



Metropolitan Transportation Authority

July 2015

MTA Board Action Items



MTA Board Meeting

2 Broadway, 20th Floor

New York, N.Y. 10004

Wednesday, 7/22/2015

10:00 AM - 12:00 PM ET

1. PUBLIC COMMENT PERIOD

2. APPROVAL OF MINUTES

MTA Regular Board Minutes - June 24, 2015

MTAHQ Minutes - June 24, 2015 - Page 5

NYCT/MaBSTOA/SIR/Bus Company Regular Board Minutes - June 24, 2015

NYCTA Minutes - June 24, 2015 - Page 10

MTA Metro-North Railroad Regular Board Minutes - June 24, 2015

Metro-North Minutes - June 24, 2015 - Page 13

MTA Long Island Rail Road Regular Board Minutes - June 24, 2015

LIRR Minutes - June 24, 2015 - Page 17

Triborough Bridge & Tunnel Authority Regular Board Minutes - June 24, 2015

TBTA Minutes - June 24, 2015 - Page 22

MTA Capital Construction Regular Board Minutes - June 24, 2015

MTACC Minutes - June 24, 2015 - Page 28

3. COMMITTEE ON FINANCE

Action Item

i. Approval of Remarketing Agent

Approval of Remarketing Agent - Page 31

Procurements Report

MTAHQ Procurement Report - Page 32

i. Non-Competitive (no items)

ii. Competitive

MTAHQ Competitive Procurements - Page 34

iii. Ratifications (no items)

Real Estate Items

i. Real Estate Agenda and Staff Summaries

R.E. Agenda and Staff Summaries - Page 47

4. COMMITTEE ON NYCT & BUS

Procurements

NYCT July Procurement Staff Summary and Resolution - Page 92

i. Non-Competitive

NYCT, MTA Bus Non-Competitive Actions - Page 96

ii. Competitive

NYCT, MTACC Competitive Actions - Page 101

iii. Ratifications

NYCT, MTACC Ratifications - Page 118

5. COMMITTEE ON METRO-NORTH RAILROAD

Procurements

MNR Procurements - Page 125

i. Non-Competitive

Non Competitive - Page 129

ii. Competitive

Competitive - Page 131

iii. Ratifications (no items)

6. COMMITTEE ON LONG ISLAND RAIL ROAD

Action Items

i. LIRR Fare Policy Changes

Fare Policy Changes - Page 134

ii. MTACC Design Services for 415 Madison Avenue

Design Services for 415 Madison Avenue - Page 137

Procurements LIRR

LIRR Procurements - Page 139

i. Non-Competitive

LIRR Non-Competitive Procurements - Page 143

ii. Competitive (no items)

iii. Ratifications (no items)

Procurements MTACC

MTA CC Procurements - Page 145

i. Non-Competitive (no items)

ii. Competitive

MTA CC Competitive Procurements - Page 148

iii. Ratifications

MTA CC Ratifications - Page 150

7. COMMITTEE ON MTA BRIDGES & TUNNELS OPERATIONS

Procurements

BT Procurements - July 2015 - Page 152

i. Non-Competitive (no items)

ii. Competitive

BT Competitive - July 2015 - Page 155

iii. Ratifications (no items)

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

**9. CFO PRESENTATION TO A JOINT SESSION OF THE BOARD & FINANCE COMMITTEE
(Separate Distribution)**

2015 Mid-Year Forecast

2016 Preliminary Budget

July Financial Plan 2016-2019

Associated Action Items

10. EXECUTIVE SESSION

Date of next MTA Board meeting: Thursday, September 24, 2015

**Metropolitan Transportation Authority
Minutes of
Regular Board Meeting
2 Broadway
New York, NY 10004**

**Wednesday, June 24, 2015
10:00 a.m.**

The following members were present:

**Hon. Thomas F. Prendergast, Chairman & CEO
Hon. Fernando Ferrer, Vice Chairman
Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. Allen P. Cappelli
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
Hon. Neal Zuckerman**

The following members were absent:

**Hon. John H. Banks, III
Hon. Jeffrey A. Kay
Hon. Andrew M. Saul
Hon. Vincent Tessitore**

Donna Evans, Chief of Staff, Jerome F. Page, General Counsel, Stephen J. Morello, Counselor to the Chairman, Board Member Andrew Albert, Board Member Norman Brown, Board Member Ira Greenberg, Carmen Bianco, President, NYCTA, Patrick Nowakowski, President, Long Island Rail Road, Catherine Rinaldi, Executive Vice President, Metro-North Railroad, James Ferrara, President, TBTA, Darryl Irick, SVP, NYCT DoB/President, MTA Bus Company, 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 five (5) public speakers. The speakers listed below spoke on items relevant to 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 the names of other speakers and for the content of speakers' statements.

Maria Rios, Classico Building Maintenance
Ed Frank, CFRAH
Charlotte Hitcock, Global Integrated Supply
Gene Russianoff, Straphangers Campaign

2. **CHAIRMAN'S REMARKS.**

Chairman Prendergast provided an update on the status of the 2015 through 2019 Capital Program. The Chairman stated that, while it is unlikely that action will be taken with respect to the Capital Program in this Legislative Session, the leadership in Albany recognizes its critical importance to the City and State. Chairman Prendergast stated that he will continue a dialog with the leadership in Albany and he will keep the Board informed.

Chairman Prendergast announced that he would be traveling to Albany following the Board meeting to meet with the Senate in connection with the confirmation of his new six year term as Chairman. The Chairman expressed thanks to the Board and staff for their support over the past two years and he said that he looks forward to working together with them in the coming years.

3. **MINUTES.** Upon motion duly made and seconded, the Board approved the minutes of the regular Board meeting held on May 20, 2015.

4. **COMMITTEE ON FINANCE.**

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

1. **Variable Rate Refunding Bonds.** Approved the issuance of the variable rate Transportation Revenue Refunding Bonds in connection with the refunding of certain refundable transportation revenue bonds; Series 2005A, 2005B, 2005F, 2006A, and 2006B (the "Target Refunded Bonds").
2. **Addition of Outside Counsel to Approved Torts/FELA Panel.** Approved the appointment of Crumbie Law Group to the MTA's outside counsel Torts/FELA panel.

3. 2015 Public Work Enforcement Fund (“PWEF”) Assessment. Authorized staff to remit the 2015 State assessment on behalf of the MTA and its constituent agencies for the PWEF, including the adjustment for the 2014 underpayment 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 material

1. B2GNow - Diversity Management Software – No. 15131-0100. Approved the award of a competitively negotiated miscellaneous procurement contract, riding NYS Contract No. CM00265, to purchase Diversity Management Software including implementation and technical support for MTAHQ’s Department of Diversity and Civil Rights, which includes licensing fees for the period of five years.
2. Mobile Fleet, Inc. and TCD Cellular Communications – Emergency Lighting, Graphics, Communication and Other Related Equipment for MTAPD Vehicles – Nos. 14390-0100 thru 0200. Approved competitively negotiated, miscellaneous procurement contracts for the supply, installation/removal and repair of emergency lighting, graphics, communication and other equipment on new and existing MTA Police Department vehicles and repair services of this equipment for a period of thirty-six (36) months from July 1, 2015 through June 30, 2018.
3. Various Contractors – All-Agency Temporary IT Consultant Services – No. 70816. Approved an amendment to a previously Board-approved, all-agency, competitively negotiated, personal services contract with thirty-eight (38) firms to provide a six-month time extension for all-agency Temporary Information Technology Consulting Services on an as-needed basis until a new competitive contract is issued and approved by the Board.

C. Real Estate Items. The Board approved the following real estate items. The specifics are set forth in the staff summaries and documentation filed with the meeting materials.

New York City Transit Authority

1. Surrender of the MaBSTOA 126th Street Bus Depot property, located at 2460 Second Avenue (Block 1803, Lot 1), to the City of New York pursuant to MaBSTOA Master Lease.
2. License agreement with New York City Department of Parks and Recreation for temporary access to install a mural on a New York City Transit wall adjacent to Umma Park located at 108 Woodruff Avenue, Brooklyn, N.Y.
3. Permit with John O’Connell to erect a temporary construction fence at the Spring Creek Bus Depot (Block 4566, Lot 45), Brooklyn, N.Y.

Metro-North Railroad

4. License agreement with Elrac, Inc., d/b/a Enterprise Rent-A-Car for the operation of car rental services at selected Metro-North Stations.
5. License agreement with Zipcar, Inc. for the operation of a car sharing services at selected Metro-North Stations.
6. Sublease and development restriction agreement with Chappaqua Station, LLC, an affiliate of Conifer Realty, LLC for use of property on Metro-North right-of-way adjoining private development site at 54 Hunts Lane (Section 100.11, Block 1, Lot 5), Chappaqua, Town of New Castle, N.Y.
7. License agreement with Harlem Valley Investing Co., Inc. for use of property on Metro-North's Harlem Line adjacent to 9 Hunts Lane in Chappaqua, Town of New Castel, N.Y.

Long Island Rail Road

8. Lease agreement with Osher Produce Inc. for vacant property adjacent to LIRR's Main Line, west of 63rd Drive, Rego Park, Queens, N.Y.

MTA Capital Construction

9. Lease modification and extension with ARC NY333W@3401, LLC (American Realty Capital, principal), successor-in-interest to 333 West 34th Street LLC (SL Green, principal) for MTACC extended occupancy at 333 West 34th Street, New York, N.Y.

Manhattan and Bronx Surface Transit Operating Authority

10. Lease amendment and adjustment with Royal Charter Properties, Inc. for swing room for bus operators and dispatchers at 53 Audubon Avenue, New York, N.Y.
11. Lease rent adjustment with 16 Westchester LLC for swing room for bus operators and dispatchers located at 16 Westchester Square, Bronx, N.Y.

MTA NYCTA, MaBSTOA and MTA Bus Company

- 12 Modification of a month-to-month license compensation policy for NYCTA, MaBSTOA and MTA Bus Company for purposes of providing no-exclusive restroom facilities use for bus operators and dispatchers.

5. **EXECUTIVE SESSION.** Upon motion duly made and seconded, the Board voted to convene an executive session in accordance with Section 105(1)(d) and Section 105(1)(e) to discuss matters relating to proposed, pending or current litigation and matters relating to collective bargaining, respectively, pursuant to the New York State Public Officers Law.

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

- (i) A new Collective Bargaining Agreement between Metro-North Railroad and the International Brotherhood of Teamsters, Local 808;
- (ii) Addition of the law firm of Figman & Epstein LLP to the MTA's outside counsel panel; and
- (iii) Addition of the law firm of Ruskin Moscou Faltischek P.C. to the approved MTA outside counsel panel.

6. **ADJOURNMENT.** Upon motion duly made and seconded, the Board voted to adjourn the meeting at 10:40 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**

**2 Broadway
New York, NY 10004**

**Wednesday, June 24, 2015
10:00 a.m.**

The following members were present:

**Hon. Thomas F. Prendergast, Chairman & CEO
Hon. Fernando Ferrer, Vice Chairman
Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. Allen P. Cappelli
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
Hon. Neal Zuckerman**

The following members were absent:

**Hon. John H. Banks, III
Hon. Jeffrey A. Kay
Hon. Andrew M. Saul
Hon. Vincent Tessitore**

Donna Evans, Chief of Staff, Jerome F. Page, General Counsel, Stephen J. Morello, Counselor to the Chairman, Board Member Andrew Albert, Board Member Norman Brown, Board Member Ira Greenberg, Carmen Bianco, President, NYCTA, Patrick Nowakowski, President, Long Island Rail Road, Catherine Rinaldi, Executive Vice President, Metro-North Railroad, James Ferrara, President, TBTA, Darryl Irick, SVP, NYCT DoB/President, MTA Bus Company, and Michael Horodniceanu, President, MTA Capital Construction, also attended the meeting.

1. CHAIRMAN PRENDERGAST CALLED THE MEETING TO ORDER

2. PUBLIC COMMENT PERIOD

Four (4) public speakers addressed MTA NYC Transit/MTA Bus issues:

Kevin Harrington, TWU, spoke about a disciplinary matter concerning a NYC Transit employee.

Maria Rios, President, Classico Building Maintenance, discussed her positive experience with the MTA's Small Business Mentoring Program.

Charlotte Hitchcock, Global Integrated Supply, spoke about the work she was awarded from the MTA through the MTA's Small Business Mentoring Program.

Gene Russianoff, Straphangers Campaign, discussed the need for a fully funded Capital Plan.

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/Staten Island Rapid Transit Operating Authority/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 Rapid Transit Operating Authority, and MTA Bus Company held on May 27, 2015.

5. COMMITTEE ON FINANCE

Real Estate Item:

MTA NYC Transit: Upon motion duly made and seconded, the Board authorized: (i) the surrender of a lease of the MaBSTOA 126th Street Depot Property to the City of New York pursuant to the MaBSTOA Master Lease; (ii) a permit to allow the New York City Department of Parks and Recreation temporary access to install a mural on a New York City Transit wall adjacent to Umma Park, Brooklyn, NY; and (iii) a permit with John O'Connell for a temporary construction fence at the Spring Creek Bus Depot, Brooklyn, New York.

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

Action Item:

Access & Work Agreement for 1066 Third Avenue (Block 1398, Lot 345): Upon motion duly made and seconded, the Board authorized an agreement with 63/64th Street Associates, L.P. ("Landlord") and A&P Real Property ("Tenant") for a not-to-exceed amount of \$71,000.

The details of the Board members' comments and questions with respect thereto are included in the video recording of the meeting produced by the MTA and maintained in MTA records.

Procurements:

Competitive Procurements: Upon motion duly made and seconded, the Board approved the competitive procurements requiring a majority vote (Schedules F, G H, I and L in the Agenda). Details of the above items are set forth in staff summaries, copies of which are on file with the records of the meeting of the Board of MTA NYC Transit /Staten Island Rapid Transit Operating Authority /MTA Bus Company.

Ratifications: Upon motion duly made and seconded, the Board approved the ratifications requiring a two-thirds vote (Schedule D in the Agenda) majority vote (Schedule K in the Agenda). Details of the above items are set forth in staff summaries, copies of which are on file with the records of the meeting of the Board of MTA NYC Transit /Staten Island Rapid Transit Operating Authority/MTA Bus Company.

7. EXECUTIVE SESSION

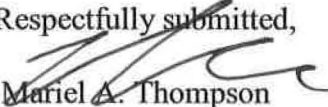
Upon motion duly made and seconded, the Board voted to convene an executive session in accordance with Section 105(1)(d) and (e) of the New York State Public Officers Law to discuss matters relating to proposed, pending or current litigation and collective bargaining negotiations.

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 10:45 a.m.

Respectfully submitted,


Mariel A. Thompson
Assistant Secretary

Minutes of the Regular Meeting
Metro-North Commuter Railroad Company
2 Broadway – 20th Floor
New York, NY 10004

Wednesday, June 24, 2015
10:00 a.m.

The following members were present:

Hon. Thomas F. Prendergast, Chairman & CEO
Hon. Fernando Ferrer, Vice Chairman
Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. Allen P. Cappelli
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
Hon. Neal Zuckerman

The following members were absent:

Hon. John H. Banks, III
Hon. Jeffrey A. Kay
Hon. Andrew M. Saul
Hon. Vincent Tessitore

Board Member Andrew Albert, Board Member Norman Brown, Board Member Ira Greenberg also attended the meeting. Catherine Rinaldi, Executive Vice President, Metro-North Railroad attended the meeting on behalf of Metro-North President Joseph J. Giulietti. Other agency presidents, including Carmen Bianco, President, NYCTA, Patrick Nowakowski, President, Long Island Rail Road, James Ferrara, President, TBTA, Darryl Irick, SVP, NYCT DoB/President, MTA Bus Company, and Michael Horodniceanu, President, MTA Capital Construction, also attended the meeting, as did James B. Henly, Metro-North General Counsel, Donna Evans, MTA Chief of Staff, Jerome F. Page, MTA General Counsel, and Stephen J. Morello, Counselor to the Chairman.

Chairman Prendergast called the meeting to order.

1. Public Speakers:

There were five public speakers. The speaker listed below spoke on items relevant to Metro-North matters. Refer to the video recording of the meeting produced by the MTA and maintained in MTA records for the speakers' comments, and to the other agencies' minutes of this date, for the names of other public speakers.

Ed Frank, Chappaqua Responsible Housing

2. Chairman's Opening Remarks:

Chairman Prendergast provided an update on the status of the 2015 through 2019 Capital Program. The Chairman stated that, while it is unlikely that action will be taken with respect to the Capital Program in this Legislative Session, the leadership in Albany recognizes its critical importance to the City and State. Chairman Prendergast stated that he will continue a dialog with the leadership in Albany and he will keep the Board informed.

Chairman Prendergast announced that he would be traveling to Albany following the Board meeting to meet with the Senate in connection with the confirmation of his new six year term as Chairman. The Chairman expressed thanks to the Board and staff for their support over the past two years and he said that he looks forward to working together with them in the coming years.

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 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 20, 2015 were approved.

4. Committee on Finance:

Action Items:

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

- Addition of Outside Counsel to Approved Torts/FELA Panel.
- 2015 State PWEF Assessment.

Procurements:

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

- Approval of an amendment to a previously Board-approved, all-agency, competitively negotiated, personal services contract with thirty-eight retainer firms to provide all-agency temporary IT consultant services on an as needed basis.

Real Estate Items:

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

- License with Elrac, Inc., d/b/a Enterprise Rent-A-Car for the operation of car rental services at selected Metro-North Stations.
- License with Zipcar, Inc. for the operation of car sharing services at selected Metro-North Stations.
- Sublease and development restriction agreement with Chappaqua Station LLC, for use of property on Metro-North's Harlem Line adjacent to 54 Hunts Place in Chappaqua, Town of New Castle, New York.
- License agreement with Harlem Valley Investing Co., Inc. for use of property on Metro-North's Harlem Line adjacent to 9 Hunts Place in Chappaqua, Town of New Castle, New York.

The details of the above items are contained in the minutes of the MTA Board meeting held this day, staff summaries and reports filed with those minutes and in the video recording of the meeting, produced by the MTA and maintained in MTA records.

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

Metro-North Railroad Procurements:

Upon motion duly made and seconded, the Board approved the following non-competitive procurements recommended to it by the Committee on Metro-North Railroad Operations at its joint meeting with the members of the Long Island Rail Road Committee:

- Approval to award a non-competitive, one-time, miscellaneous service contract with Kato Engineering, Inc., the Original Equipment Manufacturer for the repair and return of a BL20 locomotive alternator. Kato Engineering, Inc. is the sole authorized maintainer of the alternator.
- Approval of a three-year, miscellaneous service agreement with the New York State Industries for the Disabled to provide comprehensive janitorial services at each of the following Metro-North facilities and stations: Beacon, Croton-Harmon (Buildings 1 and 33), Poughkeepsie, North White Plains, Mott Haven and Campbell Hall facilities and Yankees E. 153rd Street Station.

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 award a five year competitively solicited and negotiated, miscellaneous service contract (RFQ process, one bid received) to provide preventative maintenance services and repair/replacement parts for compressors located in Grand Central Terminal.
- On behalf of Metro-North and Long Island Rail Road, approval to award a three-year competitively solicited, miscellaneous service contract (RFQ process, one bid received) to Loram Maintenance of Way, Inc. to provide self-propelled rail grinding machine services (equipment and personnel) at various points along each Railroad's track.

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.

6. Executive Session:

The Board, upon motion duly made and seconded, voted to convene in Executive Session pursuant to Section 105(1)(d) of the New York State Public Officers Law to discuss potential litigation and 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 collective bargaining agreement that relates to Metro-North:

(1) International Brotherhood of Teamsters, Local 808 covering approximately 650 employees for the period July 16, 2010, through June 30, 2017.

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 10:45 a.m.

Respectfully submitted,



Linda Montanino
Assistant Secretary

Minutes of the Regular Meeting
Long Island Rail Road Company
2 Broadway – 20th Floor
Wednesday, June 24, 2015
10:00 a.m.

The following members were present:

Hon. Thomas F. Prendergast, Chairman & CEO
Hon. Fernando Ferrer, Vice Chairman
Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. Allen P. Cappelli
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
Hon. Neal Zuckerman

The following members were absent:

Hon. John H. Banks, III
Hon. Jeffrey A. Kay
Hon. Andrew M. Saul
Hon. Vincent Tessitore

Donna Evans, Chief of Staff, Jerome F. Page, General Counsel, Stephen J. Morello, Counselor to the Chairman, Board Member Andrew Albert, Board Member Norman Brown, Board Member Ira Greenberg, Carmen Bianco, President, NYCTA, Patrick Nowakowski, President, Long Island Rail Road, Catherine Rinaldi, Executive Vice President, Metro-North Railroad, James Ferrara, President, TBTA, Darryl Irick, SVP, NYCT DoB/President, MTA Bus Company, and Michael Horodniceanu, President, MTA Capital Construction, also attended the meeting.

Chairman Prendergast called the meeting to order.

1. **Public Speakers:**

There were five (5) public speakers. Charlotte Hitcock, of Global Integrated Supply, spoke concerning the subcontracting opportunity provided to her firm, a Disadvantaged Business Enterprise, under the LIRR/Metro-North Positive Train Control contract.

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 Remarks:

Chairman Prendergast provided an update concerning the MTA's 2015-2019 Capital Program. He noted the Legislators' and Governor Cuomo's recognition of the critical importance of the Capital Program. While bills have been introduced in both legislative houses, the Chairman stated that it is unlikely that a consensus on how to fund the Capital Program will be reached before the end of the session. MTA will continue to work with its state, city, federal and third-party funding sources to fund critical infrastructure improvements. The Chairman noted the increasing urgency of this matter, and that certain East Side Access and other critical contracts cannot be awarded without funding in place.

The Chairman announced that he would be travelling to Albany to meet with the Senate in connection with his confirmation for a full six-year term as Chairman. Chairman Prendergast thanked those who have worked with him in his current role and will do so in the future on transportation issues.

3. Approval of Minutes:

Upon motion duly made and seconded, the minutes of the Regular Board Meeting of May 20, 2015 were approved.

4. Committee on Finance:

Action Items:

The following Action Items that relate to LIRR were approved by the Board:

- Approval to issue variable rate Transportation Revenue Refunding Bonds in connection with the refunding of certain refundable transportation revenue bonds; Series 2005A, 2005B, 2005F, 2006A, and 2006B (the "Target Refunded Bonds").
- Authorization of actions relating to the payment of the State assessment on the MTA and its constituent agencies for the Public Work Enforcement Fund for calendar year 2015.

Procurements:

The following procurements that relate to LIRR were approved:

- Approval to award a Miscellaneous Procurement Contract to B2G Now riding New York State Contract No. CM00265 to purchase Diversity Management

Software including implementation and technical support for MTAHQ's Department of Diversity and Civil Rights, which includes licensing fees for a period of five years in a not-to-exceed amount of \$435,966.

- Approval to amend all-agency competitively negotiated, personal services contracts with thirty-eight (38) retainer firms to provide All-Agency Temporary Information Technology Consulting Services on an as-needed basis, including a six-month time extension and an additional \$13,600,000 in funding.

Real Estate Item:

The following real estate item that relates to LIRR was approved:

- Approval of a Lease with Osher Produce Inc. ("Osher") for approximately 1,400 square feet of vacant land on the south side of LIRR's Main Line, west of 63rd Drive, in Rego Park, Queens, New York, for 10 years, with one 10-year option, terminable by LIRR on 60 days' notice.

The details of the above items are contained in the minutes of the MTA Board meeting held this day and in staff summaries and reports filed with those minutes and in the video recording of the meeting, produced by the MTA and maintained in MTA records.

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

Procurements:

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

- Harris Corporation – Approval for LIRR, on behalf of Metropolitan Transportation Authority Police Department ("MTAPD"), to award a contract to Harris Corporation in the not-to-exceed amount of \$70,688,209 to implement a Design-Build Contract for the Upgrade of the MTAPD Radio System.

MTA Capital Construction Procurements:

With respect to MTA Capital Construction, upon motion duly made and seconded, the Board approved the following procurement items:

- Modification to extend Contract 98-0040-01R through December 2015 and to increase the contract amount to continue services during the extended period in the amount of \$27,000,000.00.

- Modification to extend Contract PS819 through December 2015 and to increase the contract amount to continue services during the extended period in the amount of \$9,059,917.00.
- Modification to Contract 98-0040-01R to increase the contract amount allocated to Construction Phase Services in the amount \$11,880,000.00 to provide for Construction Phase Services through December 2015.

The details of the above items are contained in the staff summaries filed with the records of this meeting and in the video recording of the meeting, produced by the MTA and maintained in MTA records.

6. Committee on New York City Transit & Bus:

Upon motion duly made and seconded, the Board approved the following New York City Transit procurement item that relates to LIRR:

- Approval to exercise an option on a contract with Affinity Specialty Apparel, Inc., for the supply and delivery of uniform garments to NYC Transit, MTA Bus Company and LIRR that will extend the contract term for three years, from July 16, 2015 through July 15, 2018.

The details of the above item are contained in a staff summary filed with the records of this meeting and in the video recording of the meeting, produced by the MTA and maintained in MTA records.

7. Committee on Metro-North Railroad:

Upon motion duly made and seconded, the Board approved the following Metro-North procurement item that relates to LIRR:

- On behalf of Metro-North and Long Island Rail Road, approval to award a three-year competitively solicited, miscellaneous service contract (RFQ process, one bid received) to Loram Maintenance of Way, Inc. to provide self-propelled rail grinding machine services (equipment and personnel) at various points along each Railroad's track.

The details of the above item are contained in the staff summary filed with the records of this meeting and in the video recording of the meeting, produced by the MTA and maintained in MTA records.

8. **Committee on Bridges & Tunnels:**

Upon motion duly made and seconded, the Board approved the following MTA Bridges & Tunnels procurement item that relates to LIRR:

- Approval to declare competitive bidding to be impractical and/or inappropriate and authorize B&T, NYCT, LIRR, and MTACC to enter into a competitive Request for Proposal (RFP) process for a joint solicitation to obtain Miscellaneous Construction Services on an As-Needed Basis at Various Authority Facilities. The budget for these as yet undefined projects includes \$10,000,000 for LIRR. The duration of these contracts will be three years, with two one-year options.

The details of the above item are contained in the staff summary filed with the records of this meeting and in the video recording of the meeting, produced by the MTA and maintained in MTA records.

9. **Executive Session:**

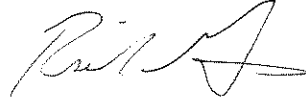
The Board, upon motion duly made and seconded, voted to convene into Executive Session pursuant to Sections 105(1)(d) and (e) of the New York State Public Officers Law to discuss matters relating to pending litigation and collective negotiations. Upon motion duly made and seconded, the Board voted to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

Upon motion duly made and seconded, the Board voted to reconvene in public session.

10. **Adjournment:**

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 10:45 a.m.

Respectfully submitted,



Richard Gans
Secretary

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

BOARD MINUTES

June 24, 2015

Minutes of the Regular Meeting
Triborough Bridge and Tunnel Authority
June 24, 2015

Meeting Held at
2 Broadway, 20th Floor
New York, New York 10004

10:00 a.m.

The following members were present:

Hon. Thomas F. Prendergast, Chairman & CEO
Hon. Fernando Ferrer, Vice Chairman
Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. Allen P. Cappelli
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
Hon. Neal Zuckerman

The following members were absent:

Hon. John H. Banks, III
Hon. Jeffrey A. Kay
Hon. Andrew M. Saul
Hon. Vincent Tessitore

Donna Evans, Chief of Staff, Jerome F. Page, General Counsel, Stephen J. Morello, Counselor to the Chairman, Board Member Andrew Albert, Board Member Norman Brown, Board Member Ira Greenberg, Carmen Bianco, President, New York City Transit, Patrick Nowakowski, President, Long Island Rail Road, Catherine Rinaldi, Executive Vice President, Metro-North Railroad, James Ferrara, President, Triborough Bridge and Tunnel Authority, Darryl Irick, Senior Vice President, New York City Transit Department of Buses/President, MTA Bus Company 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.

1. Public Speakers

There were five (5) public speakers. Maria Rios, owner of Classico Building Maintenance, a Minority and Women Owned Business Enterprise (MWBE), spoke about her experience in the mentorship program and that her business performed cleaning services at the Henry Hudson Bridge for the Triborough Bridge and Tunnel Authority.

Refer to the video recording of the meeting produced by the Metropolitan Transportation Authority 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 discussed funding for the 2015 through 2019 Capital Program. He stated that, while it is unlikely that action will be taken with respect to the Capital Program in this Legislative Session, the leadership in Albany recognizes its critical importance to the City and State. Chairman and CEO Prendergast announced that after the meeting he would be leaving for Albany to meet with the Senate in connection with the confirmation of his new six year term as Chairman. He expressed his thanks to those he has worked with over the past two years and looks forward to working with them on transportation issues in the years to come. With regard to adequately funding the Capital Program, Commissioner Moerdler commented that it is not only the responsibility of the State but of the City and the surrounding Counties as well to fund the Capital Program. Chairman and CEO Prendergast responded that the State, City, Federal Government and those who benefit directly and indirectly need to engage in dialogue about the Capital Program.

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 20, 2015

Upon a motion duly made and seconded, the minutes of the Regular Board Meeting held on May 20, 2015 were approved.

4. Committee on Finance

Upon a motion duly made and seconded, the Board approved the following recommended to it by the Committee on Finance that pertained to the Triborough Bridge and Tunnel Authority:

(a) Action Items:

- Authorizes the issuance of variable rate Transportation Revenue Refunding Bonds in connection with the refunding of certain refundable transportation revenue bonds; and
- Approves the addition of the Crumbie Law Group to MTA's existing panel of approved outside counsel for tort and FELA matters.

Copies of the staff summaries, resolutions and documents setting forth the details of the above item and the other items discussed 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

Action Item

Commissioner Cappelli stated that the action item to be considered and approved is a Memorandum of Agreement between MTA Bridges and Tunnels and The Port Authority of New York and New Jersey and the New York State Thruway Authority to establish a bank account for the deposit of consolidated All Electronic Tolling.

Upon a motion duly made and seconded, the Board approved the action item recommended to it by the Committee for MTA Bridges and Tunnels Operations.

Procurements

Commissioner Cappelli stated that there are five (5) procurements totaling \$3.88 million.

Non-Competitive Procurements

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

Competitive Procurements

Commissioner Cappelli stated that there are five (5) competitive procurements totaling \$3.88 million.

Upon a motion duly made and seconded, the Board approved the procurements recommended to it by the Committee for MTA Bridges and Tunnels Operations.

Request to Use RFP for Procurement of Purchase & Public Works in lieu of Sealed Bid

Contractors to be Determined	Contract Nos. GFM-516 (B&T), C-31711 (NYCT), 6194 (LIRR), MC-852 (MTACC) Request that the Board declare competitive bidding to be impractical and/or inappropriate and authorize B&T, NYCT, LIRR and MTACC to enter into a competitive Request for Proposal (RFP) process for a joint solicitation to obtain Miscellaneous Construction Services on an As-Needed Basis at Various Authority Facilities. The budget for these as yet undefined projects is \$95,000,000 for B&T, \$50,000,000 for NYCT, \$10,000,000 for LIRR and \$40,000,000 for MTACC. The duration of these contracts will be three years, with two one-year options.	Cost to be Determined
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Personal Service Contracts

LiRo Engineers, Inc.	Contract No. PSC-14-2964 Perform environmental analysis and management services on an as-needed basis at various Authority facilities.	\$650,000.00
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Miscellaneous Service Contracts

J.G. Electrical Testing Corporation	Contract No. 14-MNT-2931 On March 17, 2015 B&T issued a solicitation for the required service to provide maintenance, testing, repair and inspection of low and medium voltage electrical distribution equipment located at various Authority facilities. Due to the specialized training and equipment necessary to perform the work, the	\$1,473,865.00
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Authority does not possess the expertise to perform the services in-house. The service requirements were publicly advertised, the solicitation notice was sent to 322 firms and six firms requested copies of the solicitation. On May 8, 2015 four bids were submitted and are ranked as follows:

<u>Bidders</u>	<u>Bid Amount</u>
J.G. Electrical Testing Corporation (JGE)	\$1,473,865
Longo Electrical-Mechanical, Inc.	\$1,558,240
Elemco Services, Inc.	\$1,852,338
Yonkers Electric Contracting Corp.	\$2,006,785

The scope of services of this five year prospective contract has not changed compared with the current three year contract. After evaluation of the bids, JGE was deemed the lowest responsive, responsible bidder. The low bid submitted by JGE is \$99,648 or 7.3% above the cost estimate of \$1,374,217. The primary difference between the estimate and the low bid is attributed to higher overhead rates than anticipated in the estimate. Based on competition, the price is considered fair and reasonable. The MTA Department of Diversity and Civil Rights has established goals of 10% MBE and 10% WBE for this contract.

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

Jacobs Civil Consultants, Inc.	Contract No. PSC-06-2809B Add funding for additional work needed to design and coordinate the installation of travel time variable message signs on approaching highways to B&T facilities.	\$459,239.00
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Modifications to Purchase & Public Works Contracts

ARC Electrical and Mechanical Contractors Corporation	Contract No. QM-30 Perform additional work associated with the relocation of the main tunnel ventilation control system fiber optic cable at the Queens Midtown Tunnel.	\$1,300,000.00
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Ratifications

Commissioner Cappelli stated that there are no ratifications.

Commissioner Cappelli announced that this is his last report and meeting as a member of the Board. He thanked former Governor David Paterson for his appointment to the Board seven years ago. He stated that his Board membership was a wonderful experience and he hopes to continue his advocacy for the riding public. Chairman and CEO Prendergast thanked Commissioner Cappelli for his input, ability to help the Board make informed decisions and for his service to the Board.

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)(d) to discuss matters relating to proposed, pending or current litigation and 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 10:45 a.m.

Respectfully submitted,



Julia R. Christ
Acting Assistant Secretary

Regular Board Meeting
MTA Capital Construction Company
2 Broadway
New York, NY 10004
Wednesday, June 24, 2015
10:00 AM

The following members were present:

Hon. Thomas F. Prendergast, Chairman & CEO
Hon. Fernando Ferrer, Vice Chairman
Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. Allen P. Cappelli
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
Hon. Neal Zuckerman

The following members were absent:

Hon. John H. Banks, III
Hon. Jeffrey A. Kay
Hon. Andrew M. Saul

Board Member Andrew Albert, Board Member Norman Brown, Board Member Ira Greenberg and Michael Horodniceanu, President, MTA Capital Construction Company also attended the meeting as did various other agency presidents and staff including Carmen Bianco, President, NYCTA, Patrick Nowakowski, President, Long Island Rail Road, Catherine Rinaldi, Executive Vice President, Metro-North Railroad, James Ferrara, President, TBTA, Darryl Irick, SVP, NYCT DoB/President, MTA Bus Company, Donna Evans, Chief of Staff, Jerome F. Page, General Counsel, Stephen J. Morello, Counselor to the Chairman, MTA, Evan M. Eisland, Sr. Vice President and General Counsel, MTA Capital Construction Company and David K. Cannon, Sr. Director & Chief Procurement Officer, MTA Capital Construction Company.

The Board of the Metropolitan Transportation Authority 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 Prendergast called the meeting to order.

Public Comment Period

There were five public speakers, none of whom spoke on MTA Capital Construction Company matters. The names of the speakers and the subject matter of their comments are filed with the minutes of the Regular Meeting of the Board of the Metropolitan Transportation Authority held on June 24, 2015.

Chairman's Remarks

The Chairman's remarks are fully noted in the minutes of the Regular Meeting of the Board of the Metropolitan Transportation Authority held on June 24, 2015.

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 and the MTA Capital Construction Company held on May 20, 2015.

Committee on Finance

Real Estate

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

A Lease modification with ARC NYW@3401, LLC (American Reality Capital, principal), and successor to 333 West 34th St. LLC (SL Green, principal) for MTACC extended occupancy at 333 West 34th St., NY, NY.

Committee on New York City Transit & Bus

Upon motion duly made and seconded, the Board ratified the following Procurement item:

A modification to the No. 7 Line Extension Project's Furnishing and Installation of Finishes and Systems contract (C-26505) in the amount of \$998,500 to address changes required ensuring adequate ventilation in certain communication rooms during a power outage.

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 24, 2015.

Committee on Long Island Rail Road

Procurement

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

1. A modification to the Program Management Consultant contract (98-0001-01) in the amount of \$27,000,000 to extend the Contract through December 2015 and to increase the Contract amount sufficient to continue services during this extended period.
2. A modification to the East Side Access Project's Consultant Construction Management contract (PS819) to extend the Contract through December 2015 and to increase the Contract amount sufficient to continue services during this extended period.
3. A modification to the East Side Access Project's General Engineering Consultant contract (98-0040-01R) to increase the Contract amount allocated to Construction Phase Services (CPS) to allow the Consultant to continue to provide CPS through December 2015.

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 24, 2015.

Committee on Bridges and Tunnels

Procurement

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

A resolution declaring competitive bidding to be impractical and/or inappropriate and authorizing Bridges and Tunnels, New York City Transit, Long Island Rail Road and MTA Capital Construction to enter into a competitive Request for Proposal process for a joint solicitation to obtain Miscellaneous Construction Services on an As-Needed Basis.

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 24, 2015.

Executive Section

Upon motion duly made and seconded, the Board voted to convene into Executive Session pursuant to Sections 105(1)(d) and (e) of the New York State Public Officers Law to discuss matters relating to proposed or pending litigation and 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 10:45 a.m.

Respectfully submitted,




David K. Cannon
Assistant Secretary

Staff Summary

Subject Approval of Remarketing Agent
Department Finance
Department Head Name Bob Foran, Chief Financial Officer
Division Head Signature 
Project Manager Name Patrick McCoy, Director of Finance 

Date July 22, 2015
Vendor Name BMO Capital Markets
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	7/20	X		
2	Board	7/22	X		

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

PURPOSE:

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

BACKGROUND AND DISCUSSION:

In March, 2015, a request for proposals for letters of credit ("LOC") and standby purchase agreements was issued to solicit pricing and capacity for existing and new variable rate demand bonds under the Transportation Revenue Bond Resolution, the TBTA General and Subordinate Resolutions, and the Dedicated Tax Fund resolution.

BMO Capital Markets, a division of the BMO Financial Group submitted the low cost proposal to replace two existing banks that provide letters of credit which will expire on two subseries of Transportation Revenue Bonds, the Series 2005E-1 and the 2005E-3 Bonds. In the discussions regarding the proposal, BMO Capital Markets has indicated its willingness and desire to serve as a remarketing agent for one or both series of Bonds. BMO Capital Markets currently serves as a remarketing agent for a nationwide variable rate demand bond portfolio of approximately \$1.8 billion.

MTA Finance Staff and representatives of PFM, the Authority's Financial Advisor evaluated remarketing capabilities of BMO Capital Markets. MTA Finance Staff recommend the appointment of BMO Capital Markets as an eligible Remarketing Agent. Such appointment facilitates aggressive marketing of the bonds to the benefit of both the issuer and the bank. The existing facilities expire in early-October and approval is being sought to advance a remarketing of the existing bonds in late August.

BMO Capital Markets is not currently on the list of the variable rate remarketing agents and dealers, which was approved by the Board in September, 2013. Therefore, Board approval is required prior to the appointment of BMO Capital Markets as a remarketing agent on the bonds for which the bank proposed to provide liquidity as well as on any other future assignment as remarketing agent or dealer on MTA or TBTA bonds.

RECOMMENDATION:

It is recommended that the Board approve the appointment of BMO Capital Markets as an eligible remarketing agent.

Staff Summary



Metropolitan Transportation Authority

Page 1 of 1

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 13, 2015
Vendor Name Various
Contract Number Various
Contract Manager Name Various
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance	7/20/2015	X		
2	Board	7/22/2015	X		

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:

Schedules Requiring Majority Vote

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

MTAHQ proposes to award Competitive procurements in the following categories:

Schedules Requiring Majority Vote

Schedule F: Personal Service Contracts

Schedule G: Miscellaneous Service Contracts

4	\$ 84,244,733.00
1	\$ 17,815,368.00
SUBTOTAL	5 \$102,060,101.00

MTAHQ presents the following procurement actions for Ratification:

None None

TOTAL **5** **\$102,060,101.00**

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 2015
COMPETITIVE PROCUREMENTS

METROPOLITAN TRANSPORTATION AUTHORITY

Procurements Requiring Majority Vote:

F. Personal Service Contracts

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

- | | | |
|--|--|--------------------------------------|
| 1. Prudential Retirement Insurance and Annuity Co.
Third Party Recordkeeping/Trustee Services
Contract No. 13244-0100 | \$18,000,000
(not-to-exceed) | <u>Staff Summary Attached</u> |
|--|--|--------------------------------------|

Competitively negotiated – 5 proposals – 60 months

To recommend that the Board approve the award of a competitively negotiated, personal services contract to Prudential Retirement Insurance and Annuity Company (“Prudential”) to provide trustee/recordkeeping services for the MTA Deferred Compensation Program. The contract will be for a period of five (5) years, commencing on or about August 1, 2015 through July 31, 2020, for a total cost not to exceed \$18,000,000. The MTA Deferred Compensation Program began operation in 1985 and eligible employees can participate in one or both retirement plans under Sections 401(k) and 457 of the Internal Revenue Code. Prudential’s negotiated fee of 0.055% of total assets is less than the previous contract fee of 0.084% of total assets. In addition, Prudential, as part of its Third Party Administrator for recordkeeping services, is offering supplementary education services at no additional cost. It should be noted that there is substantially no direct cost to the MTA for the Deferred Compensation Plans, as administrative costs for the program are paid from the revenue generated by the fees paid by the participants. Participants pay a fee of .010% on the balance in their accounts up to a maximum of \$100 per year for both accounts.

- | | | |
|--|--------------|--------------------------------------|
| 2. All-Agency MWBE/SBC Discretionary
Firms for A&E Services
Contract No. 14073-0100 thru 5900 | \$TBD | <u>Staff Summary Attached</u> |
|--|--------------|--------------------------------------|

Competitively negotiated – 102 proposals – 36 months

To recommend that the Board approve the award of fifty-nine (59) competitively negotiated, all-agency personal services contracts for Minority/Women Business Enterprises (M/WBE)/Small Business Concerns (SBC) Discretionary Firms for Architects and Engineers (A&E) Services on an as-needed basis for a period of thirty-six (36) months from August 1, 2015 to July 31, 2018. Each contract will be award on a zero-dollar basis. Individual work assignments will be awarded through a mini-RFP competitive process, among some or all firms, and will not exceed \$200,000 pursuant to Section 2879(3)(b)(i) of the Public Authorities Law (the “Discretionary Procurement Law”). These architectural and engineering discretionary contracts are designed to provide professional opportunities for NYS certified M/WBE A&E firms who historically have been limited to working as sub consultants to work directly with the MTA as a prime contractor. As a result of negotiations, the fifty-nine (59) selected firms originally proposed rates ranging from \$40 to \$495 per hour. These hourly rates were negotiated down to a range of \$40 to \$312, representing reductions ranging from 0% to 58%, and will remain fixed for the three-year term of the contracts. There are no prior contracts for this service with which these rates can be compared. Based on the above, the negotiated hourly rates are deemed fair and reasonable.

METROPOLITAN TRANSPORTATION AUTHORITY
COMPETITIVE PROCUREMENTS

3. **All-Agency Life Insurance, Long Term Disability & Short Term Disability** **\$52,453,000** **Staff Summary Attached**
Contract Nos. 13245-0100 & 13245-0200
a. Metropolitan Life Insurance
b. CIGNA

Competitively negotiated – 5 proposals – 60 months

To recommend that the Board approve the award of two competitively negotiated, All-agency personal services contracts to: i) Cigna to provide Long Term Disability benefits and ii) Metropolitan Life Insurance Company (MetLife) to provide Short Term Disability Benefits and Life Insurance for non-represented employees and certain represented employees. The period of performance for both contracts is three years from August 1, 2015 through July 31, 2018, with two one-year options, exercised at MTA's sole discretion, for a total projected five year amount of \$36,474,000 for MetLife- Life Insurance, \$4,893,000 for MetLife Short Term Disability (STD) and \$11,086,000 for Cigna Long Term Disability (LTD) for a combined total amount of \$52,453,000. Currently, the MTA offers life insurance, short and long term disability benefit plans to approximately 60,000 non-represented employees and certain represented employees. There are approximately 14,000 retirees who participate in the life insurance plan. Coverage for life insurance also includes eligible dependents of active employees and retirees. MetLife's projected five-year cost of \$41,367,000 results in a cost savings of \$9,079,000 (i.e. \$7,896,000 for life insurance \$1,183,000 for Short Term Disability) or an 18% decrease compared to the current rates. Cigna's projected five-year cost of \$11,086,000 results in an estimated savings of \$1,272,000 or a 10% decrease compared to the current rates. Based on the negotiations, the combined total savings of \$10,351,000 and the total cost of \$52,453,000 for the five-year period is considered fair and reasonable.

4. **Deloitte & Touche, LLP** **\$13,791,733** **Staff Summary Attached**
Independent Auditor for the MTA and its Agencies (not-to-exceed)
Contract No. 15008-0100

Competitively negotiated –2 proposals –84 months

To recommend that the Board approve the award of a competitively negotiated, personal services contract to Deloitte & Touche, LLP (D&T) to serve as the Independent Auditor for MTA and its Agencies. The period of performance for this legally required contract will be one year with an option to renew annually for six additional one-year periods, at a total cost not to exceed \$13,791,733 for the seven-year period, from September 1, 2015 to August 31, 2022. At its June 24, 2015 meeting, the Audit Committee approved the selection of D&T for this contract award. The services to be performed by Deloitte & Touche will include, but not limited to, (i) preparation of MTA Consolidated Financial Statements & Management Letter reports; (ii) review of and report on the financial statements for all agencies – MTAHQ, NYC Transit, LIRR, MNR, B&T, SIRTOA, MTA Bus, and FMTAC); (iii) preparation of independent accountants' quarterly financial reports;) and other services as required by the MTA. The original cost proposed by Deloitte & Touche was \$1,930,000, for the first year, with an escalation of 2% each year for the six additional one-year options, for a total of \$14,348,167. As a result of negotiations, Year 1 cost was reduced by \$85,608 to \$1,844,392, which is comparable to the annual cost of \$1,844,400 under the current contract for these services. The annual audit fee of \$1,844,392, with the 2% escalation each year for six additional one-year options total to \$13,711,733 or a savings of \$636,434. Additionally, Deloitte proposed a one-time fee of \$80,000 related to the MTA's implementation of GASB 68, which MTA agreed to apply to the initial cost reduction of \$636,434, leaving a net cost savings of \$556,434 (3.88%). Based on the above, the total cost of \$13,791,733 (audit cost of \$13,711,733 plus one-time fee of \$80,000 for the GASB 68 implementation) is considered fair and reasonable.

METROPOLITAN TRANSPORTATION AUTHORITY
COMPETITIVE PROCUREMENTS

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)

- | | |
|---|---|
| 5. SourceOne, Inc.
Energy Management & Advanced
Metering Infrastructure Solution
Contract No. 15182-0100 | \$17,815,368
(estimated) <u>Staff Summary Attached</u> |
|---|---|

Competitively negotiated –5 proposals –60 months

To recommend that the Board approve the award an All-Agency five (5) year (3 year base period plus 2 one year options) miscellaneous service agreement to SourceOne Inc. (SourceOne) to furnish and deploy an MTA-wide Energy Management Solution (EMS), including Energy Management Software Platform (Phase I) and Advanced Metering Infrastructure (Phase II and III) over a five (5) year period at an estimated cost of \$17.815 million. This EMS will support the efficient and cost-effective management of energy use through data collection, reporting, monitoring and user engagement. Over the next five years, the estimated costs under this contract are \$2,401,668 for Phase I, \$6,973,700 for Phase II and \$8,440,000 for Phase III. In addition, once the Energy Management Software Platform is implemented, the annual savings from improved bill auditing are estimated at approximately 0.5% of overall utility spend or about \$3.2 million annually, resulting in an estimated payback period of approximately 5.5 years. Additional savings are expected from operational efficiencies resulting from better visibility into energy usage, but those savings are difficult to quantify with any level of certainty at this point.

Staff Summary

Schedule F: Personal Service Contracts

Item Number: Dept & Dept Head Name: MTA Deferred Compensation Committee/Margaret M. Connor Division & Division Head Name:						SUMMARY INFORMATION <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%; padding: 2px;"> Vendor Name: Prudential Retirement Insurance and Annuity Co. </td> <td style="width: 30%; padding: 2px;"> Contract Number: 13244-0100 </td> </tr> <tr> <td colspan="2" style="padding: 2px;"> Description: Third Party Recordkeeping/Trustee Services </td> </tr> <tr> <td colspan="2" style="padding: 2px;"> Total Amount: \$18,000,000 </td> </tr> <tr> <td colspan="2" style="padding: 2px;"> Contract Term (Including Options, if any) August 1, 2015 to July 31, 2020 </td> </tr> <tr> <td colspan="2" style="padding: 2px;"> Option(s) Included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td colspan="2" style="padding: 2px;"> Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </td> </tr> <tr> <td colspan="2" style="padding: 2px;"> Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive </td> </tr> <tr> <td colspan="2" style="padding: 2px;"> Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: </td> </tr> <tr> <td colspan="2" style="padding: 2px;"> Funding Source: <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input checked="" type="checkbox"/> Other: Program expenses are paid from participant fees. </td> </tr> </table>		Vendor Name: Prudential Retirement Insurance and Annuity Co.	Contract Number: 13244-0100	Description: Third Party Recordkeeping/Trustee Services		Total Amount: \$18,000,000		Contract Term (Including Options, if any) August 1, 2015 to July 31, 2020		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 type="checkbox"/> Capital <input type="checkbox"/> Federal <input checked="" type="checkbox"/> Other: Program expenses are paid from participant fees.	
Vendor Name: Prudential Retirement Insurance and Annuity Co.	Contract Number: 13244-0100																								
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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 type="checkbox"/> Capital <input type="checkbox"/> Federal <input checked="" type="checkbox"/> Other: Program expenses are paid from participant fees.																									
Board Reviews																									
Order	To	Date	Approval	Info	Other																				
1	Finance	7/20/2015	X																						
2	Board	7/22/2015	X																						
Internal Approvals																									
Order	Approval	Order	Approval																						
1	Procurement <i>[Signature]</i>	3	Diversity and Civil Rights <i>[Signature]</i>																						
2	Deferred Compensation <i>[Signature]</i>	4	Legal <i>[Signature]</i>																						
		5	CFO <i>[Signature]</i>																						

Narrative

I. PURPOSE/RECOMMENDATION

To recommend that the Board approve the award of a competitively negotiated, personal services contract, to Prudential Retirement Insurance and Annuity Company ("Prudential") to provide trustee/recordkeeping services for the MTA Deferred Compensation Program. The contract will be for a period of five (5) years, commencing on or about August 1, 2015 through July 31, 2020, for a total cost not to exceed \$18,000,000.

II. DISCUSSION

The MTA Deferred Compensation Program began operation in 1985 and eligible employees can participate in one or both retirement plans under Sections 401(k) and 457 of the Internal Revenue Code. By March 31, 2015, the total plan assets had grown to approximately \$4.7 billion, with approximately 46,611 active and retired participants in the 401(k) Plan and 36,943 active and retired participants in the 457 Plan.

In order to continue the MTA Deferred Compensation Program, and in accordance with New York State Law, which requires that a Request for Proposals ("RFP") be issued at the expiration of the current contract, a new RFP was publicly advertised and issued. Letters advising potential proposers of the RFP's availability were mailed to a combined list of 11 firms. The RFP requested separate proposals for two categories of services as follows: (i) trustee/recordkeeping services, and (ii) supplemental education services. The Deferred Compensation Committee retained the services of its Financial Advisor, Mercer Investment Consulting Inc., to assist in evaluating the technical aspect of the proposals.

Five (5) firms submitted proposals to provide some or all of the trustee, recordkeeping and supplemental education services. The Selection Committee, consisting of finance and human resources representatives, conducted oral presentations with all five third party administrative services proposers (i.e., Prudential, Fidelity, Voya, ICMA and Empower), and four supplemental education services proposers (i.e., Fidelity, Voya, ICMA and Empower). The Selection Committee subsequently made the following determinations: a) that the most appropriate course of action was to award a contract for the trustee/recordkeeping services, and b) that an award for the supplemental education services may be made at a later date. The Selection Committee found Prudential to be the most technically qualified and most cost-effective proposer to provide the trustee/recordkeeping services.

Prudential's negotiated fee of 0.055% of total assets is less than the previous contract fee of 0.084% of total assets. In addition, Prudential, as part of its Third Party Administrator for recordkeeping services, is offering supplementary education services at no additional cost. It should be noted that there is substantially no direct cost to the MTA for the Deferred Compensation Plans, as administrative costs for the program are paid from the revenue generated by the fees paid by the participants. Participants pay a fee of .010% on the balance in their accounts up to a maximum of \$100 per year for both accounts.

III. D/M/WBE INFORMATION

Based on the fiduciary responsibility the Third Party Administrator has with the MTA, the MTA Office of Diversity and Civil Rights has established 0% MBE and 0% WBE goals.

IV. IMPACT ON FUNDING

As provided for in the original authority by the MTA Board, there is substantially no direct cost to the MTA for this contract, because all appropriate administrative costs for the program are paid from the revenue generated by the fees paid by the participants.

V. ALTERNATIVES

Do not continue the Deferred Compensation Plans. This is not a recommended alternative because this program has been widely accepted by both non-represented and represented employees in providing additional retirement resources at substantially no direct administrative cost to the MTA or its agencies.

Staff Summary

Schedule F: Personal Service Contracts

Item Number:						SUMMARY INFORMATION	
Dept&Dept Head Name:						Vendor Name:	Contract Number:
Capital Construction/Construction Oversight						Various	14073-0100 thru 5900
Division & Division Head Name:						Description:	
Mike Wetherell/Craig Stewart						All Agency MWBE/SBC Discretionary Firms for A&E Svc.	
Board Reviews						Total Amount:	
Order	To	Date	Approval	Info	Other	Board approved budgets for MTAHQ and operating agencies	
1	Finance	7/20/2015	X			Contract Term (Including Options, If any)	
2	Board	7/22/2015	X			August 1, 2015 through July 31, 2018	
						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	
Internal Approvals						Procurement Type:	
Order	Approval	Order	Approval	<input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive			
1	Procurement	4	Diversity and Civil Rights	Solicitation Type:			
2	Construction Oversight	5	Legal	<input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:			
3	Capital Programs	6	CFO	Funding Source:			
						<input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

Narrative

I. PURPOSE/RECOMMENDATION

To recommend that the Board approve the award of below fifty-nine (59) competitively negotiated, all-agency personal services contracts for Minority/Women Business Enterprises (M/WBE)/Small Business Concerns (SBC) Discretionary Firms for Architects and Engineers (A&E) Services on an as-needed basis for a period of thirty-six (36) months from August 1, 2015 to July 31, 2018. Each contract will be award on a zero-dollar basis. Individual work assignments will be awarded through a mini-RFP competitive process, among some or all firms, and will not exceed \$200,000 pursuant to Section 2879(3)(b)(i) of the Public Authorities Law (the "Discretionary Procurement Law"). These retainer firms enhance MTA ability to increase contract awards to New York State certified M/WBE and SBC to meet the State of New York's goal for increasing M/WBE participation from 20% to 30%, as of April 1, 2015.

1. CSA Group NY Architects & Engineers, P.C.	13. Barbara Thayer, P.E., Arch., Landscape Architect, L.S., P.C.	25. A.G. Consulting Engineering, P.C.	37. Integrated Strategic Resources, LLC.	49. Longi Engineering, DPC
2. KSE Engineers, P.C.	14. Afridi Associates	26. Matrix New World Engineering, Inc.	38. Hirani Engineering & Land Surveying, PC	50. M&J Engineering PC
3. Sowinski Sullivan Architects, PC	15. Walts Architecture & Engineering, D.P.C.	27. Arora and Associates, P.C.	39. LCA Engineering LLC	51. LQM Consultants Engineering Services PLLC
4. IH Engineers, P.C.	16. KC Engineering and Land Surveying, P.C.	28. MP Engineers, P.C.	40. Gedeon Engineering PC	52. Toscano Clements Taylor, LLC
5. SI Engineering, P.C.	17. AI Engineers, Inc.	29. Ellana, Inc.	41. Gandhi Engineering, Inc.	53. Ysrael A. Seinuk, PC.
6. JCMS, Inc.	18. SJH Engineering, PC	30. Anil Verna Associates, PC	42. Popli Architecture + Engineering & L.S.D.P.C.	54. VJ Associates Inc. of Suffolk
7. Lakhani & Jordan Engineers, P.C.	19. PMA Consultants, Inc.	31. Jacob Feinberg Katz & Michaeli Consulting Group LLC	43. Core Environmental Consultants, Inc.	55. G2 Project Planning, Inc.
8. DHK Architects, Inc	20. Distinct Engineering Solutions, Inc. PC	32. Hinman Consulting Engineer, Inc. PC	44. SA Engineering LLC	56. Interactive Elements
9. Accu-Cost Construction Consultants, Inc.	21. Nalk Consulting Group PC	33. Techno Consult, Inc.	45. Robinson Aerial Surveys, Inc.	57. O&S Associates, Inc.
10. Haider Engineering, PC.	22. Amercom Corporation	34. Clark Transportation Consulting & Services LLC	46. Armand Corporation	58. Roberta Washington Architects, PC.
11. Yu & Associates, Inc.	23. Info Tran Engineers, PC	35. Paco Group, Inc.	47. Siddiqui Engineering, PC.	59. Foit-Albert Associates Architecture, Engineering and Surveying, PC
12. B&H Engineering, P.C.	24. Arora Engineers, Inc. PC	36. Hudson Valley Engineering Associates, PC	48. Infrastructure Engineering, Inc.	

II. DISCUSSION

MTA is seeking to expand participation by qualified M/WBE firms and/or SBC architectural and engineering firms. These architectural and engineering discretionary contracts are designed to provide professional opportunities for NYS certified M/WBE A&E firms who historically have been limited to working as sub consultants to work directly with the MTA as a prime contractor. A Request for Proposal (RFP) was advertised in the New York State Contract Reporter, Minority Commerce Weekly, El Diario, New York Post, and the MTA's website. In addition, letters were issued to all New York State M/WBE A&E firms listed in the State MWBE registry, including M/WBE A&E firms within the metropolitan region, advising them of the RFP's availability.

One hundred and two (102) firms submitted proposals in three professional areas: (1) Design and engineering, (2) Construction Supervision and inspection, and (3) Miscellaneous professional services. The Selection Committee, consisting of LIRR, MNR, B&T, MTA Bus, NYCT, DDCR and MTA Construction Oversight evaluated the proposals and determined that out of the 102 firms, 59 are technically qualified to perform the services identified in the RFP. The RFP criteria, which were used to evaluate the proposals, were: (i) the relevant experience and qualifications of personnel who proposer will commit to MTA/MTA Agency projects; (ii) Firm's prior experience and performance with clients with similar requirements; (iii) Project Management Plan; (iv) Cost of Services and Disbursements; (v) Overall responsiveness to the RFP. These services will be performed based on the hourly rates established in the base contract and will be awarded as work assignments after conducting a mini-RFP competitive process among some or all of the firms. Individual work assignments will not exceed \$200,000 in accordance with the Discretionary Procurement Law.

As a result of negotiations, the fifty-nine (59) selected firms originally proposed rates ranging from \$40 to \$495 per hour. These hourly rates were negotiated down to a range of \$40 to \$312, representing reductions ranging from 0% to 58%, and will remain fixed for the three-year term of the contracts. There are no prior contracts for this service with which these rates can be compared. Based on the above, the negotiated hourly rates are deemed fair and reasonable.

III. D/M/WBE INFORMATION

There are certified MBE/WBE's available to provide prime opportunities for this procurement. This procurement will provide prime professional service opportunities for NYS certified MWBEs and will assist in achieving our annual 30% MWBE goals

IV. IMPACT ON FUNDING

Funding will be based on the Board approved budgets for MTA headquarters and the operating agencies and will not exceed limits approved by the Board.

V. ALTERNATIVES

Do not approve award of the contracts. This would severely curtail MTA's ability to meet the State of New York's mandated goal to increase M/WBE participation from 20% to 30%.

Staff Summary

Schedule F: Personal Service Contracts



Page 1 of 2

Item Number: Dept & Dept Head Name: Human Resources/Margaret M. Connor <i>Margaret M. Connor</i> Division & Division Head Name: Benefits/H.Duddy						SUMMARY INFORMATION Vendor Name: (1) Cigna (2) Metropolitan Life Insurance Contract Number: 13245-0100 & 13245-0200 Description: Life Insurance, Long Term Disability, Short Term Disability Total Amount: \$52,453,000 Contract Term (Including Options, if any): August 1, 2015 through July 31, 2020 Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: Funding Source: <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Board Reviews							
Order	To	Date	Approval	Info	Other		
1	Finance	7/20/2015	X				
2	Board	7/22/2015	X				
Internal Approvals							
Order	Approval		Order	Approval			
1	Procurement	<i>[Signature]</i>	4	Office of Civil Rights	<i>[Signature]</i>		
2			5	Legal	<i>[Signature]</i>		
3			6	CFO	<i>[Signature]</i>		

Narrative

I. PURPOSE/RECOMMENDATION

To recommend that the Board approve the award of two competitively negotiated, All-agency personal services contracts to: i) Cigna to provide Long Term Disability benefits and ii) Metropolitan Life Insurance Company (MetLife) to provide Short Term Disability Benefits and Life Insurance for non-represented employees and certain represented employees. The period of performance for both contracts is three years from August 1, 2015 through July 31, 2018, with two one-year options, exercised at MTA's sole discretion, for a total projected five year amount of \$36,474,000 for MetLife- Life Insurance, \$4,893,000 for MetLife Short Term Disability (STD) and \$11,086,000 for Cigna Long Term Disability (LTD) for a combined total amount of \$52,453,000.

II. DISCUSSION

Currently, the MTA offers life insurance, short and long term disability benefit plans to approximately 60,000 non-represented employees and certain represented employees. There are approximately 14,000 retirees who participate in the life insurance plan. Coverage for life insurance also includes eligible dependents of active employees and retirees.

The MTA subsidizes the full cost of the following life and disability insurance benefits programs, without any premium contribution from eligible participating employees and retirees or their dependents:

- Basic Accidental Death & Dismemberment (AD&D)
- Basic Employee Life Insurance
- Basic Dependent Life Insurance
- Retiree Life Insurance
- Short Term Disability (STD)
- Long Term Disability (LTD)

The MTA, along with its health care consultant, AON Consulting, Inc. decided to go to the open marketplace for proposals to compete for life and disability benefit programs, given the current competitive marketplace for these services. A Request for Proposals (RFP) was publicly advertised and letters advising potential proposers of the RFP's availability were mailed to a total of seven (7) firms. Five (5) firms submitted proposals, with four (4) providing both life and disability coverage's and one (1) providing life insurance coverage only.

The proposers were evaluated on the following criteria:

- Must operate and lawfully offer the requested coverage in the State of New York.
- Currently cover for the same or substantially similar insurance plans at a minimum three large employer groups, consisting of 20,000 subscribers or more.
- Current membership in Contractor's plan must be a minimum of one million participants.
- It must meet all minimum New York State insurance net worth and reserve requirements.
- The Contractor shall maintain an A.M. Best or Standard & Poor's insurance rating of no less than A-.

The Selection Committee, which included human resource representatives from MTA Headquarters, LIRR, MNR, NYC Transit, and the Business Service Center evaluated the proposals and recommended that the following four firms: Cigna, MetLife, Aetna, and Hartford be invited to make oral presentations.

Upon conclusion of oral presentations, the Selection Committee found all four firms technically qualified to provide services and unanimously agreed that Procurement should conduct negotiations with each firm. Based on negotiations and best and final offers i) MetLife was recommended as best qualified to provide Life Insurance and Short Term Disability; and ii) Cigna best qualified to provide Long Term Disability benefits. MTA has conducted a responsibility review and other due diligence on both firms and has deemed them to be responsible for award.

MetLife's projected five-year cost of \$41,367,000 results in a cost savings of \$9,079,000 (i.e. \$7,896,000 for life insurance and \$1,183,000 for Short Term Disability) or an 18% decrease compared to the current rates. Cigna's projected five-year cost of \$11,086,000 results in an estimated savings of \$1,272,000 or a 10% decrease compared to the current rates.

Based on the negotiations, the combined total savings of \$10,351,000 and the total cost of \$52,453,000 for the five-year period is considered fair and reasonable.

III. D/M/WBE INFORMATION

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

IV. IMPACT ON FUNDING

This contract is funded by each agency.

V. ALTERNATIVES

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

Staff Summary

Schedule F: Personal Service Contracts

Item Number:					
Dept & Dept Head Name: Auditor General/Michael J. Fucilli					
Division & Division Head Name:					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	Audit Commte.	6/24/15	X		
2	Finance	7/20/15	X		
3	Board	7/22/15	X		
Internal Approvals					
Order	Approval	Order	Approval		
1	Procurement <i>CES</i>	3	Diversity and Civil Rights <i>2/11</i>		
2	Auditor General <i>PA</i>	4	Legal <i>PA</i>		
		5	CFO <i>MDX</i>		

SUMMARY INFORMATION	
Vendor Name: Deloitte & Touche, LLP	Contract Number: 15008-0100
Description: Independent Auditor for the MTA and its Agencies	
Total Amount: \$13,791,733	
Contract Term (including Options, if any) One Year, plus Six One-year Options	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

Narrative

I. PURPOSE/RECOMMENDATION

To recommend that the Board approve the award of a competitively negotiated, personal services contract to Deloitte & Touche, LLP (D&T) to serve as the Independent Auditor for MTA and its Agencies. The period of performance for this legally required contract will be one year with an option to renew annually for six additional one-year periods, at a total cost not to exceed \$13,791,733 for the seven-year period, from September 1, 2015 to August 31, 2022. At its June 24, 2015 meeting, the Audit Committee approved the selection of D&T for this contract award.

II. DISCUSSION

The current contract for Independent Auditor services for MTA and the Agencies, which was competitively awarded to Deloitte & Touche, LLP in September 2008 for a one-year period with options to renew for six additional one-year periods, the sixth year of which was to expire on December 31, 2015. The Independent Auditor services are legally required by the Federal Transit Administration (FTA) and NY State Public Authorities Law.

In order to continue these services in a timely manner, a competitive Request for Proposals (RFP) process was conducted. The RFP was publicly advertised, and letters advising potential proposers of the RFP's availability were mailed to the Top 10 CPA firms in the United States and 5 others who were D/M/WBE firms. Four of the ten CPA firms (i.e. Ernst & Young, McGladrey, Crowe Horwath and Deloitte & Touche) expressed interest and attended the pre-proposal conference held on January 30, 2015. Subsequently only two firms (i.e. McGladrey and Deloitte & Touche) submitted proposals. The Selection Committee, consisting of representatives from MTAHQ, NYC Transit, MNR, LIRR, B&T, Corporate Compliance and the Audit Services Department evaluated the proposals based on the criteria set forth in the RFP. After evaluation of the two proposals, the Selection Committee unanimously recommended Deloitte & Touche as the firm more technically qualified to provide these services. Deloitte & Touche, the incumbent, has extensive experience in the government sector, and some of their clients include: State of New York, City of New York, New York State Public Employees Retirement System, New York City Police Pension, The Port Authority of New York & New Jersey, State of California Department of Transportation, and Massachusetts Bay Transportation Authority (Boston).

The services to be performed by Deloitte & Touche will include, but not limited to, (i) preparation of MTA Consolidated Financial Statements & Management Letter reports; (ii) review of and report on the financial statements for all agencies – MTAHQ, NYC Transit, LIRR, MNR, B&T, SIRTOA, MTA Bus, and FMTAC); (iii) preparation of independent accountants' quarterly financial reports; (iv) preparation of report regarding 401(k)/457 Deferred Compensation (v) examination and report on annual filings as required under the Federal and New York State Single Audit Act as well as Form FFA-10 Reporting System of the FTA for all agencies; (vi) annual audits and reports on the financial statements of all the pension plans: LIRR Company Pension Plan, MNR Cash Balance Plan, MaBSTOA Pension Plan, MTA Retirement Welfare Benefits Plan; (vii) reports on compliance with NY State Investment Guidelines; (viii) B&T's Operating Surplus Report; (vii) an agreed-upon procedures report on the expenses of the Office of the MTA Inspector General; (ix) MNR/CDOT – New Haven Line Deficit Billing (ARSA) and (x) other services as required by the MTA.

The original cost proposed by Deloitte & Touche was \$1,930,000, for the first year, with an escalation of 2% each year for the 6 additional one-year options, for a total of \$14,348,167. As a result of negotiations, Year 1 cost was reduced by \$85,608 to \$1,844,392, which is comparable to the annual cost of \$1,844,400 under the current contract for these services. The annual audit fee of \$1,844,392, with the 2% escalation each year for 6 additional one-year options, total to \$13,711,733 or a savings of \$636,434. Additionally, Deloitte proposed a one-time fee of \$80,000 related to the MTA's implementation of GASB 68, which MTA agreed to apply to the initial cost reduction of \$636,434, leaving a net cost savings of \$556,434 (3.88%).

Based on the above, the total cost of \$13,791,733 (audit cost of \$13,711,733 plus one-time fee of \$80,000 for the GASB 68 implementation) is considered fair and reasonable.

III. D/M/WBE INFORMATION

The MTA Office of Civil Rights has established a 10% goal for MBE participation and 10% goal for WBE participation. Deloitte & Touche, LLP proposes to utilize Galleros Koh LLP and Watson Rice, LLP to meet the MBE and WBE goal.

IV. IMPACT ON FUNDING

The total cost for this contract for the seven-year period is not to exceed \$13,791,733. Funds for the current year are available in each agency's current budget for financial audit services. Funding for subsequent years will be available in the financial audit budgets for each agency.

V. ALTERNATIVES

Do not approve the contract for Independent Auditor. This alternative is not feasible. It is mandated by the MTA Audit Committee and legally required by the FTA that the financial statements and filings be reviewed and/or audited by an independent certified public accounting firm.

Item Number:

Vendor Name (& Location): SourceOne, Inc.
Description: Energy Management & Advanced Metering Infrastructure Solution
Contract Term (including Options, if any): Five Years
Option(s) included in Total Amount? <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:

Contract Number: 15182-0100	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Total Amount:	\$17,815,368.00
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: MTA Strategic Initiatives/ B. Foran	
Contract Manager: R. Matela/ MTA Procurement	

I. PURPOSE/RECOMMENDATION:

To obtain MTA Board approval to award an All-Agency five (5) year (3 year base period plus 2 one year options) miscellaneous service agreement to SourceOne Inc. (SourceOne) to furnish and deploy an MTA-wide Energy Management Solution (EMS), including Energy Management Software Platform (Phase I) and Advanced Metering Infrastructure (Phase II and III) over a three (3) year period at an estimated cost of \$17.815 million. This EMS will support the efficient and cost-effective management of energy use through data collection, reporting, monitoring and user engagement.

II. BACKGROUND:

In 2014 MTA spent approximately \$587 million on utilities (electric, gas, steam, water, etc.). MTA pays bills centrally from the MTA Business Service Center (BSC), through the PeopleSoft bill payment module. However, there is no centralized bill auditing group; the Agencies are responsible for their own bill auditing -- which is currently done manually.

Phase I - Energy Management Software Platform will be utilized to streamline utility bill gathering and entry as well as improve bill validation, auditing, tracking and reporting capabilities. MTA Agencies currently enter commodity consumption and utility bill data into spreadsheets and other management systems through a combination of manual entry and spreadsheet macros, often with multiple departments entering the same data into different spreadsheets. Bill auditing and validation is also conducted manually, using Excel spreadsheet models. An Energy Management Software Platform will provide the MTA Agencies with tools to validate and audit commodity consumption and utility bills in an efficient and effective manner. The Platform will allow the MTA to eliminate most of the manual data entry processes making utility data usable for multiple purposes, including bill auditing, reporting and visualization, throughout the MTA. The Platform will be integrated with MTA financial and bill payment systems (PeopleSoft) and will eliminate the manual data entry directly into the financial systems.

The Energy Management Platform will provide robust reporting capabilities, including the ability to produce easily comprehensible reports for all levels of management within the MTA Agencies, including the capability to produce comparison reports across like facilities, conduct trend analyses at a single facility and across a category of facilities, and produce reports that compare consumption and costs to budget.

Phase II - Management of real-time traction power electric consumption data - will flow real-time traction power data through the Energy Management Software Platform. MTA currently has interval meters at all of its electric power substations. These meters measure and record electric consumption data every 15 minutes. However the MTA doesn't have access to this real time interval data. Phase II of EMS implementation will integrate metering data from existing interval meters into the Energy Management Software Platform through installation of additional equipment to inform operations, demand response and energy conservation efforts, and further improve bill auditing. Current utility providers, including but not limited to Con Edison and National Grid, obtain interval data but do not share it with MTA. If negotiations with these providers for the use of this data are successful, the need to install additional equipment in Phase II may be minimized or altogether eliminated.

In addition, the MTA is in the process of installing an Advanced Metering Infrastructure (AMI) in fifty facilities that are subject to the requirements of the Governor's Executive Order 88 "Directing State Agencies and Authorities to Improve the Energy Efficiency of State Buildings" (EO88). The EO88 AMI will provide 15 minute interval data that will be uploaded to a data management platform created and managed by the New York Power Authority (the implementing authority for the Order). MTA implementation



Staff Summary

Page 2 of 2

of EO88 is currently led by the Office of Environmental Sustainability and Compliance and the EO88 AMI project will be presented to the Board at a later date. The work done under the EO88 AMI project will not be redundant or duplicative with the MTA-wide EMS and ultimately, the interval data from facilities subject to EO88 will also be integrated into MTA Energy Management Software Platform.

Phase III - **Management of real-time energy data** – will allow for additional submetering. MTA has facilities with meters that are neither pulse meters, nor under the purview of EO 88, and therefore are not currently able to produce interval data. In order to get a complete picture of MTA energy use, MTA Agencies may install new interval submeters in facilities not covered under EO88 to inform operations, demand response and energy conservation efforts, and further improve bill auditing.

III. DISCUSSION:

Amongst all MTA Agencies, MNR has been a leader in energy management, serving as a “center of excellence” throughout the EMS procurement. Based on the MNR Energy Group’s knowledge and experience, they will be working collaboratively with the MTA AMI Manager and the representatives from the MTA Agencies in to ensure that all of the specific agency requirements for the EMS are met by this procurement.

A Request for Proposal (RFP) was sent to approximately 82 firms. The solicitation was advertised in the *New York State Contract Reporter*, *the Daily News*, and on the LIRR website. The Selection Committee was comprised of representatives from the MTAHQ Office of Strategic Initiatives, MNR Operating Capital Projects, Budget and Controls, LIRR Revenue & Revenue Systems, NYCT Power, B&T Maintenance, Information Technology Department, MTAHQ Office of Sustainability Initiatives, and BSC. The committee evaluated the proposals using the Selection Criteria set forth in the RFP which were listed in relative order of importance as follows: (1) Experience and Qualifications; (2) Customer Service/Product Support; (3) Cost; and (4) Responsiveness to the RFP.

A Pre-Proposal Conference was held on March 13, 2015, with 14 firms in attendance. Five (5) proposals were received on May 1, 2015. The Selection Committee evaluated all proposals received in accordance with the Selection Criteria and MTA procurement procedures. As a result of the evaluations, the Committee unanimously selected three (3) firms (SourceOne; EnerNoc; and EnergyCap) to be invited for oral interviews on May 15, 2015. After those oral presentations, SourceOne was determined by the Selection Committee to be the highest ranked proposer and thus the vendor recommended to the Board for award of the MTA-wide EMS project.

SourceOne possessed the optimal combination of the required qualifications, best overall technical level of knowledge, and expertise in both Energy Management Software and submetering installation and project management services. Cost negotiations with SourceOne resulted in a reduction of approximately 45% from SourceOne’s original base cost proposal for Phase I, 36% for Phase III design costs, and 20% for Phases II and III project management costs. All pricing and terms were deemed fair and reasonable by MTA Procurement.

SourceOne disclosed information that was considered Significant Adverse Information within the meaning of the All Agency Responsibility Guidelines. MTA is reviewing such information and a contract will only be awarded if and when Source One is deemed a responsible bidder.

IV. D/M/WBE INFORMATION:

The MTA Department of Diversity and Civil Rights established 10% MBE and 10% WBE goals for this contract. SourceOne has committed to meet this requirement.

V. IMPACT ON FUNDING:

Over the next five years, the estimated costs under this contract are \$2,401,668 for Phase I, \$6,973,700 for Phase II and \$8,440,000 for Phase III. In addition, once the Energy Management Software Platform is implemented, the annual savings from improved bill auditing are estimated at approximately 0.5% of overall utility spend or about \$3.2 million annually, resulting in an estimated payback period of approximately 5.5 years.. Additional savings are expected from operational efficiencies resulting from better visibility into energy usage, but those savings are difficult to quantify with any level of certainty at this point.

VI. ALTERNATIVES:

The alternative is to continue current manual operation or build a custom, in-house, software solution. Continuing to operate without a comprehensive Energy Management Solution limits the ability to evaluate current and planned energy consumption and demand, and will perpetuate inconsistency across agencies of the tracking and management of energy consumption and verification of energy bills.

JULY 2015
MTA REAL ESTATE
LIST OF REAL ESTATE ACTION ITEMS FOR BOARD APPROVAL

RESOLUTION

ALL-AGENCY

Resolution on statement of purpose regarding affordable housing

ACTION ITEMS

MTA NEW YORK CITY TRANSIT

License agreement with Bais Brocho D'Karlin Stolin, Inc. for operation of a playground at 4318 New Utrecht Avenue, Brooklyn, NY

Lease with Unique Candy Corp. for operation of a gift shop and newsstand at Woodhaven Boulevard Station, Queens, NY

Lease with Unique Candy Corp. for operation of a newsstand at Lexington Avenue-53rd Street Station, New York, NY

License with Linden Plaza Housing Co. Inc. for use of land by MTA NYCT at 671 Lincoln Avenue, Brooklyn, NY

Extension of advertising license agreement with Outfront Media, Inc., for the MTA New York City Transit and Staten Island Rapid Transit Operating Authority systems

MTA METRO-NORTH RAILROAD

License Agreement with 350 Park Eat LLC for the installation and maintenance of an emergency wireless communication system antenna serving Grand Central train shed and the Park Avenue Tunnel in New York, NY

Modification of lease with Rite Aid of New York, Inc., dba Rite Aid, relating to space MC-10 at Grand Central Terminal

Modification of lease with 25 Vanderbilt Corp., dba Piq, relating to space MC-08 at Grand Central Terminal

MTA LONG ISLAND RAIL ROAD

Modifications to leases with One Penn Plaza, LLC, relating to space at One Penn Plaza, New York, NY

Renewal of lease with 450 Seventh Avenue Associates for office space at 450 Seventh Avenue, New York, NY

MTA BUS COMPANY

Lease with 89th Jamaica Realty Co. LLC for use of bus bays at Jamaica Bus Terminal, Queens, NY

MTA CAPITAL CONSTRUCTION

Easement Agreement for East Side Access ADA elevator at 280 Park Avenue

Acquisition of easements for elevators at 335 Madison Avenue

MTA MANHATTAN AND BRONX SURFACE TRANSIT OPERATION AUTHORITY

Lease with Flor Realty Corp for use of retail space at 248 East 125th Street, New York, NY

License with Topnotch Riverdale, Inc. for use of restroom facility at 542 Riverdale Avenue, Yonkers, NY

MTA HEADQUARTERS

Termination of sublease with Kura River Management Ltd, relating to garage at 2 Broadway, New York, NY

Resolution on Statement of Purpose regarding Affordable Housing

WHEREAS, the lack of affordable housing in certain parts of the New York City metropolitan area places a heavy burden on New York families and impairs efforts to reduce housing costs and segregation; and

WHEREAS, it is the public policy of the State of New York to attempt to ease the affordable housing crisis and to end residential segregation; and

WHEREAS, it is in the interest of the MTA to maximize its revenues to achieve its mission by monetizing the value of surplus real property, including selling or leasing unused land, selling transferable development rights and facilitating joint development projects in a manner that facilitates the public policy of the State of New York;

IT IS THEREFORE RESOLVED THAT:

1. When the MTA is contemplating the sale, lease, or transfer of any real property interests with knowledge that such property may include housing units in any community or county which has enforceable affordable housing requirements that are applied uniformly and not to the specific economic disadvantage of MTA, the MTA will require that the transferee of such property comply with all such applicable affordable housing requirements.
2. In connection with any consummated transaction described by paragraph 1 of this Resolution, the MTA shall identify publicly the extent to which an affordable housing component has been included, if at all, and shall identify publicly its reasons for its decision in relation to the affordable housing component.

Staff Summary



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

Date JULY 20, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/20/15	X		
2	Board	7/22/15	X		

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

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

LICENSOR: Bais Brocho D'Karlin Stolin, Inc. ("Bais Brocho")

LOCATION: 4318 New Utrecht Avenue, Brooklyn (also known as Kings County, block 5602, lot 22)

ACTIVITY: Playground

ACTION REQUESTED: Approval of terms

TERM: 5 years, terminable at will with 60 days' notice

SPACE: Approximately 5,092 square feet of land

COMPENSATION: \$34,000 in Year 1; 3% escalation, compounded annually


COMMENTS:

The subject parcel is a vacant, unimproved lot on New Utrecht Avenue in the vicinity of the Fort Hamilton Parkway Station of NYCT's West End line. NYCT plans to construct a power substation on this lot at some point in the future, but such construction has not yet been scheduled. Pursuant to a request from Bais Brocho, NYCT has reviewed and approved licensing this parcel with the stipulation that the license be terminable at will on 60 days' notice and that there be no improvements to the property that require foundations.

The property was publicly advertised in a Request for Proposals ("RFP"), offering a 5-year license with a 60-day at-will termination clause. The sole respondent to the RFP, Bais Brocho, is a not-for-profit domestic business corporation that operates a school and proposes to use the subject parcel as a playground. Bais Brocho's offer meets the asking compensation specified in the RFP, and it has the resources to undertake the limited improvements that will be required.

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

Staff Summary

Subject LEASE AGREEMENT
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name ANGELA SZU

Date JULY 20, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/20/15	X		
2	Board	7/22/15	X		

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

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

LESSEE: Unique Candy Corp.

LOCATION: Woodhaven Boulevard Station, Unit 01 and Unit 02, Queens

ACTIVITY: Gift Shop and newsstand

ACTION REQUESTED: Approval of terms

TERM: 10 years

SPACE: Approximately 150 square feet each, 300 square feet total

COMPENSATION:	<u>Year</u>	<u>Annual</u>	<u>Monthly</u>	<u>% Increase</u>	<u>Per Sq. Ft.</u>
	1	\$55,000.00	\$4,583.33		\$183.33
	2	\$55,000.00	\$4,583.33	0.00%	\$183.33
	3	\$55,000.00	\$4,583.33	0.00%	\$183.33
	4	\$56,650.00	\$4,720.83	3.00%	\$188.83
	5	\$56,650.00	\$4,720.83	0.00%	\$188.83
	6	\$56,650.00	\$4,720.83	0.00%	\$188.83
	7	\$56,650.00	\$4,720.83	0.00%	\$188.83
	8	\$58,300.00	\$4,858.33	2.91%	\$194.33
	9	\$58,300.00	\$4,858.33	0.00%	\$194.33
	10	\$58,300.00	\$4,858.33	0.00%	\$194.33

COMMENTS:

MTA Real Estate issued a Request for Proposals ("RFP") for two concessions located in the paid zone on the mezzanine of the Woodhaven Boulevard Station on the Queens Boulevard Line. Proposers were encouraged to submit proposals for both locations. In response to the RFP, three proposals were received, as follows:

Staff Summary

FINANCE COMMITTEE MEETING Unique Candy Corp. (Cont'd.)

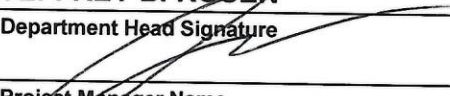
Name of Proposer	Store	First Year Compensation	Present Value: Ten Year Term, 9% Discount Rate
Unique Candy Corp.	Unit 01 & Unit 02	\$55,000	\$361,668.44
S.F. News Inc.	Unit 01 & Unit 02	\$46,000	\$331,441.65
Mohammed Elias Khan	Unit 02 only	\$34,000	\$273,799.57

As shown above, the third proposer, Mohammed Elias Khan, bid on only one of the units.

Unique Candy Corp. has 3 partners: Mohammed Kamal Hossain, Ziaur Bhuiyan, and Mohammad Ibrahim. Mr. Hossain has 17 years of general business management experience, Mr. Bhuiyan has over 10 years of construction management and oversight experience, and Mr. Ibrahim has 10 years of managerial experience at a NYCT newsstand. Satisfactory credit and background checks were conducted on all three partners and they have sufficient combined financial capacity to complete the construction improvements required. Unique Candy Corp.'s proposal is within the range of the estimates provided by MTA Real Estate's independent consultant.



Based on the forgoing, MTA Real Estate requests authorization to enter into a lease agreement with Unique Candy Corp. on the above-described terms and conditions.

Staff Summary

Subject LEASE AGREEMENT
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name ANGELA SZU

Date JULY 20, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/20/15	X		
2	Board	7/22/15	X		

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

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

LESSEE: Unique Candy Corp.

LOCATION: 53rd Street-Lexington Avenue Station, Manhattan

ACTIVITY: Newsstand

ACTION REQUESTED: Approval of terms

TERM: 10 years

SPACE: Approximately 192 square feet

COMPENSATION:	Year	Annual	Monthly	% Increase	Per Sq. Ft.
	1	\$24,000.00	\$2,000.00		\$125.00
	2	\$24,000.00	\$2,000.00	0.00%	\$125.00
	3	\$24,000.00	\$2,000.00	0.00%	\$125.00
	4	\$24,720.00	\$2,060.00	3.00%	\$128.75
	5	\$24,720.00	\$2,060.00	0.00%	\$128.75
	6	\$24,720.00	\$2,060.00	0.00%	\$128.75
	7	\$24,720.00	\$2,060.00	0.00%	\$128.75
	8	\$25,680.00	\$2,140.00	3.88%	\$133.75
	9	\$25,680.00	\$2,140.00	0.00%	\$133.75
	10	\$25,680.00	\$2,140.00	0.00%	\$133.75

COMMENTS:

In response to a request for proposals ("RFP") for a newly created retail/newsstand concession in the free zone along the mezzanine corridor at NYCT's 53rd Street-Lexington Avenue Station, three proposals were received. The bid of the top proposer, Unique Candy Corp., is as follows:

Staff Summary

FINANCE COMMITTEE MEETING Unique Candy Corp. (Cont'd.)

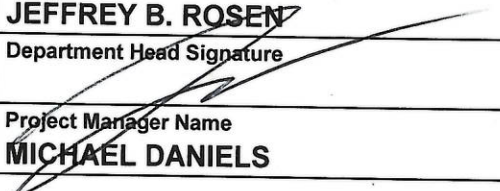
Name of Proposer	First Year Compensation	Present Value: Ten Year Term, 9% Discount Rate
Unique Candy Corp.	\$24,000	\$158,151.28

Bids were also received from Al Haqq Business Inc., but Al Haqq's proposal was disqualified as the principals refused to authorize the mandatory credit and background checks. A second proposer, Debu Inc., withdrew its proposal after it was awarded another newsstand at the 103rd Street Station, not wanting to overextend itself. Unique Candy Corp.'s proposed rent exceeds the estimated fair market value provided by MTA Real Estate's independent consultant.

Unique Candy Corp. has 3 partners: Mohammed Kamal Hossain, Ziaur Bhuiyan, and Mohammad Ibrahim. Mr. Hossain has 17 years of general business management experience, Mr. Bhuiyan has over 10 years of construction management and oversight experience, and Mr. Ibrahim has 10 years of managerial experience at a NYCT newsstand. Satisfactory credit and background checks were conducted on all three partners and they have sufficient combined financial capacity to complete the construction improvements required.

Based on the forgoing, MTA Real Estate requests authorization to enter into a lease agreement with Unique Candy Corp. on the above-described terms and conditions.

Staff Summary

Subject LICENSE
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name MICHAEL DANIELS

Date JULY 20, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/20/15	X		
2	Board	7/22/15	X		

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

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

LICENSOR: Linden Plaza Housing Co., Inc.

LOCATION: Approximately 6,000 square feet (grass area), adjacent to Pitkin Yard at 671 Lincoln Avenue, Brooklyn, NY

USE: To house construction trailers and store material

ACTION REQUESTED: Approval of terms

TERM: 10 years

FEE: None

TERMINATION: Licensee may terminate with 120 days prior written notice after the 7th year

SERVICES AND LANDSCAPING: At NYCT's expense

ELECTRICITY: NYCT will run power from Pitkin Yard service

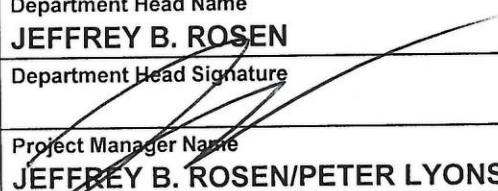
LICENSEE ALTERATIONS: NYCT will install fencing, lighting and concrete slabs for trailers and material. NYCT will be responsible for full restoration upon expiration

COMMENTS:

There is inadequate space at Pitkin Yard to house contractors that will be involved in the delivery and warranty support for the R-179 contract cars. This adjacent property will be used to accommodate such contractors, and will also be used by CPM contractors that are involved in Pitkin Yard facility upgrades.




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

Staff Summary

Subject EXTENSION OF ADVERTISING LICENSE
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name JEFFREY B. ROSEN/PETER LYONS

Date July 20, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	07/20/15	X		
2	Board	07/22/15	X		

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

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

LICENSEE: Outfront Media, Inc. (successor to CBS Outdoor Group Inc.)

LOCATION: NYCT Subway System

ACTIVITY: Advertising

ACTION REQUESTED: Extension of Advertising License

COMMENTS:

Outfront Media, Inc. ("Outfront") is the advertising licensee for the NYCT subway system and the SIRTOA system under a license agreement that commenced January 1, 2006 and expires on December 31, 2015 (the "Subway Advertising Agreement"). Under the terms of the Subway Advertising Agreement, Outfront sells the available advertising space to brands and media buyers, posts or electronically displays the ads, collects the associated revenues, and pays to NYCT and SIRTOA the agreed upon compensation. The compensation on an annual basis is the greater of a specified minimum annual guarantee ("MAG") or a specified percentage of Outfront's gross receipts. In 2014, the revenue share to NYCT and SIRTOA under the Subway Advertising License was \$73 million, which was in excess of the 2015 MAG of \$70,022,700. Outfront is also the advertising licensee for MTA's commuter rail and bus systems (as the successor to Titan Outdoor) and for the NYCT's billboards (as successor to Van Wagner) under licenses that expire on December 31, 2016.

The transit advertising industry is evolving rapidly in anticipation of large-scale (and highly capital-intensive) transitions from static printed media to digital screens, competition from mobile phones that will have connectivity everywhere, the use of data to segment and target audiences, and the automation of the advertising sales and placement process.

In recognition of this shifting ground, MTA and agency staff have been working intensively on the development of a strategic plan for the next round of competitive solicitations for MTA's advertising licenses. It is recommended that all of the concessions (i.e. NYCT subway/SIRTOA, commuter rail, buses and billboards) be offered simultaneously so that MTA has the maximum flexibility to allocate specific concessions among proposers in a way that optimizes MTA's overall revenue and operational benefits. It is anticipated that the request for proposals for these concession opportunities would be released at the end of 2015 or early 2016 with awards to be made in sufficient time to allow those firms that are awarded licenses to be ready to take over at the expiration of the existing agreements.

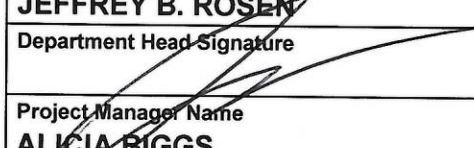
Staff Summary

FINANCE COMMITTEE MEETING Outfront Media, Inc (Cont'd.)

To make this timing work, the expiration date of the Subway Advertising Agreement would need to be extended by one year to December 31, 2016. Under such proposed extension, the MTA would continue to receive the same revenue share and MAG as before.




Based on the foregoing, MTA Real Estate requests authorization to extend the expiration date of the Subway Advertising Agreement by one year to December 31, 2016, while reserving the right to exercise an earlier termination of the Subway Advertising Agreement as well as Outfront's commuter rail and bus licenses, on or after July 1, 2015, upon not less than three months' notice to Outfront.

Staff Summary

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

Date JULY 20, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/20/15	X		
2	Board	7/22/15	X		

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

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

LICENSOR: 350 Park Eat LLC

LOCATION: Metro-North emergency exit door that leads from the Park Avenue Tunnel to 52nd Street at 350 Park Avenue

ACTIVITY: Installation and maintenance of an emergency wireless communication system to serve Grand Central Terminal ("GCT") and the Park Avenue Tunnel.

ACTION REQUESTED: Approval of terms

TERM: The term will commence upon execution of the agreement and expire on January 1, 2040

COMPENSATION: None

COMMENTS:

New York City Fire Department ("FDNY") requirements for fire, emergency rescue and emergency medical service ("EMS") operations necessitate enhancements to the on-going Metro-North project for installation of a wireless communications system serving the GCT train shed and the Park Avenue Tunnels, known as the Congruent Communications Network ("CCN"). These enhancements will ensure adequate radio coverage for the fire ground communications and emergency command operations throughout the GCT train shed, Park Avenue Tunnel and the streets above, including the fire exits leading to the street level. As authorized by the Board on April 26, 2010, Metro-North signed a memorandum of understanding with the FDNY (effective January 20, 2010 to January 1, 2040) that governs the CCN installation.

Metro-North has identified the emergency exit door that leads from the station platform to 52nd Street at 350 Park Avenue as a priority location for the installation of an antenna. Metro-North does not have pre-existing rights to install such antenna, but 350 Park Eat LLC has agreed to allow it to do so.

FDNY will be responsible for the costs and expenses related to design and installation, and maintenance will be the responsibility of Metro-North.




Based on the foregoing, MTA Real Estate requests authorization to enter into a license agreement with 350 Park Eat LLC on the above-described terms and conditions.

Staff Summary

Subject LEASE MODIFICATION
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature
Project Manager Name NANCY MARSHALL

Date July 20, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	07/20/15	X		
2	Board	07/22/15	X		

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

Narrative

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

LESSEE: RITE AID OF NEW YORK, INC. dba Rite Aid ("Rite Aid")

LOCATION: Retail Space MC-10 at Grand Central Terminal (as shown on the attached Exhibit A)

ACTIVITY: Modification of lease dated as of July 30, 1997 (the "Rite Aid Lease")

ACTION REQUESTED: Approval of terms

TERM: Unchanged (lease will still expire on 8/31/19)

SPACE TO BE SURRENDERED BY LESSEE: 2,508 sf, as shown on the attached Exhibit B (the "Rite Aid Surrender Premises")

SPACE TO BE RETAINED BY LESSEE: 8,265 sf, as shown on such Exhibit B (the "Remaining Rite Aid Premises")

COMPENSATION: Minimum Rent will be reduced by \$163,541.64 per annum (proportionally, on a per sq. ft. basis, to the space reduction contemplated by this Staff Summary), resulting in a new Minimum Rent of \$538,944.12 per annum

Percentage Rent breakpoint will be adjusted proportionally to such reduction in Minimum Rent, resulting in a new breakpoint of \$17,964,804

COMMENTS:

51E42 Owner LLC/One Vanderbilt Owner LLC (as successor to 51E42 Owner LLC) ("Developer"), an affiliate of SL Green Realty Corp., is the current owner of the building known as 51 East 42nd Street (the "Building"), as well as other buildings on the block bounded by Vanderbilt and Madison Avenues and East 42nd and East 43rd Streets (the "Site"). Developer's predecessor-in-interest acquired the Building from the Penn Central Corporation ("Penn Central"), pursuant to a deed dated as of December 5, 1978 (the "Deed"). The Deed reserved to the grantor (i.e. Penn Central) fee ownership of a portion of the basement of the Building that includes the Rite Aid Surrender Premises (the "Retained Property"), but granted an easement to the Developer to maintain within the Retained Property the foundation and other support facilities of the existing Building at their current locations or to add new support facilities within the Retained Property for a new building, including the right to temporarily disrupt such use of the Retained Property in connection therewith. MTA is the lessee of the Retained Space under a lease of Grand Central Terminal and the Harlem and Hudson lines from the successor-in-interest to Penn Central, and Metro-North has occupancy of the Retained Property.

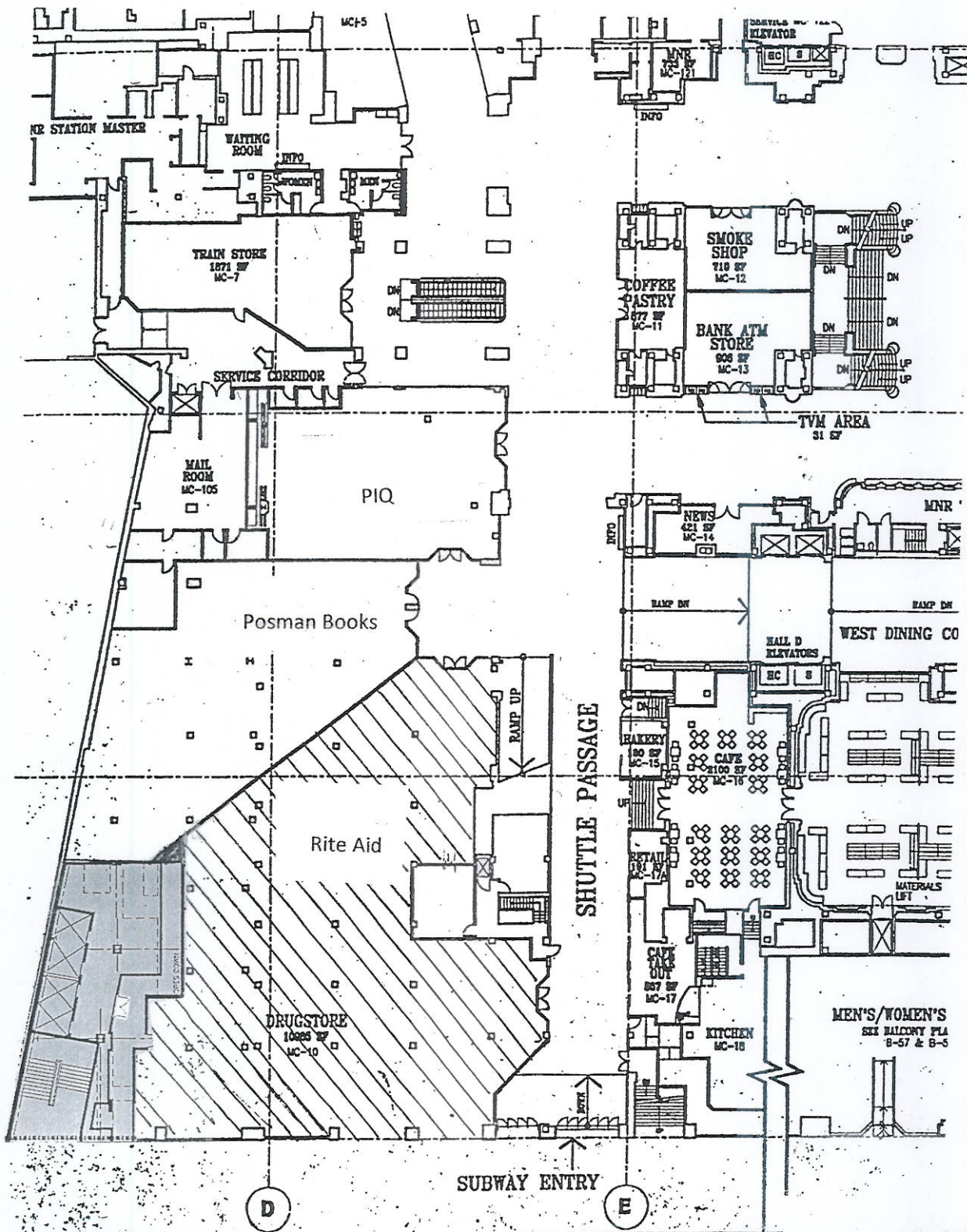
Staff Summary

FINANCE COMMITTEE MEETING Lease modification (cont'd.)

In accordance with the Deed, Developer has notified MTA/Metro-North that it intends to begin demolition of the Building and otherwise proceed with site preparation for construction on the Site of a new mixed-use tower, and that such work will entail dislocation of Rite Aid from the Rite Aid Surrender Space. At Metro-North's request, rather than restoring the Rite Aid Surrender Space to retail use upon completion of the sub-grade portion of such new building, Developer has agreed to construct a public corridor encompassing the Rite Aid Surrender Space to relieve existing crowding in the "Shuttle Passage" shown on the attached Exhibit A.

As required by the Deed, until Developer's work has been completed such that the public can use and enjoy the aforementioned new corridor, Developer will hold MTA/Metro-North harmless against the loss of income that will result from the above-described rent reduction under the Rite Aid Lease. Pursuant to the proposed lease modification, Rite Aid will be responsible for performing all tenant improvement work needed to demise and fit out the Remaining Rite Aid Premises, and, as between Rite Aid and MTA/Metro-North, Rite Aid will also be responsible for all costs of such tenant improvement work. Rite Aid and Developer will enter into a separate agreement, providing for the reimbursement of a portion of such costs by Developer directly to Rite Aid.

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



10065-10002/393863.9

Exhibit A

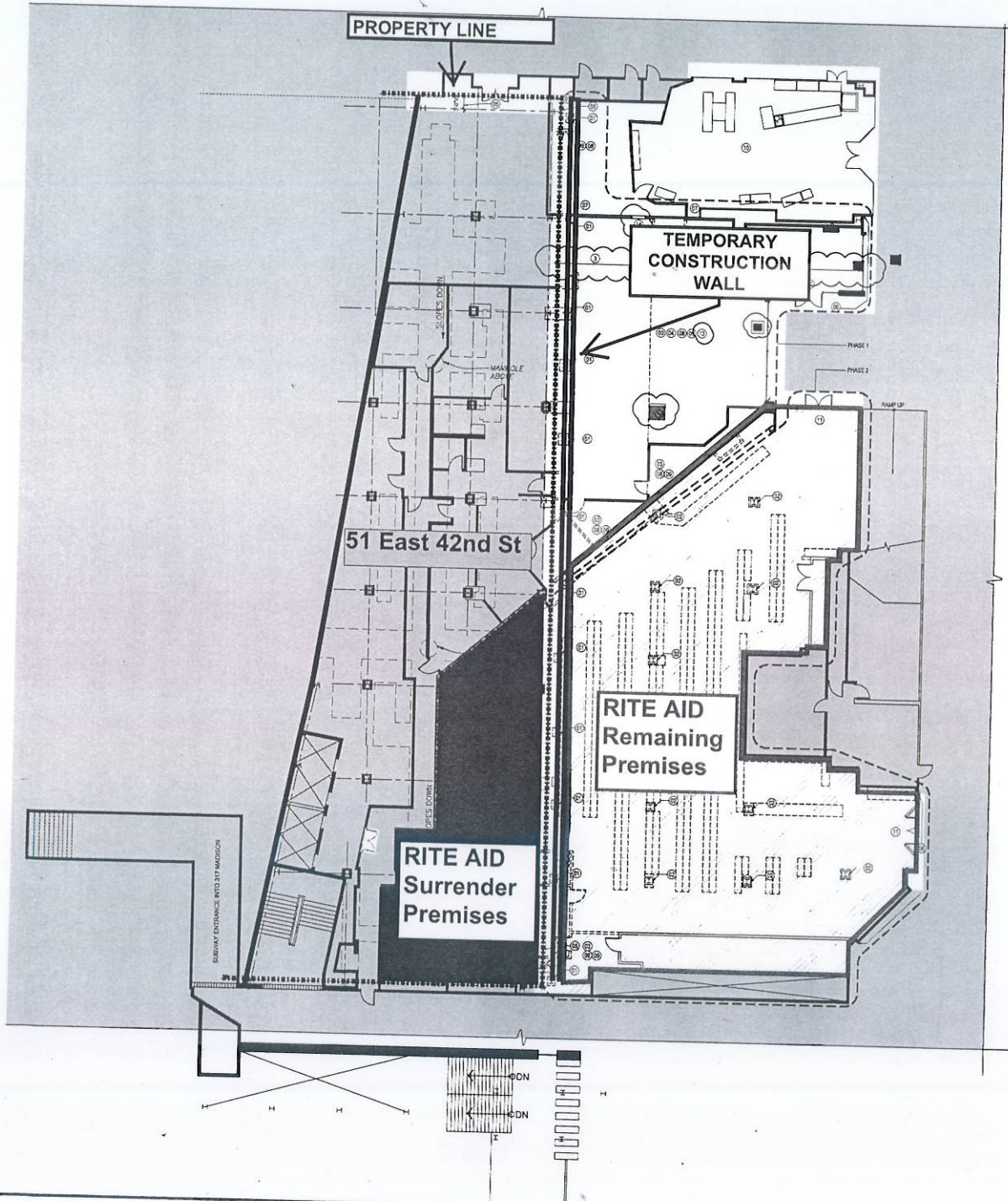






Exhibit B

Staff Summary

Subject LEASE MODIFICATION
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name NANCY MARSHALL

Date July 20, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	07/20/115	X		
2	Board	07/22/15	X		

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

Narrative

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

LESSEE: 25 VANDERBILT CORP. dba PIQ ("PIQ")

LOCATION: Retail Space MC-08 at Grand Central Terminal (as shown on the attached Exhibit A)

ACTIVITY: Modification of lease dated as of October 31, 2010 (the "PIQ Lease")

ACTION REQUESTED: Approval of terms

TERM: Unchanged (lease will expire on 10/31/20)

SPACE TO BE SURRENDERED BY LESSEE: 129 sf, as shown on the attached Exhibit B (the "PIQ Surrender Premises")

SPACE TO BE RETAINED BY LESSEE: 2,036 sf, as shown on the attached Exhibit B (the "Remaining PIQ Premises")

COMPENSATION:

Annual Base Rent plus 10% of gross sales over Breakpoint, as follows:

Lease Year	Minimum Rent	PSF	Breakpoint
5	\$348,229.32	\$171.04	\$3,718,594.84
6	\$358,676.20	\$176.17	\$3,830,152.69
7	\$369,436.49	\$181.45	\$3,945,057.27
8	\$380,519.58	\$186.90	\$4,063,408.98
9	\$391,935.17	\$192.50	\$4,185,311.25
10	\$348,230.32	\$171.04	\$4,310,870.59

Staff Summary

FINANCE COMMITTEE MEETING Lease modification (cont'd.)

COMMENTS:

51E42 Owner LLC/One Vanderbilt Owner LLC (as successor to 51E 42 Owner LLC) ("Developer"), an affiliate of SL Green Realty Corp., is the current owner of the building known as 51 East 42nd Street (the "Building"), as well as other buildings on the block bounded by Vanderbilt and Madison Avenues and East 42nd and East 43rd Streets (the "Site"). Developer's predecessor-in-interest acquired the Building from the Penn Central Corporation ("Penn Central") pursuant to a deed dated as of December 5, 1978 (the "Deed"). The Deed reserved to the grantor (i.e. Penn Central and its successors and assigns) fee ownership of a portion of the basement of the Building that includes the PIQ Surrender Premises (the "Retained Property"), but granted an easement to the Developer to maintain within the Retained Property the foundation and other support facilities of the existing Building at their current locations or to add new support facilities within the Retained Property for a new building, including the right to temporarily disrupt such use of the Retained Property in connection therewith. MTA is the lessee of the Retained Space under a lease of Grand Central Terminal and the Harlem and Hudson lines from the successor-in-interest to Penn Central, and Metro-North has occupancy of the Retained Property.

In accordance with the Deed, Developer has notified MTA/Metro-North that it intends to begin demolition of the Building and otherwise proceed with site preparation for construction on the Site of a new mixed-use tower, and that such work will entail dislocation of PIQ from the PIQ Surrender Space. At Metro-North's request, rather than restoring the PIQ Surrender Space to retail use upon completion of the sub-grade portion of such new building, Developer has agreed to construct a public corridor encompassing the PIQ Surrender Space, in order to help relieve existing crowding in the "Shuttle Passage" that is shown on the attached Exhibit A.

As required by the Deed, until Developer's work has been completed such that the public can use and enjoy the aforementioned new corridor, Developer will hold MTA/Metro-North harmless against the loss of income that will result from the above-described rent reduction under the PIQ Lease. Pursuant to the proposed lease modification, PIQ will be responsible for performing all tenant improvement work needed to demise and fit out the Remaining PIQ Premises, and PIQ will also be responsible for all costs of such tenant improvement work. PIQ and Developer will enter into a separate agreement, providing for the reimbursement of a portion of such costs by Developer directly to PIQ.

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

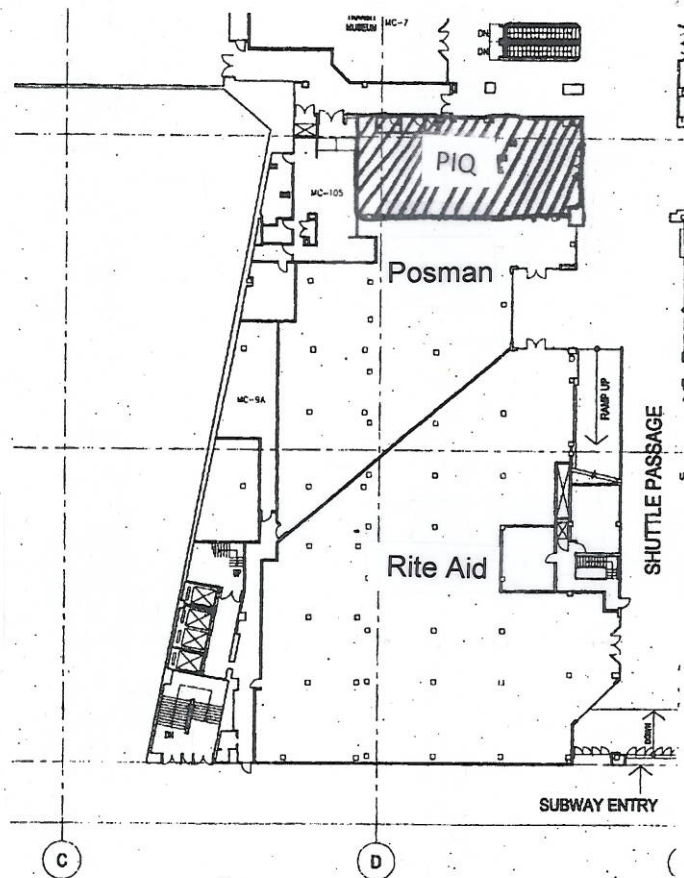


Exhibit A

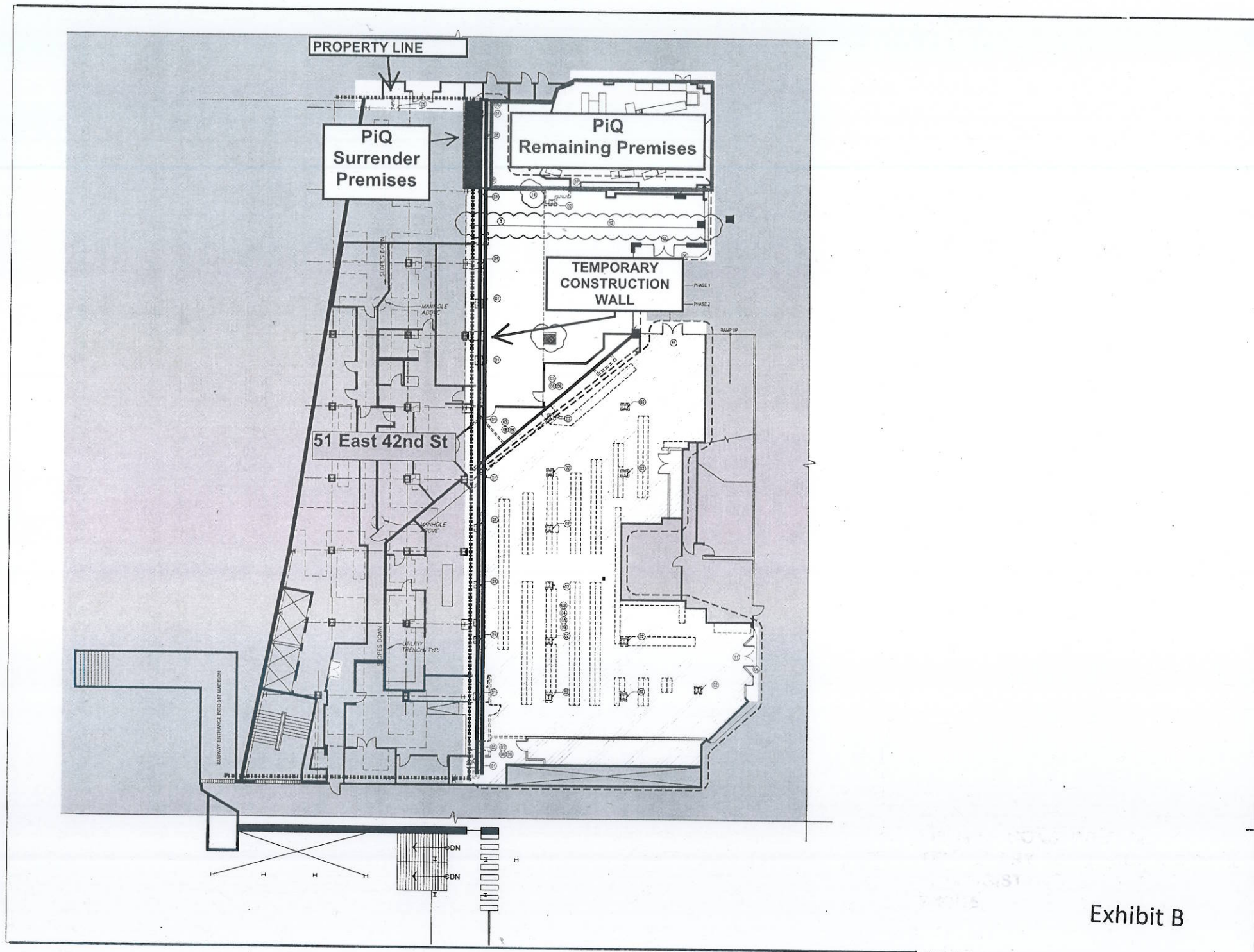
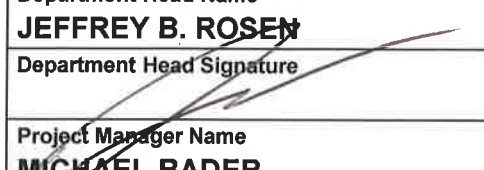


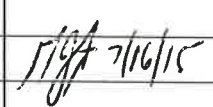


Exhibit B

Staff Summary

Subject LEASE MODIFICATIONS
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name MICHAEL BADER

Date JULY 20, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/20/15	X		
2	Board	7/22/15			

Internal Approvals			
Order	Approval	Order	Approval
1	Legal 		
2	Audit Services		 7/16/15
3	Chief Financial Officer 		
4	Chief of Staff 		

LANDLORD UNDER
MASTER LEASE AND
TENANT UNDER SPACE
LEASE:

The Long Island Rail Road ("LIRR")

TENANT UNDER
MASTER LEASE AND
LANDLORD UNDER
SPACE LEASE:

One Penn Plaza, LLC ("1PP"), an affiliate of Vornado Realty Trust

LOCATION:

Portions of Pennsylvania Station ("Penn Station") and the adjoining, privately-owned building known as One Penn Plaza

ACTIVITY:

Modification of leases (and settlement of disputes)

ACTION REQUESTED:

Approval of terms

MASTER LEASE
PREMISES:

The portion of "Level A" at Penn Station (immediately adjoining part of the basement of One Penn Plaza) that is shown in yellow on the attached plan

SPACE LEASE
PREMISES:

Approximately 21,289 rentable square feet of space in the portion of the basement of One Penn Plaza, as shown in blue on the attached plan

BACKGROUND:

A. The Master Lease.

Pursuant to a long-term lease from Amtrak, LIRR controls (among other things) the portion of Penn Station that lies in the bed of West 33rd Street, which includes the Master Lease Premises to which this staff summary relates as well as the pedestrian circulation area known as the 33rd Street Corridor (the "33rd St. Corridor"). The Master Lease Premises comprise the area between the northern edge of the 33rd St. Corridor and the southern property line of One Penn Plaza ("One Penn Plaza"), which varies in depth from 20 to 28 feet depending on the width of the 33rd St. Corridor. The stores that abut the north side of the 33rd Street Corridor (the "Stores") straddle such property line, and are located partially in the Master Lease Premises and partially in the basement of One Penn Plaza.

Staff Summary

FINANCE COMMITTEE MEETING LEASE MODIFICATIONS - One Penn Plaza, LLC (Cont'd.)

The Stores are permitted to extend into the Master Lease Premises, and thus to front on the 33rd St. Corridor, by virtue of a master lease dated November 21, 1968 that has heretofore been amended four times (as so amended, the "Master Lease"). The Master Lease was originally entered into by the Penn Central Company ("Penn Central") and Mid-City Associates, Inc. ("Mid-City"), the developer and first owner of One Penn Plaza. Penn Central's interest as landlord under the Master Lease was assigned to LIRR by Amtrak in 1988 and Mid-City's interest as tenant under the Lease was assigned by Mid-City to 1PP in 1998, when 1PP purchased the fee interest in One Penn Plaza from Mid-City. The Stores are operated pursuant to leases between 1PP, as landlord, and the respective proprietors of such stores (the "Store Tenants").

The term of the Master Lease is scheduled to expire in June 2023, but is subject to extension at the tenant's option for three successive renewal periods of 25 years each.

B. The Space Lease

Separately, LIRR has occupied the Space Lease Premises since 1991, as the tenant under the lease that was referenced in the attached October 2011 staff summary (the "Space Lease"). The term of the Space Lease was previously extended from January 1, 2012 through January 1, 2015 as contemplated by such staff summary, and has remained in effect since January 1 of this year on a month-to-month basis. LIRR and MTAPD use the Space Lease Premises for various essential back-of-house functions, including a station master's office, facilities housing MTAPD detectives and canines and locker room facilities for train crews. Such functions must be located in close proximity to LIRR's operations at Penn Station, and -- in the absence of progress on the redevelopment of the proposed new Moynihan Station (which would free up space at Penn Station that is currently occupied by Amtrak) -- LIRR and MTA Real Estate have been unable to identify suitable replacement space to house such functions.

PROPOSED AGREEMENTS:

A. Settlement of Dispute Relating to Master Lease Rent

The Master Lease provides for the payment to LIRR of base rent (the "Base Rent"), in fixed amounts that are subject to periodic increase pursuant to a specified reset formula (the "Rent Reset Formula"), plus percentage rent (the "Percentage Rent"), in amounts to be determined based on the extent to which 1PP's income from the Stores and certain other below-grade portions of One Penn Plaza (the "Percentage Rent Premises") exceeds a specified breakpoint that is likewise subject to adjustment pursuant to the Rent Reset Formula.

The parties have been seeking to resolve an ongoing dispute with respect to the interpretation of the provision of the Master Lease that governs the application of the Rent Reset Formula (the "Rent Reset Provision"), the resolution of which has been impeded by the following factors:

- The original drafters of the Lease are not to be found.
- The Rent Reset Provision incorporates by reference percentage rent provisions of a ground lease between Mid-City (as tenant) and a former fee owner of the land underlying One Penn Plaza, only a portion of which ground lease is now available, which ground lease has since been rendered moot by reason of the acquisition of such fee position by 1PP, and which ground lease, if it were still in effect, would in turn depend for its implementation on information with respect to early operating expenses at One Penn Plaza that is no longer obtainable.
- LIRR did not become the landlord under the Master Lease until 1988 and 1PP did not become the tenant under the Master Lease until 1999, following the completion of a reset exercise that had resulted in a determination that no increase in the Base Rent was then required, and accordingly there has been no previous course of dealing with respect to the Rent Reset Provision between LIRR and 1PP, the current parties to the Master Lease.
- Auditing calculations under the Rent Reset Provision, as the Rent Reset Provision is currently drafted, entails investigation and review of revenues and expenses relating to the entirety of One Penn Plaza and not just the Percentage Rent Premises.

Staff Summary

FINANCE COMMITTEE MEETING LEASE MODIFICATIONS - One Penn Plaza, LLC (Cont'd.)

The proposed modification of the Master Lease will effect a settlement of such dispute, endorsed by MTA Legal and MTA Audit as well as MTA Real Estate, that will allow the parties to avoid costly litigation and result in the immediate payment to the MTA of (depending on the effective date of the Settlement) approximately \$530,000. Such settlement (the “Proposed Rent Settlement”) will also greatly simplify calculations relating to future resets and the auditing of such calculations by the MTA.

Pending resolution of the dispute, 1PP has been paying Base Rent at the rate of \$938,658 per annum (up from \$442,812 prior to October 1, 2009), which is \$91,549 less than the \$1,030,207 per annum that the MTA has asserted 1PP should be paying. In the meanwhile, however, 1PP has continued to pay Percentage Rent calculated on the basis of the old breakpoint of \$384,307, rather than the \$894,094 breakpoint MTA Audit figures 1PP should be using, so that the amount of the resulting shortfall has not been as large as it might otherwise have been.

The dispute has turned on two distinct issues:

- **Rent Reset Dates.** First, a literal reading of the Rent Reset Provision indicates that the resets were to occur at the beginning of the 20th year of the term of the Master Lease, which commenced on October 1, 1969, and then every ten years thereafter; and consequently the MTA has asserted that the Base Rent (and related breakpoint for purposes of calculating Percentage Rent) should have been adjusted as of October 1, 2008. However, 1PP has argued that, consistent with common industry practice, the intention of the Rent Reset Provision was to afford the tenant a full 20 years (rather than 19) prior to the first reset, so that the Base Rent and such breakpoint were not due to be adjusted until October 1, 2009.
- **Effect of Prior Increases.** Second, read literally, the Rent Reset Provision would seem to suggest that the Rent Reset Formula was designed to result in compounding increases, such that the Base Rent as most recently adjusted pursuant to such formula would in turn be multiplied by a factor reflecting increases in values not from the date of the most recent such adjustment but from a fixed point in time in the 1980s. However, 1PP has argued, persuasively, that the parties could not possibly have intended that to be the case, as it would result in manifestly excessive and untenable increases. The following table illustrates how the Rent Reset Formula, read literally, would result in increasingly onerous increases over the remainder of the Master Lease term (assuming that 1PP exercises its option to extend the term of the Master Lease beyond its current June 16, 2023 expiration date and that the tenant’s revenues and expenses increase at the rate of 3% per annum):

Annual Rent Reset Year	Increase (%)	Base Rent (\$Millions)
2008	225%	\$1.0
2018	300%	\$3.2
2028	420%	\$13.5
2038	565%	\$76
2048	759%	\$580
2058	1,020%	\$5,900
2068	1,370%	\$81,100
2078	1,840%	\$1,490,000
2088	2,480%	\$37,000,000
2098	3,330%	\$1,230,000,000

Pursuant to the Proposed Rent Settlement, 1PP will acquiesce in the MTA’s position with respect to the timing of the rent resets. And, insofar as the last reset is concerned, the parties will agree -- retroactively to October 1, 2008, and with prospective effect until the end of September 2018 (i.e. until the next reset) -- to rent adjustments very nearly as high as those argued for by the MTA; the Base Rent will be deemed to have increased to \$991,537 per annum (an increase of 224%), and the Percentage Rent breakpoint to \$860,533. However, going forward, the Proposed Rent Settlement will modify the Rent Reset Formula in two respects. First, it will simplify accounting for future resets by (a) tying them to percentage increases in the tenant’s net operating income from the Percentage Rent Premises only, rather than its net

Staff Summary

FINANCE COMMITTEE MEETING LEASE MODIFICATIONS - One Penn Plaza, LLC (Cont'd.)

operating income from the entirety of One Penn Plaza, (b) attributing a fixed percentage of increases in One Penn Plaza's taxes to the Percentage Rent Premises, based on square footage, and (c) establishing a base operating expense with respect to the Percentage Rent Premises that will be assumed to increase at the rate of increases in the Consumer Price Index. And, second, it will eliminate the above-described compounding effect, so that each future reset more appropriately reflects increases in the net income from the Percentage Rent Premises since the previous reset.

B. Appearance of Stores and Behavior of Store Tenants

For many years, LIRR has been frustrated by 1PP's failure to attract Store Tenants that could be depended upon to refrain from hawking beer and other grab-and-go offerings in a manner that impedes pedestrian flow in the 33rd St. Corridor, and to impose suitable controls on Store Tenant signage that would redress the visual clutter that has for too long characterized the north side of the 33rd Street Corridor — failures that many members of the public have attributed to the MTA.

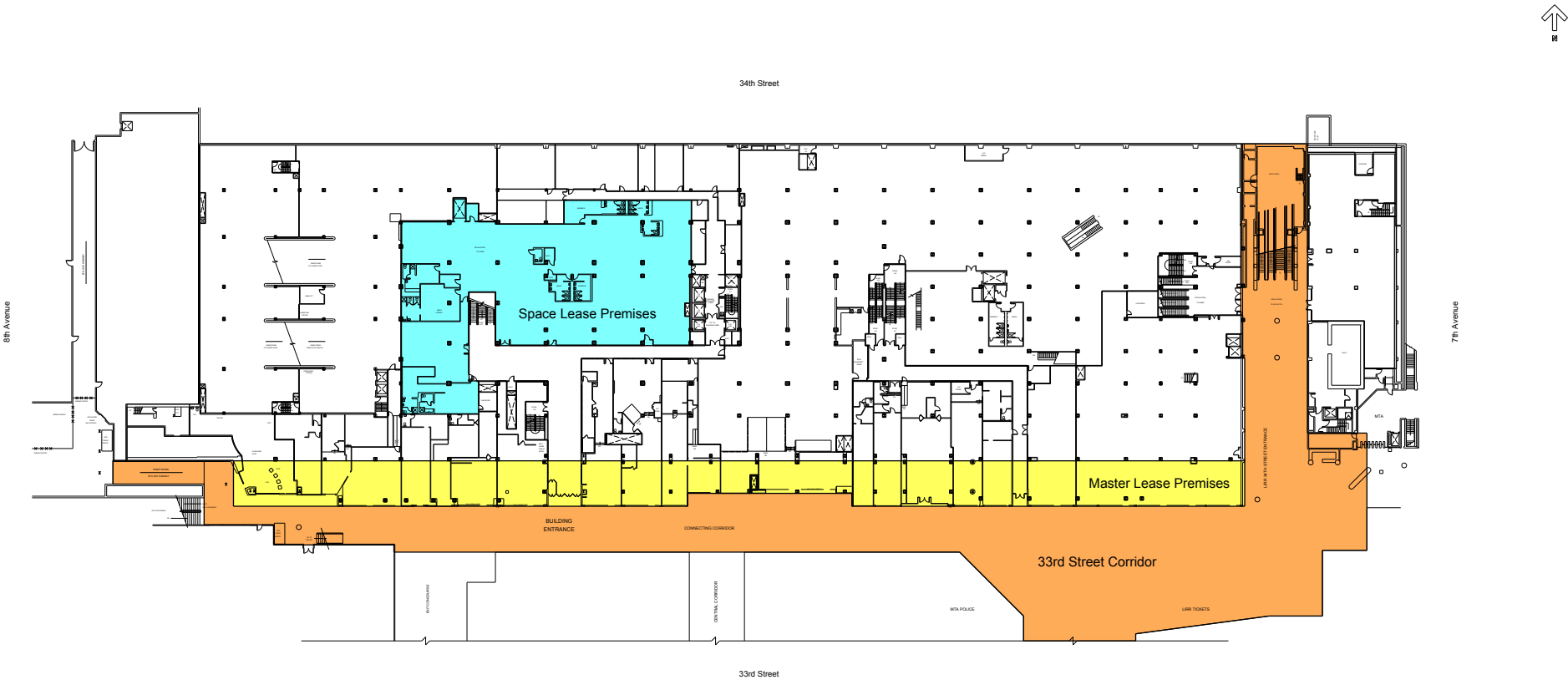
However, 1PP's parent company, Vornado, has recently commenced an ambitious master planning exercise, with a view to very substantially upgrading One Penn Plaza, Two Penn Plaza and the associated above-and below-ground public areas, and is prepared, in connection with the Proposed Rent Settlement, to commit in the meanwhile to the very significant interim measures that are set forth in the attached draft letter.

C. Extension of Space Lease Term

In connection with the Proposed Rent Settlement, the 1PP has agreed to further extend the term of the Space Lease, for an additional five years dating back to January 1, 2015. In consideration of such extension, the base rent will increase from \$55 to \$58 per square foot (retroactive to January 1, 2015 and to continue throughout the five-year term), while the operating expense and tax escalations and other terms described in the aforementioned 2011 staff summary will remain unchanged.

Based on the foregoing, authorization is hereby requested to enter into modifications of the Master Lease and Space Lease on the above-described terms and conditions.

One Penn Plaza (N001)
Lower Level 2



ALL DIMENSIONS ARE APPROXIMATE AND ARE SUBJECT TO NORMAL BUILDING VARIATIONS.

Jeffrey Rosen
Director of Real Estate
Metropolitan Transportation Authority
2 Broadway
New York, NY 10004

Dear Jeff:

For some time we have engaged in a productive dialogue regarding the passenger experience along the Long Island Rail Road Concourse that runs underneath 33rd Street between Seventh and Eighth Avenues, including with respect to the retail spaces that we operate along the north side of that Concourse pursuant to the Master Lease between us. We appreciate your forceful advocacy on behalf of the MTA and its passengers, and we share your goals of improving both pedestrian flows and aesthetics in this critically important corridor. The purpose of this letter is to communicate our progress and plans for realizing those goals, in five key areas.

First, as you know we already are well underway with an initiative to realize meaningful short-term improvements through changes to the tenant mix, including bringing high-quality local and national brands to the Concourse. This includes the following recent leasing activity:

- Pret a Manger: opened April 2015 in space formerly occupied by European (see Exhibit A attached);
- Duane Reade: lease executed; expected to open third quarter 2015 in space formerly occupied by Riese Restaurants;
- Magnolia Bakery: lease executed; expected to open fourth quarter 2015 in space currently occupied by Cinnabon / Carvel.

In addition, we also expect to identify soon new tenants for the spaces formerly occupied by HSBC and Penn Books. As a result, as shown in Exhibit B nearly 40% of the retail frontage on the north side of the Concourse will have turned over in approximately one year. Alongside existing national brands such as Starbucks, we believe these new tenants will provide a dramatically improved aesthetic and function to the Concourse.

Second, we will immediately undertake a program to replace much of the existing retail signage on our premises¹ in the Concourse with new signage that complies in all material ways not only with our obligations under the Master Lease, but also with certain additional guidelines that you have proposed for the retail premises, including:

¹ Signage replacement to include: Tasti D•lite (2), Planet Smoothie (2), Rose's Pizza (3), Moe's Southwest Grill, Charleys Philly Steaks, Le Bon Cafe, Soleman, and Central Market.

- Primary signage will remain within the designated horizontal sign bands above entrances, and will not contain information other than one business name and logo per store, except where such additional information is limited and part of the standard signage program of a national retailer that cannot reasonably be expected to change. Appropriately-designed supplementary storefront window signage may also be acceptable (as found at Starbucks within our premises, and at Chickpea within the MTA's retail premises). We understand that the intent of these guidelines is to ensure that storefront signage is tasteful and does not contribute to visual clutter along the Concourse;
- Signs will not extend width-wise beyond storefront openings (i.e., no signs on pillars);
- Signs (or other fixtures or FF&E of any kind, whether permanent or temporary) will not extend into the corridor, other than raised lettering as discussed below;
- Signs will have raised or cut-in lettering, with no visible gaps in background sheets over light boxes.

The attached Exhibit C illustrates the changes that will result from enforcing existing and new guidelines. Vornado will pay for this new signage program, which will impact even certain existing tenants whose existing signage complies fully with the existing Master Lease. We expect to complete this effort by September 1.

Third, we will pursue immediate tenant compliance with their existing obligations and certain additional guidelines in relation to the three-foot "Display Zones" at the entrances to their premises. This will include:

- Removal of any permanent fixtures (i.e., ATM machines, salad bars, cash wraps), floor-mounted signage, and accessible merchandise displays (including freestanding ice coolers), unless those fixtures, signage, or displays are configured in such a way that customer queuing is unlikely to extend into the corridor (i.e., at Pret A Manger, where an open merchandise case is oriented toward the center of the store rather than toward the Concourse);
- Removal of generic brand advertising and other non-compliant signage (including neon, flashing, or otherwise animated signs) that is highly visible from the corridor;
- Cessation of any activities (i.e., product sampling) that is likely to result in queuing that extends into the corridor.

Exhibit D illustrates non-compliant and compliant conditions in the Display Zones.

We also understand that the intent of the restrictions in the Display Zone is to minimize visual and physical clutter in the Concourse, and that some tenant activity outside of the Display Zone contributes to that clutter (e.g., generic brand advertising signage, neon and flashing signs, and fixtures that are likely to result in queuing that extends into the corridor). Going forward and in furtherance of our shared objectives, our design review for tenant improvements will apply the spirit of Display Zone restrictions to the adjacent area. We also will seek to make similar improvements for existing tenants (and in particular for any tenants that opened new spaces within the prior three months).

Fourth, we will implement a significantly more aggressive enforcement program in furtherance of the objectives outlined above. Our enforcement efforts will include:

- A letter to tenants reminding them of their obligations and informing them of our plans to step up enforcement;
- In-person meetings to communicate the same message;
- A dramatic increase in the frequency of surprise inspections by our on-site property management staff, who will advise that default notices should be served upon tenants found to have violations of these policies;
- If necessary, termination of leases for tenants who prove unable or unwilling to comply.

We would welcome your active participation in these enforcement actions on both the north and south sides of the Concourse, to promote a “culture of compliance” among both your retail tenants and ours.

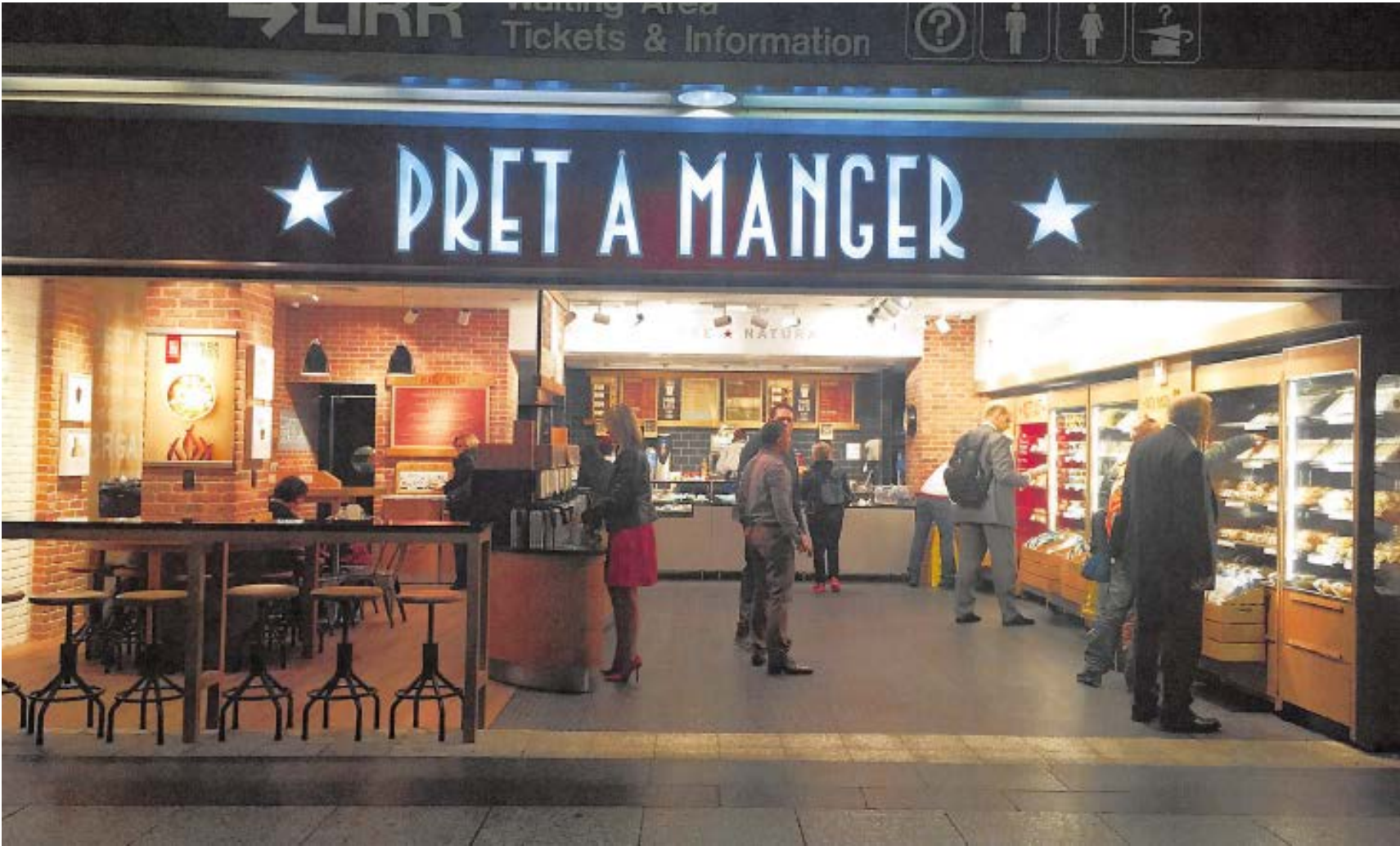
Fifth, we are in the process of engaging an architect that will work with us and with you, at our expense, to propose a series of revisions to the current Design Guidelines (dated May 1996) that are incorporated into the Master Lease – including revisions to reflect the objectives outlined above and in your January 2015 proposal. These Design Guidelines will be updated to reflect the ways in which retail uses of the Concourse have changed over time, and will seek to balance the need for creativity and flexibility in design with the need to impose tight controls in certain areas. We expect to provide you with a draft of the new Design Guidelines by September 1 and would hope to finalize them with you as soon as possible thereafter.

We believe the five actions outlined above represent a clear path to realizing improvements to the passenger experience along the Concourse. In the medium to long term, the MTA’s desire to see wholesale improvement to the Penn Station retail environment both in the Concourse and in the surrounding premises is perfectly consistent with Vornado’s vision for the Penn Station area, both at the street level and below grade. As you know, we have embarked on an effort to create a Master Plan for our holdings in the area, and it is our hope that this Master Plan will enable us to collaborate with the MTA and other public sector participants to realize dramatic improvements for commuters, shoppers, office workers, and tourists alike. We look forward to working closely with you and other members of the MTA’s leadership to create an experience worthy of this country’s most important transportation hub.

Sincerely,

David Greenbaum
President, New York Division

Exhibit A: Pret-A-Manger Space



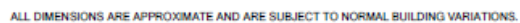


Exhibit C: Noncompliant and Compliant Signage

Noncompliant Signage



Compliant Signage



Exhibit D: Noncompliant and Compliant Conditions in the Display Zone


Noncompliant Conditions



Compliant Conditions






Staff Summary

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

Date JULY 20, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/20/15	X		
2	Board	7/22/15	X		

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

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

LANDLORD: 450 7th Avenue Associates, LLC c/o Kaufman Management Company, LLC ("Landlord")

LOCATION: 450 Seventh Avenue, New York, New York

ACTIVITY: Lease modification and renewal

ACTION REQUESTED: Approval of terms

TERM: 10 years, commencing September 15, 2014

SPACE: Portion of 20th Floor – approx. 7,848 rentable square feet and 4,870 usable sq. ft. (the "Premises")

RENT:	<u>Year</u>	<u>Annual Rent</u>	<u>Annual Rent PSF</u>
	1	\$345,312.00	\$44.00
	2	\$353,944.80	\$45.10
	3	\$362,793.42	\$46.23
	4	\$371,863.26	\$47.38
	5	\$381,159.84	\$48.57
	6	\$406,384.83	\$51.78
	7	\$416,544.45	\$53.08
	8	\$426,958.06	\$54.40
	9	\$437,632.02	\$55.76
	10	\$448,572.82	\$57.16

LANDLORD'S WORK: Landlord will contribute \$20 per rentable square foot for tenant improvements and at its cost will replace the HVAC units serving the premises.

RENEWAL OPTION: None

TENANT TERMINATION OPTION: As of 9/15/19 with 12 months' notice and a \$225,000 payment, plus unamortized tenant improvement allowance and leasing commission.

Staff Summary

FINANCE COMMITTEE MEETING

Lease modification and renewal (Cont'd)

Page 2 of 2

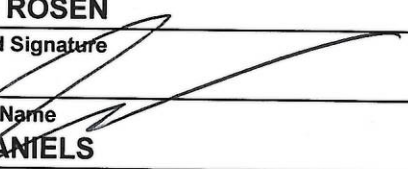
SERVICES:	Maintenance and repairs by Landlord at Tenant's expense at actual cost
ELECTRICITY:	Submetered
ESCALATIONS:	Real estate taxes: Proportionate share over 2014/15 base year Operating expenses: Included in rent
SECURITY DEPOSIT:	None

COMMENTS:

The MTA LIRR Special Projects department has occupied the Premises since 1997 and will continue to require space proximate to Penn Station in order to manage various projects for the next 10 years on an ongoing basis. Many of these projects entail 24/7 interaction with internal LIRR and external stakeholders at Penn Station and West Side Yards, including Amtrak, New Jersey Transit, contractors and utility companies. Multiple alternative locations for lease were identified, and evaluated, with assistance from Cushman & Wakefield, but renewing at this location proved to be the most cost-effective.



Based on the foregoing, MTA Real Estate requests authorization to enter into a lease with Landlord 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 MICHAEL DANIELS

Date JULY 20, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/20/15	X		
2	Board	7/22/15	X		

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

AGENCY: MTA Bus Company ("MTA Bus")

LANDLORD: 89th Jamaica Realty Company LLC ("89th Jamaica Realty")

LOCATION: Jamaica Bus Terminal - 89th Avenue between 165th Street and Merrick Boulevard, Queens

USE: Lease of bus bays at Jamaica Bus Terminal (the "Terminal")

ACTION REQUESTED: Approval of terms

TERM: 5/1/2014 - 3/31/2021

SPACE: Ten bus bays and access through Landlord's lot to and from the bus bays.

BASE RENT:

5/1/2014 – 4/30/2015	\$200,000.00 per annum / \$16,666.66 monthly
5/1/2015 – 4/30/2016	\$206,000.00 per annum / \$17,166.66 monthly
5/1/2016 – 4/30/2017	\$212,180.00 per annum / \$17,681.66 monthly
5/1/2017 – 4/30/2018	\$218,545.00 per annum / \$18,212.08 monthly
5/1/2018 – 4/30/2019	\$225,101.00 per annum / \$18,758.42 monthly
5/1/2019 – 4/30/2020	\$231,854.00 per annum / \$19,321.16 monthly
5/1/2020 – 3/31/2021	\$238,810.00 per annum / \$19,900.83 monthly

REPAIRS and UTILITIES: At Landlord expense

SNOW AND ICE REMOVAL: At Landlord expense

COMMENTS:

MTA Bus Company has been using 10 terminal bus bays at the Terminal for the Q6, Q8, Q9 and Q41 bus lines since 2006, when it succeeded to the operation of the assets and routes of the former private Green Bus Line Company, which had previously used the bays since 1988. Additional bus bays at the Terminal are leased to separate entities, namely NYCT (8 bays under a 30 year lease that commenced in 1991) and to Nassau County on behalf of the Nassau Inter County Express (6 bays under a 7-year lease that commenced in 2013.) The Terminal is a major intermodal hub servicing New York City and Nassau County commuters. It accommodates approximately 800 weekday bus arrivals and departures, serving approximately 34,000 riders each weekday.

Staff Summary

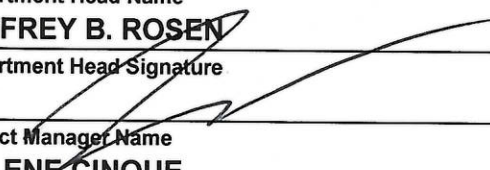
FINANCE COMMITTEE MEETING 89th Jamaica Realty (Cont'd.)

The property on which the Terminal is located is owned by a private entity, 89th Jamaica Realty. For many years, the parties proceeded as if MTA Bus (and its predecessor Green Line Bus) had a lease similar to NYCT's lease, which provides for only nominal rent by reason of the pedestrian traffic its buses bring to 89th Jamaica Realty's adjoining retail property. However, no written lease has been located, and in 2012, 89th Jamaica Realty commenced a lawsuit against MTA Bus for the fair rental value of MTA Bus's past and future use and occupancy of the Terminal. The proposed lease, in addition to securing MTA Bus's parking slots until 2021 (a time that coincides with the remaining term of NYCT's lease), will result in a full dismissal of such lawsuit, including all compensation claims against MTA Bus for past use and occupancy of the Terminal.

A market search has revealed no suitable or practical alternatives to maintaining the 10 terminal bus bays at its current location in the Terminal. The rental terms outlined above represent the best terms that MTA Real Estate can achieve through negotiation with 89th Jamaica Realty and reflect a rental unit value for bus bays that is significantly less than the rental unit value (about \$35,000 per bus bay per year) for bus bays that Nassau County leases at Jamaica Terminal under a 2012 lease.




Based on the foregoing, MTA Real Estate requests authorization to enter into a lease with 89th Jamaica Realty on the above described-terms and conditions.

Staff Summary

Subject EASEMENT AGREEMENT FOR ELEVATOR
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name HELENE CINQUE

Date JULY 20, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/20/15	X		
2	Board	7/22/15	X		

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

AGENCY: MTA Capital Construction Company ("MTACC")

LOCATION: Privately-owned plaza serving a 41-story office building located at 280 Park Avenue (on the north side of East 48th Street between Madison and Park Avenues) in Manhattan Tax Block 1284, Lot 26 (the "Property").

ACTION REQUESTED: Approval to enter into an agreement with the Property's owner, Broadway 280 Park Fee LLC ("280 Park"), for permanent and temporary easements to construct and permanently maintain a customer elevator that will serve the East Side Access Project ("ESA").

COMMENTS:

MTACC and MTA Real Estate are engaged in discussions to acquire permanent and temporary easements (the "Easements") to construct and permanently maintain an elevator for ADA customer access from 280 Park's public plaza area (on the north side of East 48th Street) to the Grand Central Concourse as part of MTA LIRR's ESA Project. In June 2013, the MTA Board approved an agreement between MTACC and 280 Park pursuant to which MTACC constructed a structural box for the ESA elevator while 280 Park was renovating its plaza. At this juncture, MTACC wishes to proceed with its portion of the elevator work, which includes installation of the elevator equipment and associated utility connections through the Property. This will require acquisition of the Easements.

It is uncertain whether MTA and 280 Park will reach agreement on the value of the Easements. If not, the parties are discussing an arrangement whereby compensation for the Easements would be determined through arbitration. If an arbitration arrangement cannot be reached that sufficiently protects MTA's interests, MTA must commence a condemnation proceeding under the Eminent Domain Procedure to secure the Easements.

Based on the foregoing, MTA Real Estate requests approval of the attached resolution authorizing MTA to commence the proposed acquisition.

Staff Summary

FINANCE COMMITTEE MEETING
280 Park Avenue (Cont'd.)

BOARD RESOLUTION

WHEREAS, acquisition of permanent and temporary easements (the “Easements”) in the property located at 280 Park Avenue, Manhattan, New York, a/k/a Block 1284, Lot 26 (the “Property”) is required to construct and operate a new customer elevator serving Grand Central Terminal as part of the East Side Access Project.

WHEREAS, MTA Real Estate will seek to acquire the Easements at a reasonable price through a negotiated agreement or an arbitration process.

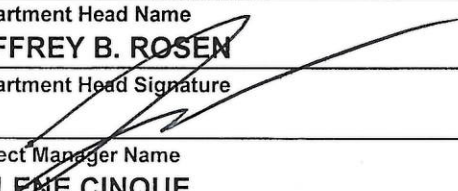
WHEREAS, if the parties cannot reach agreement on the terms for acquiring the Easements or the compensation to be paid for the Easements, acquisition of the Easements by eminent domain will be required.

NOW, THEREFORE BE IT

RESOLVED, that in accordance with the Eminent Domain Procedure Law and Section 1267 of the Public Authorities Law, the Chairman or designated staff member of the Authority is authorized to proceed with the acquisition of the Easements by negotiated agreement or eminent domain and to schedule and undertake such preliminary steps, including holding a public hearing, as may be required under the Eminent Domain Procedure Law, in connection with these acquisitions.



This Resolution shall take effect immediately upon its adoption.

Staff Summary

Subject ACQUISITION OF EASEMENTS
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name HELENE CINQUE

Date July 20, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/20/15			
2	Board	7/22/15			

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

AGENCY: MTA Capital Construction Company ("MTACC")

PROPERTY: 335 Madison Avenue (Block 1278, Lot 20) Manhattan (the "Property")

OWNER: 335 Madison Avenue LLC (controlled by Milstein Properties Corp.)

ACTIVITY: Acquisition of permanent and temporary easements for elevators

AREA: Approx. 822 sq. ft. of permanent easements; approx. 884 square feet of temporary construction and access easements; and temporary construction impacts to the remaining approx. 32,000 square feet of basement space leased by a health spa.

ACTION REQUESTED: Approval of terms for acquisition of permanent and temporary easements

COMPENSATION: \$ 778,155 (assuming a one-year duration for all temporary easements)

COMMENTS:

This is to request approval of a proposed agreement that will convey to MTA permanent and temporary easements at 335 Madison Avenue, New York, New York (the "Property") to support construction and operation of two new elevators described below. The Property is a 28-story commercial office building containing approximately 1,000,000 square feet of rentable space. The building occupies the entire block bounded by East 44th Street, East 43rd Street, Madison Avenue and Vanderbilt Avenue.

The TMC/SMO elevator, which will be located in the East 43rd Street side of the Property, has been redesigned as a two-stop, non-public elevator connecting Metro-North's existing Station Master's Office ("SMO") in Grand Central Terminal with the LIRR's new Terminal Management Center ("TMC") below. The TMC/SMO elevator will facilitate coordination of LIRR's and Metro-North's regular and emergency related activities. The permanent easements needed to construct and operate this elevator will be located in the Property's basement, which currently is being renovated by a tenant as a health spa. Temporary easements during construction also will be required in the Property's street-level lobby off 43rd Street. The Biltmore elevator will be a two-stop, public, ADA-accessible elevator located on the East 44th Street side of the Property. This elevator will provide customer access from the Biltmore Room lobby in Grand Central to the new East Side Access Concourse below. The easements needed to construct and operate this elevator primarily will be located in the Property's basement, within a portion of the health spa tenant's demised premises; with a small easement in the street level retail space (formerly leased by Daffy's) to support the top of the elevator's mechanical equipment.

Following negotiations, a tentative agreement has been reached with the Owner to convey the permanent and temporary easements to MTA as follows:

Staff Summary

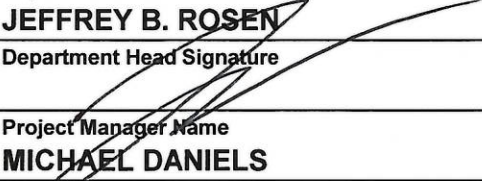
FINANCE COMMITTEE MEETING Property Acquisition. (Cont'd.)

Permanent Easements:	\$ 173,000
Temporary Easements outside of the health spa:	\$ 125,155 per year
Impacts to the health spa:	\$ 480,000 per year
<hr/>	
Total Compensation:	\$ 778,155 (assuming a one year duration for all temporary easements)

The values for all permanent easements and all temporary easements outside the health spa are based on MTA's appraised values for those easements. The compensation for the health spa area is the equivalent of one year's rent under the health spa's lease with the Owner, which MTA's appraiser has determined to be at or below market rent. Backstopping the Owner's potential rent losses from the health spa tenant is a critical element in the compensation agreement from the Owner's perspective. As part of the agreement, the Owner will work out a separate deal with the tenant to abate the rent during MTA's construction phase and obtain the tenant's cooperation in a manner that also will allow the tenant to coordinate its build-out of the health club with MTA's work. If MTA does not have such an agreement in place and is compelled to acquire the easements by eminent domain, there is a significant risk that the tenant would terminate the lease due to alleged interference from MTA's elevator construction activities. Such a lease termination would give rise to significant damage claims against MTA by both the Owner (for lost rent, which escalates to over \$1 million per year) and by the tenant (for business interruption and trade fixtures).




The proposed agreement is fair and reasonable, will avoid eminent domain litigation that would be costly and likely delay the elevator project, and is in MTA's best interests. Based on the foregoing, MTA Real Estate requests authorization to enter into an agreement with the Owner 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 MICHAEL DANIELS

Date JULY 20, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/20/15	X		
2	Board	7/22/15	X		

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

AGENCY: MTA Manhattan and Bronx Surface Transit Operation Authority ("MaBSTOA")

LANDLORD: Flor Realty Corp.

LOCATION: 248 East 125th Street, NY, NY

USE: Swing room for bus operators and dispatchers

ACTION REQUESTED: Approval of terms

TERM: Five years, with 3% per annum rent escalation

SPACE: Approximately 700 square feet - 1st floor retail space

BASE RENT:

1st year	\$35,000.00 annum / \$2,916.67 monthly
2nd year	\$36,050.00 annum / \$3,004.17 monthly
3rd year	\$37,131.50 annum / \$3,094.29 monthly
4th year	\$38,245.45 annum / \$3,187.12 monthly
5th year	\$39,392.81 annum / \$3,282.73 monthly

TAX ESCALATION: Tenant to pay proportionate share over 2015/2016 base year

ELECTRICITY: Tenant expense via direct meter

HEAT AND AC: Landlord will provide heating and air conditioning units.. Tenant will be responsible for maintaining the units and the electric usage

SERVICES: Landlord, at its expense, to provide snow and ice removal

TERMINATION: Landlord or tenant may terminate with 120-days written notice

COMMENTS:

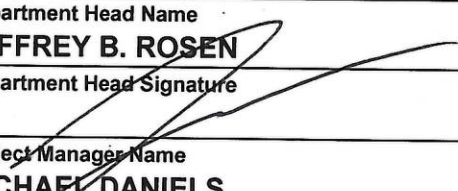
This space will be used seven days per week as swing room by approximately 220 bus operators and dispatchers of 19 bus lines. It is in close proximity to the recently closed NYCT 126th Street Bus Depot. The landlord will fit out the space at its own cost. A search revealed no suitable alternative spaces in the immediate area.

Staff Summary

FINANCE COMMITTEE MEETING Flor Realty (Cont'd.)




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

Staff Summary

Subject LICENSE
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name MICHAEL DANIELS

Date JULY 20, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/20/15	X		
2	Board	7/22/15	X		

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

AGENCY: MTA Manhattan and Bronx Surface Transit Operation Authority (MaBSTOA)

LICENSOR: Topnotch Riverdale, Inc.

LOCATION: 542 Riverdale Ave, Yonkers, NY 10705

USE: Restroom facility (6am-6pm / 6-days a week)

ACTION REQUESTED: Approval of terms

TERM: 5 years

COMPENSATION: \$300.00 monthly / \$3,600.00 per annum

ANNUAL ESCALATION: 2% per annum

TERMINATION: By either party on 30 days' notice

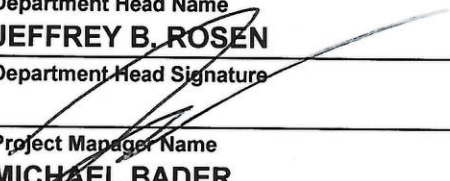
SERVICES AND SUPPLIES: MaBSTOA will clean the restroom twice weekly and supply paper goods and shall replace any plumbing fixtures that break during the term

COMMENTS:

There is an immediate need for a restroom facility for bus operators of the BX 7 and BX 10 lines and dispatchers in this area. Restroom facilities located at a service station approximately one-half block north of the routes' termini had been used by bus personnel, and this agreement will allow the continuation of that use. There are no MTA-controlled facilities in the area that can serve such purpose, and based on an analysis of the local market, no other privately-owned facilities are available that meet the locational criteria. Approximately 100 bus operators, dispatchers and road operations personnel serving bus lines BX7 and BX10 will utilize this facility. The compensation is the lowest that could be achieved through negotiations with the owner.




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

Staff Summary

Subject LEASE TERMINATION
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name MICHAEL BADER

Date JULY 20, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	07/20/15	X		
2	Board	07/22/15	X		

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

AGENCY: Metropolitan Transportation Authority ("MTA")
PROPERTY: 2 Broadway Garage (Manhattan Block 11, Lot 1)
TENANT: Kura River Management Ltd. ("Kura River")
ACTIVITY: Lease termination
ACTION REQUESTED: Authorization to commence steps for condemnation procedures
LEASED AREA: Entire garage (56 parking spaces in the basement of 2 Broadway)

COMMENTS

In 1999, MTA entered into a long-term lease of 2 Broadway (49 years, with two 15-year options) with the building's owner, Zar Realty Management Corporation ("Zar"). The building has a plot area of 72,130 square feet and a gross building area of 1,595,000 square feet. MTA's master lease is subject to a pre-existing sub-lease to Kura River for a public parking garage in the basement with a legal capacity of 56 parking spaces. Kura River's lease with Zar, which was assigned to MTA, commenced on January 1, 1997, and will expire on December 31, 2026. The lease had a base rent of \$156,000 per year in the initial year, increasing at a rate of 3% per year. The current annual base payable to MTA in 2015 is \$265,580.

MTA's move of its headquarters to 2 Broadway and consolidation of other MTA agency functions in the building has resulted in increased needs for storage and office support space in the basement and other areas of the building; and, as critical functions have been further consolidated in one building, security issues have been revisited. Consequently, it has been determined that it would be in MTA's best interests to terminate the garage tenancy and take over the garage space for MTA's own use. Although terminating the garage lease will result in a loss of income to MTA, the income loss will be more than offset by the value of reclaiming the space for MTA needs, including enhancing the building's safety and security.

Because Kura Management's lease does not provide for any termination other than by reason of tenant defaults, MTA must terminate the lease through a negotiated agreement or by eminent domain. Based on the foregoing, MTA Real Estate requests approval of the attached resolution authorizing MTA to commence the proposed acquisition process.

BOARD RESOLUTION

WHEREAS, termination of the lease to the garage operator at 2 Broadway, New York, New York (Manhattan Block 11, Lot 1) will provide MTA with additional space to satisfy its needs for recently relocated headquarters operations and for other MTA agency functions in the building and will allow MTA to enhance the building's safety and security; and

WHEREAS, MTA Real Estate will seek to terminate the lease through negotiations with the garage tenant; and

WHEREAS, if such a negotiated agreement cannot be concluded in a timely manner, termination of the garage lease by eminent domain will enable MTA to achieve such purposes in the public interest.

NOW, THEREFORE BE IT

RESOLVED, that in accordance with the Eminent Domain Procedure Law and Section 1267 of the Public Authorities Law, the Chairman or designated staff member of the Authority is authorized to proceed with the termination by negotiated agreement or eminent domain of the leasehold interest in the Property described in the accompanying Staff Summary and to schedule and undertake such preliminary steps, including holding a public hearing, as may be required under the Eminent Domain Procedure Law, in connection with the lease termination.

This Resolution shall take effect immediately upon its adoption.

Report

PROCUREMENTS

The Procurement Agenda this month includes 15 actions for a proposed expenditure of \$276.9M.

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	7/20/15			
2	Board	7/22/15			

July 9, 2015			
Department Law and Procurement – MTACC			
Department Head Name Evan Eisland			
Department Head Signature 			
Internal Approvals			
	Approval		Approval
	President NYCT 7/10/15		President MTACC
	Executive VP 7/10/15		President MTA Bus 7/10/14
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	\$ 8.0 M
• Motor Coach Industries		\$ 8.0 M
Service Parts		
SUBTOTAL	1	\$ 8.0 M

MTA Bus Company proposes to award Non-Competitive procurements in the following categories:

Schedules Requiring Majority Vote:

Schedule E: Miscellaneous Procurement Contracts	1	\$ 1.2 M
• Motorola, Inc.		\$ 1.2 M
SUBTOTAL	1	\$ 1.2 M

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

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

<u>Procurements Requiring Two-Thirds Vote:</u>		<u># of Actions</u>	<u>\$ Amount</u>
Schedule B:	Competitive Requests for Proposals (Solicitation of Purchase and Public Work Contracts)	2	\$ TBD M
Schedule C:	Competitive Requests for Proposals (Award of Purchase and Public Work Contracts)	3	\$ 207.0 M
<u>Schedules Requiring Majority Vote:</u>			
Schedule F:	Personal Service Contracts	1	\$ 1.0 M
Schedule G:	Miscellaneous Service Contracts	2	\$ 43.2 M
SUBTOTAL		8	\$ 251.2 M

MTA Capital Construction proposes to award Competitive procurements in the following categories:Schedules Requiring Majority Vote:

Schedule I:	Modifications to Purchase and Public Works Contracts	1	\$ 0.8 M
SUBTOTAL		1	\$ 0.8 M

MTA Bus Company proposes to award Competitive procurements in the following categories: NONE**MTA Bus Company proposes to award Ratifications in the following categories: NONE****NYC Transit proposes to award Ratifications in the following categories:**Schedules Requiring Majority Vote:

Schedule K:	Ratification of Completed Procurement Actions	2	\$ 9.3 M
SUBTOTAL		2	\$ 9.3 M

MTA Capital Construction proposes to award Ratifications in the following categories:Schedules Requiring Majority Vote:

Schedule K:	Ratification of Completed Procurement Actions	2	\$ 6.4 M
SUBTOTAL		2	\$ 6.4 M

TOTAL	15	\$ 276.9 M
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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 2015

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. Motor Coach Industries | \$8,000,000 (Est.) | <u>Staff Summary Attached</u> |
| Service Parts | | |
| Sole Source - Three-year omnibus | | |
| Purchase of inventory and non-inventory replacement bus parts. | | |

Schedule A: Non-Competitive Purchases and Public Work Contracts

Item Number: 1

Vendor Name (& Location) Motor Coach Industries Service Parts (Louisville, KY)
Description Purchase of inventory and non-inventory replacement bus parts
Contract Term (including Options, if any) October 2, 2015 – October 1, 2018
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 NONE	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total Amount: NYC Transit: \$2,000,000 MTABC: \$6,000,000	
\$8,000,000 (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 is an omnibus approval request for items identified as obtainable only from Motor Coach Industries Service Parts (MCISP), 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 and MTA Bus Company (MTABC) are 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 Public Authorities Law 1209, and paragraph 5(b) of Public Authorities Law 1265-a for NYC Transit and MTABC respectively, which allows for purchases of items that are available from only a single responsible source to be conducted without competitive bidding.

There are approximately 8,686 items covered by this approval for the purchase of replacement bus parts such as door assemblies, cooling system components and hydraulic components used on NYC Transit and MTABC buses. These items are identified as obtainable only from MCISP for the following reasons: sole pre-qualified item on the Qualified Products List and not available from any distributor or other source; publicly advertised within a twelve month period without an acceptable alternate supplier; or proprietary to MCISP. These items are advertised a minimum of once every twelve months to seek competition. A list of MCISP sole source items, as well as NYC Transit and MTABC'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 used by NYC Transit's Department of Buses (DOB) and MTABC for normal maintenance and replenishment of inventory and non-inventory bus parts for the MCI Over-the-Road fleet for 898 buses (387 NYC Transit, 511 MTABC) and represents approximately 15.7% of the combined bus fleet of 5,725 buses.

The existing omnibus approval for \$10,000,000 (\$5,000,000 for NYC Transit and \$5,000,000 for MTABC) was approved by the Board in September 2012 and expires on October 1, 2015. There is a remaining balance of \$2,907,123 for NYC Transit's portion and approximately \$2,189,043 for MTABC's portion of unexpended funds on the existing omnibus approval. The reason for the remaining funds for NYC Transit is the decrease in the number of buses that went through the scheduled maintenance program due to upcoming retirement of a sizable portion of the MCI fleet. The retiring MCI buses will be replaced by Prevost buses, therefore, NYC Transit's fleet of MCI buses is expected to be reduced from 387 buses to 116 buses by the end of 2016 resulting in a decrease in the amount anticipated to be spent on MCI sole source parts. MTABC does not anticipate retiring any of its MCI bus fleet during the upcoming omnibus period and anticipates spending a greater amount on MCI sole source parts as its fleet of MCI buses ages.

An analysis was performed on 80 (33 NYC Transit, 47 MTABC) contracts issued during the term of the existing omnibus approval that exceeded the \$15,000 threshold, which represents a total contract value of \$6,283,197 (\$1,785,381 NYC Transit, \$4,497,816 MTABC). Of the 80 contracts, 64 (28 NYC Transit, 36 MTABC) have comparative history. A price analysis of the 64 sole source contracts revealed an annual weighted average price increase of 1.31%. These 64 contracts amount to a total of \$3,605,452 (\$1,628,707 NYC Transit, \$1,976,745), or 57.4% of the \$6,283,197 of contracts issued under the existing omnibus approval. Procurement reviewed the corresponding Producer Price Indices that showed a combined annual weighted average price increase of 1.62%, which compares favorably to the 1.31% annual weighted price increase under the existing omnibus approval.

Based on an analysis of the fleet composition, it is anticipated that NYC Transit and MTABC will require approximately \$2,000,000 and \$6,000,000 respectively for sole source items from MCISP during the term of this new omnibus approval request. Procurement believes that the amount requested will be sufficient to procure all sole source materials from MCISP for the next three-year period. Procurement, DOB, and MTABC will continue to research alternate sources of supply wherever possible. Under this new omnibus approval, pricing for any procurement is established by requesting a quotation for each item from MCISP on an as-required basis. Each item to be purchased under this new approval will be subject to a cost and/or price analysis and determination that the price is found to be fair and reasonable.

JULY 2015

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

E. Miscellaneous Procurement Contracts

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

- | | | |
|---|--------------------------|--------------------------------------|
| 1. Motorola, Inc. | \$1,184,058 (NTE) | <u>Staff Summary Attached</u> |
| Contract# MSS152386 | | |
| Lease and maintenance of 900MHz frequencies and all ancillary equipment for the MTA Bus Company's Bus Radio Communication System. | | |

Schedule E: Miscellaneous Procurement Contracts

Item Number: 1

Vendor Name (& Location) Motorola, Inc. (Montvale, NJ)	
Description Lease and maintenance of 900 MHz frequencies and all ancillary equipment for the MTA Bus Company's Bus Radio Communication System	
Contract Term (including Options, if any) Five years	
Option(s) included in Total Amount?	<input checked="" type="checkbox"/> Yes <input 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: Non- competitive	

Contract Number MSS152386	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total Amount: \$1,184,058 (NTE)	
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: MTA Bus Company, Darryl C. Irick	

Discussion:

This contract is for the lease and maintenance of the nine 900 MHz band frequencies, all Command Center and Depot ancillary equipment, and a single transmission tower located at Columbus Circle in Manhattan for MTA Bus Company (MTABC) for five years in the not-to-exceed amount of \$1,184,058. This system provides MTABC with its only means to provide two-way communication for all of MTABC's revenue bus fleet, road operations' managers and supervisors and the Bus Command Center for both routine operations and critical emergency communications 24 hours a day, seven days a week, 365 days per year.

Prior to the formation of MTABC, Motorola provided the nine leased 900 MHz frequencies to the private bus companies managed by New York City. In 2005, MTABC assumed the rights, and obligations of the NYC Department of Transportation contract with Motorola and MTABC has maintained this vital contract with Motorola since that time. The nine leased 900 MHz frequencies are utilized by MTABC for its bus radio communications system. The existing contract that expires in August 2015 includes leasing of the frequencies, Bus Command Center and depot equipment including the antenna system, power, transmitters, receivers, central controllers, combiner, communication room, telephone lines, auxiliary power, and space on the roof of the transmission tower at Columbus Circle. All maintenance and technician labor for the contract term is also included. The current operating software (Smartnet) for this radio system is proprietary to Motorola and cannot be maintained by a third party.

NYC Transit is FCC licensed for twenty 800 MHz channels and has an outside vendor maintain its antenna towers. The NYC Transit channels and system are not compatible with the MTABC 900 MHz radio system. Therefore, a joint procurement is not feasible at this time. However, a joint contract is being developed on a competitive basis that will replace the aging and obsolete bus radio communication system for MTABC and NYC Transit. While the initial completion date for a joint procurement was prior to the expiration of the current MTABC Motorola contract, compliance with new NYS seismic building code requirements and obtaining other approvals, impacted the project's design and the projected completion date. The revised completion date has been rescheduled for June 2020.

The future radio system will utilize NYC Transit's existing 800 MHz radio channels as well as the additional channels allocated to NYC Transit in the 700 MHz band. NYC Transit's Department of Buses and MTABC will share a common radio network, base station sites and a new unified Bus Command Center that will be built under a separate procurement. Maintaining current radio operations while transitioning to the new digital radio system is vital in maintaining bus communications and operations of our bus network.

MTABC's present contract MPN090283 was awarded as a three year contract in August 2009 for \$1,470,391, inclusive of 2 one-year options that included a 2.5% escalation for each year of renewal. For this new five-year contract with Motorola, MTABC negotiated a 19.47% decrease in pricing from the existing contract. This savings was the result of negotiating all five years up front. MTABC is requesting this new contract with Motorola, to maintain the current bus radio system until the new multi-agency system is in place. As a result of further negotiations, MTABC received a final proposal from Motorola in the amount of \$1,184,058 resulting in a further cost reduction of \$108,092 or 8.4%, which is deemed fair and reasonable.

This contract is subject to the review and approval of the Office of the NY State Comptroller (OSC) and an award will not be made until approval has been received. Therefore, in order to not impact the operation of MTABC's Bus Radio Communication System, MTABC negotiated an extension of up to 90 days with Motorola, in the event that the OSC review period requires 90 days.

JULY 2015

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

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

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

- | | | |
|--|------------------------------|-------------------------------|
| 1. Contractor To Be Determined
Contract Term To Be Determined
Contract# B-40663
RFP Authorizing Resolution for the purchase of 138 low floor 40-foot Compressed Natural Gas buses. | Cost To Be Determined | <u>Staff Summary Attached</u> |
| | | |
| 2. Contractor To Be Determined
Contract# C-82004
RFP Authorizing Resolution for the design and construction of the Clifton Car Repair Shop in Staten Island. | Cost To Be Determined | <u>Staff Summary Attached</u> |

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

(Staff Summaries required for items requiring Board approval.)

- | | | |
|--|----------------------------------|------------------------------------|
| 3. Mitsubishi Electric Power Products, Inc.
Three-Proposals – Three-year contract
Contract# S-48002
Contract for Communications Based Train Control Equipment Supplier Interoperability. | \$1,200,000 (NTE) | <u>Staff Summary Attached</u> |
| | | |
| 4. Siemens Industry, Inc.
Two-Proposals – Sixty-seven-month contract
Contract# S-48004
Contract for Signal System modernization for Communications Based Train Control on the Queens Boulevard Line. | \$205,780,452 (Aggregate) | <u>Staff Summary Attached</u>
↓ |

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.)

- | | | |
|--|---------------------------|-------------------------------|
| 6. Jacobs Civil Consultants, Inc.
Five-Proposals – Four-year contract
Contract# CM-1559
Indefinite quantity value engineering consultant services. | \$1,000,000 (Est.) | <u>Staff Summary Attached</u> |
|--|---------------------------|-------------------------------|

JULY 2015

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote con't:


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.)

- | | | |
|--|----------------------------|--------------------------------------|
| 7. Bay Crane Service, Inc. | \$42,807,271 (Est.) | <u>Staff Summary Attached</u> |
| Two Bids/Low Bidder – Five-year contract | | |
| RFQ# 89516 | | |
| Leasing of cranes with operators. | | |
| | | |
| 8. Northeast Lamp Recycling, Inc. | \$417,720 (Est.) | <u>Staff Summary Attached</u> |
| Four Bids/Low Bidder – Five-year contract | | |
| RFQ# 102758 | | |
| Multi-agency contract for the handling, removal, transportation and recycling of various types of bulbs and lamps. | | |

Staff Summary

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Item Number 1			
Division & Division Head Name: VP Materiel, Stephen M. Plochochi			
			
Internal Approvals			
Order	Approval	Date	Approval
1	Materiel	6	President
2	Law	7	for Chair
X			
3	Budget	8	
X			
4	SVP Buses	9	
X			
5	Executive VP	10	

SUMMARY INFORMATION	
Vendor Name	Contract No.
RFP Authorizing Resolution	B-40663
Description Purchase of 138 Low Floor 40-foot Compressed Natural Gas buses	
Total Amount Cost to be Determined	
Contract Term (including Options, if any) TBD	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

PURPOSE:

To request that the Board determine that competitive bidding is impractical or inappropriate for the procurement of 138 Low Floor 40-foot Compressed Natural Gas (CNG) buses for NYC Transit and that it is in the public interest to issue a competitive Request for Proposals (RFP) pursuant to subdivision 9(g) of Section 1209 of the Public Authorities Law.

DISCUSSION:

Subdivision 9(g) of Section 1209 of the Public Authorities Law permits NYC Transit to use a competitive RFP in lieu of competitive bidding to award a contract for the purchase or rehabilitation of rapid transit cars or omnibuses. NYC Transit is desirous of utilizing such a procedure with respect to the procurement of 138 Low Floor 40-foot CNG buses. These CNG buses will be purchased to replace aging buses that will have reached the end of their useful life. Additionally, as these buses have CNG tanks that, by federal regulations, can only be used for 15 years from the date of manufacture, the buses must be taken out of service or undergo a cost prohibitive and technically intrusive CNG tank replacement program. CNG buses are deployed in two NYC Transit depots, Jackie Gleason and West Farms.

The RFP process will allow NYC Transit to arrive at the best overall proposal through negotiations and evaluation based on criteria that reflect the critical needs of the agency. Upon completion of the RFP process, NYC Transit will obtain Board approval for the actual contract award.

By utilizing the RFP process, NYC Transit will be able to: 1) weigh factors such as overall project price, NYS content, overall quality of proposer and product; 2) negotiate specific contract terms, such as warranty and payment terms; 3) negotiate technical matters as deemed appropriate; and 4) include any other factors that NYC Transit deems relevant to its operation.

IMPACT ON FUNDING:

It is anticipated that funds for the procurement of the 138 CNG buses will be funded under SF02-2451, as part of the proposed 2015-2019 Capital Program. This project is anticipated to be 100% MTA funded. No award will be made until 2015-2019 funding is available or an alternative funding source is identified.

Staff Summary

ALTERNATIVES:

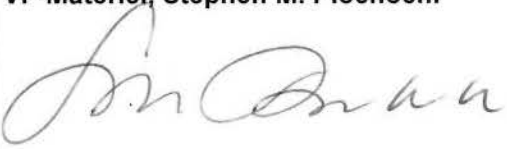

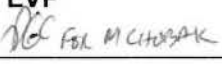
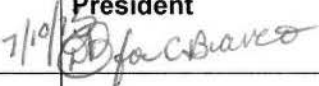
Issue a competitive Invitation For Bid. Not recommended, given the complexity of this procurement and the advantages offered by the RFP process.

RECOMMENDATION:

It is recommended that the Board determine that competitive bidding is impractical or inappropriate for the procurement of 138 Low Floor 40-foot CNG buses for NYC Transit and that it is in the public interest to issue a competitive RFP pursuant to subdivision 9(g) of Section 1209 of the Public Authorities Law.

Staff Summary

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Item Number 2			
Division & Division Head Name: VP Materiel, Stephen M. Plochochi			
			
Internal Approvals			
Order	Approval	Date	Approval
1	Materiel 	6/10/15	EVP 
2 X	Law	7	President 
3 X	Budget	8	
4 X	CPM	9	
5 X	Subways	10	

SUMMARY INFORMATION	
Vendor Name	Contract No.
RFP Authorizing Resolution	C-82004
Description Design and Construction of the Clifton Car Repair Shop in Staten Island	
Total Amount TBD	
Contract Term (including Options, if any) TBD	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

PURPOSE:

To request that the Board adopt a resolution declaring that competitive bidding is impractical or inappropriate, and that, pursuant to Subdivision 9(f) of Section 1209 of the Public Authorities Law, it is in the public interest to issue a competitive Request for Proposal (RFP) for the design and construction of a new Clifton Car Repair Shop (Clifton Shop) in the Borough of Staten Island. This project will be managed by NYC Transit's Capital Program Management (CPM) for the Department of Subways' Staten Island Railway (SIR).

DISCUSSION:

SIR is proposing to replace the existing Clifton Shop at 845 Bay Street in the Borough of Staten Island with a new car repair facility on the existing site. On October 29, 2012, Superstorm Sandy flooded and incapacitated the existing Clifton Shop with seawater. While urgent repairs were made to the facility shortly after the storm to restore limited operations at this facility, the shop today is still not operating at full pre-storm functionality and experiences flooding when there is a heavy rainfall. While making long-term repairs would restore the shop's full functionality, making such a significant investment in an aging facility would still leave the shop vulnerable to future storm events and require the construction of a free-standing perimeter wall for protection. In addition, any improvements in the shop will need to be designed to deal with future fleet plans and maintenance practices of new rail cars. When comparing the cost of this work to other alternatives that meet SIR's current and future operational needs, replacement of the existing facility with a new resilient shop emerged as a cost effective alternative to protect against future storm related damages, meet SIR's current and future demand for maintaining new rail cars, and relocate administrative staff currently situated in nearby rented space.

The new Clifton Shop will include resiliency measures such as exterior walls that can sustain Category 2, plus three feet storm conditions as well as protection for all exterior openings and enhanced site drainage. Also included are overhead cranes to lift rail car air conditioners, a wheel truing machine, shop machines, parts storage, administrative space, state of the art fire alarm and security systems, while still retaining most of the existing shop equipment used to service rail cars.

Staff Summary

Page 2 of 2

NYC Transit contemplates a very aggressive project schedule to complete this new facility. NYC Transit intends to award overlapping design and construction responsibilities to a single contract entity – a Design-Build contractor. A conceptual design along with an Owner's Project Requirements document are being prepared by CPM and will be the basis for soliciting proposals to complete the design and perform the construction of the new facility.

Utilizing the RFP process is the best way to solicit for this type of project. While cost will remain an important criteria, given the complex nature of this project, it is in the best interest of NYC Transit to be able to consider other factors, such as technical approaches to the work to determine which proposal offers the best overall value. In addition, the RFP process will allow NYC Transit greater flexibility than a low bid process to negotiate alternative approaches to the work as well as contract terms and conditions that could potentially result in a lower overall cost for the project while still achieving NYC Transit's requirements.

Selection of a contractor will be accomplished through the use of a RFP process based on NYC Transit's conceptual design documents. Proposers will be asked to submit a design solution and costs to design and construct the new Clifton Shop.

ALTERNATIVES:

The use of a sealed bid process in which factors other than cost cannot be considered, is not recommended as it does not provide a means to evaluate technical matters or to consider or negotiate alternative proposals.



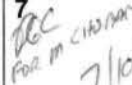
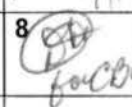
IMPACT ON FUNDING:

This project will be funded by the Federal Transit Administration and the MTA, and managed by NYC Transit under the MTA Capital Program. Shop funding will be provided through Superstorm Sandy repair and resiliency funds, and the cost of centralizing staff will be funded through a new project in the NYC Transit core capital program.

RECOMMENDATION:

It is recommended that the Board adopt a resolution declaring that competitive bidding is impractical or inappropriate and that it is in the public interest to use the competitive Request for Proposal process, pursuant to Subdivision 9(f) of Section 1209 of the Public Authorities Law for the design and construction of the new Clifton Shop in the Borough of Staten Island.

Staff Summary

Item Number 3			
Division & Division Head Name: VP Materiel, Stephen M. Plochochi			
			
Internal Approvals			
Order	Approval	Date	Approval
1	Materiel 	6 X	Subways
2 X	Law	7  FOR M CHAIRMAN 7/10/15	EVP
3 X	Budget	8  FOR M CHAIRMAN 7/10/15	President
4 X	DDCR		
5 X	CPM		

SUMMARY INFORMATION	
Vendor Name Mitsubishi Electric Power Products Inc.	Contract No. S-48002
Description Communication Based Train Control (CBTC) Equipment Supplier Interoperability	
Total Amount \$1,200,000 (NTE)	
Contract Term (including Options, if any) Three 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 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 a competitively negotiated contract for the Communication Based Train Control (CBTC) Equipment Supplier Interoperability Project to qualify an additional CBTC Supplier, Mitsubishi Electric Power Products Inc. (Mitsubishi), in the not-to-exceed amount of \$1,200,000 with a duration of thirty-six months.

DISCUSSION:

The purpose of this project is to qualify and develop one additional CBTC supplier beyond the two suppliers already qualified (Siemens and Thales) to increase competition in future CBTC contracts and to enhance the long-term supply of CBTC systems and subsystems. The selected supplier will develop and demonstrate that their CBTC equipment is interoperable with the existing Siemens and Thales equipment. For this highly specialized project, the selected supplier's cost will be partially offset by the use of a stipend.

This project will utilize the documentation and Integrated Test facility (ITF) developed under the Siemens and Thales consortium Culver Test Track project to qualify one additional interoperable CBTC supplier. The selected supplier's CBTC systems and subsystems will be tested at the ITF, as well as on the Culver Test Track to demonstrate compliance with all of the requirements. An Independent Safety Assessor (ISA) will audit the additional CBTC supplier's compliance with the safety program as well as the system development, test processes and safety analysis methods used by the CBTC supplier.

An RFP Authorizing Resolution for the use of a competitive Request for Proposal (RFP) procurement process and the use of a stipend as compensation was approved by the Board in December 2013. This is a highly specialized field and extensive outreach efforts were made to the industry to encourage competition for this RFP. These efforts included an International CBTC Forum in 2011 attended by major transit agencies and suppliers in the industry and a Request for Information (RFI) in 2012 where all known potential suppliers were invited to participate. The participants in the Forum and the responders to the RFI were contacted directly for this RFP. The RFP was advertised in April 2014. Selection was accomplished through the use of a one-step RFP process in which prospective Proposers submitted technical and cost proposals that were reviewed by a Selection Committee (SC) in accordance with pre-established criteria, which included: previous experience with CBTC systems functionally similar to NYC Transit systems, ability to meet NYC Transit Interoperability Interface Specifications (I2S), proposed duration needed to complete the project, and overall project cost. Of the nine firms that purchased the RFP package, six firms did not propose for one or more of the following reasons: they were previously qualified as suppliers; they were not CBTC suppliers; they could not meet the specifications; or, through mergers and acquisitions, they were combining with other suppliers/proposers. The three remaining firms submitted their technical and stipend proposals as follows: Ansaldo STS USA Inc. (Ansaldo) \$27,521,042, GE Transportation Systems Global Signaling (GE) \$16,417,412, and Mitsubishi Electric Power Products, Inc. (Mitsubishi) \$1,000,000. The internal estimate was \$20,202,899.

Due to the complexity of the project, a Technical Committee (TC) comprised of members from various NYC Transit departments was established in order to conduct an evaluation of the technical proposals and report its findings to the Selection Committee (SC). All three proposers were invited for oral presentations. After oral presentations, the TC deemed two teams, Ansaldo and Mitsubishi, to be technically qualified. The SC, considering the evaluation criteria, unanimously recommended the two teams for negotiations. GE was not recommended for negotiations because their technical proposal had the widest gap for complying with NYC Transit requirements, and their product is still at an early stage of development. Negotiations with Ansaldo and Mitsubishi focused on the contract terms and conditions, and on the proposed completion schedule, ensuring that there was a unified understanding as to what type of commitment was required by the proposer and the support NYC Transit would be providing during the contract. Negotiations also focused on the proposed cost and scope of work.

Following negotiations, Ansaldo and Mitsubishi were considered technically comparable and satisfactory and the firms were requested to submit their Best and Final Offers (BAFOs). BAFOs were received as follows: Ansaldo \$18,965,000 (stipend) and Mitsubishi \$1,200,000 (stipend). Based on the technical proposals, oral presentations, and BAFOs, and in accordance with the evaluation criteria, the SC unanimously recommended Mitsubishi for award. Mitsubishi's BAFO was slightly higher than its initial proposal due to additional technical requirements that were formally introduced to both proposers by NYC Transit during the negotiation process. Mitsubishi's BAFO of \$1,200,000 was \$19,002,899 below the budget estimate of \$20,202,899. Both BAFOs are considered "Fair & Reasonable" by Procurement and CPM based on the competitive nature of the RFP. Although both firms were deemed to be technically comparable and satisfactory with extensive worldwide experience, Mitsubishi's proposal was deemed to be the one offering the best overall value to NYC Transit in terms of both price and compliance with the I2S. Mitsubishi's BAFO clearly indicated their willingness to absorb most of the costs associated with this project, which will considerably reduce the cost for NYC Transit, saving millions of dollars. Mitsubishi's Management said that their cost proposal is the result of a strategic and long term company investment decision to become a qualified CBTC system supplier for NYC Transit. Mitsubishi based their technical proposal on their interoperable system currently in use in Japan. Mitsubishi's carborne controller has been in revenue operation with the Japan Rail East (JRE) operator, and their complete system passed all tests with the Japan Rail West (JRW) operator in 2013. Mitsubishi's high level of compliance with the I2S provides reasonable assurance that the system will be built as required and completed on time. Mitsubishi will establish a team of engineers in NYC to support the project. Mitsubishi's senior management has committed that they will provide additional resources, as needed, at no cost to NYC Transit to ensure that all project schedules are met.

Mitsubishi is currently providing, as a subcontractor, the Solid State Interlocking (SSI) system for the NYC Transit Dyre Avenue/Morris Park Project (Contract S-32773). The Mitsubishi Electric Group has over 130,000 employees in 42 different countries and is a leader in the manufacture and sales of electric and electronic equipment used in several sectors. Mitsubishi's Transportation Systems Product Line includes the manufacturing of Rolling Stock Systems, Power Supply and Electrification Systems, Station Facilities Systems, Transportation Planning and Control Systems, and Communication Systems. Mitsubishi's other Projects with MTA included various contracts with NYC Transit for parts for the R142 Overhaul, and with LIRR and MNR for propulsion on the M-7, M-8 and M-9 car equipment. Worldwide, Mitsubishi is currently installing CBTC systems for JR East in Tokyo and an Automatic Train Control (ATC) system for the Yokohama, Japan, Green Line Subway. In connection with a previous contract awarded, Mitsubishi was found to have significant adverse information (SAI) within the meaning of the All-Agency Responsibility Guidelines. The Chairman approved a recommendation that they be found responsible for that award and future awards provided that no new SAI was found. No new SAI has been found by Materiel's background checks and investigations. After consideration of all relevant information, Mitsubishi was found fully responsible for award.

M/W/DBE:

Based on the scope of work and lack of subcontracting opportunities, the MTA Department of Diversity and Civil Rights (DDCR) has established goals at 0% MBE and 0% WBE for this contract. Mitsubishi has not completed any MTA contract that contained goals; therefore, no assessment of the firm's MWDBE performance can be determined at this time.

IMPACT ON FUNDING:

This contract is funded with 100% MTA funds. The contract will not be executed until a WAR Certificate has been issued.

ALTERNATIVES:

There are no alternatives. The qualification of an additional vendor is imperative to increase competition for future CBTC projects.

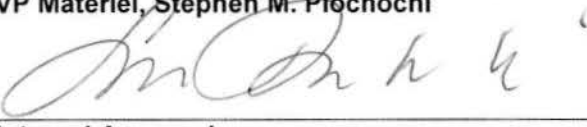
CAPITAL PROGRAM REPORTING

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 this competitively negotiated contract for the CBTC Equipment Supplier Interoperability Project to qualify an additional CBTC Supplier, Mitsubishi, in the not-to-exceed amount of \$1,200,000 with a duration of thirty-six months.

Staff Summary

Item Number 4-5			
Division & Division Head Name: VP Materiel, Stephen M. Plochochi			
			
Internal Approvals			
Order	Approval	Date	Approval
1	Materiel WD	6 X	Subways
2 X	Law	7 RSC PER M. CHABAK 7/10/15	EVP
3 X	Budget	8 JH for change 7/10/15	President
4 X	DDCR	9	
5 X	CPM	10	

SUMMARY INFORMATION	
Vendor Name Siemens Industry, Inc. Thales Transport & Security, Inc.	Contract No. S-48004
Description CBTC Queens Boulevard Line (QBL) West Phase I	
Total Amount \$205,780,452	
Contract Term (including Options, if any) 67 months	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

PURPOSE:

To obtain Board approval to award contract S-48004 for the Communication Based Train Control (CBTC) Queens Boulevard Line (QBL) West Phase I to Siemens Industry, Inc. (Siemens) and Thales Transport & Security, Inc. (Thales) in the total amount of \$205,780,452 (\$156,172,932 for Siemens and \$49,607,520 for Thales) with a duration of 67 months.

DISCUSSION:

NYC Transit is moving toward a "state of the art" train control system with the installation of CBTC along with an Auxiliary Wayside Signaling System (AWS) on various subway lines. CBTC's operational benefits to NYC Transit include enhanced train control capabilities, improved safety and shorter headways between trains allowing for increased passenger capacity through a more efficient use of the track and car fleet. This will enable an increase in the number of trains per hour as well as improved and more reliable service. The advancement of CBTC is a key component of NYC Transit's strategy of addressing increased ridership.

Siemens and Thales are currently the only two companies whose systems have been pre-qualified to participate on this project. Since late 2006, CBTC has been operational along the full length of the Canarsie Line (Contract S-32701, Siemens) and in June 2010, the Flushing Line CBTC contract (S-32723, Thales) was awarded and is anticipated to be completed in 2017. In September 2011, under the Culver Test Track CBTC project (S-32748), a Siemens/Thales consortium worked to finalize NYC Transit's Interoperability Interface Specifications (I2S). The Queens Boulevard Line (QBL) represents the next step in NYC Transit's efforts to advance CBTC technology throughout its system by demonstrating the interoperability and integration of two distinct CBTC systems on a revenue line with multiple train overlays. Achieving interoperability on the QBL will further validate the safety of operating these CBTC subsystems and thus allow NYC Transit the opportunity to procure CBTC subsystems through competitive bidding for future lines. To further the competitive market for CBTC, NYC Transit is also proceeding with a contract to qualify an additional CBTC Supplier, which is included in this Board agenda as a separate item.

QBL provides crosstown service across Manhattan under 53rd Street and east through Queens to Jamaica. The QBL project will provide a CBTC signal system overlay from north of Union Turnpike to north of 47th-50th Street Station/6th Avenue Line and south of 50th Street/8th Avenue Line. It is among the busiest lines in the transit system and is served by the E, F, M and R lines. This project will provide centralized traffic control through Automatic Train Supervision (ATS) at designated locations and at the Rail Control Center, the prototype installation of carborne equipment on four trains in order to verify installation procedures and a data communication system (DCS) network and radio transponders. Also included in the work is the provision of equipment for the retrofitting of 309 R160 car sets consisting of either 4-car or 5-car units, 301 of which will be installed by NYC Transit employees. Installation of wayside equipment will be performed under a separate contract that will be competitively bid for award in 2016. Both the car and wayside equipment installation, which are integral parts of the project, are projected to be funded by the pending 2015-19 Capital Plan.

An Authorizing Resolution requesting the use of a competitive RFP procurement process was approved by the Board in December 2013. The one-step RFP required proposers to submit technical and cost proposals to be reviewed by a Selection Committee (SC) in accordance with pre-established selection criteria, which included: proposer's plans and approach to implement changes in accordance with the latest I2S, project management approach including, phasing and staging plans, project schedules reflecting on time completion and cost.

In order to maximize competition between Proposers, the contract was structured into shares consisting of the following: 1. Carborne sub-systems (209 units); 2. Wayside equipment (Area 1 approx. 70%); 3. Carborne sub-systems (100 units); 4. Wayside equipment (Area 2 approx. 30%); 5. the Data Communication System (DCS); and 6) the ATS System. While the awards of shares 1, 2, 3 and 4 would be split between Proposers, single awards would be made for shares 5 and 6.

The RFP was advertised in May 2014. Siemens and Thales each submitted proposals on December 1, 2014. The proposals included technical narratives for each of the contract shares and sealed cost proposals. The internal estimate was \$184,000,000. Although Siemens and Thales are the only two qualified companies, a Technical Committee (TC) was established to conduct an evaluation of technical proposals in order to verify the companies' continual compliance with the latest I2S. Both Proposers were invited for oral presentations. After oral presentations and upon completion of the technical evaluations, the TC deemed Siemens' and Thales' technical qualifications to be fully satisfactory and reported their findings to the SC. Based on the TC's evaluation, the SC unanimously recommended the two Proposers for negotiations.

Cost proposals were opened with prices significantly in excess of the engineer's estimate. The lowest cost combination of shares proposed by the two contractors was \$306,721,908, approximately 68% higher than the internal estimate of \$184,000,000.

Due to the disparity between the Proposal and internal estimate, extensive negotiations were conducted with each of the Proposers and included discussions of contractual terms and conditions, special conditions, scope of work, risk, level of staffing and detailed cost. As a result of negotiations and discussions with both Proposers, a Post-Proposal Addendum (PPA) was issued to capture the changes and clarifications made to the technical specifications. The PPA requested that both Proposers provide interim proposals for continued negotiations of the base contract shares, and, in an effort to reduce unknown risks and cost, requested contractors to propose on four alternates based on various combinations of shares with fixed quantities of work.

Siemens and Thales each submitted interim proposals on May 6, 2015. The interim proposals resulted in a lowest cost combination of shares of \$270,819,175, which represented a 12% reduction from the initial total of \$306,721,908. Interim pricing remained significantly high, therefore additional negotiations were held and alternative solutions were explored with each of the Proposers. As a result of negotiations of both cost and shares, another round of interim proposals was requested. The revised interim proposals were for the base contract shares and two alternates. The alternate proposals were for A. Carborne (305 units), B. Wayside Areas 1 and 2 without the 71st Avenue interlocking, C. Carborne (4 units), and D. the 71st Avenue interlocking Wayside only. Alternate 1 consisted of items A and B while Alternate 2 consisted of items C and D. Due to the changes in technical specifications and a better understanding of the contractors staffing and risks associated with the project, the internal estimate was further revised to \$208,011,663.

Revised interim proposals were received and resulted in a lowest cost combination of shares of \$262,561,503. After a final round of negotiations with both Proposers, they were requested to submit their Best and Final Offers (BAFOs). The request for BAFO instructed Siemens and Thales to submit a base proposal and two alternate proposals based on the numbers of carborne and wayside CBTC units as stated in the previous revised interim proposal with the DCS and ATS being proposed separately. BAFOs were received on June 29, 2015, which also included a proposed alternate from Thales based on reduced project management efforts.

The SC reconvened and unanimously recommended to award Alternate 1 to Siemens which consisted of the larger shares A. (Carborne 305 units) and B. (Wayside Areas 1 and 2 without the 71st Avenue interlocking) and Alternate 2 to Thales which consisted of the smaller shares C. (Carborne 4 units) and D. (The 71st Avenue interlocking Wayside only). The SC also recommended the award of the DCS and ATS to Siemens. The award determination was based on the alternative proposals which offered the lowest cost combination and best overall value to NYC Transit. The lowest cost combination of shares total price of \$205,780,452 was approximately 1% lower than the revised estimate of \$208,011,663. The extensive negotiations ultimately resulted in NYC Transit saving \$101M from the initial proposal. The price for the Siemens portion of the work is considered fair and reasonable. The price for the Thales portion of the work is considered acceptable. The overall price for the project is considered fair and reasonable.

A background check performed by Materiel on Thales revealed no "Significant Adverse Information" (SAI) within the meaning of the All Agency Responsibility Guidelines. In connection with a previous contract awarded, Siemens was found to have SAI. However, the Chairman approved a recommendation that Siemens be found responsible for future awards provided that no new SAI

was found. No new SAI has been found by Materiel's background checks and investigations. After consideration of all relevant information, Siemens and Thales have been found fully responsible for award.

M/W/DBE:

The MTA Department of Diversity and Civil Rights (DDCR) has established goals at 0% MBE and 0% WBE. The scope of work within this contract is classified as proprietary and specialized work, and the equipment is also specialized. NYC Transit will utilize its employees to perform installation of carborne equipment. These factors were taken into consideration by DDCR in order to support a Zero Goal Determination.

CAPITAL PROGRAM REPORTING

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

IMPACT ON FUNDING:

This contract is 100% MTA funded. Funds are available in planning number MW56-7027 Project ID T60803/19 in the 2010-14 Plan and prior Programs. Both the car and wayside equipment installation, which are integral parts of the project, are projected to be funded by the pending 2015-19 Capital Plan. The contract will not be awarded until a WAR Certificate is received.


ALTERNATIVES:

None. Assessing critical factors, such as safety and achieving interoperability, can only be accomplished using the RFP process.

RECOMMENDATION:

That the Board approve the award of contract S-48004 for the Communication Based Train Control (CBTC) Queens Boulevard Line (QBL) West Phase I to Siemens and Thales in the total amount of \$205,780,452 (\$156,172,932 for Siemens and \$49,607,520 for Thales) with a duration of 67 months.

Staff Summary

Item Number 6			
Division & Division Head Name: VP Materiel, Stephen M. Plochochi			
			
Internal Approvals			
Order	Approval	Date	Approval
1	Materiel	6 7/10/15	EVP
2	Law	7/10/15	President
3	Budget		
4	DDCR		
5	CPM		

SUMMARY INFORMATION	
Vendor Name	Contract No.
Jacobs Civil Consultants, Inc.	CM-1559
Description	
IQ Value Engineering Consultant Services	
Total Amount	
\$1,000,000 (Estimate)	
Contract Term (including Options, if any)	
Four 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 type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

PURPOSE

To obtain Board approval to award an Indefinite Quantity (IQ) contract to Jacobs Civil Consultants, Inc. (Jacobs) to perform Value Engineering Consultant Services (VE) in the total estimated amount of \$1 million over a four year contract term.

DISCUSSION

Value Engineering is an organized methodology of reviews and analyses of technical reports, Architectural and Engineering drawings, plans and specifications, cost estimates and schedules performed at any stage of design to make recommendations to ensure that a project will be constructed at the lowest overall life cycle cost while maintaining the requirements for quality, safety, maintainability, performance and reliability. Value Engineering is performed independently on designs prepared by both in-house staff and consultants.

Under this contract the consultant will perform VE for NYC Transit Capital Program Management (CPM). The NYC Transit Project Manager will submit the scope of work to the consultant to obtain their proposal. Contract CM-1559 replaces the current contracts in place for IQ VE that expire this year. This procurement was advertised with the intent of awarding two contracts. However, after a more in-depth review of historical VE performed and the amount of potential new work, it was determined that one contract would be sufficient.

This RFP was solicited using a one-step procurement process. In response to NYC Transit's advertisements, five firms submitted proposals. They were: Henningson, Durham & Richardson Architecture and Engineering, PC (HDR), Jacobs, NCE Value Consultants, Inc. (NCE), PMA Consultants, LLC (PMA), and Value Management Strategies, Inc. (VMS). The Selection Committee (SC) reviewed and evaluated the written technical proposals in accordance with the established evaluation criteria, which included: plan of approach, experience in relevant areas, experience of project team and key personnel, current workload, past performance on similar projects, management and quality assurance plans and also conducted oral presentations with the respondents to the RFP. The SC recommended the following three consultant firms for negotiations: HDR, Jacobs and NCE.

Staff Summary

PMA was not recommended because they lacked sufficient qualifications and experience to successfully perform the required services under the contract based on the information provided in their technical proposal submission. VMS, a California-based company lacked the required certifications to perform professional engineering work in New York State.

The initial cost proposals from these firms were as follows: HDR - \$1,105,644, Jacobs - \$1,179,036 and NCE - \$1,312,337. The in-house estimate was \$1,075,359 including an allowance for out-of-pocket expenses. The cost proposals from these selected firms were based on pre-determined labor titles and associated hours.

Price negotiations were held with the three selected firms with discussions focusing on the consultant's hourly rates, fixed fee and overhead. After negotiation sessions were conducted with all three firms, Best and Final Offers (BAFOs) were requested and received as follows: HDR - \$1,057,895, Jacobs - \$1,047,030 and NCE \$1,138,291. CPM and Procurement have determined all three vendors' BAFOs to be within the "Fair and Reasonable" range based on analysis of the initial and revised cost proposals and the competitive nature of this RFP.

After receipt of BAFOs the SC reconvened and selected Jacobs for award. In addition to having the lowest cost, Jacobs was the most technically preferred firm and has a proven track record of performance in rendering VE to NYC Transit over the last 17 years. Based upon the amount and frequency of VE previously performed and the projected requirements going forward, CPM decided that one qualified firm could satisfactorily perform the required VE and, therefore, only one contract will be awarded.

Reference checks were made and revealed that Jacobs' performance was satisfactory. Background investigations and materials submitted by Jacobs disclosed no "significant adverse information" within the meaning of the All Agency Responsibility Guidelines.

M/W/DBE:

The MTA Department of Diversity and Civil Rights (DDCR) has established 10% MBE and 10% WBE goals for this project. DDCR has approved Jacobs' M/WBE Utilization Plans. Jacobs has achieved its M/W/DBE goals on previous MTA contracts.

ALTERNATIVES:

Perform the work using in-house personnel. At this time, in-house personnel do not have the expertise necessary to perform the specific tasks required under the scope of work for this project.

CAPITAL PROGRAM REPORTING:

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

IMPACT ON FUNDING:

The cost of this contract will be funded with 100% MTA funds. A WAR Certificate will be requested and the contract will not be executed until a WAR Certificate has been issued.

RECOMMENDATION

That the Board approve the award of IQ contract CM-1559 to Jacobs Civil Consultants, Inc. to perform VE in the total estimated amount of \$1 million over a four-year contract term.

Schedule G: Miscellaneous Service Contracts

Item Number: 7

Vendor Name (& Location) Bay Crane Service, Inc. (Long Island City, NY)
Description Leasing of cranes with operators
Contract Term (including Options, if any) Five years
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 checked="" type="checkbox"/> Bid <input type="checkbox"/> Other:

Contract Number RFQ 89516	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total Amount: \$42,807,271 (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: Department of Subways, Joseph Leader	

Discussion:

This contract is for the leasing of cranes with operators for an estimated amount of \$42,807,271.

NYC Transit's Department of Subways, Division of Track requested the contract for the leasing, operation and maintenance of cranes, ranging in size from a 45-ton hydraulic rough terrain crane to a 400-ton truck crane to be used in subway yards, streets and along the right of way. NYC Transit requires five cranes and operators to be on NYC Transit's property at all times and an additional four cranes paid for and on reserve at all times, to be available for NYC Transit requirements at which time the contractor will provide operators. The cranes are used to move heavy materials, such as track panels, rails, ties, third rail protection boards and fiberglass walkways.

Following an extensive outreach to the marketplace, during which 33 companies were contacted and four companies attended the pre-bid conference, two bids were received. In addition to the two bids, a third company attended the bid opening but failed to submit a timely bid. This third company was asked what its bid amount would have been and it responded with a dollar amount that would have made it the second low bid, thus its bid would not have been selected for a contract award. During the pre-bid conference and market research conducted thereafter, NYC Transit confirmed that very few companies have the resources necessary to provide the number of cranes, within the required time frame on a daily basis, to meet NYC Transit's operational needs.

A bid protest was received on May 13, 2015 from the second lowest bidder, US Crane & Rigging LLC, and was assigned to a protest officer. After careful review, the protest was denied because it had no merit. Bay Crane's pricing of \$42,807,271 is 19.8% lower than the second lowest bidder. This new contract further improved upon the existing contract by providing some different size cranes and greater flexibility in meeting NYC Transit's needs. Bay Crane's final price is considered to be fair and reasonable.

It should be mentioned that a crane owned by Bay Crane was involved in a building crane accident. This accident is currently under investigation, but is not considered to be significant adverse information. Bay Crane advised NYC Transit that it had leased that crane to another contractor and that the lessee provided the operator and insured and indemnified Bay Crane against liability.

Schedule G: Miscellaneous Service Contracts

Item Number: 8

Vendor Name (& Location) Northeast Lamp Recycling, Inc. (East Windsor, CT)		Contract Number RFQ 102758	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Description Handling, removal, transportation, and recycling of various types of lamps and bulbs		Total Amount: NYC Transit: \$355,033 (Est.) MTABC: \$44,987 (Est.) LIRR: \$17,700 (Est.) \$417,720 (Est.)	
Contract Term (including Options, if any) Five Years		Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a		Requesting Dept/Div & Dept/Div Head Name: Office of System Safety, Cheryl Kennedy	
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:			

Discussion:

This multi-agency contract is for the handling, removal, transportation, and recycling of various types of lamps and bulbs for a five year term in the estimated total amount of \$417,720. NYC Transit's share is \$355,033; MTA Bus Company's share is \$44,987; and Long Island Rail Road's share is \$17,700.

Under this agreement, the contractor is required to pick up, transport, and recycle various types of lamps and bulbs that contain mercury or lead in accordance with the Resources Conservation and Recovery Act (RCRA) and all other applicable laws, rules and regulations. These lamps and bulbs include straight fluorescent, U-tube fluorescent, circle line fluorescent, high intensity discharge, compact fluorescent and other bulbs. Each agency's contract will be utilized on an as-needed basis without any obligation of any of the agencies to commit to a minimum amount.

Extensive outreach to the marketplace was performed to increase competition. An Invitation for Bid was advertised and four bids were received, one bid more than was received when the existing contract was solicited. Northeast Lamp Recycling, Inc. (NLR), the incumbent, submitted the lowest bid of \$417,720, which was 34% lower than the second lowest bidder. For this new five-year contract, NLR's unit price per pound has increased to \$0.30 from \$0.19 under the existing five-year contract, a 53% increase. Procurement contacted NLR to find out why its bid price increased from the existing contract. NLR stated that its actual costs under the existing contract exceeded its bid price and, having honored that bid price for five years; it needed to adjust its price to better reflect the actual cost of performance. The price has been found to be fair and reasonable based on adequate price competition.

JULY 2015

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote

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. **Skanska USA Civil Northeast, Inc.** **\$805,000** **Staff Summary Attached**
Contract# A-36138.93

Modification to the contract for the Dey Street Concourse, the R Line Underpass and Platform Finishes at the Cortlandt Street Station on the R Line; in order to address impact costs associated with a previously granted excusable and impactable time extension.

Item Number: 1

Vendor Name (& Location) Skanska USA Civil Northeast, Inc. (Whitestone, NY)	
Description Dey Street Concourse, R/W Underpass and Platform Finishes	
Contract Term (including Options, if any) March 30, 2010- December 31, 2012	
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, Michael Horodniceanu	

Contract Number A-36138	AWO/Mod. # 93
Original Amount:	\$ 17,093,000
Prior Modifications:	\$ 6,357,425
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 23,450,425
This Request:	\$ 805,000
% of This Request to Current Amount:	3.4%
% of Modifications (including This Request) to Original Amount:	42.0%

Discussion:

This modification addresses impact costs associated with a previously granted excusable and impactable time extension.

The contract provides for the finishes of the Dey Street Concourse, the R Line Underpass and Platform Finishes at the Cortlandt Street Station on the R Line as part of the new Fulton Street Transit Center (Fulton Center).

Several modifications have been presented to the Board over the last few years, across the various Fulton Center contracts, associated with the implementation of enhancements, technology changes and the reprogramming of space previously identified for use by NYC Transit personnel at Fulton Center and the Corbin Building into commercial tenant, retail and public spaces. Prior Modification Nos. 29, 45, 49 and 59 under this contract addressed enhancement and technology changes to the Dey Street Concourse including revisions to electrical work to support the installation of new LED signage and video displays, changes to ceiling finishes and the furnishing and installation of customized aluminum and glass wall panels.

The original completion date for this contract was in October 2011. Beginning in January 2011, MTACC issued the first of several Stop Work Orders to suspend construction of certain elements of the work in anticipation of these enhancement and technology changes. These changes resulted in an excusable time extension of 295 work days, 140 of which were considered compensable. The schedule impact was addressed previously under Modification No. 62; this modification addresses the associated impact costs.

The contractor's impact cost proposal was \$1,725,564; MTACC's revised estimate is \$739,446. Following review by MTA Audit, negotiations resulted in the agreed upon price of \$805,000, which is considered fair and reasonable. Savings of \$920,564 were achieved.

JULY 2015

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. **Forte/Emis JV** Staff Summary Attached
Contract# A-36308.3 **\$9,116,550 (Est.)**
Modification to the contract for station renewal at five locations on the Liberty Line in Queens, in order to provide additional steel repair and a time extensions of 29 work days, excusable and non-impactable.

2. **Lucius Pitkin, Inc.** Staff Summary Attached
Contract# 104666 **\$160,303 (Est.)**
Emergency Declaration
Provide engineering consultant services to investigate and recommend corrective action to address failures of the Energy Guidance System spine for the 2010 and 2012-13 Nova articulated bus fleets.

Schedule K: Ratification of Completed Procurement Actions

Item Number: 1

Vendor Name (& Location)	
Forte/Emis JV (Holbrook, NY)	
Station Renewal at Five Locations on the Liberty Line in Queens	
Contract Term (including Options, if any)	
December 6, 2013 – March 4, 2016	
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 type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name:	
Capital Program Management, Frederick E. Smith	

Contract Number	AWO/Mod. #:
A-36308	3
Original Amount:	\$ 39,339,000
Prior Modifications:	\$ 216,160
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 39,555,160
This Request:	\$ 9,116,550 (Est.)
% of This Request to Current Amount:	23.0%
% of Modifications (including This Request) to Original Amount:	23.7%

Discussion:

This retroactive modification provides additional steel repair and a time extension of 29 work days, excusable and non-impactable.

This contract is for the renewal of five stations (104th Street; 111th Street; Rockaway Boulevard; 88th Street; and 80th Street) on the Liberty Line in the Borough of Queens. The contract calls for station painting; replacement of mezzanine concrete topping, doors, windows, light fixtures; rehabilitation of mezzanine exterior walls; demolition and reconstruction of concrete platforms and repair of embedded structural steel supporting the platforms.

The platform steel is embedded in the existing concrete platform slabs, so the extent of steel deterioration could not be determined by the visual survey performed during the design phase of the project. Accordingly, the contract provides for platform steel repair on the basis of a unit price and an estimated quantity, and provides for an equitable adjustment of the unit price if the actual quantity differs from the estimated quantity by more than ten percent. The contractual estimated quantity of steel repair is 11.94 tons. As constructed, each station has about 160 to 180 tons of platform steel, so the five stations have about 800 to 900 tons of platform steel total. The contractual platform steel repairs represent about 1.3% to 1.5% of the total existing platform steel.

In mid-2014, the contractor began demolishing the concrete platform slabs and exposing the platform steel. As work progressed, it became evident that a greater percentage of the platform steel had deteriorated than expected and the contractual estimated quantity would be greatly exceeded. The SVP & Chief Engineer authorized a budget modification for retroactive additional work, which was approved in November 2014, and subsequently approved a memorandum ratifying the retroactive additional work.

The contract provides two 14 week by-pass occasions (each including five weekend GOs) during which most of the platform work must be performed. One occasion was provided in 2014 and one is provided in 2015. To minimize impact on customers, NYC Transit directed the contractor to perform the additional work within the established by-pass occasions to the extent possible. The contractor performed contractual and additional steel repair work from June 2014 to March 2015, completing a total of 105.93 tons, of which 93.99 tons was additional work. The remaining platform steel repair to be performed in 2015 is estimated at 108.6 tons. Accordingly, the total revised estimated quantity is 214.53 tons, of which 202.59 tons is additional work. The total additional platform steel repairs represent about 22% to 25% of total existing platform steel. Construction of the existing platforms was completed 100 years ago, in 1915. The visual inspection performed during the design state of the project did not disclose the extent of platform steel deterioration. In the future, especially when designing for the renewal of stations of this age, NYC Transit will consider full length repairs of specific platform girder elements such as top flange angles, and budget estimated costs accordingly on a unit price basis.

The contractor's bid included a unit price of \$35,000 per ton for the contractual estimated quantity of 11.94 tons of platform steel repairs, total for all five stations. Unit price negotiations were conducted by negotiating the price of the additional work actually performed at two stations (88th and 104th) in 2014. For those two stations, a total of 89.53 tons of platform steel repairs were completed, of which 77.59 tons were additional work, since the estimated 11.94 tons intended for all five stations was exhausted

even before finishing repairs on the first two stations. The contractor's final proposal was \$4,453,666, or \$57,400 per ton. NYC Transit's revised estimate was \$3,445,012, or \$44,400 per ton. Negotiations, conducted after coordination with MTA Audit, resulted in the agreed lump sum of \$3,491,550 and in the agreed unit price \$45,000 per ton, which was found to be fair and reasonable for all additional platform steel repairs. At the agreed unit price, the estimated additional 202.59 tons total will cost an estimated total of \$9,116,550.

The contractor and NYC Transit also agreed on an extension of 29 work days, excusable and non-impactable, extending the Substantial Completion date from March 4, 2016 to April 14, 2016. An additional GO was needed; it was not available until after the 2014 occasion, which affected the project schedule.

A partial payment of \$2,312,100 was made in February 2015, and a partial payment of \$1,917,450 is in process, for the additional work completed under this modification from June 2014 to March 2015.

Schedule K: Ratification of Completed Procurement Actions

Item Number: 2

Vendor Name (& Location) Lucius Pitkin, Inc. (New York, NY)
Description Engineering consultant services
Contract Term (including Options, if any) One Year
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 checked="" type="checkbox"/> Bid <input type="checkbox"/> Other: Emergency Declaration

Contract Number 104666	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Total Amount: \$160,303 (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: Department of Buses, Darryl C. Irick	

Discussion:

It is requested that the Board formally ratify the declaration of emergency made by the Vice President, Materiel, waiving competitive bidding pursuant to the All-Agency Guidelines for the Procurement of Services, Article IV, Paragraph C, and ratify the award of this contract to provide engineering consultant services in order to investigate and recommend corrective action to address failures of the Energy Guidance System (EGS) spine for the 2010 and 2012-13 Nova articulated bus fleets comprised of a total of 418 buses.

The EGS spine is a semi-circular strip of spring steel riveted at each end to the front and rear sections of the articulated joint of a bus. Fluid lines and harnesses are bundled together and secured by straps to trays that are attached to the spine, which flexes as the articulation joint moves.

In 2012, critical failures occurred on the bus fleet of ninety 2010 Nova articulated buses wherein the EGS spine became fatigued and failed at its riveted connection to the bus frame. The unconstrained movement of the severed EGS spine rubs into the adjacent fluid lines and harnesses, increasing the risk of a failure. After investigation, starting in 2013 the fluid lines and harnesses running through the EGS spine were lengthened and rerouted by Nova, but the original design of the EGS spine remained the same. The 2012-13 Nova articulated bus fleet comprised of 328 buses was also retrofitted by Nova to include lengthened and rerouted fluid lines and harnesses. As part of the retrofit, the EGS spine was inspected for any preliminary signs of imminent failure, and replaced if necessary. Frequent inspections are now conducted to ensure the physical integrity of the EGS spine. All 418 buses have been inspected.

In early 2015, subsequent to the attempts to correct the problem, both 2010 and 2012-13 Nova articulated bus fleets began experiencing the same problem of the EGS spine failing and rubbing into the adjacent fluid lines and harnesses. As a result, Nova and the designer of the EGS spine, Hubner, presented Department of Buses (DOB) with a potential re-design of the EGS spine. However, DOB found the changes insufficient to adequately address the scope of the problem. Buses will continue to operate in revenue service subject to frequent inspections as described above until a design solution has been identified and validated, and each bus has been campaigned by Nova.

Because this failure can lead to a safety-sensitive condition, an emergency was declared so that NYC Transit could immediately retain the services of a third party engineering consultant firm with technical expertise beyond the scope of in-house personnel. NYC Transit is concerned about Nova's ability to objectively analyze and address the issues in a timeframe that is sensitive to the nature of the problem. NYC Transit therefore decided to employ the services of a structural engineering consultant to provide an independent analysis and recommendations for corrective action. Lucius Pitkin, Inc. (LPI) is nationally renowned, has the requisite expertise, and is immediately available to begin the required work. LPI has shown exemplary performance on other contracts with NYC Transit when structural analyses were needed.

LPI's proposal is \$160,303 based on firm unit prices for hourly rates for various job titles associated with this type of work. The price schedule also contained a line item for equipment (strain gages, wires, etc.) The final price was found to be fair and reasonable based on historical labor rates for the various job titles.

JULY 2015

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. **86th Street Constructors, JV** **\$1,640,000** **Staff Summary Attached**
Contract# C-26012.14
Modification to the contract for the construction of the Second Avenue Subway – 86th Street Station Finishes, in order to address changes to the station facility power at the 86th Street Station resulting from Con Edison’s comments.

2. **Judlau Contracting, Inc.** **\$4,750,000** **Staff Summary Attached**
Contract# C-26006.102
Modification to the contract for the construction of the Second Avenue Subway – 63rd Street/Lexington Avenue Station Reconstruction, in order to address additional structural steel work performed at the 63rd Street/Lexington Avenue Station.

Item Number: 1

Vendor Name (& Location) 86th Street Constructors, JV (New York, NY)		Contract Number C-26012	AWO/Mod. #: 14
Second Avenue Subway – 86 th Street Station Finishes, Mechanical, Electrical and Plumbing Systems, Ancillary Buildings and Entrances		Original Amount: \$ 208,376,000	
Contract Term (including Options, if any) June 12, 2013 – May 31, 2016		Prior Modifications: \$ 2,834,524	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a		Prior Budgetary Increases: \$ 0	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive		Current Amount: \$ 211,210,524	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification		This Request: \$ 1,640,000	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:		% of This Request to Current Amount: 0.8%	
Requesting Dept/Div & Dept/Div Head Name: MTA Capital Construction, Dr. Michael Horodniceanu		% of Modifications (including This Request) to Original Amount: 2.2%	

Discussion:

This retroactive modification is for changes to the station facility power at the 86th Street Station.

The contract work includes the installation of mechanical systems including HVAC in the station and ancillary facilities; tunnel ventilation systems in the adjacent tunnels; electrical medium voltage and 120V systems; plumbing for track, sanitary and storm drainage, hot and cold water supply, pump systems and fire suppression; escalators and elevators in the station entrances; construction of the station platform and mezzanine levels, ancillary facilities and entrances; construction of interior walls and rooms; architectural finishes including floors, ceilings, wall treatments, signage, stairs, handrails, guardrails, and station elements including the Station Service Center and Concession Booth; building exteriors including walls, roofing, glazed storefronts, and canopies at station entrances and ancillary facilities; and restoration of the surface of Second Avenue and adjacent streets impacted by construction.

The contract requires the Contractor to install two facility power substations at the 86th Street Station that will provide power for lighting, tunnel ventilation fans, escalators, elevators, communication rooms, HVAC and plumbing systems. The facility power substations are designed by MTACC's Designer of Record, and, in accordance with Con Edison's requirements, shop drawing submissions are made to Con Edison for review and approval by the Contractor after award of the construction contract.

Upon review of the latest facility substation submission, Con Edison determined that certain changes to the design are required. These changes include revisions to the switchgear, transformer equipment, grounding, mimic panels and additional two new battery rooms.

Con Edison's changes to the design require changes to this contract which are addressed in this modification. Whether this modification is the result of an error or omission in design is currently being evaluated.

Due to the lead time associated with the switchgear and transformer equipment, and the potential schedule impact, it was necessary to direct the contractor to proceed immediately with the changes to the equipment. Approval to process this modification on a retroactive basis was obtained from the MTACC President on September 30, 2014.

The contractor's revised proposal was \$1,875,344. MTACC's revised estimate is \$1,722,399. Negotiations resulted in a lump sum price of \$1,640,000, which is considered fair and reasonable. Savings of \$235,344 were achieved. The schedule impact of this modification is currently under review and will be addressed in a future modification.

Item Number: 2

Vendor Name (& Location) Judlau Contracting, Inc. (New York, NY)	
Description Second Avenue Subway - 63 rd St/Lexington Avenue Station Reconstruction	
Contract Term (including Options, if any) January 13, 2011 – October 16, 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-26006	AWO/Mod. # 102
Original Amount:	\$ 176,450,000
Prior Modifications:	\$ 17,474,697
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 193,924,697
This Request:	\$ 4,750,000
% of This Request to Current Amount:	2.5%
% of Modifications (including This Request) to Original Amount:	12.6%

Discussion:

This modification is for additional structural steel work performed at the 63rd St./Lexington Avenue Station.

The contract calls for station reconstruction, as well as rehabilitation and reconstruction of new entrances to allow access from 3rd Avenue; connect new entrances to platforms; utility installation and relocation; and installation of elevators and escalators in the station and entrances.

The contract requires significant structural steel work in various areas including a 100 foot deep shaft from street level that is divided into upper and lower level platforms, Mezzanines 1 through 6 and a roof level. This area will accommodate four high-speed elevators. As part of the contract, the Designer of Record is responsible for the design of steel members including beams and columns as well as providing design criteria for the steel connection designs. Based on the information provided in the contract documents, the contractor is responsible for the design and detailing of the steel connections.

In November 2012, the Contractor submitted a request for additional compensation claiming that the steel stiffening and connections were more complicated than could have reasonably been anticipated from the bid documents and required work beyond the scope of the contract. Such additional work included: (i) horizontal and vertical stiffening of several existing and new steel beams; (ii) redesign of various beams due to design errors or omissions; (iii) redesign of connections, fabrication, and erection of connections; and (iv) incidental work including additional concrete demolition to access steel, lead paint abatement and clean up.

In response, MTACC agreed to compensate the Contractor for horizontal and vertical stiffening of the beams and some redesign work (Items (i) and (ii) above) which appear to have resulted from a design error/omission. MTACC rejected the Contractor's remaining claims. The Contractor appealed that decision to the Chief Engineer and the Chief Engineer ruled that the Contractor's claim has merit and that the MTA should compensate the Contractor for additional engineering, design, steel fabrication and installation captured in Items (iii) and (iv) above.

This modification addresses the additional costs associated with the engineering, design, fabrication and installation of approximately 332 steel stiffeners, 81 seat brackets, 480 doubler plates and 45 additional steel members. This modification resolves all of the issues discussed above, including those submitted to the Chief Engineer.

The Contractor's proposal was \$6,207,095; MTACC's estimate is \$4,427,760. Negotiations resulted in a lump sum price of \$4,750,000, which is considered fair and reasonable. Savings of \$1,457,095 were achieved. The schedule impact of this work was addressed in a prior modification. Related impact costs will be addressed in a future modification.



Metro-North Railroad

Procurements July 2015



Subject	Request for Authorization to Award Various Procurements
Department	Procurement and Material Management
Department Head Name	Alfred Muir, Sr. Director
Department Head Signature	
Project Manager Name	

Date	07/09/2015
Vendor Name	Various
Contract Number	Various
Contract Manager Name	Various
Table of Contents Ref #	

Board Action					
Order	To	Date	Approval	Info	Other
1	MNR Comm. Mtg.	7-20-15	X		
2	MTA Board Mtg.	7-22-15	X		

Internal Approvals			
	Approval		Approval
X	President		V.P. Planning
X	Executive V.P.		V.P. Capital Programs
X	Sr. V.P. Operations	X	V.P. General Counsel
X	VP Finance & IT		

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

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)

of Actions \$ Amount

Schedule A: Non-Competitive Purchases and Public Work Contracts

1 \$433, 729

- Voestalpine Nortrac, Inc.

Schedules Requiring Majority Vote

NONE

SUB TOTAL: 1 \$433,729

<u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u>	<u># of Actions</u>	<u>\$ Amount</u>
Schedule B: Competitive Requests for Proposals (Solicitation of Purchase and Public Work Contracts)	1	TBD
• Request to use RFP	TBD	

NONE

MNR presents the following procurement actions for Ratification:

NONE

NONE

TOTAL:	2	\$433,729
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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.

2 of 2

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 2015

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)

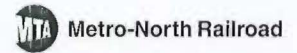
1. Voestalpine Nortrac, Inc	\$433,729 (not-to-exceed)	<u>Staff Summary Attached</u>
Replacement Turnout Parts		

Approval is requested to award an eight (8) month non-competitive contract in the not-to-exceed amount of \$433,729 to the firm Voestalpine Nortrac, Inc. for the supply and delivery of various turnout replacement parts. A turnout is a subcomponent of the track system that enables the trains to be guided from one track to another. The components that comprise a turn out assembly are exacting and must work seamlessly with the other components. It is essential that MNR maintains an inventory of replacement parts that ensures these turnouts remain in a constant state of good repair. This agreement will ensure availability of inventory and avoid turnout systems being out-of-service for an extended period of time. Due to their unique designs, (turnouts are individually designed for their intended application), the lead time for these parts can be exceedingly long.

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, the New York Post, El Diario and the Daily Challenge and posted on the MNR website, which did not yield interest from any other sources.

Voestalpine's overall pricing for the replacement parts has decreased 3.7% from its previous agreement with MNR and are deemed fair and reasonable. The total cost for this procurement is not-to-exceed \$433,729 and is to be funded by the MNR Operating Budget.

Schedule A: Non-Competitive Purchases and Public Work Contracts



Item Number: A

Vendor Name (& Location) Voestalpine Nortrac, Inc. Birmingham, AL
Description Various Turnout Replacement Parts
Contract Term (including Options, if any) 28-39 Weeks After Receipt of Order
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:

Contract Number 1-54575 & 1-54630	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Total Amount: \$433,729	
Funding Source X Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Procurement & Material Management, Al Muir, Sr. Director	
Contract Manager: Christopher Sefcik	

Discussion:

Approval is requested to award an eight month non-competitive contract in the not-to-exceed amount of \$433,729 to the firm Voestalpine Nortrac, Inc. for the supply and delivery of various turnout replacement parts. A turnout is a subcomponent of the track system that enables the trains to be guided from one track to another. The components that comprise a turn out assembly are exact and must work seamlessly with the other components. It is essential that MNR maintain an inventory of replacement parts that ensures these turnouts remain in a constant state-of-good-repair. This agreement will ensure availability of inventory and avoid turnout systems being out-of-service for an extended period of time. Due to their unique designs, (turnouts are individually designed for their intended application), the lead time for these parts can be exceedingly long.

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, the New York Post, El Diario and the Daily Challenge and posted on the MNR website, which did not yield interest from any other sources.

Voestalpine's overall pricing for the replacement parts has decreased 3.7% from its previous agreement with MNR and is deemed fair and reasonable. The total cost for this procurement is not-to-exceed \$433,729 and is to be funded by the MNR Operating Budget.

JULY 2015

METRO-NORTH RAILROAD

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedules Requiring Two-Thirds Vote:

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)

1. Request to use RFP Process **Staff Summary Attached**
Design, Manufacture and Deliver Catenary Maintenance Vehicles

To obtain MTA Board approval to use the Request for Proposals (RFP) process to solicit and evaluate proposals from prospective contractors for the design, manufacture, and delivery of two (2) Catenary Inspection & Maintenance Vehicles (CMVs). The CMV's are self – propelled vehicle specifically designed for the maintenance and inspection of overhead electric catenary lines. This RFP shall include an option for an on-track trailer car. The current CMV's owned and operated by MNR have exceeded their useful life and can no longer be maintained to a state of good repair. This vehicle will be equipped with a crane mounted lift bucket that can be raised or lowered as needed with the capacity to transport a minimum of eight (8) MNR maintenance workers and technicians. The ability to use a more sophisticated and modern platform will allow MNR to work more safely, while being more efficient and effective in its inspections. The CMV's will also be used to conduct emergency repairs in a more expeditious manner. In order to assure the selection of the contractor with the necessary experience and expertise, it is in the public interest to use the RFP process to properly evaluate the technical and remanufacturing capabilities of prospective proposers.

The contractor will be selected based on an evaluation of technical capability, past performance, organization resources, experience of its team members, and cost. This Procurement will be funded by the Operating Budget

Staff Summary

Item Number B					
Dept & Dept. Head Name: Procurement & Material Management, Alfred Muir, Sr. Director					
Division & Division Head Name: Catherine Rinaldi, Executive Vice President					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	M-N Comm.Mtg.	7-20-15	X		
2	MTA Board Mtg.	7-22-15	X		
Internal Approvals					
Order	Approval	Order	Approval		
X	President	X	Sr. V.P. Operations		
X	Chief of Staff		V.P. Planning		
X	V.P. Finance & IT	X	General Counsel		
	Capital Programs				

SUMMARY INFORMATION	
Vendor Name TBD	Contract Number TBD
Description Design, Manufacture and Delivery of two Catenary Maintenance Vehicles	
Total Amount TBD	
Contract Term (including Options, if any) TBD	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

Narrative

I. PURPOSE/RECOMMENDATION:

To obtain MTA Board approval to use the Request for Proposals (RFP) process to solicit and evaluate proposals from prospective contractors for the design, manufacture, and delivery of two Catenary Inspection & Maintenance Vehicles (CMVs). This RFP shall include an option for an on-track trailer option. The current CMVs owned and operated by MNR have exceeded their useful life and can no longer be maintained to a state-of-good-repair.

II. DISCUSSION:

The Catenary Inspection & Maintenance Vehicle (CMVs) is a self-propelled vehicle specifically designed for the maintenance and inspection of overhead electric catenary lines. This vehicle will be equipped with a crane mounted lift bucket that can be raised or lowered as needed with the capacity to transport a minimum of eight MNR maintenance workers and technicians. The ability to use a more sophisticated and modern platform will allow MNR technicians work more safely, while being more efficient and effective in its inspections. The CMVs will also be used to conduct emergency repairs in a more expeditious manner.

The CMVs will include, but will not be limited to the following specialized features:

- Operate at speeds up to 50 mph at adverse grades
- Contain two operator control stations
- Full Digital Instrumentation Controls
- Main propulsion engine shall meet Federal EPA requirements and emission regulations
- Wheel power operated brakes with "fail safe" braking system
- Optional one flat car style, on-track trailer with bull wheel tensioner/puller including two reel racks
- Optional five year maintenance and inspection services

In order to assure the selection of the contractor with the necessary experience and expertise, it is in the public interest to use the RFP process to properly evaluate the technical and remanufacturing capabilities of prospective proposers. The contractor will be selected based on an evaluation of technical capability, past performance, organizational resources, experience of its team members, and cost.

Staff Summary

III. D/M/WBE INFORMATION:
TBD

IV. IMPACT ON FUNDING:

This procurement will be funded by the MNR Operating (Capital) Budget. Per ARSA, the cost is to be allocated as follows 35% NY, 65% CT.

V. ALTERNATIVES:

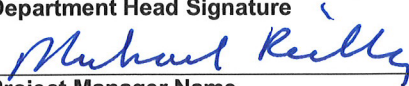





MNR does not have in-house design or manufacturing capacity to complete the scope of work.



Long Island Rail Road

ACTION ITEM

Staff Summary

Subject Fare Policy Changes						Date: July 7, 2015			
Department Controller						Vendor Name			
Department Head Name Michael Reilly						Contract Number			
Department Head Signature 						Contract Manager Signature			
Project Manager Name									
Board Action									
Order	To	Date	Approval	Info	Other	Internal Approval			
1	LI COMM	7/20/15	X			Order	Approval	Order	Approval
2	Finance Comm.	7/20/15	X			5 	President	2	VP Mktg & PA 
3	MTA Bd.	7/22/15	X			4 	Gen'l Counsel	1	VP and CFO 
						3 	Sr. VP Operations		

Narrative

Purpose: To obtain the MTA Board's approval authorizing the following recommended fare policy changes.

Discussion:

The LIRR has been reviewing its fare policy to identify opportunities to eliminate little used and outmoded exceptions to generally applicable policies, to make it clearer to customers and employees, and to establish greater consistency with Metro-North Railroad. LIRR also recommends updating the price of a special ticket sold only at Penn Station during crowded conditions after the Thanksgiving parade to reflect the current price of an average one-way off peak trip. As a result of this review, the LIRR is proposing the following four changes.

Removal of "Stop-Over" Courtesy – LIRR customers currently are permitted one "stop-over" per trip free of charge. A "stop-over" entails disembarking a train at an intermediate station and then re-boarding a subsequent train at a later time on the same day. In order to be granted this courtesy, the customer must notify a train crew member before arriving at the stop-over point. The train crew member must then manually write the train number, date, station name and badge number on the customer's ticket so it can be presented to a train crew member on a subsequent train for validation.

LIRR is proposing to eliminate the "stop-over" courtesy. This action would simplify the fare collection practice for customers and train crews, further minimize reliance on outmoded and difficult to audit manual ticketing procedures and reduce the likelihood of misuse or fraud.

Removal of Four-Hour Extension on One-Way Tickets – Per the LIRR's fare policy, one-way tickets are valid for 60 days and expire at 11:59PM of the 60th day. However, as a courtesy, the LIRR currently accepts one-way tickets up to four hours beyond the 60th day or through 4:00AM on the 61st day. LIRR is proposing to eliminate the four-hour extension of the one-way ticket.

This action would simplify fare collection practices for customers and train crews.

Removal of Four-Hour Advance Validity on Weekly & Monthly Tickets – Per the LIRR's fare policy, monthly tickets become valid at 12:01AM on the first day of the month and weekly tickets become valid at 12:01 AM on Saturdays. However, as a courtesy, the LIRR currently begins accepting monthly tickets at 8:00PM on the last

day of the prior month and weekly tickets at 8:00PM on Fridays. LIRR is proposing to eliminate the four-hour advance validity of monthly and weekly tickets. This action would simplify fare collection practices for customers and train crews.

While the frequency of the extension of the above three courtesies is not formally recorded, train crews report that they are very uncommon. In addition, these three changes would align the LIRR's practices with those of Metro-North Railroad.

Gated Ticketing for Thanksgiving Day at Penn Station – The LIRR transports a large number of customers to and from the annual Thanksgiving Day parade. The crowds at Penn Station are largest after the parade ends – a potential customer safety issue that is exacerbated by the presence of a large number of travelers who have not purchased a return trip ticket. Frequently, the number of customers without tickets exceeds the sales capacity of ticket window personnel and vending machines.

In order to ensure that customers boarding trains have valid tickets, to expedite boarding and promote customer safety, the LIRR has for many years used a gating program for the day. Transportation Services personnel are deployed on the platform level between Tracks 18 and 19 to sell tickets to customers who have not yet purchased them and validate all tickets. LIRR has charged customers who purchase a ticket at the gate a fixed price, which is intended to reflected the price of an average off-peak one-way trip rounded to the nearest dollar (currently \$7, an amount that has not changed since 2010).

Rounding to the nearest dollar eliminates the need to provide cash change, thereby expediting transactions. Over the past 3 years the LIRR has sold on average 1,500 of these tickets on Thanksgiving Day.

In order to update the Gating Program to reflect the current price of an average off-peak one-way trip, the LIRR is proposing to reset the price of these special, gated tickets to the current off-peak fare average peak fare between Zones 7 and 9, rounded to the nearest dollar. This would result in a \$10 dollar ticket for Thanksgiving 2015.

This action would have a minimal impact on farebox revenue, while facilitating boarding and customer safety at a time of extreme crowding.

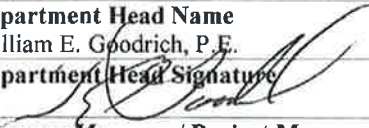





CAPITAL CONSTRUCTION

ACTION ITEM

July 2015

Staff Summary

Subject Design Services for 48 th Street Entrance at 415 Madison Avenue					
Department East Side Access					
Department Head Name William E. Goodrich, P.E.					
Department Head Signature 					
Program Manager / Project Manager Name Richard Dilley					
Board Action					
Order	To	Date	Approval	Info	Other
1	LIRR Committee	7/20/15	X		
2	Board	7/22/15	X		

Date July 6, 2015			
Vendor Name 415 Madison Avenue LLC			
Contract Number N/A			
Contract Manager Name			
Table of Contents Ref #			
Internal Approvals			
Order	Approval	Order	Approval
2	Interim Executive Vice President & CFO 	3	President 
	Sr. Vice President & General Counsel		

PURPOSE:

MTACC seeks Board Approval to enter into an agreement with 415 Madison Avenue LLC for reimbursement of design consultant services in connection with utility relocation and foundation reinforcement work at 415 Madison Avenue for the not-to-exceed amount of \$400,000.

DISCUSSION:

As part of the ESA Project, MTA plans to build an entrance to the new LIRR concourse from East 48th Street on a portion of the premises owned by 415 Madison Avenue LLC. There are utilities and equipment that service the building within the area that ESA plans to construct the new Entrance. MTA and the owner of the premises agree that those utilities must be relocated or they would interfere with Entrance construction, operations and maintenance. Under the proposed agreement, the owner will utilize consultants to create design and construction plans for the utility relocation work and the MTA will reimburse the owner for those costs.

In addition, the owner is contemplating a full redevelopment of its building, which will require reinforcement of the building's existing foundations, building columns and ground and second floor slabs that are located in the same area as the Entrance. MTA and the owner acknowledge that it would be prudent and in their best interests for the reinforcement work to occur in conjunction with Entrance construction. Under the proposed agreement, MTA will create the designs and construction plans needed for the reinforcement work in consultation with the owner's design consultants and incorporate them into the Entrance plans. The MTA will reimburse the owner for the cost of its design consultants' work on development of the designs and plans.

MTACC and the owner have developed a detailed scope of work and negotiated a cap on the reimbursement of owner's costs at \$400,000.

ALTERNATIVES:

The alternative to entering into an agreement for creating the utility relocation designs is for the MTACC to prepare the designs without the assistance of the building owner and its consultants. This is not recommended because the work cannot be accomplished without the input of the building owners.

The alternative to entering into an agreement for creating the building reinforcement plans is to not integrate reinforcement of the building's existing foundations, columns and slabs into the Entrance plans. This is not recommended because it (i) could limit the extent to which the owner would be able to redevelop its building, (ii) creates risk of damage to the Entrance when the owner later commences its building renovation, and/or (iii) would cause the Entrance to remain closed during the Owner's construction.

IMPACT ON FUNDING:

The reimbursement will be funded from the ESA Project's Real Estate budget. Funding is available in the ESA 2010-2014 capital program.

RECOMMENDATIONS:

MTACC recommends that the Board approve entering into the agreement with 415 Madison Avenue LLC at a not-to-exceed amount of \$400,000, which will permit the parties to proceed with designs needed to construct the 48th Street Entrance.

LONG ISLAND RAIL ROAD

PROCUREMENTS

FOR

BOARD ACTION

July 22, 2015

Staff Summary



Subject : Request for Authorization to Award Various Procurements						Date <div style="text-align: center;">July 22, 2015</div>			
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	7.20.15	X			1	President		VP & CFO
2	MTA Board	7.22.15	X			2	Executive VP		VP, Gen. Counsel & Secy
							Sr. VP-Engineering		
							Sr. VP-Administration		

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:

<u>Schedules Requiring Majority Vote</u>	<u># of Actions</u>	<u>\$ Amount</u>
Schedule G: Miscellaneous Service Contracts	1	\$698,754
SUBTOTAL	1	\$698,754

LIRR proposes to award Competitive Procurements in the following categories: NONE

LIRR proposes to award Ratifications in the following categories: NONE

<u>TOTAL:</u>	<u>1</u>	<u>\$698,754</u>
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BUDGET IMPACT:

The purchases/contracts will result in obligating LIRR operating and capital funds in the amounts listed. Funds are available in the current operating budget 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 2015

MTA LONG ISLAND RAIL ROAD

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote

Schedule G: Miscellaneous Service Contracts

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

- | | | | |
|-----------|--|------------------|--------------------------------------|
| 1. | ARINC, Inc.
Sole Source
Contract No. 6138 | \$698,754 | <i><u>Staff Summary Attached</u></i> |
|-----------|--|------------------|--------------------------------------|

LIRR requests MTA Board approval to award a sole source contract to ARINC, Inc. ("ARINC") in the amount of \$698,754 for the modification of the Babylon Tower Supervisory Control System in order to enable control of the new Automatic Speed Control with Cab ("ASC") Signalization of Speonk to Montauk and the new Massapequa Pocket Track. In order to have continuous control of the entire signal system from Wantagh to Montauk, the ARINC control system at Babylon Tower needs to be modified to accommodate the planned (i) signalization of Speonk to Montauk, and (ii) Pocket Track at Massapequa.

Schedule G: Miscellaneous Service Contract



Staff Summary

Item Number: 1

Vendor Name (& Location) ARINC, Inc.
Description Babylon Tower Supervisory Control System Upgrade
Contract Term (including Options, if any) 28 months for Base Work
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input 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

Contact Number 6138	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Total Amount: \$698,754	
Funding Source <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Positive Train Control, Chris Calvagna	
Contract Manager:	

Discussion:

I. PURPOSE/RECOMMENDATION:

It is requested that a sole source contract be awarded to ARINC, Inc. ("ARINC") in the amount of \$698,754 for the modification of the Babylon Tower Supervisory Control System in order to enable control of the new Automatic Speed Control with Cab ("ASC") Signalization of Speonk to Montauk and the new Massapequa Pocket Track.

II. DISCUSSION:

In order to have continuous control of the entire signal system from Wantagh to Montauk, the ARINC control system at Babylon Tower needs to be modified to accommodate the planned (i) signalization of Speonk to Montauk, and (ii) Pocket Track at Massapequa.

The existing signal supervisory control system at Babylon Tower was developed and supplied by ARINC in 2006 as part of the Patchogue to Speonk Signalization project. This systems functionality was expanded to control Babylon proper in 2008 and Wantagh and Amityville Interlockings in 2011. The system runs proprietary software which can be accessed and revised only by ARINC. This sole source contract is to provide services to further expand the system to accommodate two LIRR projects on the Montauk Branch: the new ASC Signalization from Speonk to Montauk (east of Babylon); and the new Massapequa Pocket Track (west of Babylon).

The Signalization of Speonk to Montauk involves upgrading approximately 45 miles of dark territory to ASC. This installation will include new interlockings at Hampton Bays and Southampton, new control points at Amagansett and Montauk, and 39 grade crossing huts. The Massapequa Pocket Track project entails creating a new pocket track at Massapequa Station, and also will be controlled from Babylon Tower. Both of these projects currently are in progress.

ARINC's lump sum proposal of \$698,754 is less than the LIRR estimate of \$700,000 and, after review, is considered to be fair and reasonable.

III. D/M/WBE INFORMATION:

MTA Department of Diversity & Civil Rights has set 0% DBE goals for this contract. ARINC, Inc. has not completed any work on MTA contracts that had MWDBE goals; therefore, no assessment of the firm's MWDBE performance can be determined at this time.

IV. IMPACT ON FUNDING:

This contract will be funded by the LIRR Capital Budget.

V. ALTERNATIVES:

The software utilized by the Babylon Tower is an ARINC product, developed specifically for this use by LIRR. Modifications to this system can be made only by ARINC. No other signaling software developer is able to modify ARINC's product because the software is proprietary.

LONG ISLAND RAILROAD
COMMITTEE
MTA BOARD PROCUREMENT PACKAGE
JULY 2015

Staff Summary


Subject	Request for Authorization to Award Procurements				
Department	Law and Procurement				
Department Head Name	Evan M. Eisland				
Department Head Signature					
Board Action					
Order	To	Date	Approval	Info	Other
1	Long Island Rail Road Committee	7/20/15	X		
2	Board	7/22/15	X		

Date: July 8, 2015			
Vendor Name Various			
Contract Number Various			
Contract Manager Name Various			
Internal Approvals			
	Approval		Approval
4	President	3	Interim Executive Vice President and CFO
2	Vice President, Program Controls	1	Chief Procurement Officer

PURPOSE

To obtain the approval of the Board to award contract modifications and to inform the Long Island Railroad Committee of these procurement actions.

DISCUSSION

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

Schedules Requiring Majority Vote:

Schedule I Modifications to Purchase and Public Work Contracts

	<u># of Actions</u>	<u>\$ Amount</u>
	1	\$ 2,380,000
SUBTOTAL	1	\$ 2,380,000

MTA Capital Construction proposes to award a Ratification in the following category:

Schedules Requiring Majority Vote:

Schedule K Ratification of Completed Procurement Actions

	<u># of Actions</u>	<u>\$ Amount</u>
SUBTOTAL	1	\$ 2,542,709
TOTAL	2	\$ 4,922,709

Budget Impact:

The approval of these modifications will obligate funds in the amounts listed. Funds are available in the current capital budget for this purpose.

Recommendation:

That the modifications be approved as proposed. (The 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 2015

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

Schedule 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 \$250K)

- | | | | |
|----|--|--------------|-------------------------------|
| 1. | Schindler Elevator Corporation
Contract No. VM014
Modification No. 9 | \$ 2,380,000 | <u>Staff Summary Attached</u> |
|----|--|--------------|-------------------------------|

In accordance with Article IX of the MTA 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.

Item Number 1

Vendor Name (& Location) Schindler Elevator Corporation (New York, NY)	Contract Number VM014	AWO/Modification # 9
Description Vertical Circulation Elements for the East Side Access Project	Original Contract Amount: \$ 24,077,558 Original Option Amounts: \$ 46,213,875 Original Board Approved Amount: \$ 70,291,433	
Contract Term (including Options, if any): 5,240 Days	Prior Modifications: \$ 6,821,789 Exercised Options: \$ 16,100,010 Prior Budgetary Increases: \$ 0	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	Current Amount: \$ 46,999,357	
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/William Goodrich, P.E.	This Request \$ 2,380,000 % of This Request to Current Amount: 5.1% % of Modifications (including This Request) to Original Board Approved Amount: 13.1%	

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 CM007, Grand Central Terminal Station Caverns and Track to perform the VCE work required under that contract.

At the time of award of VM014 in September 2010, it was anticipated that the VCE work contained in CM007 would commence in October 2013 and be completed by February 2015. However, due to program wide delays resulting from, among other things, the cancellation of Contracts CM012 and CM012R, CM007 (which contains a portion of the work from CM012R) is currently in the solicitation phase with an award planned for the fourth quarter of this year. The current CM007 schedule has installation of VCE by the VM014 Contractor to commence in September 2017 (fabrication will begin in October 2016) with completion for the VM014 work in Contract CM007 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 CM007. These adjustments will increase VM014's contract work duration by 1,692 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.

The Contractor proposed \$2,903,072 while MTACC's estimate was \$2, 216,075. Negotiations were held and the parties agreed to a cost of \$2,380,000 for the CM007 related work, which is considered fair and reasonable. Of this amount, \$1,545,162 will not be obligated until Contract CM007 is awarded.

JULY 2015

LIST OF RATIFICATIONS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

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

- | | | | |
|----|--|--------------|-------------------------------|
| 2. | Frontier Kemper Constructors Inc.
Contract No. CM006
Modification No. 13 | \$ 2,542,709 | <u>Staff Summary Attached</u> |
|----|--|--------------|-------------------------------|

Pursuant to Article IX of the MTA All-Agency Procurement Guidelines, MTACC is requesting the Board ratify a contract modification to upgrade the existing Temporary Power System to support the immediate and future needs of the ESA Construction Program.

Item Number: 2

Vendor Name (& Location) Frontier Kemper Constructors Inc. (Pelham, NY)	
Description Manhattan North Structures	
Contract Term (including Options, if any) 32 Months	
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 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/William Goodrich, P.E.	

Contract Number	AWO/Modification #
CM006	13
Original Amount:	
	\$ 294,201,750
Prior Modifications:	
	\$ 22,320,000
Prior Budgetary Increases:	
	\$ 0
Current Amount:	
	\$ 316,521,750
This Request	
	\$ 2,542,709
% of This Request to Current Amount:	
	.8%
% of Modifications (including This Request) to Original Amount:	
	8.5%

Discussion:

The scope of work of this Contract includes construction of the permanent structural concrete lining, interior structures, and fit-out of the caverns and tunnels beneath and to the North of the existing Grand Central Terminal. In accordance with Article IX of the All-Agency Procurement Guidelines, MTACC is requesting the Board ratify a contract modification to upgrade the existing Temporary Power System to support the immediate and future needs of the ESA Construction Program.

The temporary power system in the Manhattan tunnels and GCT Caverns provides power for the construction operations of multiple contracts, including this contract, as well as the fire, life and safety systems necessary to support that work. The existing system, which was installed under previously completed contracts for previously completed work, has reached the end of its service life and is no longer reliable. Accordingly, to provide reliable temporary power for ongoing and future construction operations, the system must be upgraded and reconfigured. This Modification will provide for, among other things, the replacement of the existing 750kVA mine power centers and circuit breakers, refurbishment of existing cables, and installation of new cables as well as three vacuum circuit breakers.

This Modification will also provide for the installation of a mine power cable required to connect the new circuit breakers to the new B30 Facility Power Substation which will enable this substation to be used as the primary power source for the temporary power system. Drawing temporary power from the new B30 Facility Power Substation will eliminate the need to reconfigure and maintain the temporary 2nd Avenue TBM Substation which is currently being used as the source of temporary power but is also at the end of its useful service life.

The Contractor submitted a cost proposal of \$3,144,602 and the MTA combined estimate was for \$2,908,879. Negotiations were held and the parties agreed to a cost of \$2,542,709 for this work which is deemed to be fair and reasonable. The budget for this work will be funded from Project Contingency.

In order to maintain CM006 schedule, the President approved a Retroactive Memorandum on April 22, 2015 for a not-to-exceed amount of \$1.2M for Contractor to design the temporary power system and to procure the equipment and materials for the system.



Bridges and Tunnels

Procurements July 2015



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 8, 2015
Vendor Name	
Contract Number	
Contract Manager Name	
Table of Contents Ref #	

Board Action					
Order	To	Date	Approval	Info	Other
1	President	7/8/15	<i>[Signature]</i>		
2	MTA B&T Committee	7/20/15			
3	MTA Board	7/22/15			

Internal Approvals			
Order	Approval	Order	Approval
<i>[Signature]</i>	President		VP Operations
<i>[Signature]</i>	Executive Vice President		VP & Chief Engineer
<i>MMT</i>	SVP & General Counsel		VP & Chief Procurement Officer
	VP Administration		

Internal Approvals (cont.)							
Order	Approval	Order	Approval	Order	Approval	Order	Approval
	Chief Financial Officer <i>DS</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:

Schedules Requiring Majority Vote		# of Actions	\$ Amount
Schedule H	Modifications to Personal/Miscellaneous Service Contracts	1	\$ 1.200M

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

TOTAL	1	\$ 1.200M
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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 2015

MTA BRIDGES & TUNNELS

Procurements Requiring Majority Vote:

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

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

1. **Henningson, Durham & Richardson \$1,199,971.98 Staff Summary Attached**
Architecture and Engineering, PC
Contract No. PSC-10-2885

Contract amendment for funding to provide construction support services for the construction phase of Project MP-03 at the Marine Parkway – Gil Hodges Memorial Bridge (MPB).

Schedule H: Modifications to Personal Service Contracts and Miscellaneous Service Contracts

Item Number: 1 (Final)

Vendor Name (& Location) Henningson, Durham & Richardson Architecture and Engineering, PC	Contract Number PSC-10-2885	AWO/Modification # 5
Design and Construction Support Services for Project MP-03, Electrical and Mechanical Rehabilitation at the Marine Parkway - Gil Hodges Memorial Bridge (MPB)		
Contract Term (including Options, if any) December 28, 2011 - January 31, 2019	Original Amount:	\$1,499,542.19
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Prior Modifications:	\$1,076,486.58
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	Prior Budgetary Increases:	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	Current Amount:	\$2,576,028.77
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	This Request:	\$1,199,971.98
Requesting Dept/Div & Dept/Div Head Name: Engineering & Construction, Joe Keane, P.E.	% of This Request to Current Amount:	46.5%
	% of Modifications (including This Request) to Original Amount:	151.8%

Discussion:

B&T is seeking Board approval under the All-Agency Guidelines for Procurement of Services to amend the Contract with Henningson, Durham & Richardson Architecture and Engineering, PC (HDR) for funding to provide construction support services (CSS) for the construction phase of Project MP-03 at the Marine Parkway - Gil Hodges Memorial Bridge (MPB). In December 2011 subsequent to Board approval the Contract was awarded to HDR for the design services and at that time B&T informed the Board of a future request for the CSS. Now that the project design is complete, HDR will provide the design and construction support services necessary to rehabilitate various electrical and mechanical systems and equipment for the lift span at the MPB. B&T anticipates the construction work to commence in September 2015. In order to provide the necessary CSS, B&T is requesting additional funding in the amount of \$1,199,971.98. Consistent with the All-Agency Guidelines this amendment constitutes a substantial change.

HDR submitted a proposal in the amount of \$1,199,971.98. The Engineer's estimate is \$1,089,412. Based on a review of the scope, B&T accepted HDR's proposal in the amount of \$1,199,971.98. During negotiations it was determined that the estimate understated the consultant's approved overhead rate. HDR's proposal also included more hours than anticipated for high level technical reviewers given the complex nature of the electrical/mechanical rehabilitation construction to be undertaken on the lift span. The amount is 10.1% above the estimate and based on the aforementioned, is considered fair and reasonable. Funding for this amendment is available in the 2010 – 2014 Capital Program under Project MP-03.