



Metropolitan Transportation Authority

February 2016

MTA Board Action Items



MTA Board Meeting
2 Broadway, 20th Floor Board Room
Wednesday, 2/24/2016
10:00 AM - 12:00 PM ET

1. PUBLIC COMMENT PERIOD

2. APPROVAL OF MINUTES

MTA Regular Board Minutes - January 27, 2016

MTAHQ Minutes - January 27, 2016 - Page 5

NYCT/MaBSTOA/SIR/Bus Company Regular Board Minutes - January 27, 2016

NYCTA Minutes - January 27, 2016 - Page 9

MTA Metro-North Railroad Regular Board Minutes - January 27, 2016

Metro-North Minutes - January 16, 2016 - Page 12

MTA Long Island Rail Road Regular Board Minutes - January 27, 2016

LIRR Minutes - January 27, 2016 - Page 16

Triborough Bridge & Tunnel Authority Regular Board Minutes - January 27, 2016

TBTA Minutes - January 27, 2016 - Page 20

MTA Capital Construction Regular Board Minutes - January 27, 2016

MTACC Minutes - January 27, 2016 - Page 25

3. COMMITTEE ON FINANCE

Action Items

i. Approval of Swap Amendment and Novation

Approval of Swap Amendment and Novation - Page 28

ii. Extension of Owner Controlled Insurance for East Side Access

Extension of Owner Controlled Insurance for East Side Access - Page 31

iii. Mortgage Recording Tax - Escalation Payments to Dutchess, Orange and Rockland Counties

Mortgage Recording Tax - Escalation Payments to Dutchess, Orange and Rockland Counties - Page 33

iv. 2015 TBTA Operating Surplus

2015 TBTA Operating Surplus - Page 35

Procurements Report

MTAHQ Procurement Report - Page 45

i. Non-Competitive (no items)

ii. Competitive

MTAHQ Competitive Procurements - Page 47

iii. Ratifications (no items)

Real Estate Items

i. Real Estate Agenda and Staff Summaries

Real Estate Agenda and Staff Summaries - Page 58

4. COMMITTEE ON NYCT & BUS

Action Item

i. MTACC Second Avenue Subway Acceleration Agreements

MTACC Second Avenue Subway Acceleration Agreements - Page 88

Procurements

NYCT February Procurement Staff Summary and Resolution - Page 90

i. Non-Competitive (no items)

ii. Competitive

NYCT Competitive Actions - Page 94

iii. Ratifications

NYCT and MTACC Ratifications - Page 102

5. COMMITTEE ON LONG ISLAND RAIL ROAD & METRO-NORTH RAILROAD

Action Items

i. Second Memorandum of Understanding (MOU) Between MNR and City of Newburgh

Second MOU Between MNR and City of Newburgh - Page 108

ii. MTACC Agreement with 415 Madison Avenue, LLC

MTA CC Agreement with 415 Madison Avenue - Page 110

Procurements: LIRR, MNR and MTACC

MNR Procurements Report

MNR Procurements - Page 112

i. Non-Competitive (no items)

ii. Competitive

MNR Competitive - Page 116

iii. Ratification (no items)

LIRR Procurements Report

LIRR Procurements - Page 120

i. Non-Competitive (no items)

ii. Competitive

LIRR Competitive Procurements - Page 124

iii. Ratification (no items)

MTACC Procurements Report

MTA CC Procurements - Page 127

i. Non-Competitive (no items)

ii. Competitive

MTA CC Competitive Procurements - Page 130

iii. Ratification (no items)

6. COMMITTEE ON MTA BRIDGES & TUNNELS OPERATIONS

Procurements

BT Procurements - February 2016 - Page 132

i. Non-Competitive

BT Non Competitive - February 2016 - Page 135

ii. Competitive

BT Competitive - February 2016 - Page 138

iii. Ratifications (no items)

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

Date of next MTA Board meeting: Wednesday, March 23, 2016

**Metropolitan Transportation Authority
Minutes of
Regular Board Meeting
2 Broadway
New York, NY 10004
Wednesday, January 27, 2016
10:00 a.m.**

The following members were present:

**Hon. Fernando Ferrer, Vice Chairman
Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. Jeffrey A. Kay
Hon. Charles G. Moerdler
Hon. Susan Metzger
Hon. John J. Molloy
Hon. Mitchell H. Pally
Hon. Polly Trottenberg
Hon. Carl V. Wortendyke
Hon. Neal Zuckerman**

The following members were absent:

**Hon. Thomas F. Prendergast, Chairman & CEO
Hon. John H. Banks, III
Hon. Allen P. Cappelli
Hon. Lawrence Schwartz
Hon. James L. Sedore, Jr.
Hon. Ed Watt**

Donna Evans, Chief of Staff, Jerome F. Page, General Counsel, Board Member Andrew Albert, Board Member Norman Brown, Board Member Ira Greenberg, Board Member Vincent Tessitore, Veronique Hakim, President, NYCTA, Patrick Nowakowski, President, Long Island Rail Road, Joseph Giulietti, President, Metro-North Railroad, Donald Spero, Acting President, TBTA, Darryl Irick, SVP, NYCT DoB/President, MTA Bus Company, Michael Horodniceanu, President, MTA Capital Construction, and Stephen Morello, Counselor to the Chairman, NYCT, 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 six (6) public speakers. The following speakers spoke on items specific to the MTA agenda. Refer to the video recording of the meeting produced by the MTA and maintained in MTA records, and to the other agencies' minutes of this date, for the names of other speakers and for the content of speakers' statements.

Nick Sifuentes, Rider's Alliance
Gene Russianoff, Straphangers Alliance
Haynes Peter Mauro, Access Queens

2. **VICE CHAIRMAN'S REMARKS.**

Vice Chairman Ferrer welcomed Veronique "Ronnie" Hakim back to the MTA Family, announcing that on December 28, 2016 Ms. Hakim became the eighth permanent President of MTA New York City Transit. The Vice Chairman also thanked James Ferrara for his services as Transit's Interim President since August, 2015.

Vice Chairman Ferrer commended and thanked the agencies' employees for doing an incredible job before, during and after the blizzard.

3. **MINUTES.** Upon motion duly made and seconded, the Board approved the minutes of the regular Board meeting held on December 16, 2015.

4. **COMMITTEE ON FINANCE.**

A. **Action 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. **Remarketing Agents.** Approved the addition of Mitsubishi UFJ Securities ("MUS") and Arbor Research & Trading, LLC (Arbor") and its related alternative trading system, Clarity BidRate Alternative Trading System ("Clarity"), to the existing approved pool of variable rate remarketing agents and dealers.
2. **Commercial Bank Authorization Update.** Granted authority to MTA Authorized Officers to continue to compile a list of eligible banks and financial institutions from time-to-time in order to qualify banks who have expressed an interest in providing operating liquidity through revolving credit agreements or other loan arrangements and new credit and/or liquidity facilities if the rating and other requirements are met; and approved the form of reimbursement agreement, revolving credit agreement and standby bond purchase agreement annexed in the staff summary, and all other actions described, including the execution and delivery of such other documents, and the taking of all other actions, from time-to-time deemed necessary or desirable by such MTA Authorized Officers in connection therewith.

Regular Board Meeting
January 27, 2016

B. Procurement Items. Upon motion duly made and seconded, the Board approved the following procurement items. The specifics are set forth in the staff summaries and documentation filed with the meeting materials. Board Member Kay recused himself from the vote on item #1 below.

1. Jay Deitz & Associates, Ltd – As-Needed Multi-Agency Stenographic Services – No. 16008-0100. Approval to ride NYCT’s previously Board-approved, competitively negotiated miscellaneous services contract with Jay Deitz & Associates, Ltd. (Contract No. 7752) for Legal Stenographic Service. MTAHQ’s Department of Civil Rights will utilize Jay Deitz for a period of three years from February 1, 2016 through March 12, 2019.
2. Willdan Homeland Solutions, Inc. All-Agency Security and Emergency Response Training Services – No. 13306-0100. Approved an amendment to a previously Board-approved, all-agency competitively negotiated personal services contract with Willdan, Inc. to continue delivery of Security Awareness training for NYCT Bus and MTA Bus (funded by Department of Homeland Security) and NYCT Subways, MNR, LIRR and SIRT (funded by the Office of Security).
3. Medgate, Inc. – Upgrade of MTA’s Occupation Health Mgmt. System – No. 15440-0100. Approved an amendment to NYCT’s previously Board-approved competitively negotiated, miscellaneous services contract with Medgate, Inc. to provide a system upgrade to its proprietary occupational health management system (OHS) including five years maintenance and support services from February 1, 2016 through January 31, 2021.
4. AlliedBarton Security Services, LLC – Armed & Unarmed Guard Services – No. A2314/06H9503. Approved an amendment to a previously Board-approved, competitively negotiated, miscellaneous services contract with AlliedBarton Security Services, LLC to add additional funding and extend the contract period of performance for not-to-exceed twelve months from March 1, 2016 to February 28, 2017, and to continue to provide armed security guard services for NYC Transit’s Division of Revenue Control at the Consolidated Revenue Facility and other locations throughout NYC, including armed security guard services for the Department of Security at designated NYC Transit locations.
5. Intergraph Corporation – Software Maintenance for AAESP Software – No. 10185-0100. Approved a multi-agency, non-competitively negotiated, miscellaneous procurement contract with Intergraph Corporation to provide proprietary software maintenance services for a period of twelve months from October 1, 2015 thru September 30, 2016.

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. Board members Jonathan Ballan and Charles Moerdler recused themselves from the vote on item # 5 below.

Metro-North Railroad

1. Acquisition of property from Sleepy Hollow Local Development Corporation (“SHLDC”) of property located on the Hudson Line in Sleepy Hollow, Westchester County, N.Y.
2. Long-term sublease with The Hudson Valley Writers’ Center, Inc. (“HVWC”) for the Philipse Manor Station Building in Sleepy Hollow, Westchester County, N.Y.
3. Lease with LB GCT, LLC d/b/a The Little Beet, a subsidiary of Aurify Brands, LLC, for a fast food operation located in Retail Space LC-07 plus Storage Space LCS-1A/1B at Grand Central Terminal.

Bridges and Tunnel Authority

4. License agreement with New York SMSA Limited Partnership, d/b/a Verizon Wireless, to install, operate and maintain new wireless telecommunications facilities, with the right to sublicense use of such facilities to wireless carriers, along with the procurement, installation and maintenance of new systems to be used exclusively by B&T.

New York City Transit Authority

5. Acquisition from Hyatt Equities, L.L.C. of property (basement and street-level areas of the Grand Hyatt Hotel) located at 109 E. 42nd Street (Manhattan Block 1280, Lot 30), adjacent to NYCT’s Lexington Avenue Line/Grand Central 42nd Street Station, New York, N.Y.
6. **ADJOURNMENT.** Upon motion duly made and seconded, the Board voted to adjourn the meeting at 10:30 a.m.

Respectively submitted,

Victoria Clement
Assistant Secretary

Regular Board Meeting
January 27, 2016

**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, January 27, 2016
10:00 a.m.**

The following members were present:

**Hon. Fernando Ferrer, Vice Chairman
Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. Jeffrey A. Kay
Hon. Charles G. Moerdler
Hon. Susan Metzger
Hon. John J. Molloy
Hon. Mitchell H. Pally
Hon. Polly Trottenberg
Hon. Carl V. Wortendyke
Hon. Neal Zuckerman**

The following members were absent:

**Hon. Thomas F. Prendergast, Chairman & CEO
Hon. John H. Banks, III
Hon. Allen P. Cappelli
Hon. Lawrence Schwartz
Hon. James L. Sedore, Jr.
Hon. Ed Watt**

Donna Evans, Chief of Staff, Jerome F. Page, General Counsel, Board Member Andrew Albert, Board Member Norman Brown, Board Member Ira Greenberg, Board Member Vincent Tessitore, Veronique Hakim, President, NYCTA, Patrick Nowakowski, President, Long Island Rail Road, Joseph Giuliatti, President, Metro-North Railroad, Donald Spero, Acting President, TBTA, Darryl Irick, SVP, NYCT DoB/President, MTA Bus Company, Michael Horodniceanu, President, MTA Capital Construction, and Stephen Morello, Counselor to the Chairman, NYCT, also attended the meeting.

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

2. **PUBLIC COMMENT PERIOD**

6 public speakers addressed MTA NYC Transit/MTA Bus issues.

Christol Thomas, a college student participating in Collegiate Congress, urged the MTA to offer a 50% discount on the 30-day unlimited Metrocard for New York City college students.

Raul Martinez, a student at Weil Cornell Medicine, expressed student support for the Collegiate Congress initiative to attain a 50% discount on the 30-day unlimited Metrocard for New York City students.

Steve Sigmund, Global Gateway, discussed issues with the branding and marketing of the Q70 bus which provides shuttle service to Laguardia Airport.

Nick Sifuentes, Rider's Alliance, discussed the lack of funding from the New York State government for public transit.

Gene Russianoff, Straphangers Alliance, expressed concerns with the Governor's funding proposal for the MTA.

Haynes Peter Mauro, Access Queens, discussed issues relating to four proposals made by the MTA as part of its Capital Plan.

Please refer to the video recording of the meeting produced by the MTA and maintained in MTA records for details of the speakers' statements.

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 December 16, 2015.

5. **COMMITTEE ON FINANCE**

Real Estate Items:

MTA NYC Transit: Upon motion duly made and seconded, the Board authorized the acquisition of property from Hyatt Equities, LLC to enable the expansion of a mezzanine at MTA NYC Transit's Grand Central Station.

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

Action Items:

NYCT Station Access Changes at 7th Avenue and Borough Hall Stations in Brooklyn: Upon motion duly made and seconded, the Board approved station access changes at the 7th Avenue (F, G) and Borough Hall (4,5) stations in Brooklyn, which include reconfiguring mezzanine layouts and fare control lines in order to improve customer flow and convenience.

Procurements:

Non-Competitive Procurements: Upon motion duly made and seconded, the Board approved the competitive procurements requiring a two-thirds vote (Schedule A 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.

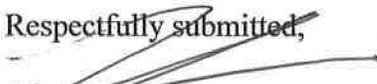
Competitive Procurements: Upon motion duly made and seconded, the Board approved the competitive procurements requiring a majority vote (Schedules G and L in the Agenda). Details of the above items are set forth in staff summaries, copies of which are on file with the records of the meeting of the Board 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 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. **ADJOURNMENT**

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 10:30 a.m.

Respectfully submitted,


Maribel A. Thompson
Assistant Secretary

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

Wednesday, January 27, 2016
10:00 a.m.

The following members were present:

Hon. Fernando Ferrer, Vice Chairman
Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. Jeffrey A. Kay
Hon. Charles G. Moerdler
Hon. Susan Metzger
Hon. John J. Molloy
Hon. Mitchell H. Pally
Hon. Polly Trottenberg
Hon. Carl V. Wortendyke
Hon. Neal Zuckerman

The following members were absent:

Hon. Thomas F. Prendergast, Chairman & CEO
Hon. John H. Banks, III
Hon. Allen P. Cappelli
Hon. Lawrence Schwartz
Hon. James L. Sedore, Jr.
Hon. Ed Watt

Board Member Andrew Albert, Board Member Norman Brown, Board Member Ira Greenberg, Board Member Vincent Tessitore and Joseph J. Giulietti, President, Metro-North Railroad also attended the meeting as did various other agency presidents and staff, including, Veronique Hakim, President, NYCTA, Patrick Nowakowski, President, Long Island Rail Road, Donald Spero, Acting President, TBTA, Darryl Irick, SVP, NYCT DoB/President, MTA Bus Company, Michael Horodniceanu, President, MTA Capital Construction, Catherine Rinaldi, Metro-North Executive Vice President, Susan Sarch, Metro-North Acting General Counsel, Donna Evans, MTA Chief of Staff, Jerome F. Page, MTA General Counsel and Stephen Morello, Counselor to the Chairman.

Vice Chairman Ferrer called the meeting to order.

1. Public Speakers:

There were six (6) public speakers, none of whom spoke on Metro-North agenda items. The details of the speakers' 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.

2. Vice-Chairman's Opening Remarks:

Vice-Chairman Ferrer welcomed Veronique Hakim, President, NYCTA and provided the highlights of her career. He thanked James Ferrara for serving as Interim President, NYCTA. Vice-Chairman Ferrer commended all agency employees for the work they did in preparation for, during and after winter storm Juno. He noted that Metro-North and Long Island Rail Road retrofitted electric trains with third rail shoes to keep them from freezing and fitted door panels and other equipment with devices to keep the equipment running. He noted that employees worked around the clock to dig out switches and clean parking lots and platforms.

The details of the Vice-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 December 16, 2015 were approved.

4. Committee on Finance:

Procurements:

The Board was presented with the following competitive procurement recommended to it by the Committee on Finance that relates to Metro-North:

- Approval of an amendment to a previously Board-approved, all-agency, competitively negotiated personal services contract with Willdan Homeland Solutions, Inc. to continue delivery of Security Awareness training for NYCT Bus and MTA Bus (funded by Department of Homeland Security) and NYCT Subways, MNR, LIRR and SIRT (funded by the MTA Office of Security).

The Board was presented with the following ratification recommended to it by the Committee on Finance that relates to Metro-North:

- Approval of a multi-agency, non-competitively negotiated, miscellaneous procurement contract with Intergraph Corporation to provide proprietary software maintenance services for a period of twelve (12) months from October 1, 2015 through September 30, 2016. The Intergraph software systems are currently installed and operational at the MTAPD Central Security Command Center, LIRR, NYCT and MNR Regional Security Command Centers. The Intergraph software is the core system that provides video surveillance, alarm monitoring and situational awareness for the MTA. This software was developed by Intergraph and they are the only company who can provide software maintenance support for

their product. It is critical to have this maintenance contract in place for the agencies to continue to operate the Intergraph software.

Upon motion duly made and seconded, the Board approved the foregoing procurement items, the details of which 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.

Real Estate Items:

The Board was presented with the following real estate items recommended to it by the Committee on Finance that relate to Metro-North:

- Acquisition of Property from Sleepy Hollow Local Development Corporation on the Hudson Line in Sleepy Hollow, NY.
- Long term sublease with Hudson Valley Writers' Center, Inc. for the Philipse Manor Station Building in Sleepy Hollow, NY.
- Lease with LB GCT, LLC dba The Little Beet for a takeout food operation in Retail Space LC-07 at Grand Central Terminal.

Upon motion duly made and seconded, the Board approved the foregoing real estate items. The details of the above items are contained in the minutes of the MTA Board meeting held this day, staff summaries filed with those minutes and in the video recording of the meeting, produced by the MTA and maintained in MTA records.

5. Committee on NYCT & Bus:

The Board was presented with the following competitive procurement recommended to it by the Committee on NYCT & Bus that relates to Metro-North:

- Approval of a non-competitive, multi-agency contract with Alstom Signaling, Inc. for the purchase of inventory and non-inventory replacement signal and switch system parts.

Upon motion duly made and seconded, the Board approved the foregoing item. The details of the above item are contained in the minutes of the NYCT & Bus Board meeting held this day, a staff summary and report filed with those minutes and in the video recording of the meeting, produced by the MTA and maintained in MTA records.

6. Committee on Metro-North Railroad:

Procurements:

The Board was presented with the following competitive procurements recommended to it by the Committee on Metro-North Railroad Operations:

- Approval of a discretionary, competitively bid, miscellaneous service, three-year contract (one base year and (2) one year renewal options) with the firm Fred A. Cook, Jr Inc. for the provision of waste water pumping services for three holding tanks at the Croton-Harmon Yard.
- Approval of a five year, competitively solicited, miscellaneous service contract with The Metro-Group, Inc. for the internal cleaning of four domestic water tanks located in Grand Central Terminal.
- Approval for additional funding in the amount of \$1,203,741 for a contract modification to an existing, competitively solicited personal service contract with Gannett Fleming/Clifton Weiss Associates to provide engineering and design services required for the replacement of the communications and signal systems for wayside signal enclosures (CP-229 to CP-274) on Metro-North's New Haven Line.

Upon motion duly made and seconded, the Board approved the foregoing procurement items. 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.

7. Adjournment:

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 10:30 a.m.

Respectfully submitted,



Linda Montanino
Assistant Secretary

**Minutes of the Regular Board Meeting
Long Island Rail Road Company
2 Broadway
New York, NY 10004
Wednesday, January 27, 2016
10:00 a.m.**

The following members were present:

Hon. Fernando Ferrer, Vice Chairman
Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. Jeffrey A. Kay
Hon. Charles G. Moerdler
Hon. Susan Metzger
Hon. John J. Molloy
Hon. Mitchell H. Pally
Hon. Polly Trottenberg
Hon. Carl V. Wortendyke
Hon. Neal Zuckerman

The following members were absent:

Hon. Thomas F. Prendergast, Chairman & CEO
Hon. John H. Banks, III
Hon. Allen P. Cappelli
Hon. Lawrence Schwartz
Hon. James L. Sedore, Jr.
Hon. Ed Watt

Donna Evans, Chief of Staff, Jerome F. Page, General Counsel, Board Member Andrew Albert, Board Member Norman Brown, Board Member Ira Greenberg, Board Member Vincent Tessitore, Veronique Hakim, President, NYCTA, Patrick Nowakowski, President, Long Island Rail Road, Joseph Giuliatti, President, Metro-North Railroad, Donald Spero, Acting President, TBTA, Darryl Irick, SVP, NYCT DoB/President, MTA Bus Company, Michael Horodniceanu, President, MTA Capital Construction, and Stephen Morello, Counselor to the Chairman, NYCT, also attended the meeting.

Vice Chairman Fernando Ferrer called the meeting to order.

1. Public Speakers:

There were six (6) public speakers, none of whom spoke concerning LIRR agenda items. The details of the speakers' 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.

2. Vice Chairman's Remarks:

Vice Chairman Ferrer welcomed Veronique Hakim, President, NYCTA and provided the highlights of her career. He thanked James Ferrara for serving as Interim President, NYCTA. Vice Chairman Ferrer commended all agency employees for the work they did in preparation for, during and after winter storm Juno. He noted that Metro-North and Long Island Rail Road retrofitted electric trains with third rail shoes to keep them from freezing and fitted door panels and other equipment with devices to keep the equipment running. He noted that employees worked around the clock to dig out switches and clean parking lots and platforms.

The details of the Vice 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 December 16, 2015 were approved.

4. Committee on Finance:

Procurements:

The Board was presented with the following competitive procurements recommended to it by the Committee on Finance that relate to Long Island Rail Road:

- Amendment to a previously Board-approved, competitively negotiated, all-agency, personal services contract with Willdan, Inc. to continue delivery of Security Awareness training, in the total amount of \$1,235,000.
- Amendment to NYCT's competitively negotiated, multi-agency, personal services contract with Medgate, Inc. to provide a system upgrade to its proprietary occupational health management system including 5 years of maintenance and support services, at a not to exceed amount of \$1,600,000, which contract will be administered by MTABSC with the intent that it be expanded for the benefit of all of the MTA agencies.

The Board was presented with the following ratification recommended to it by the Committee on Finance that relates to Long Island Rail Road:

- Ratification of a multi-agency, non-competitively negotiated, miscellaneous procurement contract to Intergraph Corp. to provide proprietary software maintenance services for 1 year at the cost of \$888,635, which software is used in connection with LIRR and other MTA Security Command Centers.

Upon motion duly made and seconded, the Board approved the foregoing procurement items, the details of which 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 NYCT & Bus:

The Board was presented with the following procurement recommended to it by the Committee on NYCT & Bus that relates to Long Island Rail Road:

- Approval of a non-competitive purchase of inventory and non-inventory replacement signal and switch system parts, with Alstom Signaling, Inc., including for LIRR, in the total estimated amount of \$5,275,000.

Upon motion duly made and seconded, the Board approved the foregoing procurement item, the details of which are contained in the minutes of the NYCT & Bus Board meeting held this day, the staff summary and reports filed with those minutes and in the video recording of the meeting, produced by the MTA and maintained in MTA records.

6. Committee on Long Island Rail Road:

Procurements:

- Competitive Requests for Proposals (Solicitation of Purchase and Public Work Contracts) – Approval to adopt a resolution declaring that competitive bidding is impractical or inappropriate and that it is in the public’s best interest to use the Request for Proposal (RFP) procurement method pursuant to Section 1265-a of the Public Authorities Law to award a civil work/site preparation Design/Build construction contract for the remaining Central Islip to Farmingdale segment of the new second track on the Main Line Ronkonkoma Branch.
- Modification to Purchase Contracts and Public Work Contracts – Approval to issue a contract modification to Railworks Transit, Inc. in the negotiated amount of \$3,775,000 to replace and install an additional 5,838 half-ties within the confines of the Atlantic Branch Tunnel.

Upon motion duly made and seconded, the Board approved the foregoing procurement items, the details of which 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. Board Member Moerdler voted in opposition to the Railworks Transit, Inc. item.

MTA Capital Construction Procurements:

The competitive procurement items are as follows:

1. Modification to MTACC’s Program Management Consultant Contract (Contract No. 98-0040-01R) to provide for the continuation of services for two years, through December 31, 2017, with an option for a third year, through December 31, 2018. The full amount of this modification with the option is 172,481,406.

2. Modification to the East Side Access Project's General Engineering Consultant Contract (Contract No. 98-0040-01) for the continuation of construction phase services through the end of 2016 in the amount of \$21,140,000.
3. Modification to Contract No. CS179 to increase the allowance for temporary power and light for contractors working in the East Side Access tunnels in the amount of \$2,000,000.
4. Modification to Contract No. CQ032 for the removal of the BMT Northern Boulevard Underpinning System. This is a scope and budget transfer in the amount of \$804,990.
5. Award of competitively solicited and negotiated Contract CM007 -- Grand Central Terminal Station Caverns and Track for the East Side Access Project in the amount of \$663,077,800.

The ratifications items are as follows:

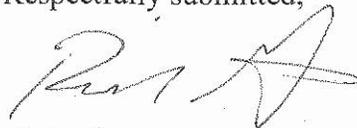
6. Ratification of a modification to MTACC's East Side Access Project's Construction Management Consultant Contract for the continuation of services for two years, through December 31, 2017, with an option for a third year, through December 31, 2018. The full amount of this modification with the option is \$77,011,769.
7. Ratification of a modification to Contract No. CH057A in the amount of \$1,370,000 to compensate the contractor for special equipment and revised construction methods required due to differing site conditions.
8. Ratification of a modification to the East Side Access Project's General Engineering Consultant Contract (Contract No. 98-0040-01) in the amount of \$1,218,414 to provide revised design packages for the 48th St. Entrance.

Upon motion duly made and seconded, the Board approved the foregoing procurement items, the details of which 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.

7. Adjournment:

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 10:30 a.m.

Respectfully submitted,



Richard Gans
Secretary

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

BOARD MINUTES

January 27, 2016

Minutes of the Regular Meeting
Triborough Bridge and Tunnel Authority
January 27, 2016

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

10:00 a.m.

The following members were present:

Hon. Fernando Ferrer, Vice Chairman
Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. Jeffrey A. Kay
Hon. Charles G. Moerdler
Hon. Susan Metzger
Hon. John J. Molloy
Hon. Mitchell H. Pally
Hon. Polly Trottenberg
Hon. Carl V. Wortendyke
Hon. Neal Zuckerman

The following members were absent:

Hon. Thomas F. Prendergast, Chairman & CEO
Hon. John H. Banks, III
Hon. Allen P. Cappelli
Hon. Lawrence Schwartz
Hon. James L. Sedore, Jr.
Hon. Ed Watt

Donna Evans, Chief of Staff, Jerome F. Page, General Counsel, Board Member Andrew Albert, Board Member Norman Brown, Board Member Ira Greenberg, Board Member Vincent Tessitore, Veronique Hakim, President, NYCTA, Patrick Nowakowski, President, Long Island Rail Road, Joseph Giulietti, President, Metro-North Railroad, Donald Spero, Acting President, TBTA, Darryl Irick, SVP, NYCT DoB/President, MTA Bus Company, Michael Horodniceanu, President, MTA Capital Construction, and Stephen Morello, Counselor to the Chairman, NYCT, 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.

Vice Chairman Ferrer called the meeting to order.

1. Public Speakers

There were six (6) public speakers. None of the speakers specifically commented on issues regarding the Triborough Bridge and Tunnel Authority.

Refer to the video recording of the meeting produced by the 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. Vice Chairman Ferrer's Opening Comments

Vice Chairman Ferrer opened his remarks by noting that Chairman and CEO Thomas Prendergast was absent due to a medical issue. He also welcomed Veronica "Ronnie" Hakim, who on December 28th became the eighth permanent president of New York City Transit. He noted that Ms. Hakim served as the executive director of both New Jersey Transit and the New Jersey Turnpike Authority. Before that, she worked for the MTA for 23 years – serving as Transit's special counsel and as executive vice president and general counsel at MTA Capital Construction. Mr. Ferrer also thanked James Ferrara for his work as interim president since August 2015. Mr. Ferrer stated that in the four months that Mr. Ferrara was at the helm, New York City Transit carried more than six million daily customers 35 times. Before September 2014, we had never recorded more than six million daily subway customers.

Mr. Ferrer also commended the MTA employees for their work during Winter Storm Jonas. He stated that by working around the clock, we were able to restore almost all of our services by Monday morning and all service by Tuesday morning – keeping our system, and our region's economy running.

The details of Vice Chairman Ferrer'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 December 16, 2015

Upon a motion duly made and seconded, the minutes of the Regular Board Meeting held on December 16, 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:

- Obtain Board approval for the MTA and TBTA to add Mitsubishi UFJ Securities and Arbor Research & Trading LLC and its related alternative trading system, Clarity BidRate Alternative Trading System, to the existing approved pool of variable rate remarketing agents and dealers.

5. Committee on MTA Bridges and Tunnels Operations

Procurements

Commissioner Pally stated that there are two (2) procurements totaling \$3.5 million.

Non-Competitive Procurements

Commissioner Pally stated that there is one (1) non-competitive procurements totaling \$3.359 million.

Competitive Procurements

Commissioner Pally stated that there is one (1) competitive procurements totaling \$141,000.

Personal Service Contracts

Lehigh University, ATLSS Engineering Research Center	Contract No. PSC-15-2974 Prototype Orthotropic Deck Panel Laboratory Testing for Project TN-49A at the Throgs Neck Bridge (TNB).	\$3,358,517.06
--	---	----------------

Miscellaneous Service Contracts

AARCO Environmental Services Corp.	Contract No. 15-MNT-2942 MTA Bridges and Tunnels (B&T) is seeking Board approval under the All-Agency Guidelines for Procurement of Services for the award of a competitively bid miscellaneous service contract, a Discretionary Procurement, to AARCO Environmental Services Corp., to provide maintenance and repair services of oil and water separators located at various Bridges and Tunnels locations. The total amount of this procurement is \$140,622.00 for a period of five years.	\$140,622.00
---------------------------------------	---	--------------

On September 23, 2015, B&T issued a solicitation for service requirements that were publicly advertised and the solicitation notice was sent to 23 firms and 7 firms requested copies of the solicitation. On November 12, 2015 two bids were submitted and are ranked as follows:

<u>Bidders</u>	<u>Bid Amount</u>
AARCO Environmental Services Corp.	\$140,622.00
AB Oil Services, Ltd.	\$239,170.00

The scope of services under the prospective contract has not significantly changed compared with the prior contract.

The rates for this contract are based on a sliding scale rate for years 1-3 and years 4-5 over a five year term. The overall bid amount is 11% lower than the user's estimate of \$158,955.00. The unit pricing submitted reflects an overall decrease for the line items when compared to the pricing of the current contract. After evaluation of

the bids, it was determined that AARCO Environmental Services Corp. is the lowest responsive, responsible bidder. Based on competition, the price is considered fair and reasonable. The MTA Department of Diversity and Civil Rights has established goals of 0% MBE and 0% WBE for this contract.

Commissioner Pally stated that the Committee members who were present at the Committee Meeting considered and voted in favor of the two (2) procurements although a Committee Quorum was not present. Upon a motion duly made and seconded, the Board approved the procurements recommended to it by the Committee for MTA Bridges and Tunnels Operations.

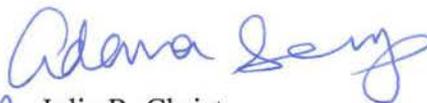
Ratifications

Commissioner Pally stated that there were no ratifications.

6. Adjournment

Upon a motion duly made and seconded, the Board unanimously voted to adjourn the meeting at 10:30 a.m.

Respectfully submitted,



FOR Julia R. Christ
Acting Assistant Secretary

Regular Board Meeting
MTA Capital Construction Company
2 Broadway
New York, NY 10004
Wednesday, January 27, 2015
10:00 AM

The following members were present:

Hon. Fernando Ferrer, Vice Chairman
Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. Jeffrey A. Kay
Hon. Charles G. Moerdler
Hon. Susan Metzger
Hon. John J. Molloy
Hon. Mitchell H. Pally
Hon. Polly Trottenberg
Hon. Carl V. Wortendyke
Hon. Neal Zuckerman

The following members were absent:

Hon. Thomas F. Prendergast, Chairman & CEO
Hon. John H. Banks, III
Hon. Allen P. Cappelli
Hon. Lawrence Schwartz
Hon. James L. Sedore, Jr.
Hon. Ed Watt

Board Member Andrew Albert, Board Member Norman Brown , Board Member Ira Greenberg, Board Member Vincent Tessitore and Michael Horodniceanu, President, MTA Capital Construction Company also attended the meeting as did various other agency presidents and staff including: Donna Evans, Chief of Staff, MTA, Jerome F. Page, General Counsel, MTA, Stephen Morello, Counselor to the Chairman, MTA, Board Member Andrew Albert, Board Member Norman Brown, Board Member Ira Greenberg, Board Member Vincent Tessitore, Veronique Hakim, President, NYCTA, Patrick Nowakowski, President, Long Island Rail Road, Joseph Giulietti, President, Metro-North Railroad, Donald Spero, Acting President, TBTA, Darryl Irick, SVP, NYCT DoB/President, MTA Bus Company, Evan M. Eisland, Sr. Vice President, General Counsel and Secretary, MTA Capital Construction Company and David K. Cannon, Sr. Director, Chief Procurement Officer and Assistant Secretary 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.

Vice Chairman Ferrer called the meeting to order.

Public Comment Period

There were six public speakers none of which spoke on matters concerning the MTA Capital Construction Company. The names and remarks of the speakers are noted and filed with the minutes of the Regular Meeting of the Board of the Metropolitan Transportation Authority held on January 27, 2016.

Vice Chairman's Remarks

The Vice Chairman's remarks are noted in the minutes of the Regular Meeting of the Board of the Metropolitan Transportation Authority held on January 27, 2016.

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 December 15, 2015.

Committee on New York City Transit and Bus

Procurement

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

A modification to the No. 7 Line Project's Finishes and Systems contract (C-26505) in the amount of \$1,050,000 to address changes to the Intrusion Access Control System.

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 January 27, 2015.

Committee on Long Island Rail Road

Procurement

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

1. Award of the East Side Access Project's Grand Central Terminal Station Caverns and Track contract (CM007) in the amount of \$663,077,800.
2. A modification to the Program Management Consultant Services contract (98-0001-01) for a not-to-exceed amount of \$172,418,406 for an extension to December 31, 2017 with an option to extend the contract for an additional year.
3. A modification to the East Side Access Project's General Engineering Services contract (98-0040-01R) to increase the amount allocated to Construction Phase Services for a not-to-exceed amount of \$21,140,000 through December 2016.
4. A modification to East Side Access Project's Systems Facilities Package No. 1 contract (CS179) to increase the allowance for Temporary Power and Light for contractors working in the ESA tunnels (Bid Item 14) in the amount of \$2,000,000.
5. A modification to East Side Access Project's Plaza Substation and Queens Structure contract (CQ032) for the removal of the BMT Northern Boulevard Temporary Underpinning System in the amount of \$804,990.

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 January 27, 2015.

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

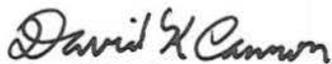
1. A modification to the East Side Access Project's Consultant Construction Management Services contract (PS819) for a not-to-exceed amount of \$77,011,769 for an extension to December 31, 2017 with an option to extend the contract for an additional year.
2. A modification to the East Side Access Project's Harold Structures Part 3A contract (CH057A) to compensate the contractor for special equipment and revised construction methods required as a result of differing site conditions in the amount of \$1,370,000.
3. A modification to East Side Access Project's General Engineering Services contract (98-0040-01R) to increase the guaranteed maximum cost by \$1,218,414 to revise the design for the 48th St. Entrance.

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 January 27, 2015.

Adjournment

Upon motion duly made and seconded, the Board voted to adjourn the public meeting at 10:30 a.m.

Respectfully submitted,



David K. Cannon
Assistant Secretary

Staff Summary

Subject Transfer of three existing 2 Broadway COPs interest rate swaps to new counterparties and assumption by TBTA of payment obligations, with an Interagency Agreement to reimburse TBTA
Department Finance
Department Head Name Robert E. Foran, Chief Financial Officer
Department Head Signature 
Project Manager Name Patrick J. McCoy, Director of Finance 

Date February 24, 2016
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	2/22/16			
2	Board	2/24/16			

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

PURPOSE:

To obtain MTA and MTA Bridges and Tunnels (“TBTA”) Board approval of new forms of International Swaps and Derivatives Association, Inc. (“ISDA”) Master Agreements and related documents found in the Exhibits Book module on Directors Desk, authorization for the Director of Finance to complete the negotiation of such documentation, and approval of an Interagency Agreement also in the Exhibits Book. This authorization is to permit the transfer and modification of three existing 2 Broadway interest rate swaps (the “2 Broadway Swaps”) to new counterparties, and to transfer the obligations of MTA and MTA New York City Transit (“NYCTA”) under two of the swaps to TBTA, with MTA and NYCTA agreeing to repay TBTA for their share of the amounts due pursuant to an Interagency Agreement.

These actions are intended to reduce risk in MTA’s derivative portfolio by modifying the agreements to a LIBOR based structure, resulting in improved liquidity; and also by diversifying to two counterparties, both of which are rated higher than the incumbent counterparty.

BACKGROUND:

On September 22, 2004, in connection with the execution and delivery of variable rate 2 Broadway Certificates of Participation (the “COPs”) to fund improvements to 2 Broadway, MTA, NYCTA and TBTA entered into the 2 Broadway Swaps with UBS AG in order to synthetically fix the interest rate on the COPs through the final maturity of January 1, 2030. Since 2004, certain of the COPs have been refunded due to the ongoing failure of the auction rate market. Simultaneous with the refundings, related portions of the 2 Broadway Swaps have been re-associated with other MTA and TBTA bond issues. Currently, \$313.1 million aggregate notional amount of the 2 Broadway Swaps remain outstanding.

Staff Summary

MTA Finance in consultation with its outside swap counsel and swap advisor has negotiated terms with Wells Fargo Bank, N.A., and U.S. Bank National Association (the “Swap Counterparties”), each of which meets the requirements of the MTA and TBTA Policy for entering into Payment Agreements. Wells Fargo Bank, N.A. is rated Aa2, AA-, AA, and U.S. Bank National Association is rated A1, AA-, AA by Moody’s, Standard & Poor’s and Fitch respectively. Forms of ISDA Master Agreements and related documentation with the two new Swap Counterparties (the “Master Agreements”) can be found in the Exhibits Book module on Directors Desk. New Confirmations and related documentation will be entered into that provide for the transfer, also referred to as a novation, of the three existing 2 Broadway Swaps so that after the transfer TBTA will be one party to these swaps and UBS AG will have transferred its rights and obligations under these swaps to the new Swap Counterparties and the terms of the transferred swaps will have been modified to achieve improved liquidity (collectively, the “Novation Documentation”).

The original COPs and swaps are insured by Ambac Assurance Corporation which was necessary principally for the issuance of the COPs, which were unrated. The core benefit of the insurance was achieved in the initial placement and pricing of the certificates and the swap. The new Swap Counterparties have requested that the novated swaps not be insured by Ambac. Staff does not believe that the swap insurance policy provides MTA with any ongoing benefit, as such, documentation providing for the termination of the swap portion of the original insurance provided by Ambac Assurance Corporation on behalf of MTA, NYCTA and TBTA for the three existing 2 Broadway Swaps (collectively, the “Termination Documentation”) will be entered into in connection with the novation of the swaps.

All Novation Documentation and Termination Documentation will take the form of standard industry documentation for the various components necessary to complete the swap transfer. The Director of Finance of the MTA will complete the negotiation and execution of the Novation Documentation and the Termination Documentation.

All ongoing MTA obligations under the novated swaps will be performed by TBTA. Periodic payments due under the swaps to the new counterparties will be paid after the payment of senior lien and subordinate lien debt service on TBTA Bonds, but before the distribution of the operating surplus to MTA and NYCTA.

In order to maintain the proportional percentage of payments (based on occupancy of 2 Broadway) that MTA (on behalf of the Long Island Rail Road, and Metro-North Railroad), NYCTA and TBTA are currently responsible for paying under the 2 Broadway Swaps, it is necessary to enter into the Interagency Agreement, a form of which is in the Exhibits Book providing for reimbursement from MTA and NYCTA to TBTA for their allocable share of payments under the novated swaps.

MTA Finance in consultation with its Swap Advisor believes the transfer of the swap obligations from UBS AG to the new Swap Counterparties will (i) enhance and diversify the MTA’s overall counterparty exposure and (ii) simplify the terms of the existing swap thereby

Staff Summary

achieving improved liquidity. While MTA seeks to execute this novation for these aforementioned benefits, MTA will not pay novation fees to any counterparty involved in the transaction and will seek to share in any market concession paid by UBS AG.

RECOMMENDATION

It is recommended that the Board (A) approve the novation and all related documentation including, but not limited to (i) the Master Agreements, (ii) the form of Interagency Agreement, and (iii) the entering into of the Novation Documentation and the Termination Documentation, all in connection with the transfer and modification of the three existing 2 Broadway Swaps; and (B) authorize the Director of Finance to complete the negotiation and execution of the Novation Documentation and the Termination Documentation, and to make such changes to the Master Agreements and the Interagency Agreement and to execute and deliver such other documentation, in each case as determined by the Director of Finance to be necessary or appropriate in the process of completing the negotiations to allow for the transfer and modification of the three existing 2 Broadway Swaps.

Staff Summary

Schedule H: Modifications to Personal Service & Miscellaneous Service Contracts

Item Number:

Page 1 of 2

Vendor Name (& Location): Willis of New York	Contract Number:	AWO/Modification # 7
Description: Extension of Owner Controlled Insurance for East Side Access	Original Amount:	\$93,000,000
Contract Term (including Options, if any):	Prior Modifications:	\$243,160,136
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Prior Budgetary Increases:	\$
Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	Current Amount:	\$336,160,136
Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	This Request:	\$248,041,362
Funding Source: <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	% of This Request to Current Amount:	74%
Requesting Dept/Div & Dept/Div Head Name: Risk and Insurance Management / Phyllis Rachmuth	% of Modifications (including This Request) to Original Amount:	528%

PURPOSE:

To obtain Board approval to extend the following insurance coverage components of the MTA's Owner Controlled Insurance Program (OCIP) for the East Side Access Project through March 31, 2021.

- Authorization to increase funding and extend OCIP General Liability, and Workers Compensation through March 31, 2021. Total additional funding is estimated at \$183.5 million.
- Authorization to increase funding and extend Excess Liability, Pollution Liability and Railroad Protective Liability through March 31, 2021. Total additional funding is estimated at \$62 million.
- Authorization to increase the maximum fee under the broker services contract with Willis of New York for OCIP services through December 1, 2022, by \$2,541,362.

SUMMARY:

The MTACC East Side Access Project is currently insured through an MTA Owner Controlled Insurance Program (OCIP), which was approved by the Board on December 17, 1998. Willis of NY, the OCIP broker, selected through a competitive RFP process, subsequently marketed and placed OCIP policies in 1999, based upon the then-scheduled completion date and estimated third party construction costs. These policies were subsequently extended, with Board approval in 2010, to April 1, 2016. Through this request for approval, the Workers Compensation and General Liability coverage will be uniformly extended to April 1, 2021 and premiums will be adjusted to reflect an estimated third party construction cost of \$7.025 billion including Regional Investments. Authorization is also being sought to extend the Excess Liability, Pollution Liability and Railroad Protective Liability policies through March 31, 2021 upon their expirations. The broker service contract with Willis of NY will also require extension to match the new policy periods and allow for one year of runoff.

DISCUSSION:

The East Side Access Project OCIP provides the MTA and each architect, engineer, contractor, and subcontractor working on the project with uniform Professional Liability (E&O), Environmental Liability, Workers Compensation (WC), General Liability (GL), Excess Liability, Railroad Protective Liability, and Builders Risk Insurance. Policies are underwritten by insurance companies with A.M. Best ratings of A or greater and/or equivalent financial strength. The carriers were competitively selected based upon policy terms, conditions, services and costs offered for this program. The original OCIP Program budget for all policies was \$93 million based upon a project cost of \$2.3 billion and project completion in 2010.

Workers' Compensation and General Liability

The original OCIP for primary Workers Compensation and General Liability insurance was purchased to cover the period of April 1, 1999 to March 31, 2010. In March of 2010, the Board approved an extension of these policies to reflect a third party construction value of \$5.075 billion and construction completion by the first quarter of 2016. The current third party construction value including Regional investments is \$7.025 billion. Based on this revised information, Willis of New York was asked to market an extension for the program. Willis approached Liberty Mutual, the incumbent carrier, and ACE USA for the extension. Liberty Mutual offered the most favorable terms and conditions. Liberty has agreed to extend the program at rates 14% higher than expiring. ACE was 33.3% higher than expiring.

The Liberty quote extends coverage through March 31, 2021 at the revised construction value of \$7.025 billion. Liberty would not offer terms greater than five years and additional coverage may be necessary to complete the project. The extended coverage is quoted at a fixed rate premium of \$36,966,858 and a loss sensitive premium of \$98,548,000. Loss sensitive premiums would be held by the MTA Captive Insurance Company (FMTAC) to pay losses within the self-insured retentions of \$750,000 per claim Workers Compensation and \$1,900,000 per claim General Liability. Liberty will be paid in three equal installments of just over \$12.3 million over the next three years. The loss fund will be built up in four payments of almost \$25 million over the next four years. Final fixed rate premiums are subject to audit based upon actual payrolls. Loss sensitive premiums are based upon actual payrolls and incurred losses within the self-insured retention. The expected total cost is \$135.5 million.

The expiring policies with Liberty Mutual will exceed their original budget. The expiring policies are subject to additional premium and loss funding reserve charges of approximately \$48 million. Almost \$12 million in fixed premium is due this year and an additional \$6 million in fixed costs is projected to be due upon final audit. \$30 million is being set aside to pay additional losses. The expected total cost is \$48 million.

Excess Liability

The AIG Excess Liability policies expire on August 1, 2018. These policies were priced based upon a final construction value of \$5.75 billion. As the construction value increased, additional premium will be due upon expiration and is estimated to be \$5.2 million. Losses have also exceeded policy parameters triggering a penalty premium of \$20 million and exposing the project to trailing self-insured retentions which are estimated at \$18.8 million. The estimated cost to close the current policies is \$44 million. The cost to extend coverage to 2021 is estimated at \$16 million. The expected total cost is \$60 million.

Railroad Protective Liability

Railroad Protective insurance is required per agreement with Amtrak. The policy extension was marketed by Willis of NY. Three carriers quoted the program and the best terms and conditions were offered by ACE Westchester. The ACE quote provides for \$10 million in limits and will cover damage to Amtrak and other third party railroads, and injuries to non-force account MNR and LIRR flaggers. Total cost of the five year policy is estimated to be \$800,000.

Environmental

There are two environmental policies that expire in 2018. The cost to extend these policies to March 31, 2021 is estimated to be \$1.2 million.

Broker Service Contract

The Board has authorized Willis of New York to be the broker through completion of the project. The broker provides administrative service necessary for the ongoing management of the OCIP. The contract with Willis for the OCIP currently expires April 1, 2017. It is necessary to extend the broker service contract to coincide with the new policy periods and one additional year for policy run off services. The additional fees are priced at an annual administrative fee of \$402,210 for the six year period and an additional \$128,100 for the placement of the extension coverage, for a total of \$2,541,362. The Willis fees are only paid after they are earned and the contract is cancellable by the MTA at any time with 30 days advanced notice.

MTACC is obligated under its construction contracts to provide continuing Owner Controlled Insurance coverage. Risk and Insurance Management has been able to achieve favorable extension terms. MTA Risk and Insurance Management has weighed the risk of loss and the cost of available insurance and concluded that this program is reasonable, cost effective and in the best interests of the MTA.

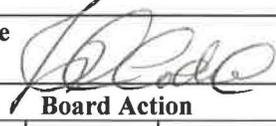
IMPACT ON FUNDING:

Insurance for the East Side Access Capital Project is currently budgeted at \$415 million. With the requested increase in authorization, the additional \$169.2 million plus contract contingency will need to be funded through project or program contingencies or reallocation of other funding.

ALTERNATIVES:

The alternative would be to require each construction contractor to carry their own Workers Compensation, General Liability, Excess Liability, Environmental Liability and Railroad Protective Liability for their work. This approach would not be cost effective as the additive cost of each contractor's policy would most likely exceed the cost of the MTA policy. Also, contractor insurance would expire upon completion of a contract leaving completed works without coverage. By purchasing a single insurance program, the MTA can cover all completed and active construction works of the East Side Access Project until construction completion under a

Staff Summary

Subject Mortgage Recording Tax – Escalation Payments to Dutchess, Orange and Rockland Counties					
Department Chief Financial Officer / Treasury Department					
Department Head Name Robert E. Foran , Chief Financial Officer					
Department Head Signature 					
Division Head Name Josiane P Codio 					
Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	2/22/2016	X		
2	Board	2/24/2016	X		

Date February 22, 2016			
Vendor Name			
Contract Number			
Contract Manager Name			
Table of Contents Ref #			
Internal Approvals			
Order	Approval	Order	Approval
1	Legal 	2	Chief of Staff 

I. Purpose

To seek Finance Committee and MTA Board approval to authorize MRT-2 escalator payments to Dutchess, Orange and Rockland counties.

II. Discussion

The MTA statute requires that certain “mass transportation operating assistance” payments be made by the MTA to Dutchess, Orange and Rockland counties from MTA’s MRT-2 receipts. (These payments are made from funds established by PAL §1270-a, the Metropolitan Transportation Authority Special Assistance Fund, from which monies are transferred to the Metropolitan Transportation Authority Dutchess, Orange and Rockland Fund created by PAL §1270-b.) Under the statute, Dutchess and Orange Counties are each to receive no less than \$1.5 million annually, and Rockland County is to receive no less than \$2.0 million annually. The counties were paid these amounts in quarterly installments during 2015.

In addition to providing these minimum mass transportation operating assistance payments, the statute provides for an “escalator payment” based on the percentage by which total MRT-1 and MRT-2 receipts attributable to such county exceeds the receipts received in 1989 from such county. Pursuant to PAL §1270-a (4)(c), the MRT-1 increase is to be calculated as if the MRT-1 tax was 25 cents per \$100 of mortgage recorded and not the current 30 cents per \$100 of mortgage recorded. The escalator payment due each county based on the FY 2015 MRT receipts is determined as follows:

$$(FY2015 \text{ MRT Receipts} - FY1989 \text{ Base Year MRT Receipts}) / FY1989 \text{ Base Year MRT Receipts} = \text{Escalator Rate}$$

$$\text{Escalator Rate} \times \text{Minimum Mass Transit Operating Assistance Payment} = \text{Escalator Payment}$$

The results of the above formulas for each county are:

<u>County</u>	<u>1989 Base Year MRT Receipt</u>	<u>2015 MRT Receipts Adj.¹</u>	<u>Escalator Rate</u>	<u>Escalator Payments</u>
Dutchess Cty	\$3,569,702.51	\$5,197,276.36	45.59%	\$ 683,911.55
Orange Cty	\$4,433,935.06	\$5,903,707.37	33.15%	\$ 497,223.90
Rockland Cty	\$4,524,064.27	\$7,358,978.33	62.66%	<u>\$ 1,253,259.85</u>
			Total	<u>\$2,434,395.30</u>

III. Recommendations

It is recommended that the Board authorize escalator payments totaling \$2,434,395.30 to Dutchess, Orange and Rockland counties from available funds on deposit in the MRT-2 Corporate Transportation Account.

¹ The actual 2015 gross receipts for each of the counties was:

Dutchess Cty	\$5,839,074.69
Orange Cty	\$6,597,617.89
Rockland Cty	\$8,184,773.19

Staff Summary



Subject:	2015 TBTA Operating Surplus
Department:	Finance
Department Head Name	Mildred Chua
Department Head Signature	<i>[Signature]</i> 2/12/16
Project Manager Name	Angelo Cerbone
Project Manager Signature	<i>[Signature]</i> 2/12/16

Date	February 12, 2016
Vendor Name	
Contract Number	
Contract Manager Name	
Table of Contents Ref #	

Board Action					
Order	To	Date	Approval	Info	Other
1	MTA B&T Committee	02/22/16			
2	MTA Finance Committee	02/22/16			
3	MTA Board	02/24/16			

Internal Approvals			
Order	Approval	Order	Approval
2	President <i>[Signature]</i>		VP Staff Services
	Executive Vice President		VP Procurement & Materials
	General Counsel		VP Labor Relations
	VP Operations		VP & Chief Engineer

Internal Approvals (cont.)							
Order	Approval	Order	Approval	Order	Approval	Order	Approval
1	Chief Financial Officer <i>[Signature]</i>		Chief Technology Officer		Chief Health & Safety Officer		Chief EEO Officer
	Chief Security Officer		Chief Maintenance Officer		MTA Office of Civil Rights		Other

PURPOSE:

To obtain MTA Board approval of resolutions which will:

- Certify and transfer \$750,716,715 operating surplus to the MTA and NYCTA pursuant to Section 1219-a(2)(b) of the Public Authorities Law of the State of New York.
- Transfer \$182,604 representing 2015 investment income to the MTA pursuant to Section 569-c of the Public Authorities Law of the State of New York.
- Deduct from the operating revenues of the Triborough Bridge and Tunnel Authority for its fiscal year ending December 31, 2016 the amount of \$26,880,799, which amount shall be paid into the Necessary Reconstruction Reserve established by the Authority by resolution adopted March 29, 1968.
- Advance the 2016 TBTA Surplus as per attached Resolution.

DISCUSSION:

The attached calculation and letter from Deloitte & Touche LLP represents the Triborough Bridge and Tunnel Authority's operating surplus for fiscal year ending December 31, 2015. The amount of surplus available for transfer to the MTA and NYCTA is \$750,716,715. The amount of investment income that is surplus funds and available to transfer to MTA for fiscal year 2015 is \$182,604. It is also requested to set aside \$26,880,799 from operating revenues of the Triborough Bridge and Tunnel Authority for fiscal year ending December 31, 2016. This money will be used to pay for the cost and expense of current and anticipated necessary construction for the TBTA facilities.

BUDGET IMPACT: None.

ALTERNATIVES: None.

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

RESOLVED, that the Chairman and Chief Executive Officer be, and he hereby is, authorized to certify to the Mayor of the City of New York and to the Chairman of the Metropolitan Transportation Authority, that for the purposes of Section 1219-a (2) (e) of the Public Authorities Law of the State of New York, the amount of the Authority's operating surplus for its fiscal year ending December 31, 2015 is \$637,081,918.

RESOLVED, that this Authority hereby makes the following determination in respect of its operating surplus for its fiscal year ending December 31, 2015, for the purposes of Section 1219-a (2) (e) of the Public Authorities Law of the State of New York:

Operating Revenue	\$1,853,987,660
Operating Expense	<u>452,757,396</u>
	\$1,401,230,264
Establishment of Necessary Reconstruction Reserve Account	(26,382,176)
GASB Reserve	(0)
Debt Service on Bonds	(613,562,750)
Interest Income on Unexpended Bond Proceeds and Debt Service Fund	238,604
Purchase of Capital Assets Funded from Operations	(7,723,871)
Increase in Prepaid Expenses and other Adjustments)	<u>(2,900,752)</u>
Operating Surplus	<u>\$ 750,716,715</u>

February 24, 2016

RESOLVED, that the amount of \$182,604 representing the Authority's investment income for the year 2015 is determined to be surplus funds of the Authority; and be it further

RESOLVED, that the amount of \$182,604 be transferred and paid over to Metropolitan Transportation Authority in a lump sum as soon as practicable pursuant to Section 569-c of the Public Authorities Law.

RESOLVED, that there be set aside and deducted from the operating revenues of the Triborough Bridge and Tunnel Authority for its fiscal year ending December 31, 2016 the amount of \$26,880,799 which amount shall be paid into the Necessary Reconstruction Reserve established by the Authority by resolution adopted March 29, 1968. Money credited to the Reserve, together with interest income earned thereon, are to be applied to the payment of the cost and expense of current and anticipated necessary construction of each of the TBTA Facilities within the meaning of the General Resolution Authorizing General Revenue Bonds (the "General Revenue Bond Resolution") of the Authority adopted on March 26, 2002.

RESOLVED, that the monies thus authorized will be advanced monthly during the fiscal year ending December 31, 2016 and used for the purposes of payment of the cost and expense of necessary construction of each of the TBTA Facilities.

RESOLVED, pursuant to the provisions of paragraphs (b), (c), and (d) of subdivision 2 of Section 1219-a of the Public Authorities Law, that the Chairman and Chief Executive Officer is authorized in his discretion, to advance to Metropolitan Transportation Authority and New York City Transit Authority monthly, out of funds in the General Fund created by the General Revenue Bond Resolution which are attributable to the operations of the 2016 fiscal year (other than funds arising out of the investment of monies of the Authority) and which have been released and paid over to the Authority free and clear of the lien and the pledge of the General Revenue Bond Resolution as provided in Section 506 thereof, an aggregate amount not to exceed 90% of the Chairman's estimate of the sum which that month's operations, if available, will contribute to the "operating surplus" of the Authority which he anticipates will or may be certified and transferred for the fiscal year in which such month falls; and

February 24, 2016

RESOLVED, that the monies thus authorized to be advanced monthly shall be apportioned between Metropolitan Transportation Authority and New York City Transit Authority and paid as follows:

1. The first \$1.8 million to New York City Transit Authority;
2. Fifty percentum of the remainder to New York City Transit Authority (less applicable bond service); and
3. The remainder to Metropolitan Transportation Authority (less applicable bond service).

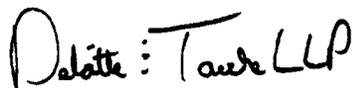
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Members of the Board
Metropolitan Transportation Authority
New York, New York

We have performed the procedures enumerated in Exhibit B, which were agreed to by the Triborough Bridge and Tunnel Authority (the "Authority"), a component unit of the Metropolitan Transportation Authority ("MTA"), the MTA and the New York City Transit Authority, solely to assist you in agreeing financial information presented in the Schedule of Operating Surplus for the year ended December 31, 2015 (Exhibit A) to the accounting records of the Authority. The Authority's management is responsible for the Authority's accounting records and the preparation of the Schedule of Operating Surplus (Exhibit A) and the Supporting Schedule to the Schedule of Operating Surplus (Exhibit C) for the year ended December 31, 2015. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of those procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures described in Exhibit B either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items contained within the Schedule of Operating Surplus set forth in the accompanying Exhibit A and the Supporting Schedule to the Schedule of Operating Surplus set forth in the accompanying Exhibit C. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.



February 12, 2016

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

SCHEDULE OF OPERATING SURPLUS YEAR ENDED DECEMBER 31, 2015

OPERATING REVENUES (Note 2)	\$ 1,853,805,056
OPERATING EXPENSES (Note 3)	<u>(452,757,396)</u>
NET OPERATING REVENUE	1,401,047,660
INCREASE IN PREPAID EXPENSES AND OTHER ADJUSTMENTS (Note 3)	(2,900,752)
DEBT SERVICE ON BONDS (Note 4)	(613,562,750)
INTEREST INCOME ON UNEXPENDED BOND PROCEEDS AND DEBT SERVICE FUNDS (Note 5)	238,604
ESTABLISHMENT OF GASB 43 RESERVE ACCOUNT (Note 8)	-
PURCHASE OF CAPITAL ASSETS FUNDED FROM OPERATIONS (Note 6)	(7,723,871)
ESTABLISHMENT OF NECESSARY RECONSTRUCTION RESERVE ACCOUNT (Note 7)	<u>(26,382,176)</u>
OPERATING SURPLUS	<u>\$ 750,716,715</u>

See Independent Accountants' Report on Applying
Agreed-Upon Procedures and accompanying notes.

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY**NOTES AND AGREED-UPON PROCEDURES PERFORMED
IN CONNECTION WITH THE SCHEDULE OF
OPERATING SURPLUS YEAR ENDED DECEMBER 31, 2015 (Exhibit A)**

1. OPERATING SURPLUS CALCULATION REQUIREMENTS

- The operating surplus is calculated based upon Section 1219-a (2)(e) of the New York Public Authorities Law (“PAL”) and various bond resolutions. This surplus is transferred to the Metropolitan Transportation Authority (“MTA”) and the MTA New York City Transit Authority (“Transit”). The initial \$24 million in operating surplus is provided to Transit and the balance is divided equally between Transit and the MTA. Transit and the MTA are operationally and legally independent of the Triborough Bridge and Tunnel Authority (the “TBTA”), however, Transit and the TBTA are included in the MTA’s consolidated financial statements because they operate under the direction of the MTA Board and the MTA is financially accountable for these entities.

2. OPERATING REVENUES

- Agreed “Operating Revenues” (net of other revenues) of the TBTA appearing on the Schedule of Operating Surplus (Exhibit A) to the general ledger of the TBTA noting no differences. We discussed with management their policy for recording operating revenue and they indicated that operating revenues were recorded using the accrual basis of accounting. We have been informed that operating revenues excluded interest income.

3. OPERATING EXPENSES

- Agreed the aggregated “Operating Expenses” of the TBTA appearing on the Schedule of Operating Surplus (Exhibit A) to the general ledger of the TBTA noting no differences. We discussed with management their policy for recording operating expenses and they indicated that operating expenses were recorded using the accrual basis of accounting.
- Agreed the following expense items to the general ledger: “Interest Expense on Bond Indebtedness” and “Reimbursement of Personnel Costs,” as noted on Exhibit C and noted no differences.
- Recalculated the “Increase in Prepaid Expenses and Other Adjustments” appearing in the general ledger and agreed it to the Schedule of Operating Surplus (Exhibit A). We inquired if the operating expense was adjusted to include amounts charged to prepaid expenses and deferred charges on a cash basis of accounting and we have been informed that the operating expenses were adjusted to include amounts charged to prepaid expenses and deferred charges on a cash basis of accounting. We inquired whether any cash adjustments were made for changes in accounts payable, accrued expenses, or accounts receivable and we have been informed that no cash adjustments were made for changes in accounts payable, accrued expenses or accounts receivable.

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

NOTES AND AGREED-UPON PROCEDURES PERFORMED IN CONNECTION WITH THE SCHEDULE OF OPERATING SURPLUS YEAR ENDED DECEMBER 31, 2015 (Exhibit A)

4. DEBT SERVICE ON BONDS

- Agreed “Debt Service on Bonds” appearing on the Schedule of Operating Surplus (Exhibit A) for the following bonds to the TBTA debt service schedules:
 - General Revenue Bonds, and
 - Subordinate Revenue Bonds.
- Agreed “Debt Service on Bonds” on the TBTA’s portion of debt service on the 2 Broadway Certificates of Participation to the TBTA debt service schedules.
- We noted that in all cases, the debt service represents interest paid and/or accrued applicable to calendar year 2015 and the principal payment due January 1, 2016, on all bond indebtedness and certificates.

5. INTEREST INCOME ON UNEXPENDED BOND PROCEEDS AND DEBT SERVICE FUNDS

- Agreed the aggregated amount of “Interest Income on Unexpended Bond Proceeds and Debt Service Funds” appearing on the Schedule of Operating Surplus (Exhibit A) to the general ledger and noted no differences. We inquired if interest income is excluded from operating revenue on the Schedule of Operating Surplus and we have been informed that interest income is excluded from “Operating Revenues” on the Schedule of Operating Surplus.
- We inquired if interest income on the debt service fund consists of income from (1) the debt service funds established in connection with the 2 Broadway Certificates of Participation to the extent attributable to the TBTA’s portion of debt service thereon, and (2) the debt service funds established in connection with the TBTA Bonds from their respective dates of issuance and we have been informed that interest income on the debt service fund investments consists of income from (1) the debt service funds established in connection with the 2 Broadway Certificates of Participation to the extent attributable to the TBTA’s portion of debt service thereon, and (2) the debt service funds established in connection with the TBTA bonds from their respective dates of issuance. We inquired that this amount was included in the computation of operating surplus as a reduction of debt service cost (therefore increasing operating surplus) and we have been informed that this amount was included in the computation of operating surplus as a reduction of debt service cost therefore, increasing operating surplus. We inquired that unexpended bond proceeds consist of bond moneys on deposit with the TBTA until expended for either transit or commuter projects or on the TBTA’s bridges and tunnels and we have been informed that unexpended bond proceeds consist of bond moneys on deposit with the TBTA until expended for either transit or commuter projects or on the TBTA’s bridges and tunnels.

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

**NOTES AND AGREED-UPON PROCEDURES PERFORMED
IN CONNECTION WITH THE SCHEDULE OF
OPERATING SURPLUS YEAR ENDED DECEMBER 31, 2015 (Exhibit A)**

6. CAPITAL ASSETS FUNDED FROM OPERATIONS

- Agreed the amount of “Purchase of Capital Assets Funded From Operations,” which represents amounts paid and capitalized for vehicles and other fixed assets, appearing on the Schedule of Operating Surplus (Exhibit A) to the general ledger and noted no differences. We inquired that these amounts were funded from operations and that such amounts represent a reduction of operating surplus appearing on the Schedule of Operating Surplus and we have been informed that these amounts were funded from operations and that such amounts represent a reduction of operating surplus appearing on the Schedule of Operating Surplus (Exhibit A).

7. NECESSARY RECONSTRUCTION RESERVE

- Agreed the amount appearing on the Schedule of Operating Surplus (Exhibit A) as “Establishment of Necessary Reconstruction Reserve Account” to the MTA Bridges and Tunnels Financial Plan 2016-2019 to set aside and reduce the operating surplus by \$26,382,176 and noted no differences. The Necessary Reconstruction Reserve Account was established by the TBTA by resolution adopted March 29, 1968. We inquired that this amount, together with interest income thereon, is to be used to fund reconstruction of present facilities within the meaning of TBTA’s General Revenue Bond Resolution and we have been informed that this amount, together with interest income thereon, is to be used to fund reconstruction of present facilities within the meaning of the TBTA’s General Revenue Bond Resolution.

8. GASB 43 RESERVE

- Agreed the amount appearing on the Schedule of Operating Surplus (Exhibit A) as “Establishment of GASB 43 Reserve Account” of \$0, to the MTA Bridges and Tunnels Financial Plan 2016-2019 which was approved by the Finance Committee.

* * * * *

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

SUPPORTING SCHEDULE TO THE SCHEDULE OF OPERATING SURPLUS YEAR ENDED DECEMBER 31, 2015

TOTAL REVENUES		\$ 1,853,987,660
LESS INTEREST INCOME		<u>182,604</u>
OPERATING REVENUES (Exhibit A)		<u>\$ 1,853,805,056</u>
TOTAL EXPENSES		\$ 818,226,266
LESS: Interest Expense on Bond Indebtedness	\$ 344,894,981	
Reimbursement of Personnel Costs	<u>20,573,889</u>	<u>365,468,870</u>
OPERATING EXPENSES (Exhibit A)		<u>\$ 452,757,396</u>
PREPAID EXPENSES AND OTHER ADJUSTMENTS:		
Balance December 31, 2014	\$ 22,684,065	
Balance December 31, 2015	<u>25,584,817</u>	
INCREASE IN PREPAID EXPENSES AND OTHER ADJUSTMENTS (Exhibit A)		<u>\$ 2,900,752</u>
DEBT SERVICE:		
TBTA	\$ 239,277,772	
MTA	118,099,587	
NYCTA	<u>255,946,787</u>	
Subtotal	613,324,146	
INTEREST INCOME ON UNEXPENDED BOND PROCEEDS AND DEBT SERVICE FUNDS	<u>238,604</u>	
TOTAL DEBT SERVICE ON BONDS (Exhibit A)		<u>\$ 613,562,750</u>

Staff Summary

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

Date February 12, 2016
Vendor Name Various
Contract Number Various
Contract Manager Name Various
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance	2/22/2016	X		
2	Board	2/24/2016	X		

Internal Approvals					
Order	Approval	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:

	<u># of Actions</u>	<u>\$ Amount</u>
MTAHQ proposes to award Non-competitive procurements in the following categories:	None	None
MTAHQ proposes to award Competitive procurements in the following categories:		
<u>Schedules Requiring Majority Vote</u>		
Schedule F: Personal Service Contracts	3	\$149,742,703.00
Schedule G: Miscellaneous Service Contracts	3	\$ 3,910,800.00
SUBTOTAL	6	\$153,653,503.00

MTAHQ presents the following procurement actions for Ratification:

	None	None
TOTAL	6	\$153,653,503.00

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, FEBRUARY 2016
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. **Various** (see below) **\$115,000,000** **Staff Summary Attached**
All-Agency Enterprise Asset Management (not-to-exceed)
Contract Nos. 15133-0100 thru 2000

Competitively negotiated – 30 proposals – 60 months

To recommend that the Board approve the award of twenty (20) competitively negotiated, all-agency personal services retainer contracts to support and implement the next stage of MTA’s Enterprise Asset Management (EAM) Program on an as-needed basis for a period of three (3) years with two additional one-year options from March 31, 2016 through March 30, 2021 in the not-to-exceed amount of \$115 million, to the below firms. Each contract will be awarded on a zero-dollar basis. Individual work assignments will be awarded through a mini-RFP competitive process among some or all firms. This new contract will incorporate Federal requirements (the FTA has promulgated new asset management requirements as a funding stipulation under the Moving Ahead for Progress in the Twenty-First Century (MAP-21) legislation) and support the next stage of the EAM implementation which may include the following tasks: asset management business architecture, strategy, and planning; business process review, re-engineering and standardization; life-cycle investment decision-making, etc. The twenty (20) selected firms originally proposed average hourly rates ranging from \$572.72 (Project Director) to \$51.27 (for Document Control Clerk). These hourly rates were negotiated down to a range of \$498.02 to \$17.98 representing a reduction of 13% to 65% and will remain fixed for the five year term. These rates are 5% higher to 59% lower than the current three-year old contract rates ranging from \$475 to \$43.28. Based on the above, these negotiated rates are considered fair and reasonable.

- | | | | |
|--------------|-------------------|---------------------|-------------------------|
| 1. ABS Group | 6. ARMS | 11. EAMS Group | 16. Parsons Brinkerhoff |
| 2. Accenture | 7. Asset Analytix | 12. eVision | 17. Nexus |
| 3. AMCL | 8. Atkins, PA | 13. GDH | 18. Palmer |
| 4. Amey | 9. Cambridge Sys | 14. KPMG | 19. Vesta |
| 5. Arcadis | 10. CH2M Hill | 15. Life Cycle Eng. | 20. Argo |

2. **CTC, Inc.** **\$6,110,335** **Staff Summary Attached**
Engineering Assessment of MTA Railway-Highway Grade Crossings (not-to-exceed)
Contract No. 15350-0100

Competitively negotiated – 6 proposals – 36 months

To recommend that the Board approve the award of a competitively negotiated, personal services contract to CTC, Inc. to provide an independent multidisciplinary engineering assessment of MTA railway-highway grade crossings for a period of three years from March 1, 2016 through February 28, 2019 in the not-to-exceed amount of \$6,110,335, which includes a contingency of \$555,485 for inspections and technical consulting, if required. In May 2015 CTC, Inc. was

METROPOLITAN TRANSPORTATION AUTHORITY
COMPETITIVE PROCUREMENTS

engaged to assess five grade crossings in MNR territory (in both New York and Connecticut). The subsequent assessment and reports identified engineering and procedures improvements that would enhance safety at MTA railway-highway grade crossings. Due to the need to continue these critical safety assessments in a timely manner, the MTA recommended and the Board ratified a non-competitive, six-month, personal services contract with CTC to assess twenty (20) additional crossings. At that time, The Board was advised that, concurrently, a competitive RFP process for the remainder of the crossings would be conducted and presented to the Board for approval at a later date. As a result of negotiations CTC, Inc. initially proposed \$9,584 per assessment which was negotiated down to \$6,800 representing a savings of \$2,784 or 29% and is the same price CTC charged the MTA under the prior six-month agreement. Additionally, these rates are the same or less than the rates CTC charges for similar work in other States or the Federal Government. Based on the above, the not-to-exceed amount of \$6,110,335, which includes a contingency of \$555,485 for inspections and technical consulting, if required, is considered fair and reasonable.

3. **The McKissack Group** **\$28,632,368** Staff Summary Attached
Independent Engineering Consultant **(not-to-exceed)**
Contract No. 15095-0100

Competitively negotiated – 2 proposals – 84 months

To recommend that the Board approve the award of a competitively negotiated, personal services contract to The McKissack Group (Mckissack), a certified MWBE, to provide oversight services of the MTA Capital Program, as required by New York State Public Authorities Law 1263-4(b), for a three-year period from March 1, 2016 through February 28,, 2019, with options to renew for four additional one-year periods at MTA's sole discretion, at a total, not-to-exceed cost of \$28,632,368 for the initial three years. The MTA requires the services of a nationally recognized independent transit engineering firm to perform periodic monitoring and oversight on projects in the MTA's Capital Program as required by New York State Public Authorities Law 1263-4(b). As a result of negotiations, McKissack's original cost proposal of \$40,522,072 was negotiated down to \$28,632,368 which represents a reduction of \$11,889,704 or 29%. The reduction is attributed to: i) Elimination of the requirement for a Manager of the Small Business Mentoring Program, which has been transferred to the MTA, ii) Reduction of proposed number of Personnel, iii) Hourly rate adjustment, and iv) MTA Audit Recommendation. The proposed hourly rates for the first year are the same rates under the current seven-year Agreement. Years 2 and 3 of the proposed new contract are subject to a 2% increase or CPI, whichever is lower. The rates for the four one-year options will be capped annually at CPI. Based on the above, these rates are 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)

4. **All-Agency, As-Needed Moving Services** **\$2,500,000** Staff Summary Attached
Contract Nos. 15496-0100 thru -0900 (not-to-exceed)
- a. **Sher-Del Transfer & Relocation Services, Inc.**
 - b. **Smart Moving & Storage, Inc.**
 - c. **Viable Holdings, Inc.**
 - d. **Moveaway Transfer & Storage Inc.**
 - e. **Business Relocation Services**
 - f. **Elate Moving, LLC**
 - g. **Tri-State Moving Services, Inc.**
 - h. **McCollister's Transportation Group, Inc.**
 - i. **Santiago Worldwide, Inc.**

Ride NY State Competitive Contract No. 22723 – 48 months

To recommend that the Board approve the award of nine (9) competitively solicited, all-agency contracts, riding New York State Contract No. 22723, for on-call building/office moving services for a period of four (4) years from March 1, 2016 to February 2, 2019 to the firms listed above, in the not-to-exceed amount of \$2,500,000. The number of firms retained was determined based upon (i) securing a sufficient number of firms to ensure adequate geographical competition for each work assignment, ii) having a wide range of expertise to ensure adequate competition for each work assignment. These services will be performed based on the hourly rates established in each firm's NY State contract and will be awarded as work assignments after conducting a mini-competitive process among some or all of the firms. Based on the above, the not-to-exceed cost of \$2,500,000 for the four-year period is considered fair and reasonable.

5. **DynTek Services, Inc.** **\$485,800**
IT Technical Consultant Services
Contract No. 16035-0100

Ride NY State Competitive Contract No. PT64308 – 12 months

To obtain Board approval to award a twelve-month, competitively awarded, contract with Dyntek Services to provide technical IT services for the implementation of SailPoint Identity Governance Suite, the new Identity & Access Management system. This new system will be replacing the current Identity Management system, SailPoint's solutions and will be the foundation for the new MTA-Wide Identity & Access Management Ecosystem. As a result of the MTA IT Transformation, MTA agencies need to provide a centralized Identity Governance and the on-boarding/off-boarding solution for all user identities for MTA employees, consultants and contractors. Dyntek will work with MTA IT staff to provide all the build-out requirements of this solution, install the required SailPoint software, and establish communication connectors to major systems for the user population. The Hourly rate for these services (\$93.75/hr.- \$300.00/hr.) are an average of 24% lower than the rates established under New York State Contract PT64308 (\$175/hr. - 392.86/hr.). Based on the above, the rates are considered fair and reasonable.

METROPOLITAN TRANSPORTATION AUTHORITY
COMPETITIVE PROCUREMENTS

6. **Avaya, Inc.** **\$925,000**
IT Technical Implementation Services
Contract No. 16035-0100

Ride NY State Competitive Contract No. PT64524 – 12 months

To obtain Board approval to award a twelve-month, competitively awarded, contract with Avaya, Inc. to provide technical IT services for the installation of new TBTA Avaya Telephone Sets and to upgrade TBTA's PBX telephone system and associated wiring at all seven B&T bridges and two tunnels. The PBX, voice mail, and ancillary unified communication systems will be distributed across two locations for disaster recovery and business continuity purposes. The new primary PBX system will be installed in the 2 Broadway data center and a backup PBX system will be installed at the LIRR Hillside facility and will be designed to automatically cut over to the backup system during any outage of the primary system. This will provide an enhanced ability to restore services in case of a catastrophic failure. The new system will also be VoIP enabled, which will allow for easier voice service deployment to remote locations, and the ability to address specific situations faster during emergencies. Avaya will work with MTA IT staff to provide all the build-out requirements, install the required Avaya hardware/software, and establish communication connectors to major systems for the user population. The hourly rate for these services are on average 15% lower than the rates established under New York State Contract PT64524 (\$214/hr. – 300/hr.) and are lower than the Federal Government rates. Based on the above, these rates are considered fair and reasonable.

Staff Summary

Schedule F: Personal Service Contracts

Item Number:					
Dept & Dept Head Name: Capital Programs/Craig Stewart					
Division & Division Head Name: Enterprise Asset Management/Michael Salvato					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	Finance	2/22/2016	X		
2	Board	2/24 /2016	X		
Internal Approvals					
Order	Approval	Order	Approval		
1	Procurement	4	DDCR		
2	Capital Programs	5	Legal		
3		6	CFO		

SUMMARY INFORMATION	
Vendor Name: Various	Contract Number 15133-0100 thru 2000
Description: Enterprise Asset Management Consulting Services	
Total Amount: \$115,000,000	
Contract Term (including Options, if any): March 31, 2016 through March 30, 2021	
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 checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

Narrative

I. PURPOSE/RECOMMENDATION

To recommend that the Board approve the award of twenty (20) competitively negotiated, all-agency personal services retainer contracts to support and implement the next stage of MTA's Enterprise Asset Management (EAM) Program on an as-needed basis for a period of three (3) years with two additional one-year options from March 31, 2016 through March 30, 2021 in the not-to-exceed amount of \$115 million, to the below firms. Each contract will be awarded on a zero-dollar basis. Individual work assignments will be awarded through a mini-RFP competitive process among some or all firms.

- | | | | |
|--------------|-------------------|---------------------|-------------------------|
| 1. ABS Group | 6. ARMS | 11. EAMS Group | 16. Parsons Brinkerhoff |
| 2. Accenture | 7. Asset Analytix | 12. eVision | 17. Nexus |
| 3. AMCL | 8. Atkins, PA | 13. GDH | 18. Palmer |
| 4. Amey | 9. Cambridge Sys | 14. KPMG | 19. Vesta |
| 5. Arcadis | 10. CH2M Hill | 15. Life Cycle Eng. | 20. Argo |

II. DISCUSSION

In the past 30 years, the MTA has spent nearly \$115 billion on restoring, improving, and expanding its asset base, such as infrastructures, facilities, rolling stocks, systems, etc., in order to provide efficient service. For the next 20 years, needs are estimated to total \$106 billion. Thus, in 2013, the Board approved a contract to provide asset management services for the purpose of initiating an Enterprise Asset Management (EAM) program across all agencies. The purpose of undertaking an Enterprise Asset Management approach was to transition from a reactive maintenance and replace model to a model that promotes a more effective life cycle approach to maintaining MTA's nearly \$1 trillion asset base. Managing this extensive asset base 24/7 is costly and complex. By managing assets uniformly across the agencies MTA can, through common business practices, economies of scale, and data sharing: (i) improve asset utilization and performance, (ii) reduce asset related operating costs, (iii) reduce capital costs, (iv) optimize scheduled work, (v) reduce unscheduled work, etc. To date, gap assessments and implementation plans; development of requirements for enterprise asset management software; maintenance planning and reliability initiatives; technology demonstrations and training initiatives have been completed. The information gathered by the planning stage activities proved the EAM business case and the success of this phase of the program has created opportunities for rapid improvements across the agencies. This new contract will incorporate Federal requirements (the FTA has promulgated new asset management requirements as a funding stipulation under the Moving Ahead for Progress in the Twenty-First Century (MAP-21) legislation) and support the next stage of the EAM implementation which may include the following tasks: asset management business architecture, strategy, and planning; business process review, re-engineering and standardization; life-cycle investment decision-making and optimization; life-cycle delivery (acquisition, maintenance, operation and disposal); development of Reliability-Based Maintenance programs for critical assets; business process extension interfacing; deployment and integration of mobile devices, remote sensors and other technologies; leadership and organizational change; asset information strategy, standards, systems and data; maintenance planning and scheduling; risk and performance management systems; enterprise architecture comprising, systems, business and data; organizational communications; decision support analysis and design; and data visualization concepts.

In order to continue these essential services, a Request for Proposals (RFP) was publicly advertised and issued to two-hundred fifty-six (256) firms. Thirty (30) proposals were received. The firms were evaluated based on the following:

- i. The recommended approaches to a consultant's role to support a client-lead enterprise asset management improvement program including critically defining and evaluating existing conditions and gaps between existing conditions and EAM best practices, and developing organizational strategies, plans and objectives, business process re-engineering, development of asset management competencies and culture, information strategies, enterprise architecture, systems and decision support tools, project and program management, and critiquing and commenting on the client's leadership and performance.
- ii. Demonstrated experience of the consulting firm in organizing and providing support and advice to comparable, complex public and private clients, in Enterprise Asset Management, and/or business transformation and compliance.
- iii. The relevance to MTA of the business case and value realization methodology proposed for defining and capturing the benefits from asset management transformation, business process re-engineering, developing organizational competencies and investments in information technology.
- iv. The proposed methodology for knowledge transfer to and the improvement and development of in-house capacity at the MTA so that, on an on-going basis, the results of identified and/or improvement of asset management, business processes, benefits realization, and operating efficiencies can be continued and applied in other situations using in-house resources.

The Selection Committee consisted of representatives from MTA Headquarters, MTA New York City Transit, MTA Bus, MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bridges & Tunnels. Based on the evaluation of proposals and oral presentations, the selection committee determined that the twenty (20) firms listed above were the most technically qualified and best suited to perform the services identified in the RFP. The consultants will perform specific work assignments, on an as-needed basis, based on hourly rates established in the base contracts. Individual work assignments will be awarded through a mini-RFP competitive process among some or all firms. MTA has conducted a responsibility review and other due diligence on all firms. Significant Adverse Information was discovered concerning Atkins, PA. An award will not be made until the required approvals are obtained and Atkins, PA has been determined to be a responsible proposer.

The twenty (20) selected firms originally proposed average hourly rates ranging from \$572.72 (Project Director) to \$51.27 (for Document Control Clerk). These hourly rates were negotiated down to a range of \$498.02 to \$17.98 representing a reduction of 13% to 65% and will remain fixed for the five year term. These rates are 5% higher to 59% lower than the current three-year old contract rates ranging from \$475 to \$43.28. Based on the above, these negotiated rates are considered fair and reasonable.

III. D/M/WBE INFORMATION

MTA Department of Diversity and Civil Rights assigned a 15% DBE goal. Three of the firms (Accenture, KPMG and Parsons) have previously achieved their MWDBE goals on previous MTA contracts. The remaining firms have not completed any MTA contracts; therefore no assessment of their MWDBE performance can be determined at this time.

IV. IMPACT ON FUNDING

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

V. ALTERNATIVES

1. Perform all services in-house. This alternative is not feasible. The MTA and its agencies do not have the resources or the trained personnel to perform these services.
2. Do not approve award of the contracts. This is not practical. This would delay and compromise the MTA's ability to comply with Federal requirements, streamline its operations and realize recurring savings as a result of these services.

Staff Summary

Schedule F: Personal Service Contracts

Item Number:					
Dept & Dept Head Name: Chief of Staff, Donna Evans					
Division & Division Head Name: MTA Safety Management, Chief Safety Officer, David Mayer					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	Finance	2/22/2016	X		
2	Board	2/24/2016	X		
Internal Approvals					
Order	Approval	Order	Approval		
1	Procurement <i>CEC</i>	4	Diversity and Civil Rights <i>MM</i>		
2	Chief Safety Officer <i>DM</i>	5	Legal <i>PS</i>		
3	Chief of Staff <i>DM</i>	6	CFO <i>TS</i>		

SUMMARY INFORMATION	
Vendor Name: CTC, Inc.	Contract Number: 15350-0100
Description: Engineering Assessment of MTA Railway-Highway Grade	
Total Amount: \$6,110,335	
Contract Term (including Options, if any) March 1, 2016 to February 28, 2019	
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 type="checkbox"/> Other:	

Narrative

I. PURPOSE/RECOMMENDATION

To recommend that the Board approve the award of a competitively negotiated, personal services contract to CTC, Inc. to provide an independent multidisciplinary engineering assessment of MTA railway-highway grade crossings for a period of three years from March 1, 2016 through February 28, 2019 for a not-to-exceed amount of \$6,110,335, which includes a contingency of \$555,485 for inspections and technical consulting, if required.

II. DISCUSSION:

The two MTA railroads have a total of 437 crossings, 334 of which are on the Long Island Rail Road (LIRR), and the remaining 103 are on Metro-North Railroad (MNR). Both railroads have very active internal crossing assessment and upgrade programs. These programs result in regular and recurring safety assessments of crossings as well as enhancement projects that are typically coordinated with cognizant roadway authorities.

On February 3, 2015, a Metro-North train collided with an SUV at the Commerce Street crossing in Valhalla, New York resulting in six fatalities. In May 2015 CTC, Inc. was engaged to assess five grade crossings in MNR territory (in both New York and Connecticut). The subsequent assessment and reports identified engineering and procedures improvements that would enhance safety at MTA railway-highway grade crossings. Due to the need to continue these critical safety assessments in a timely manner, the MTA recommended and the Board ratified a non-competitive, six-month, personal services contract with CTC to assess twenty (20) additional crossings. At that time, The Board was advised that, concurrently, a competitive RFP process for the remainder of the crossings would be conducted and presented to the Board for approval at a later date.

In order to continue these essential services a new competitive Request for Proposal (RFP) was issued. The RFP was publicly advertised, including an on-line ad on Progressive Railroading. Additionally, letters were sent to thirty-five (35) firms, including five (5) M/WBE Firms, advising them of the RFPs availability. Six (6) proposals were received. The firms were evaluated based on their relevant experience in appraising similar type projects, assigned personnel as well as cost. The Selection Committee, consisting of representatives from Metro-North Railroad, Long Island Rail Road and MTA evaluated all the proposals and

determined that CTC, Inc. is the most technically qualified to perform this work because of its experience, qualifications and knowledge of the industry and its ability to complete projects in a timely manner. MTA has conducted a responsibility review and other due diligence on CTC Inc. and has deemed it to be responsible for award.

As a result of negotiations CTC, Inc. initially proposed \$9,584 per assessment which was negotiated down to \$6,800 representing a savings of \$2,784 or 29% and is the same price CTC charged the MTA under the prior six-month agreement. Additionally, these rates are the same or less than the rates CTC charges for similar work in other States or the Federal Government. Based on the above, the not-to-exceed amount of \$6,110,335, which includes a contingency of \$555,485 for inspections and technical consulting, if required, is considered fair and reasonable.

III. D/M/WBE INFORMATION

MTA Department of Diversity and Civil Rights has assigned a 15% MBE and 15% WBE goals to this procurement. CTC Inc. has not completed any MTA contracts with goals; therefore, no assessment of the firm's MWDBE performance can be determined at this time.

IV IMPACT ON FUNDING:

The total cost for this contract will not exceed \$6,110,335 for the 36-month period. Funding for this contract will be charged to MTA Safety Management.

V. ALTERNATIVES:

Do not Approve Award of the Contract. This is not practical. This contract will enhance the MTA's understanding of the causes and prevention of railroad crossing incidents, and it will further the interaction and cooperation of the MTA railroads with the roadway authorities that have responsibilities for pavement markings, highway signage, and traffic control devices at and near MTA crossings.

Staff Summary

Schedule F: Personal Service Contracts

Item Number:					
Dept & Dept Head Name: Capital Programs/ C. Stewart <i>CJS</i>					
Division & Division Head Name: Office of Construction Oversight/ M. Wetherell					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	Finance	2/22/2016	X		
2	Board	2/24/2016	X		
Internal Approvals					
Order	Approval	Order	Approval		
1	Procurement <i>CJS</i>	4	DDCF <i>[Signature]</i>		
2	Construction Oversight <i>[Signature]</i>	5	Legal <i>[Signature]</i>		
3	Capital Programs <i>CJS</i>	6	CFO <i>[Signature]</i>		

SUMMARY INFORMATION	
Vendor Name: The McKissack Group, d/b/a McKissack & McKissack	Contract Number: 15095-01000
Description: Independent Engineering Consultant/MTA Capital Program	
Total Amount: \$28,632,368	
Contract Term (Including Options, if any) March 1, 2016 - February 28, 2019 (plus four 1-yr. options)	
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:	

Narrative

I. PURPOSE/RECOMMENDATION:

To recommend that the Board approve the award of a competitively negotiated, personal services contract to The McKissack Group (McKissack), a certified MWBE, to provide oversight services of the MTA Capital Program, as required by New York State Public Authorities Law 1263-4(b), for a three-year period from March 1, 2016 through February 28, 2019, with options to renew for four additional one-year periods at MTA's sole discretion, at a total, not-to-exceed cost of \$28,632,368 for the initial three years. This contract is funded by each agency from within its capital program. The 2015-2019 Capital Program funds the oversight agenda for projects within that program and subsequent capital programs, which are subject to approval by the MTA Board and Capital Program Review Board, will fund the oversight work anticipated for projects within those programs.

II. DISCUSSION

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

Similar responsibilities under previous IEC contracts required approximately 20-22 full-time staff equivalents on an annual basis, and this contract anticipates approximately the same number of full-time staff equivalents annually. Specific staff assignments are given to the IEC by the MTA's Office of Construction Oversight, with direction from CPOC. The IEC work level and anticipated billable cost is controlled by the Office of Construction Oversight.

In order to continue these consulting services, a Request for Proposals (RFP) was publicly advertised and letters advising potential proposers of the RFP's availability were mailed to approximately eight-four (84) major consultant firms, ten (10) of which were D/M/WBE firms. Two (2) proposals were received.

A Technical Selection Committee composed of representatives from MTAHQ, B&T, LIRR and NYCT evaluated the proposals and determined that two firms, TransCap and McKissack, should be submitted to the Executive/Board Selection Committee, composed of three members of CPOC, One Agency President and MTA Capital Programs, for final consideration. Subsequently, the Executive/Board Selection Committee met, reviewed both proposals and recommended McKissack as best qualified to perform the required oversight services. In response to the requirements as detailed in the RFP, McKissack has assembled a team which brings impressive depth and experience, and national recognition through their sub-consultants, in transit and transportation, engineering, construction management, risk assessment and quality management. MTA has conducted a responsibility review and other due diligence with regard to McKissack and has deemed it to be responsible for award. A McKissack team is currently performing the IEC function for MTA.

As a result of negotiations, McKissack's original cost proposal of \$40,522,072 was negotiated down to \$28,632,368 which represents a reduction of \$11,889,704 or 29%. The reduction is attributed to: i) Elimination of the requirement for a Manager of the Small Business Mentoring Program, which has been transferred to the MTA, ii) Reduction of proposed number of Personnel, iii) Hourly rate adjustment, and iv) MTA Audit Recommendation. The proposed hourly rates for the first year are the same rates under the current seven-year Agreement. Years 2 and 3 of the proposed new contract are subject to a 2% increase or CPI, whichever is lower. The rates for the four one-year options will be capped at CPI. Based on the above, these rates are considered fair and reasonable.

III. D/M/WBE INFORMATION

MTA Department of Diversity and Civil Rights has assigned a 15% MBE and 15% WBE goals to this procurement. The McKissack Group has achieved its previous MWDBE goals on previous MTA contracts. McKissack is a New York State certified MBE and WBE.

IV. IMPACT ON FUNDING

This contract is funded by each agency from within its capital program. The 2015-2019 Capital Program funds the oversight agenda for projects within that program. Subsequent capital programs, which are subject to MTA Board and Capital Program Review Board approval, will fund the oversight work anticipated for projects within those programs.

V. ALTERNATIVES

None. New York State Public Authorities Law 1263-4(b) requires that a nationally recognized independent transit engineering firm be available for consultation with CPOC, and be involved in the oversight of the MTA Capital Program.

Staff Summary

Schedule G: Miscellaneous Service Contracts

Item Number:

Vendor Name (& Location): Various	<table border="1" style="width: 100%;"> <tr> <td style="width: 70%;">Contract Number: 15496-0100 thru 0900</td> <td style="width: 30%;">Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</td> </tr> <tr> <td colspan="2">Total Amount: \$2,500,000</td> </tr> <tr> <td colspan="2">Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:</td> </tr> <tr> <td colspan="2">Requesting Dept./Div & Dept./Div. Head Name: Real Estate/Facilities & J. Rosen/P. DeCapua</td> </tr> <tr> <td colspan="2">Contract Manager: S. Mayclim</td> </tr> </table>	Contract Number: 15496-0100 thru 0900	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Total Amount: \$2,500,000		Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:		Requesting Dept./Div & Dept./Div. Head Name: Real Estate/Facilities & J. Rosen/P. DeCapua		Contract Manager: S. Mayclim	
Contract Number: 15496-0100 thru 0900	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No										
Total Amount: \$2,500,000											
Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:											
Requesting Dept./Div & Dept./Div. Head Name: Real Estate/Facilities & J. Rosen/P. DeCapua											
Contract Manager: S. Mayclim											
Description: All-Agency, As-Needed Moving Services											
Contract Term (including Options, if any): March 1, 2016 to February 2, 2019											
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive											
Solicitation Type: <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: OGS Ride											

DISCUSSION:

To recommend that the Board approve the award of nine (9) competitively solicited, all-agency contracts, riding New York State Contract No. 22723, for on-call building/office moving services for a period of four (4) years from March 1, 2016 to February 2, 2019 to the firms listed below, in the not-to-exceed amount of \$2,500,000.

- | | |
|--|---|
| 1. Sher-Del Transfer & Relocation Services, Inc. | 6. Elate Moving, LLC |
| 2. Smart Moving & Storage, Inc. | 7. Tri-State Moving Services, Inc. |
| 3. Viable Holdings, Inc. | 8. McCollister's Transportation Group, Inc. |
| 4. Moveaway Transfer & Storage Inc. | 9. Santiago Worldwide, Inc. |
| 5. Business Relocation Services | |

The number of firms retained was determined based upon (i) securing a sufficient number of firms to ensure adequate geographical competition for each work assignment, ii) having a wide range of expertise to ensure adequate competition for each work assignment.

These services will be performed based on the hourly rates established in each firm's NY State contract and will be awarded as work assignments after conducting a mini-competitive process among some or all of the firms. MTA has conducted a responsibility review and other due diligence on the nine firms and has deemed these firms to be responsible for award.

FEBRUARY 2016
MTA REAL ESTATE
LIST OF REAL ESTATE ACTION ITEMS FOR BOARD APPROVAL

MTA NEW YORK CITY TRANSIT

Lease Modification between Allied 60 Bay Street, LLC and New York City Transit Authority for office space at 60 Bay Street, SI, NY

MTA LONG ISLAND RAIL ROAD

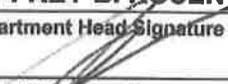
Lease agreement with Rosen's Café, LLC, for the operation of a quick-service food concession at retail space on the Exit Concourse of Penn Station, New York

METROPOLITAN TRANSPORTATION AUTHORITY

Disposition, through long term ground lease, of former MTA headquarters buildings at 341 - 347 Madison Avenue, Manhattan

Exchange of real property interests on sub-surface levels of 1 Vanderbilt Avenue, Manhattan

Staff Summary

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

Date FEBRUARY 22, 2016
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	2/22/16	X		
2	Board	2/24/16	X		

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

AGENCY: New York City Transit Authority ("NYCT")
LANDLORD: Allied 60 Bay Street LLC
LOCATION: 60 Bay Street, Staten Island
USE: Office space
ACTION REQUESTED: Approval of renewal terms
TERM: 5 years commencing March 2016
SPACE: Approximately 2,550 square feet (portion of 9th Floor)
BASE RENT: \$66,300 per annum / \$5,525 per month / \$26 rsf (same as current rent)
PARKING: Rent includes 1 agency vehicle parking space
OPERATING EXPENSES AND TAXES: Tenant will pay its proportionate share of 2.55% of increases over 2006 base year
ELECTRICITY: Directly metered (Tenant's responsibility)
CLEANING: Landlord's responsibility
HVAC: Landlord's responsibility
IMPROVEMENTS: Landlord at its expense will paint the entire space and shampoo the carpet during the term

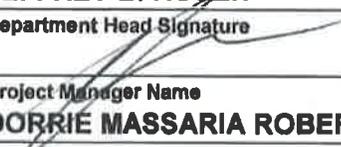
COMMENTS:

Under separate leases, NYCT and Staten Island Railway (SIR) have been domiciled at this location since 2001 and 1996, respectively. This transaction extends NYCT's lease to 2021. SIR's lease for their executive offices expires 2026. NYCT's CPM group occupies the subject space and provides engineering support for SIR projects. The office houses full-time CPM staff and is located within 2 blocks of the Staten Island Ferry Terminal.

No suitable alternative space was identified within other MTA facilities. Our review of the market indicates the rent is within market. Due to various costs associated with relocation, renewing is the low cost option.

Based on the foregoing, MTA Real Estate requests authorization to enter into an amendment to renew the lease 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 DORRIE MASSARIA ROBERTS

Date FEBRUARY 22, 2016
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	2/22/16	X		
2	Board	2/24/16	X		

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

AGENCY: MTA Long Island Rail Road Company ("LIRR")
LESSEE: Rosen's Café, LLC
LOCATION: Penn Station, New York - Exit Corridor
ACTIVITY: Quick service food concession
ACTION REQUESTED: Approval of terms
TERM: 10 years, terminable upon 180 days' notice for corporate or transportation purposes
SPACE: SPACE 4 – Approximately 300 SF

RENT:	Year	Annual	Monthly	% Increase	Per Sq. Ft.
	1	\$78,300.00	\$6,525.00		\$261.00
	2	\$80,650.00	\$6,720.83	3%	\$268.00
	3	\$83,000.00	\$6,916.66	3%	\$276.66
	4	\$85,500.00	\$7,125.00	3%	\$285.00
	5	\$88,500.00	\$7,375.00	3%	\$295.00
	6	\$91,200.00	\$7,600.00	3%	\$304.00
	7	\$94,000.00	\$7,833.33	3%	\$313.33
	8	\$97,000.00	\$8,083.33	3%	\$323.33
	9	\$100,000.00	\$8,333.33	3%	\$333.33
	10	\$103,000.00	\$8,583.33	3%	\$343.33

COMMENTS:

In response to a request for proposals ("RFP") for Level A retail space in Penn Station, the following 2 proposals were received:

<u>Name of Proposer</u>	<u>First Year Rent</u>	<u>Present Value: 10 Year Term, 9% Discount Rate</u>
Elhadj Nasse	\$ 6,000.00	\$ 46,788.27
Rosen's Café, LLC	\$78,300.00	\$ 565,929.79

Staff Summary

FINANCE COMMITTEE MEETING Rosen's Café, LLC (Cont'd.)

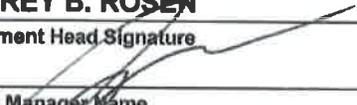
The president and co-owner of Rosen's Café LLC is Mr. Altaf Isani. He has had many years of experience in the food service business at various transportation hubs. Rosen's is currently an MTA tenant at 2 Broadway and Mr. Isani is a Jamba Juice franchisee who has been a LIRR tenant at Penn Station since 2009. Our overall business experience with this proposer has been favorable.

Rosen's intends to operate a grab-and-go quick service food concession featuring pre-packaged food items with canned and bottled beverages, including beer. Design, construction and maintenance of improvements for the retail space will be done at the tenant's sole cost.

The proposed rent is above the fair market value for this space as estimated in advance by MTA Real Estate's independent consultant.

Based on the foregoing, MTA Real Estate requests authorization to enter into a lease agreement with Rosen's Café, LLC on the above-described terms and conditions.

Staff Summary

Subject 347 MADISON AVE DEVELOPMENT
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name JEFFREY B. ROSEN

Date FEBRUARY 22, 2016
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	2/22/16	X		
2	Board	2/24/16	X		

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

AGENCY: Metropolitan Transportation Authority ("MTA").

DEVELOPER: BP 347 Madison Associates, LLC ("Developer"), a special purpose entity owned by Boston Properties Limited Partnership ("Boston Properties").

LOCATION: 341-347 Madison Avenue and 45 East 44th Street, New York, NY.

ACTIVITY: Conditional designation of Developer to re-develop the Property pursuant to a 99-year triple net lease (the "Lease"), the agreed-upon form of which will be appended as an exhibit to the agreement to enter into lease by which such designation will be effected (the "Pre-Lease Agreement").

PREMISES TO BE LEASED: Approximately 25,051 square feet of land comprising Manhattan Block 1279, Lots 23, 24, 25 and 48 (the "Land"), and all existing and future improvements thereon except for the East Side Access vent plant that MTACC is constructing on Lot 48 (the "Vent Plant"). Such Land and improvements (exclusive of the Vent Plant) are referred to herein as the "Property".

COMPENSATION:

- (a) Upfront Payment: \$25 million, payable at Lease execution.
- (b) Ongoing Base Rent: To be calculated based on the zoning square footage of the New Building, as set forth in the attached **Schedule A**.
- (c) Percentage Rent: For each lease year, commencing when subtenants under subleases covering at least 90% of the rentable area of the New Building have commenced making payments of regularly scheduled rent, 5.0% of (i) Developer's gross revenue for such year, net of the Base Rent and payments in lieu of real property taxes for such year, over (ii) a \$60/rsf threshold. Percentage Rent to be reset to \$0 for each Base Rent Adjustment Year (i.e., every 30th year during the term).

- (d) **PILOT:** Payments in lieu of real property taxes, equal to the full, unabated real property taxes that would be payable with respect to the Leased Premises if Developer owned the fee interest in the Leased Premises; and payments in lieu of sales taxes, equal to the sales tax Developer would incur with respect to its construction costs if it were the owner of such fee interest.
- (e) **On-Site Transit Improvements:** To be constructed and maintained by Developer at its own cost and expense as described below.

PRE-CONDITIONS TO LEASE EXECUTION AND TERM COMMENCEMENT:

The conditions to the execution and delivery of the Lease pursuant to the Pre-Lease Agreement will include the following:

- (a) issuance by the NYC City Planning Commission ("**CPC**") of a special permit to authorize the construction by the Developer of an office building, with ancillary retail, having a floor area ratio ("**FAR**") of at least 24.0 (the "**Special Permit**"), as envisioned by the Vanderbilt Corridor zoning text amendments that were adopted by the NYC City Council on May 27, 2015 (the "**Vanderbilt Corridor Zoning**") and as more particularly described below;
- (b) agreement between the MTA and the City of New York (the "**City**") as to the infrastructure improvements in and around Grand Central Terminal ("**GCT**") that will be required in connection with the Special Permit, as envisioned by the Vanderbilt Corridor Zoning (the "**GCT Public Realm Improvements**");
- (c) compliance by the MTA and all other involved governmental agencies with the State Environmental Quality Review Act ("**SEQRA**"), as it relates to the Lease and the Special Permit; and
- (d) approval of the overall transaction by the MTA Board, following such SEQRA compliance, including such agreement with respect to GCT Public Realm Improvements.

The parties will target mid-2017 for the satisfaction of such conditions. The Pre-Lease Agreement will be subject to termination if they haven't been satisfied within 36 months after execution of the Pre-Lease Agreement. In addition, conditions to the commencement of the Lease term under the Lease pursuant to the Pre-Lease Agreement will include delivery by the MTA of vacant possession of the Property and completion by MTA of certain work adjacent to the Property to permit Developer to commence demolition work at the Property.

GCT PUBLIC REALM IMPROVEMENTS:

The Lease will require Developer, at its own cost, to preserve and to enhance (by means of an ADA-compliant elevator) a connection to the existing passageway

between 347 Madison Avenue and Grand Central Terminal (known as the Roosevelt Passageway) and to provide a new street-level entrance and multi-level below-grade connection to the new East Side Access concourse that the MTA is currently building beneath the properties that adjoin the eastern side of the Property (the “**Required New Building Elements**”).

As contemplated by the Vanderbilt Corridor Zoning, and in reliance upon the revenues it will receive pursuant to the Lease, the MTA, as fee owner, will fund and perform such remaining (off-site) GCT Public Realm Improvements as the Special Permit shall require in accordance with the aforementioned agreement between the MTA and the City.

SECURITY FOR DEVELOPER PERFORMANCE:

- (a) Good faith deposit: \$15 million letter of credit to be delivered to MTA, upon execution of the Pre-Lease Agreement, refundable if the Pre-Lease Agreement terminates other than by reason of Developer non-performance, but otherwise to be applied at Lease execution to the aforementioned \$25 million upfront payment. The Pre-Lease Agreement will set forth deadlines by which the Developer will be required to complete various steps relating to the ULURP process (subject to delays attributable to the MTA or the City), with limited periods within which such deadlines may be extended if the Developer increases the amount of such good faith deposit.
- (b) MTA expense deposit: Upon execution of the Pre-Lease Agreement, Developer is required to reimburse MTA for its expenses incurred prior to entering into the Pre-Lease Agreement in connection with the targeted negotiations with Developer incurred since November 2, 2015, as well as to deposit an additional sum to be agreed upon to cover expenses which MTA will incur during the period (the “**Pre-Lease Period**”) prior to execution of the Lease. Such expense deposit may be drawn upon during the Pre-Lease Period in the event of Developer’s failure of performance or, otherwise, following adoption of SEQRA findings by the MTA Board and subsequent MTA Board approval of the Lease. Any unapplied balance in such expense deposit, will be returned to Developer.
- (c) Ownership of work product: If the Pre-Lease Agreement terminates by reason of Developer’s failure to perform, MTA will own and have the right to use all work product prepared for Developer relating to the Property (other than customary exceptions for confidential and proprietary information).
- (d) Boston Properties guaranties: Upon Lease execution, Boston Properties will provide a guaranty of payment of Base Rent and PILOT under the Lease for the period commencing on term commencement and ending on the earlier of (i) the second anniversary of substantial completion of the New Building and (ii) the first date that the New Building is 70% subleased with tenants in actual occupancy. In addition, upon commencement of demolition of the Existing Office Buildings (as defined below), Boston Properties will provide a guaranty of lien-free completion of the New Building (excluding subtenant improvements) and payment of all contractors, subcontractors and materialmen performing the work.

BACKGROUND:

In addition to the Vent Plant, the Land currently contains three pre-war office buildings, respectively known as 341, 345 and 347 Madison Avenue (the "**Existing Office Buildings**"), which formerly housed the headquarters of the MTA and its affiliate Metro-North Commuter Railroad. Having successfully consolidated such headquarters functions at 2 Broadway and 420 Lexington Avenue -- in accordance with the "Office Space Right-Sizing Business Plan" that has previously been reviewed with and endorsed by the Board -- the MTA is now in a position to dispose of the Property, and thereby avoid significant costs and generate substantial revenues in support of its capital programs as envisioned by such business plan.

The Existing Office Buildings (which, were built separately, and therefore contain redundant lobbies, cores and central plants) are functionally obsolete and do not take advantage of the full zoning envelope that the City of New York (the "**City**") deems to be appropriate for commercial properties located in the "Vanderbilt Corridor" adjoining Grand Central Terminal. Accordingly, achieving the highest and best use of the Property will entail replacement of the Existing Office Buildings with an entirely new building.

The Property is located in zoning district C5-3, within the new "Vanderbilt Corridor" zoning sub-district -- comprised of the five blocks bounded by 42nd Street on the south, 47th Street to the north, and Madison and Vanderbilt Avenues to the east and west -- that was established pursuant to the Vanderbilt Corridor Zoning. Accordingly, the Developer will be eligible to apply for the Special Permit, which could authorize the Developer to build a building on the Land with an FAR of as much as 30.0 (which is to say zoning floor area of up to 30 times the applicable zoning lot area, twice the FAR of 15.0 that is permitted "as-of-right"), in consideration of the provision by the Developer and/or the MTA, as owner of such zoning lot, of GCT Public Realm Improvements.

The amount of the FAR bonus that will be available in connection with the redevelopment of the Property will be determined through the City's Uniform Land Use Review Process ("**ULURP**"), based on the GCT Public Realm Improvements that such redevelopment will engender, as well as the building's ground floor level, massing and energy performance. Thus, application for the Special Permit will be subject to review by the applicable Community Board, the Manhattan Borough President, the City Planning Commission and the NYC City Council, as well as compliance with SEQRA by the City and the MTA.

SELECTION PROCESS:

Request for Proposals. On June 19, 2013, the MTA, assisted by its advisors at Cushman & Wakefield, Inc. ("**C&W**"), issued an initial request for proposals from prospective lessee/developers (as amended, the "**RFP**"). Such RFP stipulated that the selected developer would be required, at its own cost, to demolish the Existing Office Buildings, and to erect in their stead a new building (the "**New Building**") that would (a) utilize the full zoning floor area authorized pursuant to the then current zoning, (b) cantilever over, and thereby accommodate, the Vent Building and (c) incorporate the Required New Building Elements. The RFP was subsequently amended by a First Addendum dated September 23, 2013 to address the implications of the East Midtown Rezoning proposal promulgated by the Bloomberg administration (which contemplated that proposed developers would contribute to a fund that could be used by MTA to make improvements); by a Second Addendum dated September 17, 2014 and a Third Addendum dated April 24, 2015, both of which addressed the implications of the Vanderbilt Corridor Zoning proposal promulgated by the de Blasio administration; and by a Fourth Addendum dated October 19, 2015, which set forth revised requirements with respect to the Required New Building Elements.

The Third Addendum also attached proposed drafts of a Pre-Lease Agreement Term Sheet and Net Lease Term Sheet (the "**Term Sheets**"), which set forth anticipated transaction terms and conditions, and called for proposers to identify any such terms and conditions to which they took exception.

Short List. The MTA received proposals from nine entities. However, two of such entities, Macklowe Properties and Equity Residential, withdrew from competition; and Blue Rock Properties' two-page proposal, which continued to lack material information required by the RFP despite multiple requests by C&W for such information, was deemed to have been non-responsive and abandoned. Thus, as of August 2015, proposals from the following six entities remained under consideration:

Staff Summary

1. Hines Limited Partnership/SL Green Realty Corp. ("**Hines/SLG**") – office and/or hotel, with retail.
2. SJP Properties/Sumitomo Mitsui Financial ("**SJP/Mitsui**") – office, with retail.
3. Boston Properties – office, with retail.
4. Argent Ventures ("**Argent**") – hotel and residential (fee above a plane condominium).
5. Extell Development Company ("**Extell**") – alternatively, office with retail or hotel and residential (cond-op), with retail.
6. Property Markets Group ("**PMG**") – office, hotel and residential (cond-op), with retail.

On August 11, 2015, C&W informed each of such proposers that the MTA would be narrowing the number of proposals under consideration to a "short list" within the following few weeks, and requesting that any revisions or supplemental information be submitted by Friday, August 21, 2015. Only PMG availed itself of such opportunity to supplement its submission.

MTA Real Estate thereupon tasked C&W with the preparation of summaries of the six proposals remaining under consideration as of September, 2015, together with detailed financial analyses comparing their respective financial terms. C&W calculated the present values of guaranteed rent using a discount rate of 5.10% and ran sensitivities varying such discount rate up and down by 15%. Insofar as percentage rents and payments in lieu of real property taxes and were concerned, C&W created, and uniformly applied for the benefit of all proposers, ARGUS models to estimate future performance of spaces devoted to various uses (office, hotel, residential, etc.) and take into account standard City practices with respect to real property assessment and taxation.

Based on such analyses, the estimated present values to the MTA of the compensation proposed by the various proposers (assuming, alternatively, buildings of 24 FAR and 30 FAR) were as follows:

<u>24 FAR</u>	<u>Hines/SLG</u>	<u>SJP/Mitsui</u>	<u>BP</u>	<u>PMG</u>	<u>Argent</u>	<u>Extell</u>
Base Rent	\$238.7	\$187.8	\$190.3	\$193	\$125.6	\$263.8
PILOT	\$769.3	\$789.6	\$676.6	\$468.8	\$323.3	\$237.6
Resi. Sales Fee	\$0.0	\$0.0	\$0.0	\$11.2	\$0.0	\$0.0
Total	\$1,008.0	\$977.4	\$866.9	\$673.0	\$448.9	\$501.4

<u>30 FAR</u>	<u>SJP/Mitsui</u>	<u>Hines/SLG</u>	<u>BP</u>	<u>PMG</u>	<u>Argent</u>	<u>Extell</u>
Base Rent	\$255.6	\$250.0	\$235.7	\$226.6	\$125.6	\$329.7
PILOT	\$982.5	\$941.3	\$869.2	\$650.3	\$497.5	\$297
Resi. Sales Fee	\$0.0	\$0.0	\$0.0	\$11.2	\$0.0	\$0.0
Total	\$1,238.1	\$1,191.3	\$1,104.9	\$888.1	\$623.1	\$626.7

The evaluation criteria for the RFP were:

1. The present value of guaranteed income to be received by the MTA over the Lease term, including any proposed upfront payments.
2. The potential present value of proposed percentage rents and PILOT.
3. Proposers' ability and willingness to provide assurances that they could and would timely undertake and complete construction of the development, and otherwise perform in accordance with the requirements of the Lease.

Staff Summary

The MTA's selection committee for this RFP (the "MTA Selection Committee") was comprised of three individuals representing MTA Real Estate and MTA Strategic Initiatives.

Based on such analysis, on September 22, 2015 the MTA Selection Committee unanimously agreed to narrow the field to a short list of Hines/SLG, SJP/Mitsui and Boston Properties. The MTA Selection Committee determined that the others' proposals were outside of the competitive range for the following reasons, among others: (a) although Extell had proposed a relatively high base rent, it proposed to make only fixed, artificially low PILOT payments, so that the total payments it proposed fell outside the competitive range; (b) Argent proposed to pay far less base rent than any of the other five proposers, and proposed to market residential condominium units such that the MTA would be deprived of ongoing PILOT revenue; and (c) although PMG offered base rent comparable to that offered by the three short-listed proposers, C&W advised (based on research conducted by C&W) that an all-office building would yield substantially more PILOT to the MTA than would a mixed-use building of the kind proposed by PMG.

All three of the short-listed proposers were determined to be highly-qualified and experienced developers with the expertise and resources necessary to successfully redevelop the Property.

Best and Final Offers. Beginning in October, 2015, members of the MTA Selection Committee, C&W, in-house MTA legal counsel and MTA's outside counsel, Paul Weiss (transactional), and Carter Ledyard (environmental and land use), held a series of meetings to discuss, evaluate and consider proposed responses to the three remaining proposers' comments to the Term Sheets. The Term Sheets were revised uniformly for all three of such proposers in an effort to address comments that the team deemed to be acceptable; and such revised Term Sheets were then sent to such proposers on October 23, 2015, together with a request for best and final financial offers and fully completed Term Sheets, including all requested exhibits, addenda and schedules marked to indicate any remaining comments. The proposers were advised at such time that targeted negotiations would commence with the proposer that submitted the most compelling best and final offer.

All three proposers responded with increased rent offers, the estimated present values of which (again, assuming, alternatively, buildings of 24 FAR and 30 FAR) were as follows:

<u>24 FAR</u>	<u>BP</u>	<u>Hines/SLG</u>	<u>SJP/Mitsui</u>		<u>30 FAR</u>	<u>BP</u>	<u>SJP/Mitsui</u>	<u>Hines/SLG</u>
Base Rent	\$255.9	\$233.9	\$206.9		Base Rent	\$316	\$277.2	\$246.7
PILOT	\$770.4	\$763.6	\$770.2		PILOT	\$960.9	\$963.6	\$956.8
Contingent Rent	\$15.9	\$1.5	\$4.5		Contingent Rent	\$19.9	\$5.6	\$3.4
Total	\$1,042.2 MM	\$999.0 MM	\$981.6 MM		Total	\$1,296.8 MM	\$1,246.4 MM	\$1,206.9 MM

All three proposers also responded with further or renewed comments to the revised Term Sheets.

Having determined that Boston Properties' proposal provided the highest economic value to the MTA, and was the most competitive with respect to other proposed terms and conditions reflected in the Term Sheets, the team commenced targeted negotiations with Boston Properties, in the course of which resolutions satisfactory to the MTA Selection Committee were reached with respect to all Term Sheet issues.

The compensation proposed by Boston Properties is consistent with an independent appraisal that MTA Real Estate has obtained from Landauer and Associates.

RECOMMENDATION:

Based on the foregoing, MTA Real Estate requests authorization, pursuant to the attached resolution, to enter into a Pre-Lease Agreement with Developer on the above-described material terms and conditions and such other terms or conditions as the Chairman and Chief Executive Officer of the MTA or his designee deems necessary or appropriate, and to execute and deliver any and all other necessary or appropriate agreements, documents, writings and other instruments, including modifications and supplements, and to take all such actions as shall be necessary or desirable in order to pursue satisfaction of the above-described pre-conditions to Lease execution, it being understood that the Lease itself and the proposed GCT Public Realm Improvements related to the redevelopment of the Property will be presented to the Board as described above for approval following review and compliance by the MTA and all other involved governmental agencies with SEQRA as it relates to the Lease and the Special Permit.

Schedule A
Base Rent for As-of-Right FAR (15.0X)

Upfront Payment	\$15 million (the Good Faith Deposit Under the Pre-Lease Agreement), applied on the Term Commencement Date	
Additional Consideration	\$10 million, paid on the Term Commencement Date	
Rent Commencement Date	2 years following the Term Commencement Date	
Years 1 – 5	\$6,378,350.00 per annum	\$531,529.17 per month
Years 6 – 10	\$7,016,185.00 per annum	\$584,682.08 per month
Years 11 – 15	\$7,717,803.50 per annum	\$643,150.29 per month
Years 16 – 20	\$8,489,583.85 per annum	\$707,465.32 per month
Years 21 – 25	\$9,338,542.24 per annum	\$778,211.85 per month
Years 26 – 30	\$10,272,396.46 per annum	\$856,033.04 per month
Year 31 (30 th Anniversary of the Rent Commencement Date)	On the 30th, 60th and 90th anniversaries of the Rent Commencement Date (each, a “Base Rent Adjustment”), the Base Rent will be reset to be the greater of (i) the scheduled Base Rent for such date, taking into account the scheduled annual increases set forth in Schedule A and (ii) 15% of the average annual actual gross revenues for the New Building for the preceding five years (including operating expense pass-throughs) plus PILOT escalations solely in the year of the Base Rent Adjustment, less PILOT solely in the year of the Base Rent Adjustment. Notwithstanding the foregoing, in no event will a Base Rent Adjustment be less than the prior year’s Base Rent plus the average Percentage Rent for the preceding five years.	

Monthly Base Rent payments will increase by ten percent (10.0%) every five years from the Rent Commencement Date

Schedule A

Formulas for Determining the Basic Rent Increases attributable to Utilization of Additional Development Rights

FAR	Cost Per Annum
As-of-Right FAR: 15.0X	As described in Base Rent table above
Bonus FAR Onsite Improvements FAR: 3.0X Building Size = 18.0X	To be compensated by means of construction of the Required New Building Elements at Lessee's cost.
Minimum Special Permit FAR: 6.0X Building Size = up to 24.0X	Commencing on the Rent Commencement Date (i.e., two years after the Term Commencement Date), Lessee will pay \$18 per year for each zoning square foot of Minimum Special Permit FAR. Such rent will increase by 10.0% every 5 years in accordance with the Basic Rent Schedule for the As-of-Right FAR.
Maximum Special Permit FAR: 6.0X Building Size = up to 30.0X	Lessee will pay \$18 per year for each zoning square foot of Maximum Special Permit FAR. Rent abatements applicable to increments of Maximum Special FAR are set forth below and the abatement periods shall apply to all of the Maximum Special Permit FAR. Such rent will increase by 10.0% every 5 years in accordance with the Base Rent Schedule for the As-of-Right FAR.

Additional Rent Abatements applicable to Maximum Special FAR:

	1.0X	2.0X	3.0X	4.0X	5.0X	6.0X
Incremental FAR						
Incremental FAR SF	25,105	50,210	75,315	100,420	125,525	150,630
Cumulative FAR	25.0X	26.0X	27.0X	28.0X	29.0X	30.0X
Additional Free Rent (mos.)	10 months	16 months	23 months	30 months	37 months	48 months

BOARD RESOLUTION

WHEREAS, MTA (capitalized terms are defined in the staff summary accompanying this Resolution (the "Staff Summary") owns the Property (i.e., the Land and the Existing Office Buildings located at 341, 345 and 347 Madison Avenue), as well as the East Side Access Vent Plant under construction by MTACC on 44th Street between Madison and Vanderbilt Avenues; and

WHEREAS, as a result of the successful consolidation and relocation of the headquarters of MTA and its subsidiary Metro-North Commuter Railroad to 2 Broadway and 420 Lexington Avenue, MTA is now in a position to dispose of the Property, and thereby avoid significant costs and generate substantial revenues in support of its capital programs;

WHEREAS, the Existing Office Buildings are functionally obsolete and do not take advantage of the full zoning envelope that the City deems to be appropriate for commercial properties located in the new "Vanderbilt Corridor" zoning sub-district -- comprised of the five blocks bounded by 42nd Street on the south, 47th Street to the north, and Madison and Vanderbilt Avenues to the east and west -- that was established pursuant to the Vanderbilt Corridor Zoning, and accordingly, achieving the highest and best use of the Property will entail replacement of the Existing Office Buildings with an entirely New Building;

WHEREAS, on June 19, 2013, MTA, with the assistance of its advisor C&W, issued and thereafter publicly advertised an initial RFP (as subsequently modified or supplemented pursuant to four addenda), from prospective lessee/developers for a proposed 99-year triple net lease transaction, which RFP stipulated that the selected lessee/developer would be required, at its own cost, to demolish the Existing Office Buildings, and to erect in their stead a New Building that would utilize the full zoning floor area authorized pursuant to the then current zoning, cantilever over, and thereby accommodate, the Vent Building, and incorporate the Required New Building Elements at its own cost;

WHEREAS, the fair market value of a long-term triple net lease of the Property was tested and evaluated through a competitive selection process that is summarized in detail in the Staff Summary, the methods, terms and conditions of which permitted full and free competition, involving public advertisement for proposals, the receipt of proposals, the conduct of discussions and negotiations with the proposers in order to maximize value;

WHEREAS, the compensation proposed by Boston Properties as summarized in the Staff Summary is consistent with an independent appraisal that MTA Real Estate has obtained from Landauer and Associates;

WHEREAS, the Pre-Lease Agreement, upon execution by the MTA and Boston Properties, (1) will serve to designate Boston Properties as the exclusive developer with whom MTA will enter into a Lease for the Property (the form of which will be annexed to the Pre-Lease Agreement), upon the terms and conditions set forth in the Pre-Lease Agreement, and (2) will provide that (A) the execution of the Lease is conditioned upon, among other things, the pre-lease execution conditions set forth in the Staff Summary, including (i) issuance by CPC of the Special Permit for the construction of a New Building having FAR of not less than 24.0, (ii) agreement between MTA and the City as to the scope and description of the GCT Public Realm Improvements to be performed by, and at the cost of, MTA which when added to the Required Building Elements required to be constructed by the successful developer, would be sufficient to permit a New Building of not less than 24.0 FAR, (iii) compliance by MTA and all other involved governmental agencies with SEQRA as it relates to the Lease and the Special Permit (the "Proposed Action"); and (iv) approval of the overall transaction by the MTA Board, following such SEQRA compliance, and (B) term commencement is conditioned upon, among other things, delivery by MTA of vacant possession of the Property and completion by MTA of certain work adjacent to the Property to permit developer commencement of demolition work at the Property; and

WHEREAS, the proposed disposition of the Property pursuant to the Lease is for not less than fair market value and is proposed to be made upon proper terms and conditions, and an appraisal of the value of such property rights has been made by an independent appraiser as set forth in the Staff Summary and included in the record of the transaction; and

WHEREAS, based upon the recommendation of the MTA Selection Committee, the proposal of the recommended designated developer is the most advantageous to MTA, rent and other factors set forth in the RFP having been considered; and

WHEREAS, the disposition of the Property on terms and conditions consistent with the proposal of the recommended designated developer is intended to further the public welfare and to advance the transportation interests of MTA by, inter alia, enhancing the ability of MTA to develop and improve commuter transportation and other services related to the same within the Metropolitan Commuter Transportation District and creating substantial sources of revenue to MTA, and that, in addition, the disposal of the property rights in question is intended to advance the economic development interest of the State and City as well as the interest of MTA in transit-oriented development, by furthering the purposes embraced by the Vanderbilt Corridor Zoning in revitalizing currently obsolete office and retail space in midtown east and providing much needed Grand Central Public Realm Improvements, which is expected to result in the creation and retention of substantial number of job opportunities and the creation or retention of substantial sources of revenues to the State, City and MTA; and

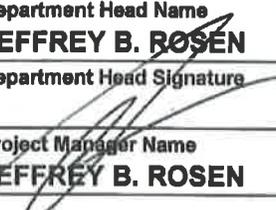
NOW THEREFORE, BE IT
RESOLVED, that:

1. The Chairman and Chief Executive Officer of MTA or his designee is authorized to negotiate, execute and deliver the Pre-Lease Agreement with Developer on the material terms and conditions described above and in the Staff Summary and such other terms or conditions as he or his designee deems necessary or appropriate, and to execute and deliver any and all other necessary or appropriate agreements, documents, writings and other instruments, including modifications and supplements, and to take all such actions as shall be necessary or desirable in order to pursue satisfaction of the pre-conditions to Lease execution and term commencement described above and in the Staff Summary, provided that the Pre-Lease Agreement shall provide that such other project documents relating thereto shall not be binding on the MTA unless and until (a) CPC shall have completed the environmental review of the proposed action in accordance with the requirements of SEQRA and CEQR, (b) on the basis of that review, the MTA Board shall have made written findings concerning the environmental impacts of the proposed action in accordance with the requirements of SEQRA and its implementing regulations, 6 NYCRR, Part 617, and (c) thereafter, the MTA Board shall have approved the material terms of the Lease and other project documents.
2. The Chairman and Chief Executive Officer and his designees are hereby further authorized to take any and all actions as may be necessary, desirable or convenient to satisfy applicable legal or regulatory requirements in connection with the foregoing actions.

This Resolution shall take effect immediately upon its adoption.

Dated: February 26, 2016

Staff Summary

Subject PROPERTY EXCHANGE
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name JEFFREY B. ROSEN

Date FEBRUARY 22, 2016
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	2/22/16	X		
2	Board	2/24/16	X		

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

AGENCY: Metropolitan Transportation Authority ("MTA")

ACTIVITY: Exchange of long-term property interests on subgrade levels in the most westerly portion of Grand Central Terminal ("GCT"), located beneath the footprint of the adjacent property known as One Vanderbilt (the "One Vanderbilt Property").

One Vanderbilt Owner LLC ("1V Owner"), a Delaware limited liability company owned and controlled by SL Green Realty Corp.

LOCATION: Property Disposition Areas:

The sub-grade areas, located on the GCT main concourse level, the shuttle passageway level and the (unexcavated) level immediately below, that are cross-hatched in red on Attachment 1 hereto, totaling 1,853 square feet of space (collectively, the "Property Disposition Areas").

Property Acquisition Areas:

The sub-grade areas within the One Vanderbilt Property immediately to the west of GCT located on basement levels B-1, B-2, B-3 and B-4 hatched in green on Attachment 1 hereto, totaling 2113 square feet of space (collectively, the "Property Acquisition Areas").

COUNTERPARTY: One Vanderbilt Owner LLC ("1V Owner"), a Delaware limited liability company owned and controlled by SL Green Realty Corp.

ACTION REQUESTED: Authorization to net sublease the Property Disposition Areas to 1V Owner for a term of 258 years to expire February 27, 2274, for an annual rent of one dollar -- unless MTA's option to purchase the fee interest in such areas is exercised sooner, in which case such subleasehold interest will be converted automatically into a permanent easement -- in exchange for the granting by 1V Owner to MTA of a permanent easement in the Property Acquisition Areas.

Staff Summary

FINANCE COMMITTEE MEETING One Vanderbilt (Cont'd)

Page 2 of 2

COMMENTS:

1V Owner is the owner of the One Vanderbilt Property, which comprises an assemblage of the full city block between 42nd and 43rd Streets on the south and north and Vanderbilt Avenue and Madison Avenues to the east and west. Such assemblage includes a parcel of property immediately to the west of GCT, formerly known as 51 East 42nd Street (former Lot 27, Block 1227), which was deeded in 1978 by The Penn Central Corporation, then owner of GCT, to 1V Owner's predecessor in interest (the "**1978 Deed**").

MTA leases GCT under a long-term net lease (the "**Harlem-Hudson Lease**"), which is scheduled to expire in February, 2274 and includes a purchase option. The GCT property leased to MTA under the Harlem-Hudson Lease includes certain areas in the basement of 51 East 42nd Street that were retained by The Penn Central Corporation under the terms of the 1978 Deed (the "**GCT Retained Property**").

The 1978 Deed contemplated that the grantee and its successors-in-interest would someday want to demolish the building and improvements located on the deeded property and construct a new building and, as such, granted to the grantee and its successors-in-interest rights to perform work within the GCT Retained Property, including major work entailing the relocation of easements and structural elements. 1V Owner intends to redevelop the One Vanderbilt Property by demolishing the existing buildings located thereon and constructing a new office building (the "**New Building**"), which will constitute such permitted major work under the 1978 Deed.

The One Vanderbilt Property is located within the new "Vanderbilt Corridor" zoning sub-district (comprised of the five blocks bounded by 42nd Street on the south, 47th Street on the north, and Vanderbilt and Madison Avenues on the east and west) that was established pursuant to a zoning text amendment adapted by the New York City Council in May, 2015 (the "**Vanderbilt Corridor Subdistrict**"). The new Vanderbilt Corridor Subdistrict zoning, among other things, authorizes the issuance of certain special permits for increased bulk in consideration of the provision of public circulation improvements in and around GCT.

In order to develop and construct the New Building, 1V Owner applied to the New York City Planning Commission (the "**CPC**") for such special permits, and such special permits were issued by CPC and approved by the New York City Council, conditioned upon 1V Owner's agreement, as documented in a recorded Restrictive Declaration dated as of May 27, 2015, to perform extensive improvements to the pedestrian circulation network in and around GCT, including the improvements within the footprint of the One Vanderbilt Property that are depicted on **Attachment 2** hereto. Such improvements include a series of new public corridors and vertical circulation elements within and adjoining the GCT Retained Property, which will provide dramatically improved access between Vanderbilt Avenue and East 42nd Street, the main concourse and lower levels of GCT, the adjoining GCT subway station and the new East Side Access concourse that MTA Capital Construction is constructing for the Long Island Rail Road.

The existing sub-grade boundary between the GCT Retained Property and the remainder of the One Vanderbilt Property is depicted in grey, superimposed on levels B-1, B-2, B-3 and B-4 of the plans for the New Building, on **Attachment 1** hereto. The purpose of the proposed exchange of property interests is to effect a relatively minor adjustment to such boundary (the highly irregular and angular nature of which is a vestige of the shape and configuration of the old building at 51 East 42nd Street that 1V Owner is demolishing), so as to facilitate the highly desirable, City- and MTA-approved on-site public circulation improvements that are depicted in **Attachment 2** hereto. An independent appraisal obtained by MTA Real Estate has confirmed that the values of the respective interests to be disposed of and acquired are equivalent.

The purpose of this negotiated exchange is within the MTA's mission and purpose and an explanatory statement pursuant to PAL §2897-6(d) will be prepared and transmitted in accordance with the requirements of such Section not less than 90 days prior to the consummation of such exchange.

Based on the foregoing, MTA Real Estate requests authorization, pursuant to the attached resolution, to enter into documents effecting such exchange of property interests, on the above-described terms and conditions.

ATTACHMENT 1

RETAINED PROPERTY RECONFIGURATION

APPROX. AREA:

	FLOOR AREA FROM SL GREEN TO MTA	N/A
	RETAINED PROPERTY	N/A
	FLOOR AREA FROM MTA TO SL GREEN	N/A
	UNEXCAVATED	N/A
	BUILDING FOOTPRINT	N/A
	RETAINED PROPERTY LINE	
	LEVEL B1 RATIONALIZED LINE	

RECONFIGURATION SUMMARY

FLOOR	SL GREEN TO MTA (SF.)	MTA TO SL GREEN (SF.)
GROUND LEVEL	N/A	N/A
LEVEL B1	661 SF	661 SF
LEVEL B2	664 SF	641 SF
LEVEL B3	664 SF	551 SF
LEVEL B4	124 SF	N/A
TOTALS:	2113 SF	1853 SF



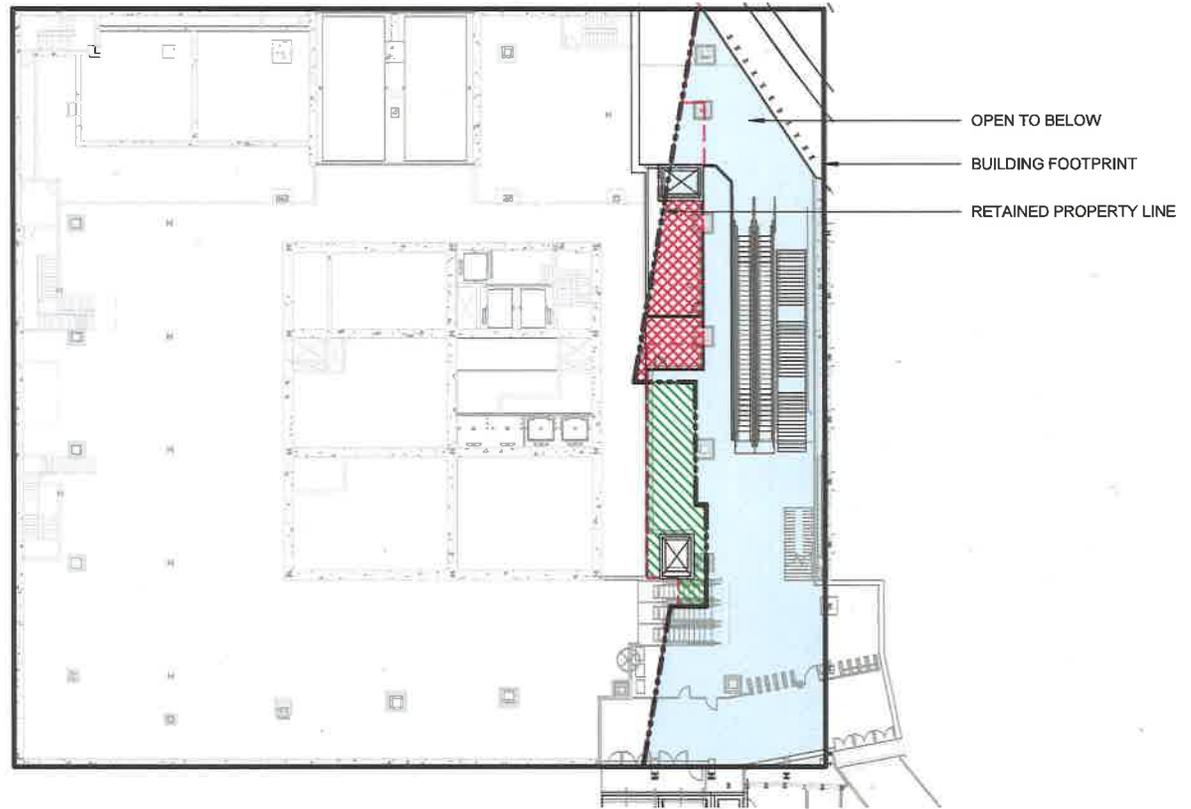
FLOOR PLAN - GROUND LEVEL
SCALE: 1/32" = 1'-0"

RETAINED PROPERTY RECONFIGURATION	
	APPROX. AREA:
	FLOOR AREA FROM SL GREEN TO MTA 661 SF
	RETAINED PROPERTY 8057 SF
	FLOOR AREA FROM MTA TO SL GREEN 661 SF
	UNEXCAVATED N/A
	BUILDING FOOTPRINT
	RETAINED PROPERTY LINE
	LEVEL B1 RATIONALIZED LINE



FLOOR PLAN - LEVEL B1
SCALE: 1/32" = 1'-0"

RETAINED PROPERTY RECONFIGURATION	
	APPROX. AREA:
	FLOOR AREA FROM SL GREEN TO MTA 664 SF
	RETAINED PROPERTY 7291 SF
	FLOOR AREA FROM MTA TO SL GREEN 641 SF
	UNEXCAVATED N/A
	BUILDING FOOTPRINT 469
	RETAINED PROPERTY LINE
	LEVEL B1 RATIONALIZED LINE



FLOOR PLAN - LEVEL B2
SCALE: 1/32" = 1'-0"



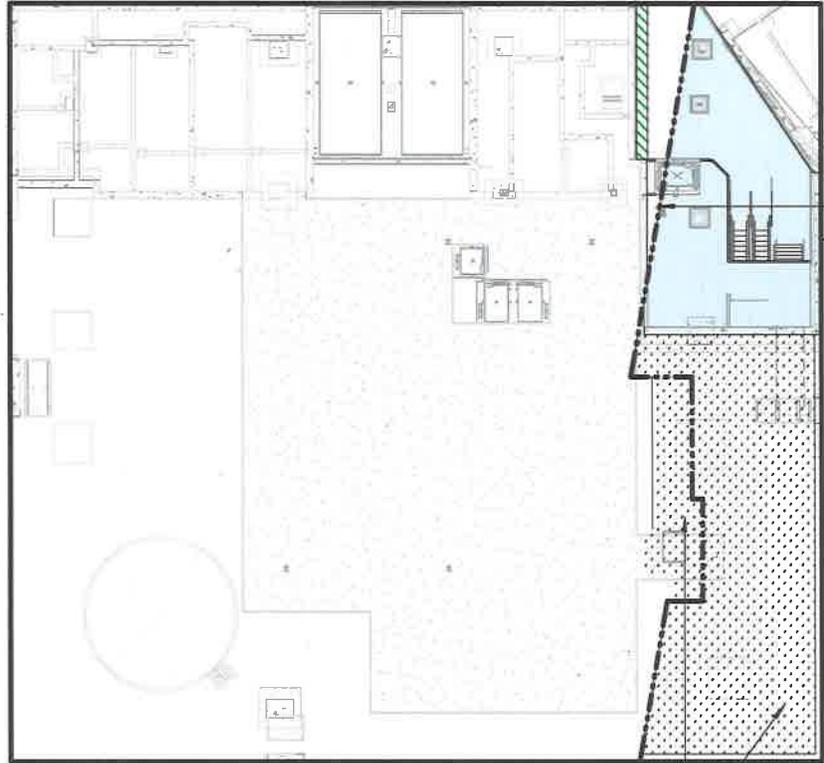
50 West 23rd Street 8th Floor /
New York, NY 10010-5272

RETAINED PROPERTY RECONFIGURATION	
	APPROX. AREA:
	FLOOR AREA FROM SL GREEN TO MTA 664 SF
	RETAINED PROPERTY 7301 SF
	FLOOR AREA FROM MTA TO SL GREEN 551 SF
	UNEXCAVATED N/A
	BUILDING FOOTPRINT
	RETAINED PROPERTY LINE
	LEVEL B1 RATIONALIZED LINE



FLOOR PLAN - LEVEL B3
SCALE: 1/32" = 1'-0"

RETAINED PROPERTY RECONFIGURATION	
	APPROX. AREA:
	FLOOR AREA FROM SL GREEN TO MTA 124 SF
	RETAINED PROPERTY 2850 SF
	FLOOR AREA FROM MTA TO SL GREEN N/A
	UNEXCAVATED N/A
	BUILDING FOOTPRINT N/A
	RETAINED PROPERTY LINE
	LEVEL B1 RATIONALIZED LINE

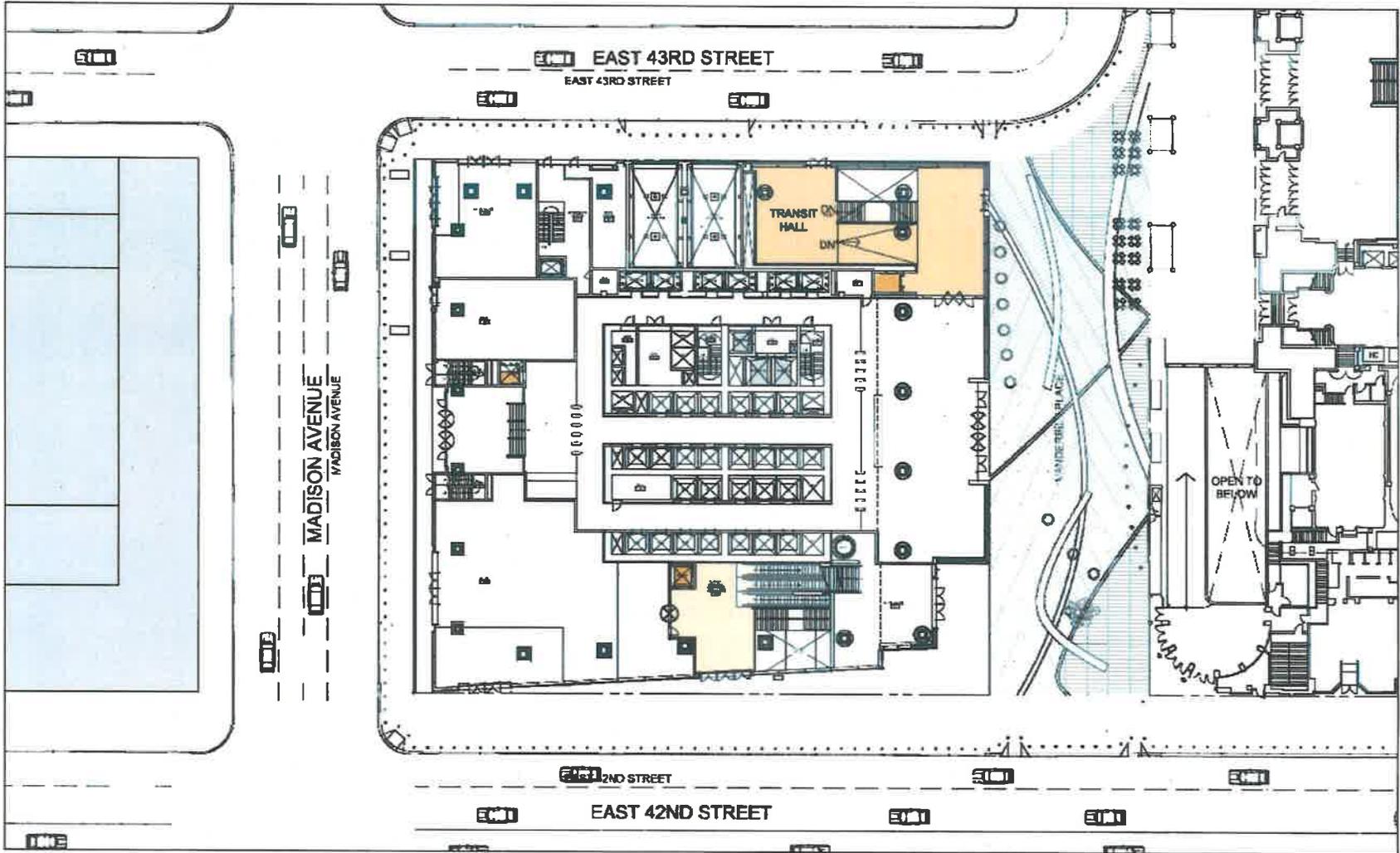


RETAINED PROPERTY LINE
BUILDING FOOTPRINT

UNEXCAVATED

FLOOR PLAN - LEVEL B4
SCALE: 1/32" = 1'-0"

ATTACHMENT 2



KPF
11 WEST 42ND STREET, NY, NY 10036

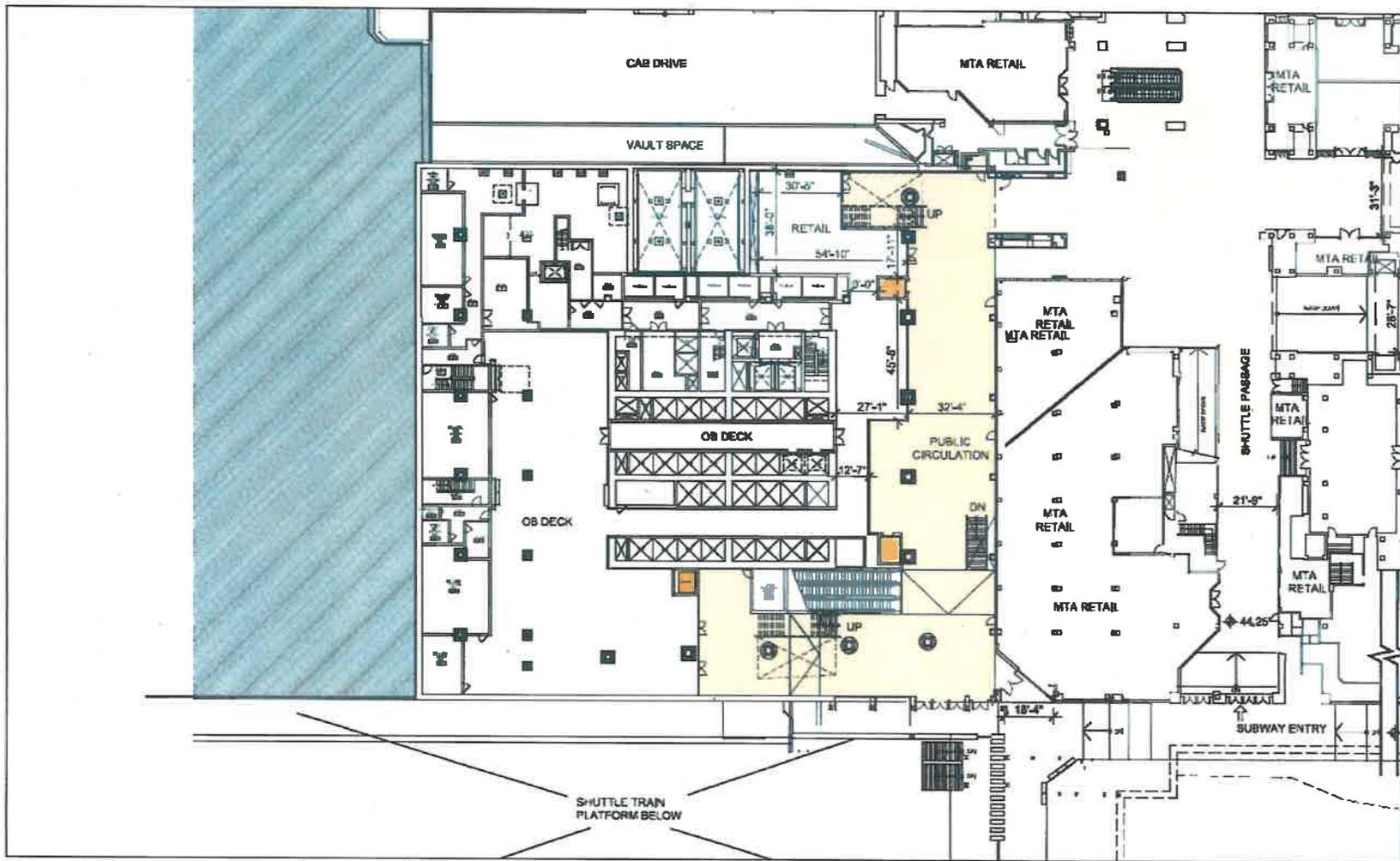
ONE VANDERBILT

GROUND FLOOR PLAN
SCALE: 1/32"=1'

PROGRESS

January 13, 2016

© 2016 KPF ARCHITECTS LLP. ALL RIGHTS RESERVED. KPF.COM



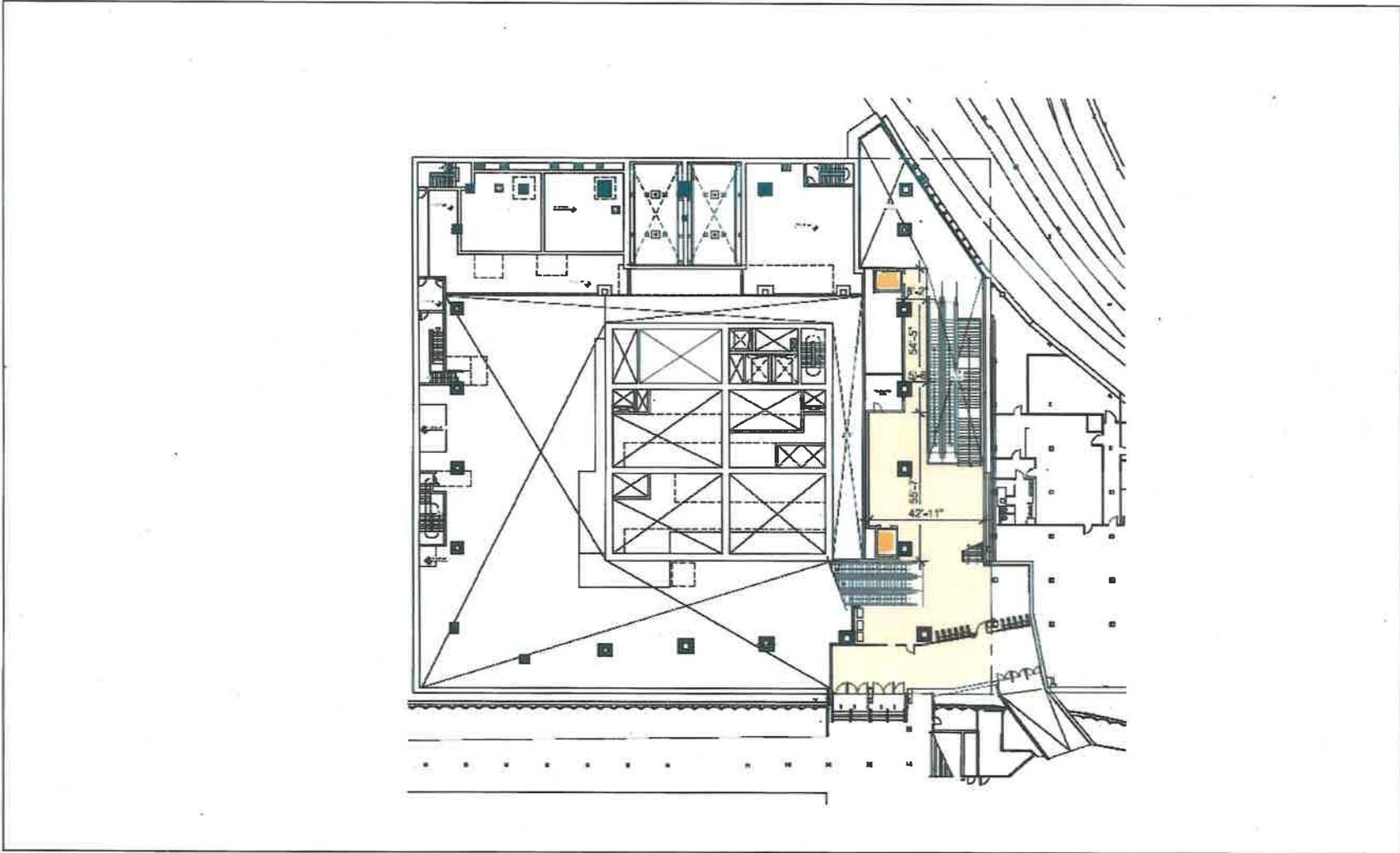
KPF
11 WEST 42ND STREET, NY, NY 10036

ONE VANDERBILT

81 GGT CONCOURSE
SCALE: 1/8"=1'

January 13, 2016

© 2015 KPF ARCHITECTS FOR ARCHITECTS INC. ALL RIGHTS RESERVED.

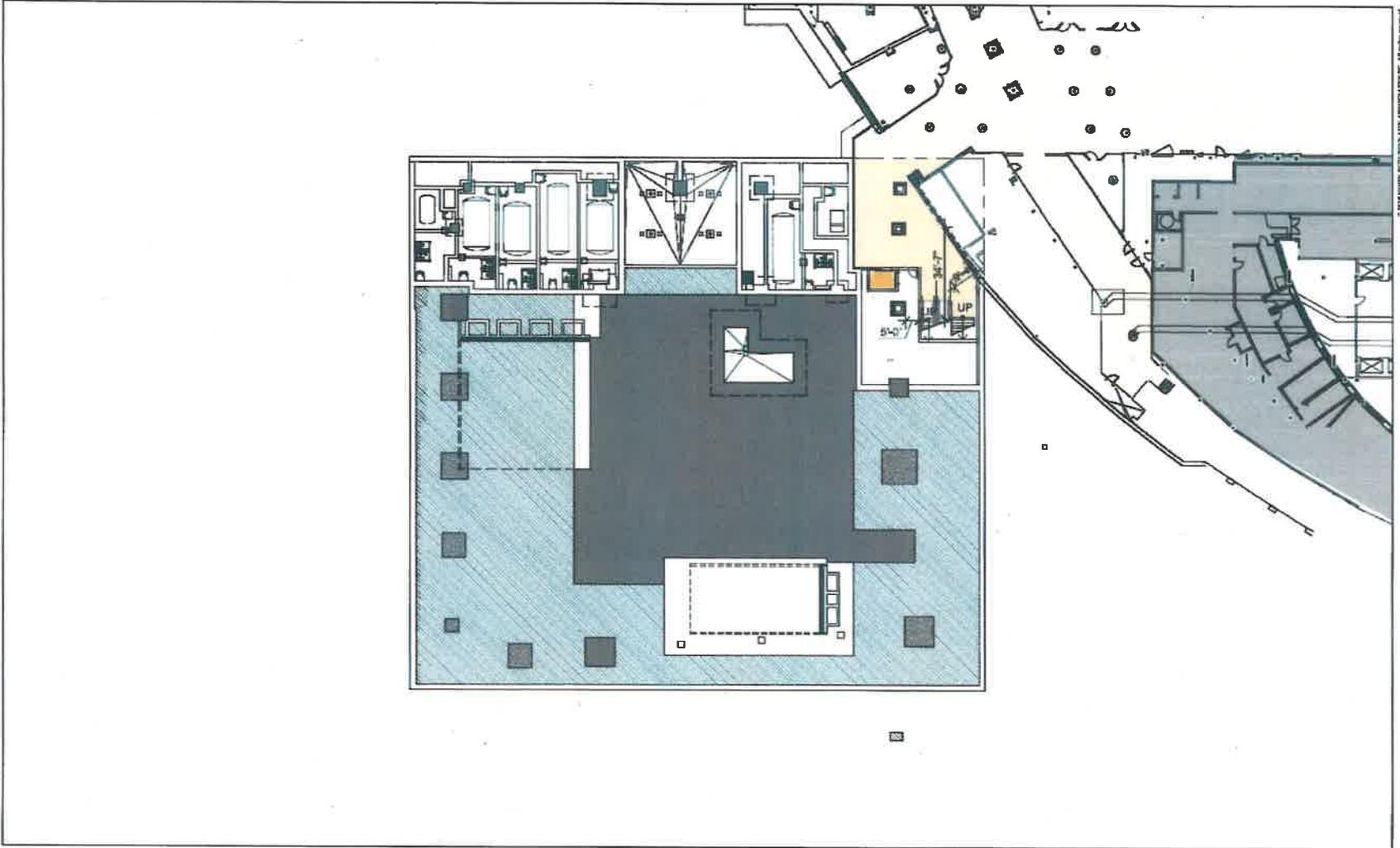


KPF
11 WEST 42ND STREET, NY, NY 10036

ONE VANDERBILT

B2 SHUTTLE PLATFORM
SCALE: 1/32"=1'

PROGRESS January 13, 2016



DATE: 01/13/2016 11:51 AM

KPF
11 WEST 42ND STREET, NY, NY 10036

ONE VANDERBILT

B4 EAST SIDE ACCESS
SCALE: 1/32"=1'

PROGRESS

January 13, 2016

BOARD RESOLUTION

WHEREAS, the GCT (capitalized terms are defined in the staff summary accompanying this Resolution) property leased to MTA Harlem-Hudson Lease is subject to the terms and conditions of the 1978 Deed;

WHEREAS, the 1V Owner is the successor in interest to the grantee under the 1978 Deed and has the right under the 1978 Deed to demolish the current buildings and improvements on its property and construct the New Building and in connection therewith to exercise other rights, including the right to perform major work entailing the relocation of easements and structural elements for the new building within the Retained Property;

WHEREAS, One Vanderbilt Property is located within the new Vanderbilt Corridor Sub-district and has applied for and has been issued several special permits by the New York City Council, including a special permit by the New York City Council based on a "Grand Central Public Realm Improvement Bonus", which would allow bulk increases of up to a maximum of 30.0 FAR in consideration for the agreement by 1V Owner, as documented in a recorded Restrictive Declaration dated as of May 27, 2015, to perform extensive improvements to the pedestrian circulation network in and around Grand Central Terminal, including the improvements within the footprint of the One Vanderbilt Property that are depicted on Attachment 2 hereto. Such improvements include a series of new public corridors and vertical circulation elements within and adjoining GCT's Retained Property, which will provide dramatically improved access between Vanderbilt Avenue and East 42nd Street, the main concourse and lower levels of GCT, the adjoining GCT subways station and the new East Side Access concourse that MTA Capital Construction is constructing for the Long Island Rail Road;

WHEREAS, a relatively minor 'adjustment' to the existing irregular and angular boundary line between the One Vanderbilt Property and the Retained Property will facilitate a more functional and desirable design and layout of the Project on-site transit improvements;

WHEREAS, the 'adjustment' to the existing sub-grade boundary between the Retained Property and the remainder of the One Vanderbilt Property can best be achieved only by a negotiated disposition with 1V Owner of the Property Disposition Areas, in exchange for the acquisition the Property Acquisition Areas;

WHEREAS, an independent appraisal obtained by MTA confirmed that the values of the Property Disposition Areas and the Property Acquisition Areas are equivalent, with an appraised value for each of \$13 million assuming the same were improved for its highest and best use as income producing 'retail' space; and

WHEREAS, the disposition of the Property Disposition Areas in exchange for the acquisition of the Property Acquisition Areas on terms and conditions consistent with the staff summary accompanying this Resolution is intended to further the public welfare and to advance the transportation interests of MTA by, inter alia, enhancing the ability of MTA to develop and improve commuter transportation and other services related to the same within the Metropolitan Commuter Transportation District, and, in addition, the disposal of the property rights in question is intended to advance the economic development interest of the State and City as well as the interest of MTA in transit-oriented development, by furthering the purposes embraced by the Vanderbilt Corridor Zoning in revitalizing currently obsolete office and retail space in midtown east and providing much needed Grand Central Public Realm Improvements, which is expected to result in the creation and retention of substantial number of job opportunities and the creation or retention of substantial sources of revenues to the State, City and MTA; and

WHEREAS, the purpose of this negotiated exchange is within the MTA's mission and purpose and an explanatory statement pursuant to PAL §2897-6(d) will be prepared and transmitted in accordance with the requirements of such Section not less than 90 days prior to the consummation of such exchange; and

WHEREAS, the MTA Board has received and considered the information described in paragraph b of PAL §2897-7, and has determined that there is no reasonable alternative to the proposed disposition of the Property Disposition Areas in exchange for the Property Acquisition Areas having an equivalent value that would achieve the same purpose as the proposed disposition;

**NOW, THEREFORE BE IT
RESOLVED, that**

1. In accordance with PAL Section 2897, the Chairman and Chief Executive Officer or his designee is authorized to proceed with the negotiated disposition of the Property Disposition Areas pursuant to a net

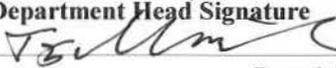
long-term sublease of the same for a term of 258 years to expire February 27, 2274, for an annual rent of one dollar, unless MTA's option to purchase the fee interest in such areas is exercised sooner, in which case the subleasehold interest will be converted automatically into a permanent easement, in exchange for the granting by 1V Owner to MTA of a permanent easement in and to the Property Acquisition Areas, and to execute and deliver any and all other necessary or appropriate agreements, documents, writings and other instruments, including modifications and supplements, on such terms as the Chairman and Chief Executive Officer or his designee deems necessary or appropriate, and to take all such actions as shall be necessary or desirable, in order to effectuate the foregoing.

2. The Chairman and Chief Executive Officer and his designees are hereby authorized to take any and all actions as may be necessary, desirable or convenient to satisfy applicable legal or regulatory requirements in connection with the foregoing actions.

This Resolution shall take effect immediately upon its adoption.

Dated: February 26, 2016

Staff Summary

Subject Second Ave Subway Acceleration Agreements					
Department Second Avenue Subway Project					
Department Head Name Anil Parikh, P.E. <i>For</i>					
Department Head Signature 					
Board Action					
Order	To	Date	Approval	Info	Other
1	NYCT & Bus Committee	2/22/16			
2	Finance Committee	2/22/16			
3	Board	2/24/16			

Date February 18, 2016			
Vendor Names Various			
Contract Numbers C-26009, C-26010, C-26011, and C-26012			
Internal Approvals			
Order	Approval	Order	Approval
1	Sr. Vice President & General Counsel		
2	Executive Vice President & CFO		
	President		

PURPOSE

MTACC seeks Board Approval to enter into agreements to accelerate the work of the following four Second Avenue Subway Contracts: C-26009 - Track, Signal, Traction Power, Communications Systems (the "Systems Contract"), C-26010 - Second Avenue Subway – 96th Street Station Finishes (the "96th Street Station Contract"); C-26011 - Second Avenue Subway – 72nd Street Station Finishes, Mechanical, Electrical and Plumbing Systems, Ancillary Buildings and Entrances (the 72nd Street Station Contract"); and C-26012 - Second Avenue Subway – 86th Street Station Finishes, Mechanical, Electrical and Plumbing Systems, Ancillary Buildings and Entrances (the 86th Street Station Contract). These four Acceleration Agreements will accelerate the completion of critical activities necessary to commence Revenue Service on Phase 1 of the Second Avenue Subway in December 2016.

DISCUSSION

The opening of the Second Avenue Subway with operations at four separate stations presents logistical challenges which are unprecedented in modern day New York City Transit operation. With this enormous challenge in mind and the understanding that there needs to be a massive mobilization of employee crews and equipment over a relatively short period of time, it is financially and operationally crucial that the system be ready as planned. Further complicating this process is the fact that three separate stations contractors must complete their work to a level that will enable the systems contractor to tie into the stations contract works so that all of the stations' systems and equipment can be successfully integrated, tested and commissioned. Taking all of these issues into consideration, as well as the extremely high passenger volume on the Lexington Avenue line and the stress that overcrowding presents to our customers, we have decided to make use of existing contingency funds within the project's budget to accelerate the completion of critical activities necessary to commence Revenue Service on Phase 1 of the Second Avenue Subway in December 2016:

The 72nd Street Station Contract

At the 72nd Street Station, the Contractor will work extended shifts, multiple shifts and/or weekends to accelerate completion of, among other things, facility power and electrical distribution rooms, mechanical rooms, Ancillaries 1 & 2, fan rooms, escalators and elevators, and testing and commissioning. The Contractor's proposal to accelerate this work was \$22,015,625. MTACC's estimate was \$17,105,762. Negotiations resulted in agreement on a total price for the acceleration of \$17,500,000, which is considered fair and reasonable.

The 86th Street Station Contract

At the 86th Street Station, the Contractor will work extended shifts, multiple shifts and/or weekends to accelerate completion of, among other things, permanent power, Ancillaries 1 and 2, mechanical systems, escalators and elevators, water mist system, station finishes, and testing and commissioning. The Contractor's proposal to accelerate this work was \$28,260,990. MTACC's estimate was \$18,123,796. Negotiations resulted in agreement on a total price for the acceleration of \$18,500,000, which is considered fair and reasonable.

The 96th Street Station Contract

At the 96th Street Station, the Contractor will work extended shifts, multiple shifts and/or weekends to accelerate completion of, among other things, Ancillaries 1 and 2; escalators and elevators, mechanical systems, station finishes and testing and commissioning. The Contractor's proposal to accelerate this work was \$17,588,881. MTACC's estimate was \$13,619,693. Negotiations resulted in agreement on a total price for the acceleration of \$14,000,000, which is considered fair and reasonable.

The Systems Contract

For the systems work, the Contractor will work extended shifts, multiple shifts and/or weekends to accelerate completion of, among other things, track installation, traction power work and communications systems. The Contractor's proposal to accelerate this work was \$33,585,205. MTACC's estimate was \$9,848,524. Negotiations resulted in agreement on a total price for the acceleration of \$16,000,000, which is considered fair and reasonable.

* * *

Each of the Acceleration Agreements will establish new intermediate milestones which support the commencement of NYCT pre-revenue testing and training by September 1, 2016 and Revenue Service in December 2016. The precise dates of the station milestones are still being established based upon the need dates of the System's contractor. The total price due for each of the agreements will be apportioned among the new milestones and the Acceleration Agreements will require the contractors to complete the work for each milestone within 30 days of the date established for the milestone in order to receive the milestone payment. The Agreements will also allow the contractors a second chance to earn the milestone payment for certain milestones if the contractor is able to "catch-up" in time to meet the date required for pre-revenue training and testing. However, if the contractor misses a milestone date (plus 30 days) and misses the pre-revenue service testing and training date (plus 30 days), the contractor will not be entitled to the milestone payment for that milestone. The MTA will retain the right, in its sole discretion, to pay a contractor for an otherwise missed milestone if Revenue Service commences in or before December 2016. The structure of the Acceleration Agreements provides the contractors with a continuing incentive to complete the work in time to commence Revenue Service in December 2016.

In order to complete all work necessary to support the December 2016 Revenue Service Date it was necessary to start acceleration immediately. Accordingly, the president of MTACC authorized each of the contractors to begin accelerating in January on a time and material basis for a not-to-exceed amount of \$740,000 per contract pending the negotiation and execution of formal acceleration agreements.

ALTERNATIVES

Failure to enter into the proposed Acceleration Agreements and implement the proposed acceleration plans will increase the risk that Revenue Service will not commence until sometime in 2017 which will also have a financial impact on construction management support costs as well as the operating budget and prolong crowded conditions on the Lexington Avenue line.

FUNDING IMPACT

The Acceleration Agreements will be funded from the project contingency.

RECOMMENDATION

For the reasons set forth herein, MTACC recommends that the Board authorize MTACC to enter Acceleration Agreements which will accelerate the work under the following four Second Avenue Subway Contracts for the amounts stated:

- C-26011 - the 72nd Street Station Contract \$17,500,000
- C-26012 - the 86th Street Station Contract in the amount of \$18,500,000
- C-26010 - the "96th Street Station Contract in the amount of \$14,000,000
- C-26009 - Systems Contract in the amount of \$16,000,000

PROCUREMENTS

The Procurement Agenda this month includes 10 actions for a proposed expenditure of \$232.2M.

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	2/22/16			
2	Board	2/24/16			

February 18, 2016			
Department	Law and Procurement – MTACC		
Department Head Name	Evan Eisland		
Department Head Signature			
Internal Approvals			
	Approval		Approval
	President NYCT		President MTACC
	Executive VP (ACTING)		President MTA Bus
X	Capital Prog. Management	X	Subways
	Law	X	Diversity/Civil Rights

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

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

DISCUSSION:
 NYC Transit proposes to award Non-Competitive procurements in the following categories: NONE

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

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

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

<u>Procurements Requiring Two-Thirds Vote:</u>	<u># of Actions</u>	<u>\$ Amount</u>
Schedule C: Competitive Requests for Proposals (Award of Purchase and Public Work Contracts)	1	\$ 202.1 M
<u>Schedules Requiring Majority Vote:</u>		
Schedule F: Personal Service Contracts	3	\$ 7.7 M
Schedule G: Miscellaneous Service Contracts	1	\$ 13.2 M
Schedule L: Budget Adjustments to Estimated Quantity Contracts	1	\$.4 M
SUBTOTAL	6	\$ 223.4 M

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

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

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

NYC Transit proposes to award Ratifications in the following categories:

<u>Schedules Requiring Majority Vote:</u>		
Schedule K: Ratification of Completed Procurement Actions	1	\$ 3.2 M
SUBTOTAL	1	\$ 3.2 M

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

<u>Schedules Requiring Majority Vote:</u>		
Schedule K: Ratification of Completed Procurement Actions	3	\$ 5.6 M
SUBTOTAL	3	\$ 5.6 M
TOTAL	10	\$ 232.2 M

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

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

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

BOARD RESOLUTION

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

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

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

NOW, the Board resolves as follows:

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

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

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

4. As to each action set forth in Schedule D, the Board declares competitive bidding impractical or inappropriate for the reasons specified therein, and ratifies each action for which ratification is requested.

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

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

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

FEBRUARY 2016

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

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

(Staff Summaries required for items requiring Board approval.)

- | | | |
|--|-----------------------------|--------------------------------------|
| <p>1. Parsons Transportation Group of New York, Inc.
 Two-Proposals - Fifty-eight month contract
 Contract # W-32366
 700/800 MHz Bus Radio System for the New York City Transit Authority.</p> | <p>\$202,100,000</p> | <p><u>Staff Summary Attached</u></p> |
|--|-----------------------------|--------------------------------------|

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.)

- | | | |
|---|--|--|
| <p>2. The Kohl Group, Inc.
 3. Material & Contract Services, Inc.
 4. Industrial Staffing Services, Inc.
 Eight-Proposals – Five-year contract
 RFQ# 83888
 Professional recruitment services.</p> | <p>\$3,000,000 (Est.)
 \$1,700,000 (Est.)
 \$3,000,000 (Est.)</p> | <p><u>Staff Summary Attached</u>
 ↓
 ↓</p> |
|---|--|--|

G. Miscellaneous Service Contracts

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

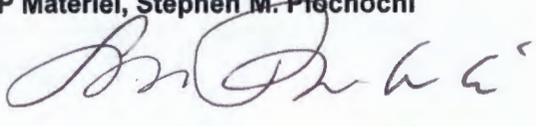
- | | | |
|---|-----------------------------------|--------------------------------------|
| <p>5. Republic Parking System
 Four-Proposals – Five-year contract
 RFQ# 116346
 Operation of the Transit Adjudication Bureau.</p> | <p>\$13,178,741 (Est.)</p> | <p><u>Staff Summary Attached</u></p> |
|---|-----------------------------------|--------------------------------------|

L. Budget Adjustments to Estimated Quantity Contracts

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

- | | | |
|---|-------------------------|--------------------------------------|
| <p>6. E-Solutions USA, LLC
 Contract# 8193
 Provide additional funding for the removal, transportation and recycling of obsolete computer and other electronic equipment.</p> | <p>\$392,278</p> | <p><u>Staff Summary Attached</u></p> |
|---|-------------------------|--------------------------------------|

Staff Summary

Item Number 1			
Division & Division Head Name: VP Materiel, Stephen M. Plochochi			
			
Internal Approvals			
Order	Approval	Date	Approval
1	Materiel <i>WD</i>	6 X	CPM
2 X	Law	7 2/15/16	President MTABC/SVP Buses <i>CP, RS, OI</i>
3 X	Budget	8	EVP, NYCT (ACTING) <i>MPC 2/18/16</i>
4 X	DDCR	9	President, NYCT <i>VH</i>
5 X	Subways		

SUMMARY INFORMATION	
Vendor Name Parsons Transportation Group of New York, Inc.	Contract No. W-32366
Description 700/800 MHz Bus Radio System for New York City Transit Authority	
Total Amount \$202,100,000	
Contract Term (including Options, if any) 58 months	
Option(s) incl. in Total Amt?	<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 checked="" type="checkbox"/> Other: City

PURPOSE:

To obtain Board approval to award a contract for the 700/800 MHz Bus Radio System for NYC Transit Authority and the MTA Bus Company (MTABC) to Parsons Transportation Group of New York, Inc. (Parsons) in the amount of \$202,100,000 and a duration of 58 months. The contract also includes three 5-year options for maintenance and training support services, the pricing for which is not included in the total amount listed above, as separate approval and funding will be sought prior to the execution of any option.

DISCUSSION:

The objective of this project is to design, furnish and install a new land mobile digital radio system in the 700/800 MHz band servicing both the NYC Transit Department of Buses (DOB) and MTABC. Upon completion of this project, DOB and MTABC will share a common radio network, base station sites and a new unified Bus Command Center (BCC) that is currently being built under a separate contract.

The current DOB analog radio system utilizes 20 channels in the 800 MHz band. This system is more than 25 years old, technologically obsolete and does not satisfy DOB requirements for quality of service and growth, including the addition of dispatching responsibility for MTABC. The MTABC operates on a leased analog radio system on nine channels in the 900 MHz band. Under the new Bus Radio System, all NYCT-allocated channels in the 700/800 MHz bands will be utilized in the system to communicate with personnel in buses, support vehicles and on portable radios. The work includes the retrofitting of 6,250 existing buses and support vehicles with new mobile radios, providing 1,250 portable radios, outfitting the new BCC with dispatch consoles, computer-aided dispatch equipment, network, telephone, video and audio systems, other furniture and all the hardware and software necessary for a functioning dispatch/command center.

An Authorizing Resolution requesting the use of a competitive Request for Proposals (RFP) procurement process was approved by the Board in July 2013. To encourage competition for this RFP, outreach efforts were made to the industry, including the release of a Request for Information (RFI) in 2013, in which all known potential proposers were invited to participate. As a result of the RFI, several potential Proposers were identified and all participants were contacted directly for this RFP. Selection was accomplished through the use of a one-step RFP process in which prospective Proposers submitted technical and cost proposals that were evaluated by a Selection Committee (SC) in accordance with pre-established selection criteria, which prioritized technical factors, including: Proposer's capability to design, furnish, integrate and install a system which meets the coverage and capacity requirements set forth in the RFP while maintaining existing radio operations; experience with the integration of various subsystems including Radio Systems, CAD systems, Dispatch Consoles, Microwave Backhauls, GPS Systems; and FCC Coordination and licensing. After technical factors, the overall project cost and other relevant matters were a consideration. Following advertising, the RFP package was purchased by four radio manufacturers as well as other potential primes, subcontractors and suppliers. Two radio manufacturers did not propose; despite Transit's inquiry, we were not able to ascertain why. The remaining two manufacturers submitted proposals, one as a prime and the other as a subcontractor to a system integrator.

Staff Summary

Technical and cost proposals were received as follows: Motorola Solutions Inc. (Motorola) - \$223,948,017 (plus \$76,133,601 for a five-year optional maintenance support service) and Parsons - \$248,678,868 (plus \$39,997,229 for a five-year optional maintenance support service). The internal estimate was \$192,400,000 (not including optional maintenance). Both proposers certified compliance with the Federal Buy America requirements. Due to the complexity of this project, a Technical Committee (TC) comprised of members from various NYC Transit and MTABC Departments including engineering, communications and electronics maintenance, was established in order to conduct an evaluation of the technical proposals and report its findings to the SC. Both proposers were invited to give oral presentations. After oral presentations, the technical review was completed and the TC ranked Parsons' technical proposal very good, meeting all aspects and in some cases exceeding the critical requirements, while Motorola's technical proposal was ranked marginal, lacking essential information and having significant weaknesses, which may be correctable. The SC, considering the selection criteria, unanimously recommended the two teams for negotiations, affording Motorola an opportunity to remedy its technical deficiencies.

Parsons' technical solution utilizes 35 radio sites and it is based on a TETRA technology radio, a global standard extensively used in Europe and recently introduced in the US. TETRA standard is an open architecture that will permit any manufacturers' product meeting this requirement to be used. The TETRA radio is manufactured by PowerTrunk (a U.S. subsidiary of Sepura PLC, a European company), which has deployed numerous radio systems throughout the world, including the US, and has full FCC certification for its proposed equipment as required by the RFP. Motorola is a radio manufacturer; its technical solution, as first submitted, utilized 19 sites and is based on TETRA technology for the 800 MHz band and a combined TETRA/P25 radio solution operating on the 700 MHz band. Although Motorola's proposed 800 MHz radio equipment currently exists and is FCC certified, the TETRA radios for the 700 MHz band that Motorola proposed would require future design and manufacture using TETRA technology that Motorola has not previously deployed in the U.S. Moreover, Motorola does not have FCC certification for its TETRA equipment operating in the 700 MHz band, a pre-requisite in order to be eligible for award.

Negotiations were conducted with both firms and included discussions of commercial and contractual terms and conditions, technical requirements and overall cost, and focused on ensuring that each technical solution complied with all requirements contained in the scope of work and technical specifications, especially with respect to coverage areas. During negotiations, Motorola was made aware that its technical solution did not meet the RFP requirements with respect to coverage (including signal strength requirements), and reminded that it would need to obtain FCC certification for its proposed 700 MHz equipment in order to be eligible for award. Parsons was advised that it needed to address post installation support in the NY operating area.

Following negotiations, a Post Proposal Addendum (PPA) was issued to both Proposers in order to allow Motorola, in particular, additional time to address those areas in which its proposal was deemed to be lacking and to submit an interim proposal so as to bring it into compliance with Transit's requested coverage, signal strength and FCC certification requirements. The PPA also further clarified the technical specifications and allowed Parsons to submit an interim proposal, although its original technical proposal met or exceeded Transit's requirements. Finally, the optional maintenance support services requirements were also revised and the term of the maintenance was extended from one five-year period to three five-year periods to ensure maintenance coverage at competitive pricing for the useful life of the system. The PPA also requested that both proposers submit interim cost proposals. The internal estimate was revised to \$204,027,868 (plus \$79,993,607 for optional maintenance).

Interim proposals were received by the established November 3, 2015 deadline. The interim cost proposals received were as follows: Parsons - \$209,521,409 (plus \$84,004,193 for the three 5-year optional maintenance terms) and Motorola - \$214,763,536 (plus \$115,161,755 for the three five-year optional maintenance terms) for Motorola. The interim proposals represented a 16 % and 4% reduction, respectively, from the initial proposals received. Parsons' optional maintenance cost included limitations on service calls. As Parsons' technical proposal needed no improvement to comply with the specifications, its interim technical proposal included only minor revisions. Motorola's revised technical proposal, on the other hand, included substantial changes from the initial proposal, including eight additional radio sites, bringing the total number of sites to 27. Of those 27 sites, only a subset of 13 were proposed to be outfitted with 700 MHz radio base station equipment to support communications between bus operators and the Bus Command Center. Despite the additional sites and numerous changes to its technical proposal however, Motorola's revised solution still lacked FCC certification for the 700 MHz equipment and was deemed marginal by the TC due to its inability to demonstrate compliance with the minimum requirements of Transit's specifications with respect to coverage and signal strength on the 700 MHz system.

A second round of negotiations was scheduled with each of the proposers to discuss the interim proposals. As a result of the outstanding deficiencies with Motorola's proposed solution, on November 23, 2015, NYC Transit requested clarification on three technical items. On December 2, 2015, Motorola submitted its response which contained, rather than answers to NYC Transit's three questions, a paragraph-long "commitment" to building an entirely new mobile radio different from that set forth in either their initial or their interim proposal. The email introduced, for the first time, the concept of developing this new mobile radio that would operate in both 700 MHz and 800 MHz. Under this "solution," Motorola did not offer a TETRA radio that was presently designed and FCC

Staff Summary

certified for combined 700/800 MHz operation, but would have to design and manufacture a brand new radio capable of operating across both bands, which it would then have to submit for FCC certification. This last minute conceptual "solution," which lacked technical specifications or detail, was deficient on its face.

At the conclusion of negotiations, Parsons was requested to submit its Best and Final Offer (BAFO), and while Motorola was informed that its BAFO would be reviewed if it chose to submit one, Motorola was reminded that its technical proposal remained non-compliant with the RFP requirements and that those areas of non-compliance would be carefully evaluated in the award determination. BAFO requests included negotiated terms and conditions specific to each proposer and introduced a pricing request for various training modules. As a cost savings measure, each proposer was also given the option of submitting an alternate BAFO based on an advanced payment, a different Milestone/Progress payment ratio, and changes to the Authority Damages in Case of Delay provision. BAFOs were received on January 8, 2016. Parsons' BAFO was \$205,564,010 (plus \$109,418,868 for the three 5-year optional maintenance periods and \$9,126,875 for training modules); at NYC Transit request, the optional maintenance amount did not include limitations on service calls and Motorola's BAFO was \$172,498,875 (plus \$81,915,506 for the three 5-year optional maintenance periods and \$15,616,906 for training modules). Parsons' alternate BAFO was in the amount of \$204,749,143 (no changes to the optional maintenance and training modules amounts) and Motorola's alternate BAFO was in the amount of \$168,992,119 (no changes to the optional maintenance and training modules amounts).

The SC unanimously recommended Parsons for award, determining that its proposal offered the best overall value to NYC Transit based on the selection criteria. Notwithstanding the lower BAFO price, Motorola's BAFO proposal failed to rectify its technical deficiencies and, as a result, was not recommended for award by the SC. A further review of Parsons' BAFO identified areas that warranted clarification, such as concessions Parsons had indicated during negotiations that it was willing to make, but did not appear to be reflected in the BAFO price. Parsons was contacted regarding these items to be clarified, and, as a result, Parsons submitted a letter in which it offered to reduce its BAFO's price as follows: \$202,100,000 (plus \$90,715,600 for the three 5-year optional maintenance periods. This amount includes limitations on service calls; however on a higher number from the interim proposal) representing reductions of \$3,464,010 on the base portion and \$18,703,268 on the optional maintenance. Parsons' BAFO of \$202,100,000 was \$1,927,868 (1%) lower than the in-house estimate of \$204,027,868 and \$46,578,868 (19%) less than the initial proposal. This price is considered fair and reasonable.

Parsons' past experience as prime and systems integrator includes projects of similar magnitude performed in the US and throughout the world. PowerTrunk has deployed radio systems worldwide and its TETRA radio system is currently being implemented for another US transit property. Reference checks on Parsons and PowerTrunk prior projects were satisfactory.

A background check performed by Materiel on Parsons revealed no "Significant Adverse Information" (SAI) within the meaning of the All Agency Responsibility Guidelines. However, a background check performed on one of its subcontractors, RailWorks Transit, Inc., disclosed information that is considered SAI. Approval of this SAI issue is being sought concurrently with this request. After consideration of all relevant information, Parsons has been found fully responsible for award.

M/W/DBE INFORMATION:

The MTA Department of Diversity and Civil Rights has established goals at 3% DBE. Award will not be made until the Department of Diversity and Civil Rights' approval is obtained. Parsons Transportation Group has achieved its previous MWDBE goals on previous MTA contracts.

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 project is funded by the FTA, MTA, and City (MTABC) and will be managed by NYC Transit under the MTA Capital Program.

ALTERNATIVES:

Perform the work using in-house personnel. Not recommended as in-house forces do not have the resources to perform the scope of this project.

RECOMMENDATION:

That the Board approve the award of a contract for the 700/800 MHz Bus Radio System for NYC Transit Authority and the MTA Bus Company to Parsons Transportation Group of New York, Inc. in the amount of \$202,100,000 and a duration of 58 months. The contract also includes three 5-year options for maintenance and training support services. Separate approval and funding will be sought prior to the execution of any option.

Staff Summary

Item Number 2-4			
Division & Division Head Name: VP Materiel, Stephen M. Plochochi			
Internal Approvals			
Order	Approval		Approval
1 <i>SJS</i>	Materiel	6	EVP <i>MPC</i> (ACTING)
2 X	Law	7	President <i>VA</i>
3 X	Human Resources	8	
4 X	Budget	9	
5 X	DDCR	10	

SUMMARY INFORMATION	
Vendor(s) Name The Kohl Group, Inc. Material & Contract Services, Inc. Industrial Staffing Services, Inc.	Contract No. RFQ 83888
Description Professional Recruitment Services	
Total Amount \$3,000,000 (Est) – The Kohl Group, Inc. \$1,700,000 (Est) – Material & Contract Services, Inc. \$3,000,000 (Est) - Industrial Staffing Services, Inc.	
Contract Term (including Options, if any) March 1, 2016 – February 28, 2021	
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:	

PURPOSE:

To obtain approval from the Board to award three competitively negotiated personal service contracts to provide professional recruitment services primarily in the areas of engineering and procurement for a term of five years. One awardee, Industrial Staffing Services, Inc., is a certified WBE.

DISCUSSION:

NYC Transit has encountered challenges recruiting and retaining staff in the areas of engineering and procurement. Within the field of engineering, it has been particularly difficult to recruit and retain staff in the specialized areas of electrical engineering, communication engineering, cost estimating and scheduling. It is anticipated that these contracts will be utilized to help fill approximately 58 vacancies per year in engineering and procurement. The contracts to be awarded are expected to improve the quality of the candidate pools for positions in these areas and to reduce the time required to fill such positions. High market demand for these specialties, with higher salaries available in the region, result in difficulty attracting a sufficient pool of quality talent to satisfy the agency's staffing needs.

Under these contracts, the consultants will provide professional recruitment services primarily in the areas of engineering and procurement on an "as-needed" basis. When requested by NYC Transit, the consultants will conduct searches to identify potential candidates for vacant positions, conduct preliminary interviews and perform initial screening for relevant experience, skills and education. These contracts will be awarded on an estimated quantity basis with fees paid only for candidates selected by NYC Transit. There is no minimum guarantee of any number of placements. The consultant services will be utilized to help fill vacancies in hard to fill titles.

The Request for Proposal was advertised in March 2015 and was structured to allow for multiple awards. Eight proposals were received on May 19, 2015 from the following firms: Career Point Staffing, Inc. (Career Point), Infosys International, Inc. (Infosys), Material and Contract Services, Inc. (MACS), The Kohl Group, Inc. (Kohl), Industrial Staffing Services, Inc. (ISS), Dominion Temps, Inc. (Dominion), World Networking Services, Inc. (WNS) and Madison Approach Staffing, Inc. (Madison). Proposals were evaluated by the Selection Committee in accordance with the evaluation criteria in the RFP which included such technical criteria as: proposer's demonstrated knowledge, proven industry experience with established professional networks, qualifications and track record in recruiting qualified individuals in specific fields; qualifications and experience of proposer's employees; and recruitment strategy.

Staff Summary

After the technical evaluation, four firms were invited to give oral presentations: Kohl, MACS, Career Point and ISS. The firms not selected for further consideration did not have enough experience providing recruitment services in the areas of engineering and procurement.

Following oral presentations, and in accordance with the evaluation criteria in the RFP, the Selection Committee unanimously selected three firms for contract negotiations: Kohl, MACS and ISS. Career Point did not sufficiently demonstrate its experience in finding the types of professional staff that NYC Transit seeks or its understanding of the project requirements.

Negotiations with the remaining proposers focused on the fees and contractual terms and conditions. Upon completion of negotiations, Best and Final Offers (BAFOs) were requested from the three remaining proposers and were received on October 27, 2015. The price schedule required proposers to provide a percentage of annual salary as the fee for a successful placement. The price schedule was tiered and allowed proposers to provide different percentages based on the number of candidates successfully placed. In order to compare proposals, a weighted average percentage fee was computed for each proposer. What follows is a summary of the proposers' initial proposed weighted average fees and BAFO weighted average fees:

<u>FIRM</u>	<u>ORIGINAL PROPOSED FEE</u>	<u>BAFO FEE</u>
Kohl	18.2%	16.2%
MACS	16.4%	14.1%
ISS	14.0%	13.4%

BAFO fees were found to be fair and reasonable for all three proposed awardees based on a comparison to market rates for recruiting services.

The Selection Committee reviewed BAFOs and, in accordance with the evaluation criteria in the RFP, unanimously selected all three firms for award. It was determined that all three firms were technically qualified to perform the contract work. Kohl has provided similar services to large private sector firms, including AT&T and Avaya. In addition, Kohl has had prior contracts with NYC Transit for temporary engineering support; Kohl's performance has been satisfactory on these contracts. ISS has provided similar services to the NYS Office of General Services, the NY Power Authority and the Port Authority of NY and NJ. MACS has provided similar services to the Los Angeles MTA, the Bay Area Rapid Transit District, the Alameda County Transit District and other public and private firms. Reference checks for all three firms were positive.

Kohl and ISS specialize in the engineering industry, while MACS specializes in procurement positions. Contracting with two firms that specialize in engineering will allow NYC Transit to solicit resumes from both firms in order to obtain a better pool of candidates; only one firm specializing in procurement staff was selected since MACS was the only proposer with the requisite experience and a proven track record providing procurement personnel.

The estimated amounts for the five year term for each consultant are: Kohl \$3,000,000; MACS \$1,700,000; ISS \$3,000,000. The estimated contract values include contingency amounts to allow for more intensive utilization of either Kohl or ISS for engineering personnel and for potential use of the three firms to help fill vacancies in other engineering and procurement areas.

A background search and review of documents submitted by The Kohl Group, Inc., Industrial Staffing Services, Inc. and MACS, Inc. disclosed no "significant adverse information" within the meaning of the All-Agency Responsibility Guidelines. Having evaluated all of the available facts, Procurement finds all three firms responsible for award.

M/W/DBE INFORMATION:

The MTA Department of Diversity and Civil Rights (DDCR) has established goals of 10% MBE and 10% WBE for this contract. DDCR has approved the utilization plans for Kohl, ISS and MACS. One awardee, ISS, is a certified WBE. ISS and MACS have not completed any MTA contracts; therefore, no assessment of their MWBE performance can be determined at this time. Kohl has completed previous MTA contracts, however, no goals were assigned to those contracts; therefore, no assessment of the firm's MWBE performance can be determined at this time.

IMPACT ON FUNDING:

Approved funding is available in Human Resource's Operating Budget under Account No. 712209, Responsibility Center No. 7132 and Function No. 900.

ALTERNATIVES:

None recommended.

RECOMMENDATION:

It is recommended that the Board approve the award as described in the "Purpose" section.

Schedule G: Miscellaneous Service Contracts

Item Number: 5

Vendor Name (& Location) Republic Parking System (Chattanooga, TN)
Description Operation of the Transit Adjudication Bureau
Contract Term (including Options, if any) Five Years
Option(s) included in Total Amt? <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 checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:

Contract Number RFQ 116346	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total Amount:	\$13,178,741 (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: Law Department, James Henly	

Discussion:

This estimated quantity contract is for staffing to support the operation of the Transit Adjudication Bureau (TAB). TAB provides a forum for the processing and adjudication of Notices of Violations issued for violations of the Transit Rules of Conduct governing the use of the Transit System. The contractor will provide staff who will conduct significant components of the operation of TAB under the supervision of NYC Transit’s Executive Director of TAB.

Under the current contract, the incumbent, CGI Technologies and Solutions, Inc. (CGI), provides both the staffing for operation of TAB as well as a computer system that tracks fines, payments, outstanding balances, hearing outcomes and enforcement and collection efforts. This computer system was originally designed and built by American Management Systems in 1986. American Management Systems was subsequently acquired by CGI. The computer system has reached the end of its useful life and is in need of replacement. In order to enhance competition for this RFP, a decision was made to develop a replacement computer system in-house. The new system, known as the Transit Adjudication Bureau Information System (TABIS), has been under development for several years by MTA IT. It is currently in user acceptance testing with full implementation planned during the second quarter of 2016. This procurement commenced in the third quarter of last year in anticipation of awarding a competitive contract for staffing to support TAB operations using the new system.

In order to ensure adequate competition for this contract, Procurement conducted extensive outreach to the marketplace. The Request for Proposal was advertised in September 2015 and, as a result of the outreach effort, four proposals were received in December 2015 from the following firms: CGI, Global Contact Services (GCS), Republic Parking System (RPS) and Prutech Solutions (Prutech). Proposals were evaluated by the Selection Committee in accordance with the evaluation criteria in the RFP. All four firms were invited to give oral presentations.

Following oral presentations, and in accordance with the evaluation criteria in the RFP, the Selection Committee unanimously selected three firms for negotiations: CGI, RPS and Prutech. The evaluation criteria included such criteria as: proposer’s approach to the work including the required transition plan; demonstrated, relevant experience of proposer’s management team; and proposer’s demonstrated experience implementing projects of similar size and service requirements; overall project cost; and other relevant matters. GCS was not selected for negotiations as it did not sufficiently demonstrate its experience in implementing projects having similar service requirements or demonstrate the requisite experience of its proposed management team.

Negotiations with the remaining proposers focused on the pricing and contractual terms and conditions. Upon completion of negotiations, Best and Final Offers (BAFOs) were requested from the three remaining proposers and were received on January 28, 2016. What follows is a summary of the initial price proposals and BAFOs:

<u>PROPOSER</u>	<u>INITIAL PRICE</u>	<u>BAFO PRICE</u>
CGI	\$17,520,583	\$16,537,549
RPS	\$10,529,543	\$13,178,741
Prutech	\$13,748,732	\$13,748,732

The Selection Committee reviewed BAFOs and, in accordance with the evaluation criteria, unanimously selected RPS for award. RPS was the highest technically ranked proposer. RPS demonstrated experience performing similar contracts providing adjudication services for parking violations for various US cities including Hartford, CT; Albany, NY; Louisville, KY; and Chattanooga, TN. RPS’ proposed project management personnel were experienced in managing contracts for adjudication services. Prutech did not demonstrate the same level of experience with contracts for similar service requirements, and CGI’s price proposal far exceeded that of its competitors.

The annual price is approximately 16.8% less than the annual price for the current contract after deducting computer system fees from the current contract price. The BAFO for RPS was found to be fair and reasonable based on adequate price competition. A background search and review of documents submitted by RPS disclosed no significant adverse information within the meaning of the All-Agency Responsibility Guidelines. Having evaluated all of the available facts, Procurement finds RPS fully responsible for award.

<p>6. E-Solutions USA, LLC Contract # 8193 June 10, 2014 – June 9, 2019</p>	<p>Original Amount: Prior Modifications: Prior Budgetary Increases: Current Amount:</p>	<p>\$ 249,505 \$ 0 \$ 0 \$ <u>249,505</u></p>
	<p>This Request:</p>	<p>\$ 392,278</p>
	<p>% of This Request to Current Amount:</p>	<p>157.2%</p>
	<p>% of Mods/Budget Adjustments (including This Request) to Original Amount:</p>	<p>157.2%</p>

Discussion:

This Budget Adjustment will provide additional funding for the continued removal, transportation and recycling of obsolete computer and other electronic equipment from Agency facilities.

This competitively awarded all-agency contract provides for the removal and recycling of obsolete computer and other electronic equipment (e-waste) from various MTA facilities including NYC Transit, MTA Headquarters, Bridges and Tunnels, Long Island Rail Road, MTA Bus Company, Metro-North Railroad, MTA Capital Construction and the MTA Business Service Center. All requests for service are coordinated by NYC Transit’s Asset Recovery Unit. This is a five-year estimated quantity contract with fixed unit prices; there are approximately 40 months remaining in the contract term.

The contractor is required to utilize New York State Department of Environmental Conservation (NYSDEC) approved recycling facilities and recycle equipment in an environmentally responsible manner that is compliant with NYSDEC guidelines. Additionally, the contractor is required to de-manufacture the equipment into its original components, guarantee that data stored in any electronic devices will be destroyed or otherwise rendered into a condition from which data cannot be recovered, and recycle all material. Since 2012, NYSDEC regulations have not allowed for disposal of computer equipment and other electronic equipment, including office machines such as copiers, in landfills.

This Budget Adjustment is necessary because usage of the contract increased significantly after contract award. The most significant factors driving the increase include the following. First, retirement of copiers, which must be disposed of through this contract, have increased due to replacement of copiers. Second, DC-AC inverters for R68 and R68A subway car blower motors were replaced under the SMS program in 2014 and 2015; these inverters were not included in the original projections. Third, some equipment which was previously disposed of under the obsolete computer equipment line item of the prior contract must now be disposed of under a more expensive contract line item. Finally, while all agencies were included in the contract scope, some had negligible projected usage prior to contract award and began utilizing the contract more intensively than planned after award.

A 5% price reduction was negotiated with E-Solutions based on the unanticipated additional volume.

FEBRUARY 2016

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. **Henningson, Durham & Richardson** **\$3,200,000 (NTE)** **Staff Summary Attached**
Architecture and Engineering, P.C.
Contract# 1333.8

Modification to the contract for design and construction support services for the rehabilitation of nine stations on the Sea Beach Line, in order to perform additional Phase II Design Services.

Schedule K: Ratification of Completed Procurement Actions



Item Number: 1

Vendor Name (& Location) Henningson, Durham & Richardson Architecture and Engineering, P.C. (New York, NY)	Contract Number CM-1333	AWO/Mod. #: 8
Rehabilitation of Nine Stations on the Sea Beach Line	Original Amount: \$ 9,754,283 Option Amount: \$ 3,144,833 Total Amount: \$ 12,899,116	
Contract Term (including Options, if any) June 20, 2007 – July 13, 2019	Prior Modifications: \$ 5,255,931	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a	Prior Budgetary Increases: \$ 0	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	Current Amount: \$ 18,155,047	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	This Request (NTE): \$ 3,200,000	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:		% of This Request to Current Amount: 17.6%
Requesting Dept/Div & Dept/Div Head Name: Capital Program Management, John O’Grady	% of Modifications (including This Request) to Total Amount: 65.6%	

Discussion:

This retroactive modification is for additional design services performed by Henningson, Durham & Richardson Architecture and Engineering, P.C. (HDR) for the Rehabilitation of Nine Stations and Line Structure on the Sea Beach Line, Borough of Brooklyn. These additional design services were performed during the period February 2014 through March 2015.

HDR was awarded Consultant Contract CM-1333 in June 2007 for Design and Optional Construction Support Services (CSS) for the Rehabilitation of Nine Stations and Line Structure on the Sea Beach Line, Borough of Brooklyn. The CSS Option was exercised in March 2015. Under the base contract, the consultant is providing design services for the rehabilitation of nine stations (8th Avenue, Fort Hamilton Parkway, New Utrecht Avenue, 18th Avenue, 20th Avenue, Bay Parkway, Kings Highway, Avenue U, and 86th Street) and the structural repair of the retaining walls and the associated infrastructure from north of the 8th Avenue station to south of the 86th Street station.

The consultant began design work in 2007. The design was suspended in 2009 due to lack of funding in the MTA Capital Plan for construction, at which time approximately 90% of the design work was completed. Funds were secured in 2012 and design was restarted with a projected construction award in December 2014. Subsequent to restart of the design, in an effort to reduce construction costs, the project was split into two construction contracts, comprised of six and three stations, and changed from a full station rehabilitation approach to a component renewal approach. Following that split, and change in approach, beginning in early 2014, additional revisions were made to the project and are the subject of this modification. The major revisions included extensive ADA related tasks and a change from platform slab repair to full platform replacement. These revisions required significant effort as there were approximately 3000 design drawings that had to be reviewed or revised. The additional work by HDR had to be completed prior to award of the construction contracts. Due to the critical nature of the work and the need to expedite the completion of the design effort, HDR was directed by the NYC Transit Design Manager to proceed with the additional work. HDR completed all tasks under this modification and the construction contracts were awarded as planned. A retroactive memo was approved by the Acting Senior Vice President, CPM for the performance of the completed design work.

HDR submitted a proposal for the additional design services in the amount of \$4.1 million which was higher than the final in-house estimate of \$2.9 million for the completed work. HDR provided copies of actual payroll records to substantiate their proposal. After detailed analyses of the HDR payroll records by CPM, MTA Audit and Procurement, in addition to several scope clarification meetings with HDR, agreement was reached in the amount of \$3.2 million. The final negotiated price is considered fair and reasonable.

FEBRUARY 2016

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. | Judlau Contracting, Inc.
Contract# C-26011.194 | \$913,867 | <u>Staff Summary Attached</u> |
| | Modification to the contract for station finishes for the Second Avenue Subway, 72 nd Street Station, in order to address additional costs associated with conduit and wiring changes from the mimic panels to the substation and SCADA equipment. | | |
| | Judlau Contracting, Inc. | | <u>Staff Summary Attached</u> |
| 2. | Contract# C-26006.165 | \$927,000 | ↓ |
| 3. | Contract# C-26006.262 | \$3,750,000 | ↓ |
| | Modification to the contract for the construction of the Second Avenue Subway, 63rd Street/Lexington Avenue Station Reconstruction, in order to furnish and install 36 additional fire dampers and 6 motorized dampers in the duct work of the station and to perform grouting/leak mitigation in the tunnel. | | |

Item Number: 1

Vendor Name (& Location) Judlau Contracting, Inc. (New York, NY)
Description Second Avenue Subway – 72 nd Street Station Finishes, Mechanical, Electrical and Plumbing Systems, Ancillary Buildings and Entrances
Contract Term (including Options, if any) February 14, 2013 – November 13, 2015
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-Competitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification
Funding Source <input 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-26011	AWO/Mod. # 194
Original Amount:	\$ 247,048,405
Option 1:	\$ 3,934,595
Option 2:	\$ 1,270,000
Option 3:	\$ 6,100,000
Total Amount:	\$ 258,353,000
Prior Modifications:	\$ 29,141,539
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 287,494,539
This Request:	\$ 913,867
% of This Request to Current Amount:	0.3%
% of Modifications (including This Request) to Total Amount:	11.6%

Discussion:

This retroactive modification is for additional costs associated with conduit and wiring changes from the Mimic Panels to the Substation and SCADA equipment.

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, glass storefronts, and canopies at station entrances and ancillary facilities; and restoration of Second Avenue and adjacent streets impacted by construction.

The contract requires the Contractor to install two facility power substations (north and south) at the 72nd Street Station that will provide power for lighting, tunnel ventilation fans, escalators, elevators, communication rooms, and HVAC and plumbing systems. Each substation includes a mimic panel that provides monitoring and control of equipment located within its substation. 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 by the Contractor to Con Edison for review and approval after award of the construction contract.

Upon review of the latest facility substation submission and similar to changes that were required for the 86th Street and 96th Street Stations, Con Edison requires that the mimic panel in each facility power substation be able to remotely monitor the facility power equipment in the other substation. This change requires the installation of additional conduit and cable between the north and south facility power substations. Whether this modification is the result of an error or omission in design is currently being evaluated.

Considering the criticality of permanent power for testing and commissioning of equipment and systems within the station, it was necessary for this work to start immediately in order not to delay the completion of the facility power substations. Approval to process this modification on a retroactive basis was subsequently obtained from the MTACC President.

The Contractor’s proposal was \$1,005,852. MTACC’s estimate is \$987,854. Negotiations resulted in agreement on a lump sum price of \$913,867, which is considered fair and reasonable. Savings of \$91,985 were achieved.

The schedule impact of this modification and others related to Con Edison service is still under review and will be addressed in a subsequent modification.

Item Number: 2-3

Vendor Name (& Location) Judlau Contracting, Inc. (College Point, 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. # 165 and 262
Original Amount:	\$ 176,450,000
Prior Modifications:	\$ 25,403,348
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 201,853,348
This Request: Mod.165: \$927,000 Mod 262: \$3,750,000	\$ 4,677,000
% of This Request to Current Amount:	2.3%
% of Modifications (including This Request) to Original Amount:	17.0%

Discussion:

These retroactive modifications are for the furnishing and installation of 36 additional fire dampers and 6 motorized dampers in the duct work of the 63rd St./Lexington Avenue Station and the grouting/leak mitigation of the tunnel south of the 63rd St./Lexington Avenue Station to north of 57th Street and 7th 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.

Modification 165:

NY State Building Code requires that fire dampers be installed in duct work passing through all fire-rated walls and floors in order to create fire separation. However, the contract documents do not indicate fire dampers at 36 such locations. Additionally, upon review of the station’s HVAC system, it was determined that 6 additional motorized dampers are necessary in order to properly control air flow throughout the station.

This modification addresses the furnishing and installation of 36 fire dampers and 6 motorized dampers, each with access doors for maintenance purposes. Work includes demolition of cement block walls in order to enlarge openings, conduit relocation for access, removal and reinstallation of duct work and insulation, additional conduit, wire and associated electrical work to power the motorized dampers, sealing all openings around the modified duct work, furnishing and installation of two ceiling access panels where dampers are located above a finished ceiling and all associated surveying and shop drawing modifications. This modification is the result of an error in design.

It was necessary for this work to start immediately in order not to delay the turnover of the affected rooms to the Systems contractor. Approval to process this modification on a retroactive basis was obtained from the MTACC President on March 24, 2015.

The Contractor’s proposal was \$1,157,247; MTACC’s revised estimate is \$985,884. Negotiations resulted in a lump sum price of \$927,000, which is considered fair and reasonable. Savings of \$230,247 were achieved.

Modification 262:

The tracks in the tunnel south of the 63rd St./Lexington Avenue Station to north of 57th Street and 7th Avenue Station were built in the late 1970s as part of the "New Routes" 63rd St. Line. These tracks never had regular train service, and have been rarely used, except for occasional re-routes. Currently there is no scheduled revenue service over them however, this will change once SAS service begins with the ‘Q’ train scheduled to operate along these tracks and continuing to the new 2nd Avenue Subway. Given the

significant water ingress that has been constantly present in this area since its construction, the northbound and southbound tracks in this section have experienced severe degradation.

NYC Transit has determined that this tunnel section must be addressed immediately including the replacement of track, tunnel lighting, antenna cable, emergency alarms, emergency telephones, etc. The above track replacement and associated signal equipment work will be addressed through a third-party contract and NYC Transit in-house forces will address the remaining work, all of which must be completed in time for SAS Revenue Service. However, in order to perform this work, the water condition must be addressed first. NYC Transit has directed that the specialized chemical grout (NOH₂O) and methods that were successfully employed on other MTACC and NYC Transit projects, be utilized in this tunnel section. Considering the proximity of the 63rd Street Station to this tunnel section, the fact that the grouting subcontractor and Judlau have collaborated on the previously successful NYC Transit applications and are currently performing grouting work in the station, it has been determined that the most expeditious way to address this leak mitigation work is by modification under Contract C-26006.

This modification addresses the development of grouting procedures, leak/crack inspections, preparation of concrete surfaces, drilling of grout holes, performance of pre-grouting water injection tests, injection of chemical grouting, patching all drill holes and providing safety, quality and administrative support. Funding for this modification will be provided by NYC Transit.

In order to complete the work prior to the start of track work, it was necessary to start immediately. The Contractor was directed to start the work on January 8, 2016. Approval to process this modification on a retroactive basis was subsequently obtained from the MTACC President on February 2, 2016. Additionally, the VP Materiel previously authorized partial payment to the contractor for work performed up to \$650,000.

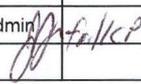
The Contractor's proposal was \$6,310,113; MTACC's revised estimate is \$3,532,564. Negotiations resulted in a lump sum price of \$3,750,000, which is considered fair and reasonable. Savings of \$2,560,113 were achieved.

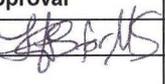
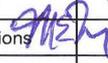
The schedule impact of these modifications is still under review and any schedule adjustments will be addressed in a subsequent modification.

Staff Summary

Subject Second Memorandum of Understanding (MOU) between MNR and City of Newburgh for Reimbursement of Ferry Landing/ Parking Lease	Date February 4, 2016
Department Operations Planning and Analysis	Vendor Name N/A
Department Head Name Delana Glenn	Contract Number N/A
Department Head Signature 	Contract Manager Name N/A
Project Manager Name Scott Ornstein	Table of Contents Ref#

Board Action					
Order	To	Date	Approval	Info	Other
	M-N Comm. Mtg.	2-22-16	X		
	MTA Board Mtg.	2-24-16	X		

Internal Approvals			
Order	Approval	Order	Approval
6	President 		Budget
	VP Operations		VP Capital Programs
4	VP Financial Admin 		Engr/Const
	Controller		Project Reporting

Internal Approvals (cont.)							
Order	Approval	Order	Approval	Order	Approval	Order	Approval
1	VP Planning 	3	Government Relations 		Labor Relations	2	General Counsel 
	Press		VP Human Resources		Human Resources	5	Executive Vice-President 

PURPOSE: To obtain MTA Board approval for Metro-North to enter into a Second Memorandum of Understanding (Second MOU) with the City of Newburgh, New York (the City) for Metro-North to reimburse the City for lease payments for the parking and ferry landing facilities used by the Newburgh-Beacon ferry for the period January 1, 2016 through January 31, 2017.

DISCUSSION: In August 2004 Metro-North and the City entered into an agreement concerning the mooring, docking, and use of facilities in Newburgh to be used for the Newburgh-Beacon Ferry. Under that agreement, the City would lease from a private landowner the land and facilities to create a ferry dock and 250-space parking facility for ferry riders. At the same time, the City and the New York State Department of Transportation (NYSDOT) entered into a contract by which NYSDOT reimbursed the City for the rent payments under the lease; that contract has since expired and will not be renewed by NYSDOT. NYSDOT has reimbursed the City for the lease payments through April 2015. Under an MOU dated May 26, 2015 between Metro-North and the City previously approved by the MTA Board, Metro-North reimbursed the City for lease payments from May through December 2015, at the monthly rate of \$21,278.

The City has entered into a lease extension with the property owner through January 31, 2017, which provides for no increase in rental payments from the prior lease. Under the proposed Second MOU Metro-North will reimburse the City for the same period of time as the lease extension (January 1, 2016 – January 31, 2017). The Second MOU also provides that the City and Metro-North will work together in a diligent, cooperative and time sensitive manner to identify and make available alternative locations for the Ferry Service and parking facility, as well as work together to identify other sources of funding. The Second MOU has been authorized and executed by the City.

The City does not have the resources to shoulder the expense of the ferry facility property lease. If Metro-North does not reimburse the City for the expense of leasing the ferry facility lands, the lease will terminate and the Newburgh-Beacon Ferry service would be interrupted.



Staff Summary

NYSDOT has provided Metro-North with Congestion Mitigation/Air Quality (“CMAQ”) funds, which may be used as reimbursement for assistance payments made to the City by Metro-North to fund the lease extension through January 2017. The MTA Board approved Metro-North’s acceptance of these funds for various connecting services-related projects, including the Newburgh-Beacon Ferry. Of the CMAQ funds, \$255,336 will be used to fund the reimbursement to the City. Funding for January 2017 will be identified and reflected in the 2017 budget process.

BUDGET IMPACT: Metro-North has already received the CMAQ funding from NYSDOT, of which \$255,336 is available to be programmed for this purpose. There is no net impact on the operating budget.

ALTERNATIVE: If Metro-North does not enter into this Second MOU, then the City would terminate the lease agreement for the Newburgh-Beacon Ferry landing, parking facility, and mooring rights. The likely impact of this action would be interruption of the ferry service while a new site is identified, procured, and any required improvements are constructed.

RECOMMENDATION: That the MTA Board grant approval for MNR to enter into a Second Memorandum of Understanding with the City of Newburgh regarding reimbursement of lease expenses paid by the City for land used for the Newburgh-Beacon ferry landing and parking facility for the period January 1, 2016 through January 31, 2017.

METRO NORTH AND LONG ISLAND RAILROAD

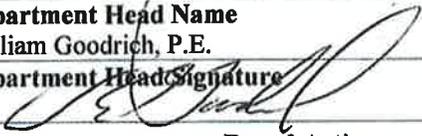
JOINT COMMITTEE

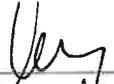
MTA BOARD

Action Item

FEBRUARY 2016

Staff Summary

Subject Utility Relocation Funding Agreement for 415 Madison Ave.					
Department East Side Access Project					
Department Head Name William Goodrich, P.E.					
Department Head Signature 					
Board Action					
Order	To	Date	Approval	Info	Other
1	MNR and LIRR Joint Committee	2/22/16	X		
2	Finance Committee	2/22/16	X		
3	Board	2/24/16	X		

Date February 5, 2016			
Vendor Names 415 Madison Avenue LLC.			
Contract Number N/A			
Project Manager Name Randy Fleischer			
Internal Approvals			
Order	Approval	Order	Approval
		3	President 
	^{for} Sr. Vice & General Counsel _{JCA}	2	Executive Vice President & CFO 

PURPOSE

MTACC seeks Board Approval to enter into an agreement with 415 Madison Avenue LLC for reimbursement of construction services for utility relocation work at 415 Madison Avenue for the not-to-exceed amount of \$14,827,874.

DISCUSSION

As part of the East Side Access (“ESA”) Project, the MTA plans to build an entrance to the new LIRR concourse from East 48th Street within an existing building owned by 415 Madison Avenue LLC (“Owner”). Utilities and equipment that service the building are located in an area where ESA plans to construct its entrance.

The MTA and the building’s Owner agree that utilities that interfere with entrance construction, operations, and maintenance must be relocated. Both parties entered into an Agreement dated June 30, 2015 whereby the owner’s consultant will develop architectural and engineering designs and plans for the utility relocation work. MTA and the owner agreed that the Owner will perform the utility relocation work. The Owner prefers to use its own contractors for work on its own utilities within its building. The Owner’s construction management consultant’s work estimates confirm that it can perform the work efficiently and at a competitive price. MTACC seeks Board approval to enter into an agreement to have the Owner perform the necessary relocation and demolition work and for the MTA to reimburse the Owner for that work.

Although the Owner and MTA have not yet finalized the easement agreement that will grant to the MTA the portion of the Owner’s premises needed for the new entrance, it is prudent to move forward with the utility relocation work now. These utilities must be relocated before entrance construction work performed by an MTACC third party contractor can commence within the premises. Even if easement negotiations failed and the MTA obtained the building space through condemnation, these utilities would still have to be relocated before entrance construction.

ALTERNATIVES

In the alternative, the MTA could perform this work through one of its contracts. This alternative would require the MTA to obtain the easements in the premises in advance of the work, which would delay the work until the easement agreement is finalized and executed. Waiting until the easement agreement is executed before work can begin would delay entrance construction by several months. This alternative would also require the MTA to obtain additional temporary easements than currently planned for entrance construction because the MTA would have to gain access to the building locations where the utilities are being moved. This alternative is not recommended because the Owner, a sophisticated real estate developer, is in the best position to contract for this work within its own building. This alternative will cost the MTA more because the MTA will have to obtain additional easements and work estimates show that Owner will likely be able to perform the work at a lower cost. Finally, if the MTA performs the work, it will remain liable to the Owner for any issues that arise as a result of utility relocation.

FUNDING IMPACT

This Agreement will be funded through ESA’s budget under Contract CM015A, CMR99 account and ESA unallocated contingency.

RECOMMENDATION

MTACC recommends that the Board authorize MTACC to enter into an agreement with 415 Madison Avenue LLC for reimbursement of construction services for utility relocation work at 415 Madison Avenue for the not-to-exceed amount of \$14,827,874.



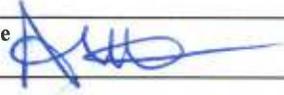
Metro-North Railroad

Procurements

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 February 8, 2016

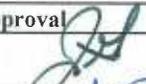
Vendor Name Various

Contract Number Various

Contract Manager Name Various

Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	MNR Comm. Mtg.	2-22-16	X		
2	MTA Board Mtg.	2-24-16	X		

Internal Approvals			
	Approval		Approval
X	President 		
X	Executive V.P. 		V.P. Capital Programs
X	Sr. V.P. Operations 	X	Acting 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:

	<u># of Actions</u>	<u>\$ Amount</u>
<u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u>	NONE	
<u>Schedules Requiring Majority Vote</u>	NONE	

SUB TOTAL:

MNR proposes to award competitive procurements in the following categories:

	<u># of Actions</u>	<u>\$ Amount</u>
<u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u>	<u>NONE</u>	
<u>Schedules Requiring Majority Vote</u>		
Schedule G: Miscellaneous Service Contracts	4	\$1,593,473
Transportation Technology, Inc.	\$666,371	
Wabtec Passenger Transit, Inc.	\$272,028	
Sherwood Electromotion, Inc.	\$500,000	
Walco Electric Company, Inc.	\$155,074	
Schedule H: Modifications to Personal/Miscellaneous Service Contracts	2	\$3,000,000
Danella Rental Systems, Inc.	\$1,000,000	
TNT Equipment, Inc.	\$2,000,000	
SUB TOTAL:	6	\$4,593,473

MNR presents the following procurement actions for Ratification:

<u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u>	<u>NONE</u>	
<u>Schedules Requiring Majority Vote</u>		
SUB TOTAL:		
TOTAL:	6	\$4,593,473

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

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

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

METROPOLITAN TRANSPORTATION AUTHORITY

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

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

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

NOW, the Board resolves as follows:

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

FEBRUARY 2016

METRO-NORTH RAILROAD

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedules Requiring Majority Vote:

G. Miscellaneous Service Contracts

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

1. Transportation Technology, Inc. \$666,371 (not-to-exceed)

Overhaul of BL20GH Caterpillar Head End Power Engines and Alternators

Approval is requested to award a competitively solicited (one bid received) miscellaneous service contract in the amount of \$666,371 to Transportation Technology Inc. (TTI), the sole responsive, responsible bidder, to overhaul nine BL20GH Caterpillar Head End Power (HEP) Engines and Alternators.

The scope of work includes but is not limited to: disassembling the engine and cleaning and renewing piston rings, cylinder liners, and crankshaft main bearings, replacing connecting rods, cylinder heads, valve rotators, and fuel injectors and specifically overhauling the engine's alternator in accordance with the required Original Equipment Manufacturer (OEM) maintenance specifications. These units will have a warranty of two years after placement in service. The overhaul of these HEP and Alternator units shall maintain them in a state of good repair and preclude system failures.

TTI was the sole responsive and responsible bidder of these services. A price comparison shows that TTI is 19.3% below the engineer's estimate for this overhaul and deemed fair and reasonable. This procurement is to be funded by the MNR Operating Budget.

2. Wabtec Passenger Transit, Inc. \$272,028 (not-to-exceed)

Repair and Return of WABTEC D4 Air Compressors

Approval is requested to award a competitively solicited, two year miscellaneous service contract (two bids received) in the amount of \$272,028 for the pick-up, repair, and delivery of Wabtec D4 Air Compressors used on MNR's M-2 fleet. The current M-2 fleet consists of thirty-six cars.

The scope of work includes but is not limited to: disassembling, cleaning, and inspection of components, motor repairing or rebuilding, rebuilding of compressor and armature balancing and testing. These repairs ensure the efficient, timely, and safe operation of the M-2 railcars. MNR does not have in-house capability to perform this work.

The unit prices contained within this agreement are fixed for the two year period. Wabtec pricing is 32% lower than the next lowest bid and is deemed fair and reasonable for the work to be performed. This procurement is to be funded by the MNR Operating Budget.

3. Sherwood Electromotion, Inc. \$500,000 (not-to-exceed)
Repair and Return of EMD Locomotive D77 and D78 Traction Motors

Approval is requested to award a competitively solicited, five year (three year base with two 1-year options) miscellaneous service contract (three bids received) in the amount of \$500,000 for the pick-up, repair, and delivery of D77 and D78 traction motors used on MNR's switcher shuttle Locomotive fleets. This is required to maintain MNR's locomotive fleet's long term operational requirements.

The scope of work includes but is not limited to: armature testing and rewind, installation of coils, and repair, and recondition and rebuild of motor assemblies. These repairs ensure the efficient, timely, and safe operation of the locomotive fleet. MNR does not have in-house capability to perform this work.

The unit prices contained within this agreement are fixed for the first three years, with the fourth and fifth year prices adjusted in accordance with the Bureau of Labor Statistics. Sherwood's pricing is 60.71% lower than the next lowest bid and is deemed fair and reasonable for the work to be performed. This procurement is to be funded by the MNR Operating Budget.

4. Walco Electric Company, Inc. \$155,074 (not-to-exceed)
Repair and Return of General Electric GDY54 Double Ended Motor Blower Sets

Approval is requested to award a competitively solicited, two year (with options up to four years), miscellaneous service contract (three bids received) in the not-to-exceed amount of \$155,074 for the pick-up, repair, and delivery of General Electric GDY54 Double Ended Motors Blower Sets used on MNR's M-2 EMU Fleet.

The scope of work includes but is not limited to: disassembling, cleaning and inspecting components, motor repairing or rebuilding, rebuilding of compressor, and armature balancing and testing. These repairs ensure the efficient, timely, and safe operation of the remaining EMU railcars in service. MNR does not have the in-house capability to perform this work.

The prices contained within this agreement are fixed for the two year base period with the third fourth, fifth and sixth year prices adjusted in accordance with the Bureau of Labor Statistics. Walco's pricing is 29% lower than the next lowest bid and is deemed fair and reasonable for the work to be performed. This procurement is to be funded by the MNR Operating Budget.

H. Modifications to Personal/Miscellaneous Service Contracts

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

5. Danella Rental Systems, Inc. \$1,000,000

TNT Equipment, Inc. \$2,000,000

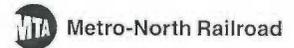
Heavy Equip. and Vehicle Rental Contract \$3,000,000 (not-to-exceed) *Staff Summary Attached*

Approval is requested to award a contract change order for additional funding under the current purchase authorizations with Danella Rental Systems, Inc. (Danella) and TNT Equipment, Inc. (TNT) in the total amount of \$3,000,000 to provide continuous rental of heavy equipment and vehicles used by MNR's various operating divisions. Danella and TNT currently provide specific earthmoving, truck, and industrial rental equipment to MNR.

In 2014 under a joint procurement lead by Long Island Rail Road (LIRR), MNR awarded a tiered three-year contract to eight heavy and vehicle rental suppliers to support various MNR departments and their territories of responsibility. To date, MNR has experienced significant increases in vehicle rental spending over the last two year period with the trend forecasted to continue through the contract completion of April 2017. This is due to unanticipated rentals and an increase in the number of vehicles needed to meet the demand of all current open projects throughout the Railroad.

All terms and conditions as well as the pricing for equipment rentals will remain unchanged. The total cost for this change order request is not to exceed \$3,000,000 (\$1,000,000 = Danella and \$2,000,000= TNT), and it is to be funded by the MNR Operating Budget.

Schedule H: Modifications to Personal Service and Miscellaneous Service Contracts



Item Number: H

Vendor Name (& Location) Danella Rental Systems, Inc. (Plymouth Meeting, PA) TNT Equipment, Inc. (Cinnaminson, NJ)	Contract Number IT04360-MW04	AWO/Modification # 2
Description Heavy Equipment and Vehicle Rental Contract	Original Amount:	\$2,046,000
Contract Term (including Options, if any) Three Years	Prior Modifications:	\$750,000
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Prior Budgetary Increases:	\$0.00
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	Current Amount:	\$2,796,000
Solicitation Type <input type="checkbox"/> RFP <input checked="" type="checkbox"/> Bid <input type="checkbox"/> Other:	This Request:	\$3,000,000
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	% of This Request to Current Amount:	93.2%
Requesting Dept/Div & Dept/Div Head Name: Procurement & Material Management, A Muir, Sr. Director	% of Modifications (including This Request) to Original Amount:	68.2%

Discussion:

Approval is requested to award a contract change order for additional funding under the current purchase authorizations with Danella Rental Systems, Inc. (Danella) and TNT Equipment, Inc. (TNT) in the total amount of \$3,000,000 to provide continuous rental of heavy equipment and vehicles used by MNR's various operating divisions. Danella and TNT currently provide specific earthmoving, truck, and industrial rental equipment to MNR.

In 2014, under a joint procurement led by Long Island Rail Road (LIRR), MNR awarded a tiered three-year contract to eight heavy and vehicle rental suppliers to support various MNR departments and their territories of responsibility. To date, MNR has experienced significant increases in vehicle rental spending over the last two year period with the trend forecasted to continue through the contract completion of April 2017. This is due to unanticipated rentals and an increase in the number of vehicles needed to meet the demand of MNR's ongoing effort to renew the safety of its infrastructure and return it to a state of good repair.

All terms and conditions as well as the pricing for equipment rentals will remain unchanged. The total cost for this change order request is not to exceed \$3,000,000 (\$1,000,000 = Danella and \$2,000,000 = TNT), and it is to be funded by the MNR Operating Budget.

LONG ISLAND RAIL ROAD

PROCUREMENTS

FOR

BOARD ACTION

February 24, 2016

Staff Summary

Subject : Request for Authorization to Award Various Procurements						Date February 24, 2016			
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	02.22.16				X	President <i>PJM</i>		VP & CFO
2	MTA Board	02.24.16				X	Exec. Vice President <i>cep</i>		VP, Gen. Counsel & Secy
							Sr. VP-Operations		
							Executive VP		

PURPOSE:

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

DISCUSSION:

LIRR proposes to award Non-Competitive Procurements in the following categories:

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

LIRR proposes to award Competitive Procurements in the following categories:

Schedules Requiring Two-Thirds Vote

Schedule B: Competitive Requests for Proposals

<u># of Actions</u>	<u>\$ Amount</u>
1	\$TBD
SUBTOTAL	1

LIRR proposes to award Ratifications in the following categories:

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

<u>TOTAL:</u>	<u>1</u>	<u>\$TBD</u>
----------------------	-----------------	---------------------

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.

FEBRUARY 2016

MTA LONG ISLAND RAIL ROAD

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote

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

(Staff Summaries only required for items estimated to be greater than \$1 million)

- | | | | |
|----|---|--------------|--------------------------------------|
| 1. | TBD
Competitive RFP
Contract No. TBD | \$TBD | <i><u>Staff Summary Attached</u></i> |
|----|---|--------------|--------------------------------------|

LIRR requests MTA Board approval to adopt a resolution declaring that competitive bidding is impractical or inappropriate and that it is in the public's best interest to use the Request for Proposal (RFP) process pursuant to Section 1265-a of the Public Authorities Law to award a contract to design and furnish signal system components for the New Second Track – Farmingdale to Ronkonkoma on the LIRR Ronkonkoma Branch. A preliminary design is being completed by the LIRR's Design Consultant.

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

Staff Summary



Item Number:					
Dept & Dept Head Name: Procurement & Logistics, Dennis					
Department Head Signature & Date <i>[Signature]</i> 2/10/16					
Division & Division Head Name: Program Management, Richard Oakley					
Division Head Signature & Date <i>[Signature]</i>					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	LI Committee	2.22.16	X		
2	MTA Board	2.24.16	X		
Internal Approvals					
Order	Approval	Ord	Approval		
1	President <i>[Signature]</i>	4	Sr. VP, Engineering <i>[Signature]</i>		
2	Executive VP <i>[Signature]</i>	5	VP, Chief Financial Officer <i>[Signature]</i>		
3	Sr. VP, Operations <i>[Signature]</i>	6	VP, Gen Counsel <i>[Signature]</i>		

SUMMARY INFORMATION	
Vendor Name	Contract Number
TBD	TBD
Description:	
New Signal Equipment - Mainline Second Track, Farmingdale to Ronkonkoma Phase I and Phase II	
Total Amount:	
TBD	
Contract Term (including Options, if any):	
TBD	
Options(s) included in Total Amount:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Renewal?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type	
<input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-Competitive	
Solicitation Type	
<input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source	
<input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

I. PURPOSE/RECOMMENDATION

LIRR requests MTA Board approval to adopt a resolution declaring that competitive bidding is impractical or inappropriate and that it is in the public’s best interest to use the Request for Proposal (RFP) process pursuant to Section 1265-a of the Public Authorities Law to award a contract to design and furnish signal system components for the New Second Track – Farmingdale to Ronkonkoma on the LIRR Ronkonkoma Branch. LIRR’s Design Consultant is completing a preliminary design.

II. DISCUSSION

LIRR’s Main Line track between Farmingdale and Ronkonkoma consists of a single electrified at-grade track, with limited passing sidings. The total length of the corridor is 17.9 miles, with single track segments totaling 12.6 miles. Operation of a full Double Track will allow for more reliable LIRR Main Line service and faster recovery time following service disruptions. This investment will also allow for more frequent, half-hourly, mid-day service along this corridor. For the Farmingdale to Ronkonkoma segment of the LIRR, the construction of the Double Track is the key to improving service reliability and on-time performance and increasing service during off-peak and weekend periods.

Work under this contract supports Phase I (west of Central Islip to Ronkonkoma) currently funded and under construction, and Phase II (Farmingdale to west of Central Islip), which funding is included in LIRR’s proposed 2015- 2019 Capital Plan. Phase II work is included as option work. This request addresses the procurement of a signal system to support the entire second track, which will require final design, fabrication, delivery, testing and system integration of interlocking Central Instrument Locations (“CILs”), master locations, transmitter locations, grade crossing huts, cases and associated subsystems. Divide Tower will control this new signal system and will have new interlockings at Farmingdale, Wyandanch, Deer Park, Central Islip and modified at Ronkonkoma, and will include 18 new grade crossing huts, among other features.

Staff Summary



The RFP process generally is used in design-furnish and design-build contracts because the technical specifications are not sufficiently complete to utilize a formal competitive bidding solicitation. With respect to this procurement, the RFP process also gives LIRR the ability to evaluate terms other than price alone, such as technical approach, staff qualifications, and past performance. In this regard, each qualified firm that is capable of designing and furnishing the signal huts called for under the contract will have a unique system architecture with advantages and disadvantages, which can be evaluated during the RFP process. If the Board adopts this resolution declaring that competitive bidding is impractical, LIRR anticipates presenting a recommendation to the Board to award a contract during the 3rd quarter of 2016.

III. D/M/WBE INFORMATION

Goals for this contract are to be determined by the MTA Office of Civil Rights.

IV. IMPACT ON FUNDING

Funding for Phase I (base) is included in LIRR's 2010-2014 Capital Budget. Phase II (option) funding is included in LIRR's proposed 2015-2019 Capital Program. However, award is subject to approval of the 2015-2019 Capital Program.

V. ALTERNATIVES

The alternative is to use the Invitation for Bid process. However, this alternative prevents communication with the contractor until after award, and as a result the LIRR would lose the ability to negotiate improvements to the construction schedule and incorporate more efficient means and methods for project delivery.

METRO-NORTH AND LONG ISLAND RAILROAD

JOINT COMMITTEE

MTA BOARD

PROCUREMENT PACKAGE

FEBRUARY 2016

Staff Summary



Subject Request for Authorization to Award Various Procurements					
Department Law and Procurement					
Department Head Name <i>JCA</i> Evan M. Eisland					
Department Head Signature <i>[Signature]</i>					
Board Action					
Order	To	Date	Approval	Info	Other
1	Long Island Rail Road Committee	2/22/16	X		
2	Board	2/24/16	X		

Date: February 5, 2016			
Vendor Name GCT Constructors JV			
Contract Number CM014B			
Contract Manager Name W. Ford			
Internal Approvals			
	Approval		Approval
4	President <i>[Signature]</i>	3	Executive Vice President & Chief Financial Officer <i>AD</i>
2	Vice President, Program Controls <i>[Signature]</i>	1	Chief Procurement Officer <i>[Signature]</i>

PURPOSE

To obtain the approval of the Board to award a modification and, to inform the Long Island Railroad Committee of this procurement action.

DISCUSSION

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

Schedules Requiring Majority Vote:	# of Actions	\$ Amount
Schedule I Modifications to Purchase and Public Work Contracts	1	\$2,550,000
TOTAL	1	\$2,550,000

Budget Impact:

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

Recommendation:

That the modification be approved as proposed. (The item is 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.

JANUARY 2016

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVALProcurements Requiring Majority Vote:**Schedule I. Modifications To Purchase and Public Work Contracts**

(Staff Summaries required for individual change orders greater than \$750K. Approval without Staff Summary required for change orders greater than 15% of the adjusted contract amount which are also at least \$250K)

- | | | | |
|----|---|--------------|-------------------------------|
| 1. | GCT Constructors JV
Contract No. CM014B
Modification No. 10 | \$ 2,550,000 | <u>Staff Summary Attached</u> |
|----|---|--------------|-------------------------------|

In accordance with Article IX of the All-Agency Procurement Guidelines, MTACC requests that the Board approve a modification to the Contract to accommodate an entrance to the ESA Concourse on 43rd St.

Schedule I: Modifications to Purchase and Public Work Contracts

Item Number: 1

Vendor Name (& Location) GCT Constructors JV (NY, NY)	
Description GCT Concourse and Facilities Fit-Out	
Contract Term (including Options, if any) 1,726 Days	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input type="checkbox"/> RFP <input checked="" type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: East Side Access/W. Goodrich, P.E.	

Contract Number	AWO/Modification #
CM014B	10
Original Amount:	\$ 404,622,096
Prior Modifications:	\$ 612,528
Exercised Options:	\$ 20,184,943
Current Amount:	\$ 425,419,567
This Request	\$ 2,550,000
% of This Request to Current Amount:	.6%
% of Modifications (including This Request) to Original Amount:	.78%

Discussion:

The scope of work under this Contract is for the architectural, structural, mechanical and electrical fit-out of the Long Island Railroad (LIRR) East Side Access Concourse within Grand Central Terminal. In addition, the work includes the fit-out of four major existing escalator wellways and two existing vertical shafts connecting the LIRR Concourse to the terminal caverns below and the Metro North Concourse above, as well as the installation of eleven elevators at various locations and the construction of a structural shell for the future 48th Street Entrance. In accordance with Article IX of the All-Agency Procurement Guidelines, MTACC requests that the Board approve a modification to the Contract to accommodate an entrance to the ESA Concourse on 43rd St.

Real estate developer SL Green has acquired properties between 42nd Street and 43rd Street, between Madison and Vanderbilt Avenues. SL Green plans to build an office tower at this location. As a condition of New York City Department of Building's permit approval for construction of the tower, SL Green is obligated to provide transit improvements for the redeveloped properties. Consistent with this obligation, SL Green and the MTA are in the process of negotiating the definitive agreements that will govern the performance of such work. One of the transit improvements that SL Green will construct is an entrance to the new LIRR GCT Concourse at 43rd St. on SL Green's property. This new entrance will provide supplementary access to the LIRR Concourse, improving passenger flow and providing additional emergency egress.

In order to accommodate the 43rd St. entrance it is necessary to reframe an existing abutment wall, modify affected portions of the architectural, mechanical, plumbing, and electrical components of the new concourse, and perform rock excavation directly adjacent to the ESA LIRR Concourse. This construction work will be performed under this Contract. SL Green will complete the construction of the future entrance west of the abutment wall as part of the office tower construction.

The Contractor proposed \$3,006,293 for this work while MTACC's estimate was \$2,514,000. The parties negotiated and agreed to a cost of \$2,550,000 which is considered to be fair and reasonable. Funding will be allocated through the Interagency area of the 2010-2014 MTA Capital Program. There is no time impact associated with this modification.

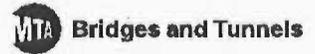


Bridges and Tunnels

Procurements February 2016



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	February 3, 2016
Vendor Name	
Contract Number	
Contract Manager Name	
Table of Contents Ref #	

Board Action					
Order	To	Date	Approval	Info	Other
1	President	2/3/16			
2	MTA B&T Committee	2/22/16			
3	MTA Board	2/24/16			

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

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

<u>Schedules Requiring Majority Vote</u>		<u># of Actions</u>	<u>\$ Amount</u>
Schedule A	Non-Competitive Purchases and Public Work Contracts	1	\$ 22.900M
SUBTOTAL		1	\$ 22.900M

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

<u>Schedules Requiring Two-Thirds Vote</u>		<u># of Actions</u>	<u>\$ Amount</u>
Schedule F	Personal Service Contracts	1	\$ 1.338M
Schedule G	Miscellaneous Service Contracts	1	\$ 0.056M
Schedule J	Modifications to Miscellaneous Procurement Contracts	1	\$ 3.333M
SUBTOTAL		3	\$ 4.727M

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

TOTAL	4	\$27.627M
-------	---	-----------

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 NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL
FEBRUARY 2016

MTA BRIDGES & TUNNELS

Procurements Requiring Majority Vote:

A: Non-Competitive Purchases and Public Work Contracts

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

- | | | | |
|----|---|------------------------|--------------------------------------|
| 1. | New York City Department of
Transportation
Contract No. MOA-HBM-1027 | \$22,900,000.00 | <u>Staff Summary Attached</u> |
|----|---|------------------------|--------------------------------------|

Construction of a partial foundation for a future ramp that would permit traffic to go directly from the Robert F. Kennedy Bridge (RFKB) to the northbound Harlem River Drive by agreement between the Authority and NYCDOT.

Staff Summary

Item Number 1 (Final)					
Dept & Dept Head Name: Engineering and Construction Joe Keane <i>Joe Keane</i>					
Division & Division Head Name: Walter Hickey <i>Walter Hickey</i>					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	President	2/3/16			
2	MTA B&T Committee	2/22/16			
3	MTA Board	2/24/16			
Internal Approvals					
Order	Approval	Order	Approval		
<i>1</i>	Chief Financial Officer	<i>4</i>	Executive Vice President		
<i>2</i>	SVP & General Counsel	<i>5</i>	President		
<i>3</i>	VP & Chief Procurement Officer				

SUMMARY INFORMATION	
Vendor Name New York City Department of Transportation	Contract Number MOA-HBM-1027
Description Memorandum of Agreement for New Ramp 23C Foundations under DOT Contract HBM-1027	
Total Amount \$22,900,000.00	
Contract Term (including Options, if any)	
Option(s) included in Total Amount?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Renewal?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

Narrative

I. PURPOSE/RECOMMENDATION

B&T is seeking approval under the All-Agency Procurement Guidelines to enter in to an Agreement (Memorandum of Agreement), designated as MOA-HBM1027, with New York City Department of Transportation (NYCDOT) for the construction of pier foundations and other related work which will enable the future construction of a new connector ramp from the Robert F. Kennedy Bridge Manhattan Span to the Harlem River Drive (HRD) North. The Agreement also provides for associated engineering services and contingencies for a total not to exceed amount of \$22,900,000.

II. DISCUSSION

As part of a comprehensive program of reconstruction of the Manhattan Approaches of the Robert F. Kennedy Bridge, B&T identified the need to construct a new ramp (the Connector Ramp) from the Manhattan Span of the bridge to the Harlem River Drive (HRD) North. The new ramp will permit traffic from the RFKB to directly access the HRD North instead of continuing to have to use the current circuitous route through busy local streets. The new connector ramp will significantly improve traffic operations and safety while enhancing the resiliency of both the RFKB and the regional highway network. In addition, the ramp will reduce traffic congestion and associated impacts on the local community in East Harlem.

In September 2013, the Board approved funding for a preliminary design of the Connector Ramp and design of certain foundations that are located within the limits of an ongoing NYCDOT Project (HBM-1027), as well as, associated work necessary to enable the future construction of the Connector Ramp.

In order to accommodate the new connector ramp, realignment of some sections of both the northbound and southbound HRD is also required resulting in some revisions to NYCDOT's ongoing Contract HBM-1027.

(rev. 1/22/14)

Staff Summary

Having NYCDOT perform this preliminary foundation and realignment work under its ongoing Contract HBM-1027 rather than under B&T's future Connector Ramp Project, planned for 2019, is significantly more cost effective and less disruptive to B&T's customers and the local community. By implementing these enabling works for the future Connector Ramp now the Authority will avoid costly reconstruction of sections of the HRD that are now being constructed by NYCDOT under HBM-1027, thereby reducing overall construction costs, minimizing construction schedules and reducing the impacts of the overall construction program in this corridor.

Under this proposed agreement, NYCDOT will amend their existing construction contract to include the B&T Work. Additionally, NYCDOT will amend their contracts for resident engineering services and design support services during construction to support the B&T construction work to be performed under HBM-1027. As part of this Agreement, B&T will provide funding for the additional construction and associated consultant engineering costs. NYCDOT Contract HBM-1027 was competitively bid and awarded in July, 2014 to DeFoe Corp. The Contractor submitted a proposal in the amount of \$28,799,341.66 for the B&T Work. The Authority's estimate of the construction work is \$17,422,932. Negotiations were held, the scope of work clarified and the parties agreed to \$18,005,000 for construction costs and costs associated with the extended construction duration, which is deemed fair and reasonable based on the Engineer's estimate. An estimated 16% (\$2,900,000), based on NYCDOT projections, is included in the MOA not-to-exceed amount with NYCDOT for contracted engineering services during construction related to the B&T work. Due to the nature of the Work, a contingency of approximately 10% of construction costs (\$1,995,000) is included in the MOA not-to-exceed amount. Payments will be made to the NYCDOT on a periodic basis as the Work is performed and verified.

The new Connector Ramp will be constructed under a Design-Build project once the NYCDOT HRD reconstruction is completed and is scheduled for award in 2019.

III. D/M/WBE INFORMATION

This agreement is not subject to the establishment of goals by the Department of Diversity and Civil Rights (DDCR).

IV. IMPACT ON FUNDING

Funding for this agreement is available in the 2015-2019 Capital Budget under Project RK-23C.

V. ALTERNATIVES

Waiting to construct the B&T Work until after the completion of HBM-1027 would not be cost effective and would be highly disruptive to traffic and the community. In addition, environmental documents, regulatory approvals and permits for the combined MTAB&T and NYCDOT projects are premised on the currently prepared sequencing and interrelationships between these Projects. Alternative implementation strategies would require an extensive additional environmental review process with associated costs and risks to project implementation schedules and is therefore not recommended.

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL
FEBRUARY 2016

MTA BRIDGES & TUNNELS

Procurements Requiring Two-Thirds Vote:

F: Personal Service Contracts

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

- | | | | |
|----|--|--|--------------------------------------|
| 1. | Commercial Driver Training, Inc.
Contract No. PSC-15-2975 | \$1,281,265.00 – B&T
\$ 56,760.00 - NYCT
\$1,338,025.00 | <u>Staff Summary Attached</u> |
|----|--|--|--------------------------------------|

3 yr. contract - Competitive RFP - 4 Proposals

Provide all labor, material and equipment necessary for Commercial Driver License (CDL) Training for Maintenance employees of B&T and MTA New York City Transit (NYCT).

G: Miscellaneous Service Contracts

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

- | | | |
|----|---|--------------------|
| 2. | Catherine S. Cline, Ph.D.
Contract No. PSC-15-2979 | \$56,400.00 |
|----|---|--------------------|

3 yr. contract - Competitive Bid – 2 Proposals

B&T requires the services of an Occupational-Industrial Psychologist to provide expert assistance in preparing and developing civil services examinations administered by New York City Department of Citywide Administrative Services (DCAS) under the skilled trade Bridge and Tunnel Maintainer Level I, Level II and Level III tests. The groups of employees known as Bridge and Tunnel Maintainers (Maintainers) are typically a technical class of positions responsible for the maintenance, repair and operation of various B&T facilities and equipment. There are three assignment levels. The Consultant shall perform an analysis of the three levels of Maintainer positions and validate the selection procedures.

The service requirements were publicly advertised as a Discretionary Procurement on the MTA website, the NYS Contract Reporter, local newspapers and sent to advocacy groups recommended by MTA DDCR. On December 10, 2015 two firms Catherine S. Cline, Ph.D. (Cline) and Applied Personnel Research (Applied) submitted proposals. The proposals were evaluated against established criteria set forth in the RFP including record of performance of firm, qualifications of firm for specific personnel proposed, depth of understanding of project and related problems, level of expertise and cost. Based on the committee's review of all the proposals, it unanimously selected Cline based on her: (i) extensive record of working with other NYC government agencies (Fire Department of NY, NYC Parks and DCAS) on civil service exams; (ii) clear and solid understanding of B&T's scope of work; (iii) comprehensive technical approach to performing the work and (iv) skilled and qualified personnel with a high level of expertise in the required field. Applied has limited knowledge of the civil service exam process and failed to demonstrate a strong knowledge of the overall requirements. The committee unanimously waived oral presentations and recommended that negotiations be conducted with Cline, the highest

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL
FEBRUARY 2016

rated proposal and the lowest cost. On January 14, 2016 the Authority commenced negotiations with Cline. Negotiations resulted in a final amount of \$56,400. The negotiated rates are fixed for the three years which is 31% less than the Authority's estimate of \$81,900. Cline is deemed to be a responsible consultant. This award is classified as a *Discretionary Procurement* whereby the proposer must either be a New York State certified Minority or Women Owned Enterprise or Small Business Concern. Funding is available in the Operating Budget under GL #712542. There are no recommended alternatives. B&T does not possess the resources required to perform these services.

J: Modifications to Miscellaneous Procurement Contracts

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

3. **Schneider Electric Mobility NA, Inc.** **\$3,332,876.00** **Staff Summary Attached**
Contract No. 14-OPS-2924X

Amend contract to include additional work (i) to initiate an All-Electronic Tolling (AET) pilot project at the Cross Bay Bridges (CBB) and Marine Parkway Bridges (MPB) and (ii) update the software for the toll registration system.

Staff Summary

Item Number 1 (Final)					
Dept & Dept Head Name: Maintenance, Victor Cardella					
Division & Division Head Name: Fleet Operations, Benny Johnson					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	President	2/3/16			
2	MTA B&T Committee	2/22/16			
3	MTA Board	2/24/16			
Internal Approvals					
Order	Approval	Order	Approval		
1	Chief Financial Officer <i>[Signature]</i>	4	Executive Vice President <i>[Signature]</i>		
2	General Counsel <i>[Signature]</i>	5	President <i>[Signature]</i>		
	Chief Procurement Officer <i>[Signature]</i>				

SUMMARY INFORMATION	
Vendor Name Commercial Driver Training, Inc.	Contract Number PSC-15-2975
Description Commercial Driver License (CDL) Training Program	
Total Amount \$1,338,025.00 (B&T-\$1,281,265, NYCT-\$56,760)	
Contract Term (including Options, if any) Three (3) Years	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

Narrative

I. PURPOSE/RECOMMENDATION

MTA Bridges and Tunnels (B&T) is seeking Board approval under the All-Agency Guidelines for Procurement of Services to award a joint competitively negotiated personal service contract to Commercial Driver Training, Inc. (CDT) to provide all labor, material and equipment necessary to perform commercial driver license training for B&T and MTA New York City Transit Authority (NYCT). The total value of this procurement is \$1,338,025 (B&T-\$1,281,265, NYCT-\$56,760) over a period of three years.

II. DISCUSSION

B&T requires the services of a consultant to provide commercial driver training courses to prepare our employees for the New York State, New Jersey, Connecticut and Pennsylvania State Department of Motor Vehicles (DMV) Class "A" and Class "B" Commercial Driver's License (CDL) written and road tests. These licenses will enable our Maintenance personnel and Bridge and Tunnel Officers to drive various commercial vehicles in our fleet, as required. NYCT requires similar services but on a smaller scale. The service requirements were publicly advertised. On October 15, 2015 three firms Commercial Driver Training Inc., NYC CDL Auto Club Inc. (NYC CDL) and Sharkey's Auto Driving School Inc. (Sharkey) submitted proposals. The proposals were evaluated against established criteria set forth in the RFP including qualification of firm, availability of resources, understanding of project, record of consultant's performance/experience and cost. Based on the committee's review it unanimously selected CDT based on its: (i) training qualifications and qualified personnel; (ii) resources (vehicles); and (iii) superior past performance. The other proposers did not adequately fulfill the requirements of the contract. CDT's total negotiated amount of \$1,338,025 is 9.5 percent higher than the estimate of

(rev. 1/22/14)

Staff Summary

\$1,221,527.36. During discussions, it was found that the estimate did not include the retraining requirement in the contract and instructor travel expenses. An accurate comparison to the pricing to the current agreement could not be performed as there was a significant change to the scope of services. Based on an analysis of the costs for the additional items that were not included in the estimate the price of \$1,338,025 is considered fair and reasonable. CDT is deemed to be a responsible consultant.

III. D/M/WBE INFORMATION

A review of the NYS Directory did not identify Certified M/WBE firms in the market place that could provide services on the contract. Due to the lack of availability zero M/WBE goals were established by the MTA Office of Civil Rights.

IV. IMPACT ON FUNDING

Funding is available in the Operating Budget under GL #712601.

V. ALTERNATIVES

There are no recommended alternatives. B&T does not possess the resources certified to perform these services.

Schedule J: Modifications to Miscellaneous Procurement Contracts

Item Number: **3** (Final)

Vendor Name (& Location) Schneider Electric Mobility NA, Inc.	Contract Number 14-OPS-2924X	AWO/Modification #
Description Maintenance and Repair of the Electronic Toll Registry	Original Amount:	\$50,300,121.00
Contract Term (including Options, if any) April 1, 2015 – March 31, 2021	Prior Modifications:	\$ 0.00
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Prior Budgetary Increases:	\$ 0.00
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	Current Amount:	\$50,300,121.00
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	This Request:	\$ 3,332,876.00
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	% of This Request to Current Amount:	7.2%
Requesting Dept/Div & Dept/Div Head Name: Toll Operations, Joe Gugliero	% of Modifications (including This Request) to Original Amount:	7.2%

Discussion:

B&T is seeking Board approval under the All-Agency Procurement Guidelines to modify Contract 14-OPS-2924X with Schneider Electric for additional work in the negotiated amount of \$3,332,876 to (i) initiate an All-Electronic Tolling (AET) pilot project at the Cross Bay Bridge (CBB) and Marine Parkway Bridge (MPB) and (ii) update the software for the toll registry system. The contract was competitively awarded to Telvent USA, LLC in March 2015 in the amount of \$50,300,121 for the duration of six (6) years to maintain and repair all the hardware and software of the Electronic Toll Registry System throughout B&T's facilities. Amendment No. 1 was made to reflect the change of the company name from Telvent USA to Schneider Electric Mobility NA, Inc.

In January of 2011, B&T initiated a pilot program at the Henry Hudson Bridge (HHB) aimed at the eventual migration of that facility to AET. HHB was selected to host the pilot due to its high E-ZPass market share and its lack of truck traffic, both of which served to minimize the risk of lost revenue during the pilot period. After demonstrating that the newly installed in-lane systems were capable of capturing and processing passenger vehicle transactions and images and that a passenger vehicle based AET program was viable in terms of back office bill processing and revenue collection, the MTA Board approved AET as the permanent method of toll collection at the HHB in May 2014.

In the wake of the above noted successes, B&T desires to initiate a second pilot project aimed at assessing the feasibility of operating AET at facilities with a concentration of commercial/truck traffic. Unlike the pilot efforts at the HHB, in which in-lane and back office processes were assessed exclusively in terms of passenger vehicles, this proposed phase will focus on the capture and processing of commercial license plate images (i.e. plates mounted to trucks with a variety of physical properties) and the payment rate of commercial vehicle owners under the Tolls by Mail program.

B&T has chosen to conduct the pilot at Marine Parkway and Cross Bay Bridges not only because of the presence of commercial vehicles, but also because of the high E-ZPass market penetration rate at those facilities, and the relatively low tolls. These factors combine to minimize potential revenue risks during the pilot period, while providing B&T with ample data to perform the assessments noted above. Like the AET system currently in use at the HHB, the AET pilot at the Cross Bay and Marine Parkway Bridges will have vehicles traveling in gateless, channelized lanes and tolling equipment mounted on the existing infrastructure. However, because tokens are currently mandated by statute at both facilities, a lane in each direction will be reserved to maintain this method of toll collection at this time. As Schneider both developed and implemented the AET project at the HHB under a prior contract, Schneider already has expertise with the operational and software features of the AET system proposed for the Cross Bay and Marine Parkway Bridges. By using Schneider, the Authority will maximize the investment made in the AET program at the HHB and eliminate the significant expenses of requiring another contractor to develop a working knowledge of the Authority's AET and E-ZPass systems.

Additionally, as B&T continues to accept cash and tokens at other facilities, there is a need to replace the existing toll registration devices at these facilities which in turn creates the need to have the associated toll registration system software updated and upgraded under this Contract. These devices currently operate on touch-screen type technology that allows toll collectors to register and classify vehicles entering B&T cash lanes. The registration devices, referred to as Flat Panel Touch Screens (FPTS), processed 39.7 million transactions, which translated to \$367M in revenue, in fiscal year 2015. The existing devices were developed specifically for B&T operations more than 12 years ago. These units currently operate with obsolete technology and key replacement parts are no longer readily available from suppliers. B&T is seeking to update the software and replace the FPTS units with off-the-shelf devices that are currently in wide use within the toll collection industry. It is noted that the new FPTS devices will be purchased by the Authority under a separate competitive solicitation and then furnished to the Contractor. Such units are functionally more flexible, more cost effective, and easier to replace than the existing FPTS units. B&T is seeking to leverage the proposed replacement efforts by also enhancing the overall operation of B&T cash lanes. Accordingly, the work proposed under this amendment will also include upgrading the system registration software, automating the documentation of exceptions transactions that are not registered through the current FPTS, and providing the capability to accept both widely available and rapidly developing payment methods.

Schneider's proposed cost was \$3,714,109. The user's estimate is \$3,418,695. Based on negotiations the parties agreed to an amount of \$3,332,876 (\$2,188,988 for AET Pilot and \$1,143,878 for the FPTS software upgrade) which is 2.5% lower than the estimate. The labor rates and hours negotiated were determined to be acceptable. Based on the above, the negotiated price is considered fair and reasonable. Funding is available in the Operating Budget under Capitalized Assets.