTA 2010-2014 Capital Plan.

Discussion:

Background: On April 28, 2010, the MTA Board approved a proposed \$26.265 billion 2010-2014 Capital Plan, which included a \$2.453 billion B&T program. On December 21, 2011, the MTA Board approved an amendment that reduced the plan to \$24.274 billion, which included a \$2.079 billion B&T program. This amendment provided full funding for the plan through future efficiency initiatives and revised financing. The amendment did not identify specific savings at the project level, but noted that the savings would be identified in a future amendment and were expected to be achieved without impacts to customer benefits. On December 19, 2012, the MTA Board approved an amendment to the 2010-2014 Capital Plan adding projects totaling \$4.755 billion for the repair and restoration of MTA agency assets damaged as a result of Superstorm Sandy, which struck the region on October 29, 2012. The B&T share of the repair program totaled \$778 million. The amendment resulted in a \$29.029 billion overall plan. On July 24, 2013, the MTA Board approved an amendment to the 2010-2014 Capital Plan adding mitigation projects totaling \$5.770 billion to help protect the system against future storms and disruptions. The B&T share of the mitigation program totaled \$96 million. This amendment also provided updated, project-level detail on the \$24.274 billion core program budget. The amendment resulted in a \$34.801 billion overall plan.

Proposed 2010-2014 Capital Plan Amendment - B&T Repair Program: This amendment is administrative in nature and reallocates the budgets of the B&T Sandy repair elements to reflect revised project estimates and other ongoing developments. The amendment does not change the overall \$778 million B&T repair program envelope, nor the aim to carry out all necessary repairs, the majority of which are required at the Hugh L. Carey and Queens Midtown Tunnels. Furthermore, there are no changes required to the B&T Sandy mitigation program.

The development of the initial budget for B&T Sandy repair work was based on preliminary visual inspections of damaged elements at the bridges and tunnels. Order-of-magnitude estimates to repair and restore elements were developed using information from prior project costs and engineering estimates. As in-depth inspections were carried out and designs were developed, the damages and budget estimates were further refined. The proposed budget changes reflect these updated figures and are detailed in the Attachment.

Impacts on Funding:

This amendment does not alter the funding plan for the 2010-2014 Capital Plan.

Alternatives:

There are no viable alternatives to the proposed action. This amendment is necessary to progress vital capital projects that will enable B&T to recover from Superstorm Sandy, notably at the Hugh L. Carey and Queens Midtown Tunnels.

Recommendation:

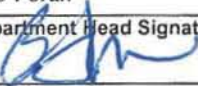
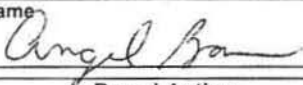
That the MTA Board of Directors approves the proposal to amend the B&T Sandy Repair portion of the MTA 2010-2014 Capital Plan.

Attachment
MTA 2010-2014 Capital Plan B&T Recovery Amendment
Recovery Program Element Changes
(\$ in millions)

Agency	Element	Description	CPRB Approved Plan July 2013	Proposed Plan	Change
B&T	E-D01-02	Structures – Structure Repairs: Sandy	\$393.8	\$399.6	\$5.8
B&T	E-D02-02	Roadways & Decks – Roadway/Deck Repairs: Sandy	\$137.0	\$25.5	(\$111.4)
B&T	E-D04-02	Utilities – Utilities Repairs: Sandy	\$217.0	\$304.3	\$87.3
B&T	E-D05-02	Buildings & Sites – Building Site Repairs: Sandy	\$29.7	\$32.5	\$2.8
B&T	E-D06-02	Miscellaneous – Miscellaneous: Sandy	-	\$15.5	\$15.5
Net Change					-




Numbers may not total due to rounding

Staff Summary

Subject Request for Authorization to Award Various Procurements
Department Executive
Department Head Name Bob Foran
Department Head Signature 
Division Head Name Angel Barbosa 

Date July 23, 2014
Vendor Name Various
Contract Number Various
Contract Manager Name Various
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance	7/28/2014			
2	Board	7/28/2014			

Internal Approvals			
Order	Approval	Order	Approval
1	Procurement 	3	CFO 
2	Legal 		

PURPOSE:

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

DISCUSSION:

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

of Actions \$ Amount

None None

MTAHQ proposes to award Competitive procurements in the following categories:

Schedules Requiring Majority Vote

Schedule F: Personal Services Contracts	4	\$33,092,621.00
Schedule H: Modification to Personal Services & Misc. Sv. Contracts	1	\$ 4,500,000.00
SUBTOTAL	5	\$37,592,621.00

MTAHQ presents the following procurement actions for Ratification:

1 \$ 567,976.50

TOTAL **6** **\$38,160,597.50**

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

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

BOARD RESOLUTION

METROPOLITAN TRANSPORTATION AUTHORITY

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

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

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

NOW, the Board resolves as follows:

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

LIST OF PROCUREMENTS FOR BOARD APPROVAL, JULY 2014
COMPETITIVE PROCUREMENTS

METROPOLITAN TRANSPORTATION AUTHORITY

Procurements Requiring Majority Vote:

F. Personal Service Contracts

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

- | | | | |
|----|--|-----------------------------|--------------------------------------|
| 1. | KPMG LLP
All Agency Procure to Pay Process Review
Contract No. 14006-2-0100 | \$2,614,840
(NTE) | <u><i>Staff Summary Attached</i></u> |
|----|--|-----------------------------|--------------------------------------|

Competitively negotiated – 8 proposals – 120 months

To recommend that the Board approve the award of a competitively negotiated, all-agency personal services contract to KPMG LLP to examine the Procure to Pay (P2P) processes across the MTA Agency Procurement Groups and thereby recommend how to make the processes as efficient, effective, and consistent as possible while using the capabilities inherent in the Procurement modules of PeopleSoft 9.2 or by recommending bolt-on(s) or an alternate, integration ready P2P solution. (In any alternate solution PeopleSoft remains the ERP platform and enterprise system of record). The award is for a period of 8 months from August 2014 through March 2015 for an amount of \$2,114,840 with a contingency of \$500,000 for a total not-to-exceed amount of \$2,614,840. Negotiations have resulted in a not to exceed contract and the originally proposed hourly rates ranging from \$76.92 to \$290.60 were negotiated down to a range of \$76.92 to \$ 273.86 representing a reduction of 0% to 5.7%. These rates are equal to or lower than the Federal Government rates. Based on the above, the negotiated hourly rates are considered fair and reasonable.

- | | | | |
|----|---|------------------------|--------------------------------------|
| 2. | World Energy Solutions, Inc.
E-Reverse Auction for Natural Gas
Contract No. 14254-0100 | \$0.00
(NTE) | <u><i>Staff Summary Attached</i></u> |
|----|---|------------------------|--------------------------------------|

Pilot — 12 months

To recommend that the Board approve the authorization for MTA to conduct (a) a one year experimental pilot program that will test the cost effectiveness and feasibility of an e-reverse auction competitive RFP process for the procurement of natural gas; (b) the award of a professional services contract to World Energy to provide technical and subject matter expertise and related services for, and to assist in the implementation of this experimental pilot program, (c) the award and execution of one or more natural gas supply contracts resulting from the e-reverse auction RFP process (such awards to be reported to the Board after contract execution); and (d) MTA to waive the all-agency procurement guidelines in connection with such reverse auctions. World Energy will not receive any compensation from MTA. Instead, each vendor awarded a natural gas supplier contract will compensate World Energy no more than \$0.09 per dekatherm of natural gas for the first million dekatherms of natural gas and no more than \$0.085 per dekatherm after the first million. This would result, for example, in compensation of approximately \$140,000 for a contract to supply MTA with natural gas for 1.6 million dekatherms of natural gas which, under current practices, might cost the agencies approximately \$14,250,000, inclusive of delivery charges. If the MTAHQ elects to not award a contract to a natural gas supplier at any point in this process, World Energy will not be entitled to any compensation. World Energy will work with MTA staff to design and implement the pilot program. All procurement decisions will be made by MTA procurement staff.

METROPOLITAN TRANSPORTATION AUTHORITY
COMPETITIVE PROCUREMENTS

3. **New York State Technology Enterprise Corporation (NYSTEC)** **\$250,000**
(not-to-exceed)
Disaster Recovery Services for Rail Control Data Center
Contract No. 14250-0100

New York State Contract Ride – 8 months

MTA seeks to ride New York State Contract Number CMR524A to provide services to conduct a risk assessment review of the Rail Control Center (RCC) data center and to develop disaster recovery plans that are needed during emergencies. Continuous availability of IT services for RCC operations is essential for sustaining subway service. Events such as black outs and hurricanes significantly affect the availability of IT services and hence this review includes a review of current readiness of IT infrastructure and equipment. Post-Sandy reviews highlighted the importance of developing continuity plans for the RCC data center. MTA requires technical consultants with varied experience and specialized skills for conducting resiliency assessment and for developing continuity plans.

The technical consultant will work with MTA to achieve the following goals: (i) a comprehensive risk assessment review of RCC Data center and back up command center (ii) conduct business impact surveys with the Rail Control Center management for establishing recovery priorities and (iii) develop a detailed recovery plans and procedures that would enable continuity of IT services. The hourly rate for these services, which range from a low of \$98.10 to a high of \$242.20, is the same rates established under the current New York State contract. There is no prior contract for these services with which this cost can be compared; however, these rates are within the same range of rates MTA has paid under other consultant contracts. Therefore, the not-to-exceed cost of \$250,000 is considered fair and reasonable.

4. **The McKissack Group, Inc.** **\$30,227,781** Staff Summary Attached
Independent Engineering Services for (Total)
MTA's Capital Program
Contract No. 08072-0100, S/A #3

Base plus previous change orders = \$31,246,940

To recommend that the Board: (i) approve a supplemental agreement to exercise the remaining three (the fourth year was previously exercised), one-year options of a previously Board-approved, competitively awarded, personal services contract with The McKissack Group, Inc. (formerly known as McKissack + Delcan (a joint venture)) in the amount of \$30,227,781. The base contract was for a three-year period from January 1, 2009 through December 31, 2011, with options to renew for four additional one-year periods at MTA's sole discretion in the amount of \$23,258,548 for the initial three years; and (ii) authorize the withdrawal of Delcan from the McKissack + Delcan joint venture. The IEC contract was initially entered between the MTA and a joint venture of McKissack + Delcan. Effective March 28, 2014, Delcan was acquired by an affiliate of the Parsons Corporation. To avoid any potential conflict of interest, it is proposed that Delcan withdraw from the Joint Venture. The MTA Office of Civil Rights established a 10% goal for MBE and 5% goal for WBE Participation. This contract has consistently met or exceeded these goals, and these MWBE requirements will continue through the option years. The rates are the same rates negotiated under the base agreement, therefore, they are deemed fair and reasonable.

METROPOLITAN TRANSPORTATION AUTHORITY
COMPETITIVE PROCUREMENTS

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

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

- | | | | |
|----|--|--------------------------------|-------------------------------|
| 5. | All-Agency Organizational and Professional Development Programs
Contract Nos. 12194-0100 thru 1700 | \$4,500,000
(not-to-exceed) | <u>Staff Summary Attached</u> |
| | a. ATS Consulting
b. Balancing Life's Issues
c. Beverly Hyman
d. Complete Learning Solutions
e. Contract Trainers
f. Curt Schleier
g. Esta, Inc.
h. French & Associates
i. GothamCulture
j. KiThoughtbridge
k. Kleiman & Associates
l. Krieger
m. PeopleNRG
n. Phillip Vassallo
o. Research Foundation City College of New York
p. Stephanie Twin
q. Technology Transfer | | |

Base Amount = \$2,309,100

To recommend that the Board approve an amendment to a previously Board-approved, competitively negotiated, personal services contract for additional funding in the amount of \$4,500,000 to continue to provide all agency organizational and professional development services with a focus on building and sustaining a safety culture and training new and re-training current employees, because of the unprecedented number of retirements anticipated by the Agencies.

Due to unforeseen training initiatives that were required as a result of several recent high profile accidents, funds were depleted faster than anticipated. The rates that all the firms charge are the same rates negotiated under the current three-year contract, therefore, they are deemed fair and reasonable. No goals were assigned by the Department of Diversity and Civil Rights for these contracts.

Staff Summary

Schedule F: Personal Service Contracts



Page 1 of 2

Item Number:						SUMMARY INFORMATION																			
Dept & Dept Head Name: CFO/Bob Foran						Vendor Name: KPMG LLP																			
Division & Division Head Name: Business Service Center/Wael Hibri <i>Cyriel Barb for Wael Hibri</i>						Contract Number: 14006-0100																			
Board Reviews						Description: All Agency Procure to Pay "P2P" Process Review																			
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Order</th> <th>To</th> <th>Date</th> <th>Approval</th> <th>Info</th> <th>Other</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Finance</td> <td>7/28/2014</td> <td>X</td> <td></td> <td></td> </tr> <tr> <td>2</td> <td>Board</td> <td>7/28/2014</td> <td>X</td> <td></td> <td></td> </tr> </tbody> </table>						Order	To	Date	Approval	Info	Other	1	Finance	7/28/2014	X			2	Board	7/28/2014	X			Total Amount: \$2,614,840	
Order	To	Date	Approval	Info	Other																				
1	Finance	7/28/2014	X																						
2	Board	7/28/2014	X																						
Internal Approvals						Contract Term (including Options, if any) August 2014 – March 2015																			
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Order</th> <th>Approval</th> <th>Order</th> <th>Approval</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Procurement <i>[Signature]</i></td> <td>4</td> <td>Diversity and Civil Rights <i>[Signature]</i></td> </tr> <tr> <td>2</td> <td>Business Service Center <i>[Signature]</i></td> <td>5</td> <td>Legal <i>[Signature]</i></td> </tr> <tr> <td>3</td> <td>CFO <i>[Signature]</i></td> <td></td> <td></td> </tr> </tbody> </table>						Order	Approval	Order	Approval	1	Procurement <i>[Signature]</i>	4	Diversity and Civil Rights <i>[Signature]</i>	2	Business Service Center <i>[Signature]</i>	5	Legal <i>[Signature]</i>	3	CFO <i>[Signature]</i>			Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Order	Approval	Order	Approval																						
1	Procurement <i>[Signature]</i>	4	Diversity and Civil Rights <i>[Signature]</i>																						
2	Business Service Center <i>[Signature]</i>	5	Legal <i>[Signature]</i>																						
3	CFO <i>[Signature]</i>																								
						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:																			
Narrative																									
<p>I. PURPOSE/RECOMMENDATION</p> <p>To recommend that the Board approve the award of a competitively negotiated, all-agency personal services contract to KPMG LLP to examine the Procure to Pay (P2P) processes across the MTA Agency Procurement Groups and thereby recommend how to make the processes as efficient, effective, and consistent as possible while using the capabilities inherent in the Procurement modules of PeopleSoft 9.2 or by recommending bolt-on(s) or an alternate, integration ready P2P solution. (In any alternate solution PeopleSoft remains the ERP platform and enterprise system of record). The award is for a period of 8 months from August 2014 through March 2015 for an amount of \$2,114,840 with a contingency of \$500,000 for a total not-to-exceed amount of \$2,614,840.</p> <p>II. DISCUSSION</p> <p>In 2007, the MTA began developing and installing an MTA-wide PeopleSoft Enterprise Resource Planning (ERP) system (PeopleSoft 9.0) across the agencies and established the Business Service Center to manage the enterprise-wide PeopleSoft platform and to centralize certain transactions such as accounts payable, accounts receivable, general accounting, human resources administration, benefits administration, employment administration, and pension administration.</p> <p>Currently, all agencies are using PeopleSoft for basic Procurement functions, Finance (including payroll, accounts payable, accounts receivable and general accounting), Human Resources and Benefits. Metro-North Railroad, MTA Bus and Staten Island Railway use the PeopleSoft Inventory module, while Long Island Rail Road and New York City Transit have separate Inventory systems that integrate with PeopleSoft. Currently MTA is operating PeopleSoft 9.0. The upgrade to PeopleSoft 9.2 will begin in 2014.</p> <p>Procure to Pay or "P2P" includes but is not limited to all activities associated with purchasing and paying for goods and services including requisitioning, sourcing, advertising for and the distribution of solicitations, maintaining a bidders list and associated quote groups, receiving necessary approvals, the use of procurement methodologies (including sealed bid, request for proposals, request for quotes, e-procurement, sole source, procurement cards, etc.), establishing contracts and associated contract releases, the design, generation and handling of purchase orders and vouchers, creating receipts for matching, the receipt of invoices, and the accounts payable process. The P2P process also includes capital reimbursement of operating expenses and the interagency transfer of funds.</p> <p>Since the implementation of PeopleSoft as the MTA ERP there has been no all agency P2P process evaluation performed, particularly to evaluate the effectiveness of the use of PeopleSoft Procurement technology or other possible P2P solutions.</p>																									

Staff Summary

Contract No. 14006-0100

Page 2 of 2

The consultant will therefore determine, for the current P2P process at each Agency, HQ, and the MTA, the purpose and function of each step in the process and the baseline cost in time and money; evaluate the potential for improved effectiveness or efficiency in the P2P processes that could result from both the greater use of PeopleSoft 9.2 functionality and changes in the processes at each Agency and HQ, or from the use of bolt on software or an alternative fit for purpose procurement solution; and estimate the savings that would result when compared to the baseline cost in time and money. Lastly, the consultant will prepare and submit an implementation plan that lays out the detailed steps necessary for the MTA as a whole, HQ and for each Agency individually, to change its P2P processes from the current state to the new processes.

In order to provide these services a competitive Request for Proposal (RFP) was issued. The RFP was publicly advertised and letters advising potential proposers of the RFP's availability were sent to twenty-one (21) firms including five (5) M/WBE Firms. Five (5) proposals were received. The Selection Committee, consisting of representatives from MTA Headquarters, MTA New York City Transit, MTA Bus, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Bridges & Tunnels, and MTA Capital Construction evaluated the proposals and recommended that all five firms be invited in for oral presentations. Based on the oral presentations, the committee short-listed to three firms; namely, Huron Consulting Services LLC, IBM, and KPMG LLP. The Selection Committee determined that KPMG LLP was the most technically qualified and best suited to perform the services identified by the RFP. MTA has conducted a responsibility review and other due diligence on KPMG LLP and has deemed them to be responsible for award.

Negotiations have resulted in a not to exceed contract and the originally proposed hourly rates ranging from \$76.92 to \$290.60 were negotiated down to a range of \$76.92 to \$273.86 representing a reduction of 0% to 5.7%. These rates are equal to or lower than the Federal Government rates. Based on the above, the negotiated hourly rates are considered fair and reasonable.

III. D/M/WBE INFORMATION

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

IV. IMPACT ON FUNDING

Funding for this contract is available in the Business Service Center Operating Budget.

V. ALTERNATIVES

1. Perform the Services In-house. This is not a feasible alternative. MTA does not possess the internal resources or the expertise to provide these services.
2. Do not Approve Award of the Contract. This alternative is not practical or efficient. A procure to pay process review is necessary to streamline and consolidate business processes across the agencies.

Schedule F: Personal Service Contracts



Item Number:					
Dept & Dept Head Name:					
CFO/Bob Foran					
Division & Division Head Name:					
Fredericka Cuenca					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	Finance	7/28/2014	X		
2	Board	7/28/2014	X		
Internal Approvals					
Order	Approval	Order	Approval		
1	Procurement	4	Diversity and Civil Rights		
2	CFO	5	Legal		
3	Strategic Initiative				
Narrative					

SUMMARY INFORMATION	
Vendor Name: World Energy Solutions, Inc.	Contract Number: 14254-0100
Description: E-Reverse Auction for Natural Gas	
Total Amount: \$0.00	
Contract Term (including Options, if any) August 1, 2014 thru July 31, 2015	
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 type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: (Pilot)	
Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

To recommend that the Board approve the authorization for MTA to conduct (a) a one year experimental pilot program that will test the cost effectiveness and feasibility of an e-reverse auction competitive RFP process for the procurement of natural gas; (b) the award of a professional services contract to World Energy to provide technical and subject matter expertise and related services for, and to assist in the implementation of this experimental pilot program, (c) the award and execution of one or more natural gas supply contracts resulting from the e-reverse auction RFP process (such awards to be reported to the Board after contract execution); and (d) MTA to waive the all-agency procurement guidelines in connection with such reverse auctions.

Currently, the operating agencies, without competition or negotiations, purchase natural gas directly from local utilities such as National Grid and Con Edison and pay the applicable utility's tariff rate. However, there are many alternate suppliers of natural gas active in the regional marketplace and MTA believes that its cost for natural gas will be reduced by purchasing through a competitive, reverse auction process.

In order to conduct this pilot, MTAHQ will enter into an agreement with World Energy Solutions, Inc., a leading energy management service which will provide expertise regarding natural gas suppliers as well as the electronic auction technology. World Energy has delivered substantial cost savings to its clients by facilitating competitive natural gas procurements for private firms, public institutions and government agencies, such as the Port Authority of New York and New Jersey.

Staff Summary

Under the proposed one year experimental pilot program, MTA will engage World Energy to conduct one or more e-reverse auctions. MTA anticipates competitively procuring approximately 65% of the agencies' natural gas consumption (such total consumption being approximately 2.4 million dekatherms per annum, which, at current rates, would cost approximately \$22 million, inclusive of delivery charges).

Under the experimental pilot program, World Energy will perform the following services, under the supervision of MTA and operating agency staff:

- i) Educate and inform MTA staff regarding natural gas markets and procurement strategies
- ii) Invite natural gas suppliers to register, apply for prequalification, and participate in the competition;
- iii) Educate natural gas suppliers on how to use World Energy's e-procurement platform, how to apply for prequalification, and how to participate in the e-reverse auction competition;
- iv) Develop procurement documents that will be sent to potentially interested natural gas suppliers.
- v) Operate as a central point for communications to and from natural gas suppliers;
- vi) Conduct one or more natural gas e-reverse auctions;
- vii) Assist in evaluating pricing received relative to: (a) the other auction competitors and (b) the price MTA would expect to pay from "business as usual" pricing from local utilities; and
- viii) Following award of supplier contracts, provide a semi-annual and annual savings report to compare the cost of competitively procured natural gas to what would have been paid to local utilities.

The e-reverse auction will be held over the internet via World Energy's e procurement platform.

In order to minimize risk, it is currently expected that MTAHQ staff will award one or more contracts upon completion of the e-reverse auction process, only if the resulting pricing is lower than the "business as usual" pricing from local utilities. In those instances where the pricing is not favorable, it is expected that MTA will continue the past practice of purchasing natural gas from local utilities.

World Energy will not receive any compensation from MTA. Instead, each vendor awarded a natural gas supplier contract will compensate World Energy no more than \$0.09 per dekatherm of natural gas for the first million dekatherms of natural gas and no more than \$0.085 per dekatherm after the first million. This would result, for example, in compensation of approximately \$140,000 for a contract to supply MTA with natural gas for 1.6 million dekatherms of natural gas which, under current practices, might cost the agencies approximately \$14,250,000, inclusive of delivery charges. If the MTAHQ elects to not award a contract to a natural gas supplier at any point in this process, World Energy will not be entitled to any compensation. World Energy will work with MTA staff to design and implement the pilot program. All procurement decisions will be made by MTA procurement staff.

III. D/M/WBE INFORMATION

No D/M/WBE goals were established by the MTA Office of Civil Rights for this contract.

IV. IMPACT ON FUNDING

MTA is conducting this experimental competitive procurement in order to test whether there are savings opportunities. MTA does not anticipate negative impact on funding at this time.

V. ALTERNATIVES

1. Perform the Services In-house. This is not a feasible alternative. MTA does not possess the internal resources to provide these services.

2. Do not Approve Award of the Contract. The alternative to competitively procuring natural gas supply would be to continue to purchase natural gas from local utilities, absent competition or negotiations.

MTA Form R0556 9/3/07

RESOLUTION

WHEREAS, e-reverse auctions are a competitive process for soliciting and receiving proposals electronically, competitively negotiating in real-time on-line with the vendors competing for the procurement, and then awarding the contract, which has been widely used by private industry and some governmental agencies in the United States to obtain bottom-line savings and procurement efficiencies;

WHEREAS, e-reverse auctions have gained popularity with the emergence of internet-based software and are used today by many businesses to purchase a variety of commodities and services in an effort to realize (1) lower prices through real-time on-line competition among multiple vendors; (2) administrative cost savings through paperless electronic bidding; and (3) instantaneous price analysis;

WHEREAS, the Metropolitan Transportation Authority ("MTA") desires to undertake a one year pilot program on behalf of itself and its agencies to test the cost effectiveness, practicability and feasibility of utilizing an e-reverse auction competitive RFP process for the procurement of natural gas;

WHEREAS, conducting such a pilot program will enable the MTA to determine the extent to which the e-reverse auction process for the purchase of natural gas can yield substantial cost savings by reducing the prices paid for natural gas;

NOW THEREFORE, the Board resolves as follows:

1. The MTA is authorized to enter into a contract with World Energy Solutions, Inc. to provide e-reverse auction technical and functional services for the natural gas e-procurement pilot program authorized by this resolution.
2. It is in the public interest for the MTA to undertake a one year e-procurement pilot program coordinated by MTA, on behalf of itself and its subsidiary and affiliated agencies, through which an e-reverse auction competitive request for proposals method will be used to solicit and award contracts for a portion of the natural gas requirements of MTA and its affiliated and subsidiary agencies;
3. The solicitation of proposals through competitive e-reverse auction competitive requests for proposals is hereby authorized for the supply of a portion of the natural gas requirements of MTA and the agencies, as determined by MTA;
4. The MTA is authorized to award and execute one or more natural gas supplier contracts with natural gas suppliers selected for award as a result of a reverse auction, which award(s) shall be submitted to the Board for informational purposes.
5. The requirements of the All-Agency Procurement Guidelines and the All-Agency Guidelines for the Procurement of Services are hereby waived, to the extent necessary to implement the e-procurement for this pilot program.

Staff Summary

Schedule H: Modifications to Personal Service & Miscellaneous Service Contracts

Item Number:

Vendor Name (& Location): The McKissack Group, Inc. (formerly McKissack + Delcan, JV)	
Description: Independent Engineering Services for MTA's Capital Program	
Contract Term (including Options, if any): Jan 1, 2009 thru Dec. 31, 2011 (base) with 4 One Year Options	
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 <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: M. Wetherell/OCO and C. Stewart/Sr. Dir., Capital Programs	

Contract Number: 08072-0100	AWO/Modification # 3
Original Amount:	\$23,258,548
Prior Modifications:	\$7,988,392
Prior Budgetary Increases:	\$7,988,392
Current Amount:	\$ 31,246,940
This Request:	\$ 30,227,781
% of This Request to Current Amount:	96.7%
% of Modifications (including This Request) to Original Amount:	164.3%

Discussion:

To recommend that the Board: (i) approve a supplemental agreement to exercise the remaining three (the fourth year was previously exercised), one-year options of a previously Board-approved, competitively awarded, personal services contract with The McKissack Group, Inc. (formerly known as McKissack + Delcan (a joint venture)) in the amount of \$30,227,781. The base contract was for a three-year period from January 1, 2009 through December 31, 2011, with options to renew for four additional one-year periods at MTA's sole discretion in the amount of \$23,258,548 for the initial three years; and (ii) approve an amendment to authorize the withdrawal of Delcan from the McKissack + Delcan joint venture. The IEC contract was initially entered between the MTA and a joint venture of McKissack + Delcan. Effective March 28, 2014, Delcan was acquired by an affiliate of the Parsons Corporation. To avoid any potential conflict of interest, it is proposed that Delcan withdraw from the Joint Venture.

The MTA requires the continuation of services of a nationally recognized independent transit engineering firm to perform periodic monitoring and oversight on projects in the MTA's Capital Program as required by New York State Public Authorities Law 1263-4(b). Consultant services of the Independent Engineering Consultant (IEC) includes such tasks as may be required in order to provide the MTA Capital Program Oversight Committee (CPOC) with appropriate, high quality and professional observations, evaluations, recommendations and reports concerning key elements of the MTA Capital Program. These key elements include: Sandy related project monitoring, supplemental independent review of the Capital Program, quality of work; adherence to project/program budgets; adherence to schedules; adherence to project scopes and functional requirements; and effective program and project management controls. Work tasks expected from the IEC fall under such areas as Facilitating Risk Assessments, Project Monitoring, Design Review, Programmatic Review and D/M/WBE support. Other tasks may be assigned within the scope of this assignment, as may be determined by CPOC.

This contract is funded by each agency from within its capital program. The 2010-2014 Capital Program funds the oversight agenda for projects within that program. Subsequent capital programs, which are subject to MTA Board and Capital Program Review Board approval, will fund the oversight work anticipated for projects within those programs.

The MTA Office of Civil Rights established a 10% goal for MBE and 5% goal for WBE Participation. This contract has consistently met or exceeded these goals, and these MWBE requirements will continue through the option years.

The rates are the same rates negotiated under the base agreement, therefore, they are deemed fair and reasonable.

Staff Summary

Schedule H: Modifications to Personal Service & Miscellaneous Service Contracts

Item Number:

Vendor Name (& Location): Various
Description: All-Agency Organizational and Professional Development Programs
Contract Term (including Options, if any): April 1, 2013 through March 31, 2016
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 checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:
Requesting Dept/Div & Dept/Div Head Name: Margaret M. Connor-Human Resources

Contract Number: 12194-0100 thru 1700	AWO/Modification # 1
Original Amount:	\$2,309,100
Prior Modifications:	\$ 0.00
Prior Budgetary Increases:	\$ 0.00
Current Amount:	\$2,309,100
This Request:	\$4,500,000
% of This Request to Current Amount:	194.8%
% of Modifications (including This Request) to Original Amount:	194.8%

DISCUSSION:

To recommend that the Board approve an amendment to a previously Board-approved, competitively negotiated, personal services contract with the following firms for additional funding in the amount of \$4,500,000 to continue to provide all agency organizational and professional development services with a focus on building and sustaining a safety culture and training new and re-training current employees, because of the unprecedented number of retirements anticipated by the Agencies.

- | | | |
|--------------------------------|--------------------------|--|
| 1. ATS Consulting | 8. French & Associates | 15. Research Foundation City College of New York |
| 2. Balancing Life's Issues | 9. GothamCulture | 16. Stephanie Twin |
| 3. Beverly Hyman | 10. KiThoughtbridge | 17. Technology Transfer |
| 4. Complete Learning Solutions | 11. Kleiman & Associates | |
| 5. Contract Trainers | 12. Krieger | |
| 6. Curt Schleier | 13. PeopleNRG | |
| 7. Esta, Inc. | 14. Phillip Vassallo | |

In March 2013, the Board approved a contract with the firms listed above to enable the agencies to provide the needed professional development and training. Training is required in the crucial areas such as: i) safety; ii) working in and managing a diverse workforce; iii) customer service; iv) project management; v) strategic planning; vi) managerial coaching; vii) writing and presentation skills; viii) implementation and integration of technological solutions into developing areas such as strategic talent and performance management and succession planning; and, ix) mediation and conflict resolution.

Due to unforeseen and augmented safety and NYS mandated training, and continually increasing performance management, succession planning and supervisor training initiatives, additional funding is required to provide this essential training and development. Regulatory entities such as the Federal Railway Administration (FRA) emphasized the importance of building and sustaining a culture that assures safety of the riding public. In order to continue to build our capability to transition the organization and to continue our emphasis on an even more focused safety culture, developing our leaders for the future, our employees will continue to require additional training in areas such as:

- Performing effectively in a safety-focused environment
- Managing talent effectively, including developing our leaders and ensuring succession for key positions.
- Increasing and improving manager effectiveness, in performance management, coaching staff, and mediating and resolving conflicts effectively.
- Improving customer service skills
- Improving skills needed to manage projects effectively
- Increasing skills and effectiveness in key skills such as writing and delivering effective presentations
- Integrating technological solutions in key talent processes such as talent management, performance management, and succession planning

Additionally, the MTA and its agencies also face the challenge of an aging workforce. There are an unprecedented number of retirements anticipated by the Agencies in the immediate future and the MTA must accelerate efforts to develop and train successors to fill gaps created as a result of the retirements.

ALTERNATIVES:

1. Use of in-house staff. This alternative is not feasible. MTA does not have sufficient in-house subject matter experts to develop and/or facilitate all of the required training. Consequently, utilizing external training resources is a more cost effective manner to deliver these necessary organizational and training development services.
2. Do not approve the award of these contracts. This would curtail MTA's ability to foster growth in safety, organizational and training development for its employees.

LIST OF PROCUREMENTS FOR BOARD APPROVAL, JULY 2014
PROCUREMENTS FOR RATIFICATION

METROPOLITAN TRANSPORTATION AUTHORITY

Procurements Requiring Two-Thirds Vote:

K. Ratifications of Completed Procurement Actions (Involving Schedules E-J)

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

- | | |
|--|---------------------------------------|
| 1. TCD Cellular Communications
Multi-Agency Supply/Install/Remove and
Repair Emergency Equipment on MTAPD
Vehicles and Installation of Emergency
Equipment on B&T Vehicles
Contract Nos. 12073-0200 | \$567,976.50
(Total) |
|--|---------------------------------------|

Non-competitive

Board ratification is requested for an award made in March 2014 for \$567,976.50 to a Board approved multi-agency, competitively negotiated, miscellaneous service contract with TCD Cellular Communications which expires in 2016 and is one of two firms under this Contract. MTAPD and B&T required these services to supply, install and repair emergency equipment on police vehicles. Emergency equipment includes, but not limited to, emergency lighting, communication equipment (i.e. radios, computers, etc.), canine equipment and vehicle identification graphics, etc. MTA Police purchased a total of 104 new vehicles between February and March 2014. The equipment had to be purchased in a timely manner in order to take advantage of a federal government grant (i.e. Transportation Security Grant Program Funds), thus MTA Police directed TCD Cellular Communications to provide the equipment for the vehicles. This was the only provider under contract which was able to meet the necessary timeframe. Subsequently, the equipment could not be purchased using federal funds since the Base Contract was originally procured utilizing State terms and conditions.

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

ACTION ITEMS

MTA METRO-NORTH RAILROAD

License amendment with the City of Yonkers, relating to use of the outdoor space at the Yonkers Train Station

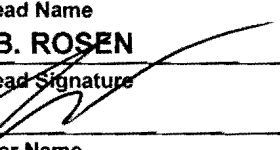
MTA LONG ISLAND RAIL ROAD

License agreement with Answer Vending for the provision of snack and beverage vending services at MTA Long Island Rail Road stations and employee facilities

METROPOLITAN TRANSPORTATION AUTHORITY


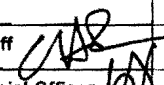

Exercise of lease renewal option for MTACC at 333 West 34th Street, New York, NY

Staff Summary

Subject LICENSE AMENDMENT
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name ALICIA BIGGS

Date JULY 28, 2014
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/28/14			
2	Board	7/28/14			

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

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

LICENSEE: City of Yonkers (the "City")

LOCATION: Park and arcade area located at southwest end of Yonkers Station Building

ACTION REQUESTED: Approval of terms

TERM: Until terminated by Metro-North (minimum 30 days' notice)

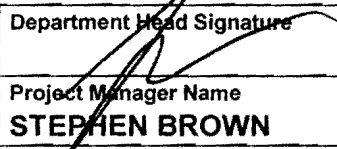
COMPENSATION: One dollar, payment waived

COMMENTS:

In December 2003, Metro-North entered into a license agreement with the City for the maintenance, securing, landscaping, cleaning and overall care of the Metro-North-controlled park plaza located on the east side of the Yonkers Station. To date, the City has maintained the space as a park area only. Recently, the City approached MTA Real Estate with a request to modify the license agreement to add the covered walkway (arcade) at the south end of the Yonkers Station to the licensed area and to permit the City to use the expanded licensed area to stage farmers markets, movie screenings, art exhibitions and other community events. The proposed addition of the arcade to the licensed area and the use of the expanded licensed area for such community events (each of which will require pre-approval by Metro-North) will have no impact on Metro-North operations. The City will be restricted to sublicensing the licensed area for nonprofit and public uses.


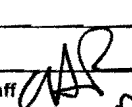

Based on the foregoing, MTA Real Estate requests authorization to enter into a license amendment on the above-described terms and conditions.

Staff Summary

Subject LICENSE AGREEMENT
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name STEPHEN BROWN

Date JULY 28, 2014
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/28/14	X		
2	Board	7/28/14	X		

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

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

LICENSOR: Answer Vending, Inc. ("Answer")

LOCATION: LIRR stations and employee facilities

ACTIVITY: License agreement for beverage and snack vending machines

ACTION REQUESTED: Approval of terms

TERM: Ten years, terminable on 60 days' notice by LIRR

COMPENSATION: Minimum annual guaranteed compensation ("MAG"): MAG will total approximately \$1.0 million over 10 years (PV of \$683,055 at a 7% discount rate), as shown below:

Year	Annual	Monthly
1	\$25,000	\$2,083.33
2	\$88,000	\$7,333.33
3	\$105,000	\$8,750.00
4	\$113,000	\$9,416.67
5	\$113,000	\$9,416.67
6	\$113,000	\$9,416.67
7	\$113,000	\$9,416.67
8	\$113,000	\$9,416.67
9	\$113,000	\$9,416.67
10	\$113,000	\$9,416.67

Exclusivity payments: In addition to the MAG, Answer will make (1) payments totaling \$15,000 over the term (PV of \$9,947) to be LIRR's exclusive vending machine provider; 2) payments of \$41,000 in year 1, increasing to \$50,000 in subsequent years (totaling \$491,000 over the term, PV of \$342,768) for so long as M&M Mars remains the exclusive LIRR vending machine snack provider (contract is year-to-year); and 3) payments of \$60,000 per year (totaling \$600,000 over the term, PV of \$424,415) for so long as Pepsi-Cola is the exclusive LIRR vending machine beverage provider (contract is five years with a five-year option).

Electrical upgrade contributions: Answer will also make a contribution of \$300,000 toward the cost of work to be undertaken by LIRR forces to bring power to the vending machine locations, where required, paid in installments of \$75,000 at the beginning of each of the first four years of the term (PV of \$254,040). Should LIRR wish to expand the program to

Staff Summary

FINANCE COMMITTEE MEETING Answer Vending, Inc. (Cont'd)

serve more than the 80 stations currently contemplated, Answer will make additional contributions towards LIRR's electrical work of up to \$10,000 per year in years 5-8 of the contract.

Variable compensation: In addition to the foregoing payments, Answer will be required to make variable compensation payments equal to the higher of following two components when either exceeds the MAG for any license year:

1. Machine Based Compensation ("MBC"): MBC will be based on the number of machines in operation in a given license year, multiplied by an annual fixed compensation per machine as set forth in the following table:

Years	Beverage		Snack	
	Annual	Monthly	Annual	Monthly
1-5	\$960	\$80	\$600	\$50
6-10	\$1,008	\$84	\$630	\$52

2. Percentage Compensation: Percentage compensation will be calculated by multiplying the annual gross sales for all vending machines by 28%.

COMMENTS:

In response to an RFP for vending machine services covering passenger stations throughout LIRR's operating territory, MTA Real Estate received proposals from Answer, Gilly Vending and M&R Wholesale. The RFP sought to secure a vendor to provide snack and beverage vending machines at 80 LIRR stations (phased over 3-4 years), with the option of LIRR adding up to 43 additional stations over the course of the agreement.

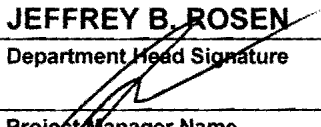
Answer's financial proposal was superior to those of Gilly Vending and M&R Wholesale with respect both to fixed payments and the rate at which LIRR would participate in sales revenues. Moreover, M&R Wholesale's submission was unresponsive; it would only have provided for service at 23 of the 80 specified stations, was incomplete in various respects and was not accompanied by a required deposit.

Since 2010, Answer has successfully provided vending machine services at MTA Metro-North stations and employee facilities, and throughout the initial installation phases and subsequent years of operation under its Metro-North contract Answer has been a reliable contract counterparty and maintained a high level of service. Based on Answer's average sales at its Metro-North machines, it is anticipated that over the term the above-described variable compensation to LIRR could exceed \$1.4 million on a present value basis (approximately \$749,000 over the present value of the MAG over the term). Thus, the total compensation under the Answer proposal, estimated at \$2.46 million on a present value basis, is projected not only to fully offset LIRR's electric installation costs (budgeted at \$1.4 million, although, based on experience under the Metro-North contract, the actual electrical installation costs may well be lower) but also to provide substantial net revenue to LIRR while providing a new amenity for LIRR customers.

The installation of the vending machines at the initial 80 stations is projected to occur in three phases over 3-4 years, although based on experience with the Metro-North agreement the installation process could take significantly less time than that. As in Metro-North's contract with Answer, LIRR will reserve the right to (1) require Answer to relocate or remove machines as necessary as determined by LIRR; (2) require Answer to provide healthy snack and beverage options; and (3) require Energy Star or other environmentally friendly vending machines.


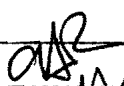

Based on the foregoing, MTA Real Estate requests authorization to enter into a license agreement with Answer on the above-described terms and conditions.

Staff Summary

Subject EXERCISE OF RENEWAL OPTION
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name ANDREW D. GREENBERG

Date July 28, 2014
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/28/14	X		
2	Board	7/28/14	X		

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

AGENCY: Metropolitan Transportation Authority ("MTA")

LANDLORD: ARC NY333W3401, LLC (American Realty Capital, principal), successor to 333 West 34th Street LLC (SL Green, principal)

LOCATION: 333 West 34th Street, New York, New York (the, "Premises")

ACTIVITY: Exercise of renewal option

ACTION REQUESTED: Approval of terms

TERM: Six Months – 2/1/15 through 7/31/15

PREMISES: Approximately 17,503 rentable square feet (12,198 usable square feet) of office space comprising a portion of the 5th floor

COMPENSATION:

<u>MONTH</u>	<u>RENT PER MONTH</u>
2/1/15 - 2/28/15	\$79,210.02
3/1/15 – 7/31/15	\$81,471.02

COMMENTS

The MTA leases the Premises for use as a field office for MTACC and MTACC consultant employees engaged in the management of the #7 Line extension project (the "Project"). The initial term of the subject lease (the "Lease") is scheduled to expire on January 31, 2015. (The approved September 2010 staff summary is attached.)

MTACC has advised that, in light of the current Project Schedule, it will be necessary to exercise the single, six-month renewal option that is provided for in the Lease (the "Renewal Option"). At the end of such six-month period, the Premises have been committed to the subject building's other tenant, but MTACC expects to be in a position to vacate the Premises at that time.

The rent during the renewal period is in accordance with the Lease, based on the rent that will be payable by such other tenant, net of real estate taxes. Hudson Yards Development Corporation is providing the funding for the construction and administration of the Project, including the rent under the current lease and the proposed lease renewal. With the exception of rent, all other terms and conditions of the Lease remain unchanged.

Based on the foregoing, MTA Real Estate requests authorization to exercise the Renewal Option on the above-described terms and conditions.

Staff Summary

Subject LEASE
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature
Project Manager Name ANDREW GREENBERG

Date SEPTEMBER 27, 2010
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	9/27/10	X		
2	Board	9/29/10	X		

Internal Approvals			
Order	Approval	Order	Approval
	Executive Director	1	Legal
3	Chief of Staff		
2	Managing Director		
	Civil Rights		

Narrative

AGENCY/TENANT: Metropolitan Transportation Authority ("MTA")

LANDLORD: 333 West 34 SLG Owner LLC (SL Green principal)

LOCATION: 333 West 34th Street, New York, New York

ACTIVITY: Office space for MTA Capital Construction Company ("MTACC"), to house construction management field office for 7 line extension project

ACTION REQUESTED: Approval of terms

SPACE: Approximately 17,503 rentable sq. ft. ("rsf") / approximately 12,198 usable sq. ft. ("usf") of office space comprising part of the 5th floor

POSSESSION: On delivery of the space with Landlord's Work (see below), to be substantially complete no later than January 1, 2011

RENT COMMENCEMENT: One month from possession

TERM: To commence on possession and expire January 31, 2015

BASE RENT: Tenant responsible for fixed annual Net Rent, payable as follows:

Gross Base Rent	Net Rent*	Net Rent per rsf
\$545,918.57	\$452,277.52	\$25.84

* Landlord will create a separate condominium unit and tax lot coinciding with the space to be leased to MTA. The foregoing Net Rent amounts were derived by subtracting the current taxes (\$5.25 per rsf) from the Gross Base Rent. Such amounts will be subject to a one-time adjustment to reflect the City of New York's final assessment for its fiscal year 2010/2011.

REAL PROPERTY TAXES:

Tenant will not be responsible for any tax payments until the condominium unit is created, at which point it will become responsible for reimbursing the Landlord for 100% of any taxes attributable to the condominium unit. It is anticipated that the MTA will exercise its tax exemption at that time, or as soon thereafter as possible.

Staff Summary

CAPITAL CONSTRUCTION/PLANNING/REAL ESTATE COMMITTEE MEETING 333 West 34 SLG Owner LLC (Cont'd)

OPERATING EXPENSE ESCALATION:	Tenant to pay its proportionate share of increases in operating expenses over a 2011 base calendar year
RENEWAL OPTION:	One 6-month extension option at fair market rent (net of real property taxes)
UTILITIES:	Tenant will be responsible for the cost of electricity via submeter, at Landlord's actual cost with no mark-up. All other utilities are included in base rent.
SERVICES:	Cleaning, HVAC service, building security and building messenger center will be provided by Landlord and included in base rent. Landlord will provide access to its emergency generator in consideration of Tenant paying Tenant's proportionate share of associated actual costs and expenses. Supplemental air-conditioning will be provided at a cost of \$400 per ton per year. If so requested, Landlord will provide up to a maximum of \$55,000 of fixtures, furniture and equipment, to be repaid by Tenant as additional rent over the term at 5% interest. Landlord will also provide, at no additional cost to Tenant, approximately 200 square feet of basement storage space.
MAINTENANCE & REPAIR:	Maintenance and repair of building common areas, common building systems and all structural components of the building will be performed by Landlord and included in base rent. Tenant will be responsible for all non-structural repairs within the leased space.
LANDLORD'S WORK:	The space is already built-out. Landlord will make certain agreed upon modifications at its own cost.
SECURITY DEPOSIT:	None

COMMENTS:

MTACC requires a field office to house approximately 34 MTACC and MTACC consultant employees engaged in the management of the #7 line extension project ("the Project"). This office needs to be in close proximity to the Project site and possession is required by 1/1/11. It is expected that 90% occupancy will be achieved on possession and the remainder will be occupied by the end of the first quarter of 2011. Hudson Yards Development Corporation is providing the funding for the construction and administration of the Project, including the rent under the proposed lease.

Historically, MTACC construction contracts have typically required contractors to provide space in their field offices for MTACC and MTACC consultant personnel; and space for such personnel is included in the field office for the first phase of the Project, located at 21 Penn Plaza, which is being provided by the phase 1 contractor at such contractor's cost pursuant to a lease in the phase 1 contractor's name that commenced in 2007 and is scheduled to expire in 2012. However, as the next phase of the Project will be undertaken pursuant to multiple construction contracts, MTACC determined that it would be most efficient and cost effective to manage such contracts from one centralized field office and thereby eliminate redundancies and avoid contractor mark-ups.

To accommodate MTACC's short time frame for possession, search criteria included an open space layout containing an existing fit-out that could largely be re-used, thereby avoiding the cost and time required for extensive alterations and/or furniture procurements.

Site visits were conducted at eleven potential locations. Evaluations based on operational needs, cost and space configurations yielded a short list consisting of three buildings: (a) 21 Penn Plaza; (b) 450 West 33rd Street; and (c) 333 West 34th Street. However, shortly after the site tour, the owners of 21 Penn Plaza decided to enter into a lease with another tenant; and the owner of 450 West 33rd Street expressed concerns regarding whether it could meet our timeline and were uncertain of the extent to which it could fund needed improvements. Thus, 333 West 34th Street became the only viable alternative, although it required MTACC to squeeze into approximately 10% less square footage than had been programmed.

Staff Summary

CAPITAL CONSTRUCTION/PLANNING/REAL ESTATE COMMITTEE MEETING **333 West 34 SLG Owner LLC (Cont'd)**

COMMENT: (Cont'd)

333 West 34th Street already houses the MTA Business Services Center, and it will therefore be possible to document the lease quickly and inexpensively through a modification of the BSC lease and to achieve economies by sharing certain BSC infrastructure. And, of the aforementioned prospective landlords, only the owner of 333 West 34th Street was able and willing to create a separate condominium unit to lease to the MTA, which will allow the MTA to take advantage of its tax exempt status and thereby significantly lower its occupancy costs. All costs of creating the condominium unit are to be included in the base rent. Accordingly, the rent at 333 West 34th Street will be only \$25.84 per sq ft (as under the BSC lease), significantly lower than the asking rents at the other properties surveyed.


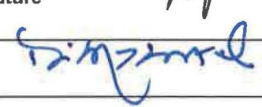
Based on the foregoing, MTA Real Estate requests authorization to enter into a lease modification agreement with 333 West 34 SLG Owner LLC on the above-described terms and conditions.

FOR REFERENCE PURPOSE ONLY



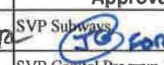





Staff Summary

Page 1 of 2

Subject ADA Accessibility: 3 Stations - Sea Beach and West End Lines
Department Capital Program Management
Department Head Name Frederick E Smith
Department Head Signature 
Program Officer Name Dilipkumar Patel 

Date June 3, 2014
Vendor Name TBD
Contract Number A36090, A36094
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	NYCT Committee				
2	Finance Committee				
3	MTA Board				

Internal Approvals			
Order	Approval	Order	Approval
1	SVP Subways 	5	Executive VP 
2	SVP Capital Program Management 	6	President 
3	Director OMB 		
4	VP Capital Planning & Budget 		

Purpose: The purpose of this staff summary is to obtain MTA Board approval to add two new projects to the 2010-2014 Capital Program:

1. To provide ADA accessibility at the station complex comprising of New Utrecht Av station on the Sea Beach Line (BMT) and 62 St station on the West End Line (BMT); and
2. To provide ADA accessibility at 8 Av Station on the Sea Beach Line (BMT).

Discussion: The approved 2010-2014 Capital Program includes Station Renewal projects at nine stations on the Sea Beach Line in Brooklyn (8 Av, Fort Hamilton Pkwy, New Utrecht Av, 18 Av, 20 Av, Bay Pkwy, Kings Hwy, Avenue U, and 86 St stations). The 2010-2014 Capital Program also includes related projects for Retaining Walls Remediation between the nine stations, and for the Rehabilitation of the Automated Fare Collection (AFC) Facilities at 8 Av station.

These projects will be packaged into two contracts:

- **Contract #1:** Renewal of six stations (8 Av, Fort Hamilton Pkwy, New Utrecht Av, 18 Av, 20 Av, and Bay Pkwy stations), Retaining Walls Remediation in between these stations, and AFC Facilities work at 8 Av station.
- **Contract #2,** Renewal of three stations (Kings Hwy, Avenue U, and 86 St stations) and Retaining Walls Remediation in between these stations.

Design for both of these contracts is 80 % complete. Final Design is scheduled for completion in July 2014 and award is forecasted for November 2014.

In conjunction with these projects, two new projects are now requested to be added to the 2010-2014 capital program:

1. **ADA: New Utrecht Av / Sea Beach and 62 St / West End:** This project will install a total of four ADA elevators. Two elevators (#1 and # 2) will be installed at New Utrecht Av station on the Sea Beach Line (BMT). This station is part of a complex that also includes the 62 St station on the West End Line (BMT), so two additional elevators (#3 and #4) at 62 St station. This will allow disabled customers to transfer between the Sea Beach and West End lines. The full time control house D-5 provides entrance to the both New Utrecht Av station and 62 St station. Elevators # 1 (3-stop elevator) will be installed at the northwest corner of the control house (D5) and it will travel to the southbound platform of New Utrecht Av station and to a new transfer bridge connecting to the 62 St station platforms thru the existing passageway. Elevator # 2 (2-stop elevator) will be installed at the northeast corner of the control house and it will travel to the northbound platform New Utrecht Av station. Elevator # 3 and # 4 will be installed at passageway connecting to the 62 St station platforms on West End Line. Elevator # 3 (2-stop elevator) will provide access to the northbound platform and Elevator # 4 (2-stop elevator) to the southbound platform of 62 St station.

The legal name of MTA New York City Transit is New York City Transit Authority



Staff Summary

2. **ADA: 8 Av / Sea Beach:** This project will provide ADA access from the paid side of the control area (D-2) of the station to the northbound and southbound platforms. Two ADA ramps, one to each side of platform, will be constructed from the existing passageway between the stairs to northbound and southbound platforms, and will be located along the outside of the platforms. The ramps will be constructed on LIRR property adjacent to the northbound platform, and in the space available between private property and the southbound platform. Though the ramps will provide vertical accessibility to the platforms, full ADA accessibility of the station will depend on resolution of platform curvature issues.

These two ADA accessibility projects are also being designed by the Hennigson, Durham & Richardson (HDR) Architect & Engineering, PC/Daniel Frankfurt, JV, along with the Stations Renewal projects.

Alternatives: These projects are the best alternatives for providing ADA accessibility at these three stations.

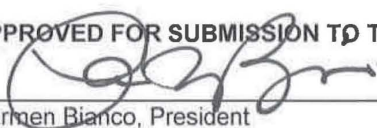
Impact on Funding: A conceptual cost estimate of \$40 million for the design and construction of the new projects is indicated below, but needs to be revisited upon completion of Final Design and final Force Account estimates:

- ❖ \$28 million is estimated for ADA Accessibility work for the installation of four elevators at New Utrecht Av station on the Sea Beach Line (BMT) and the 62 St station on the West End Line.
- ❖ \$12 million is estimated for the construction of two ADA Ramps at 8 Av station on the Sea Beach Line.

Funding will be provided from program savings.

Recommendation: It is recommended that the MTA Board approve the addition of two new capital projects, currently estimated at a total of \$40 million, to provide ADA accessibility improvements discussed above at New Utrecht Av station on the Sea Beach line and 62 St station on the West End Line; and at 8 Av station on Sea Beach Line.

APPROVED FOR SUBMISSION TO THE BOARD


Carmen Bianco, President

6.26.14
Date

SERVICE CHANGES: IMPLEMENT NEW BX24 EXTENSION TO HUTCHINSON METRO CENTER

Service Issue

Hutchinson Metro Center is a 42-acre corporate campus in the Bronx. The development is increasing the amount of corporate and medical office space and adding new tenants, including the 911 Call Center. Currently, there is no direct NYCT bus service to Hutchinson Metro Center. The Bx24 which terminates at Westchester Square will be extended to Hutchinson Metro Center.

The implementation of the Bx24 extension responds to requests from the community and elected officials for bus service to Hutchinson Metro Center.

Recommendation

Implement new Bx24 bus route extension to Hutchinson Metro Center.

Budget Impact

The net operational cost associated with this service is \$700,000 annually. Funding for the service was included in the 2013 Service Investments Package, approved by the MTA Board in July 2013.

Proposed Implementation Date

August 31, 2014.

Staff Summary



New York City Transit

Page 1 of 4

Subject	Implement Bx24 Extension to Hutchinson Metro Center
Department	Operations Planning
Department Head Name	Peter G. Cafiero
Department Head Signature	
Project Manager Name	Sarah Wyss

Date	June 27, 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	7/1/14	X		
2	NYCT Cmte		X		
3	MTA Board		X		

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

Purpose

To obtain Presidential and MTA Board approval for the new Bx24 bus route extension to serve Hutchinson Metro Center.

Discussion

The Bx24 provides local bus service between Country Club and Westchester Square in the Pelham Bay section of the Bronx. The Bx24 travels primarily along local streets in Country Club and along Bruckner Boulevard and Westchester Avenue in Pelham Bay. The Bx24 operates every 30 minutes between 6:00 a.m. and 10:30 p.m. during weekdays and weekends. The Bx24 connects to the **6** subway line at the Pelham Bay Park, Buhre Av, Middletown Rd, and Westchester Sq-East Tremont Av stations.

There are several new facilities being constructed at and around Hutchinson Metro Center, including the 911 Call Center and a Marriott hotel. Many medical offices and facilities are located in the existing and newly opened office buildings. Currently, the area is not directly served by any public transit. The Bx21 serves the entrance on Waters Place but does not enter into its campus. The developer and the community have continually contacted NYCT about expanding bus service to the area.

As part of the 2013 Service Investments, a full-time extension of the Bx24 bus route was recommended to serve the Hutchinson Metro Center corporate campus and surrounding areas.

Staff Summary



The northbound Bx24 would operate along its current route from Country Club to Westchester Square. At Westchester Square, the route would turn right on East Tremont Avenue, continue on Williamsbridge Road, right on Eastchester Road, right on Waters Place, left on Marconi Street to its terminal at the 911 Call Center at the northern end of the Hutchinson Metro Center campus. The southbound Bx24 would travel along Marconi Street, right on Waters Place, left on Eastchester Road, left on Williamsbridge Road, left on East Tremont Avenue, and left on Westchester Avenue to its existing route (see attached map).

This proposal was the subject of a public hearing held on November 14, 2013 at MTA New York City Transit, 2 Broadway, and was well received.

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 Bx24 implementation would not result in a disproportionate impact on either minority or below-poverty populations.

Recommendation

Implement new Bx24 bus route extension to Hutchinson Metro Center.

Alternatives to the Proposed Service Change

1. *Do nothing.* NYCT would not be responsive to community concerns and would not adequately serve Hutchinson Metro Center.
2. *Extend the Bx21 into the campus.* This would result in a lengthy mid-route loop into the campus that would negatively impact through riders and is not recommended.

Budget Impact

The net operational cost associated with this service is \$700,000 annually. Funding for the service was included in the 2013 Service Investments Package, approved by the MTA Board in July 2013.

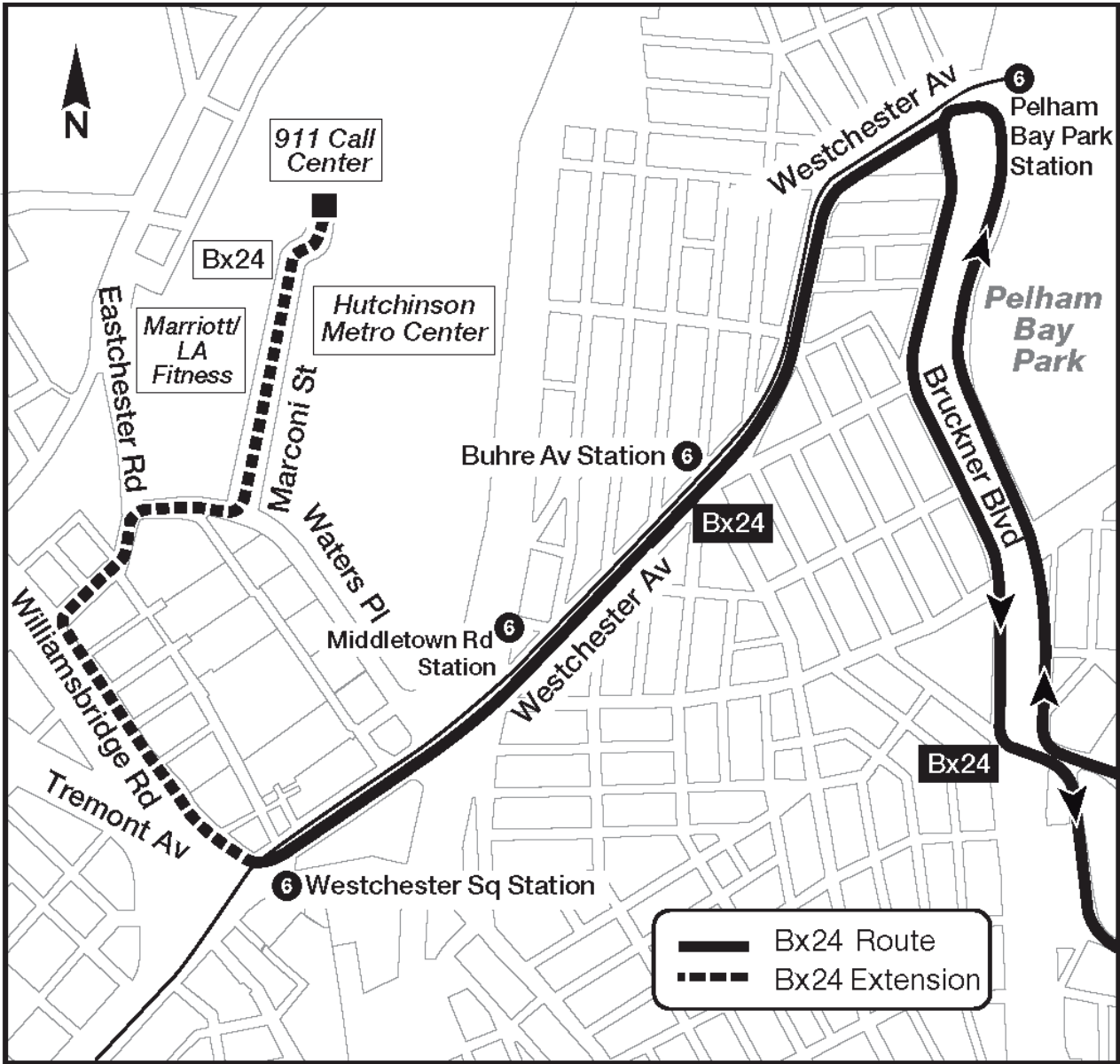
Proposed Implementation Date

August 31, 2014.

Approved:


Carmen A. Bianco, President

Bx24 Extension to Hutchinson Metro Center



BOARD RESOLUTION

WHEREAS, in a Staff Summary dated June 27, 2014, the President of New York City Transit has recommended the following action as a part of the 2013 Service Investments:

- Implement the Bx24 extension to Hutchinson Metro Center.

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, and has approved the analysis of this proposed change;

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 Bx24 Service June 20, 2014

Summary of Public Comments and Staff Responses

As part of the 2013 Service Investments, Bx24 local bus service will be extended to Hutchinson Metro Center from Westchester Square on August 31, 2014.

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 Bx24 proposal. Comments are paraphrased for clarity. Following each comment is the New York City Transit staff response where necessary.

Comment: Several commenters expressed general support for the Bx24.

Comment: The extension of the Bx24 will eliminate the existing free shuttle service to Hutchinson Metro Center

Response: NYCT only operates the Bx24 and cannot comment on the future of the shuttle service provided by private entities.


Comment: The Bx24 should replace the Bx4A to the Hub and become limited stop service

Response: The Bx24 is being extended to provide new service where there is currently no public transit service. Replacing the Bx4A would not provide any new service, just duplicate the existing Bx4A. Customers can easily transfer between the Bx24 and the Bx4A at Westchester Square.

PROCUREMENTS

The Procurement Agenda this month includes 12 actions for a proposed expenditure of \$138.0M.

Subject	Request for Authorization to Award Various Procurements				
Department	Materiel Division – NYCT				
Department Head Name	Stephen M. Plochochi				
Department Head Signature					
Project Manager Name	Rose Davis				
Board Action					
Order	To	Date	Approval	Info	Other
1	Committee	7/28/14			
2	Board	7/28/14			

July 14, 2014			
Department Law and Procurement – MTACC			
Department Head Name Evan Eisland			
Department Head Signature 			
Internal Approvals			
	Approval		Approval
	President NYCT		President MTACC
	Executive VP		President MTA Bus
X	Capital Prog. Management	X	Subways
	Law	X	Diversity/Civil Rights

Internal Approvals (cont.)							
Order	Approval	Order	Approval	Order	Approval	Order	Approval

PURPOSE:

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

DISCUSSION:

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

Procurements Requiring Two Thirds Vote:

	<u># of Actions</u>	<u>\$ Amount</u>
Schedule A: Non-Competitive Purchases and Public Work Contracts	1	\$ 6.0 M
• Cubic Transportation Systems, Inc.		\$ 6.0 M
SUBTOTAL	1	\$ 6.0 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 C:	Competitive Requests for Proposals (Award of Purchase and Public Work Contracts)	2	\$ 5.8 M
<u>Schedules Requiring Majority Vote:</u>			
Schedule F:	Personal Service Contracts	3	\$ 5.4 M
Schedule G:	Miscellaneous Service Contracts	1	\$.4 M
Schedule H:	Modifications to Personal/Miscellaneous Service Contracts	1	\$ 8.4 M
Schedule I:	Modifications to Purchase and Public Works Contracts	1	\$ 107.0 M
SUBTOTAL		8	\$ 127.0 M

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

<u>Schedules Requiring Majority Vote:</u>			
Schedule I:	Modifications to Purchase and Public Works Contracts	1	\$ 2.0 M
SUBTOTAL		1	\$ 2.0 M

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

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

NYC Transit proposes to award Ratifications in the following categories:

<u>Schedules Requiring Majority Vote:</u>			
Schedule K:	Ratification of Completed Procurement Actions	1	\$.9 M
SUBTOTAL		1	\$.9 M

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

<u>Schedules Requiring Majority Vote:</u>			
Schedule K:	Ratification of Completed Procurement Actions	1	2.1 M
SUBTOTAL		1	2.1 M
TOTAL		12	\$ 138.0 M

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

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

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

BOARD RESOLUTION

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

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

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

NOW, the Board resolves as follows:

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

JULY 2014

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

A. Non-Competitive Purchases and Public Work Contracts

(Staff Summaries required for all items greater than: \$100K Sole Source; \$250K Other Non-Competitive.) Note – in the following solicitations, NYC Transit attempted to secure a price reduction. No other substantive negotiations were held except as indicated for individual solicitations.

- | | | |
|---|---------------------------|--------------------------------------|
| 1. Cubic Transportation Systems, Inc. | \$6,000,000 (Est.) | <u>Staff Summary Attached</u> |
| Sole Source - Three-year omnibus | | |
| Purchase of inventory and non-inventory replacement parts for the Automated Fare Collection System. | | |

Schedule A: Non-Competitive Purchases and Public Work Contracts

Item Number: 1

Vendor Name (& Location) Cubic Transportation Systems, Inc. (New York, NY)
Description Purchase of non-inventory and inventory replacement parts used for the Automated Fare Collection System
Contract Term (including Options, if any) July 23, 2014 – July 22, 2017
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Omnibus Sole Source Approval

Contract Number Omnibus	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total Amount:	\$6,000,000 (Est.)
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Division of Materiel, Stephen M. Plochochi	

Discussion:

This omnibus approval will cover items identified as obtainable only from Cubic Transportation Systems, Inc. (Cubic) and will eliminate the need to advertise and prepare individual procurement staff summaries for Board approval for each procurement over the \$15,000 small purchase threshold. NYC Transit is not obligated to generate any purchase orders pursuant to an omnibus approval. Any purchases made under this approval will be made pursuant to paragraph 9 (b) of PAL 1209, which allows purchases of items that are available from only a single responsible source to be conducted without competitive bidding.

There are approximately 1,569 items covered by this approval for the purchase of replacement parts used for the Automated Fare Collection System (AFC) by Cubic. All these Cubic-supplied items will be used by NYC Transit's Electronic Maintenance Division (EMD) and Division of Revenue Control (RC) to repair AFC equipment no longer covered under the original Cubic installation warranty. This includes parts to maintain and repair turnstiles, token booth equipment, MetroCard readers, integrated farebox units, high production encoders, and all related equipment. Properly maintaining this equipment enables efficient revenue collection and passenger flow.

This approval will apply to inventory and non-inventory items identified as obtainable only from Cubic for the following reasons: sole pre-qualified source on the QPL, and not available from any distributors or other sources; publicly advertised within a twelve-month period without an acceptable alternate supplier; or proprietary to Cubic. Inventory items are advertised a minimum of once every twelve months to seek competition. Non-inventory and new inventory items are advertised prior to each procurement. A list of Cubic sole source inventory items, as well as NYC Transit's intention to buy items on the list without competitive bidding, is available for download from the NYC Transit website at any time by any prospective vendor. These sole source parts will be purchased on an as-required basis during the three-year period.

The Board granted the current omnibus approval on October 26, 2011 in the estimated amount of \$4,000,000, of which \$3,859,563 has been expended to date leaving a remaining balance of \$140,437. EMD estimates that an additional \$1,800,000 will be needed to be spent during the remaining term of the current omnibus approval that expires on November 28, 2014; therefore, Board approval is being sought early. The greater-than-anticipated spend is attributed to equipment being purchased for State of Good Repair (SOGR) Phase II which includes purchasing new subcomponents such as Ticket Processing Units, Coin Modules, Master Controller Boards, and Memory Boards. Based on forecasts and projections for the upcoming SOGR Phase II, it is anticipated that EMD and RC will require approximately \$6,000,000 of sole source items from Cubic during the term of this omnibus approval request.

Procurement has performed a price analysis on 34 sole source items which exceeded the \$15,000 threshold for which contracts were issued during the term of the current omnibus approval. Of the 34 items, 21 items have a recent comparative history and these 21 items represent \$3,323,985 or 86% of the value of the contracts issued under the current omnibus. A comparative price analysis of these 21 items shows an overall weighted average annual price increase of 0.77%, which compares favorably to the annual average increase of 1.14% in a weighted average of the Producer Price Indices for these items. Each item purchased under the omnibus approval will be subject to a price analysis and determination that the negotiated price is found to be fair and reasonable.

JULY 2014

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

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

(Staff Summaries required for items requiring Board approval.)

- | | | |
|---|---------------------------|-------------------------------|
| 1. ETS Contracting, Inc. and
2. PAL Environmental Specialists | \$5.8 Million (Aggregate) | <u>Staff Summary Attached</u> |
| Three-year contracts, each with a one-year option | | |
| Contract# C-31992/ C-31993 | | |
| IQ asbestos abatement services at various NYC Transit facilities. | | |

Procurements Requiring Majority Vote:

F. Personal Service Contracts

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

- | | | |
|---|---------------------------|-------------------------------|
| 3. ATC Group Services, Inc. d/b/a
Cardno ATC
4. Environmental Planning & Management, Inc.
5. Warren & Panzer Engineers, PC | \$5.4 Million (Aggregate) | <u>Staff Summary Attached</u> |
| Three-year contracts, each with a one-year option | | |
| Contract# CM-1500, CM-1501, CM-1502 | | |
| IQ consulting contracts for the supervision, air monitoring and support of asbestos abatement and lead disturbance services. | | |

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.)

- | | | |
|---|------------------|-------------------------------|
| 6. RED Technologies, LLC | \$393,942 (Est.) | <u>Staff Summary Attached</u> |
| Six bids/low-bidder – Three-year contract with a one-year option | | |
| Contract# C-33285-R | | |
| Pick-up, transportation and disposal of asbestos-containing material. | | |

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.)

- | | | |
|--|-------------|-------------------------------|
| 7. PTM Management Corp.
Contract# 07H9751V.5 | \$8,441,763 | <u>Staff Summary Attached</u> |
| Modification to the contract for Access-A-Ride Paratransit transportation services, in order to extend the existing contract by up to five months for continued Access-A-Ride Paratransit Transportation services. | | |

JULY 2014

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote con't:

I. Modifications to Purchase and Public Work Contracts

(Staff Summaries required for individual change orders greater than \$250K. Approval without Staff Summary required for change orders greater than 15% of the adjusted contract amount which are also at least \$50K.)

**8. Sprague Operating Resources, LLC \$106,954,740
Contract# 09B0053.2**

Staff Summary Attached

Modification to the contract for the purchase and delivery of Ultra Low Sulfur Diesel #2 fuel for NYC Transit and MTA Bus Company, in order to provide additional funding and extend the contract term for 6½ months through March 31st 2015.

JULY 2014

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote con't:

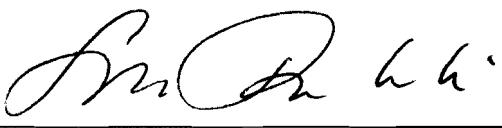
I. Modifications to Purchase and Public Work Contracts

(Staff Summaries required for individual change orders greater than \$250K. Approval without Staff Summary required for change orders greater than 15% of the adjusted contract amount which are also at least \$50K.)

- | | | |
|---|--------------------|--------------------------------------|
| 1. E.E. Cruz/ Tully Construction
Company, JV, LLC
Contract# C-26010.32 | \$2,000,000 | <u>Staff Summary Attached</u> |
|---|--------------------|--------------------------------------|

Modification to the contract for station finishes for the Second Avenue Subway, 96th Street Station, in order to address changes to the communication and fire suppression systems; changes to the fan dampers and actuators; and service modifications to Con Edison normal and reserve power to the 105th Street Substation.

Staff Summary

Item Number 1-2			
Division/Division Head/Signature: VP Materiel, Stephen M. Plochochi			
			
Internal Approvals			
Order	Approval	Date	Approval
1	Materiel	6	EVP
2	Law	7	President
3	Budget	8	
4	DDCR	9	
5	System Safety	10	

SUMMARY INFORMATION	
Vendor Name ETS Contracting, Inc.; PAL Environmental Specialists	Contract Number C-31992/C-31993
Description IQ Asbestos Abatement Services for Office of System Safety Projects	
Total Amount \$5.8 million (Aggregate)	
Contract Term (including Options, if any) Three-year contracts, each with a one-year option	
Option(s) Included in Total Amount?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Renewal?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

PURPOSE:

To obtain approval of the Board to award two Indefinite Quantity (IQ) contracts to perform asbestos abatement services at various MTA NYC Transit facilities within a total aggregate budget of \$5,800,000 over a three-year contract term with an unfunded option for one additional year. Each contract is 100% MTA-funded and the option will be exercised based upon the appropriate approval level and funding requirements at that time. These will be "zero-dollar" based contracts with no minimum guarantee of any assignments. The awardees are as follows:

Contractors

1. ETS Contracting, Inc.
2. PAL Environmental Specialists

Contract No.

- C-31992
C-31993

DISCUSSION:

The Office of System Safety (OSS) recognizes that asbestos discovered in NYC Transit facilities represents a risk to the health and safety of the general public as well as NYC Transit employees. In order to minimize that risk, OSS has had qualified contractors on call for abatement and disposal of asbestos when found at NYC Transit sites. Contracts C-31992 and C-31993 are proposed to replace the previous asbestos abatement contracts expiring in November 2014.

The two contractors will provide IQ system-wide asbestos abatement services on an as-needed work order basis. Work orders under these contracts will be assigned on the basis of price, contractor staff availability at the time of assignment, and performance on current and prior work orders. The cost of each work order will be based on the unit prices established in the contracts. These contractors shall furnish all labor, materials, service, insurance, permits and equipment necessary to carry out the asbestos abatement operation, which may include preparation, handling, removing, cleaning, storing, transporting, disposing of asbestos, and replacement of pipe, boiler and cable insulation as required. The contractors are to remove asbestos-containing materials from facilities system-wide; including immediate response to asbestos related emergencies. These contractors are typically used for relatively small projects and the average work order for the prior contracts was \$20,000.

In November 2013, the Board approved an Authorizing Resolution to issue a Request for Proposal (RFP). Past experience has shown that it takes significantly longer to find qualified asbestos contractors through the bidding process due to the number of firms that fail to meet NYC Transit's requirements. To avoid this delay, the Board has approved award of asbestos abatement contracts through the competitive RFP process for many years. By issuing an RFP, NYC Transit will be able to ensure that only responsible proposers are considered for contract award. In response to the RFP, nine firms submitted technical and cost proposals: ETS Contracting, Inc. (ETS); PAL Environmental Safety Corp. (PAL); Trio Asbestos Abatement (TRIO); ABC Construction Contracting (ABC); New York Environmental Systems (NYES); Coastal Environmental Group (Coastal); International Asbestos Removal, Inc. (IAR); Unitech Services Group (Unitech) and Greenwood Abatement Consultants (Greenwood).

Staff Summary

Page 2 of 2

The Selection Committee reviewed the technical proposals based on the established set of criteria, including general responsibility, asbestos abatement experience, safety record, financial stability, insurance and bonding, and project management. Out of the nine firms, the four most technically qualified were recommended to proceed. These four firms were ETS, PAL, TRIO and ABC, who were then invited for oral presentations. After oral presentations all four firms were deemed equally technically qualified and recommended for negotiations by the Selection Committee; sealed price proposals were then opened. The remaining five firms, NYES, Coastal, IAR, Unitech and Greenwood were not selected for negotiations for various reasons including: lack of sufficient relevant experience with NYC Transit, inexperienced key personnel, insufficient staffing, failure to provide an adequate technical approach, non-submittal of QA/QC plan, and non-submittal of MWBE documentation.

Initial pricing was as follows: ETS - \$3,320,697, PAL - \$4,757,037, TRIO - \$4,230,058 and ABC - \$5,048,120. Negotiations were held with the four selected firms, focusing on the scope requirements, scope clarifications, quantities, unit prices and total cost. Interim pricing was requested and negotiations continued. Cost proposals were also evaluated based on previous contracts and the Bureau of Labor Statistics Employment Cost Index for waste management and remediation services. NYC Transit's estimated quantities were based on workload projections and are for evaluation purposes only. NYC Transit's evaluated cost based on the estimated quantities of work is \$3,500,000 per base contract.

Best and Final Offers (BAFO) were received as follows: ETS - \$3,200,343; PAL - \$3,518,695; TRIO - \$3,539,614; and ABC - \$4,114,856. Based on the established evaluation criteria, and with all firms considered technically equal, the Selection Committee deemed cost as the determining factor in their recommendation for award. The Selection Committee recommended ETS and PAL for award. Both firms have extensive abatement experience, as indicated below. Their BAFOs are considered fair and reasonable by both Procurement and OSS based on the competitive nature of the RFP.

ETS' BAFO of \$3,200,343 is \$120,354 or 3.6% less than their original proposal of \$3,320,697. PAL's BAFO of \$3,518,695 is \$1,238,353 or 26% less than their original proposal of \$4,757,037. The estimated quantities in the current RFP are only nominally different from those used in the previous contracts. The overall escalation in pricing from the previous contract to the current contract for like items is approximately 1.9% per year.

Background investigations and materials submitted by these firms disclosed no "Significant Adverse Information" (SAI) within the meaning of the All Agency Responsibility Guidelines. These contractors have been found fully responsible for award.

M/W/DBE:

The Department of Diversity and Civil Rights (DDCR) has established goals of 4% MBE and 4% WBE for this contract. DDCR has approved the M/WBE Utilization Plans for both ETS and PAL. ETS and PAL have achieved their goals on previous MTA contracts.

PREVIOUS WORK OF SELECTED CONTRACTORS FOR MTA OR AFFILIATES:

ETS – C-33257, C-33277, C-33286, C-33288: IQ Asbestos Abatement Services; C-33128, C-33274: IQ Remediation, Removal and Disposal of Miscellaneous Asbestos-Containing Materials in Manholes.

PAL – C-33252, C-33292: IQ Asbestos and Other Environmental Remediation; C-33272: IQ Remediation, Removal and Disposal of Miscellaneous Asbestos-Containing Materials in Manholes.

IMPACT ON FUNDING:

These contracts will be funded with 100% MTA funds. The contracts will not be executed until a partial WAR certificate for \$500,000 for each contract has been issued.

ALTERNATIVES:

Perform the work using in-house personnel. Currently, NYC Transit lacks available in-house technical personnel to perform this work.

CAPITAL PROGRAM REPORTING:




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

RECOMMENDATION:

That the Board approve the award of two IQ contracts to perform asbestos abatement services at various MTA NYC Transit facilities to ETS and PAL within a total aggregate budget of \$5,800,000 over a three-year contract term with an unfunded option for one additional year.

Staff Summary

Page 1 of 2

Item Number 3-5			
Division/Division Head/Signature: VP Materiel, Stephen M. Plochochi			
			
Internal Approvals			
Order	Approval	Date	Approval
1 WD	Materiel	6 	EVP
2 X	Law	7	President 
3 X	Budget		
4 X	DDCR		
5 X	System Safety		

SUMMARY INFORMATION	
Vendor Name ATC Group Services, Inc., Environmental Planning & Management, Inc. and Warren & Panzer Engineers, PC	Contract Nos. CM-1500, 1501, 1502
Description IQ Consulting Contracts for the Supervision, Air Monitoring and Support of Asbestos Abatement & Lead Disturbance Services (OSS)	
Total Amount \$5.4 million (Aggregate)	
Contract Term (Including Options, if any) Three-year contracts, each with a one-year option	
Option(s) included in Total Amount?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Renewal?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

PURPOSE:

To obtain Board approval to award three competitively negotiated Indefinite Quantity (IQ) consultant contracts for the supervision, air monitoring and support of asbestos abatement and lead disturbance services: CM-1500 to ATC Group Services, Inc. d/b/a Cardno ATC (ATC), CM-1501 to Environmental Planning & Management, Inc. (EPM) and CM-1502 to Warren & Panzer Engineers, P.C. (WPZ) for a total aggregate budget of \$5,400,000 for a duration of 36 months with an unfunded option for one additional year. Each contract is 100% MTA-funded and the option will be exercised based upon the appropriate approval level and funding requirements at the time. These will be "zero-dollar" based contracts with no minimum guarantee of any assignments.

DISCUSSION:

This procurement was requested by the Office of System Safety (OSS) based on environmental and occupational safety concerns and will support OSS in their continuing effort to remove asbestos and lead from various NYC Transit locations. Under these contracts, the consultants will provide all staffing, equipment, laboratory analysis and materials necessary to perform the supervision, air monitoring and support of NYC Transit construction, renovation and demolition activities. The work will include performing surveys of a site to determine whether asbestos or lead is present and, if either is found, the consultant will be required to prepare a scope of work for the removal of the asbestos and/or lead. All removal of asbestos will be performed by a contractor under a separate IQ asbestos abatement services contract. The consultants shall also be on-site at all times during the asbestos abatement or lead disturbance projects and act as the on-site representative for NYC Transit with the authority to direct the actions of the asbestos removal contractor as necessary. Upon project completion, the consultant will be required to prepare a final report subject to the approval and acceptance of OSS. Task order assignments are determined and issued by OSS based on an evaluation of each consultant's proposed costs, current work load and previous performance.

A Two-Step Request for Proposal (RFP) was advertised in December 2013. The following 11 firms submitted Qualification Packages: AirTek Environmental (AirTek); Cardno ATC (ATC); Creative Environment Solutions Corp. (CES); Deerpark 1 Environmental Services (Deerpark); Environmental Planning & Management, Inc. (EPM); Ganett Fleming & Architects, P.C (Ganett); Langan; Louis Berger & Associates (LBG); Parsons Brinckerhoff (PB); The Liro Group (Liro) and Warren & Panzer Engineers, P.C. (WPZ). The Selection Committee reviewed the submittals and, based on their specified knowledge and experience, recommended the following six firms to receive the RFP: ATC, EPM, CES, LBG, PB and WPZ. AirTek, Deerpark, Ganett, Langan and Liro were not recommended because the Selection Committee believed, based on the information submitted, that they lacked sufficient qualifications and experience to successfully perform the contract. A shortlist memo documenting the details substantiating the Selection Committee decision was approved by Procurement and OSS.

Staff Summary

Page 2 of 2

An RFP was issued to the shortlisted firms and proposals were received from ATC, EPM, CES, LBG, PB and WPZ. The Selection Committee reviewed the written technical proposals and conducted oral presentations with the respondents to the RFP and subsequently recommended ATC, EPM, PB and WPZ for negotiations. In their technical proposals and oral presentations, these firms demonstrated their extensive relevant work experience, including the required staffing of experienced asbestos and lead technicians. CES and LBG were not recommended for negotiations as their proposals omitted salient information, lacked team members with the required certifications and relevant experience, and were deficient in other key areas.

The initial cost proposals of the four selected firms were evaluated and were as follows: ATC - \$1,610,422, EPM - \$1,658,442, WPZ - \$1,942,810 and PB - \$3,883,804. The in-house estimate was \$1,996,762. Negotiations were then held with the firms and focused on the estimated labor hours and out of pocket expenses which consisted of 65 line items. Interim proposals were subsequently requested as a number of line items in each of the proposals remained high when compared to market pricing. A second negotiation was held with each of the firms in which they were asked to re-visit their proposed numbers.

Best and Final Offers (BAFO) were received as follows: ATC - \$1,533,292, EPM - \$1,596,128, WPZ - \$1,542,516 and PB - \$2,448,055. ATC's BAFO represented a 5% reduction from their initial proposal and is 23% lower than the in-house estimate. EPM's BAFO represented a 4% reduction from their initial proposal and is 20% lower than the in-house estimate. WPZ's BAFO represented a 20% reduction from their initial proposal and is 23% lower than the in-house estimate. Though all four firms were deemed to be generally technically equal, the Selection Committee unanimously voted to recommend award of the contracts to ATC, EPM and WPZ as PB's BAFO far exceeded the competitive range. Additionally, ATC and EPM have extensive experience with NYC Transit and have performed satisfactorily. While WPZ has only one prior contract with NYC Transit, awarded more than 15 years ago, it does have vast current experience performing similar work in both the private and public sector. A comparison of line items between these new contracts and the current contracts show less than ½% annual escalation.

M/W/DBE:

The Department of Diversity and Civil Rights has established goals of 10% MBE and 10% WBE for this contract. DDCR has approved the M/WBE Utilization Plans for ATC, EPM and WPZ. ATC has achieved its M/WBE goals on previous MTA contracts. EPM is a certified WBE firm and has also achieved its M/WBE goals on previous MTA contracts. Information on goal performance for WPZ's previous contract is not readily available; therefore, no assessment of its goal performance can be made at this time.

PREVIOUS WORK OF SELECTED CONTRACTORS FOR MTA OR AFFILIATES:

ATC – CM-1398: IQ Consulting Contracts for the Supervision, Air monitoring and Support in connection with Asbestos Abatement & Lead Paint Removal Services; CM-1318: IQ Consulting Contracts for Lead & Asbestos Air Monitoring and Design Services; CM-1378: IQ Consultant Contracts for Asbestos & Lead Environmental Engineering Services.

EPM – CM-1327: IQ Consultant Contracts for Asbestos Abatement & Lead Disturbance Services; CM-1377: IQ Consultant Contracts for Asbestos & Lead Environmental Engineering Services.

WPZ – CM 1089: IQ Consultant Contracts for the Supervision, Air Monitoring & Support in Connection with Asbestos Removal Services within the five Boroughs of New York City.

IMPACT ON FUNDING:

These contracts will be funded with 100% MTA funds. The contracts will not be executed until WAR certificates have been issued.

ALTERNATIVES:

Perform the work using in-house personnel. Currently, NYC Transit lacks available in-house technical personnel to perform the specific tasks required under the scope of work for this contract.

CAPITAL PROGRAM REPORTING:

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

RECOMMENDATION:

That the Board approve the award of three competitively negotiated IQ consultant contracts for the supervision, air monitoring and support of asbestos abatement and lead disturbance services: CM-1500 to ATC, CM-1501 to EPM and CM-1502 to WPZ, for a total aggregate budget of \$5,400,000 for a duration of 36 months with an unfunded option for one additional year.

Schedule G: Miscellaneous Service Contracts

Item Number: 6

Vendor Name (& Location) RED Technologies, LLC (Portland, CT)
Description Pick-up, transportation, and disposal of asbestos-containing material
Contract Term (including Options, if any) Three year contract, with a one-year option
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive
Solicitation Type <input type="checkbox"/> RFP <input checked="" type="checkbox"/> Bid <input type="checkbox"/> Other:

Contract Number C-33285-R	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total Amount: \$393,942 (Est.)	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Office of System Safety, Cheryl Kennedy	

Discussion:

This contract is for the pick-up, transportation, and disposal of abated asbestos-containing material by RED Technologies, LLC (RED) for the estimated amount of \$393,942 for three years with an unfunded option for one additional year. The option will be exercised based upon the appropriate approval level and funding requirements at the time.

The Office of System Safety (OSS) requires the contractor to pick up asbestos-containing waste material abated by NYC Transit personnel at NYC Transit facilities and to transport the contaminated material to approved landfills for disposal. The waste material to be disposed of includes insulating materials, transite boards, non-flexible sheets, tapes, gaskets, packing material, and various electrical parts. The contractor makes pick-ups on an as-needed basis from designated locations as directed by the OSS project manager. If required, the contractor will also provide metal and fiberglass drums to contain the materials.

This request was originally advertised in April 2013. Four bid packages were picked up; however, only a single bid was received. In an effort to determine why only a single bid was received, Procurement conducted an extensive vendor outreach. This outreach resulted in the re-evaluation and lowering of the quantities required and a re-adjustment of the price schedule to include a line item for a mobilization fee for small pick-ups. Bid security was also reduced. The revised quantities coupled with the change in price schedule enabled greater participation during the subsequent re-solicitation.

This invitation for bid resulted in the receipt of six bids, of which RED was the lowest. OSS determined RED to be technically qualified to perform the work specified under this contract based on their experience in both public and private contracts. Reference checks indicated RED's performance has been satisfactory.

Quantities are approximately half of the prior contract and represent current usage. The weighted average of unit prices shows an annual increase of 2.75% compared to the current contract. Based upon the aforementioned, RED's bid was found to be fair and reasonable.

Schedule H: Modifications to Personal and Miscellaneous Service Contracts



Item Number: 7

Vendor Name (& Location) PTM Management Corp. (Queens, NY)	
Description Access-A-Ride Paratransit Transportation Services (Primary Paratransit Carrier)	
Contract Term (including Options, if any) April 1, 2009 – August 31, 2014	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Department of Buses, Darryl C. Irick	

Contract Number	AWO/Modification #
07H9751V	5
Original Amount:	
	\$ 281,072,030
Prior Modifications (not including option):	
	\$ (164,027,099)
Prior Budgetary Increases:	
	\$ 0
Current Amount:	
	\$ 117,044,931
This Request:	
	\$ 8,441,763
% of This Request to Current Amount:	
	7.2%
% of Modifications (including This Request) to Original Amount:	
	3.0%

Discussion:

This modification will extend the term of the existing Contract 07H9751V with PTM Management Corp. (PTM) by up to five months through January 31, 2015 to continue providing Access-A-Ride Paratransit Transportation Services (AAR) for the Department of Buses, Division of Paratransit in accordance with the Americans with Disabilities Act of 1990 (ADA) in order to allow additional time to negotiate with PTM. PTM is one of 14 Primary Paratransit Carriers (solely dedicated to the provision of ADA Paratransit Services, utilizing and maintaining NYC Transit-provided vans and sedans for the AAR program) providing origin-to-destination shared-ride transportation services for disabled individuals who meet the eligibility criteria.

Contract 07H9751 was competitively solicited and resulted in the Board approval in 2008 of awards to 16 vendors. Each contract was awarded for a 10-year base contract term with a unilateral option to extend for up to an additional 10 years. In March 2010, following an agency-wide action to reduce operational costs known as the Rapid Procurement Initiative (RPI) led by an outside consultant, PTM agreed to reduce its pricing through a reduction in the base contract term to five years with two mutually agreeable options (the first for five years, and the second for ten years) and minor changes to operational requirements. Modification No. 2 memorialized this RPI action which resulted in an operational savings of \$13.1 million, and a reduction in the contract amount of \$150.9 million based on the term reduction. In December 2010, further cost reduction efforts resulted in two of the 16 vendors' contracts being terminated for convenience as their pricing was the highest, resulting in 14 remaining Primary Paratransit Carriers. Modification Nos. 1 and 3 were administrative in nature.

Paratransit requested that service provided by PTM continue beyond the base contract expiration of March 31, 2014 as service forecasts, both near and long term, require sufficient capacity for ADA Paratransit service. PTM is a seasoned AAR incumbent in a prime location. Through Modification No. 4, Procurement extended PTM's contract for up to an additional five months through August 31, 2014 to enable continued service. This Modification No. 5 requests a further extension of up to an additional five months, through January 31, 2015, as additional time is needed to complete a financial audit (for which the results are still pending) and to facilitate negotiations. Any savings derived from these negotiations will be retroactive to April 1, 2014, the extension period beyond the expiration of the base contract.

Pricing is found to be fair and reasonable based on the original competitive pricing received. As of May 1, 2014 approximately \$8.1 million remains in the contract which will cover expenditures through August 2014. The additional funding of \$8.4 million is being requested to cover expenditures through the up to five-month extension.

Schedule I: Modifications to Purchase and Public Work Contracts

Item Number: 8

Vendor Name (& Location) Sprague Operating Resources, LLC (Portsmouth, NH)	
Description Furnish and deliver ULSD #2 fuel for buses to NYC Transit and MTA Bus Company	
Contract Term (including Options, if any) September 15, 2009 – September 14, 2014	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a	
Procurement Type	<input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive
Solicitation Type	<input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Department of Buses, Darryl C. Irick	

Contract Number	AWO/Modification #
09B0053	2
Original Amount:	\$ 693,364,637 (Est.)
Prior Modifications (not including option):	\$ (2,847,172)
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 690,517,465 (Est.)
This Request:	\$ 106,954,740 (Est.)
% of This Request to Current Amount:	15.5%
% of Modifications (including This Request) to Original Amount:	15.0%

Discussion:

This modification will add funding and extend the term of the existing contract 09B0053 with Sprague Operating Resources, LLC (Sprague) for 6½ months through March 31, 2015 to continue providing Ultra Low Sulfur Diesel #2 (ULSD) fuel for use in buses operated by the NYC Transit Department of Buses (DOB) and MTA Bus Company (MTABC). This extension of time will provide the necessary time for negotiations with multiple proposers under competitive Request for Proposal (RFP) 66522 for the award of the long-term replacement contract(s).

In June 2009, the Board approved the award of a five-year competitively negotiated contract to Sprague. Pricing is based on a weekly variable fuel price utilizing an average of the Platts US Marketscan report of fuel prices plus a differential. The differential, applied on a per gallon basis, is the competitive portion of the contract that consists of costs for terminal storage, additives, transportation and overhead (including administration and profit). Modification No.1 was awarded in April 2012 for a credit of \$2.8M as a result of an agency-wide action to reduce operational costs.

In September 2013, the Board approved an RFP Authorizing Resolution to allow the solicitation for a replacement contract for the next five-year period to be issued as RFP 66522. Procurement conducted an extensive outreach in order to stimulate new competition. Following the release of this RFP in January 2014, potential proposers submitted a significant number of complex questions resulting in revisions to the solicitation documents to enhance competition. Extending this contract to March 31, 2015 will facilitate site visits and extensive negotiations to obtain the best value and most competitive pricing. This extension will also permit sufficient time for the potential need to transition to new supplier(s) as well as mitigate the challenges associated with fuel formulation and delivery during winter months, which requires the fuel to comport with cold weather operating requirements.

This modification will also address a funding shortfall due to fuel prices remaining at higher averages exceeding \$3.00 per gallon (including differential fee) compared to the budgetary price per gallon of \$2.52 used at the time of award in 2009. It is estimated that the contract funding will be exhausted by August 10, 2014, and based on projected consumption and the increased price per gallon, will require \$20.8M to cover costs through the end of the original contract term.

Until RFP 66522 can be awarded, DOB and MTABC estimate that the extension period (September 15, 2014 to March 31, 2015) will require 26.3M gallons at approximately \$3.27 per gallon, for a total amount of \$86.1M which, combined with the funding required for the remainder of the contract term, totals an estimated \$106,954,740 for this modification.

Procurement attempted to secure a price concession but Sprague indicated it has significantly higher operating costs for the winter months, which include the use of additional additives and higher trucking costs than in summer months and as a result pricing will remain firm for the extension period. Based on the original competitive pricing received on the contract, this pricing is found to be fair and reasonable.

Schedule I: Modifications to Purchase and Public Work Contracts

Item Number: 1

Vendor Name (& Location) E.E. Cruz and Tully Construction Company, JV, LLC (New York, NY)	
Description Second Avenue Subway – 96 th Street Station Finishes	
Contract Term (including Options, if any) June 22, 2012 – December 21, 2015	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: MTA Capital Construction, Dr. Michael Horodniceanu	

Contract Number	AWO/Modification #
C-26010	32
Original Amount:	\$ 324,600,000
Prior Modifications:	\$ 7,708,686
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 332,308,686
This Request:	\$ 2,000,000
% of This Request to Current Amount:	0.6%
% of Modifications (including This Request) to Original Amount:	3.0%

Discussion:

This modification will address changes to the infrastructure of the communication and fire suppression systems; changes to the fan dampers and actuators; and service modifications to Con Edison normal and reserve power to the 105th Street Substation.

The following work is required in order to complete the 96th Street Station contract: rehabilitation and retrofit of the existing 99th – 105th Street tunnel; construction of invert slab and benches in the newly constructed 87th – 92nd Street tunnel and in the northern section of the 97th – 99th Street tunnel; installation of mechanical systems including HVAC, electrical medium voltage and 120V systems; plumbing; supply and installation of elevators and escalators; construction of the station platform, mezzanine levels, ancillaries and entrances; construction of interior walls and rooms; installation of architectural finishes; restoration of the surface of Second Avenue and adjacent streets; removal of the temporary road deck installed in previous contracts; and maintenance of the station until contract completion.

The design for the communication and fire suppression systems for the Second Avenue project are completed and installed under the Second Avenue Subway (SAS) Systems contract (C-26009), which included performance specifications for these systems. The SAS Stations Finishes contracts (63rd, 72nd, 86th, 96th) include the infrastructure (conduit, wire trough, boxes, etc.) for these systems in the station areas; the design for which was based on assumptions for the final design configuration of these systems. This modification includes changes to the infrastructure in coordination with the final design of the communication systems, including fire alarm and the Supervisory and Control Data Acquisition system, as well as the Inergen fire suppression systems. Changes to the fan dampers and actuators are the result of an NYC Transit request. Service modifications to Con Edison normal and reserve power to the 105th Street Substation are the result of a potential design error/omission. The bid drawings incorrectly showed the feeders coming into the 105th Street Substation from the north when in actuality they enter from the east. Service end boxes and revenue meters in the room must be relocated in order to account for this apparent design error. Work in this modification includes additional conduit and wire trough, cable, boxes, receptacles, switches and meters, as well as the deletion of some contractually required conduit.

The contractor's proposal was \$2,945,334. The revised MTACC estimate is \$1,888,192. Agreement was reached on a lump sum price of \$2,000,000, which is considered fair and reasonable. Savings of \$945,334 were achieved.

JULY 2014

LIST OF RATIFICATIONS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

K. Ratification of Completed Procurement Actions (Involving Schedule E-J)
(Staff Summaries required for items requiring Board approval.)

- | | | |
|--|------------------|--------------------------------------|
| 1. Exton Capital Corp.
d/b/a Emcom Systems
Contract# 8108 | \$898,500 | <u>Staff Summary Attached</u> |
| Customer Assistance Intercom/Help Point Upgrade. | | |

JULY 2014

LIST OF RATIFICATIONS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

K. Ratification of Completed Procurement Actions (Involving Schedule E-J)

(Staff Summaries required for items requiring Board approval.)

- | | | |
|--|--------------------|--------------------------------------|
| 1. E.E. Cruz and Tully Construction
Company, JV, LLC
Contract# C-26010.45 | \$2,100,000 | <u>Staff Summary Attached</u> |
|--|--------------------|--------------------------------------|

Modification to the contract for Station finishes for the Second Avenue Subway, 96th Street Station, in order to address additional costs associated with the replacement of rigid galvanized steel conduit with intermediate metal conduit for fire rated circuits.

Schedule K: Ratification of Completed Procurement Actions

Item Number: 1

Vendor Name (& Location) Exton Capital Corp. d/b/a Emcom Systems (Trenton, NJ)		Contract Number 8108	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Description Customer Assistance Intercom/Help Point Upgrade		Total Amount: \$898,500	
Contract Term (including Options, if any) Forty months			
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a			
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive		Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Non-competitive		Requesting Dept/Div & Dept/Div Head Name: Department of Subways, Joseph Leader	

Discussion:

This retroactive miscellaneous procurement contract with Exton Capital Corporation d/b/a as Emcom Systems (Emcom) is for the purchase of software licenses, implementation services, three years of software maintenance and support services, and limited hardware items for the upgrade of the existing Emcom central control call routing systems at the Rail Control Center (RCC) and the Back-up Command Center (BCC) in the amount of \$898,500.

In September 2003, the Board ratified an award to Emcom for a Presidium Software Supervision System to provide server and display applications for the Customer Assistance Intercom (CAI) Emergency System. This was in response to the declaration of an Immediate Operating Need to quickly deploy the CAI System. In March 2005, the Board approved a non-competitive contract to Emcom for various enhancements on these same systems, the purchase of additional user licenses, and to migrate the system from 370 Jay Street to the RCC.

NYC Transit's Electronic Maintenance Division (EMD) has requested this contract for the upgrade of software, implementation services, licensing, and limited hardware, all of which are essential in order to support the Help Point (HP) initiative and new IP-based CAIs. This contract also encompasses continued support of the existing analog CAIs currently installed system-wide. The new upgraded software will incorporate technology that will improve system redundancy for greater reliability necessary for emergency call equipment. This upgrade of the CAI system incorporates software that will allow faster communications between the riding public, as well as NYC Transit employees, directly with the RCC and BCC because it is part of a system that utilizes digital signaling rather than analog type. This upgrade is an integral part of the plan to enhance the Presidium Software Supervision System and is needed in order to support the roll out of the large number of HPs that are being deployed in subway stations, as well as to obtain system enhancements such as the ability to prioritize calls, configuration and diagnostic tools that can configure software, and perform remote diagnostics of HPs.

The initial CAI system and the central control call routing systems were supplied and configured by Emcom and, as such, EMD requested to move forward with Emcom as the provider of these services in order to retain the existing functionality of the original system while gaining necessary enhancements included in the newer version. Upgrading the system with Emcom will allow NYC Transit to continue utilizing the existing system hardware and network architecture, which will allow for the implementation of the HP initiative in an expeditious manner. A different provider would incur additional time and expense to develop and implement a new system. Due to the urgency, Emcom was directed to proceed with the upgrades on March 24, 2014 in order to meet the roll out schedule.

After several negotiating sessions, Emcom submitted a proposal of \$898,500. A fully-loaded weighted average hourly rate for labor, a major component of Emcom's proposal, compares favorably to those used by several other similar NYC Transit contracts. In addition, the cost is approximately 23% less than the NYS OGS contract price. Based on these comparisons, Procurement finds Emcom's proposal to be fair and reasonable. EMD concurs and recommends award.

Schedule K: Ratification of Completed Procurement Actions



Item Number: 1

Vendor Name (& Location) E.E. Cruz and Tully Construction Company, JV, LLC (New York, NY)	
Description Second Avenue Subway – 96 th Street Station Finishes	
Contract Term (including Options, if any) June 22, 2012 – December 21, 2015	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a	
Procurement Type	<input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive
Solicitation Type	<input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: MTA Capital Construction, Dr. Michael Horodniceanu	

Contract Number C-26010	AWO/Modification # 45
Original Amount:	\$ 324,600,000
Prior Modifications:	\$ 7,708,686
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 332,308,686
This Request:	
Modification No. 45	2,100,000
% of This Request to Current Amount:	0.6%
% of Modifications (including This Request) to Original Amount:	3.0%

Discussion:

This retroactive modification will address the replacement of Rigid Galvanized Steel (RGS) conduit with Intermediate Metal Conduit (IMC) for fire rated circuits due to Underwriters Laboratory's (UL) suspension of its certification for fire resistive cable.

The following work is required in order to complete the 96th Street Station Contract: rehabilitation and retrofit of the existing 99th – 105th Street tunnel; construction of invert slab and benches in the newly constructed 87th – 92nd Street tunnel and in the northern section of the 97th – 99th Street tunnel; installation of mechanical systems including HVAC, electrical medium voltage and 120V systems; plumbing; supply and installation of elevators and escalators; construction of the station platform, mezzanine levels, ancillaries and entrances; construction of interior walls and rooms; installation of architectural finishes; restoration of the surface of Second Avenue and adjacent streets; removal of the temporary road deck installed in previous contracts; and maintenance of the station until contract completion.

This is another of several modifications across various Second Avenue contracts resulting from UL's de-certification of fire resistive cable due to its failure to meet a one hour fire-resistive rating when encased in RGS conduit. After commissioning its own series of fire tests in order to avoid significant delays to the Second Avenue Subway Project, MTACC determined that the use of IMC conduit provided adequate time for safe evacuation from the station. MTACC's recommendation for the use of IMC for power circuits in the 96th, 86th, and 72nd Street stations was approved by NYC Transit's Code Compliance, CPM, Maintenance of Way, System Safety and Subways Departments. This modification provides for the replacement of approximately 140,000 linear feet of RGS conduit in various sizes with IMC including stainless steel fittings, pull boxes and splice boxes. All cable will remain as specified in the contract. Similar modifications will be processed for the 72nd and 86th Street stations. In order to avoid impacting the contract schedule, retroactive approval was obtained from the MTACC President on May 8, 2014 to direct the contractor to procure the IMC material. The contractor's proposal was \$2,975,503. The revised MTACC estimate is \$2,026,680. Agreement was reached on a lump sum price of \$2,100,000 which is fair and reasonable. Savings of \$875,503 were achieved.



Metro-North Railroad

Procurements July 2014



Subject	Request for Authorization to Award Various Procurements
Department	Procurement and Material Management
Department Head Name	<i>Alfred Muir</i> Alfred Muir – Chief Procurement Officer
Department Head Signature	
Project Manager Name	

Board Action					
Order	To	Date	Approval	Info	Other
1	M-N Comm. Mtg.	7-21-14	X		
2	MTA Board Mtg.	7-23-14	X		

Internal Approvals (cont.)							
Order	Approval	Order	Approval	Order	Approval	Order	Approval
X	V.P.- GCT & Corp. Dev.						Other

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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:

Schedules Requiring Two-Thirds Vote (or more, where noted)

Schedule A: Non-Competitive Purchases and Public Work Contracts

- Various Original Equipment Manufacturers (OEM) \$51,000,000

of Actions

\$ Amount

1

\$51,000,000

Schedules Requiring Majority Vote

Schedule G: Miscellaneous Service Contracts

- Johnson Controls, Inc.

\$135,888

1

\$135,888

SUB TOTAL:

2

\$51,135,888

MNR proposes to award competitive procurements in the following categories:

		<u># of Actions</u>	<u>\$ Amount</u>
<u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u>		NONE	
<u>Schedules Requiring Majority Vote</u>			
Schedule F:	Personal Service Contracts	1	\$243,785
	• Steer Davies Gleave		\$243,785
Schedule G:	Miscellaneous Service Contracts	3	\$10,503,922
	• Selco Manufacturing Corp.		\$50,000
	• Konescranes, Inc.		\$93,132
	• Sperry Rail, Inc.		\$10,360,790
Schedule I:	Modifications to Purchase and Public Work Contracts	1	\$3,350,000
	• Tutor Perini Corporation		\$3,350,000
SUB TOTAL:		5	\$14,097,707

MNR presents the following procurement actions for Ratification:

<u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u>		NONE	
<u>Schedules Requiring Majority Vote</u>		NONE	
SUB TOTAL:			
TOTAL:		7	\$65,233,595

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

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

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

METROPOLITAN TRANSPORTATION AUTHORITY

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

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

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

NOW, the Board resolves as follows:

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

2. As to each request for proposals (for purchase and public work contracts) set forth in Schedule B for which it is deemed in the public interest to obtain authorization to solicit competitive proposals through a publicly advertised RFP for the reasons specified therein the Board declares it to be impractical or inappropriate to utilize a procurement process inviting sealed bids with award to the lowest responsive/responsible bidder.

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

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

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

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

JULY 2014

METRO-NORTH RAILROAD

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedules Requiring Two-Thirds Vote:

A. Non-Competitive Purchases and Public Work Contracts

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

**1. Various Original Equip. Manufacturers (OEMs) \$51,000,000 (not-to-exceed) Staff Summary Attached
Three-Year Purchase Agreement of OEM Parts for Various MNR Railcar and Locomotive Fleets**

Approval is requested to award three-year miscellaneous purchase contracts to the following four firms: Faiveley Transport, Mitsubishi, Kawasaki and GE Transportation Parts. These agreements are for various Original Equipment Manufacturer (OEM) replacement parts for MNR's M-2, M-3, M-4, M-6, M7, M-8 railcars and diesel locomotive fleets. These OEM vendors are the suppliers for various safety-critical parts, components, assemblies and repairs for major railcar systems such as Mechanical/Electrical, Propulsion, Car Body and Structure, Train line and Car Control, Windows and Diesel Electrical for the Railroad.

In requesting this Board authorization, MNR has complied with PAL§ 1265-a (3) regarding the posting of advertisements in order to identify potential alternate suppliers and with MTA All-Agency Procurement Guidelines for the purchase of sole source material. Advertisements were placed in the New York State Contract Reporter, New York Post, El Diario and the Metro-North website, which did not yield interest from other sources. These agreements will apply to inventory items identified as obtained only from the OEM vendors for the following reasons a) sole pre-qualified items on the MNR Qualified Products list, and not available from any distributor or other source; b) are proprietary to the OEM vendors.

These four agreements will have fixed pricing for each of their three-year terms. The total award for all four agreements for the three-year period is not-to-exceed \$51,000,000 and is to be funded by MNR's Operating Budget.

Schedules Requiring Majority Vote:

G. Miscellaneous Service Contracts

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

**2. Johnson Controls, Inc. \$135,888 (not-to-exceed) Staff Summary Attached
Chiller Maintenance Services**

Approval is requested to award a non-competitive five-year, miscellaneous service contract to the firm Johnson Controls, Inc. ("JCI") for preventative and as-needed maintenance services for four York electric centrifugal chillers installed in the Grand Central Terminal ("GCT") Service Plant. York, the Original Equipment Manufacturer (OEM) is a brand owned by Johnson Controls, Inc. The chillers are part of the cooling and heating systems installed in 2013 to provide air conditioning to Grand Central Terminal and

its retail tenants. The York chillers have components and imbedded software controls that are proprietary to JCI, and cannot be maintained by any other vendor. The five-year warranty on the chillers, further stipulates that only JCI technicians can perform maintenance for the chillers, which includes planned preventative maintenance to keep them running in top operating condition. This greatly reduces the chances of the chillers breaking down which could have significant negative impact to MNR operations. In addition, in the event repairs are necessary, MNR receives preferred status which includes a guaranteed emergency response time of 3 hours. This guaranteed 3 hour response time is for any time of day or week (24/7/365).

MNR Procurement negotiated a 14% reduction in JCI's hourly rate – from \$189 to \$161, and a 10% discount on the cost of materials utilized for repairs. The final price of \$135,888 is for a five-year period and was deemed fair and reasonable. MNR has complied with PAL§ 1265-a (3) (advertisement for alternate suppliers) and with the MTA All-Agency Procurement Guidelines for the procurement of sole source items as an advertisement for the required services was placed in the New York State Contract Reporter, New York Post, El Diario and the Daily Challenge and was posted on the Metro North website. The total five-year cost is not-to-exceed \$135,888 and is to be funded by MNR's Operating Budget.

Schedule A: Non-Competitive Purchases and Public Work Contracts

Item Number: A

Vendor Name (& Location) Faiveley Transport, Mitsubishi, Kawasaki, and GE Transportation Parts, (OEM)
Description Purchase Agreement for OEM Replacement Parts
Contract Term (Including Options, if any) Three Years
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole Source/OEM

Contract Number TBD	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total Amount: \$51,000,000	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Procurement & Material Management, Alfred Muir – Chief Procurement Officer	
Contract Manager: O. Messado, Assistant Director – Operations Procurement, P&MM	

Discussion:

Approval is requested to award three-year miscellaneous purchase contracts to the following four firms: Faiveley Transport, Mitsubishi, Kawasaki and GE Transportation Parts. These agreements are for various Original Equipment Manufacturer (OEM) replacement parts for MNR's M-2, M-3, M-4, M-6, M7, M-8 railcars and diesel locomotive fleets. These OEM vendors are the suppliers for various safety-critical parts, components, assemblies and repairs for major railcar systems such as Mechanical/Electrical, Propulsion, Car Body and Structure, Train line and Car Control, Windows and Diesel Electrical for the railroad. The parts listings that are included in these agreements have been fully vetted to reflect only those parts that cannot be acquired from other sources; conversely, the original Railcar Builders are required to provide three vendors for consumable parts and those parts are competitively sourced.

Under these agreements, MNR will be able to support the maintenance program which maintains high car reliability, improve customer service through on-time performance, and ensure parts replacement at prescribed intervals. Additionally, parts required to perform unscheduled maintenance and repairs on the railcars are needed to insure safe, reliable and maintainable operation of the various fleets. Further, the OEM's will maintain their tooling and manufacturing capabilities necessary to produce the parts, which are not available from other sources.

The chart below provides the respective OEM's and the estimated not-to-exceed dollar amounts anticipated to be expended over the term of these purchase agreements. The total dollars outlined are based upon MNR's material forecasting system. The retirement of the MNR M-2, M-4, and M-6 fleets, which is currently scheduled to be completed by the end of the 4th quarter of 2014, was also taken into account in determining the estimates of material usage. Additionally, the arrival of the M-8s has resulted in a fleet expansion of 16.7% which also has impacted the forecasted material usage over the contract period.

Schedule A: Non-Competitive Purchases and Public Work Contracts

Contractor	System	MNR
Faiveley Transport	Windows & Repair/Return Parts	\$6,000,000
Kawasaki	Car Body, Interior, Electronics	\$15,000,000
Mitsubishi	Train Lines, Train and Car Control	\$15,000,000
GE Transportation Parts	Diesel Electric Locomotive Parts	\$15,000,000
	Total	\$51,000,000

The agreements are all requirements-based in that MNR is not obligated to generate any minimum amount of purchase orders. The agreements with these OEM vendors will eliminate the need and expense of individually advertising prospective procurements, will reduce administrative costs and possible procurement lead times for individual and separate purchase orders and will expedite material delivery. In order to be prepared for possible unscheduled events and occurrences, MNR further seeks approval to reallocate funds between the above OEMs under the following limitation: any reallocated amount may not exceed 15% and in no event may exceed the grand total approved herein.

In requesting this Board authorization, MNR has complied with PAL§ 1265-a (3) regarding the posting of advertisements in order to identify potential alternate suppliers and with MTA All-Agency Procurement Guidelines for the purchase of sole source material. No other firms expressed any interest in participating in this procurement. This agreement will apply to inventory items identified as obtained only from these OEM vendors for the following reasons a) sole pre-qualified items on the MNR Qualified Products list, and not available from any distributor or other source; b) is proprietary to the OEM vendors.

These four agreements will have fixed pricing for each of the three-year term. The total award for all four agreements for the three-year period is not-to-exceed \$51,000,000 and is to be funded by MNR's Operating Budget.

Staff Summary

Item Number G					
Dept. & Dept. Head Name: Procurement & Material Management, Alfred Muir – Chief Procurement Officer					
Division & Division Head Name:					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	M-N Comm. Mtg.	7-21-14	X		
2	MTA Board Mtg.	7-23-14	X		
Internal Approvals					
Order	Approval	Order	Approval		
X	President		Sr. V.P. Operations		
X	V.P. Finance & Mgt.		V..P. Planning		
	V.P. Capital Programs	X	V.P & General Counsel		
X	V.P. – GCT & Corp. Dev.	X	V.P. Engineering		

SUMMARY INFORMATION	
Vendor Name Johnson Controls, Inc.	Contract Number *TBD
Description Maintenance Services for Electric Centrifugal Chillers in GCT	
Total Amount \$135,888	
Contract Term (including Options, if any) Five Years	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other:	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

Narrative

I. PURPOSE/RECOMMENDATION:

Approval is requested to award a non-competitive, negotiated, five-year miscellaneous service contract for preventative and "as needed" maintenance services for four "York" electric centrifugal chillers installed in the Grand Central Terminal ("GCT") Service Plant at a cost not-to-exceed \$135,888 to Johnson Controls, Inc. ("JCI"). York is a brand owned by Johnson Controls Inc., which is the Original Equipment Manufacturer (OEM) of the equipment. This award is instrumental to ensuring that the temperature is properly regulated for the heating and cooling systems in GCT.

II. DISCUSSION:

Grand Central Terminal, which opened in February 1913, is a major destination in New York City, with over 700,000 visitors who commute on Metro-North and the NYC subway system, or who are dining and shopping in the historic landmark. The Terminal did not have a system to provide air-conditioning until the 1940's, when steam-driven units were installed to cool the Terminal. As technology has progressed, MNR implemented the installation of electric centrifugal chillers. The chillers, while cooling the environment of the Terminal, are also critical to maintaining functionality of the servers and other systems vital to MNR operations.

The chillers are part of the cooling and heating systems installed in 2013 to provide air conditioning to Grand Central Terminal and its retail tenants. The York chillers have components and imbedded software controls that are proprietary to JCI, and cannot be maintained by any other vendor. The five year warranty on the chillers, further stipulates that only JCI technicians can perform maintenance for the chillers. While most of the potential repairs to the chillers are covered under this warranty, the majority of the costs in this maintenance contract are for planned preventative maintenance which keeps the chillers running in top operating condition. This greatly reduces the chances of the chillers breaking down which could have a significant negative impact to MNR operations. These maintenance services includes: annual seasonal preparation and inspection, quarterly operating inspections, and annual equipment shutdown and inspection. In addition, in the event

Staff Summary

In requesting this Board authorization, MNR has complied with PAL§ 1265-a (3) (advertisement for alternate suppliers) and with MTA All-Agency Procurement Guidelines for the procurement of sole source items and an advertisement for the required services was placed in the New York State Contract Reporter, the New York Post, El Diario and the Daily Challenge and was posted on the Metro-North website.

MNR Procurement negotiated a 14% reduction in JCI's hourly rate – from \$189 to \$161, and a 10% discount on the cost of materials utilized for repairs. The final price of \$135,888 is for the five year period and was deemed fair and reasonable. The total five year cost is not-to-exceed \$135,888 and is to be funded by MNR's Operating Budget.

III. D/M/WBE INFORMATION:

No M/WBE goals were assigned.

IV. IMPACT ON FUNDING:

The procurement totals \$135,888 and is funded by MNR's Operating Budget.

V. ALTERNATIVES:

There are no alternatives as components and software for the chillers is proprietary to JCI. Loss of operations resulting from chiller failures would be catastrophic to MNR operations.

JULY 2014

METRO-NORTH RAILROAD

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedules Requiring Majority Vote:

F. Personal Service Contracts

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

1. Steer Davies Gleave \$243,785 (not-to-exceed)

Ticket Sales & Ridership Forecasting Model for MNR and LIRR

Approval is requested to award a competitively solicited and negotiated (RFP process, three proposals received) joint Railroad three year personal service contract to the firm, Steer Davies Gleave (“SDG”) to provide ticket sales & ridership forecasting models for both Metro-North Railroad and Long Island Rail Road (“The Railroads”). The contractor is to develop a set of multiple statistical models for forecasting monthly ticket sales and ridership by ticket type and by line segment/fare zone. The models will enable the Railroads to develop annual financial plan forecasts for budgeting purposes, as well as for long-term capital and long range planning efforts.

In accordance with MTA procurement guidelines, an advertisement for the required services was placed in the New York State Contract Reporter, New York Post, El Diario and the Daily Challenge and was posted on the MNR website. RFP documents were sent to twenty-one firms.

Two firms were short-listed, and technical evaluations and oral presentations were conducted. Vendor evaluations were based on established selection criteria contained within the RFP documents and included: understanding of work scope requirements, commitment of relevant resources to the project, including qualifications of key personnel and reliability to perform the services, detailed description of how the services would be performed, demonstrated past experience and skills provided on similar projects, and overall cost.

SDG’s technical and cost proposal conveyed a comprehensive understanding of MNR requirements, and the Selection Committee unanimously selected Steer Davies Gleave as the best qualified and cost-effective firm for these services. SDG provided extensive expertise in statistical economic forecasting and proposed resources with project management experience that demonstrated a strong understanding of the urban transportation industry. SDG proposed the lowest cost of \$256,419 for the forecasting services. MNR, through negotiation, obtained a final cost from SDG of \$243,785.15 - a reduction of 5% from their original proposed cost. The period of performance is three years and pricing will remain firm and fixed for the duration of the contract, and is deemed fair and reasonable. The cost is broken down with \$126,648 for MNR and \$117,137 for LIRR. This procurement will be funded by each Agency’s Operating Budget.

G. Miscellaneous Service Contracts

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

2. Selco Manufacturing Corp. \$50,000 (not-to-exceed)

General and Specialized Machine Shop Work

Approval is requested to award a competitively solicited (3 bids received), three-year miscellaneous service contract to Selco Manufacturing Corp. (Selco), to provide general and specialized machine shop work for Metro-North Railroad's (MNR) North White Plains work equipment facility on an as-needed basis. The service requirements include disassembling and re-assembling wheels, axles, bearings and gear unit assemblies for all types of work equipment.

In accordance with MNR and MTA procurement guidelines, an advertisement for the required services was placed in the New York State Contract Reporter, New York Post, El Diario, the Daily Challenge, and posted on the Metro-North website.

Selco submitted the lowest bid, which is 6% below the MNR's Engineer's estimate and the pricing for the contract will remain fixed for a three-year period which is deemed fair and reasonable. The total award of this contract is not-to-exceed \$50,000. This procurement is to be funded by the MNR Operating Budget.

3. Konecranes, Inc. \$93,132 (not-to-exceed)

Preventative Maintenance, Inspection and Repair of Jib and Overhead Cranes

Approval is requested for a competitively solicited (two bids received) miscellaneous service contract for a one-year base period with three one-year renewal options, to provide preventative maintenance, inspection, and repair for all Jib and Overhead Cranes located throughout Metro North Railroad (MNR) New York and Connecticut facilities. The services include but are not limited to monthly and yearly inspection of all Jib Cranes and Overhead Cranes in NY and Conn, as well as needed repair services. These Cranes are essential in supporting the Maintenance of Equipment Department's need to support the Movement of heavy sub components throughout its various maintenance facilities.

In accordance with MNR and MTA procurement guidelines, an advertisement for the required services was placed in the New York State Contract Reporter, New York Post and the minority publications, El Diario and the Daily Challenge and posted on the Metro-North Website.

Konecranes, Inc. submitted the lowest bid and will remain fixed for the four-year period, (one year plus three option years), and it has been deemed fair and reasonable for the level of services to be provided. The total award of this contract is not-to-exceed \$93,132. This procurement is to be funded by the MNR Operating Budget.

4. Sperry Rail, Inc. \$10,360,790 (not-to-exceed) Staff Summary Attached
Ultrasonic Rail Testing and Joint Bar Detection Services for MNR and LIRR

Approval is requested to award a competitively solicited (one bid received) joint Railroad five-year miscellaneous service contract to Sperry Rail, Inc., for 3D Ultrasonic Rail Testing and Joint Bar Detection Services, on all MNR and LIRR service areas.

In accordance with MNR's program for improved track safety, maintenance and inspection procedures, MNR and LIRR are beginning its utilization of the latest technology in ultrasonic detection. This new technology provides a 3D image of track and rail defects rather than a flat image from the top of rail as done in the past. The results are much more accurate and reliable than the older technology.

Consistent with MNR and MTA procurement guidelines, an advertisement was placed in the New York State Contract Reporter, New York Post, El Diario and Daily Challenge, and on the Metro-North website. Sperry Rail Inc. is the incumbent under the current five-year MNR lead joint agency contract, which is due to expire August 31, 2014.

Sperry Rail is the pre-eminent and industry-wide provider and leader of this vital service to the Railroad industry. Their bid was negotiated by MNR Procurement and a price concession of 4% from their daily rate was obtained. The total award amount is not-to-exceed \$10,360,790 (MNR \$6,110,790 and LIRR \$4,250,000) over the five-year contract term. Pricing shall remain fixed for the five-year term of this agreement and is deemed fair and reasonable. This procurement is to be funded by each Railroad's Operating Budget.

I. Modifications to Purchase and Public Work Contracts

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

5. Tutor Perini Corporation \$3,350,000 (not-to-exceed) Staff Summary Attached
Rehabilitation of the Harlem River Lift Bridge (Replace Facility Houses)

Approval is requested for a change order in the not-to-exceed amount of \$3,350,000 for the construction of two new AC Facility Houses located on the Harlem River Lift Bridge.

The Harlem River Lift Bridge (HRLB) AC Facility Houses control the power that operates this moveable draw bridge, which provides the only access in and out of Manhattan for all Metro-North trains traveling to and from Grand Central Terminal. Over 750 Metro-North trains and 200,000 commuters cross the bridge each day. In addition, the Harlem River Lift Bridge traverses a navigable waterway and therefore is subject to the requirements of the United States Coast Guard. Metro-North is mandated to provide unhindered access, which includes occasionally raising and lowering the bridge.

Areas under the Harlem River Lift Bridge housing the power feeding equipment that operates the bridge opening mechanism were flooded during Superstorm Sandy. Sandy's storm surge damaged the two HRLB Facility Houses (Bronx & Manhattan), located on the land beneath the Bronx and Manhattan sides of the Bridge, and containing the power feeds to the controls that raise and lower this moveable Bridge. The damaged Facility Houses were temporarily repaired with equipment cobbled together from other sources (until the HRLB project can be completed). However, full replacement is required.

The Rehabilitation of the HRLB Contract with Tutor Perini was a competitively bid, FTA funded contract awarded on July 31, 2013 in the amount of \$29,880,000 with a period of performance of two years. The work in this Contract was for cable and circuit breaker house replacement. Under this contract, the US Coast Guard granted MNR a permit for a 180 day bridge closure of the operation of the lift bridge so that the original contract repairs could be completed. In January 2014, MNR sought and received from the FTA concurrence to award this change order to Tutor Perini due to the urgency to repair the facility houses and the unique conditions associated with the Rehabilitation of the Harlem River Lift Bridge. The work for the AC Facility Houses will be completed concurrently with the 180 day closure granted under the existing contract.

A contract change order has been negotiated with Tutor Perini in the not-to-exceed amount of \$3,350,000. There will be no additional time added to the Tutor Perini contract as a result of this change order. Funding is included in the MTA Capital Program through the FTA funded Sandy Emergency Relief Program.

Staff Summary

Item Number G					
Dept & Dept. Head Name: Procurement & Material Management, Alfred Muir – Chief Procurement Officer <i>[Signature]</i>					
Division & Division Head Name:					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	M-N Comm.Mtg.	7-21-14	X		
2	MTA Board Mtg.	7-23-14	X		
Internal Approvals					
Order	Approval	Order	Approval		
X	President <i>[Signature]</i>	X	V.P. & General Counsel <i>[Signature]</i>		
X	Sr. V.P. Operations <i>[Signature]</i>		V.P. Planning		
X	V.P. Finance & IT <i>[Signature]</i>	X	V.P. Engineering		
	V. P. Capital Programs				

SUMMARY INFORMATION	
Vendor Name Sperry Rail, Inc.	Contract Number 9285-A
Description Ultrasonic Rail Testing and Joint Bar Detection Services	
Total Amount \$10,360,790	
Contract Term (including Options, if any) Five Year Contract –Metro-North led Joint Procurement with the Long Island Rail Road	
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 type="checkbox"/> RFP <input checked="" type="checkbox"/> Bid <input type="checkbox"/> Other: Sole Source	
Funding Source <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 five year competitively solicited miscellaneous service contract (single bid received) to Sperry Rail, Inc., to provide Ultrasonic Rail Testing and Joint Bar Detection Services along the right-of-way. This is a Metro-North led, joint procurement, with the Long Island Rail Road.

II. BACKGROUND & DISCUSSION:

Metro-North Railroad (MNR) and Long Island Rail Road (LIRR) require the latest state-of-the-art ultrasonic rail testing and joint bar detection services to improve track safety and to enhance the current standard of track inspection for approximately 750 mainline track miles. Currently, visual inspections of rail and track are performed by in-house personnel with some inspection services contracted out to a third party firm.

In accordance with MNR's program for improved track safety, maintenance and inspection procedures, MNR and LIRR is beginning its utilization of the latest technologies to include ultrasonic rail testing and joint bar detection to identify and detect internal and external flaws and fractures in track and rail. The ultrasonic rail testing and joint bar detection systems are hi-rail mounted and can inspect at speeds of 30 mph upwards. In addition, the combined testing and inspection system utilizes a system to detect joint bar defects by utilizing crossfire ultrasonic testing and technology. This new technology provides a 3D image of rail defects rather than a flat image from the top of rail.

This program was developed in conjunction with the Federal Railroad Administration report as a result of recommendations made by the consulting firm Transportation Technology Center, Inc. (TTCI)

In requesting this Board authorization, MNR has complied with PAL§ 1265-a (3) regarding the posting of advertisements in order to identify potential alternate suppliers and with MTA All-Agency Procurement Guidelines for the purchase of

Staff Summary

sole source material. Advertisements were placed in the New York State Contract Reporter, The New York Post, El Diario and posted on the Metro-North website, which did not yield interest from other sources.

A total of five firms received a copy of this bid procurement item; a single bid response was received from Sperry Rail, Inc. Sperry Rail Inc. is the incumbent firm under the current five year MNR-led joint agency contract, which did not include the ultrasonic rail testing and joint bar detection services.

A comparison of the 2009 joint agency daily rate of \$3,080 for hi-rail truck testing under the current contract to the proposed daily rate of \$3,942 for the same service yielded an increase of 28%. Further, when comparing the daily rate of \$1,075 for hand testing under the current contract to the proposed daily rate of \$1,450 for the same service yielded an increase of 7%. The increase in pricing is attributed to meeting new requirements to include additional inspection and testing services and equipment for the implementation of new FRA requirements for track inspections and operations. The new guidelines far exceed previous standard track inspection services.

Sperry Rail is the pre-eminent and industry-wide provider and leader of this vital service to the Railroad industry. Their bid was negotiated by MNR Procurement and a price concession of 4% from their daily rate was obtained. The total award amount is not-to-exceed \$10,360,790 (MNR \$6,110,790 and LIRR \$4,250,000) over the five-year contract term. Pricing shall remain fixed for the five-year term of this agreement and is deemed fair and reasonable.

III. IMPACT ON FUNDING:

The total cost for the ultrasonic rail testing and joint bar detection services is not-to-exceed \$10,360,790 (MNR \$6,110,790 and LIRR \$4,250,000). This procurement is to be funded by each Railroad's Operating Budget.

IV. ALTERNATIVES:

There are no viable alternatives as each Railroad does not have the technical expertise, equipment or manpower to provide ultrasonic rail testing and/or joint bar detection services.

Schedule I: Modifications to Purchase and Public Works Contracts

Item Number: I

Vendor Name (& Location) Tutor Perini Corporation		Contract Number 15491	AWO/Modification # 001
Description Replace the AC Facility Houses on the Harlem River Lift Bridge			
Contract Term (including Options, if any)			
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Original Amount: \$29,880,000	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive		Prior Modifications: \$ 0.00	
Solicitation Type <input type="checkbox"/> RFP <input checked="" type="checkbox"/> Bid <input type="checkbox"/> Other:		Prior Budgetary Increases: \$ 0.00	
Funding Source <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:		Current Amount: \$29,880,000	
Requesting Dept./Div & Dept./Div Head Name: Procurement & Material Management, Alfred Muir – Chief Procurement Officer		This Request: \$ 3,350,000	
		% of This Request to Current Amount: 12%	
		% of Modifications (including This Request) to Original Amount: 12%	

Discussion and Background:

The Harlem River Lift Bridge (HRLB) AC Facility Houses control the power that operates this moveable draw bridge, which provides the only access in and out of Manhattan for all Metro-North trains traveling to and from Grand Central Terminal. Over 750 Metro-North trains and 200,000 commuters cross the bridge each day. In addition, the Harlem River Lift Bridge traverses a navigable waterway and therefore is subject to the requirements of the United States Coast Guard. Metro-North is mandated to provide unhindered access. This access requires the raising and lowering (opening and closing) of the bridge from time to time.

A construction contract was competitively solicited and awarded on July 31, 2013 to the Tutor Perini Corporation for the Rehabilitation of the Harlem River Lift Bridge. The work in this Contract was for cable and circuit breaker house replacement. The duration of the contract is for two years with 180 days allowed by the US Coast Guard for actual bridge closing when all work pertinent to the opening and closing of the bridge can be performed.

Procurement Action

Approval is requested for a contract change order in the not-to-exceed amount of \$3,350,000 for the construction of two new AC Facility Houses located on the Harlem River Lift Bridge.

Areas under the Harlem River Lift Bridge housing the power feeding equipment that operates the bridge opening mechanism were flooded during Superstorm Sandy (October 29, 2012). Sandy's storm surge damaged the two HRLB Facility Houses (Bronx & Manhattan), located on the land beneath the Bronx and Manhattan sides of the Bridge, and containing the power feeds to the controls that raise and lower this moveable Bridge. The damaged Facility Houses were temporarily repaired with equipment cobbled together from other sources (until the HRLB project can be completed). However, full replacement is required.

In January 2014, MNR sought and received from the FTA concurrence to award this change order to Tutor Perini due to the urgency to repair the facility houses and the unique conditions associated with the Rehabilitation of the Harlem River Lift Bridge. Under the present contract, the US Coast Guard granted MNR a permit for a 180 day bridge closure of the operation of the lift bridge so that the original contract repairs could be completed. The work for the new AC Facility Houses will be completed concurrently with the 180 day closure granted under the existing contract.

Were Metro-North to proceed under a new and fully-staged competitive procurement, it would needlessly delay this critical repair work by at least a year, possibly longer. In addition, the duration and cost of the construction work would be longer and more expensive with any contractor other than Tutor-Perini, as the new contractor would be required to fully mobilize, plan and procure equipment and not be able to take advantage of the existing outage and approval of the U.S. Coast Guard.

Schedule I: Modifications to Purchase and Public Works Contracts

Fast tracking this effort as a change order is the most effective and efficient way to progress this critical repair work, and prevent failure of this vital infrastructure.

A contract change order has been negotiated with Tutor Perini in the not-to-exceed amount of \$3,350,000. This amount was negotiated and reduced from the original amount of \$3,574,978 for a savings of \$224,978. There will be no additional time added to this contract as a result of this change order as the work will be performed concurrently with the other work required during the 180 day bridge closure.

Funding is included in the MTA Capital Program through the FTA funded Sandy Emergency Relief Program.

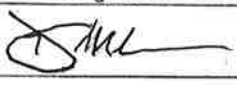
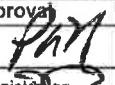

LONG ISLAND RAIL ROAD

PROCUREMENTS

FOR

BOARD ACTION

July 23, 2014

Subject Request for Authorization to Award Various Procurements						Date July 23, 2014			
Department Procurement & Logistics									
Department Head Name 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	7/21/14	X			X	President 		VP & Chief Financial Officer
2	MTA Board	7/23/14	X			X	Sr. VP-Administration 		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:

Schedules Requiring Majority Vote

Schedule E: Miscellaneous Procurement Contracts	# of Actions	# of Actions
	1	\$2,421,634
SUBTOTAL:	1	\$2,421,634

LIRR proposes to award Competitive Procurements in the following categories:

Schedules Requiring Two-Thirds Vote

Schedule B: Competitive RFPs (Solicitation of Purchase & Public Work Contracts)	# of Actions	# of Actions
	1	\$TBD
SUBTOTAL:	1	\$TBD

Schedules Requiring Majority Vote

Schedule F: Personal Service Contracts	# of Actions	# of Actions
Schedule G: Miscellaneous Service Contracts	1	\$62,680
	1	\$31,290
SUBTOTAL:	2	\$93,970

LIRR proposes to award Ratifications in the following categories:

NONE

<u>TOTAL:</u>	<u>4</u>	<u>\$2,515,604</u>
----------------------	-----------------	---------------------------

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.

JULY 2014

MTA LONG ISLAND RAIL ROAD

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote

Schedule E: Miscellaneous Procurement Contracts

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

- | | | |
|-----------------------------|----------------------------------|--------------------------------------|
| 1. Penta Corporation | \$ 811,000-LIRR | <i><u>Staff Summary Attached</u></i> |
| Sole Source | \$1,055,634-NYCT | |
| Contract No. TBD | <u>\$ 555,000-MNR</u> | |
| | \$2,421,634 Not-to-Exceed | |

LIRR, on behalf of itself, NYCT and MNR (the MTA Agencies), requests MTA Board approval of a Sole Source Miscellaneous Procurement Contract to Penta Corporation (Penta) to provide maintenance support services for all equipment and software for the LIRR's Audio Visual Paging System (AVPS), NYC Transit's Penta Communication Exchange Control System (PCX) and MNR's Public Address ("PA") System, over a five-year term. The total award amount is \$2,421,634 (NYCT: \$1,055,634/LIRR: \$811,000/MNR: \$555,000).

Staff Summary



Item Number: 1

Vendor Name (& Location) Penta Corporation
Description Maintenance & Support of Audio Visual Paging System <u>Hardware Software</u>
Contract Term (including Options, if any) August 1, 2014 – July 31, 2019
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-Competitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Sole Source:

Contact Number TBD	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Total Amount: \$2,421,634	LIRR \$811,000 NYCT \$1,055,634 MNR \$555,000
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Engineering Department, Sean Nunes	
Contract Manager : Frederick J. Nielsen	

I. PURPOSE

LIRR, on behalf of itself, NYCT and MNR (the MTA Agencies), requests MTA Board approval of a Sole Source Miscellaneous Procurement Contract to Penta Corporation (Penta) to provide maintenance support services for all equipment and software for the LIRR's Audio Visual Paging System (AVPS), NYC Transit's Penta Communication Exchange Control System (PCX) and MNR's Public Address ("PA") System, over a five-year term. The total award amount is \$2,421,634 (NYCT: \$1,055,634/LIRR: \$811,000/MNR: \$555,000).

II. DISCUSSION

LIRR's AVPS and MNR's PA systems provide LIRR and MNR customers with train information system-wide. The train information is provided by visual displays and/or audio announcements indicating train arrivals/departures, delays, track changes, etc. The NYCT PCX system is comprised of ten cabinets that contain approximately 2,163 devices located at seven NYC Transit locations, including the Rail Control Center (RCC). This system is a sophisticated audio matrix switch that is a critical element of NYCT's Department of Subways operation, allowing the RCC to control the radios, telephones, intercoms, consoles and all other communications devices within the RCC and from field locations using Penta equipment. This system allows both analog and digital voice traffic (calls) to enter the RCC communications system with zero percent blocking. The RCC communications system communicates with NYC Transit's Department of Subways dispatchers and towers that in turn talk to train operators on a 24/7 basis. All three legacy systems, which have been in operation for more than ten years, require a maintenance agreement to ensure the proper functionality of the systems for the next five years so that critical, timely and accurate train information is transmitted to the MTA Agency customers.

Penta was both the developer of the software and the system integrator for all of these systems. The software components are proprietary to Penta. Sole source advertisements were placed in the New York State Contract Reporter, the New York Post, and on the MTA website, with no response of interest from any other vendor.

Staff Summary



Through negotiations, Penta has agreed to provide the services to the MTA Agencies at the pricing set forth in its General Services Administration (GSA) Contract with the Federal Government. This is the same pricing established in LIRR/NYCT's previous joint agency agreement executed in 2010. Pricing covers all parts and labor (on-site, off-site, telephone support, and emergency services, as needed) as well as preventative maintenance and remedial repairs. Services to be provided to the MTA Agencies also include initial system inspection, training support and general "Help Desk" type support to assist the agencies in resolving operational issues or functionality problems. Subsequent allowable price increases shall be subject to approval by GSA and MTA. The MTA Agencies have determined that the negotiated pricing is fair and reasonable. The other MTA agencies were notified of this joint procurement and have advised that they do not have a requirement for Penta services at this time.

III. M/WBE INFORMATION

The MTA Department of Diversity & Civil Rights assigned 0% MWBE Goals to this procurement.

IV. IMPACT ON FUNDING

The total cost for the five years of maintenance and support services shall not exceed \$2,421,634 and is funded through each MTA Agency's individual Operating Budget.

V. ALTERNATIVES

There are no alternatives to this award because the software is proprietary to Penta; and the MTA Agencies, therefore, do not have access to such proprietary information in order to maintain, update and/or modify their respective systems using in-house staff. In addition, continuing maintenance of the existing systems is much more economical than purchase of new systems.

JULY 2014

MTA LONG ISLAND RAIL ROAD

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote

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

(Staff Summaries only required for items estimated to be greater than \$1 million)

- | | | | |
|----|-------------------------|--------------|-------------------------------|
| 2. | TBD | \$TBD | <u>Staff Summary Attached</u> |
| | Competitive RFP | | |
| | Contract No. TBD | | |

LIRR requests MTA Board approval to adopt a resolution declaring that competitive bidding is impractical or inappropriate and that it is in the public's best interest to use the competitive Request for Proposal (RFP) procurement method pursuant to Section 1265-a of the Public Authorities Law to award a Design-Furnish-Install contract to modify the existing Signal Supervisory System located at Jamaica Central Control as part of the Jamaica Capacity Improvements (JCI) – Phase I project.

Procurements Requiring Majority Vote

Schedule F: Personal Service Contracts

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

- | | | |
|----|------------------------------------|-------------------------|
| 3. | LexisNexis | \$62,680 |
| | Four-Year Contract | Firm Fixed Price |
| | Contract No.: 140901GS5-R-N | |

LIRR requests MTA Board approval to ride New York State Office of General Services (OGS) Personal Services Contract #PS64284, for On-Line Database Subscriptions with LexisNexis, for a period of fifty-two months, beginning September 1, 2014 through contract expiration, December 31, 2018. This contract will be issued for a total amount of \$62,679.96 based on fixed annual rates for various online resources. In September 2012, LIRR joined a NYCT-led All-Agency RFP solicitation for renewal of these services, however, in March 2014, it was determined that, rather than acquire these services through an All-Agency joint procurement, each agency would ride the OGS contract independently. Although LIRR is riding the OGS Contract, LexisNexis has agreed to provide LIRR with renewal subscriptions at competitive, discounted

prices that were to be offered to the MTA Agencies under the now terminated All-Agency solicitation. The LexisNexis prices being offer to LIRR are based on fixed monthly rates for the total number of users throughout all of the MTA agencies and are less than the rates being offered by LexisNexis under the OGS Contract. The price of Lexis.com under the OGS Contract is typically \$246/user/month, and is being offered to MTA at \$31.72/user/month, which is an 87% savings off the OGS rate. Based on the above, the LexisNexis subscription rates are deemed fair and reasonable. Funding for this contract is included in LIRR's Operating Budget.

Procurements Requiring Majority Vote

Schedule G: Miscellaneous Service Contracts

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

4. United Fire Protection Corporation \$31,290
One-Year Contract Firm Fixed Price
Contract No. 140801GS6-SA-N

LIRR requests MTA Board approval to award a competitively bid, Miscellaneous Service Contract to United Fire Protection Corporation (United) in the fixed-price amount of \$31,290 for Hydrostatic Test and Inspection for Sprinkler, Standpipe Systems and Ancillary Devices. This contract is for a one-year period, beginning August 1, 2014. Service will be performed on forty-two (42) connection points in nine (9) locations throughout Manhattan, Brooklyn, Queens, Nassau and Suffolk County. These tests and inspections are required by law to be performed once every five (5) years. The solicitation was initially advertised on the MTA website as a discretionary procurement without response, and subsequently re-advertised in the NYS Contract Reporter, the New York Post and on the MTA website. Three bids were publicly opened on April 17, 2014. Bids ranged from \$30,950 to \$37,800. The apparent low bidder was not certified to perform the tests specified in the scope-of-work and was therefore deemed not responsive. United's Gross Sum Bid is 39% lower than the internal estimate of \$51,250 and 17% less than the remaining bidder, Simplex Grinnell. United's fixed unit price of \$745 per connection is 5.3% higher than the average \$707 per connection rate on the previous 2008 contract, and pricing is deemed fair and reasonable. Funding for this contract is included in LIRR's Operating Budget.

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

Staff Summary



Item Number: 2					
Dept/Dept Head Name: Procurement & Logistics, Dennis Mahon					
Department Head Signature & Date <i>C. W. Carter for D. Mahon</i>					
Division/Division Head Name: Program Management, Richard Oakley					
Division Head Signature & Date <i>R. C. Oakley</i>					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	LI Committee	7.21.14	X		
2	MTA Board	7.23.14	X		
Internal Approvals					
Order	Approval	Order	Approval		
1	President <i>AM</i>	4	VP/CFO <i>my</i>		
2	Executive VP <i>acc</i>	5	Sr. VP/Gen'l Counsel <i>MB</i>		
3	Sr. VP/Operations <i>MB</i>	6	Sr. VP/Administration <i>MB</i>		

SUMMARY INFORMATION	
Vendor Name	Contract Number
TBD	TBD
Description	
Jamaica Capacity Improvements Phase I – Signal Supervisory Modifications	
Total Amount	
\$TBD	
Contract Term (including Options, if any)	
2,436 consecutive calendar days	
Options(s) included in Total Amount: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type	
<input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-Competitive	
Solicitation Type	
<input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source	
<input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

Narrative:

I. PURPOSE/RECOMMENDATION

LIRR requests MTA Board approval to adopt a resolution declaring that competitive bidding is impractical or inappropriate and that it is in the public's best interest to use the competitive Request for Proposal (RFP) procurement method pursuant to Section 1265-a of the Public Authorities Law to award a Design-Furnish-Install contract to modify the existing Signal Supervisory System located at Jamaica Central Control as part of the Jamaica Capacity Improvements (JCI) – Phase I project.

II. DISCUSSION

During the first phase of Jamaica Capacity Improvements, the LIRR will be constructing the infrastructure needed in Jamaica to operate the LIRR's East Side Access Opening Day Operating Plan. This includes the construction of a new station platform (Platform F) south of the existing Jamaica Station platforms A-E and associated track-level infrastructure (track/switches, signal, power, etc.) required for service between Jamaica and Brooklyn, while providing more direct routes to and from Manhattan. The resulting changes to the infrastructure and signal system in Phase I require hardware and software changes to the existing supervisory system (revised graphic displays). Utilizing a design/furnish/install contract methodology will allow a vendor to stage these modifications in concert with the sequencing of infrastructure modifications required for JCI Phase I and will achieve the necessary modifications and integration of existing supervisory controls with new wayside signal equipment in a manner that will support the progressive installation of new infrastructure. The successful proposer will be provided with "as-built" drawings of the facilities controlled by the Signal Supervisory System, as well as final Design documents from the JCI Phase I Signal Design, in order to implement the intended system modifications called for under this contract.

Staff Summary



LIRR is advancing this request to use the RFP method of procurement at this time. The competitive RFP procurement method allows the LIRR to select a contractor based upon such considerations as technical capability, experience, and ability to support the completion schedule, and affords LIRR the ability to evaluate, refine and negotiate cost and schedule.

III. D/M/WBE INFORMATION

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

IV. IMPACT ON FUNDING

Funding for the third party Design-Furnish-Install of the Signal Supervisory System is included in LIRR's proposed 2010 – 2014 revised Capital Plan.

V. ALTERNATIVES

The alternative is to use the Invitation for Bid (IFB) procurement method. The IFB procurement method does not allow the LIRR to: (i) evaluate and negotiate costs and proposed work completion schedule, and (ii) evaluate the differences in proposers' technical experience and capability. In addition, the RFP method allows the LIRR to negotiate and implement more efficient requirements with respect to installation work on LIRR property. These considerations are particularly important given the interaction between this contract and other JCI Phase I work.

LONG ISLAND RAILROAD COMMITTEE

BOARD PROCUREMENT PACKAGE

July 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 Railroad Committee	7/21/14	X		
2	Board	7/23/14	X		

Date: July 3, 2014			
Vendor Name Various			
Contract Number Various			
Contract Manager Name Various			
Table of Contents Ref #			
Internal Approvals			
	Approval		Approval
4	President 	3	Interim Executive Vice President
2	Vice President, Program Controls 	1	Chief Procurement Officer

PURPOSE

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

DISCUSSION

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

Schedules Requiring Majority Vote:

Schedule H Modifications to Personal and Miscellaneous Service Contracts
Schedule I Modifications to Purchase and Public Work Contracts

	<u># of Actions</u>	<u>\$ Amount</u>
	1	\$ 1,530,220
	1	\$ 6,630,187
TOTAL	2	\$ 8,160,407

Budget Impact:

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

Recommendation:

That the modifications 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.

July 2014

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote

Schedule H. Modifications To Personal and Miscellaneous Service Contracts

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

1. **PB America/STV/Parsons Transportation \$1,530,220 Staff Summary Attached**
Group, Joint Venture
Contract No. 98-0040-01R
Modification Nos. 66

Pursuant to Article XIII of the MTA All-Agency Guidelines for the Procurement of Services, MTACC seeks Board approval of a modification to the Contract for design changes to re-sequence construction activities in several Harold Interlocking contracts and Force Account packages and to implement logic changes in the signal system within the Harold Interlock for Civil Speed Enforcement.

Schedule I. Modifications To Purchase and Public Work Contracts

(Staff Summaries required for individual change orders greater than \$750K. Approval without Staff Summary required for change orders greater than 15% of the adjusted contract amount which are also at least \$250K)

2. **Schindler Elevator Corporation \$ 6,630,187 Staff Summary Attached**
Contract No. VM014
Modification No. 7

Pursuant to Article IX of the All-Agency Procurement Guidelines, MTACC seeks Board approval of a modification to the Contract to adjust the Milestones and Access Restraints and to compensate the contractor for the associated Impact Costs.

Schedule H: Modifications to Personal Miscellaneous Service Contracts



Item Number: 1

Vendor Name (& Location) Parsons Brinckerhoff/STV/Parsons Transportation Group, JV (NY)	
Description East Side Access General Engineering Consultant (GEC) Services	
Contract Term (including Options, if any) March 2016	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: East Side Access, W. Goodrich, P.E.	

Contract Number	AWO/Modification
98-0040-01R	66
Original Amount:	\$ 140,000,000
Prior Modifications:	\$ 255,446,209
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 395,496,168
This Request	\$ 1,530,220
% of This Request to Current Amount:	.39%
% of Modifications (including This Request) to Original Amount:	184%

Discussion:

This Contract is for engineering, design and construction phase services for the East Side Access (ESA) Project. In accordance with Article XIII of the MTA All-Agency Guidelines for the Procurement of Services, Board approval is requested to modify the Contract for design changes to re-sequence construction activities in several Harold Interlocking contracts and Force Account packages and to implement logic changes in the signal system within the Harold Interlocking for Civil Speed Enforcement.

In response to recommendations made in program-wide risk assessment workshops and based on lessons learned over the past five years of construction activity within the Harold Interlocking, MTACC, Long Island Rail Road (LIRR) and Amtrak have developed a plan to re-sequence near-term construction activities in the Harold Interlocking to take advantage of planned extended track outages in 2015 and 2016. During the extended track outages, trains will be temporarily re-routed so that tracks can be taken out of service to allow for construction activities. In order to establish the temporary routes, the Consultant must revise track alignments and related track infrastructure such as switches, crossovers, communications and signals, and re-sequence the work of future third-party construction package CH057 and LIRR and Amtrak force account packages FHL02, FHL03, FHA03 and FHA04.

This Modification will also implement logic changes in the signal system within the Harold Interlocking for Civil Speed Enforcement. The logic changes will affect ESA third-party construction package VH051 (LIRR Contract 6014).

The Consultant submitted a cost proposal of \$1,655,999 for this modification while the MTACC estimate was \$1,486,951. Negotiations were held and the parties agreed to a cost of \$1,530,220 which is considered fair and reasonable.

Item Number 2

Page 1 of 2

Vendor Name (& Location) Schindler Elevator Corporation (New York, NY)	Contract Number VM014	AWO/Modification # 7
Description Vertical Circulation Elements for the East Side Access Project	Original Contract Amount: \$ 24,077,558 Original Option Amounts: \$ 46,121,874 Original Board Approved Amount: \$ 70,199,432	
Contract Term (including Options, if any): 2,290 Days	Prior Modifications: \$ 205,000	
	Exercised Options: \$ 337,784	
	Prior Budgetary Increases: \$ 0	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Current Amount: \$ 24,620,342	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive		
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification		
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:		
Requesting Dept/Div & Dept/Div Head Name: East Side Access, W. Goodrich, P.E.	This Request \$ 6,630,187 % of This Request to Current Amount: 26.9% % of Modifications (including This Request) to Original Board Approved Amount: 8.4%	

Discussion:

The work under this Contract is a multi-phase effort for the engineering support, fabrication, installation, and, interim and long term service and maintenance of elevators and escalators for the LIRR East Side Access Project at Grand Central Terminal. The elevators and escalators are referred to within the Contract and herein as the Vertical Circulation Elements (VCE). In accordance with Article IX of the All-Agency Procurement Guidelines, MTACC seeks Board approval of a modification to the Contract to adjust the Milestones and Access Restraints and to compensate the contractor for the associated Impact Costs.

The VM014 contractor will fabricate, deliver, install, and maintain all of the elevators and escalators for the East Side Access Project. The VM014 contract requires the contractor to, among other things, enter into subcontracts with certain ESA prime contractors to perform its work in coordination with the work of those prime contractors. In that regard, the VM014 contractor is obligated to enter into a subcontract with the contractor for CM014B, GCT Concourse and Facilities Fit-out to perform the VCE work required under that contract.

At the time of award of VM014 in September 2010, it was anticipated that CM014B would be awarded in February 2011 with VCE installation work by the VM014 Contractor to commence in September 2011 and be completed by August 2015. However, due to program wide delays resulting from, among other things, the cancellation of Contracts CM012 and CM012R, CM014B is currently in the solicitation phase with an award planned for the fourth quarter of this year. The current CM014B schedule has installation of VCE by the VM014 Contractor to commence in July 2015 (fabrication will begin in July 2014) with completion for the VM014 work in Contract CM014B to be in November 2019.

Revision of the VM014 Milestones and Access Restraints is thus required in order to align them with the revised schedule for CM014B. These adjustments will increase VM014's contract work duration by 1,572 days which entitles the VM014 Contractor to Impact Costs for compensable delays in accordance with the Contract's General Terms and Conditions. The Impact Costs include (i) increased wages attributable to work being performed by trades in a higher wage period; (ii) increased costs to purchase materials and, (iii) increased costs to manufacture the elevators and escalators.

Item No. 2

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In addition, the installation and in-contract maintenance of nine escalators of the 48th St. Entrance which was originally planned to be performed under the subcontract with CM014B will now be performed under future Contract CM015. The revision of the milestones, access restraints and impact costs associated with this work will be negotiated with the VM014 Contractor when the CM015 package is finalized.

The Contractor proposed \$8,120,266 while MTACC's estimate was \$7,593,747. Negotiations were held and the parties agreed to a cost of \$6,630,187 for the CM014B related work, which is considered fair and reasonable.



Bridges and Tunnels

Procurements July 2014



Staff Summary

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

Date	July 7, 2014
Vendor Name	
Contract Number	
Contract Manager Name	
Table of Contents Ref #	

Board Action					
Order	To	Date	Approval	Info	Other
1	President	7/7/14	<i>[Signature]</i>		
2	MTA B&T Committee	7/21/14			
3	MTA Board	7/23/14			

Internal Approvals			
Order	Approval	Order	Approval
	President <i>[Signature]</i>		VP Operations
	Executive Vice President <i>[Signature]</i>		VP & Chief Engineer
	SVP & General Counsel <i>mmt</i>		Chief Procurement Officer
	VP Administration		

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

PURPOSE:

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

DISCUSSION:

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

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

<u>Schedules Requiring Majority Vote</u>		<u># of Actions</u>	<u>\$ Amount</u>
Schedule E	Miscellaneous Procurement Contracts	1	\$ 49.718M
Schedule F	Personal Service Contracts	3	\$ 10.444M
Schedule H	Modifications to Personal/Miscellaneous Service Contracts	2	\$ 2.261M
Schedule I	Modifications to Purchase & Public Works Contracts	3	\$ 5.984M
TOTAL		9	\$68.407M

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

BUDGET IMPACT:

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

RECOMMENDATION:

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

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

MTA BRIDGES & TUNNELS
TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

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

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

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

NOW, the Board resolves as follows:

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

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL
JULY 2014

MTA BRIDGES & TUNNELS

Procurements Requiring Majority Vote:

E: Miscellaneous Procurement Contracts

- | | | | |
|----|---|------------------------|--------------------------------------|
| 1. | Telvent USA, LLC
Contract No. 14-OPS-2924
6 yr. contract – Competitive RFP – 1 Proposal
Maintenance and Repair of the Electronic Toll Registry System at all B&T facilities. | \$49,718,488.00 | <u>Staff Summary Attached</u> |
|----|---|------------------------|--------------------------------------|

F: Personal Service Contracts

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

- | | | | |
|----|--|-----------------------|--------------------------------------|
| 2. | BCC Associates, Inc.
Contract No. PSC-14-2955
5 yr. contract - Competitive RFP - 1 Proposal
Perform revenue processing services as well as maintenance of computer hardware and software used in connection with B&T's money counting operation. | \$9,954,434.00 | <u>Staff Summary Attached</u> |
| 3. | Lexington Hearing and Speech Center, Inc.
Contract No. PSC-13-2938X
5 yr. contract - Competitive RFP - 2 Proposals
B&T requires the services of a consultant to provide annual audiometric testing and training in the proper use of hearing protection for its Bridge and Tunnel Officers (BTOs), Sergeants and Lieutenants. This service must be outsourced since B&T does not have the equipment or the resources certified to perform this work. The service requirements were publicly advertised. On April 15, 2014 two firms Lexington Hearing and Speech Center, Inc. (LHSC) and Enviromed Corp. (EC) submitted proposals. The proposals were evaluated against established criteria set forth in the RFP including qualifications of the consultant, depth of understanding of project and resources, performance/experience of the firm and cost. Based on the committee's review it unanimously selected LHSC based on its: (i) extensive experience related to providing hearing conservation services; (ii) superior past performance; and (iii) highly qualified personnel. Enviromed did not demonstrate the depth of understanding of the work requirements identified in the Request for Proposal (RFP). The committee unanimously waived oral presentations and recommended that negotiations be conducted with LHSC, the highest rated firm. The scope of services for the first three years of the prospective contract which centers on conducting hearing examinations has not changed compared with that under the current contract. The term of the agreement, however, has increased from three to five years. LHSC's proposal was in the amount of \$290,625; the user's estimate was \$214,975. Negotiations resulted in a reduction in the consultant's proposal by \$37,000 or 12.7% for a final amount of \$253,625. When comparing the negotiated rate over a three year period for the predominant services in the RFP including test | \$253,625.00 | |

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL
JULY 2014

preparation, hearing exams, notifications and referrals with the rate under the current contract, the negotiated rates reflect a 23% increase. The total negotiated amount is 18% higher than B&T's estimate. This disparity may be attributed to an understatement in the estimate which did not account for an annual rate increase in services. The negotiated amount, however, is 2.2% less than the cost proposed by Enviromed. LHSC has indicated, in writing, that the negotiated rates are the lowest it offers for similar services provided to other customers. Based on the above, the negotiated amount under the prospective agreement is considered fair and reasonable. LHSC is deemed to be a responsible consultant.

4. **Joe Fiorentino & Associates** **\$235,500.00**
Contract No. PSC-14-2952

5 yr. contract – Competitive RFP – 3 Proposals

B&T is seeking a consultant to provide B&T's Right-to-Know training program, which pertains to the legal rights of its employees concerning possible exposure to hazardous substances and workplace safety, as required by New York State Labor Law and the Federal Hazard Communication Standard. These services must be outsourced since B&T does not possess the in-house resources certified to perform them.

The service requirements were publicly advertised and invitation letters were sent to 98 companies. Three firms submitted proposals: Joe Fiorentino & Associates, L.L.C. (JFA); Pardus Environmental Consulting, Ltd. and Garden State Environmental, Inc. The proposals were evaluated against established criteria set forth in the RFP, including the proposer's understanding of the required training program, the firm's record of performance, qualifications of the firm, proposed personnel and cost. Although all three proposers were considered technically qualified, the selection committee unanimously selected JFA. The committee unanimously waived oral presentations and recommended that negotiations be conducted with JFA, the highest rated firm.

JFA's technical proposal was considered superior by the selection committee as it: (i) was deemed highly qualified for the specific type of services required; (ii) demonstrated a thorough understanding of the training program; (iii) had qualified personnel to perform the services; (iv) presented a strong track record of performance and (v) proposed the lowest cost. Accordingly, the selection committee determined that JFA was the most qualified firm to perform the services of the Contract. The scope of the services of the prospective contract is substantially similar to the scope of the current contract, except that two hazardous substance topics were added to the training program and some changes were made to the Federal Hazard Communication Standard.

JFA proposed an amount totaling \$235,500, which is 21.9% higher than the user's total estimate of \$193,125. When comparing JFA's proposed amount with the total amount under the current contract over a five year period, the proposed amount reflects a 41.7% increase. This disparity may be attributed to an understatement in the user's estimate which had not fully considered the significant escalation in operating costs for these services, including an approximate 50% increase in medical and liability insurance

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL
JULY 2014

costs, as well as general operating cost increases expected during the five (5) year period of this Contract. JFA has indicated, in writing, that its proposed amount is competitive for similar services provided to other customers. Additionally, a price analysis demonstrated that JFA was significantly lower than the next rated firm, which submitted a cost of \$256,875. Based on the foregoing, B&T deems JFA's proposed amount to be fair and reasonable.

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

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

5. **Xerox State & Local Solutions** **\$1,935,617.00** **Staff Summary Attached**
Contract No. PSC-05-2741

Additional work to develop a consolidated, statewide All Electronic Tolling program for MTA B&T, the New York State Thruway Authority, the New York State Bridge Authority and the Port Authority of New York and New Jersey.

6. **Enviromed Services** **\$325,000.00** **Staff Summary Attached**
Contract No. PSC-11-2898

Add funding to maintain a safety presence and oversight at field construction projects.

I: Modifications to Purchase & Public Works Contracts

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

7. **Ahern Painting Contractors, Inc.** **\$2,140,973.10** **Staff Summary Attached**
Contract No. TN-82B

Perform additional steel repairs, add steel quantities and paint parapets and medians on the suspended span of the Throgs Neck Bridge.

8. **E.E. Cruz/Tully Construction Co., JV** **\$2,100,000.00** **Staff Summary Attached**
LLC
Contract No. BW-89C

Add funding to furnish and install barrier mounted translucent walls and pre-cast concrete walls at the Bronx Whitestone Bridge.

9. **Perini/O&G, A Joint Venture** **\$1,742,741.75** **Staff Summary Attached**
Contract No. BW-82

Settle all changes, claims and reconcile final contract quantities for the completion of Contract BW-82.

Schedule E: Miscellaneous Procurement Contracts

Item Number: **1 (Final)**

Vendor Name (& Location) Telvent USA, LLC
Description Maintenance and Repair of the Electronic Toll Registry
Contract Term (including Options, if any) Six years
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:

Contract Number 14-OPS-2924	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total Amount: \$49,718,488.00	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Toll Operations, Joe Gugliero	
Contract Manager Lynn Gore	

Discussion:

B&T is seeking Board approval under the All Agency Procurement Guidelines to award a miscellaneous procurement contract, Contract 14-OPS-2924, for Maintenance and Repair of the Electronic Toll Registry System to Telvent USA, LLC (Telvent) in the negotiated amount of \$49,718,488 over a period of six years.

The services of a contractor are required to maintain and repair the hardware and software components of the Electronic Toll Registry System throughout all of B&T's facilities. Such services include: (i) performing maintenance required due to normal wear, tear and damage to the equipment; (ii) establishing and managing an inventory of spare parts; (iii) designing and implementing a preventive maintenance program; and (iv) providing on-call emergency services. B&T does not possess the resources required to perform these services. The service requirements were publicly advertised; three firms requested copies of the Request for Proposal (RFP) and one firm, Telvent, submitted a proposal. Our survey to determine why other firms did not participate in this procurement disclosed that: (i) the number of firms that perform this type of maintenance and repair work is limited and (ii) since the predominant feature of this contract focuses on on-site coverage and support, firms indicated that this type of labor-intensive project generally results in low margins compared with other projects such as those for design and development. One firm expressed interest, however, the company had no prior experience in maintaining electronic toll registry systems in the USA. Consequently, B&T determined that there would be no benefit in resoliciting this service. The proposal was evaluated against the criteria established in the RFP including the proposer's understanding of the project, the firm's record of performance, qualifications of the firm, proposed personnel, proposed schedule and cost. Telvent's proposal included an advanced diagnostic and management system that will enable system-related problems to be detected and resolved promptly; a team comprised of key individuals who were responsible for the original system's design; and, it offered methodology so that hardware and software support services can be performed at the maximum level of effectiveness and efficiency. Following the evaluation, the selection committee deemed Telvent's proposal to be technically sufficient and recommended that negotiations be conducted.

Telvent proposed an amount of \$50,342,503 which includes contingencies for software development, spare parts and an incentive for lane availability. The user's estimate is \$49,622,503. Based on negotiations the parties agreed to an amount of \$49,718,488 which is 0.19% higher than the estimate. The cost for services during the first year of this contract is 3.8% higher than the final year of the current contract (expiring on 7/31/14) for the same services. The labor rates and hours proposed were determined to be acceptable. Based on the above the negotiated price is considered fair and reasonable. Telvent LLC is deemed to be a responsible contractor.

The MTA DDCR has established goals of 10% MBE and 10% WBE for the referenced contract. This contract will not be awarded without approval of MTA DDCR. Telvent has achieved its previous M/WBE goals on its prior MTA contracts. Funding is available in the Operating Budget under GL #711420.

Staff Summary



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Item Number 2 (Final)					
Dept & Dept Head Name: Office of the CFO, Don Spero					
Division & Division Head Name: Revenue Management, Angelo Cerbone					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	President				
2	MTA B&T Committee				
3	MTA Board				
Internal Approvals					
Order	Approval	Order	Approval		
1	Chief Financial Officer 	4	Executive Vice President 		
2	Senior Vice President and General Counsel 	5	President 		
3	Chief Procurement Officer 				

SUMMARY INFORMATION	
Vendor Name BCC Associates, Inc.	Contract Number PSC-14-2955
Description Revenue Processing Services	
Total Amount \$9,954,434.00	
Contract Term (including Options, if any) Five years	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

Narrative

I. PURPOSE/RECOMMENDATION

B&T is seeking Board approval under the All-Agency Guidelines for Procurement of Services to award a competitively negotiated personal service contract, Contract PSC-14-2955, to BCC Associates, Inc. (BCC) to perform revenue processing services. The value of this procurement is \$9,954,434 over a period of five years.

II. DISCUSSION

On March 31, 2014, B&T issued a Request for Proposal (RFP) for revenue processing services which included counting of its toll collection revenue, coin and token wrapping, and preparation of funds for armored carrier transit for deposit. The solicitation also includes maintenance of computer hardware and software used in connection with our money counting operation, which are key components of our internal controls designed to protect the revenue collected from cash paying customers. In addition the scope requires the consultant to manage the inventory and distribution of On-The-Go Tags at various toll plazas on an as-needed basis. These services must be outsourced since B&T lacks the resources and personnel required to perform the tasks under the scope of work for this contract. The service requirements were publically advertised. The incumbent, BCC Associates, Inc., submitted the only proposal. Our survey disclosed that firms initially expressed interest in this solicitation, however, after further consideration they advised that: (i) they were not equipped to maintain the hardware and software and would only manage personnel and (ii) since revenue processing services are required to be performed at the Joint Revenue Operations Center that is shared with NYCT, which is in accordance with the Scope of Work, they were interested in performing services only at their premises.

(rev. 2/2/09)

The selection committee evaluated BCC's proposal against established criteria set forth in the RFP which included: (i) experience in money counting; (ii) understanding of the scope of work; (iii) depth of resources and management team; and (iv) cost. The committee unanimously waived the oral presentation and recommended that negotiations be conducted. The scope of services under the prospective contract which centers on revenue processing activities has not changed compared with that under the current contract. BCC's initial cost proposal was \$10,488,139 over five years. The Project Manager's estimate was \$8,800,000. Based on negotiation of various cost elements in the contract the consultant revised its proposal to \$10,251,692. Ensuing negotiations focused on further reductions in labor and overhead rates. BCC's final offer was in the amount of \$9,954,434, a reduction of \$493,705 or 5.1% compared with its original proposal. The negotiated price is 13.1% higher than the estimate. The disparity with the estimate may be attributed to understated annual rate increases and excluded costs that would otherwise be reimbursable to the consultant. The award to BCC will not require any transition and minimizes potential risks associated with a takeover of the technology and operations of the money room by another entity. Based on the above the negotiated amount of \$9,954,434 is considered fair and reasonable. BCC is deemed to be a responsible consultant.

III. D/M/WBE INFORMATION

The Department of Diversity and Civil Rights (DDCR) has established goals of 10% MBE and 10% WBE. The contract will not be awarded without approval of MTA DDCR. No goals were assigned under the prior solicitation for these services.

IV. IMPACT ON FUNDING

Funding is available in the Operating Budget under GL #711411.

V. ALTERNATIVES

Perform the work using in-house personnel. As indicated above B&T lacks the resources and personnel required to perform the tasks required under the scope of work for this contract.

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

Item Number: 5 (Final)

Vendor Name (& Location) Xerox State & Local Solutions, Germantown, MD		Contract Number PSC-05-2741	AWO/Modification
Description E-ZPass New York Customer Service Center Services		Original Amount: \$184,000,000	
Contract Term (including Options, if any) October 7, 2007 – October 6, 2017		Prior Modifications: \$6,394, 210	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Prior Budgetary Increases: \$0.00	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive		Current Amount: \$190,394,210	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:		This Request: \$1,935,617	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:		% of This Request to Current Amount: 1%	
Requesting Dept/Div & Dept/Div Head Name: Office of the Chief Financial Officer, Donald Spero		% of Modifications (including This Request) to Original Amount: 4.5%	

Discussion

B&T is seeking Board approval under the All Agency Guidelines for Procurement of Services to modify this Contract with Xerox State & Local Solutions (Xerox) for additional work in the amount of \$1,935,617 to develop a consolidated, state-wide All Electronic Tolling (AET) customer service program for use by MTA B&T and the other agencies participating in the customer service center -- the New York State Thruway Authority, the New York State Bridge Authority and the Port Authority of New York and New Jersey (Port Authority) -- when the agency implements AET at any of its facilities .

This contract was competitively awarded to Xerox (formerly ACS State & Local Solutions) in October 2007 for the operation of a customer service center that handles all back office functions associated with the E-ZPass electronic toll collection system. The requirements of the CSC operator include: implementation and maintenance of a computerized account system used to manage accounts and process transactions; collection of pre-paid toll deposits; processing toll violations; and operating a telephone call center. B&T does not possess the resources required to perform these services. Since the Board approved the original contract, five amendments have been issued. This amendment constitutes a substantial change.

In January 2011, B&T initiated a pilot project at the Henry Hudson Bridge to assess the feasibility of adopting AET at that facility. Customers pay tolls electronically without stopping at the toll lane based on: (i) a pre-established E-ZPass account or (ii) billing based on license plate images captured by video cameras. The pilot project has been operating for two years and, based on the pilot's success, the Board recently approved a change in the permanent method of toll collection at the Henry Hudson Bridge to AET followed by gantry-based all-electronic Open Road Tolling. The proposed amendment is for Xerox to develop and implement a consolidated, state-wide AET program that will provide a seamless experience to all of our AET customers regardless of what AET facility is being used.

The consolidated regional AET program will use B&T's currently deployed AET program as the baseline. The program consists of video tolling processes, automated image review, video billing, unregistered video account (UVA) maintenance. The program will be implemented in two phases: (i) Phase 1 – this phase is to extend the current AET functionality implemented for the B&T pilot at the Henry Hudson Bridge to the Port Authority's Bayonne Bridge. By doing so, owners of vehicles without E-ZPass tags using both the Henry Hudson and Bayonne Bridges will receive a consolidated video bill. Phase 1 will also allow for consolidated unregistered video accounts and invoices, a new reporting package, a consolidated website and introduce a new toll free number for customers to access their accounts or to speak to a customer service agent; and (ii) Phase 2 – under this phase the Contractor will implement a new toll bill, make changes to the website, and modify the current transaction reconciliation process to improve support to video billing.

Xerox submitted a proposal in the amount of \$4.425 million for B&T and Port Authority for Phases 1 and 2. Negotiations were conducted and the parties agreed to the proposed amount. B&T's portion of the proposed amount is \$1,935,617, which includes a \$199,075 cost that is specific to B&T and a common cost of \$1,736,542. The common cost total amount of \$3,473,084 is shared between B&T and the Port Authority and designated to benefit both agencies. The Port Authority's portion includes \$753,480 in Port Authority specific costs along with their share of the common costs, \$1,736,542. The labor rates have been reviewed and are consistent with the contract rates. Man-hours have been found to be acceptable. Therefore, the negotiated amount of \$1,935,617 is considered fair and reasonable. Funding is available in the Operating Budget under GL #711413.

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

Item Number: **6** (Final)

Vendor Name (& Location) EnviroMed Services, Inc. (Meriden, CT)	Contract Number PSC-11-2898	AWO/Modification #
Description Independent Safety Monitor for Ongoing Authority Construction Projects		
Contract Term (including Options, if any) March 15, 2012 – December 15, 2014	Original Amount:	\$734,085.00
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Prior Modifications:	\$140,000.00
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	Prior Budgetary Increases:	N/A
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	Current Amount:	\$874,085.00
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	This Request:	\$325,000.00
Requesting Dept/Div & Dept/Div Head Name: Engineering & Construction, Joe Keane, P.E.	% of This Request to Current Amount:	37.2%
	% of Modifications (including This Request) to Original Amount:	63.3%

Discussion:

B&T is seeking Board approval under the All-Agency Guidelines for Procurement of Services to amend Contract PSC-11-2898 with EnviroMed Services, Inc. (EnviroMed) for funding additional services required. The contract requires EnviroMed to monitor and report on construction safety for ongoing construction projects undertaken by B&T's Engineering and Construction Department. The additional funding is required for EnviroMed Services to maintain a safety presence and oversight at field construction projects until a new contract is awarded later this year. Funding in the amount of \$325,000 is necessary to increase the number of inspectors to provide sufficient coverage for existing and ongoing projects, including night and weekend construction work. To ensure continued coverage, verbal authorization was issued by B&T in the amount of \$50,000. Consistent with the Procurement Guidelines this amendment constitutes a substantial change.

EnviroMed submitted a proposal of \$325,000 for the additional services to be performed. The Engineering Estimate for this work is \$324,140. The Authority accepted EnviroMed's proposal, which is considered fair and reasonable. Funding for this amendment is available in the 2014 Operating Budget under GES-184, GL #712151.

Schedule I: Modifications to Purchase and Public Works Contracts

Item Number: **7** (Final)

Vendor Name (& Location) Ahern Painting Contractors, Inc.	Contract Number TN-82B	AWO/Modification # 5
Description Interim Repairs of Orthotropic Deck Structures at the Throgs Neck Bridge	Original Amount: \$47,359,845.00	
Contract Term (including Options, if any) July 29, 2011 – June 30, 2014	Prior Modifications: \$1,945,189.47	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Prior Budgetary Increases: N/A	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	Current Amount: \$49,305,034.47	
Solicitation Type <input type="checkbox"/> RFP <input checked="" type="checkbox"/> Bid <input type="checkbox"/> Other:	This Request: \$2,140,973.10	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	% of This Request to Current Amount: 4.34%	
Requesting Dept/Div & Dept/Div Head Name: Engineering & Construction, Joe Keane, P.E.	% of Modifications (including This Request) to Original Amount: 8.63%	

Discussion:

B&T is seeking Board approval under the All-Agency Procurement Guidelines to amend the Contract with Ahern Painting Contractors, Inc. (Contractor) to perform additional steel repairs and painting of parapets and medians on the suspended span in the negotiated total of \$2,140,973.10.

Upon completion of abrasive blast cleaning operation of the steel members of the Throgs Neck Bridge (TNB) Bronx Approach, it was determined that additional structural steel repairs and painting are required. Furthermore, it deemed prudent and cost effective at this time to complete the median barrier and parapet cleaning and painting by adding Spans 25 – 29 on the suspended spans.

Additional steel quantities are required for Items: 02072.2 Removal of Structural Steel-Subfloorbeam Replacement; 02072.3 Removal of Structural Steel-Stringer Web Retrofit and 05120.2 Structural Steel-Subfloorbeam Replacement. The additional steel quantities were reviewed in accordance Article 3.02 Variable Quantities Clause, whereby the Engineer may determine if a quantity increase/decrease in excess of 10% creates a substantial inequity to either the Contractor or B&T, which allows for unit price re-determinations. The Engineer determined that no inequity exists for Items 02072.2 and 2072.3 and the quantity increases at the Contract unit prices totaling \$646,631 is necessary. The Engineer also determined that a substantial inequity to the Contractor exists for Item 05120.2, the Contract unit price is \$9.50/LB. B&T requires an additional quantity of 34,262 LBS. Ahern submitted a proposal totaling \$591,761. The Engineer's estimate \$586,722.43. During negotiation the scope was reviewed and B&T accepted Ahern's proposal in the amount of \$591,761 (approximately \$17.27/LB). The total additional structural steel repairs total \$1,238,392 (\$646,631 + \$591,761), which is 1.9% above the estimate and is fair and reasonable.

Ahern submitted proposals totaling \$937,425.42 for the additional cleaning and painting. The Engineer's estimates total \$908,034.65. Negotiations resulted in B&T and Ahern agreeing to \$902,581.10, which is 0.6% below the estimate and is fair and reasonable.

The amendment totals \$2,140,973.10. Funding is available in the 2010 – 2014 Capital Program under Project TN-82B (Steel) in the amount of \$1,390,973.10 and TN-82B (Painting) in the amount of \$750,000.

Schedule I: Modifications to Purchase and Public Works Contracts

Item Number: 8 (Final)

Vendor Name (& Location) E.E. Cruz/Tully Construction Co., JV, LLC	Contract Number BW-89C	AWO/Modification #
Description Replacement of the Queens Approach at the Bronx-Whitestone Bridge	Original Amount:	\$108,786,080.00
Contract Term (including Options, if any) July 29, 2011 – January 28, 2015	Prior Modifications:	\$1,833,632.40
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Prior Budgetary Increases:	\$0.00
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	Current Amount:	\$110,619,712.40
Solicitation Type <input type="checkbox"/> RFP <input checked="" type="checkbox"/> Bid <input type="checkbox"/> Other:	This Request:	\$2,100,000.00
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	% of This Request to Current Amount:	1.9%
Requesting Dept/Div & Dept/Div Head Name: Engineering & Construction, Joe Keane, PE	% of Modifications (including This Request) to Original Amount:	3.6%

Discussion:

B&T is seeking the Board's approval under the All Agency Procurement Guidelines to modify this Contract with E.E. Cruz & Tully Construction Co., A Joint Venture, LLC (CTJV) for additional funding to furnish and install the following: (i) barrier mounted translucent walls along approximately 800 LF of the east and west sides (approximately 400 LF on each side) of the elevated Queens Approach and (ii) approximately 1000 LF of pre-cast concrete walls along the west side of the on-grade approach in the negotiated amount of \$2,100,000.

The Engineer deems it prudent to have CTJV furnish and install these two wall systems along the elevated and on-grade sections of the Queens Approach. Installation of these wall systems will mitigate noise impacts to residences located adjacent to and within very close proximity to the Bronx-Whitestone Bridge, Queens Approach.

The Engineer's estimates totaled \$1,941,022.11. CTJV submitted proposals totaling \$2,470,761.82. During negotiations it was determined that the estimate understated the labor required to install the pre-cast concrete wall panels. B&T and CTJV agreed to the negotiated amount totaling \$2,100,000 to perform the Work, which is 8.2% above the estimate and is fair and reasonable. Funding is available in the 2010 – 2014 Capital Program under Project BW-89.

Schedule I: Modifications to Purchase and Public Works Contracts

Item Number: **9** (Final)

Vendor Name (& Location) Perini/O&G, A Joint Venture	Contract Number BW-82	AWO/Modification #
Description Replacement of the Roadway Deck in Suspended Spans at the Bronx-Whitestone Bridge	Original Amount:	\$136,671,252.40
Contract Term (including Options, if any) December 24, 2003 – November 23, 2006	Prior Modifications:	\$6,169,090.00
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Prior Budgetary Increases:	\$0.00
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	Current Amount:	\$142,840,342.40
Solicitation Type <input type="checkbox"/> RFP <input checked="" type="checkbox"/> Bid <input type="checkbox"/> Other:	This Request:	\$1,742,741.75
Funding Source <input checked="" type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	% of This Request to Current Amount:	1.2%
Requesting Dept/Div & Dept/Div Head Name: Engineering & Construction, Joe Keane, PE	% of Modifications (including This Request) to Original Amount:	5.8%

Discussion:

B&T is seeking the Board's approval under the All Agency Procurement Guidelines to modify this Contract with Perini/O&G, A Joint Venture (PO&G) for the payment of the remaining items of additional work, the settlement of all contractor claims and the reconciliation of final contract quantities for the completion of Contract BW-82 in the negotiated amount of \$1,742,741.25.

During the course of the Work, PO&G submitted change requests and claims for extra compensation totaling \$8,761,712.43. These requests include additional work and claims for additional time with impact costs resulting from delays in completing the Work. The items fall into categories as follows - Additional Work: (i) additional transition plate installation during staged roadway construction; (ii) compensation for the installation of lateral bracing and track beams out of sequence; (iii) application of a 3rd layer and excess repair costs of the bonded aggregate surface, and (iv) traveler spare parts and repairs. Claims include delays in the shop fabrication of the steel deck with extended general conditions and impact costs and delays during the staged roadway construction. Ensuing negotiations resulted in PO&G withdrawing certain claims and reducing the total amount of the remaining additional work requests and claims to \$3,383,500.90. B&T reviewed each item in detail and determined that the Contractor is entitled to extra compensation for the additional work items, in the negotiated amount of approximately \$2,190,000. Additionally, PO&G may be entitled to a portion of its claims due to unanticipated field conditions in the context of complex and demanding construction requirements. B&T and PO&G agreed to settle these claims in the approximate amount of \$1,010,000. The parties agreed to the global settlement of \$3,200,000.

The final negotiated amount is considered fair and reasonable based on the determination that these are items of additional work entitled to extra compensation; it is in B&T's best interest to settle the claims given the risk of adverse findings if these matters were litigated. In executing the resulting amendment, PO&G thereby releases and waives all of its claims against B&T.

Furthermore, final reconciliation of contract quantities results in a net credit totaling (\$1,457,258.25), which is fair and reasonable since they are at the Contract unit prices. The amendment total is \$1,742,741.75. Funding is available in the 2000 – 2004 Capital Program and charged to Project BW-82.

Staff Summary

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Subject Overall Three-Year DBE Goal for FFYs 2015-2017
Department Department of Diversity and Civil Rights
Department Head Name Michael J. Garner <i>Michael J. Garner</i>
Department Head Signature
Project Manager/Division Head

Date July 11, 2014
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Diversity Committee	7/28/14	X		
2	Board	7/28/14	X		

Internal Approvals			
Order	Approval	Order	Approval
3	Chief of Staff <i>MSB</i>	1	Diversity and Civil Rights <i>MSB</i>
		2	Legal <i>MSB</i>

PURPOSE

To obtain Board approval authorizing the Metropolitan Transportation Authority ("MTA") to establish a 17% goal for the utilization of Disadvantaged Business Enterprises ("DBEs") in its Agency-wide contracting activities on federally-assisted contracts and procurements for Federal Fiscal Years ("FFYs") 2015-2017. The proposed DBE goal is the same as the DBE goal for FFYs 2012-2014.

DISCUSSION

MTA and its subsidiary and affiliated agencies (the "MTA Agencies"), pursuant to federal regulations and Board policy, have fostered competition by DBEs in their procurement and contracting activities. Pursuant to federal regulations, the MTA Agencies must establish an overall three-year goal for the utilization of DBEs in their procurement and contracting activities. The proposed goal covers FFYs 2015-2017.

The Federal DBE Program

The U.S. Department of Transportation ("USDOT") regulations, 49 C.F.R. Part 26, govern the operation of DBE programs managed by recipients of federal transit funds. Pursuant to those regulations, the purpose of the MTA DBE Program is to create a "level playing field" for business enterprises that are majority-owned and run on a daily basis by socially and economically disadvantaged individuals. A principal goal of the regulations is to generate increased opportunities for DBEs to participate on federally-assisted projects while using narrowly-tailored means that do not unduly burden non-DBEs. In order to achieve that goal, the regulations require recipients of transit funds to establish goals for DBE participation that accurately reflect the level of DBE participation that could be expected absent the effects of discrimination or other barriers.

The expected level of DBE participation is determined using a two-step process. The first step in the process requires the development of a "Base Figure" for the relative availability of DBEs. In general, calculating the Base Figure entails dividing the number of DBEs in the market that are ready, willing and able to perform the types of contracts that MTA Agencies anticipate awarding by the total number of all firms ready, willing and able to perform the types of contracts that MTA Agencies anticipate awarding during the period covered by the goal. Using this methodology we arrived at the Base Figure of 17.09%.

Under the federal regulations, the second step after calculating the Base Figure is an examination of evidence from a variety of different sources to determine whether the Base Figure warrants adjustment. We considered the following evidence in order to determine whether an adjustment to the Base Figure is warranted: the ability of DBEs to undertake projects as primes, current capacity of DBEs to participate in MTA's federally funded contracts, as measured by the volume of work DBEs have performed in recent years; proposed level and allocation of current funding and the statistical information used to determine the availability of DBEs; and increased outreach efforts and input from interested parties (e.g., DBEs, minority business associations, local chambers of commerce).

Staff Summary

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Historically, the majority of DBE participation on MTA's contracts has come in the form of subcontracts, with DBEs generally not participating as prime contractors because of the nature, size and cost of most MTA projects. Past DBE participation (mostly in the form of participation on subcontracts) in MTA's procurement activities has been as follows: 11% in FFY 2011, 12% in FFY 2012, 14% in FFY 2013, and 18.2% for the first six months of FFY 2014. General construction and special trade contracts have yielded both the greatest opportunity for subcontracting and the greatest realization of DBE participation. For FFYs 2015-2017, general construction and special trade contracts will account for nearly 78% of projected work. These two categories also offer the greatest number of available DBEs. Additionally, we continue to engage in aggressive outreach efforts. We anticipate these efforts will yield greater DBE participation. Further, with FTA approval, we have implemented a Small Business Federal Program ("SBFP"), a race-neutral mentor program for small businesses, including DBEs. Since program inception in March 2013 through June 2014, \$30.5 million has been awarded, with \$10 million (33%) being awarded to DBEs. Our SBFP will continue to provide additional opportunities for DBE participation, especially in the areas of general construction and special trades.

We have gathered input from interested parties during meetings that we held to discuss our proposed DBE goal. During the goal setting process, we met and consulted with DBEs, non-DBEs, community-based organizations and DBE advocacy groups. We held a focus group meeting on November 4, 2013 with trade groups and associations, including DBEs. We convened a public briefing on June 4, 2014 with DBEs, non-DBEs, and DBE advocacy groups to discuss MTA's DBE goal and its rationale. Additionally, we hosted DBE and non-DBE firms as well as other community organizations at a formal briefing on July 9, 2014, where we presented the proposed goal and its rationale. We have received positive feedback on our proposed overall goal of 17% from these interested parties.

For the foregoing reasons, we have determined that the 17% goal for DBE participation is appropriate and no adjustment in our Base Figure is needed. We published our proposed 17% overall DBE goal starting on June 12, 2014 in the following newspapers: The New York Times, Newsday, El Diario, Minority Commerce Weekly, and The Journal News. Each publication announced a 45-day comment period from the date of publication. To date no comments have been received. It is contemplated that subject to Board approval, the DBE goal will be forwarded to the FTA by August 1, 2014. If there are any changes to the MTA DBE goal that appear warranted as a result of any comments received in response to the newspaper notice, we will present a proposed amended goal to the Diversity Committee and the full MTA Board at a later date.

At this time, the projected value of federally-funded or assisted contracts to be awarded by MTA is at best an estimate as the MTA's Five-Year Capital Program covering calendar years 2015-2019 is still pending approval, and MTA's federally funded projects for FFYs 2015-2017 will be covered by this Capital Program. Therefore, the projected value of federally-funded or assisted contracts is subject to further adjustments. Once our Capital Program is approved, we will reassess our DBE goal and rationale to reflect any changes. We will then modify our current proposed goal, as necessary.

BENEFITS TO THE AUTHORITY:

MTA's DBE Program is designed to provide meaningful opportunities for participation on contracts and purchases by DBEs and to create competition among DBEs and non-DBEs.

IMPACT ON FUNDING:

As a condition of receiving assistance, the MTA Agencies must provide assurances that they will comply with applicable U.S. DOT regulations.

ALTERNATIVES:

Do not approve the proposed DBE goals, or establish a higher or lower DBE goal.

RECOMMENDATION:

It is recommended that the Board approve the proposed three-year 17% DBE goal.