

September 2017

MTA Board Action Items



MTA Board Meeting

2 Broadway - 20th Floor Board Room, New York, N.Y. 10004

Wednesday, 9/27/2017

10:00 AM - 12:00 PM ET

1. PUBLIC COMMENT PERIOD

2. APPROVAL OF MINUTES

MTA Regular Board Minutes - July 26, 2017

MTA Regular Minutes - July 26, 2017 - Page 5

NYCT/MaBSTOA/SIR/Bus Company Regular Board Minutes - July 26, 2017

NYCTA Regular Minutes - July 26, 2017 - Page 11

MTA Metro-North Railroad Regular Board Minutes - July 26, 2017

Metro-North Regular Minutes - July 26, 2017 - Page 15

MTA Long Island Rail Road Regular Board Minutes - July 26, 2017

LIRR Regular Minutes - July 26, 2017 - Page 21

MTA Bridges & Tunnels Regular Board Minutes - July 26, 2017

TBTA Regular Minutes - July 26, 2017 - Page 32

MTA Capital Construction Regular Board Minutes - July 26, 2017

MTACC Regular Minutes - July 26, 2017 - Page 37

3. COMMITTEE ON FINANCE

Action Item

i. Authorization of TBTA Notes and Bonds

Authorization of TBTA Notes and Bonds - Page 40

MTAHQ Procurements Report

MTAHQ Procurement Report - Page 68

i. Non-Competitive

MTAHQ Non-Competitive Procurements - Page 70

ii. Competitive

MTAHQ Competitive Procurements - Page 72

iii. Ratifications (no items)

Real Estate Items

i. Real Estate Agenda and Staff Summaries

Real Estate Agenda and Staff Summaries - Page 87

4. COMMITTEE ON NYCT & BUS

Action Item

i. Increase TAB Fine for Littering

Increase TAB Fine for Littering - Page 105

NYCT Procurements

NYCT September Procurement Staff Summary and Resolution - Page 109

i. Non-Competitive (no items)

ii. Competitive

NYCT Competitive Actions - Page 113

iii. Ratifications

NYCT, MTACC Ratifications - Page 116

5. COMMITTEE ON METRO-NORTH RAILROAD

Action Items

i. Permanent Service Changes at Melrose and Tremont Stations

Permanent Service changes at Melrose and Tremont stations - Page 123

ii. NYSDOT Grant for Connecting Services

NYSDOT Grant for Connecting Services - Page 126

Metro-North Procurements

MNR Procurements - Page 127

i. Non-Competitive

MNR Non-Competitive Procurements - Page 130

ii. Competitive (no items)

iii. Ratifications

MNR Ratifications - Page 134

6. COMMITTEE ON LONG ISLAND RAIL ROAD

LIRR Procurements

LIRR Procurements - Page 137

i. Non-Competitive (no items)

ii. Competitive

LIRR Competitive Procurements - Page 141

iii. Ratification (no items)

LIRR MTACC Procurements (no items)

7. COMMITTEE ON MTA BRIDGES & TUNNELS OPERATIONS

BT Procurements

BT Procurements - Page 146

i. Non-Competitive (no items)

ii. Competitive

BT Competitive - September 2017 - Page 149

iii. Ratifications (no items)

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

9. EXECUTIVE SESSION

Date of Next Meeting: Wednesday, October 25, 2017

**Metropolitan Transportation Authority
Minutes of
Regular Board Meeting
2 Broadway
New York, NY 10004
July 26, 2017
10:00 a.m.**

The following members were present:

**Hon. Joseph J. Lhota, Chairman
Hon. Fernando Ferrer, Vice Chairman
Hon. Norman E. Brown
Hon. Ira Greenberg
Hon. David Jones
Hon. Susan Metzger
Hon. Charles G. Moerdler
Hon. John J. Molloy
Hon. Mitchell H. Pally
Hon. Scott Rechler
Hon. Andrew Saul
Hon. Lawrence Schwartz
Hon. Polly Trottenberg
Hon. Peter Ward
Hon. Carl Weisbrod
Hon. Carl V. Wortendyke
Hon. Neal Zuckerman**

The following members were absent:

**Hon. Veronica Vanterpool
Hon. James Vitiello**

Veronique Hakim, Interim Executive Director, Donna Evans, Chief of Staff, Helene Fromm, Acting General Counsel, Robert Foran, Chief Financial Officer, Phillip Eng, Chief Operating Officer, Board Member Andrew Albert, Board Member Randolph Glucksman, Board Member Vincent Tessitore, Jr., Darryl Irick, Acting President, NYCTA, Patrick Nowakowski, President, Long Island Rail Road, Catherine Rinaldi, Executive Vice President, Metro-North Railroad, Albert Rivera, Acting Executive Vice President, TBTA, Stephen Vidal, Acting President, MTA Bus Company, Janno Lieber, MTA Chief Development Officer, and Stephen Morello, Counselor to the Chairman, also attended the meeting.

The Board of the Metropolitan Transportation Authority also met as the Boards 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 SESSION.** There were fifty-five (55) public speakers. The following speakers addressed matters relative 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 content of speakers' statements.

Tony Utano, TWU
Vanessa Jones, TWU
Yessnia Torres, BCID
Tony Murphy, WDC
Arthur Piccolo, Bowling Green Association
Diane Sear, LaRouche Political Action Committee
Gloria Sorden Goodson, CIDNY
Omar Vera, private citizen
Steve Millies, Workers Defense Committee (WDC)
Ydanis Rodriguez, NYC Councilman – District #10
Sarah Catalinotto, Parents to Improve Student Transportation (PIST)
James Pistilli, American Cancer Society
John Scialdone, EIR
Stacey Carpetenter, Building Alcohol Ad-Free Transit (BAAFT)
Seonjae Moon, BAAFT
Hillary Ramirez, BAAFT
Johan Vandeberghe, Corona Self Help
Helaine Tapia, BAAFT
Raydel Taberas, BAAFT
Jared Silver, BAAFT
Charmaine Ruddock, BAAFT
Jessica Hallman, Riders Alliance
Angelo Vega, private citizen
Edwin Figueora, SBCC
Adrian Untermeyer, Riders Alliance
Jessica White, UFT
Sylvia Speilman, Alliance
Pedro Valdez Rivera Jr., Riders Alliance
Rita Turi, private citizen
Johanna Climenko, CIDNY
Masha Burina, Riders Alliance
Bill Henderson, PCAC
Rachelle Brown, NYRCC
Adam Payne, WNYC
William Raudenbush, City Council Candidate, District #6
Christopher Bell, Representative NYS Senate Adriano Espailat office

2. **CHAIRMAN'S REMARKS.**

Chairman Lhota, on behalf of the Governor, Interim Executive Director Hakim, the Board Members, and MTA employees, thanked Vice Chairman Ferrer for his service as Acting Chairman during the last few months.

Chairman Lhota stated that he is honored for the opportunity to help the MTA get back on track by transforming the way the MTA conducts business and by providing high quality service to MTA customers.

Chairman Lhota noted that yesterday he unveiled a new plan to stabilize and improve the subway system and lay the foundation for its modernization. The Chairman stated that the plan is focused on the most important element of the system - the customer, and attacks the problems that most frequently lead to service delays. Phase One of the plan, which is already underway, can be considered aggressive preventative maintenance and includes: expediting a signal repair program; expanding the number of train cars overhauled per year; increasing the frequency of station cleaning by 30%; and revising communications protocols to provide clearer, more timely information to customers during incidents, including providing more detailed information about the work being done to the system. Chairman Lhota noted that Phase Two of the plan is expected to be introduced, in conjunction with the Genius Challenge, together with a public dashboard to measure categories important to the customers. Phase Two is intended to address long-term, system-wide improvements, including better subway cars, the adoption of new a signal system and modern communications technology to facilitate new signaling and enable customer benefits.

Chairman Lhota noted that MTA Chief Financial Officer, Robert Foran, will be presenting the MTA 2018 Preliminary Budget and the July Financial Plan 2018-2021. The Chairman stated that under Governor Cuomo's leadership, New York State has committed more resources to MTA's infrastructure in the Program's history, and the 2015 to 2019 Capital Program sets the stage for five years of vital investments to renew, enhance and expand the MTA network. Chairman Lhota commented on the MTA's continued cost-savings programs, stated that the program has generated tremendous savings for the organization and is projected to save the MTA approximately \$2.3 billion annually by 2021. The Chairman stated that the savings program has enabled MTA to limit the level of fare increases, fund important investments in operations, maintenance, and service, and provide additional support for the Capital Program. The Financial Plan also includes \$484 million to fund newly prioritized initiatives in maintenance and operations, and \$90 million in safety and security initiatives, which will enhance customers' experience and are essential to providing safe and reliable services. The Chairman stated that MTA is committed to improving service to meet unprecedented demand and to help fuel the statewide economy.

Chairman Lhota recognized Metro-North's President Joseph J. Giulietti, who is retiring after a remarkable almost 20-year career with the MTA. The Chairman noted that, although he did not have the opportunity to work with President Giulietti, he is aware of his stellar reputation. Chairman Lhota noted that President Giulietti was responsible for what might be the greatest turnaround of any railroad in the United States. President Giulietti put safety, not statistics first while focusing on the basics of good railroading; operating a safe and reliable service on a daily basis. Under President Giulietti's leadership, Metro-North became the first railroad to fully implement the Confidential Close Call Reporting System and the first agency in the United States to conduct sleep apnea testing on all locomotive engineers. President Giulietti rebuilt and restructured Metro-North's Safety Department and helped create an Enhanced Employee Protection System, an industry leading tool providing enhanced safety protection for employees working on or near the tracks. Chairman Lhota stated that, perhaps most importantly, President Giulietti led the effort to rebuild Metro-North's infrastructure by rebuilding miles of the railroad during off-peak hours and weekends to minimize the impact on Metro-North's customers, which restored the railroad's reputation for reliability and high quality service. Chairman Lhota thanked President Giulietti for his dedication, commitment, leadership and service.

3. MINUTES.

Board member Weisbrod asked that the June 21, 2017 minutes of the Regular Board Meeting be amended to reflect that he was confirmed by the New York Senate in June, not July 2017.

Upon motion duly made and seconded, the minutes of the Regular Board Meeting held on June 21, 2017 were approved, as amended.

4. COMMITTEE ON FINANCE.

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

1. Sprague Operating Resources LLC – Transportation and Heating Fuels & Related Services – No. 16043-0000. Approved the award of a competitively-negotiated all-agency miscellaneous procurement contract to provide petroleum based transportation fuels (excluding bus fuel), heating fuels and related services.
2. Various Contractors – Executive Recruitment Services – No. 16359-001 thru 007. Approved the award of seven (7) competitively negotiated personal service contracts with The Burgess Group – Corporate Recruiters International Inc., David Gomez & Associates International Co., Gilbert Tweed Associates, Inc., Harris Rand Lusk, Infosys International, Inc., KMQ Enterprises, Inc. d/b/a Tailwind Associates and Krauthamer & Associates to provide executive recruitment services for a term of five (5) years which includes two one-year renewal options from August 1, 2017 to July 31, 2022.
3. Oliver Wyman Actuarial Consulting, Inc. – Actuarial and Risk Management Consulting Services – No. 16379-001. Approved the award of a competitively

negotiated, personal service contract to provide actuarial and risk management consulting services in connection with the self-insured programs of the MTA Agencies and programs insured through First Mutual Transportation Assurance Company (FMTAC), MTA's wholly-owned captive insurance company, for a term of three (3) years with two one-year renewal options from August 1, 2017 to July 31, 2022.

4. New York State Technology Enterprise Corporation (NYSTEC) – Consulting Services for Livingston Plaza Data Center. Approval to ride New York State Office of General Services (OGS) Contract No. PN20500 to provide consulting services for data center disaster recovery for the Livingston Plaza Data Center (LPDC) for a period of twelve (12) months.
5. AFT Projects – Metro-North Railroad (MNR). Award of competitively negotiated contracts to Francis Gallardo (14th Avenue Bridge) and Josue Guarionex Colon-Rosado (3rd Avenue Bridge) to provide technical design, fabrication, crating, storage, delivery and oversight of installation of materials at the specified stations.

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

New York City Transit Authority

1. Easement agreement with Esplanade Gardens, Inc. for property located at 700 Esplanade Gardens Plaza (Block: 1744; Lot: 1) and 2541 Adam C. Powell Jr. Blvd. (Block: 2016; Lot: 50), Manhattan, for construction of a new floodwall to protect the 148th Street Yard.
2. Acquisition from New York State Empire State Development Corporation (ESD) of property located in the basement and street level areas of the Grand Hyatt Hotel, located at 109 E. 42nd Street (Block 1280, Lot 30) adjacent to NYCT's Grand Central Terminal/42nd Street subway station, Manhattan.

Metro-North Railroad

3. Lease with JP Morgan Chase for the operation of an automated teller machine located in the GCT Dining Concourse (Space LC-35), Manhattan.
4. Acquisition from Greentree Realty LLC of fee simple title to property located at 1A Croton Point Avenue (a/k/a 1 Albany Post Road; NY Tax Map ID – Section 78.16, Block 2, Lots 1 & 2), Croton on Hudson, N.Y.

Long Island Rail Road

5. License agreement with Pinelawn Cemetery for temporary construction licenses for Pinelawn Station improvements and lease of a drop-off area, Incorporated Village of Farmingdale, N.Y.
6. License agreement with the Town of Riverhead for the use of the Riverhead Station Building and associated parking spaces for the Riverhead Ambulance Corps., and maintenance of green areas, Riverhead, N.Y.

5. **JOINT SESSION OF THE BOARD AND FINANCE COMMITTEE OF THE MTA FOR CHIEF FINANCIAL OFFICER'S PRESENTATION OF 2017 MID-YEAR FORECAST, 2018 PRELIMINARY BUDGET AND JULY FINANCIAL PLAN 2018 - 2021.**

MTA Chief Financial Officer Robert Foran presented the MTA 2017 Mid-Year Forecast, 2018 Preliminary Budget and the July Financial Plan 2018-2021 to the Finance Committee and MTA Board members. Copies of the Mid-Year Forecast, Preliminary Budget, and July Financial Plan were distributed to Board members.

Chairman Lhota thanked Robert Foran for the presentation and invited Board discussion concerning the proposed financial plan. The details of the presentation and Board members' comments with respect thereto are included in the videotape of the meeting produced by the MTA and maintained in MTA records.

6. **ADJOURNMENT.** Upon motion duly made and seconded, the Board voted to adjourn the meeting at 1:25 p.m.

Respectively submitted,

Victoria Clement
Assistant Secretary

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

**2 Broadway
New York, NY 10004**

**Wednesday, July 26, 2017
10:00 a.m.**

**Hon. Joseph J. Lhota, Chairman
Hon. Fernando Ferrer, Vice Chairman
Hon. Norman E. Brown
Hon. Ira Greenberg
Hon. David Jones
Hon. Susan Metzger
Hon. Charles G. Moerdler
Hon. John J. Molloy
Hon. Mitchell H. Pally
Hon. Scott Rechler
Hon. Andrew Saul
Hon. Lawrence Schwartz
Hon. Polly Trottenberg
Hon. Peter Ward
Hon. Carl Weisbrod
Hon. Carl V. Wortendyke
Hon. Neal Zuckerman**

The following members were absent:

**Hon. Veronica Vanterpool
Hon. James Vitiello**

Veronique Hakim, Interim Executive Director, Donna Evans, Chief of Staff, Helene Fromm, Acting General Counsel, Robert Foran, Chief Financial Officer, Phillip Eng, Chief Operating Officer, Board Member Andrew Albert, Board Member Randolph Glucksman, Board Member Vincent Tessitore, Jr., Darryl Irick, Acting President, NYCTA, Patrick Nowakowski, President, Long Island Rail Road, Catherine Rinaldi, Executive Vice President, Metro-North Railroad, Albert Rivera, Acting Executive Vice President, TBTA, Stephen Vidal, Acting President, MTA Bus Company, Janno Lieber, MTA Chief Development Officer, and Stephen Morello, Counselor to the Chairman, also attended the meeting

1. CHAIRMAN LHOTA CALLED THE MEETING TO ORDER

2. CHAIRMAN LHOTA'S COMMENTS

Details of Chairman Lhota'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.

3. PUBLIC COMMENT PERIOD

There were fifty-five (55) Public Speakers. The following speakers spoke on MTA NYC Transit/Staten Island Rapid Transit Operating Authority /MTA Bus Company matters during the public speakers session.

Tony Utano, TWU
Vanessa Jones, TWU
Yessnia Torres, BCID
Tony Murphy, WDC
Arthur Piccolo, Bowling Green Association
Diane Sear, LaRouche Political Action Committee
Gloria Sorden Goodson, CIDNY
Omar Vera, private citizen
Steve Millies, Workers Defense Committee (WDC)
Ydanis Rodriguez, NYC Councilman – District #10
Sarah Catalinotto, Parents to Improve Student Transportation (PIST)
James Pistilli, American Cancer Society
John Scialdone, EIR
Stacey Carpetenter, Building Alcohol Ad-Free Transit (BAAFT)
Seonjae Moon, BAAFT
Hillary Ramirez, BAAFT
Johan Vandenberghe, Corona Self Help
Helaine Tapia, BAAFT
Raydel Taberas, BAAFT
Jared Silver, BAAFT
Charmaine Ruddock, BAAFT
Jessica Hallman, Riders Alliance
Angelo Vega, private citizen
Edwin Figueora, SBCC
Adrian Untermyer, Riders Alliance
Jessica White, UFT
Sylvia Speilman, Alliance
Pedro Valdez Rivera Jr., Riders Alliance
Rita Turi, private citizen
Johanna Climenko, CIDNY
Masha Burina, Riders Alliance
Bill Henderson, PCAC
Rachelle Brown, NYRCC
Adam Payne, WNYC

William Raudenbush, City Council Candidate, District #6
Christopher Bell, Representative NYS Senate Adriano Espaillat office

Please refer to the video recording of the meeting produced by the MTA and maintained in MTA records, and to the other agencies' minutes of this date, for the content of speakers' statements.

4. **MINUTES**

Board member Weisbrod asked that the June 21, 2017 minutes of the Board Meeting be amended to reflect that he was confirmed by the New York Senate in June, not July 2017.

Upon motion duly made and seconded, the Board unanimously approved the minutes, as amended, of the meeting held on June 21, 2017 of the Board of MTA NYC Transit /Staten Island Rapid Transit Operating Authority /MTA Bus Company.

5. **COMMITTEE ON FINANCE**

Real Estate Items: Upon motion duly made and seconded, the Board approved: (i) an easement agreement with Esplanade Gardens, Inc., to allow construction of a new floodwall at the 148th Street Yard, Manhattan; and (ii) the acquisition of property located in basement and street level areas within Grand Hyatt Hotel, to enable expansion of the mezzanine at New York City Transit's Grand Central Station.

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

Action Item:

Lexington Avenue Subway Line Emergency Ventilation Plant: Upon motion duly made and seconded, the Board deferred a vote on this Action Item (described on pages 77 to 99 of the Board book) to permit further opportunity for review.

Procurements:

Non-Competitive Procurements: Upon motion duly made and seconded, the Board approved the non-competitive procurements requiring a majority vote (Schedules E and G in the Agenda). Details of the above items are set forth in staff summaries, copies of which are on file with the records of the meeting of the Board of MTA NYC Transit /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 two-thirds vote (Schedules B and C in the Agenda) and a majority vote (Schedule H 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. **JOINT SESSION OF THE BOARD AND FINANCE COMMITTEE OF THE MTA FOR CHIEF FINANCIAL OFFICER'S PRESENTATION OF 2017 MID-YEAR FORECAST, 2018 PRELIMINARY BUDGET AND 2018 - 2021 FINANCIAL PLAN.**

MTA Chief Financial Officer Robert Foran presented the MTA 2017 Mid-Year Forecast, 2018 Preliminary Budget and the 2018-2021 Financial Plan to the Finance Committee and MTA Board members. Copies of the Mid-Year Forecast, Preliminary Budget, and Financial Plan were distributed to Board members.

Chairman Lhota thanked Robert Foran for the presentation and invited Board discussion concerning the proposed financial plan. The details of the presentation and Board members' comments with respect thereto are included in the videotape of the meeting produced by the MTA and maintained in MTA records.

8. **ADJOURNMENT**

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 1:25 p.m.

Respectfully submitted,
/s/Mariel A. Thompson
Mariel A. Thompson
Assistant Secretary

Minutes of the Regular Meeting
Metro-North Commuter Railroad Company
2 Broadway – 20th Floor
New York, NY 10004
Wednesday, July 26, 2017
10:00 a.m.

The following members were present:

Hon. Joseph J. Lhota, Chairman & CEO
Hon. Fernando Ferrer, Vice Chairman
Hon. Norman E. Brown
Hon. Ira Greenberg
Hon. David Jones
Hon. Susan Metzger
Hon. Charles G. Moerdler
Hon. John J. Molloy
Hon. Mitchell H. Pally
Hon. Scott Rechler
Hon. Andrew Saul
Hon. Lawrence Schwartz
Hon. Polly Trottenberg
Hon. Peter Ward
Hon. Carl Weisbrod
Hon. Carl V. Wortendyke
Hon. Neal Zuckerman

The following members were absent:

Hon. Veronica Vanterpool
Hon. James Vitiello

Veronique Hakim, Interim Executive Director, Donna Evans, Chief of Staff, Helene Fromm, Acting General Counsel, Robert Foran, Chief Financial Officer, Phillip Eng, Chief Operating Officer, Board Member Andrew Albert, Board Member Randolph Glucksman, Board Member Vincent Tessitore, Jr., Darryl Irick, Acting President, NYCTA, Patrick Nowakowski, President, Long Island Rail Road, Catherine Rinaldi, Executive Vice President, Metro-North Railroad, Albert Rivera, Acting Executive Vice President, TBTA, Stephen Vidal, Acting President, MTA Bus Company, Janno Lieber, MTA Chief Development Officer, and Stephen Morello, Counselor to the Chairman, also attended the meeting

Chairman Lhota called the meeting to order.

1. Public Speakers:

There were 55 public speakers, none of whom spoke on Metro-North agenda items. 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 the speakers and the content of speakers' statements.

2. Chairman's Remarks:

Chairman Lhota, on behalf of the Governor, Interim Executive Director Hakim, the Board Members, and MTA employees, thanked Vice Chairman Ferrer for his service as Acting Chairman during the last few months.

Chairman Lhota stated that he is honored for the opportunity to help the MTA get back on track by transforming the way the MTA conducts business and by providing high quality service to MTA customers.

Chairman Lhota noted that yesterday he unveiled a new plan to stabilize and improve the subway system and lay the foundation for its modernization. The Chairman stated that the plan is focused on the most important element of the system - the customer, and attacks the problems that most frequently lead to service delays. Phase One of the plan, which is already underway, can be considered aggressive preventative maintenance and includes: expediting a signal repair program; expanding the number of train cars overhauled per year; increasing the frequency of station cleaning by 30%; and revising communications protocols to provide clearer, more timely information to customers during incidents, including providing more detailed information about the work being done to the system. Chairman Lhota noted that Phase Two of the plan is expected to be introduced, in conjunction with the Genius Challenge, together with a public dashboard to measure categories important to the customers. Phase Two is intended to address long-term, system-wide improvements, including better subway cars, the adoption of a new signal system and modern communications technology to facilitate new signaling and enable customer benefits.

Chairman Lhota noted that MTA Chief Financial Officer, Robert Foran, will be presenting the MTA 2018 Preliminary Budget and the July Financial Plan 2018-2021. The Chairman stated that under Governor Cuomo's leadership, New York State has committed more resources to MTA's infrastructure in the Program's history, and the 2015 to 2019 Capital Program sets the stage for five years of vital investments to renew, enhance and expand the MTA network. Chairman Lhota commented on the MTA's continued cost-savings programs, stated that the program has generated tremendous savings for the organization and is projected to save the MTA approximately \$2.3 billion annually by 2021. The Chairman stated that the savings program has enabled MTA to limit the level of fare increases, fund important investments in operations, maintenance, and service, and provide additional support for the Capital Program. The Financial Plan also includes \$484 million to fund newly prioritized initiatives in maintenance and operations, and \$90 million in safety and security initiatives, which will enhance customers' experience and are essential to providing safe and reliable services. The

Chairman stated that MTA is committed to improving service to meet unprecedented demand and to help fuel the statewide economy.

Chairman Lhota recognized Metro-North's President Joseph J. Giulietti, who is retiring after a remarkable almost 20-year career with the MTA. The Chairman noted that, although he did not have the opportunity to work with President Giulietti, he is aware of his stellar reputation. Chairman Lhota noted that President Giulietti was responsible for what might be the greatest turnaround of any railroad in the United States. President Giulietti put safety, not statistics first while focusing on the basics of good railroading; operating a safe and reliable service on a daily basis. Under President Giulietti's leadership, Metro-North became the first railroad to fully implement the Confidential Close Call Reporting System and the first agency in the United States to conduct sleep apnea testing on all locomotive engineers. President Giulietti rebuilt and restructured Metro-North's Safety Department and helped create an Enhanced Employee Protection System, an industry leading tool providing enhanced safety protection for employees working on or near the tracks. Chairman Lhota stated that, perhaps most importantly, President Giulietti led the effort to rebuild Metro-North's infrastructure by rebuilding miles of the railroad during off-peak hours and weekends to minimize the impact on Metro-North's customers, which restored the railroad's reputation for reliability and high quality service. Chairman Lhota thanked President Giulietti for his dedication, commitment, leadership and service.

The details of Chairman Lhota's remarks are contained in the video recording of this meeting, produced by the MTA and maintained in the MTA records.

3. Approval of Minutes:

Board member Weisbrod asked the June 21, 2017 minutes of the Regular Board Meeting be revised to indicate that he was confirmed by the New York Senate in June, not July 2017. Thereafter, upon motion duly made and seconded, the minutes of the Regular Board Meeting held on June 21, 2017 were approved, as revised.

4. Committee on Finance:

MTAHQ Procurements:

The Board was presented with the following competitive procurements recommended to it by the Committee on Finance that relate to Metro-North.

- Approval of an award of a competitively-negotiated, All-Agency miscellaneous procurement contract for a period of thirty-six (36) months, with two (2) one-year options at a total not-to-exceed cost of \$224,988,670.85, to Sprague Operating Resources LLC, to provide petroleum based transportation fuels (excluding bus fuel), heating fuels and related services. Sprague will provide E85 (ethanol); ULSK No. 1 (kerosene); unleaded gasoline; ULSD No. 2 (diesel, excluding revenue bus fuel); ULSD No. 2 (special specification for locomotive fuel); bio-diesel heating fuel; as needed tank maintenance and monitoring services and offsite retail fuel card services.

- Approval of seven competitively negotiated personal service contracts to provide executive recruitment services at a total cost not to exceed amount of \$2,255,081.07 for the term of five (5) years which includes two one year renewal options from August 1, 2017 to July 31, 2022.
- Approval of a competitively negotiated, personal services contract to Oliver Wyman Actuarial Consulting, Inc., to provide actuarial and risk management consulting services in connection with the self-insured programs of the MTA Agencies and programs insured through First Mutual Transportation Assurance Company, MTA's wholly-owned captive insurance company, for a term of three (3) years with two one year renewal options from August 1, 2017 to July 31, 2022, at a total not-to-exceed cost of \$1,740,000.00.
- Approval of a contract with AFT to provide technical design, fabrication, crating, storage, delivery and oversight of installation of materials at the Frances Gallardo, 14th Avenue Bridge and the Josué Guarionex Colon-Rosado, 3rd Avenue Bridge located on Metro-North's New Haven Line.

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:

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

- Approval of a lease with JP Morgan Chase for the operation of automated teller machines in Retail Space LC-35 in the dining concourse at Grand Central Terminal.
- Acquisition from Greentree Realty LLC of property adjacent to the Harmon Yard in Croton-on-Hudson, New York.

Upon motion duly made and seconded, the Board approved the foregoing real estate items, the details of which 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 New York City Transit:

The Board was presented with the following competitive procurement recommended to it by the Committee on New York City Transit that relates to Metro-North.

- Modification for International Business Machines Corporation's support for three interrelated projects involving MTA's PeopleSoft systems, including the migration of the disaster recovery site to a New York State data center in Albany. Under this modification, IBM will set up, configure, install and test (1) primary PeopleSoft servers and related equipment, (2) disaster recovery equipment, and (3) a new

tapeless backup system. In addition, IBM will migrate the existing PeopleSoft application program code to the new equipment at a final price of \$5,854,252.00.

Upon motion duly made and seconded, the Board approved the foregoing procurement item, the details of which are contained in the minutes of the New York City Transit 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.

6. Committee on Metro-North Railroad:

Procurements:

The Board was presented with the following non-competitive procurement recommended to it by the Committee on MTA Metro-North Railroad.

- Approval to award a five-year purchase contract in the total not-to-exceed amount for the five year period of \$1,008,746.00 to Railtech Boutet, Inc. to provide specialized field rail welding kits and related supplies used to weld and connect various weighted running rail (119 lb., 127 lb., 132 lb. and 136 lb.) as required by Metro-North's Track Department.

The Board was presented with the following competitive procurement recommended to it by the Committee on MTA Metro-North Railroad.

- Approval to award a 15-month competitively solicited and negotiated design-build contract in the not-to-exceed amount of \$8,750,000.00 to the firm, John Civetta Sons, Inc., for the design and construction for the complete replacement of the 14th Ave Bridge located over the New Haven Line in Mt Vernon, NY.

Upon motion duly made and seconded, the Board approved the foregoing procurements, the details of which are contained in a staff summary filed with the records of this meeting and in the video recording of the meeting produced by the MTA and maintained in the MTA records.

7. JOINT SESSION OF THE BOARD AND FINANCE COMMITTEE OF THE MTA FOR CHIEF FINANCIAL OFFICER'S PRESENTATION OF 2017 MID-YEAR FORECAST, 2018 PRELIMINARY BUDGET AND 2018 - 2021 FINANCIAL PLAN.

MTA Chief Financial Officer Robert Foran presented the MTA 2017 Mid-Year Forecast, 2018 Preliminary Budget and the July Financial Plan 2018-2021 to the Finance Committee and MTA Board members. Copies of the Mid-Year Forecast, Preliminary Budget, and July Financial Plan were distributed to Board members.

Chairman Lhota thanked Robert Foran for the presentation and invited Board discussion concerning the proposed financial plan. The details of the presentation and Board members' comments with respect thereto are included in the videotape of the meeting produced by the MTA and maintained in MTA records.

The details of the presentation and Board members' comments with respect thereto are included 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.

8. Adjournment:

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 1:25 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Richard Gans", written in a cursive style.

Richard Gans
Secretary

July 2017 Board Minutes
Legal/Corporate

**Minutes of the Regular Board Meeting
Long Island Rail Road Company
2 Broadway
New York, NY 10004
Wednesday, July 26, 2017
10:00 a.m.**

The following members were present:

Hon. Joseph J. Lhota, Chairman & CEO
Hon. Fernando Ferrer, Vice Chairman
Hon. Norman E. Brown
Hon. Ira Greenberg
Hon. David Jones
Hon. Susan Metzger
Hon. Charles G. Moerdler
Hon. John J. Molloy
Hon. Mitchell H. Pally
Hon. Scott Rechler
Hon. Andrew Saul
Hon. Lawrence Schwartz
Hon. Polly Trottenberg
Hon. Peter Ward
Hon. Carl Weisbrod
Hon. Carl V. Wortendyke
Hon. Neal Zuckerman

The following members were absent:

Hon. Veronica Vanterpool
Hon. James Vitiello

Veronique Hakim, Interim Executive Director, Donna Evans, Chief of Staff, Helene Fromm, Acting General Counsel, Robert Foran, Chief Financial Officer, Phillip Eng, Chief Operating Officer, Board Member Andrew Albert, Board Member Randolph Glucksman, Board Member Vincent Tessitore, Jr., Darryl Irrick, Acting President, NYCTA, Patrick Nowakowski, President, Long Island Rail Road, Catherine Rinaldi, Executive Vice President, Metro-North Railroad, Albert Rivera, Acting Executive Vice President, TBTA, Stephen Vidal, Acting President, MTA Bus Company, Janno Liber, MTA Chief Development Officer, and Stephen Morello, Counselor to the Chairman, also attended the meeting.

Chairman Lhota called the meeting to order.

1. Public Speakers

The Chairman noted that sixty one (61) persons had signed up to speak. A total of fifty five (55) persons actually spoke at the meeting, only one of whom commented on matters relating to the Long Island Rail Road (LIRR).

Mary Parisen, Chair of Civics United for Railroad Environmental Solutions (CURES), stated that LIRR had an opportunity to acquire Tier 4 locomotives to replace its existing freight locomotive fleet. Ms. Parisen stated that New York State was to receive \$127 million from the Volkswagen (VW) emissions settlement, and that each Board member had received a set of New York State Department of Environmental Conservation (NYSDEC) slides about obtaining such funds for eligible projects. Ms. Parisen commented that NYSDEC and the New York State Energy Research and Development Authority (NYSERDA) have determined that the replacement of locomotives with cleaner models is eligible for funding. She further commented that LIRR has a pending procurement for new freight locomotives, and had engaged STV as a consultant. She stated that by using funds from the VW settlement, the LIRR could obtain free Tier 4 locomotives to replace the existing switchers now used at Fresh Pond Yard. She stated that CURES cannot apply for funds but MTA can, and that since funds were to be allocated on a first-come, first-served basis, she urged MTA not to lose this opportunity.

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. Chairman's Remarks

Chairman Lhota thanked Vice Chairman Ferrer for stepping up and serving as Acting Chairman for five months. He thanked Mr. Ferrer for everything that he does for the MTA.

The Chairman commented that it was great to be back at the MTA, and that he was honored by the opportunity to return.

The Chairman stated that, yesterday, he introduced a plan to restore and improve the subway system. He further stated that all of the 8.7 million people who rely on the MTA deserve the best possible transportation system. He noted that Chief Financial Officer Robert Foran would be giving a presentation on the MTA budget.

The Chairman commended Joseph Giulietti, a 20-year veteran of the MTA, who has a stellar reputation. He stated that he would continue to call on Mr. Giulietti for his advice even after his retirement. He further stated that Mr. Giulietti was responsible for the greatest turn-around in the history of any railroad; and that he put public safety first, and it worked.

The Chairman stated that under Mr. Giulietti's leadership, Metro-North was the first commuter railroad to implement a Close Call Reporting System, and to require sleep apnea testing for all engineers. Mr. Giulietti also led the efforts to rebuild Metro-North's infrastructure

and restored Metro-North's reputation for high quality service. The Chairman thanked Mr. Giulietti for his dedication and leadership.

3. Approval of Minutes.

Chairman Lhota asked for a motion to approve the minutes of the Regular Board Meeting of June 21, 2017. Board Member Carl Weisbrod noted that he was confirmed by the State Senate in June, not in July, and asked that the minutes be corrected accordingly. Upon motion duly made and seconded, the minutes of the Regular Board Meeting of June 21, 2017 were approved, as corrected.

4. Committee on Finance

Procurement Items

The Board was presented with twelve (12) procurement items recommended to it by the Committee on Finance, nine (9) of which related to Long Island Rail Road:

- **Sprague Operating Resources LLC – Transportation and Heating Fuels & Related Services** - To recommend that the Board approve the award of a competitively negotiated, All-Agency miscellaneous procurement contract to Sprague Operating Resources LLC (Sprague) to provide petroleum-based transportation fuels (excluding bus fuel), heating fuels and related services. The contract will be for a period of thirty-six (36) months, with two (2) one-year options to be exercised at the Authority's sole discretion, at a total cost not to exceed \$224,988,670.85.
- **Executive Recruitment Services** – To recommend the Board approve the award of seven (7) competitively negotiated personal service contracts with the following firms:
 - The Burgess Group-Corporate Recruiters International Inc.
 - David Gomez & Associates International Co.
 - Gilbert Tweed Associates, Inc.
 - Harris Rand Lusk
 - Infosys International, Inc.
 - KMQ Enterprises, Inc. d/b/a Tailwind Associates
 - Krauthamer & Associates

to provide executive recruitment services at a total cost not to exceed amount of \$2,255,081.07 for the term of five (5) years which included two one year renewal options from August 1, 2017 to July 31, 2022.

- **Oliver Wyman Actuarial Consulting, Inc. – Actuarial and Risk Management Consulting Services** - To obtain Board approval to award a competitively negotiated, personal services contract to Oliver Wyman Actuarial Consulting, Inc. (Oliver Wyman), to provide actuarial and risk management consulting services in

connection with the self-insured programs of the MTA Agencies and programs insured through First Mutual Transportation Assurance Company (FMTAC), MTA's wholly-owned captive insurance company. The contract will be for a term of three (3) years with two one-year renewal options from August 1, 2017 to July 31, 2022, at a total not to exceed \$1,740,000.00.

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, the staff summaries 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 six (6) real estate items recommended to it by the Committee on Finance, two (2) of which related to Long Island Rail Road:

- **Town of Riverhead** – License Agreement with the Town of Riverhead for the use of the Riverhead Station Building and associated parking spaces and green areas by the Riverhead Ambulance Corps, Riverhead, New York.
- **Pinelawn Cemetery** – Agreements with Pinelawn Cemetery for Pinelawn Station Improvements.

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

5. Long Island Rail Road Committee

Action Items

The Board was presented with one (1) action item recommended to it by the Long Island Rail Road Committee:

- **Moynihan Phase 1 Funding Agreement and New York Power Authority Energy Services Program Agreement** – To obtain Board authorization for the Metropolitan Transportation Authority (“MTA”) and the MTA Long Island Rail Road (“LIRR”) (jointly, the “MTA Parties”), to enter into (i) a Funding Agreement with the New York State Urban Development Corporation d/b/a Empire State Development Corporation (“ESD”) whereby they would fund the final elements of the Phase 1 West End Concourse Enhancements work (the “WEC Enhancements”) including interior finishes such as cladding and detailing, exterior finishes such as signage and lighting, and the design and installation of energy efficient LED lighting and displays (the “LED Element”); and (ii) a

Customer Installation Commitment (“CIC”) under the MTA Energy Services Program Agreement with the New York Power Authority (“NYPA”) to fund the LED Element of the WEC Enhancements.

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

Procurement Items

The Board was presented with two (2) procurement items recommended to it by the Long Island Rail Road Committee, both of which related to MTA Capital Construction (MTACC):

- **Modification to Purchase and Public Work Contracts – GCT Constructors Joint Venture – Contract No. CM014B, Modification No. 85** - In accordance with Article IX of the All-Agency Procurement Guidelines, MTACC seeks Board approval to modify the Contract to reconfigure and resize new HVAC ducts; relocate affected utilities and modify the affected portions of the new ceiling and Air Handling Units (AHUs).
- **Ratification of Completed Procurement Actions – Parsons Brinckerhoff/STV/Parsons Transportation Group, Joint Venture – Contract No. 980-0040-01R, Modification No. 127** – In accordance with Article XI of the MTA All-Agency Service Contract Procurement Guidelines, MTACC requests that the Board ratify a modification to the Contract in order to create a new construction contract package to be designated Contract CH057D – Harold Track Work Part 3.

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, the staff summaries filed with those minutes, and in the video recording of the meeting produced by the MTA and maintained in the MTA records.

6. Presentation on MTA 2017 July Financial Plan, 2018-2021

Chief Financial Officer Robert Foran gave the Board a presentation on MTA’s 2017 July Financial Plan. He noted that the Plan revises MTA’s financial forecast based on current year results, and requires no formal action by the Board at this time. He further noted that MTA will use the Plan as a basis for reporting back to the Board going forward.

Chief Financial Officer Foran highlighted the following items concerning the 2017 July Financial Plan:

- The 2017 February Plan projected breakeven cash balances through 2019 with a deficit of \$372 million in 2020.
- What has changed since the February Plan?
 - Changes and re-estimates worsening financial results over the plan period, such as lower Real Estate transaction tax receipts (\$792 million), and lower fare box/toll revenue estimates (\$132 million).
 - Changes and re-estimates improving financial results during the plan period such as (among others) lower energy costs (\$183 million), lower debt service (\$158 million), and higher PMT receipts (\$138 million).
 - In total, re-estimates and other changes are \$385 million unfavorable for the plan period.
- Highlights of the 2018-2021 July Financial Plan
 - Fare/Toll increases of 4% in 2019 and 2021, consistent with previous plans.
 - Initiatives to meet \$387 of the \$716 million of unspecified cost reductions targeted in the February Plan have been identified and have been or are being implemented.
 - The MTA will invest an additional \$484 million in maintenance and other areas to improve operations and enhance the customer experience over the plan period.
 - The MTA supports additional safety and security measures, investing \$90 million over the plan period.
 - Funds an additional \$100 million in the Amended 2015-2019 Capital Program.
- MTA actions to address unfavorable changes from the February Plan include:
 - Increased savings targets by \$150 million in 2018, increasing by \$50 million a year to \$300 million in 2021.
 - Assume restoration of PMT Replacement Funds to \$307 million a year (\$65 million per year)
 - Use funds from B&T Necessary Reconstruction Reserve Fund (\$158 million) instead of PAYGO.
 - Reduce 2017 General Reserve (\$135 million); approximately \$58 million will be used to fund Amtrak Penn Station emergency mitigation costs until reimbursement is received.

- Cease planned contributions to the GASB reserves for 2018 and the out-years (\$59 million).
- The plan continues to fund important investments and is balanced through 2019; the 2020 deficit is reduced (\$112 million), but the 2021 deficit (\$493 million) will need to be addressed.
- The Plan funds \$484 million in maintenance/operations and customer experience enhancements over the plan period.
- The Plan also funds \$90 million in safety and security investments over the plan period.
- \$387 million in savings have been implemented or identified from the total of \$716 million in savings targets in the February plan.
- An increase in savings targets is required to address deficits, adding to the remaining unidentified targets.
- Annually recurring savings are projected to reach \$2.3 billion by 2021.
- The Plan continues to fund important investments and address out-year deficits.
- However if we don't achieve our savings targets, deficits will occur earlier and be larger.
- If savings targets are not achieved and inflation-tracking fares and tolls are not implemented, our situation becomes untenable.

The details of Chief Financial Officer Foran's presentation on the 2017 July Financial Plan are contained in the minutes of the MTA Board meeting held this day, the materials distributed to the Board and filed with those minutes, and in the video recording of the meeting produced by the MTA and maintained in the MTA records.

Discussion

Board Member Andrew Albert thanked Chief Financial Officer Foran for a thorough presentation. He asked for examples of where the cost savings that were identified might be. Chief Financial Officer Foran responded that areas of expected costs savings include a health and medical rebid, wherein MTA rebid its large medical plan to identify possible savings such as when a husband and wife both subscribe to family coverage; shifting more paratransit service to taxis, e-hails and cab vouchers, and away from dedicated vehicles; eliminating certain MTA headquarters overhead expenses; and a study of hours of service for bus drivers wherein MTA determined that certain hours could be saved.

Board Member Albert asked whether MTA would be looking at alternative funding sources to place MTA funding on a more stable footing, such as the Move New York Plan.

Chief Financial Officer Foran responded that MTA is agnostic as to where funding comes from, but if we can show that we have been actively cutting costs, this will allow us to be credible in asking for more money if we need it.

Board Member Albert noted that while he understood the need for fare increases, such increases --- if followed to their logical conclusion --- would result in fares and tolls that are unsustainable. As such, this is why MTA needs additional, ongoing and predictable sources of funding.

Board Member Charles Moerdler asked what revenue MTA derives from alcohol advertisements. Chief Financial Officer Foran responded that such revenue amounts to about \$2.6 million per year. Board Member Moerdler indicated that, at an appropriate point in time, he wished to discuss this matter further. Chairman Lhota agreed and noted that MTA has an outstanding RFP rebidding its advertising, and that this issue would be examined in that context.

Board Member Andrew Saul thanked Chief Financial Officer Foran for an excellent report. He commented that, in addition to keeping a careful watch on the budget, a management issue existed which needs to be addressed. He stated that management of the MTA is not what it was years ago, and expressed his concern about the current condition of the MTA, which he felt was the worst he had seen in his 20 years of service on the Board. He noted that MTA has been without full-time leadership since former Chairman Prendergast resigned in February. He expressed his appreciation for Chairman Lhota's return to the MTA, but noted that the Chairman's position was part-time, and that the necessary legislation had not been adopted to provide for a separate, full-time Executive Director. Board Member Saul stated that the Board has lost its independent role; that it has become a "rubber stamp" for the Governor's policies; and that the Governor insists on micromanaging the MTA. He further stated that as the Westchester County representative, he was worried about Metro-North which has no professional full-time leader. He noted that MTA is planning to spend \$500 million on the Transit Authority, but MTA needs a full-time CEO now and the Governor needs to let this professional and the Board run the MTA.

Board Member Ira Greenberg asked about the continued payment of underfunded pension liabilities, and he noted that health care contributions have been cut off. Chief Financial Officer Foran responded that MTA is not required to make such health care contributions, but that pensions are funded in accordance with actuarial requirements, and MTA has put a significant amount of money into the LIRR "Closed" Plan. He stated that MTA would continue to address pension underfunding in accordance with actuarial requirements.

Board Member Greenberg asked if the actions announced yesterday were in addition to the Financial Plan as presented. Chief Financial Officer Foran responded in the affirmative.

Board Member Greenberg asked about certain items in the Financial Plan relating to LIRR. He noted that in one place, an additional initiative is identified as pertaining to Positive Train Control, but in another place, it is described as additional actions relating to maintenance of rolling stock. He asked whether the monies in question were for PTC or to address Mean Distance Between Failures (MDBF). LIRR President Patrick Nowakowski stated that he

believed the money in question was intended for improvements to communication systems within the Atlantic Avenue Tunnel. Board Member Greenberg noted that he expressed concern at the Long Island Rail Road Committee meeting on Monday about not meeting MDBF goals, which he attributed to operating challenges faced by LIRR but not by other commuter railroads, such as the problems at Penn Station. President Nowakowski stated that he did not believe the monies in question were directed at MDBF; that the June numbers on MDBF were a lot better than the numbers available for the Committee meeting; and that LIRR has experienced increasing MDBF for 15 years.

Board Member Scott Rechler reconfirmed with Chief Financial Officer Foran that the program announced yesterday was in addition to the Financial Plan as presented. Board Member Rechler then asked if, for this period, MTA expected federal and State funding to make up the gap. Chief Financial Officer Foran responded in the affirmative.

Board Member Rechler encouraged the Chairman to think about sustainable funding sources and to work with New York City and New York State, and with the business community, on ways to sustain the more intensive levels of services and operations that we need. He stated that just increasing the fares won't solve the problem. With respect to the program announced yesterday, he agreed that hiring 2700 more people was a necessity, but encouraged thinking about greater use of technology and innovation, which might allow MTA to redeploy staff resources to better address some of the issues which the Chairman laid out.

Board Member Rechler noted that East Side Access had come up at the Long Island Rail Road Committee meeting, and he expressed concern about further delay due to a lack of resources being committed by Amtrak. He stated that it would be a terrible thing for the 2022 date to be pushed back, and expressed a need for a sense of urgency. He encouraged efforts to get the resources necessary to stay on schedule, and suggested thinking outside the box, such as thinking about places like Denver and Virginia, where they reportedly have excess staff, and potentially relocating people from other parts of the country to provide the resources that are needed. Finally, he encouraged MTA to think about sustainable funding sources rather than adding more debt to the agency.

Chairman Lhota noted that a meeting was being set up with Amtrak to address the issue of the resources needed to advance East Side Access.

Board Member Mitchell Pally noted that the 2020 and 2021 numbers are significantly different from the numbers beforehand, and he asked about the assumptions leading to the change. Chief Financial Officer Foran responded that as new projects such as East Side Access and Second Avenue Subway come on line, and new service is offered, staffing needs increase. He added that other than that, we are not seeing anything that would blow the budget and we are seeing the same rates of inflation for health care costs and things like that.

Board Member Pally asked whether MTA is assuming a continued decline in Real Estate Tax revenues or PMT revenues. Chief Financial Officer Foran responded that we are assuming a drop of \$200 million in the base but then the revenues begin to grow from that point forward.

Board Member Pally stated that we tend to get into the same discussion every year, and that things need to change. He further stated that we need to re-evaluate the practice of biennial fare increases, because it is not sustainable any more. Mr. Pally noted that we have been able to reduce the amount of fare and toll increases from 7-8% to 2% each year, but in the current climate, that is not enough of a reduction. He stated his support for the Move New York Plan, or a similar plan, which he felt was a fair and equitable means of ensuring that everyone in the region pays their fair share of the operating costs of the agency. He further stated that it was only 18 months to implementation of the next plan and he urged the Board to think about ways to eliminate implementation of the next plan because it will be a very, very difficult sell to continue to increase fares and tolls at that level or any level without significant changes in the way we operate.

Chairman Lhota stated that Mr. Pally's remarks reminded him that when the last new source of funding for the MTA was secured – the Payroll Mobility Tax --- an agreement needed to be reached between the State Senate, the State Assembly and the Governor's Office which called for biennial fare increases. He also reminded everyone that an outside third party commission was needed to reach agreement on biennial fare increases.

Board Member Neal Zuckerman noted that because of the need to sustain our operations, we only have a narrow band of costs where we can look for additional savings. He asked if Mr. Foran had a sense of when the cost-cutting effort reaches the point where you are no longer cutting fat but cutting bone. Chief Financial Officer Foran stated that he felt we can get through this Plan but that we need to change people's thought processes. It is not software that we need; it is getting to change the way people think about our business process. We can save money by reallocating people because we no longer need them to do a redundant process. We can save money in areas such as Information Technology (IT) by reducing the number of redundant applications we support. We can save a lot of money by reducing some 800 applications to a more reasonable number. Another area is Workers Compensation, where Transit is realizing savings through better case management, and that then becomes a model for the commuter railroads and their FELA program. We have secured much of the low-hanging fruit but there are challenges that still need to be addressed.

Board Member Zuckerman stated the rhetoric about the MTA was getting difficult to listen to. He noted that Joseph Giulietti changed the perception of Metro-North, but expressed the fear that the perception of the MTA would be harder to change than the reality. Mr. Zuckerman endorsed the plan announced by Chairman Lhota, but cautioned that the reality will change much faster than the perception. Mr. Zuckerman asked the Board, MTA's outside stakeholders and the press to tone down the rhetoric. He apologized to Board Member Saul but stated that Mr. Saul's comments about the situation being the worst he has seen in 20 years was not helpful to any of the involved constituencies in securing the funding that the MTA needs.

Chairman Lhota noted that Mr. Zuckerman calls it perception, and he calls it the narrative. It's the same thing. We will start to see changes in the Transit Authority fairly quickly, but the message is just as important as reducing delays.

Board Member Carl Weisbrod commended the Chairman for his alacrity in coming up with immediate steps to address problems in the subway system. He expressed agreement with

Board Member Rechler: this is the time for the City and the State to place MTA on a level funding base, not a series of patchwork measures. This is the moment to work with the City and State to put funding for the MTA on a more regularized basis.

Board Member Susan Metzger stated that she would attempt to summarize what the Board has been saying: The normal way MTA tries to fund itself is no longer working. We implement biennial fare increases, but this has reached the breaking point for the West of Hudson customers and it soon will for the rest of the system; we utilize bonds but our ability to issue bonds and the Board's tolerance for additional debt is decreasing; and we rely on cost-cutting, but we have already secured most of the low-hanging fruit. We need to identify new, innovative ways to fund the agency, which is so vital to the region.

Board Member Norman Brown commented on value capture and asked whether there were other ways to capture value to help secure the necessary funding for the MTA. He stated that the West Side Expansion was paid for by a TIF or by PILOT, and asked whether the operating and maintenance costs associated with the Expansion were being paid for by the TIF or PILOT or were they being spread over the rest of the system and paid for out of general funds for operation and maintenance. Chief Financial Officer Foran stated that the Number 7 Line Extension was not a TIF but the structure was similar. The City captured the same types of revenue and applied them to the Extension project. Mr. Foran added that the MTA was able to sell certain development rights over its West Side Yards and use those funds for its capital program, but MTA will continue to pay for the operation and maintenance of those tracks. With respect to the Number 7 Line Extension, the City paid for the capital costs of the extension; MTA is paying for the operating and maintenance costs.

7. Adjournment.

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 1:25 P.M.

Respectfully submitted,



Mark D. Hoffer,
Secretary

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

BOARD MINUTES

July 26, 2017

Minutes of the Regular Meeting
Triborough Bridge and Tunnel Authority
July 26, 2017

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

10:00 a.m.

The following members were present:

Hon. Joseph J. Lhota, Chairman & CEO
Hon. Fernando Ferrer, Vice Chairman
Hon. Norman E. Brown
Hon. Ira Greenberg
Hon. David Jones
Hon. Susan Metzger
Hon. Charles G. Moerdler
Hon. John J. Molloy
Hon. Mitchell H. Pally
Hon. Scott Rechler
Hon. Andrew Saul
Hon. Lawrence Schwartz
Hon. Polly Trottenberg
Hon. Peter Ward
Hon. Carl Weisbrod
Hon. Carl V. Wortendyke
Hon. Neal Zuckerman

The following members were absent:

Hon. Veronica Vanterpool
Hon. James Vitiello

Veronique Hakim, Interim Executive Director, Donna Evans, Chief of Staff, Helene Fromm, Acting General Counsel, Robert Foran, Chief Financial Officer, Phillip Eng, Chief Operating Officer, Board Member Andrew Albert, Board Member Randolph Glucksman, Board Member Vincent Tessitore, Jr., Darryl Irick, Acting President, NYCTA, Patrick Nowakowski, President, Long Island Rail Road, Catherine Rinaldi, Executive Vice President, Metro-North Railroad, Albert Rivera, Acting Executive Vice President, TBTA, Stephen Vidal, Acting President, MTA Bus Company, Janno Lieber, MTA Chief Development Officer, and Stephen Morello, Counselor to the Chairman, 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 Company, the Metro-North Commuter Railroad Company, the MTA Capital Construction Company, the MTA Bus Company, and the First Mutual Transportation Assurance Company.

1. Public Speakers

There were sixty (60) 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. Chairman Lhota's Opening Remarks

Chairman Lhota opened his remarks by thanking Mr. Ferrer for acting as Chairman. He also stated that he is honored to come back as Chairman. He stated that he unveiled the MTA's new plan to stabilize and improve New York City's subway system and lay the foundation for its modernization. He stated that there would be a presentation by Bob Foran, Chief Financial Officer, regarding the July Financial Plan. Finally, he also acknowledged the retirement of Joe Giulietti, President of Metro North, after a nearly 20 year career with the MTA.

The details of Chairman Lhota's remarks 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 Minutes of Regular Meeting June 21, 2017

Upon a motion duly made and seconded, the minutes of the Regular Board Meeting held on June 21, 2017 were approved.

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 statements made regarding this matter.

4. Committee on MTA Bridges and Tunnels Operations

Procurements

Commissioner Moerdler stated that there are five (5) procurements totaling \$36.8 million.

Non-Competitive Procurements

Commissioner Moerdler stated that there is one (1) non-competitive procurement.

Competitive Procurements

Commissioner Moerdler stated that there are four (4) competitive procurements.

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

Non-Competitive Procurement

Non-Competitive Purchases and Public Work Contracts

| | | |
|---|--|-----------------|
| New York State Department of Transportation | Contract No. MOU-17-71 TBTA is seeking approval under the All Agency Procurement Guidelines to enter into an Agreement (Memorandum of Understanding) with the New York State Department of Transportation (NYSDOT) for the reconstruction and maintenance of | \$23,000,000.00 |
|---|--|-----------------|

Ramp RC connecting the southbound Bruckner Expressway with the Bronx approach to the Robert F. Kennedy Bridge.

Competitive Procurements

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

| | | |
|---|--|----------------|
| Parsons Brinckerhoff, Inc. AECOM USA, Inc. | Contract Nos. PSC-14-2953A PSC-14-2953B TBTA is seeking Board Approval in accordance with the All Agency Service Contract Procurement Guidelines to amend personal service contracts to provide environmental review of future possible changes in toll policy at TBTA facilities. | \$2,000,000.00 |
|---|--|----------------|

Modifications to Purchase and Public Works Contracts

| | | |
|---|---|----------------|
| El Sol Contracting & Construction Corp./El Sol Limited Enterprises J.V. | Contract No. RK-65A TBTA is seeking Board Approval under the All Agency General Contract Procurement Guidelines to amend a public works contract for additional civil, structural and electrical infrastructure construction work related to Open Road Tolling (ORT) at the Bronx and Queens approaches to the Robert F. Kennedy Bridge. | \$8,117,816.00 |
|---|---|----------------|

| | | |
|--------------------|--|----------------|
| Tutor Perini Corp. | Contract No. VN-80B TBTA is seeking Board Approval under the All Agency General Contract Procurement Guidelines to modify this contract for interim reconciliation of contract items and additional new items of work. These items include: (i) Milling of the Staten Island Approach; (ii) Removal and Replacement of the Lower Roadway Finger Joints and Removal and Replacement of Lower Roadway Bearings at the Brooklyn Tower and (iii) an allowance for Horizontal Jacking Labor required for Lower Level Finger Joint and Bearing Replacement. | \$3,261,708.42 |
|--------------------|--|----------------|

| | | |
|--------------------------|---|--------------|
| 2 Saab Construction Inc. | Contract No. QMM-346 TBTA is seeking Board Approval under the All Agency General Contract Procurement Guidelines to modify this contract to include labor, material and equipment necessary to provide masonry work to the | \$420,903.46 |
|--------------------------|---|--------------|

Manhattan Entrance Plaza Walls and to power wash the Queens Portal of the Queens Midtown Tunnel.

Ratifications

Commissioner Moerdler stated that there are no ratifications.

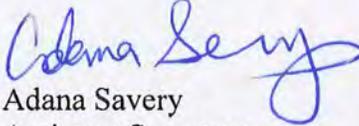
5. **CFO Presentation to the Board**

MTA Chief Financial Officer Robert Foran presented and discussed the July Financial Plan for 2018 through 2021. The details of Mr. Foran's presentation and the discussions with regard to same are contained in the minutes of the meeting of the Board of the Metropolitan Transportation Authority.

6. **Adjournment**

Upon a motion duly made and seconded, the Board unanimously voted to adjourn the meeting at 1:25 p.m.

Respectfully submitted,


Adana Savery
Assistant Secretary

**Regular Board Meeting
MTA Capital Construction Company
2 Broadway
New York, NY 10004
Wednesday, July 26, 2017
10:00 AM**

The following members were present:

Hon. Joseph J. Lhota, Chairman
Hon. Fernando Ferrer, Vice Chairman
Hon. Norman E. Brown
Hon. Ira Greenberg
Hon. David Jones
Hon. Susan Metzger
Hon. Charles G. Moerdler
Hon. John J. Molloy
Hon. Mitchell H. Pally
Hon. Scott Rechler
Hon. Andrew Saul
Hon. Lawrence Schwartz
Hon. Polly Trottenberg
Hon. Peter Ward
Hon. Carl Weisbrod
Hon. Carl V. Wortendyke
Hon. Neal Zuckerman

The following members were absent:

Hon. Veronica Vanterpool
Hon. James Vitiello

Board Member Andrew Albert, Board Member Randolph Glucksman and Board Member Vincent Tessitore, Jr. also attended the meeting as did various other agency presidents and staff including Veronique Hakim, Interim Executive Director, MTA, Janno Lieber, Chief Development Officer, MTA, Phillip Eng, Chief Operating Officer, MTA, Donna Evans, Chief of Staff, MTA, Helene Fromm, Acting General Counsel, MTA, Robert Foran, Chief Financial Officer, MTA, Darryl Irick, Acting President, NYCTA, Patrick Nowakowski, President, Long Island Rail Road, Catherine Rinaldi, Executive Vice President, Metro-North Railroad, Albert Rivera, Acting Executive Vice President, TBTA, Stephen Vidal, Acting President, MTA Bus Company, Evan M. Eisland, Sr. Vice President, General Counsel and Secretary, MTA Capital Construction Company and, David Cannon, 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.

Unless otherwise indicated, these minutes reflect items concerning the business of the MTA Capital Construction Company. Refer to the other agencies' minutes of this date for items on the agendas of the Boards of the other agencies.

Chairman Lhota called the meeting to order.

Public Comment Periods

There were fifty five public speakers none of whom spoke on MTA Capital Construction matters. The names and remarks of the speakers are contained in the minutes of the Regular Meeting of the Board of the Metropolitan Transportation Authority and in the minutes of the other agencies of this date.

Chairman's Remarks

The Chairman's remarks are noted in the minutes of the Regular Meeting of the Board of the Metropolitan Transportation Authority held on this date.

Approval of Minutes

Upon motion duly made and seconded, the Board approved the minutes of the Regular Meetings of the Board of the Metropolitan Transportation Authority and the MTA Capital Construction Company held on June 21, 2017.

Committee on NYCT and Bus

Procurement Items

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

1. A modification to the 96th St. Station Finishes contract (C26010) for the Second Avenue Subway Project, Phase I for (1) the removal and replacement of sidewalks with tinted concrete, and (2) alteration and reinstallation of two sidewalk sheds in the amount of \$825,000.
2. A modification to the 96th St. Station Finishes contract (C26010) for the Second Avenue Subway Project, Phase I for the re-phasing of the east side utility work required to complete the 96th Street Station in the amount of \$1,299,000.

A copy of the Resolution and Staff Summary for the above items is filed with the records of the Regular Meeting of the Board of the Metropolitan Transportation Authority of this date.

Committee on the Long Island Rail Road

Procurement Items

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

A Modification to the GCT Concourse and Facilities Fit-Out contract (CM014B) for the East Side Access Project to reconfigure and resize new HVAC ducts; relocate affected utilities and modify the affected portions of the new ceiling and Air Handling Units (AHUs) in the amount of \$884,000.

A copy of the Resolution and Staff Summary for the above item is filed with the records of the Regular Meeting of the Board of the Metropolitan Transportation Authority of this date.

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

A modification to the General Engineering Consultant contract (98-0040-01R) for the East Side Access Project to create a new construction package to be designated Contract CH057D-Harold Track Work Part 3, in the amount of \$2,004,800.

A copy of the Resolution and Staff Summary for the above item is filed with the records of the Regular Meeting of the Board of the Metropolitan Transportation Authority of this date.

Joint Session of the Board and Finance Committee

MTA Chief Financial Officer Robert Foran presented the MTA's 2017 Mid-Year Forecast, 2018 Preliminary Budget and the July Financial Plan 2018-2021. A discussion among Board members followed.

Board Member Rechler expressed concern that the drain on Amtrak resources to support the East Side Access Project resulting from Amtrak's work at Penn Station could jeopardize the 2022 revenue service date for LIRR service into Grand Central Terminal. He encouraged MTA Chief Development Officer Janno Lieber to explore other avenues to obtain the required resources required such as the use of Amtrak forces from other regions.

The details of the presentation and remainder of the Board members' comments with respect thereto are filed with the records of the Regular Meeting of the Board of the Metropolitan Transportation Authority held on this date.

Adjournment

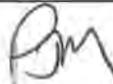
Upon motion duly made and seconded, the Board voted to adjourn the public meeting at 1:25 p.m.

Respectfully submitted,



David K. Cannon
Assistant Secretary

Staff Summary

| |
|---|
| Subject Authorization to Issue New Money Triborough Bridge and Tunnel Authority General Revenue and Subordinate Revenue Bonds and Bond Anticipation Notes and to Provide for Reimbursement for Federal Tax Purposes |
| Department Finance |
| Department Head Name Robert E. Foran, Chief Financial Officer |
| Department Head Signature  |
| Project Manager Name Patrick J. McCoy, Director, Finance  |

| |
|-----------------------------------|
| Date September 27, 2017 |
| Vendor Name |
| Contract Number |
| Contract Manager Name |
| Table of Contents Ref # |

| Board Action | | | | | |
|--------------|---------------|------|----------|------|-------|
| Order | To | Date | Approval | Info | Other |
| 1 | Finance Comm. | 9/25 | X | | |
| 2 | Board | 9/27 | X | | |

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

PURPOSE:

The MTA Finance Department is seeking MTA Bridges and Tunnels Board authorization and approval of the necessary documentation to issue new money bond anticipation notes (BANs) and bonds to finance up to \$600 million of capital projects in approved bridges and tunnel capital programs, as well as adoption of the annexed reimbursement resolution which is required by Federal tax law to preserve the ability to finance certain capital projects on a tax-exempt basis. The MTA Finance Department will report to the Board on the status of the proposed debt issuance schedule, the results of each note and bond issue and planned note and bond issues.

To maintain the ability of MTA Bridges and Tunnels to finance capital projects in the capital improvement programs on such tax-exempt or tax-advantaged basis, consistent with Federal tax law, the MTA Bridges and Tunnels Board must periodically adopt reimbursement resolutions. Federal tax law requires that official action that sets forth the issuer's intent to spend tax-exempt bond proceeds on a project must be taken by an issuer that wants to reimburse itself from tax-exempt bond proceeds for capital project costs that were funded from another source of revenue. A copy of the 2017/2018 reimbursement resolution submitted for Board adoption is attached hereto.

For purposes of the attached reimbursement resolution, the Project refers to the capital programs approved by the Board, including, particularly, the 2000-2004 TBTA Capital Program, the 2005-2009 TBTA Capital Program, the 2010-2014 TBTA Capital Program, the 2015-2019 TBTA Capital Program, and the security projects authorized to be constructed and/or installed at the bridges and tunnels.

DISCUSSION:

MTA Bridges and Tunnels Board approval is sought for the following resolutions, documents and activities in connection with the issuance of bonds and/or bond anticipation notes in an aggregate principal amount necessary to finance up to \$600 million of capital projects of MTA Bridges & Tunnels set forth in approved capital programs:

- Multiple Series 2017/2018 Supplemental Resolution authorizing Triborough Bridge and Tunnel Authority General Revenue Obligations, including providing for the issuance of the following:
 - o An aggregate principal amount of up to \$600 million of Triborough Bridge and Tunnel Authority General Revenue Obligations (reduced by any bonds issued under the Triborough Bridge and Tunnel Authority Subordinate

- Resolution) in one or more series necessary to finance capital projects of MTA Bridges and Tunnels as set forth in existing MTA Bridges & Tunnels capital programs, plus applicable issuance costs and any original issue discount,
- o Parity Reimbursement Obligations and other Parity Debt in an amount sufficient to secure any Credit Facilities entered into in connection with the issuance of the General Revenue Obligations.
- Multiple Series 2001 Subordinate Revenue Bond Supplemental Resolution authorizing Triborough Bridge and Tunnel Authority Subordinate Revenue Obligations, including providing for the issuance of the following:
 - o An aggregate principal amount of up to \$600 million of Triborough Bridge and Tunnel Authority Subordinate Revenue Obligations (reduced by any bonds issued under the Triborough Bridge and Tunnel Authority General Revenue Bond Resolution) in one or more series necessary to finance capital projects of MTA Bridges and Tunnels, as set forth in existing MTA Bridges & Tunnels capital programs plus applicable issuance costs and any original issue discount, and
 - o Parity Reimbursement Obligations and other Parity Debt in an amount sufficient to secure any Credit Facilities entered into in connection with the issuance of the Subordinate Revenue Obligations.
 - A Supplemental Resolution authorizing Triborough Bridge and Tunnel Authority General Revenue BANs (TBTA BANs), including providing for the following:
 - o The issuance of TBTA BANs under the Triborough Bridge and Tunnel Authority General Revenue Bond Resolution (the Resolution), in one or more series from time to time, in an amount sufficient to produce net proceeds of up to \$600 million necessary to finance capital projects of MTA Bridges and Tunnels, plus applicable issuance costs and any original issue discount,
 - o Issuance of such TBTA BANs in competitive or negotiated public sales, by direct placement or in connection with a revolving credit or other loan agreement, and
 - o The issuance of TBTA Bonds in an amount sufficient to (i) retire the TBTA BANs when due and (ii) to finance capital projects of MTA Bridges and Tunnels, in each case plus accrued interest and applicable issuance costs and any original issue discount.

With respect to the above-referenced financial transactions, MTA Bridges and Tunnels Board approval is sought:

(a) delegating authority to the Chairman and Chief Executive Officer, the Managing Director, the President, the Chair of the Finance Committee, the Vice Chairman, the Chief Financial Officer or the Director, Finance to award the obligations either pursuant to competitive bid or to members (or entities related to such firms) of the Board-approved MTA underwriting syndicate and to execute and/or deliver in each case, where appropriate:

- o Notices of Sale and bid forms,
- o Purchase Agreements with underwriters,
- o Direct Purchase Agreements,
- o Revolving Credit Agreements or other Loan Agreements,
- o Official Statements and other disclosure documents,
- o Continuing Disclosure Agreements and related filings,
- o Remarketing Agreements,
- o Dealer and Broker/Dealer Agreements,
- o Issuing and Paying Agent Agreements,
- o Credit Facilities and related Parity Reimbursement Obligations and Parity Debt,
- o Related Subordinated Contract Obligations, and
- o Investment Agreements.

Any such documents will be in substantially the form of any document previously entered into by MTA or MTA Bridges and Tunnels for previous issues, with such changes as approved by any one or more of the foregoing officers.

(b) authorizing such officers to terminate, amend, supplement, replace or extend any such documents, including Credit Facilities (and related Parity Reimbursement Obligations and Parity Debt), as they shall deem advisable, and to take such other

actions as may be necessary or desirable to effectuate the issuance of the new money bonds and BANs and other financial transactions set forth above, on behalf of MTA Bridges and Tunnels.

ALTERNATIVES:

There are no viable funding alternatives to the bond funded portion of existing capital programs or to preserve the ability to finance certain capital projects on a tax-exempt or tax-advantaged basis under Federal tax law.

RECOMMENDATION:

The MTA Bridges and Tunnels Board approves the above-referenced resolution, documents and all other actions described above, 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 officers in connection therewith. The authorization to issue the bonds and bond anticipation notes and take other related actions hereunder shall continue in effect without any further action by the MTA Bridges and Tunnels Board until the adoption by the MTA Bridges and Tunnels Board of subsequent bond supplemental resolutions relating to 2019 note and bond issues (except that bonds may still be issued to refinance 2017/2018 BANs outstanding at any time) unless (a) the MTA Bridges and Tunnels Board shall have confirmed the effectiveness of this authorization for an additional period, or (b) the MTA Bridges and Tunnels Board shall have modified or repealed this authorization.

RESOLUTION

WHEREAS, Triborough Bridge and Tunnel Authority (“MTA Bridges and Tunnels”) intends to finance the MTA Bridges and Tunnels’ bridge and tunnel capital improvement program, as more fully described in the accompanying staff summary and capital program documents referenced therein (the “Project”);

WHEREAS, MTA Bridges and Tunnels desires to finance the Project through the issuance of tax-exempt debt or tax-advantaged debt, if available, and other sources as described in the approved capital programs, including moneys derived from the Metropolitan Transportation Authority and its affiliates and subsidiaries, and expects to reimburse expenditures made from such other sources with proceeds of such tax-exempt or tax-advantaged debt;

NOW THEREFORE, BE IT:

RESOLVED, that the statements contained in this Resolution with respect to the reimbursement of the expenditures described in this resolution are intended to be statements of official intent as required by, and in conformance with, the provisions of Treasury Regulation Section 1.150-2(e); and

RESOLVED, that the expenditures in connection with the Project to be reimbursed pursuant to this Resolution have been incurred and paid not more than 60 days prior to the date hereof or will be incurred and paid after the date hereof in connection with the Project; and

RESOLVED, that MTA Bridges and Tunnels reasonably expects that the maximum principal amount of tax-exempt or tax-advantaged debt (including bonds, commercial paper and bond anticipation notes) to be issued by MTA Bridges and Tunnels subsequent to the date hereof to pay MTA Bridges and Tunnels Project expenditures in 2017 and 2018 (whether directly or as a reimbursement) is \$600 million (plus associated financing costs); and

RESOLVED, that this Resolution shall take effect immediately.

September 27, 2017

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

**MULTIPLE SERIES 2001
SUBORDINATE REVENUE BOND
SUPPLEMENTAL RESOLUTION**

Adopted September 27, 2017

**MULTIPLE SERIES 2001
SUBORDINATE REVENUE BOND
SUPPLEMENTAL RESOLUTION**

BE IT RESOLVED by the Triborough Bridge and Tunnel Authority (the “Issuer”), as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

Section 1.01 Supplemental Resolution. This resolution is supplemental to, and is adopted, in accordance with Article II and Article A-VIII of a resolution of the Issuer adopted on March 26, 2002, entitled “2001 Subordinate Revenue Resolution Authorizing Subordinate Revenue Obligations” (the “Resolution”).

Section 1.02 Definitions.

1. All capitalized terms which are used but not otherwise defined in this Multiple Series 2001 Subordinate Revenue Bond Supplemental Resolution (the “Supplemental Resolution”) shall have the same meanings, respectively, as such terms are given by Section 102 of the Resolution.

2. In this Supplemental Resolution:

“Authorized Officer” shall include the officers designated as such in the Resolution, and the Chairman and Chief Executive Officer, the Managing Director, the President, the Chair of the Finance Committee, the Vice Chairman, the Chief Financial Officer or the Director, Finance, as well as any officer duly designated as “Acting” in said officer’s capacity, except that, for the purposes of any delegation set forth herein that does not expressly include any Assistant Secretary, “Authorized Officer” shall not include any Assistant Secretary of the Issuer.

“Board” shall mean, when used with respect to the Issuer, the board of the Issuer acting as such pursuant to the provisions of the Issuer Act, and when used with respect to the MTA, the members of the MTA acting as such pursuant to the provisions of the MTA Act.

“Bond Counsel” shall mean Nixon Peabody LLP, Orrick, Herrington & Sutcliffe LLP, D. Seaton and Associates, P.A., P.C., Bryant Rabbino LLP or any other attorney or firm of attorneys of nationally recognized standing in the field of law relating to the issuance of obligations by state and municipal entities, selected by the Issuer.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and regulations thereunder.

Section 1.03 Authority for this Supplemental Resolution. This Supplemental Resolution is adopted pursuant to the provisions of the Issuer Act and the Resolution.

ARTICLE II

AUTHORIZATION OF SERIES 2017/2018 BONDS

Section 2.01 Authorized Principal Amount, Designation and Series. Pursuant to the provisions of the Resolution and in order to finance Capital Costs, multiple Series of Subordinate Revenue Obligations (which may be issued at one time or from time to time in any number of Series or subseries, which for purposes of this Supplemental Resolution shall collectively be referred to herein as the “Series 2017/2018 Bonds”, constituting Capital Cost Subordinate Revenue Obligations, subject to redesignation as hereinafter provided) entitled to the benefit, protection and security of such provisions are hereby authorized to be issued in an aggregate principal amount not exceeding the principal amount necessary so that, after giving effect to any net original issue discount and underwriters’ discount from the principal amount, the amount to be deposited in the Proceeds Account pursuant to, or otherwise applied to effectuate the purposes of, Section 2.02 and Section 3.01 of this Supplemental Resolution (exclusive of the amount so deposited therein determined in the related Certificate of Determination as estimated to be necessary to pay capitalized interest or to pay any Costs of Issuance of the Series 2017/2018 Bonds) shall not exceed the amount or amounts determined in one or more Certificates of Determination to be necessary to effectuate the purposes set forth in Section 2.02 hereof; provided, however, that the Series 2017/2018 Bonds issued to finance Capital Costs shall not exceed \$600 million, reduced by the amount of bonds then Outstanding issued under the Triborough Bridge and Tunnel Authority Multiple Series 2017/2018 General Revenue Bond Supplemental Resolution, adopted September 27, 2017 (excluding all amounts excluded above, such as net original issue discount, underwriters’ discounts, capitalized interest and Costs of Issuance). For all purposes of this Section 2.01, net original issue premium as determined to be advisable by an Authorized Officer in connection with the marketing of the Series 2017/2018 Bonds, shall not be counted.

Series 2017/2018 Bonds shall be designated as, and shall be distinguished from the Obligations of all other Series by the title, “Subordinate Revenue Bonds, Series 2017” or “Subordinate Revenue Bonds, Series 2018”, reflecting the year in which such Bonds are issued, or such other title or titles set forth in one or more Certificates of Determination.

The authority to issue Obligations and take related actions granted under previous resolutions of the Issuer shall continue in full force and effect. The authorization to issue the Series 2017/2018 Bonds shall continue in effect until the adoption by the Issuer Board of a subsequent new money bond issuance supplemental resolution relating to 2019 new money financings.

Section 2.02 Purposes. The purposes for which the Series 2017/2018 Bonds are issued shall be set forth in one or more Certificates of Determination and shall include the payment of all or any part of the Capital Costs, all to the extent and in the manner provided in this Supplemental Resolution.

Section 2.03 Dates, Maturities, Principal Amounts and Interest. The Series 2017/2018 Bonds, except as otherwise provided in the Resolution, shall be dated the date or dates determined in the related Certificate of Determination. The Series 2017/2018 Bonds shall mature on the date or dates and in the year or years and principal amount or amounts, and shall

bear interest at the rate or rates per annum, if any, specified in or determined in the manner provided in the related Certificate of Determination.

Section 2.04 Interest Payments. The Series 2017/2018 Bonds shall bear interest from their date or dates and be payable on such date or dates as may be determined pursuant to the related Certificate of Determination. Except as otherwise provided in the related Certificate of Determination, interest on the Series 2017/2018 Bonds shall be computed on the basis of twelve (12) 30-day months and a 360-day year.

Section 2.05 Denominations, Numbers and Letters. Unless otherwise provided in the related Certificate of Determination, the Series 2017/2018 Bonds shall be issued in fully registered form without coupons in the denomination of \$5,000 or any integral multiple thereof.

The Series 2017/2018 Bonds shall be lettered and numbered as provided in the related Certificate of Determination.

Section 2.06 Places of Payment and Paying Agent. Except as otherwise provided in the related Certificate of Determination, principal and Redemption Price of the Series 2017/2018 Bonds shall be payable to the registered owner of each Series 2017/2018 Bond when due upon presentation of such Series 2017/2018 Bond at the principal corporate trust office of the Trustee. Except as otherwise provided in the related Certificate of Determination, interest on the registered Series 2017/2018 Bonds will be paid by check or draft mailed on the interest payment date by the Paying Agent, to the registered owner at his address as it appears on the registration books or, at the option of any Owner of at least one million dollars (\$1,000,000) in principal amount of the Series 2017/2018 Bonds, by wire transfer in immediately available funds on each interest payment date to such Owner thereof upon written notice from such Owner to the Trustee, at such address as the Trustee may from time to time notify such Owner, containing the wire transfer address (which shall be in the continental United States) to which such Owner wishes to have such wire directed, if such written notice is received not less than twenty (20) days prior to the related interest payment date (such notice may refer to multiple interest payments).

Section 2.07 Sinking Fund Installments. The Series 2017/2018 Bonds, if any, determined in the related Certificate of Determination shall be subject to redemption in part, by lot, or otherwise as determined in accordance with Section A-404 of the Resolution, on each date in the year or years determined in the related Certificate of Determination at the principal amount thereof plus accrued interest up to but not including the date of redemption thereof, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem on each such date the principal amount of such Series 2017/2018 Bonds.

Section 2.08 Redemption Prices and Terms. The Series 2017/2018 Bonds may also be subject to redemption prior to maturity, at the option of the Issuer, upon notice as provided in Article A-IV of the Resolution, at any time as a whole or in part (and by lot within a maturity, or otherwise as determined in accordance with Section A-404 of the Resolution, if less than all of a maturity is to be redeemed), from maturities designated by the Issuer on and after the date and in the years and at the Redemption Prices (expressed as a percentage of principal amount) determined in the related Certificate of Determination, plus accrued interest up to but not including the redemption date. Notwithstanding the foregoing, in the case of taxable Series

2017/2018 Bonds, if set forth in the Certificate of Determination, the taxable Series 2017/2018 Bonds may be made subject to pro rata redemption and/or a make-whole redemption premium.

Section 2.09 Delegation to an Authorized Officer. 1. There is hereby delegated to each Authorized Officer, subject to the limitations contained in this Supplemental Resolution, the following powers with respect to the Series 2017/2018 Bonds:

(a) to determine whether and when to issue any Series 2017/2018 Bonds constituting Capital Cost Subordinate Revenue Obligations, the amount of the Series 2017/2018 Bonds to be applied to finance Capital Costs, and the amount of the proceeds of the Series 2017/2018 Bonds, estimated to be necessary to pay the Costs of Issuance of the Series 2017/2018 Bonds and capitalized interest, if any;

(b) to determine the purpose or purposes for which the Series 2017/2018 Bonds are being issued, which shall be one or more of the purposes set forth in Section 2.02 of this Supplemental Resolution;

(c) to determine the principal amounts of the Series 2017/2018 Bonds to be issued for the purposes set forth in Section 2.02 of this Supplemental Resolution and whether such principal amounts constitute a separate Series or a subseries of Series 2017/2018 Bonds, which principal amounts (and the aggregate of all such Series and subseries) shall not exceed the principal amounts permitted by Section 2.01 of this Supplemental Resolution, and to determine Accreted Values and Appreciated Values, if applicable;

(d) to determine the maturity date and principal amount of each maturity of the Series 2017/2018 Bonds and the amount and due date of each Sinking Fund Installment, if any;

(e) to determine the date or dates which the Series 2017/2018 Bonds shall be dated and the interest rate or rates of the Series 2017/2018 Bonds or the manner of determining such interest rate or rates; provided, however, that any Series 2017/2018 Bonds issued as fixed rate Tax-Exempt Obligations shall be subject to a maximum interest rate of not greater than 10% per annum, any Series 2017/2018 Bonds issued as fixed rate Taxable Obligations shall be subject to a maximum interest rate of not greater than 12% per annum, any Variable Interest Rate Obligations issued as Tax-Exempt Obligations shall be subject to a maximum interest rate of not greater than 15% per annum, any Variable Interest Rate Obligations issued as Taxable Obligations shall be subject to a maximum interest rate of not greater than 18% per annum and any Parity Reimbursement Obligations shall be subject to a maximum interest rate of not greater than 25% per annum, or, in each such case, such higher rate or rates as determined by the Issuer's Board;

(f) to determine the Redemption Price or Redemption Prices, if any, and the redemption terms, if any, for the Series 2017/2018 Bonds; provided, however, that if the Series 2017/2018 Bonds are to be redeemable at the election of the Issuer, the Redemption Price (except in the case of taxable Series 2017/2018 Bonds) shall not be greater than one hundred three percent (103%) of the principal amount of the Series 2017/2018 Bonds to be redeemed, plus accrued interest thereon up to but not including the date of redemption and in the case of taxable Series 2017/2018 Bonds the Redemption Price may be determined pursuant to provisions relating to pro rata redemption and/or make-whole redemption;

(g) to determine whether the sale of the Series 2017/2018 Bonds shall be conducted on either a negotiated or competitive bid basis and, as applicable, to determine the purchase price for the Series 2017/2018 Bonds to be paid by the purchaser or purchasers referred to in one or more Purchase Agreements or a bank direct purchase agreement or the purchase price for the Series 2017/2018 Bonds to be paid by the winning bidder, if such sale is conducted by competitive bid pursuant to a Notice of Sale (as hereinafter defined), in either case as such document is described in Section 2.10 of this Supplemental Resolution, which may include such original issue discount and original issue premium as shall be determined in the related Certificate of Determination; provided, however, that the underwriters' discount reflected in such purchase price shall not exceed \$10.00 for each one thousand dollars (\$1,000) principal amount of the Series 2017/2018 Bonds;

(h) to take all actions required for the Series 2017/2018 Bonds to be eligible under the rules and regulations of The Depository Trust Company ("DTC") for investment and trading as uncertificated securities, to execute and deliver a standard form of letter of representation with DTC and, notwithstanding any provisions to the contrary contained in this Supplemental Resolution, to include in the related Certificate of Determination such terms and provisions as may be appropriate or necessary to provide for uncertificated securities in lieu of Series 2017/2018 Bonds issuable in fully registered form;

(i) to determine whether to issue all or any portion of the Series 2017/2018 Bonds as Tax-Exempt Obligations, Taxable Obligations, Put Obligations, Variable Interest Rate Obligations or as any other form of Obligations permitted by the Resolution and any matters related thereto, including (i) the terms and provisions of any such Series 2017/2018 Bonds, (ii) the selection of remarketing agents, tender agents, calculation agents, auction agents, dealers, bidding, agents or any other agents or parties to ancillary arrangements and the terms of any such arrangements, and (iii) the methods for determining the accrual of Debt Service;

(j) to determine the advisability, as compared to an unenhanced transaction, of obtaining one or more Credit Facilities, to select a provider or providers thereof and to determine and accept the terms and provisions and price thereof, to determine such other matters related thereto as in the opinion of the officer executing the related Certificate of Determination shall be considered necessary or appropriate and to effect such determinations by making any changes in or additions to this Supplemental Resolution required by Credit Facility providers, if any, or required by a Rating Agency in order to attain or maintain specific ratings on the Series 2017/2018 Bonds, or relating to the mechanisms for the repayment of amounts advanced thereunder or payment of fees, premiums, expenses or any other amounts, notices, the provision of information, and such other matters of a technical, mechanical, procedural or descriptive nature necessary or appropriate to obtain or implement a Credit Facility with respect to the Series 2017/2018 Bonds, and to make any changes in connection therewith;

(k) to make such changes in or from the form of this Supplemental Resolution as may be required by a Rating Agency in order to attain or maintain specific ratings on the Series 2017/2018 Bonds; and

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

(m) to determine such other matters specified in or permitted by (i) Sections 202, 203, and A-201 of the Resolution or (ii) this Supplemental Resolution, including preparation of any documentation therefor.

2. Any Authorized Officer shall execute one or more Certificates of Determination evidencing the determinations made pursuant to this Supplemental Resolution and any such Certificate of Determination shall be conclusive evidence of the determinations of such Authorized Officer, as stated therein. More than one Certificate of Determination may be delivered to the extent more than one Series or subseries of Series 2017/2018 Bonds are delivered from time to time, or other authority is exercised under this Supplemental Resolution from time to time and each such Certificate of Determination shall be delivered to the Trustee prior to the authentication and delivery of the respective Series or subseries of Series 2017/2018 Bonds by the Trustee or other documentation. Determinations set forth in the related Certificate of Determination shall have the same effect as if set forth in this Supplemental Resolution. Any such Authorized Officer may exercise any authority delegated under this Supplemental Resolution from time to time following issuance of any Series 2017/2018 Bonds, as appropriate for any purposes, including, in order to change interest rate modes or auction periods, obtain a substitute or additional Credit Facility, enter into a bank direct purchase agreement or similar instrument, or to appoint new or additional agents or other parties deemed appropriate to a particular form or mode of Obligation or manner of sale.

Section 2.10 Sale of Series 2017/2018 Bonds. Each Authorized Officer is hereby authorized either (i) to sell and award all or any portion of the Series 2017/2018 Bonds through a competitive bidding process to purchasers meeting the requirements of one or more Notices of Sale (as hereinafter defined) to be published in order to give notice of the competitive sale of the Series 2017/2018 Bonds; (ii) to sell and award all or any portion of the Series 2017/2018 Bonds through a negotiated sale to the purchasers who are referred to in the bond purchase agreement and who shall be selected from the then current list of approved underwriters; or (iii) to sell and award all or any portion of the Series 2017/2018 Bonds through a direct sale to the financial institution or institutions selected by the Authorized Officer who shall be referred to in the continuing covenant, direct purchase or similar agreement. Each Authorized Officer is hereby authorized to sell and award the Series 2017/2018 Bonds to the purchasers referred to in the preceding sentence in the case of a bond purchase agreement, in substantially the form most recently executed or delivered by the Issuer in connection with the sale of Obligations, or, with respect to a continuing covenant, direct purchase or similar agreement, containing bank facility terms and provisions (including, without limitation, increased costs, term-out, events of default and remedies) in substantially the form set forth in a letter of credit reimbursement agreement most recently executed or delivered by the Issuer, including, if applicable, that the direct purchaser offer to the Issuer a term-out provision of no less than five years, with such revisions to reflect the terms and provisions of the Series 2017/2018 Bonds as may be approved by the officer executing the bond purchase, continuing covenant or similar agreement (each, a "Purchase Agreement"). Each Authorized Officer is hereby authorized to agree to the selection of the representative of the underwriters or the other purchasers or facility providers as referred to in the Purchase Agreement or Agreements and to execute and deliver the Purchase Agreement or Agreements for and on behalf and in the name of the Issuer with such changes, omissions, insertions and revisions as may be approved by the officer executing the Purchase Agreement or Agreements, said execution being conclusive evidence of such approval and concurrence in the selection of the representative of the underwriters.

If it is determined that any sale of Series 2017/2018 Bonds shall be conducted on a competitive bid basis each Authorized Officer is hereby further authorized to conduct the sale and award of the Series 2017/2018 Bonds on the basis of a competitive bid, pursuant to the terms of a notice of sale, including bid form (the "Notice of Sale"), in a form, including any limitations on permitted bidders and a description of the basis for determining the winning bidder or bidders, determined by such Authorized Officer. Each Authorized Officer is hereby authorized to conduct such competitive sale of the Series 2017/2018 Bonds in a manner consistent with this Supplemental Resolution and to utilize the services of the Authority's financial advisor and the services of an electronic bidding service, as such Authorized Officer shall determine, and the execution by such Authorized Officer of a letter of award shall be conclusive evidence of such award.

Each Authorized Officer is hereby authorized to make public and to authorize the use and distribution by said purchasers or other appropriate parties of a preliminary official statement, offering circular, or other disclosure document (the "Preliminary Official Statement") in connection with each public offering or any direct or private placement of the Series 2017/2018 Bonds, in substantially the form most recently executed or delivered by the Issuer in connection with the sale of Obligations, with such changes, omissions, insertions and revisions as such officer shall deem advisable. The Issuer authorizes any of said officers to deliver a certification to the effect that such Preliminary Official Statement or Official Statement, if deemed necessary or appropriate, together with such other documents, if any, described in such certificate, was deemed final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission as applicable.

Each Authorized Officer is hereby authorized to make public and to authorize distribution of a final Official Statement in substantially the form of each Preliminary Official Statement or the most recently executed and delivered Official Statement if there is not a Preliminary Official Statement, with such changes, omissions, insertions and revisions as such officer shall deem advisable, to sign such Official Statement and to deliver such Official Statement to the purchasers of such issue of the Series 2017/2018 Bonds, such execution being conclusive evidence of the approval of such changes, omissions, insertions and revisions.

Each Authorized Officer is hereby authorized to execute and deliver for and on behalf and in the name of the Issuer, to the extent determined by such Authorized Officer to be necessary or convenient, a Continuing Disclosure Agreement, substantially in the form appended to the Purchase Agreement or Notice of Sale, with such changes, omissions, insertions and revisions as such officer shall deem advisable (the "Continuing Disclosure Agreement"), said execution being conclusive evidence of the approval of such changes, omissions, insertions and revisions.

The proceeds of each good faith check, if any, received by the Issuer from the purchasers of each issue of the Series 2017/2018 Bonds under the terms of the related Purchase Agreement or Notice of Sale may be invested by the Issuer pending application of the proceeds of such good faith check for the purposes provided in Section 2.02 of this Supplemental Resolution at the time of the issuance and delivery of such Series 2017/2018 Bonds.

Each Authorized Officer (including any Assistant Secretary of the Issuer) is hereby authorized and directed to execute, deliver, amend, replace or terminate any and all documents

and instruments (including any remarketing agreements, dealer agreements, broker-dealer agreements, tender agent agreements, or auction agency agreements, any investment agreements or arrangements, or any reimbursement agreements or documents or instruments relating to a Credit Facility deemed appropriate to a given form or mode of an Obligation) and to do and cause to be done any and all acts necessary or proper for carrying out each Purchase Agreement or Notice of Sale, each Continuing Disclosure Agreement, the terms of any Credit Facility or other such agreement or arrangement, and the issuance, sale and delivery of each issue of the Series 2017/2018 Bonds and for implementing the terms of each issue of the Series 2017/2018 Bonds and the transactions contemplated hereby or thereby.

When reference is made in this Supplemental Resolution to the authorization of an Authorized Officer to do any act, such act may be accomplished by any of such officers individually.

Section 2.11 Forms of Series 2017/2018 Bonds and Trustee's Authentication Certificate. Subject to the provisions of the Resolution, the form of registered Series 2017/2018 Bonds, and the Trustee's certificate of authentication, shall be substantially in the form set forth in Exhibit One to the Resolution including, if necessary, any changes to comply with the requirements of DTC or the provisions of this Supplemental Resolution or the related Certificate of Determination.

Section 2.12 Appointment of Trustee and Paying Agent. Unless otherwise provided in the related Certificate of Determination, The Bank of New York Mellon, as successor in interest to JPMorgan Chase Bank, N.A., shall be the Trustee under the Resolution and the Paying Agent for the Series 2017/2018 Bonds.

ARTICLE III

DISPOSITION OF SERIES 2017/2018 BOND PROCEEDS

Section 3.01 Disposition of Series 2017/2018 Bond Proceeds. Any proceeds of the sale of the Series 2017/2018 Bonds, other than accrued interest and capitalized interest, if any, shall be deposited, simultaneously with the issuance and delivery of the Series 2017/2018 Bonds, at one time or from time to time in one or more Series or subseries, in the Proceeds Account which is deemed to be established for each Series in the Proceeds Fund to be applied, or shall otherwise be applied pursuant to a Certificate of Determination to:

- (a) the payment of all or any part of the Capital Costs; and
- (b) the balance of such proceeds, exclusive of accrued interest, shall be deposited in the COI Account and applied to the payment of Costs of Issuance or otherwise applied to the payment of Costs of Issuance.

Unless otherwise provided in the related Certificate of Determination, accrued interest and capitalized interest, if any, received on the sale of the Series 2017/2018 Bonds shall be deposited in the Debt Service Fund.

ARTICLE IV

TAX COVENANTS AND DEFEASANCE

Section 4.01 Tax Covenants Relating to the Series 2017/2018 Bonds. The Issuer covenants that, in order to maintain the exclusion from gross income for Federal income tax purposes of the interest on the Series 2017/2018 Bonds issued as Tax-Exempt Obligations, the Issuer will satisfy, or take such actions as are necessary to cause to be satisfied, each provision of the Code necessary to maintain such exclusion. In furtherance of this covenant, the Issuer agrees to comply with such written instructions as may be provided by Bond Counsel. In furtherance of the covenant contained in the preceding sentence, the Issuer agrees to continually comply with the provisions of any "Arbitrage and Use of Proceeds Certificate" or "Tax Certificate" to be executed by the Issuer in connection with the execution and delivery of any Series 2017/2018 Bonds issued as Tax-Exempt Obligations, as amended from time to time.

Notwithstanding any other provision of the Resolution to the contrary, upon the Issuer's failure to observe, or refusal to comply with the above covenant (a) the Owners of the Series 2017/2018 Bonds, or the Trustee acting on their behalf, shall be entitled to the rights and remedies provided to Owners or the Trustee under Section 702 of the Resolution, other than the right (which is hereby abrogated solely as to the Issuer's failure to observe, or refusal to comply with the above covenant) to declare the principal of all Obligations then Outstanding, and the interest accrued thereon, to be due and payable pursuant to Section 567 of the Issuer Act, and (b) neither the Owners of the Obligations of any Series or holders of any Parity Debt (other than the Series 2017/2018 Bonds or the Trustee acting on their behalf), nor the Trustee acting on their behalf, shall be entitled to exercise any right or remedy provided to the Owners, the Parity Debt holders or the Trustee under the Resolution based upon the Issuer's failure to observe, or refusal to comply with, the above covenant.

The provisions of the foregoing covenants set forth in this Section shall not apply to any Series 2017/2018 Bonds, including any subseries thereof, which the Issuer determines pursuant to the applicable Certificate of Determination to issue as Taxable Obligations.

Section 4.02 Additional Covenants.

1. The Issuer covenants and agrees that it will not issue any Senior Obligations under the Senior Resolution (other than pursuant to Section 205 thereof) unless in addition to satisfying the requirements of the Senior Resolution, an Authorized Officer delivers to the trustee under the Senior Resolution a certificate demonstrating that for any period of 12 consecutive calendar months out of the 18 complete calendar months next preceding the date of authentication and delivery such issue of Senior Obligations, Net Revenues are at least equal to 1.10 times the Combined Maximum Annual Calculated Debt Service for all Subordinate Revenue Obligations, Parity Debt, Senior Obligations and Senior Parity Debt.

2. The Issuer covenants and agrees that in addition to complying with the provisions of Section 604 of the Resolution, the Issuer shall at all times establish, levy, maintain and collect, or cause to be established, levied, maintained and collected, such tolls, rentals and other charges in connection with the TBTA Facilities as shall always be sufficient, together with other money available therefor (including the anticipated receipt of proceeds of sale of

Obligations or other bonds, notes or other obligations or evidences of indebtedness of the Issuer that will be used to pay the principal of Obligations issued in anticipation of such receipt, but not including any anticipated or actual proceeds from the sale of TBTA Facilities), to equal or exceed in each calendar year the greater of (a) an amount equal to the sum of amounts necessary in such calendar year (i) to pay all Operating Expenses of the Issuer, plus (ii) to pay the sum of Calculated Debt Service as defined in the Resolution and Calculated Debt Service as defined in the Senior Resolution, plus (iii) to maintain any reserve established by the Issuer pursuant to the Senior Resolution, in such amount as may be determined from time to time by an Authorized Officer in his or her judgment, or (b) an amount such that Revenues less Operating Expenses shall equal at least 1.10 times the sum of Calculated Debt Service as defined in the Senior Resolution and Calculated Debt Service as defined in the Resolution for such calendar year.

Section 4.03 Defeasance. In the event the Issuer shall seek, prior to the maturity or redemption date thereof, to pay or cause to be paid, within the meaning and with the effect expressed in the Resolution, all or less than all Outstanding Series 2017/2018 Bonds issued as Tax-Exempt Obligations and the provisions of Section 4.01 hereof shall then be of any force or effect, then, notwithstanding the provisions of Article A-XI of the Resolution, the Series 2017/2018 Bonds issued as Tax-Exempt Obligations which the Issuer then seeks to pay or cause to be paid shall not be deemed to have been paid within the meaning and with the effect expressed in Section A-1101 of the Resolution unless (i) the Issuer has confirmed in writing that the Owners of the Series 2017/2018 Bonds issued as Tax-Exempt Obligations which the Issuer then seeks to pay or cause to be paid will continue, after such action, to have the benefit of a covenant to the effect of the covenant of the Issuer contained in Section 4.01 hereof or (ii) there shall have been delivered to the Trustee an Opinion of Bond Counsel to the effect that non-compliance thereafter with the applicable provisions of the Code will not affect the then current treatment of interest on the Series 2017/2018 Bonds issued as Tax-Exempt Obligations in determining gross income for Federal income tax purposes.

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

**MULTIPLE SERIES 2017/2018
GENERAL REVENUE BOND
SUPPLEMENTAL RESOLUTION**

Adopted September 27, 2017

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**MULTIPLE SERIES 2017/2018
GENERAL REVENUE BOND
SUPPLEMENTAL RESOLUTION**

BE IT RESOLVED by the Triborough Bridge and Tunnel Authority (the “Issuer”), as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

Section 1.01 Supplemental Resolution. This resolution is supplemental to, and is adopted, in accordance with Article II and Article A-VIII of a resolution of the Issuer adopted on March 26, 2002, entitled “General Resolution Authorizing General Revenue Obligations” (the “Resolution”).

Section 1.02 Definitions.

1. All capitalized terms which are used but not otherwise defined in this Multiple Series 2017/2018 General Revenue Bond Supplemental Resolution (the “Supplemental Resolution”) shall have the same meanings, respectively, as such terms are given by Section 102 of the Resolution.

2. In this Supplemental Resolution:

“Authorized Officer” shall include the officers designated as such in the Resolution, and the Chairman and Chief Executive Officer, the Managing Director, the President, the Chair of the Finance Committee, the Vice Chairman, the Chief Financial Officer or the Director, Finance, as well as any officer duly designated as “Acting” in said officer’s capacity, except that, for the purposes of any delegation set forth herein that does not expressly include any Assistant Secretary, “Authorized Officer” shall not include any Assistant Secretary of the Issuer.

“Board” shall mean, when used with respect to the Issuer, the board of the Issuer acting as such pursuant to the provisions of the Issuer Act, and when used with respect to the MTA, the members of the MTA acting as such pursuant to the provisions of the MTA Act.

“Bond Counsel” shall mean Nixon Peabody LLP, Orrick, Herrington & Sutcliffe LLP, D. Seaton and Associates, P.A., P.C., Bryant Rabbino LLP or any other attorney or firm of attorneys of nationally recognized standing in the field of law relating to the issuance of obligations by state and municipal entities, selected by the Issuer.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and regulations thereunder.

Section 1.03 Authority for this Supplemental Resolution. This Supplemental Resolution is adopted pursuant to the provisions of the Issuer Act and the Resolution.

ARTICLE II

AUTHORIZATION OF SERIES 2017/2018 BONDS

Section 2.01 Authorized Principal Amount, Designation and Series. Pursuant to the provisions of the Resolution and in order to finance Capital Costs, multiple Series of General Revenue Obligations (which may be issued at one time or from time to time in any number of Series or subseries, which for purposes of this Supplemental Resolution shall collectively be referred to herein as the “Series 2017/2018 Bonds”, constituting Capital Cost Obligations, subject to redesignation as hereinafter provided) entitled to the benefit, protection and security of such provisions are hereby authorized to be issued in an aggregate principal amount not exceeding the principal amount necessary so that, after giving effect to any net original issue discount and underwriters’ discount from the principal amount, the amount to be deposited in the Proceeds Account pursuant to, or otherwise applied to effectuate the purposes of, Section 2.02 and Section 3.01 of this Supplemental Resolution (exclusive of the amount so deposited therein determined in the related Certificate of Determination as estimated to be necessary to pay capitalized interest or to pay any Costs of Issuance of the Series 2017/2018 Bonds) shall not exceed the amount or amounts determined in one or more Certificates of Determination to be necessary to effectuate the purposes set forth in Section 2.02 hereof; provided, however, that the Series 2017/2018 Bonds issued to finance Capital Costs shall not exceed \$600 million reduced by the amount of bonds then Outstanding issued under the Triborough Bridge and Tunnel Authority Multiple Series 2001 Subordinate Revenue Bond Supplemental Resolution, adopted September 27, 2017 (excluding all amounts excluded above, such as net original issue discount, underwriters’ discounts, capitalized interest and Costs of Issuance). For all purposes of this Section 2.01, net original issue premium as determined to be advisable by an Authorized Officer in connection with the marketing of the Series 2017/2018 Bonds, shall not be counted.

Series 2017/2018 Bonds shall be designated as, and shall be distinguished from the Obligations of all other Series by the title, “General Revenue Bonds, Series 2017” or “General Revenue Bonds, Series 2018”, reflecting the year in which such Bonds are issued, or such other title or titles set forth in one or more Certificates of Determination.

The authority to issue Obligations and take related actions granted under previous resolutions of the Issuer shall continue in full force and effect. The authorization to issue the Series 2017/2018 Bonds shall continue in effect until the adoption by the Issuer Board of a subsequent new money bond issuance supplemental resolution relating to 2019 new money financings.

Section 2.02 Purposes. The purposes for which the Series 2017/2018 Bonds are issued shall be set forth in one or more Certificates of Determination and shall include the payment of all or any part of the Capital Costs, all to the extent and in the manner provided in this Supplemental Resolution.

Section 2.03 Dates, Maturities, Principal Amounts and Interest. The Series 2017/2018 Bonds, except as otherwise provided in the Resolution, shall be dated the date or dates determined in the related Certificate of Determination. The Series 2017/2018 Bonds shall mature on the date or dates and in the year or years and principal amount or amounts, and shall

bear interest at the rate or rates per annum, if any, specified in or determined in the manner provided in the related Certificate of Determination.

Section 2.04 Interest Payments. The Series 2017/2018 Bonds shall bear interest from their date or dates and be payable on such date or dates as may be determined pursuant to the related Certificate of Determination. Except as otherwise provided in the related Certificate of Determination, interest on the Series 2017/2018 Bonds shall be computed on the basis of twelve (12) 30-day months and a 360-day year.

Section 2.05 Denominations, Numbers and Letters. Unless otherwise provided in the related Certificate of Determination, the Series 2017/2018 Bonds shall be issued in fully registered form without coupons in the denomination of \$5,000 or any integral multiple thereof.

The Series 2017/2018 Bonds shall be lettered and numbered as provided in the related Certificate of Determination.

Section 2.06 Places of Payment and Paying Agent. Except as otherwise provided in the related Certificate of Determination, principal and Redemption Price of the Series 2017/2018 Bonds shall be payable to the registered owner of each Series 2017/2018 Bond when due upon presentation of such Series 2017/2018 Bond at the principal corporate trust office of the Trustee. Except as otherwise provided in the related Certificate of Determination, interest on the registered Series 2017/2018 Bonds will be paid by check or draft mailed on the interest payment date by the Paying Agent, to the registered owner at his address as it appears on the registration books or, at the option of any Owner of at least one million dollars (\$1,000,000) in principal amount of the Series 2017/2018 Bonds, by wire transfer in immediately available funds on each interest payment date to such Owner thereof upon written notice from such Owner to the Trustee, at such address as the Trustee may from time to time notify such Owner, containing the wire transfer address (which shall be in the continental United States) to which such Owner wishes to have such wire directed, if such written notice is received not less than twenty (20) days prior to the related interest payment date (such notice may refer to multiple interest payments).

Section 2.07 Sinking Fund Installments. The Series 2017/2018 Bonds, if any, determined in the related Certificate of Determination shall be subject to redemption in part, by lot, or otherwise as determined in accordance with Section A-404 of the Resolution, on each date in the year or years determined in the related Certificate of Determination at the principal amount thereof plus accrued interest up to but not including the date of redemption thereof, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem on each such date the principal amount of such Series 2017/2018 Bonds.

Section 2.08 Redemption Prices and Terms. The Series 2017/2018 Bonds may also be subject to redemption prior to maturity, at the option of the Issuer, upon notice as provided in Article A-IV of the Resolution, at any time as a whole or in part (and by lot within a maturity, or otherwise as determined in accordance with Section A-404 of the Resolution, if less than all of a maturity is to be redeemed), from maturities designated by the Issuer on and after the date and in the years and at the Redemption Prices (expressed as a percentage of principal amount) determined in the related Certificate of Determination, plus accrued interest up to but not including the redemption date. Notwithstanding the foregoing, in the case of taxable Series

2017/2018 Bonds, if set forth in the Certificate of Determination, the taxable Series 2017/2018 Bonds may be made subject to pro rata redemption and/or a make-whole redemption premium.

Section 2.09 Delegation to an Authorized Officer. 1. There is hereby delegated to each Authorized Officer, subject to the limitations contained in this Supplemental Resolution, the following powers with respect to the Series 2017/2018 Bonds:

(a) to determine whether and when to issue any Series 2017/2018 Bonds constituting Capital Cost Obligations, the amount of the Series 2017/2018 Bonds to be applied to finance Capital Costs, and the amount of the proceeds of the Series 2017/2018 Bonds, estimated to be necessary to pay the Costs of Issuance of the Series 2017/2018 Bonds and capitalized interest, if any;

(b) to determine the purpose or purposes for which the Series 2017/2018 Bonds are being issued, which shall be one or more of the purposes set forth in Section 2.02 of this Supplemental Resolution;

(c) to determine the principal amounts of the Series 2017/2018 Bonds to be issued for the purposes set forth in Section 2.02 of this Supplemental Resolution and whether such principal amounts constitute a separate Series or a subseries of Series 2017/2018 Bonds, which principal amounts (and the aggregate of all such Series and subseries) shall not exceed the principal amounts permitted by Section 2.01 of this Supplemental Resolution, and to determine Accreted Values and Appreciated Values, if applicable;

(d) to determine the maturity date and principal amount of each maturity of the Series 2017/2018 Bonds and the amount and due date of each Sinking Fund Installment, if any;

(e) to determine the date or dates which the Series 2017/2018 Bonds shall be dated and the interest rate or rates of the Series 2017/2018 Bonds or the manner of determining such interest rate or rates; provided, however, that any Series 2017/2018 Bonds issued as fixed rate Tax-Exempt Obligations shall be subject to a maximum interest rate of not greater than 10% per annum, any Series 2017/2018 Bonds issued as fixed rate Taxable Obligations shall be subject to a maximum interest rate of not greater than 12% per annum, any Variable Interest Rate Obligations issued as Tax-Exempt Obligations shall be subject to a maximum interest rate of not greater than 15% per annum, any Variable Interest Rate Obligations issued as Taxable Obligations shall be subject to a maximum interest rate of not greater than 18% per annum and any Parity Reimbursement Obligations shall be subject to a maximum interest rate of not greater than 25% per annum, or, in each such case, such higher rate or rates as determined by the Issuer's Board;

(f) to determine the Redemption Price or Redemption Prices, if any and the redemption terms, if any, for the Series 2017/2018 Bonds; provided, however, that if the Series 2017/2018 Bonds are to be redeemable at the election of the Issuer, the Redemption Price (except in the case of taxable Series 2017/2018 Bonds) shall not be greater than one hundred three percent (103%) of the principal amount of the Series 2017/2018 Bonds to be redeemed, plus accrued interest thereon up to but not including the date of redemption and in the case of

taxable Series 2017/2018 Bonds the Redemption Price may be determined pursuant to provisions relating to pro rata redemption and/or make-whole redemption;

(g) to determine whether the sale of the Series 2017/2018 Bonds shall be conducted on either a negotiated or competitive bid basis and, as applicable, to determine the purchase price for the Series 2017/2018 Bonds to be paid by the purchaser or purchasers referred to in one or more Purchase Agreements or a bank direct purchase agreement or the purchase price for the Series 2017/2018 Bonds to be paid by the winning bidder, if such sale is conducted by competitive bid pursuant to a Notice of Sale (as hereinafter defined), in either case as such document is described in Section 2.10 of this Supplemental Resolution, which may include such original issue discount and original issue premium as shall be determined in the related Certificate of Determination; provided, however, that the underwriters' discount reflected in such purchase price shall not exceed \$10.00 for each one thousand dollars (\$1,000) principal amount of the Series 2017/2018 Bonds;

(h) to take all actions required for the Series 2017/2018 Bonds to be eligible under the rules and regulations of The Depository Trust Company ("DTC") for investment and trading as uncertificated securities, to execute and deliver a standard form of letter of representation with DTC and, notwithstanding any provisions to the contrary contained in this Supplemental Resolution, to include in the related Certificate of Determination such terms and provisions as may be appropriate or necessary to provide for uncertificated securities in lieu of Series 2017/2018 Bonds issuable in fully registered form;

(i) to determine whether to issue all or any portion of the Series 2017/2018 Bonds as Tax-Exempt Obligations, Taxable Obligations, Put Obligations, Variable Interest Rate Obligations or as any other form of Obligations permitted by the Resolution and any matters related thereto, including (i) the terms and provisions of any such Series 2017/2018 Bonds, (ii) the selection of remarketing agents, tender agents, calculation agents, auction agents, dealers, bidding, agents or any other agents or parties to ancillary arrangements and the terms of any such arrangements, and (iii) the methods for determining the accrual of Debt Service;

(j) to determine the advisability, as compared to an unenhanced transaction, of obtaining one or more Credit Facilities, to select a provider or providers thereof and to determine and accept the terms and provisions and price thereof, to determine such other matters related thereto as in the opinion of the officer executing the related Certificate of Determination shall be considered necessary or appropriate and to effect such determinations by making any changes in or additions to this Supplemental Resolution required by Credit Facility providers, if any, or required by a Rating Agency in order to attain or maintain specific ratings on the Series 2017/2018 Bonds, or relating to the mechanisms for the repayment of amounts advanced thereunder or payment of fees, premiums, expenses or any other amounts, notices, the provision of information, and such other matters of a technical, mechanical, procedural or descriptive nature necessary or appropriate to obtain or implement a Credit Facility with respect to the Series 2017/2018 Bonds, and to make any changes in connection therewith;

(k) to make such changes in or from the form of this Supplemental Resolution as may be required by a Rating Agency in order to attain or maintain specific ratings on the Series 2017/2018 Bonds;

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

(m) to determine such other matters specified in or permitted by (i) Sections 202, 203, and A-201 of the Resolution or (ii) this Supplemental Resolution, including preparation of any documentation therefor.

2. Any Authorized Officer shall execute one or more Certificates of Determination evidencing the determinations made pursuant to this Supplemental Resolution and any such Certificate of Determination shall be conclusive evidence of the determinations of such Authorized Officer, as stated therein. More than one Certificate of Determination may be delivered to the extent more than one Series or subseries of Series 2017/2018 Bonds are delivered from time to time, or other authority is exercised under this Supplemental Resolution from time to time and each such Certificate of Determination shall be delivered to the Trustee prior to the authentication and delivery of the respective Series or subseries of Series 2017/2018 Bonds by the Trustee or other documentation. Determinations set forth in the related Certificate of Determination shall have the same effect as if set forth in this Supplemental Resolution. Any such Authorized Officer may exercise any authority delegated under this Supplemental Resolution from time to time following issuance of any Series 2017/2018 Bonds, as appropriate for any purposes, including, in order to change interest rate modes or auction periods, obtain a substitute or additional Credit Facility, enter into a bank direct purchase agreement or similar instrument, or to appoint new or additional agents or other parties deemed appropriate to a particular form or mode of Obligation or manner of sale.

Section 2.10 Sale of Series 2017/2018 Bonds. Each Authorized Officer is hereby authorized either (i) to sell and award all or any portion of the Series 2017/2018 Bonds through a competitive bidding process to purchasers meeting the requirements of one or more Notices of Sale (as hereinafter defined) to be published in order to give notice of the competitive sale of the Series 2017/2018 Bonds; (ii) to sell and award all or any portion of the Series 2017/2018 Bonds through a negotiated sale to the purchasers who are referred to in the bond purchase agreement and who shall be selected from the then current list of approved underwriters; or (iii) to sell and award all or any portion of the Series 2017/2018 Bonds through a direct sale to the financial institution or institutions selected by the Authorized Officer who shall be referred to in the continuing covenant, direct purchase or similar agreement. Each Authorized Officer is hereby authorized to sell and award the Series 2017/2018 Bonds to the purchasers referred to in the preceding sentence in the case of a bond purchase agreement, in substantially the form most recently executed or delivered by the Issuer in connection with the sale of Obligations, or, with respect to a continuing covenant, direct purchase or similar agreement, containing bank facility terms and provisions (including, without limitation, increased costs, term-out, events of default and remedies) in substantially the form set forth in a letter of credit reimbursement agreement most recently executed or delivered by the Issuer, including, if applicable, that the direct purchaser offer to the Issuer a term-out provision of no less than five years, with such revisions to reflect the terms and provisions of the Series 2017/2018 Bonds as may be approved by the officer executing the bond purchase, continuing covenant or similar agreement (each, a "Purchase Agreement"). Each Authorized Officer is hereby authorized to agree to the selection of the representative of the underwriters or the other purchasers or facility providers as referred to in the Purchase Agreement or Agreements and to execute and deliver the Purchase Agreement

or Agreements for and on behalf and in the name of the Issuer with such changes, omissions, insertions and revisions as may be approved by the officer executing the Purchase Agreement or Agreements, said execution being conclusive evidence of such approval and concurrence in the selection of the representative of the underwriters.

If it is determined that any sale of Series 2017/2018 Bonds shall be conducted on a competitive bid basis each Authorized Officer is hereby further authorized to conduct the sale and award of the Series 2017/2018 Bonds on the basis of a competitive bid, pursuant to the terms of a notice of sale, including bid form (the "Notice of Sale"), in a form, including any limitations on permitted bidders and a description of the basis for determining the winning bidder or bidders, determined by such Authorized Officer. Each Authorized Officer is hereby authorized to conduct such competitive sale of the Series 2017/2018 Bonds in a manner consistent with this Supplemental Resolution and to utilize the services of the Authority's financial advisor and the services of an electronic bidding service, as such Authorized Officer shall determine, and the execution by such Authorized Officer of a letter of award shall be conclusive evidence of such award.

Each Authorized Officer is hereby authorized to make public and to authorize the use and distribution by said purchasers or other appropriate parties of a preliminary official statement, offering circular, or other disclosure document (the "Preliminary Official Statement") in connection with each public offering or any direct or private placement of the Series 2017/2018 Bonds, in substantially the form most recently executed or delivered by the Issuer in connection with the sale of Obligations, with such changes, omissions, insertions and revisions as such officer shall deem advisable. The Issuer authorizes any of said officers to deliver a certification to the effect that such Preliminary Official Statement or Official Statement, if deemed necessary or appropriate, together with such other documents, if any, described in such certificate, was deemed final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission as applicable.

Each Authorized Officer is hereby authorized to make public and to authorize distribution of a final Official Statement in substantially the form of each Preliminary Official Statement or the most recently executed and delivered Official Statement if there is not a Preliminary Official Statement, with such changes, omissions, insertions and revisions as such officer shall deem advisable, to sign such Official Statement and to deliver such Official Statement to the purchasers of such issue of the Series 2017/2018 Bonds, such execution being conclusive evidence of the approval of such changes, omissions, insertions and revisions.

Each Authorized Officer is hereby authorized to execute and deliver for and on behalf and in the name of the Issuer, to the extent determined by such Authorized Officer to be necessary or convenient, a Continuing Disclosure Agreement, substantially in the form appended to the Purchase Agreement or Notice of Sale, with such changes, omissions, insertions and revisions as such officer shall deem advisable (the "Continuing Disclosure Agreement"), said execution being conclusive evidence of the approval of such changes, omissions, insertions and revisions.

The proceeds of each good faith check, if any, received by the Issuer from the purchasers of each issue of the Series 2017/2018 Bonds under the terms of the related Purchase Agreement

or Notice of Sale may be invested by the Issuer pending application of the proceeds of such good faith check for the purposes provided in Section 2.02 of this Supplemental Resolution at the time of the issuance and delivery of such Series 2017/2018 Bonds.

Each Authorized Officer (including any Assistant Secretary of the Issuer) is hereby authorized and directed to execute, deliver, amend, replace or terminate any and all documents and instruments (including any remarketing agreements, dealer agreements, broker-dealer agreements, tender agent agreements, or auction agency agreements, any investment agreements or arrangements, or any reimbursement agreements or documents or instruments relating to a Credit Facility deemed appropriate to a given form or mode of an Obligation) and to do and cause to be done any and all acts necessary or proper for carrying out each Purchase Agreement or Notice of Sale, each Continuing Disclosure Agreement, the terms of any Credit Facility or other such agreement or arrangement, and the issuance, sale and delivery of each issue of the Series 2017/2018 Bonds and for implementing the terms of each issue of the Series 2017/2018 Bonds and the transactions contemplated hereby or thereby.

When reference is made in this Supplemental Resolution to the authorization of an Authorized Officer to do any act, such act may be accomplished by any of such officers individually.

Section 2.11 Forms of Series 2017/2018 Bonds and Trustee's Authentication Certificate. Subject to the provisions of the Resolution, the form of registered Series 2017/2018 Bonds, and the Trustee's certificate of authentication, shall be substantially in the form set forth in Exhibit One to the Resolution including, if necessary, any changes to comply with the requirements of DTC or the provisions of this Supplemental Resolution or the related Certificate of Determination.

Section 2.12 Appointment of Trustee and Paying Agent. Unless otherwise provided in the related Certificate of Determination, U.S. Bank Trust National Association shall be the Trustee under the Resolution and the Paying Agent for the Series 2017/2018 Bonds.

ARTICLE III

DISPOSITION OF SERIES 2017/2018 BOND PROCEEDS

Section 3.01 Disposition of Series 2017/2018 Bond Proceeds. Any proceeds of the sale of the Series 2017/2018 Bonds, other than accrued interest and capitalized interest, if any, shall be deposited, simultaneously with the issuance and delivery of the Series 2017/2018 Bonds, at one time or from time to time in one or more Series or subseries, in the Proceeds Account which is deemed to be established for each Series in the Proceeds Fund to be applied, or shall otherwise be applied pursuant to a Certificate of Determination to:

- (a) the payment of all or any part of the Capital Costs; and
- (b) the balance of such proceeds, exclusive of accrued interest, shall be deposited in the COI Account and applied to the payment of Costs of Issuance or otherwise applied to the payment of Costs of Issuance.

Unless otherwise provided in the related Certificate of Determination, accrued interest and capitalized interest, if any, received on the sale of the Series 2017/2018 Bonds shall be deposited in the Debt Service Fund.

ARTICLE IV

TAX COVENANTS AND DEFEASANCE

Section 4.01 Tax Covenants Relating to the Series 2017/2018 Bonds. The Issuer covenants that, in order to maintain the exclusion from gross income for Federal income tax purposes of the interest on the Series 2017/2018 Bonds issued as Tax-Exempt Obligations, the Issuer will satisfy, or take such actions as are necessary to cause to be satisfied, each provision of the Code necessary to maintain such exclusion. In furtherance of this covenant, the Issuer agrees to comply with such written instructions as may be provided by Bond Counsel. In furtherance of the covenant contained in the preceding sentence, the Issuer agrees to continually comply with the provisions of any “Arbitrage and Use of Proceeds Certificate” or “Tax Certificate” to be executed by the Issuer in connection with the execution and delivery of any Series 2017/2018 Bonds issued as Tax-Exempt Obligations, as amended from time to time.

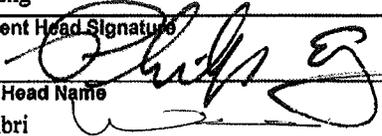
Notwithstanding any other provision of the Resolution to the contrary, upon the Issuer’s failure to observe, or refusal to comply with the above covenant (a) the Owners of the Series 2017/2018 Bonds, or the Trustee acting on their behalf, shall be entitled to the rights and remedies provided to Owners or the Trustee under Section 702 of the Resolution, other than the right (which is hereby abrogated solely as to the Issuer’s failure to observe, or refusal to comply with the above covenant) to declare the principal of all Obligations then Outstanding, and the interest accrued thereon, to be due and payable pursuant to Section 567 of the Issuer Act, and (b) neither the Owners of the Obligations of any Series or holders of any Parity Debt (other than the Series 2017/2018 Bonds or the Trustee acting on their behalf), nor the Trustee acting on their behalf, shall be entitled to exercise any right or remedy provided to the Owners, the Parity Debt holders or the Trustee under the Resolution based upon the Issuer’s failure to observe, or refusal to comply with, the above covenant.

The provisions of the foregoing covenants set forth in this Section shall not apply to any Series 2017/2018 Bonds, including any subseries thereof, which the Issuer determines pursuant to the applicable Certificate of Determination to issue as Taxable Obligations.

Section 4.02 Defeasance. In the event the Issuer shall seek, prior to the maturity or redemption date thereof, to pay or cause to be paid, within the meaning and with the effect expressed in the Resolution, all or less than all Outstanding Series 2017/2018 Bonds issued as Tax-Exempt Obligations and the provisions of Section 4.01 hereof shall then be of any force or effect, then, notwithstanding the provisions of Article A-XI of the Resolution, the Series 2017/2018 Bonds issued as Tax-Exempt Obligations which the Issuer then seeks to pay or cause to be paid shall not be deemed to have been paid within the meaning and with the effect expressed in Section A-1101 of the Resolution unless (i) the Issuer has confirmed in writing that the Owners of the Series 2017/2018 Bonds issued as Tax-Exempt Obligations which the Issuer then seeks to pay or cause to be paid will continue, after such action, to have the benefit of a covenant to the effect of the covenant of the Issuer contained in Section 4.01 hereof or (ii) there

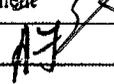
shall have been delivered to the Trustee an Opinion of Bond Counsel to the effect that non-compliance thereafter with the applicable provisions of the Code will not affect the then current treatment of interest on the Series 2017/2018 Bonds issued as Tax-Exempt Obligations in determining gross income for Federal income tax purposes.

Staff Summary

| | |
|----------------------------------|---|
| Subject | Request for Authorization to Award Various Procurements |
| Department | Executive |
| Department Head Name | Phillip Eng |
| Department Head Signature |  |
| Division Head Name | Wael Hibri |

| | |
|--------------------------------|-------------------|
| Date | September 6, 2017 |
| Vendor Name | Various |
| Contract Number | Various |
| Contract Manager Name | Various |
| Table of Contents Ref # | |

| Board Action | | | | | |
|--------------|---------|-----------|----------|------|-------|
| Order | To | Date | Approval | Info | Other |
| 1 | Finance | 9/25/2017 | X | | |
| 2 | Board | 9/27/2017 | X | | |
| | | | | | |
| | | | | | |

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

PURPOSE:

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

DISCUSSION:

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

of Actions \$ Amount

Schedules Requiring Majority Vote

Schedule E: Miscellaneous Procurement Contracts

- Bentley Systems, Inc. 1 \$3,458,563.52

MTAHQ proposes to award Competitive procurements in the following categories:

Schedules Requiring Majority Vote

| | | |
|---|----------|-------------------------|
| Schedule C: Competitive Requests for Proposal (Award of Purchase and Public Works Contract) | 1 | \$ 250,000.00 |
| Schedule F: Personal Services Contracts | 3 | \$ 10,406,470.00 |
| Schedule H: Modification to Personal Service/Miscellaneous Service Contracts | 1 | \$ 951,513.00 |
| Schedule I: Modification to Purchase and Public Work Contracts | 1 | \$ 16,950,986.00 |
| SUBTOTAL | 6 | \$ 28,558,969.00 |

MTAHQ presents the following procurement actions for Ratification:

| | | |
|--------------|----------|-------------------------|
| TOTAL | 7 | \$ 32,017,532.52 |
|--------------|----------|-------------------------|

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, SEPTEMBER 2017
NON-COMPETITIVE PROCUREMENTS

METROPOLITAN TRANSPORTATION AUTHORITY

Procurements Requiring Majority Vote:

E. Miscellaneous Procurement Contracts

Miscellaneous Procurement Contracts

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

- | | | |
|---|------------------------|--------------------------------------|
| 1. Bentley Systems, Inc. | \$3,458,563.52 | <u>Staff Summary Attached</u> |
| Bentley Systems Software Maintenance and Support | (not-to-exceed) | |
| Contract No. 90000000002280 | | |

Non-competitive – 60 months

To recommend the Board approve a five year non-competitive, all-agency contract with Bentley Systems, Inc. to provide continuous software licenses and support for CADD/BIM software and design software tools from October 1, 2017 through September 30, 2022. Bentley Systems is the developer of MTA's MicroStation and AECOsim CADD/BIM Software and other drawing design software tools such as Structural Modeler, Projectwise Interplot and OpenRoads Designer products. NYCT and B&T each have invested heavily in using Bentley software products, support and training, so switching vendors would require extensive training and conversion costs. Additionally, NYCT, B&T and MTACC all have legacy digital drawings and other engineering documents that were produced by Bentley applications and resource files that date back 32 years. Such documents are used as references for today's projects repeatedly. Translation of such drawings would be time consuming and cost prohibitive. These software products are proprietary to Bentley and there are no alternative authorized service providers to support their products. All pricing, terms and conditions are considered fair and reasonable.

Staff Summary

Schedule E: Miscellaneous Procurement Contracts

Item Number:

| |
|---|
| Vendor Name (& Location): Bentley Systems, Inc. |
| Description: Bentley Systems Software Maintenance and Support |
| Contract Term (including Options, if any): October 1, 2017 through September 30, 2022 |
| Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Procurement Type: <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive |
| Solicitation Type: <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole Source |

| | |
|---|--|
| Contract Number: 90000000002280 | Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Total Amount: | \$3,458,563.52 |
| 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: Executive/MTA IT & Wael Hibri/ Sidney Gellineau | |
| Contract Manager: Kevin Meaney | |

PURPOSE:

Approval is requested for a five year non-competitive, all-agency contract with Bentley Systems, Inc. to provide continuous software licenses and support for CADD/BIM software and design software tools from October 1, 2017 through September 30, 2022.

DISCUSSION:

Bentley Systems is the developer of MTA's MicroStation and AECOSim CADD/BIM Software and other drawing design software tools such as Structural Modeler, Projectwise Interplot and OpenRoads Designer products. These software products are proprietary to Bentley and there are no alternative authorized service providers to support their products. CADD (Computer-Aided Design and Drafting) is used for architectural design documentations in lieu of manual drafting and BIM (Building Information Modeling) is an intelligent 3D model-based process tool that gives architecture, engineering, and construction professionals the insight for more efficient planning, design, construction, and management of buildings and infrastructure. This software is the formal standard used for the creation of technical designs and for storage of previous designs by NYCT, B&T and MTACC. It is expected that usage will increase at Metro-North and LIRR.

MTA contracts for construction services require all contractors and consultants to develop and submit drawings in Bentley Microstation and Bentley BIM formats. There are two industry leaders in CADD/BIM technology (Bentley and Autodesk) and both products are used by MTA. NYCT and B&T each have invested heavily in using Bentley software products, support and training, so switching vendors would require extensive training and conversion costs. Additionally; NYCT, B&T and MTACC all have legacy digital drawings and other engineering documents that were produced by Bentley applications and resource files that date back 32 years. Such documents are used as references for today's projects repeatedly. Translation of such drawings would be time consuming and cost prohibitive.

The MTA currently owns 620 software licenses that are at 825 user workstations. Under this new agreement, Bentley will continue maintenance and support on existing licenses plus 112 additional licenses. The five year cost includes \$2.7M software usage licenses, 24/7 software support and maintenance, software upgrades and updates, and \$752K consulting services needed for user configurations and training services.

The MTA Department of Diversity and Civil Rights assigned no participation requirements and a responsibility review and other due diligence did not find derogatory information that would preclude an award to Bentley.

Negotiations resulted in a discount of 35% from Bentley's standard support price vis-à-vis a 20%-25% discount provided through the prior contract. All pricing, terms and conditions are considered fair and reasonable. As MTA does not have the technical resources to maintain and support this system, Bentley is the only source for support for its proprietary system.

LIST OF PROCUREMENTS FOR BOARD APPROVAL, SEPTEMBER 2017
COMPETITIVE PROCUREMENTS

METROPOLITAN TRANSPORTATION AUTHORITY

Procurements Requiring Majority Vote:

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

- 2. Legend and White Animal Health Corporation** **\$250,000**
Supply and Delivery of Dog Food (not-to-exceed)
Contract No. 16141-2-0100

Competitively Negotiated 2 proposals 36 months

To recommend the Board approve a competitively negotiated purchase contract to Legend and White Animal Health Corp. in a not to exceed amount of \$250,000, to supply and deliver dog food for the MTA Police Department-Canine Unit from October 1, 2017 to September 30, 2020. The Canine Unit currently consists of 41 canines and is expected to expand to 50. Cost was the most important selection criteria at 35%, but product availability and shipping were also considered. The committee included the officer who oversees the Canine unit. Dry kibble, the most common purchase, will range in price from \$1.75 to \$2.60 per pound; the higher priced products are gluten free.

F. Personal Service Contracts

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

- 3. Marsh USA, Inc.** **\$8,606,470** **Staff Summary Attached**
All-Agency Master Broker Services (not-to-exceed)
Contract No. 16365

Competitively negotiated – 3 proposals – 60 months

To obtain Board approval to award a competitively negotiated, personal services contract to Marsh USA, Inc. (Marsh) the incumbent, for the procurement/maintenance of insurance, forensic accounting services with expertise to handle Federal Emergency Management Agency (FEMA) and insurance related claims, and for other miscellaneous services (Master Broker Services) in support of the MTA's All-Agency Risk Management Program. The MTA Risk and Insurance Management (RIM) Department is responsible for acquiring insurance and administration of insured and self-insured programs of the MTA Agencies, as well as programs insured by First Mutual Transportation Assurance Company (FMTAC), MTA's wholly-owned captive insurance company. The utilization of a master broker is necessary for RIM to place specialty coverages as well as other insurance programs on behalf of the Agencies. The proposed five (5) year contract is for a total not to exceed \$8,606,470, including contingencies of \$1,500,000 for forensic accounting services and \$750,000 for unanticipated master broker services. Pricing is found to be fair and reasonable.

METROPOLITAN TRANSPORTATION AUTHORITY
COMPETITIVE PROCUREMENTS

4. **P&A Administrative Services, Inc.** **\$1,500,000** **Staff Summary Attached**
Administrative & Record-keeping Services for (not-to-exceed)
MTA Flexible Spending Account Plan (FSA)
Contract No. 16308

Competitively negotiated – 4 proposals – 60 months

To recommend that the Board approve the award of a competitively negotiated, all-agency personal services contract to P&A Administrative Services, Inc. (P&A) for administrative and record-keeping services in connection with operating the MTA Flexible Spending Account (FSA) program. The MTA Deferred Compensation Committee has operated a voluntary tax-favored program authorized under sections of the Internal Revenue Code. This program is operated for the benefit of employees of the MTA and its subsidiaries and affiliates, allowing employees to pay for qualified health care and dependent care using pre-tax income through payroll deductions. A portion of the program's costs are offset by savings of approximately \$765,000 per year due to reductions on the employer portion of FICA taxes that otherwise would be owed on wages. The proposed contract will be for a period of five years starting January 1, 2018 for total not-to-exceed amount of \$1,500,000. The new contract's cost per participant is 13% lower than the current monthly fee per participant. The pricing is deemed fair and reasonable.

- 5-11. **Freelance Writing and Editorial Services** **\$300,000** **Staff Summary Attached**
Contract No. 16219-001 thru 007 (not-to-exceed)
- | | |
|--|--|
| <p>a. Nelson Smith</p> <p>b. Frank Communications</p> <p>c. Diversity Marketing</p> <p>d. Jill Davis</p> | <p>e. Lorraine Krehling</p> <p>f. Driven Inbound</p> <p>g. Griffin Communications</p> |
|--|--|

Competitively negotiated – 35 proposals – 36 months

To recommend that the Board approve the award of 7 competitively negotiated, all-agency personal services contracts to provide as-needed freelance writing and editorial services for MTAHQ Marketing & Corporate Communications Department (M&CC). The contracts will be for a period of three years starting on or about October 1, 2017 for a combined total not-to-exceed \$300,000. M&CC has a need for sporadic editorial staffing to facilitate writing a wide variety of daily news articles, print projects, promotional advertising materials, merchant sales kits, presentations, signage and the MTA website to convey information to the public and help define MTA's corporate image. Negotiated pricing for the selected firms are on par or lower than the industry standards for similar services. Based on the foregoing, prices were found to be fair and reasonable.

METROPOLITAN TRANSPORTATION AUTHORITY
COMPETITIVE PROCUREMENTS

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

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

12. JPMorgan Chase N.A. (New York, New York) \$951,513 Staff Summary Attached
Cash Management and Deposit Services
Contract No. 07H9748A

Base plus previous change orders = \$18,484,726

This modification is to exercise an option to extend the All-Agency miscellaneous service contract for cash management, coin and currency processing, and customized lockbox services for two years, from October 1, 2017 through September 30, 2019. This contract provides cash management and deposit services to all MTA agencies. Prices for the base contract and option years were competitively negotiated and both were considered by the evaluation committee when the award recommendation was made to the Board. A benchmark analysis was performed using market survey data which confirmed that pricing for the two-year option is in line with current market prices. The estimated expenditure for this option period is \$3,801,513. Approximately \$2,850,000 of the adjusted contract amount has not been expended; thus, additional funding of \$951,513 is requested.

I. Modifications to Purchase and Public Work Contracts

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

13. Prevost Car (US) Inc. \$16,950,986 Staff Summary Attached
Purchase 31 Over-the-Road Express Buses
Contract No. B40657

Base plus previous change orders = \$166,427,302

To request approval of Modification #3 to Contract B40657 with Prevost Car (US) Inc. ("Prevost") for the purchase of 31 Over-the-Road Express Buses by MTA on behalf of the New York State Department of Transportation ("NYS DOT") for the estimated amount of \$16,950,986. NYS DOT will take title to these buses pursuant to an agreement ("Agreement") executed by and between NYS DOT and the MTA. NYS DOT has agreed to pay for all costs associated with the acquisition and post award project management and inspection of the buses, including all MTA and NYC Transit staffing and administrative costs. NYS DOT intends to use the buses in connection with its Lower Hudson Transit Link ("LHTL") initiative. The LHTL is a bus rapid transit service that will replace the Tappan Zee Express Service currently operating between Rockland and Westchester Counties. The commencement of this NYS DOT-administered service will coincide with the opening of the Governor Mario M. Cuomo Bridge (formerly the Tappan Zee Bridge).

Staff Summary

Schedule F: Personal Service Contracts

| | | | | | | | |
|--|------------------------|---------|----------|------|-------|--|--|
| Item Number: Dept & Dept Head Name: Finance / Robert E. Foran Division & Division Head Name: Risk and Insurance Management / Phyllis Rachmuth | | | | | | SUMMARY INFORMATION Vendor Name: Marsh USA, Inc. Contract Number: 16385 Description: All-Agency Master Broker Services Total Amount: \$8,606,470.00 (Including contingency) Contract Term (Including Options, if any): October 1, 2017 thru September 30, 2022 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: | |
| Board Reviews | | | | | | | |
| Order | To | Date | Approval | Info | Other | | |
| 1 | Finance | 9/25/17 | X | | | | |
| 2 | Board | 9/27/17 | X | | | | |
| Internal Approvals | | | | | | | |
| Order | Approval | Order | Approval | | | | |
| 1 | Procurement | 4 | Legal | | | | |
| 2 | Risk & Insurance Mgmt. | 5 | CFO | | | | |
| 3 | DDCR | | | | | | |

Narrative

I. PURPOSE/RECOMMENDATION

To obtain Board approval to award a competitively negotiated, personal services contract to Marsh USA, Inc. (Marsh) the incumbent, for the procurement/maintenance of insurance, forensic accounting services with expertise to handle Federal Emergency Management Agency (FEMA) and insurance related claims and other miscellaneous services (Master Broker Services) in support of the MTA's All-Agency Risk Management Program. The proposed five (5) year contract is for a total not to exceed \$8,606,470, which includes a contingency of \$2.25 million for forensic accounting services and other unanticipated master broker services.

II. DISCUSSION

The MTA Risk and Insurance Management (RIM) Department is responsible for acquiring insurance and administration of insured and self-insured programs of the MTA Agencies, as well as programs insured by First Mutual Transportation Assurance Company (FMTAC), MTA's wholly-owned captive insurance company. The utilization of a master broker is necessary for RIM to place specialty coverages as well as other insurance programs on behalf of the Agencies. Those coverages include, but are not limited to, the All-Agency Excess Liability and Property Programs, Paratransit and Non-Revenue Automobile, Environmental, Fiduciary Liability, and Crime programs, as well as the commuter rails' Station Liability and Force Account programs. In addition to the acquisition of insurance, services under this contract will include: forensic accounting services for Sandy-related FEMA and/or property claims, coverage monitoring, policy review, claims services, risk management information system services, safety and loss control services, and captive manager services.

The current master broker services contract will expire September 30, 2017. This competitive Request for Proposal (RFP) was publicly advertised and letters informing potential proposers of the availability of the RFP package were emailed to 14 firms, one of which was an MBE/WBE. Three proposals were received and the selection committee was comprised of representatives from MTA HQ Risk Management and Comptroller departments, NYCT Controller, and the respective Claims departments from LIRR, MNR, and B&T.

Staff Summary

The selection committee ultimately chose Marsh based on the following considerations: a) a clear understanding of the objectives and offered creative and practical recommendations to ensure cost effective solutions; b) overall qualifications and relevant experience in handling transportation related risks; c) commitment, capability, and experience of staff to be assigned to perform brokerage and captive services; d) ability to identify and perform valued added consultant services; e) most technically qualified to provide the services outlined in the proposal and f) diversity practices.

The original cost for core services proposed by Marsh was \$6,591,356 for the five-year period, but negotiations lead to a best and final offer (BAFO) of \$6,356,470, a savings of 3% from the original proposal and 3.8% reduction from the current contract. The contract also includes a contingency budget valued at \$2.25 million for ongoing forensic accounting services for FEMA related claims and unanticipated master broker services. Utilization of the contingency is subject to an average hourly rate of \$275 (with 3% bi-annual escalation), which reflects a 7.8% rate increase from the prior contract and is consistent with the market rate for similar services. In addition to the core services, cost mitigation measures were added to the contract that will cap the value of earned commissions by Marsh's affiliates as well as generate a 50%/50% shared commission structure for FMTAC on an annual basis for property reinsurance placed through Marsh's global affiliates. As part of the 2017 contract extension, FMTAC received a 25% shared commission resulting in revenue of approximately \$680,000 in ceding commissions. Based on this new negotiated shared commission structure, FMTAC has the potential to receive up to \$1.5M in commissions which is driven by market conditions. Based on the foregoing, the BAFO is found to be fair and reasonable.

In connection with a previous contract awarded, the Contractor was found to be responsible notwithstanding significant adverse information pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the MTA Chairman/CEO in consultation with the MTA General Counsel. No new SAI has been found relating to the Contractor and the Contractor has been found to be responsible.

III. D/M/WBE INFORMATION

The MTA Department of Diversity and Civil Rights has assigned goals of 15% MBE and 15% WBE. Marsh has submitted a utilization plan achieving the goals. Marsh satisfied previous MWBE requirements on prior contracts.

IV. IMPACT ON FUNDING

The total not-to-exceed costs of \$8,606,470 consisting of \$6,356,470 for the five (5) year contract and \$2,250,000 for contingencies will be funded through the Risk and Insurance Management Department.

V. ALTERNATIVES

Do not contract for Master Broker Services – This alternative is not feasible. Failure to have these services will prohibit the MTA from accessing the commercial insurance marketplace needed for acquiring and maintaining insurance programs as well as other ancillary services that are utilized to protect the assets of the MTA and its Agencies.

Perform services in-house – This alternative is neither feasible nor cost effective. MTA does not have the staff with the specialized expertise or experience to perform the necessary services.

Staff Summary

Schedule F: Personal Service Contracts

| | | | | | | | | | |
|---|--------------------------|--------------|-----------------|-------------|--------------|---|--|----------------------------------|--|
| Item Number: <i>16308</i> | | | | | | SUMMARY INFORMATION | | | |
| Dept & Dept Head Name: Human Resources – Margaret M. Condor | | | | | | Vendor Name: P&A Administrative Services, Inc. | | Contract Number: 16308 | |
| Division & Division Head Name: HR, Tax Favored Programs – Kim Russell | | | | | | Description: Administrative & Record-keeping Services for MTA Flexible Spending Account Plan (FSA) | | | |
| Board Reviews | | | | | | Total Amount: \$1,500,000.00 | | | |
| Order | To | Date | Approval | Info | Other | Contract Term (Including Options, if any): January 1, 2018 thru December 31, 2023 | | | |
| 1 | Finance | 9/25/17 | X | | | Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | |
| 2 | Board | 9/27/17 | X | | | Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | |
| Internal Approvals | | | | | | Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive | | | |
| Order | Approval | Order | Approval | | | Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: | | | |
| 1 | Procurement | 4 | DDCR | | | Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: | | | |
| 2 | HR | 5 | Legal | | | | | | |
| 3 | HR, Tax Favored Programs | 6 | CFO | | | | | | |

Narrative

I. PURPOSE/RECOMMENDATION

To recommend that the Board approve the award of a competitively negotiated, all-agency personal services contract to P&A Administrative Services, Inc. (P&A) for administrative and record-keeping services in connection with the MTA Flexible Spending Account (FSA) program. The proposed contract will be for a period of five years starting January 1, 2018 for a total not-to-exceed amount of \$1.5 million.

II. DISCUSSION

Since January 1990, the MTA Deferred Compensation Committee has operated a voluntary tax-favored program authorized under sections of the Internal Revenue Code. This tax-favored program is operated for the benefit of employees of the MTA and its subsidiaries and affiliates, allowing employees to pay for qualified health care and dependent care using pre-tax income through payroll deductions. Approximately 6,200 employees currently participate in the FSA plan. The existing contract for the FSA portion of the program was competitively awarded to the same company with Board approval in 2009 and will expire on December 31, 2017. A portion of the program's costs are offset by saving approximately \$765,000 per year due to reductions on the employer portion of FICA taxes that otherwise would be owed on wages.

This Request for Proposals (RFP) was publicly advertised in March 2017 and letters advising potential proposers of its availability were mailed to nine firms. Four firms submitted proposals.

The selection committee, comprised of representatives from the MTA Headquarters Human Resources and Benefits departments determined that P&A's proposal provided the best price and the best value based on its commitment of resources assigned to perform services, the quality of work performed for similarly situated clients, its extensive experience administering the FSA program for the MTA and other government agencies, its demonstrated understanding of MTA service requirements, its overall responsiveness to the proposal, total cost and diversity practices.

Staff Summary

P&A initially proposed a monthly fee of \$3.45 per participant. Following negotiations, P&A submitted a best and final offer (BAFO) of \$3.40 per participant, a savings of 1.4%. The new contract's cost per participant is 13% lower than the current \$3.90 monthly fee per participant. Based on the foregoing, the BAFO is deemed fair and reasonable.

In connection with the review of the Contractor's responsibility pursuant to the All-Agency Responsibility Guidelines, the Contractor was found to be responsible and qualified for the contract award.

III. D/M/WBE INFORMATION

The MTA Department of Diversity and Civil Rights (DDCR) has established goals of 15% MBE and 15% WBE for the contract. The vendor has projected to achieve the assigned goals. P & A has achieved its previous MWBE goals on previous MTA contracts.

IV. IMPACT ON FUNDING

The contract will be funded by the MTA Operating Budget. Based on past experience, there will continue to be a net zero cost to the MTA for the FSA Plan because the fees are offset by savings in employer tax contributions.

V. ALTERNATIVES

Do not continue the FSA Plan. This is not a practical alternative. This voluntary program has been favorably accepted by both non-represented and represented employees.

Staff Summary

Schedule F: Personal Service Contracts

| Item Number: | | | | | |
|--|---------------------------------|---------|-----------------|------|-------|
| Dept & Dept Head Name: Marketing & Corporate Communications / John McKay | | | | | |
| Division & Division Head Name: Marketing & Communications / Mark Heavey | | | | | |
| Board Reviews | | | | | |
| Order | To | Date | Approval | Info | Other |
| 1 | Finance | 9/25/17 | X | | |
| 2 | Board | 9/27/17 | X | | |
| Internal Approvals | | | | | |
| Order | Approval | Order | Approval | | |
| 1 | Procurement | 4 | DDCR <i>MH</i> | | |
| 2 | CFO | 5 | Legal <i>MH</i> | | |
| 3 | Marketing & Corp Communications | | | | |

| | |
|---|---|
| SUMMARY INFORMATION | |
| Vendor Name: Various | Contract Number: 16219-001 thru 007 |
| Description: Freelance Writing and Editorial Services | |
| Total Amount: \$300,000 not-to-exceed | |
| Contract Term (including Options, if any): October 1, 2017 thru September 30, 2020 | |
| Option(s) Included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive | |
| Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: | |
| Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: | |

Narrative

I. PURPOSE/RECOMMENDATION

To recommend that the Board approve the award of seven (7) competitively negotiated, all-agency personal services contracts to provide as-needed freelance writing and editorial services for the MTAHQ Marketing & Corporate Communications Department (M&CC). The contracts will be for a period of three years starting on or about October 1, 2017 for a combined total not-to-exceed amount of \$300,000. The contracts will be awarded to the following for use on an as-needed basis without obligation to the MTA or its agencies:

| | |
|-------------------------|---------------------------|
| 1. Nelson Smith | 5. Lorraine Krehling |
| 2. Frank Communications | 6. Driven Inbound |
| 3. Diversity Marketing | 7. Griffin Communications |
| 4. Jill Davis | |

II. DISCUSSION

The Editorial Services Unit of the M&CC Department is responsible for conceptualizing and writing a wide variety of daily news articles, print projects, promotional advertising materials, merchant sales kits, presentations, signage and the MTA website to convey information to the public and help define MTA's corporate image. M&CC is also responsible for internal communications via the MTA intranet and agency sites and through various external and internal print media. M&CC has a need for editorial staffing to facilitate the foregoing efforts.

A Request for Proposals ("RFP") was publicly advertised and letters informing potential proposers of the RFP were emailed to thirteen firms, 5 of which were MBE/WBE firms. Proposals were evaluated based on the following considerations: a) quality demonstrated through samples of work, b) relevant experience performing similar services; c) cost, d) responsiveness to the RFP, e) mock newswriting assignment, and f) diversity practices.

Thirty-five proposals were received and a selection committee comprised of representatives from M&CC and MetroNorth recommended seven firms, ensuring sufficient coverage for the agencies' expanding needs.

Staff Summary

The hourly rates originally proposed ranged from \$50 to \$125. Following negotiations, best and final offers (BAFOs) were received with rates ranging from \$50 to \$75 (rates are fixed for the three-year period). The rates contained in the BAFOs are 17% more than the previous contracts. The higher rates are attributable to the inclusion of higher technical expertise requirements associated with MTA's online and financial reporting requirements. Notwithstanding, the final negotiated pricing for the selected firms are on par or lower than the industry standards for similar services. Based on the foregoing, these prices were found to be fair and reasonable.

In connection with the review of the Contractor's responsibility pursuant to the All-Agency Responsibility Guidelines, the Contractor was found to be responsible and qualified for the contract award.

III. D/M/WBE INFORMATION

The Department of Diversity and Civil Rights established a 30% WBE goal but, since there will be no subcontracting of work under these contracts, two certified WBE firms (Frank Communications and Diversity Marketing) will be solicited from the pool of pre-qualified firms for prime award opportunities, thus maximizing MWBE participation.

IV. IMPACT ON FUNDING

The total cost over the term of the contracts is projected to be \$300,000. Funding is earmarked within the general operating budget of the M&CC Department.

V. ALTERNATIVES

None. MTAHQ lacks the available in-house personnel to perform the specified services required for these contracts. Having a stable of talented writers/editors available on-demand has proved to be a cost-effective and responsive business model.

Staff Summary

Schedule H: Modifications to Personal Service & Miscellaneous Service Contracts

Item Number:

Page 1 of 1

| | | |
|---|--|--------------------------------|
| Vendor Name (& Location): JPMorgan Chase N.A. (New York, New York) | Contract Number: 07H9748A | AWO/Modification # 3 |
| Description: Cash Management and Deposit Services | Original Amount: | \$ 6,680,459 |
| | Option Amount: | \$ 11,745,000 |
| | Total Amount: | \$ 18,425,459 |
| Contract Term (including Options, if any): October 1, 2009–September 30, 2017 | Prior Modifications: | \$ 59,267 |
| Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Prior Budgetary Increases: | \$ |
| Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive | Current Amount: | \$ 18,484,726 |
| Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: | This Request: | \$ 951,513 (Est.) |
| 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: | 5.2% |
| Requesting Dept/Div & Dept/Div Head Name: MTA Finance, Robert Foran | % of Modifications (including This Request) to Original Amount: | 5.5% |

DISCUSSION:

This modification is to exercise an option to extend the All-Agency miscellaneous service contract for cash management, coin and currency processing, and customized lockbox services for two years, from October 1, 2017 through September 30, 2019. Prices for the base contract and option years were competitively negotiated and both were considered by the evaluation committee when the award recommendation was made to the Board. This is an All-Agency contract which provides cash management and deposit services to all MTA agencies.

The original contract term was five years, with options to extend for three years and a separate option to extend for two years at the same rates. The December 2015 Board ratified the exercise of the three-year option. Chase agreed to price concessions prior to the exercise of the option which reduced the option price approximately 1%. This modification exercises the remaining contractual option to extend the contract for two years.

Chase maintains approximately 300 accounts across all MTA agencies. As part of its cash management function, Chase pays all checks drawn on MTA's accounts, including payroll and vendor payment checks; handles direct deposits for payroll; and makes payments on MTA's behalf via wire transfers and automated clearing house transactions. Chase processes over \$9 million in notes and coins, which MTA agencies deposit with Chase each day. Chase also provides lockbox services and acts as the central point of contact for all check payments to MTA agencies, including checks related to E-ZPass, Mail&Ride, and the Transit Adjudication Bureau. The contract is managed by the MTA Treasury Department.

This modification exercises the remaining contractual option to extend for two years. A benchmark analysis was performed using market survey data which confirmed that pricing for the two-year option is in line with current market prices. The price was found to be fair and reasonable based on the competitive nature of the original award process and the benchmarking exercise performed prior to proposing the exercise of these options. Nevertheless, a unilateral price concession was requested and received which reduced the overall price by 0.8%, adding to the earlier 1% unilateral price concession.

The estimated expenditure for this option period is \$3,801,513. Approximately \$2,850,000 of the adjusted contract amount has not been expended; thus, additional funding of \$951,513 is being requested.

Following a review of the contractor's responsibility pursuant to the responsibility guidelines for financial institutions, Chase was found responsible for the contract award.

Staff Summary

Schedule I: Modifications to Purchase and Public Work Contracts

Item Number:

Page 1 of 1

| |
|--|
| Vendor Name (& Location): Prevost Car (US) Inc. |
| Description: Purchase of 31 Over-the-Road Express Buses |
| Contract Term (including Options, if any): November 14, 2013 to December 31, 2028 |
| Option(s) included in Total Amount? <input type="checkbox"/> Yes <input 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 type="checkbox"/> Other: |
| Funding Source: <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input checked="" type="checkbox"/> Other: NYSDOT |
| Requesting Dept/Div & Dept/Div Head Name: |

| | |
|--|------------------------------------|
| Contract Number: B40657 | AWO/Modification # Mod 3 |
| Original Amount: | \$164,838,002.00 |
| Prior Modifications: | \$ 1,589,300.00 |
| Prior Budgetary Increases: | \$ |
| Current Amount: | \$ 166,427,302.00 |
| This Request: | \$ 16,950,986.00 |
| % of This Request to Current Amount: | 10.2% |
| % of Modifications (including This Request) to Original Amount: | 11.2% |

PURPOSE/RECOMMENDATION:

To request the Board adopt the annexed resolution authorizing the MTA (i) to enter into an agreement (“Agreement”) with the New York State Department of Transportation (“NYSDOT”) providing for NYSDOT’s funding of a purchase of over-the-road express buses to be made by MTA on NYSDOT’s behalf; and (ii) to award Modification #3 to Contract B40657 with Prevost Car (US) Inc. (“Prevost”) for the purchase of 31 Over-the-Road Express Buses by MTA on behalf of NYSDOT for the estimated amount of \$16,950,986. Pursuant to the Agreement, NYSDOT will take title to the 31 buses and will pay for the costs associated with the acquisition and post award project management and inspection of the buses, including MTA and NYC Transit staffing and administrative costs.

DISCUSSION:

Contract B40657 was competitively awarded to Prevost on November 14, 2013 for the purchase of 300 Over-the-Road Express Buses for a total award of \$164,838,002. The \$164,838,002 consisted of \$164,247,600 for the 300 buses (\$547,492/bus), \$183,324 for qualification testing, diagnostic tools and manuals, \$108,000 for an estimated quantity of training and \$299,078 for capital spares. Delivery of these buses was completed in May 2016.

Modification #1 and Modification #2 were awarded to incorporate a series of technical changes and language that allows Prevost to repair buses which are involved in accidents. This was necessary as Prevost must perform these repairs in order to preserve the 12-year structural warranty.

Under this Modification #3, the MTA will purchase an additional 31 Over-the-Road Express Buses on behalf of NYSDOT, which intends to use the buses in connection with its Lower Hudson Transit Link initiative (the “LHTL”). The LHTL is a bus rapid transit service that will replace the Tappan Zee Express Service currently operating between Rockland and Westchester Counties. The commencement of this NYSDOT-administered service will coincide with the opening of the Governor Mario M. Cuomo Bridge (formerly the Tappan Zee Bridge).

NYSDOT contacted MTA and NYC Transit, based on their significant experience buying buses, for assistance with procurement of the buses to support the LHTL. MTA, supported by NYC Transit DOB and NYC Transit Procurement, has assisted NYSDOT in connection with its efforts to obtain vehicles for the LHTL. The existing contract with Prevost was identified as an appropriate contractual means to procure the required vehicles on behalf of NYSDOT in a timeframe compatible with the schedule for the commencement of the LHTL service.

Prevost submitted a proposal for this Modification #3 on June 22, 2017. NYC Transit Procurement requested and received costing information in July 2017. Negotiations were subsequently held and focused on technical changes requested by NYSDOT, changes to the payment terms, acceptable mark-up and the delivery schedule. Prevost submitted a Final Proposal in August 2017 in the total amount of \$16,950,986 (\$546,806/bus). The final pricing is \$686/bus (0.13%) less than NYC Transit paid under the base award three years ago and \$23,126/bus (4.06%) below the DOB estimate of \$569,392 per bus. The final proposal was reviewed by the NYC Transit Cost Price Analysis Unit and MTA Audit Services and found to be fair and reasonable; NYC Transit Procurement and NYC Transit DOB concur.

The MTA, NYC Transit and NYSDOT have concurrently negotiated the Agreement, which requires NYSDOT to provide payment to the MTA for the purchase of the 31 Over-the-Road Express Buses. NYSDOT will also pay for the staff and administrative costs incurred by MTA and NYC Transit in connection with this project. The Agreement is subject to review and approval as to form by the New York State Attorney General, and the approval of the Office of the New York State Comptroller (“OSC”). In addition, OSC has indicated that it may exercise review and approval authority over Modification #3, pursuant to section 2879-a of the Public Authorities Law (“PAL”). Award of Modification #3 will not be made prior to (i) the Agreement’s receiving all necessary approvals, and (ii) Modification #3’s obtaining OSC approval in the event that, pursuant to PAL §2879-a, OSC exercises review and approval authority over Modification #3.

A background search and review of the documents submitted by Prevost have disclosed no significant adverse information within the meaning of the Responsibility Guidelines.

BOARD RESOLUTION

METROPOLITAN TRANSPORTATION AUTHORITY

WHEREAS, the New York State Department of Transportation (“NYSDOT”) has requested that the Metropolitan Transportation Authority (“MTA”), based on its significant experience buying buses, procure thirty-one (31) coach buses on behalf of NYSDOT, which NYSDOT intends to utilize in connection with a new bus rapid transit service (“BRT”) which will operate between Rockland and Westchester Counties, and will coincide with the opening of the Governor Mario M. Cuomo Bridge (formerly the Tappan Zee Bridge), as more fully set forth in the annexed Staff Summary; and

WHEREAS, the MTA has identified an existing bus manufacturing contract, #B40657, which, through a contractual modification with the vendor, would enable such additional bus procurement for NYSDOT’s BRT service (the “Contract Modification”), as more fully set forth in the annexed Staff Summary; and

WHEREAS, the Office of the New York State Comptroller (“OSC”) has indicated that it may exercise review and approval authority over such Contract Modification, pursuant to section 2879-a of the Public Authorities Law (“PAL”); and

WHEREAS, NYSDOT and MTA have negotiated an agreement (the “NYSDOT Agreement”) pursuant to which NYSDOT would pay MTA for the cost of such buses procured by MTA on NYSDOT’s behalf, including reimbursement for certain MTA staff costs, which Agreement must be executed by the parties and receive all necessary approvals, prior to MTA’s entering into the Contract Modification with the bus manufacturer on NYSDOT’s behalf; and

WHEREAS, under §1264 of the PAL, one of the purposes of the MTA is the continuance, further development and improvement of commuter transportation and other services related thereto within the Metropolitan Commuter Transportation District, including but not limited to such transportation by railroad, omnibus, marine and air;

WHEREAS, in accordance with Section 1265-a and Section 1209 of the Public Authorities Law and the All Agency Procurement Guidelines, the Board may authorize the award of certain non-competitive purchase contracts; and

WHEREAS, under §1265 of the Public Authorities Law, the MTA shall have the power to enter into contracts and leases and to execute all instruments necessary or convenient.

NOW, the Board resolves as follows:

1. The Chairman and Chief Executive Officer of the MTA, the Managing Director of the MTA, or their designees are hereby authorized to enter into the NYSDOT Agreement;
2. The Chairman and Chief Executive Officer of the MTA, the Managing Director of the MTA, or their designees are further authorized to enter into the Contract Modification, provided that

prior to execution of such Contract Modification on behalf of NYSDOT, (i) the NYSDOT Agreement has been fully executed and all approvals necessary to its becoming a legally binding and enforceable Agreement have been obtained; and (ii) in the event OSC exercises review and approval authority over the Contract Modification, pursuant to PAL §2879-a, such approval has been obtained.

Dated: September 27, 2017

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SEPTEMBER 2017
MTA REAL ESTATE
LIST OF ACTION ITEMS FOR BOARD APPROVAL

ALL-AGENCIES

Award of the advertising concession for the subways, buses & the commuter railroads
Award of the billboard advertising concession for the subways, commuter railroads, bridges and tunnels.

MTA METRO NORTH RAILROAD

Lease Between Mack-Cali CW Realty Associates L.L.C., c/o Mack-Cali Realty Corporation and Metro North Railroad for Warehouse Space at 101 Executive Boulevard, Elmsford, NY.

Acquisition of permanent easement from Oakwood Cemetery Association in support of Metro-North's Harlem Hudson Line Power Project in Mount Kisco, NY.

MTA LONG ISLAND RAIL ROAD

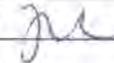
Acquisition of permanent and temporary property interests in support of the Penn Station Improvements Project, New York Penn Station / One Penn Plaza, Manhattan.

Staff Summary

| |
|--|
| Subject ADVERTISING CONCESSION |
| Department REAL ESTATE |
| Department Head Name JEFFREY B. ROSEN |
| Department Head Signature  |
| Project Manager Name |

| |
|-----------------------------------|
| Date SEPTEMBER 25, 2017 |
| Vendor Name |
| Contract Number |
| Contract Manager Name |
| Table of Contents Ref. # |

| Board Action | | | | | |
|--------------|-------------------|---------|----------|------|-------|
| Order | To | Date | Approval | Info | Other |
| 1 | Finance Committee | 9/25/17 | X | | |
| 2 | Board | 9/27/17 | X | | |
| | | | | | |
| | | | | | |

| Internal Approvals | | | |
|--------------------|---------------------------|---|---|
| Order | Approval | Order | Approval |
| 1 | Legal |  | |
| 2 | Chief Development Officer |  |  |
| 3 | Chief of Staff |  | |
| 4 | Chief Financial Officer | | |

AGENCY: NYCT, MABSTOA, MTA Bus, SIRTOA, LIRR, and Metro-North (the "Agencies").

LICENSEE: OUTFRONT Media Group LLC ("Outfront").

ACTIVITY: Award to Outfront of (i) an exclusive license to place and sell digital and non-digital advertising in and on MTA subway stations and cars, commuter railroad stations and cars, and buses, and (ii) non-exclusive rights with respect to sponsorships and "pop-up" retail, "e-tailing" and other "experiential advertising" (collectively, the "Concession").

ACTION REQUESTED: Board approval of such award to Outfront and extension of its existing advertisement license agreements until the effective date of the new license agreement evidencing the Concession (the "New License Agreement"), to be no later than October 31, 2017.

TERM: 10 years, subject to extension for an additional 5 years at Outfront's option in the absence of any uncured event of default.

REQUIRED DIGITAL SCREEN INSTALLATIONS: Outfront will be required, at its sole cost and expense, to install (and/or pay the cost of installation by MTA personnel, to the extent required by MTA labor agreements), and to maintain, operate and (as needed in due course) replace, at a minimum, the digital screens described in Attachment A, as well as all associated infrastructure (other than infrastructure now existing or to be installed pursuant to pending Agency initiatives). In addition, Outfront will also have certain responsibilities with respect to integrating the existing On The Go travel station kiosks into the larger MTA customer communications network that Outfront will be installing.

OBLIGATIONS RELATING TO NON-DIGITAL ADS: Outfront will also be responsible, at its sole cost and expense, for the removal of abandoned non-digital advertising installations, and for the regular posting and removal of remaining non-digital advertising.

COMPENSATION: As consideration for the Concession, for any year during the Term, Outfront will be required to pay to MTA, the highest of the following three amounts:

(A) The sum of:

- 55% of "Baseline Gross Revenues" (defined as Outfront's annual gross revenues up to \$209.3 million in year 1, escalated by CPI each year thereafter); plus
- 70% of "Adjusted Incremental Gross Revenues" (defined as Outfront's annual gross revenues in excess of Baseline Gross Revenues), after first deducting from such excess gross revenues, for so long as Outfront has

Staff Summary

FINANCE COMMITTEE MEETING Advertising Concession (Cont'd)

not yet recouped its eligible capital expenditures, the following three amounts:

- (i) 10% of such excess gross revenues to compensate Outfront for its marginal expense of generating such excess gross revenues;
 - (ii) interest on such capital expenditures to the extent not yet recouped, at Outfront's corporate borrowing rate (not to exceed 30 day LIBOR plus 3.75%); and
 - (iii) the outstanding unrecouped principal balance of such unrecouped capital expenditures; plus
- After Outfront has recouped such capital expenditures in full through deductions as described in the preceding paragraph, an additional 5% of the Baseline Gross Revenues.

–OR–

(B) the applicable minimum annual guaranteed amount ("MAG"), determined as follows:

- 2018: \$115.1 million; and
- subsequent years: the previous year's MAG escalated by CPI, with an additional \$50 million step-up to occur in year 11.

–OR–

(C) 80% of the compensation that was payable to MTA for the previous year.

SECURITY FOR PERFORMANCE:

Performance of Outfront's obligations will be guaranteed in full by OUTFRONT Media Inc., a publicly-traded real estate investment trust with a market capitalization of approximately \$3.1 billion. In addition, on the effective date of the New License Agreement, Outfront will be required to post a letter of credit in the amount of \$136 million as liquid security for such performance. On an annual basis thereafter, the amount of the Letter of Credit may be reduced by 50% of the qualified capital expenditures spent by Outfront during the preceding year, provided that in no event shall the amount of the Letter of Credit ever be less than 50% of the then-applicable annual MAG. In addition, if Outfront fails to cure a default relating to its digital network installation obligations, then MTA may require Outfront to increase the amount of the Letter of Credit by a percentage equal to the cumulative percentage shortfall in the completion of installations.

SUBORDINATED REPAYMENT OF UNRECOUPED CAPITAL EXPENDITURES:

When the Concession ends, MTA will own all of the hardware theretofore installed by Outfront and have all required rights in associated software necessary to continue operating such hardware. In the case of any expiration of the Term in the normal course (whether or not Outfront has elected to exercise its extension option), Outfront will not be entitled to any compensation whatsoever with respect to such hardware or software, even if Outfront has not theretofore fully recouped its capital expenditures. However (consistent with common international practice), if MTA were to terminate the Concession prior to its scheduled expiration, Outfront would be entitled to receive compensation for such capital expenditures (with interest at the above-referenced corporate borrowing rate) if, but only if and to the extent that, (i) Outfront were not yet to have recouped at least 60% of such capital expenditures and (ii) MTA's successor concessionaire(s) were to earn adjusted incremental gross revenues (after such successor concessionaire(s)'s receipt of operating expenses, interest expenses, and principal associated with the installation of the network infrastructure that Outfront would have been required to install but for the early termination for default).

EQUITABLE ADJUSTMENTS:

As its sole remedy, Outfront would be entitled to certain equitable adjustments to the contract terms if any of the following circumstances were to occur and Outfront were

FINANCE COMMITTEE MEETING Advertising Concession (Cont'd)

consequently not otherwise able to recoup its capital expenditures as described above: (i) a 10% or more reduction in subway system or commuter rail system ridership; (ii) certainforce majeure events; (iii) certain changes in applicable law; and/or (iv) certain unexpected delays caused by MTA. Such equitable adjustments and the circumstances to which they would respectively apply are described in Attachment B.

COMMENTS:

The previous competitive solicitations relating to the Concession took place in 2005 and 2006. At that time, the Concession was split into two parts, (i) a subway station and car concession, and (ii) a bus and commuter rail station and car concession. Such prior concessions excluded (and the new Concession will continue to exclude) various roadside billboards on MTA property, which were the subject of a separate solicitation.

CBS Outdoor won the subway station and car concession, which was effective January 1, 2006 for a 10-year term that was subsequently extended with Board authorization to September 30, 2017.

Titan Outdoor won the bus and commuter rail concession, which was effective January 1, 2007 for a term of 10 years. However, in 2010, MTA terminated the Titan Outdoor concession for default and entered into an agreement with CBS Outdoor for the commuter rail concession for the remainder of such term (which was likewise subsequently extended to September 30, 2017).

In 2014, CBS Corporation spun off its U.S. outdoor advertising business as a real estate investment trust and renamed it OUTFRONT Media Inc. Outfront (as successor to CBS Outdoor) is currently the concessionaire for MTA's subway, commuter rail and bus systems.

Until fairly recently, the transit advertising business has primarily entailed highly labor-intensive (and not very capital intensive) "paper and paste" operations entailing monthly sales and posting of so-called "static" advertising. However, the industry has of late been undergoing rapid evolution from non-digital to digital formats, which offer opportunities for dynamic messaging targeted to specific audiences and integration with messaging on mobile devices. As it became clear to MTA that whichever proposer it chose to operate the Concession would propose to invest heavily in a digital screen advertising network, MTA determined to seize the opportunity to piggy-back on such deployment by requiring the selected concessionaire to contemporaneously install, operate and maintain specified numbers of dedicated customer communications screens and to reserve specified amounts of time and/or space on the concessionaire's advertising screens for Agency messaging.

Accordingly, the RFP process commenced in 2016 with a first phase request for qualifications and expressions of interests. Such initial RFP was designed to solicit relatively unconstrained proposals and to establish the viability of MTA's overall approach, and allowed for separate proposals to be made with respect to MTA's subway, commuter rail or bus properties, or any combination of the three. Three highly qualified proposers responded:

- (i) Outfront;
- (ii) Intersection Parent Inc. (a subsidiary of Intersection Holdings LLC, formed in June, 2015, which acquired Titan Outdoor Holdings, Inc. and Control Group, Inc. in September, 2015, and which is the majority owner of CityBridge, LLC, the City's franchisee for the LinkNYC street kiosk network) ("Intersection"); and
- (iii) J.C. Decaux ("JCDecaux").

Outfront and Intersection submitted proposals for all three of the offered concessions. JCDecaux submitted a proposal for the commuter rail concession only.

The second phase of the RFP established various parameters for follow-up proposals, including basic business terms, technical requirements, and expectations regarding scope, schedule, force account availability, and customer privacy.

FINANCE COMMITTEE MEETING Advertising Concession (Cont'd)

After consideration of the ensuing follow-up proposals, MTA's nine person Evaluation Committee (consisting of senior representatives of MTA Real Estate, MTA Finance, MTA Strategic Initiatives, MTA's office of Public-Private Partnerships, MTA IT, and designees of the Presidents of NYCT, MTA Bus, Metro-North, and LIRR) decided to eliminate JCDecaux from further consideration, having determined that JCDecaux's proposal fell outside of the competitive range in several critical respects.

MTA then conducted multiple rounds of detailed license agreement negotiations with the remaining proposers, for the intended purpose of resolving, while MTA could still have the benefit of a competitive procurement environment, all material contractual issues. In the course of such negotiations, MTA made many significant modifications to its proposed form of license agreement in order to address concerns that such proposers had identified. Outfront and Intersection were then directed to submit best and final offers ("BAFOs") based on such form of license agreement as so revised. The request for BAFOs (i) required each proposer to submit a base proposal that accepted MTA's revised license agreement and minimum scope and schedule of network build out, and (ii) allowed proposers to submit alternative proposals, with explanations as to how particular suggested changes to contract terms would change their financial proposals.

The Evaluation Committee reviewed the resulting BAFOs in light of pre-established scoring criteria relating to "Customer Experience", "Hardware and Software", "Financial" matters, and "Diversity", taking into account both the quality of the proposals taken at face value, and the conditionality of the proposers' commitments to fulfilling key aspects of their proposals. The Evaluation Committee unanimously voted to recommend that the Concession be awarded to Outfront.

The Evaluation Committee appreciated the high quality of both proposals. But its unanimous recommendation ultimately turned largely on Outfront's commitment to install significantly more new screens than the RFP required (resulting in more screen time and space for Agency messaging), its ability to fully fund its obligations from ready cash, at a relatively low cost of capital and without any need for third-party debt or equity financing, and its substantially less equivocal and conditional commitment to fulfilling the key aspects of its proposal, as evidenced by, among other things, higher proposed pre-capex-recoupment MTA revenue shares and MAGs and by Outfront's willingness to:

- (i) agree that MTA revenue share percentage will remain unchanged despite Outfront budget overruns;
- (ii) agree that Outfront's minimum installation obligations will remain unchanged despite force account costs exceeding estimates;
- (iii) tie letter of credit adjustments to performance of Outfront's screen deployment obligations; and
- (iv) accept limited remedies for unanticipated delays (as described in Attachment B).

The capital investments that Outfront has committed to make are expected to total approximately \$800 million over the 15-year term, and will result in the Agencies having the exclusive use of 5,600 new dedicated customer communication screens (as detailed on Attachment A), plus 20% of the time and/or space on 46,000 advertising screens in stations and on trains.

Each such digital screen will be individually addressable, making it possible for Agencies to send specific messages to specific screens in near real time. For high priority messages, MTA will have the right to immediately pre-empt all of the screens on the network, including those screens or portions of screens that would otherwise be dedicated to advertising. The New License Agreement will require Outfront to operate and maintain the customer communications network to specified performance and service levels and in all events at levels no lower than the levels at which it is maintaining its own advertising network.

In short, by entering into the proposed New License Agreement with Outfront, MTA will acquire a transformational 21st century digital screen network, without itself making any direct capital expenditure, while in the near term maintaining most of the revenue stream that it currently receives from the Concession and in the longer term substantially increasing the revenues that it derives from advertising in its system. Moreover, this transition to digital promises to have an enormously positive effect on the appearance of the Agencies' stations, as nearly 24,000 obsolete non-digital displays will be removed in the process, at Outfront's cost, to be replaced by a smaller number of attractive, state-of-the-art digital ones.

Staff Summary

FINANCE COMMITTEE MEETING Advertising Concession (Cont'd)

Based on the foregoing, MTA Real Estate requests authorization to enter into the New License Agreement, on the aforementioned terms and conditions.

Staff Summary

FINANCE COMMITTEE MEETING Advertising Concession (Cont'd)

Attachment A - Minimum Required and Additional Anticipated Digital Screens¹

| New York City Transit | Minimum Required | Additional Anticipated |
|---|-------------------------|-------------------------------|
| Stations | | |
| Double Sided Station Entrance - Digital Urban Panels | 1,558 | 0 |
| Station Wall Mounted Advertising Screens | 3,647 | 240 |
| Double Sided Station Platform Ceiling Mounted Advertising Screens (12" x 40") | 1,309 | 0 |
| Double Sided Station Platform Ceiling Mounted Advertising Screens (24" x 40") | 104 | 0 |
| Double Sided Station Platform Freestanding Advertising Screens | 660 | 0 |
| Unpaid Zone Customer Information Centers | 921 | 0 |
| Station Platform Customer Information Centers - Wall Mounted | 707 | 0 |
| Station Platform Customer Information Centers - Freestanding | 610 | 0 |
| Total New York City Transit Stations | 9,516 | 240 |
| | | |
| Rolling Stock | | |
| Digital Brand Train Car - Digital Car Squares | 2,280 | 0 |
| Digital Brand Train Car - Digital Rack Cards | 10,904 | 0 |
| Static Car - Digital Car Squares | 18,256 | 0 |
| Total New York City Transit Rolling Stock | 31,440 | 0 |

| Metro-North Railroad | Minimum Required | Additional Anticipated |
|---|-------------------------|-------------------------------|
| Stations | | |
| Digital Screens Primarily for Advertising | 225 | 142 |
| Kiosk - Train Arrival / Departure Board | 120 | 0 |
| Customer Information Displays (CID) - Digital Replacement | 171 | 0 |
| Platform Displays (PD) Single Sided Daktronics | 102 | 0 |
| Platform Displays (PD) Double Sided Daktronics | 856 | 0 |
| Yankee Stadium Station Gate Boards | 8 | 0 |
| GCT Track Indicators | 18 | 0 |
| Total Metro-North Railroad Stations | 1,500 | 142 |
| | | |
| Rolling Stock | | |
| Digital Screen | 2,932 | 0 |
| Total Metro-North Railroad Rolling Stock | 2,932 | 0 |

¹Additional Anticipated Screen Installations will be required unless determined not to be profit maximizing

Staff Summary

FINANCE COMMITTEE MEETING Advertising Concession (Cont'd)

| Long Island Rail Road | Minimum Required | Additional Anticipated |
|--|-------------------------|-------------------------------|
| Stations | | |
| Double Sided Island Platform Ad Sign Parallel to Tracks | 258 | 0 |
| Single Sided Platform Ad Screen | 346 | 0 |
| Ad Screen - Ticket Office Outdoor Digital Display | 80 | 0 |
| Dedicated Customer Information Sign - Replacing AVPS Platform Sign - Platform | 1,204 | 0 |
| Dedicated Customer Information Sign - Replacing AVPS Platform Sign - Indoor Ticket Office | 85 | 0 |
| Dedicated Customer Information Sign - Replacing AVPS Platform Sign - Big Outdoor Ticket Office | 25 | 0 |
| Dedicated Customer Information Sign - Replacing AVPS Platform Sign - Parking Garage | 20 | 0 |
| Pedestrian Overpass Signs | 28 | 0 |
| Customer Message Boards | 254 | 0 |
| Solari Display - Main Destination Board | 1 | 0 |
| Solari Display - Train Connection Board | 1 | 0 |
| Solari Display - Gate Indicator | 30 | 0 |
| Solari Display - Platform Display | 301 | 0 |
| Solari Display - Type 1 | 79 | 0 |
| Solari Display - Type 2 | 0 | 0 |
| Solari Display - Type 3 | 4 | 0 |
| Solari Display - Type 4 | 43 | 0 |
| Solari Display - Type 5 | 3 | 0 |
| Total Long Island Rail Road Stations | 2,762 | 0 |
| | | |
| Rolling Stock | | |
| Digital Screen | 3,344 | 0 |
| Total Long Island Rail Road Rolling Stock | 3,344 | 0 |

| |
|--|
| Buses |
| Concessionaire not required to install digital screens because MTA is already doing so |

Staff Summary

FINANCE COMMITTEE MEETING Advertising Concession (Cont'd)

Attachment- Equitable Adjustments

| <i>Equitable Adjustment Remedies</i> | <i>Equitable Adjustment Events</i> | | | | |
|---|------------------------------------|----------------------|---------------------------------|--|---|
| | <i>10% Reduction in Ridership</i> | <i>Force Majeure</i> | <i>Change in Applicable Law</i> | <i>Unexpected Agency Delay (before completion of key stations)</i> | <i>Unexpected Agency Delay (after completion of key stations)</i> |
| <i>Adjustment to schedule for required installations</i> | No | Yes | Yes | Yes | Yes |
| <i>Reduction of number of required installations</i> | No | No | No | Yes | No |
| <i>Extension of Term (capped at two years)*</i> | Yes | Yes | Yes | Yes | No |
| <i>Reduction of MTA baseline gross revenue break point*</i> | Yes | No | No | Yes | No |
| <i>Reduction of MAG*</i> | No | No | No | Yes | No |

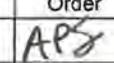
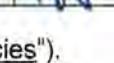
* These remedies will not become available until the 13th anniversary of the New License Agreement.

Staff Summary

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| Subject AWARD OF BILLBOARD CONCESSION |
| Department REAL ESTATE |
| Department Head Name JEFFREY B. ROSEN |
| Department Head Signature  |
| Project Manager Name DAVID SOLIMAN |

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|--|
| Date SEPTEMBER 25, 2017 |
| Vendor Name Outfront Media Group LLC |
| Contract Number |
| Contract Manager Name |
| Table of Contents Ref. # |

| Board Action | | | | | |
|--------------|-------------------|---------|----------|------|-------|
| Order | To | Date | Approval | Info | Other |
| 1 | Finance Committee | 9/25/17 | X | | |
| 2 | Board | 9/27/17 | X | | |
| | | | | | |
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| Internal Approvals | | | |
|--------------------|---------------------------|---|----------|
| Order | Approval | Order | Approval |
| 1 | Legal |  | |
| 2 | Chief Development Officer |  | |
| 3 | Chief of Staff |  | |
| 4 | Chief Financial Officer |  | |

AGENCY: NYCT, LIRR, Metro-North, MTA Bridges & Tunnels (the "Agencies").

CONCESSIONAIRE: OUTFRONT Media Group LLC ("Outfront"), guaranteed by Outfront Media, Inc. ("Outfront Parent")

ACTIVITY: Award of an exclusive license (collectively, the "Concession") to manage advertising on billboards along right-of-ways, on trestles and bridges, at depots and yards, and on the exterior walls or roofs of buildings, all on property owned or operated by one of the Agencies (the "Billboards"). The Billboards fall into two categories: (1) those that are owned by one of the Agencies ("Agency-Owned Billboards") and (2) those that are owned by various outdoor advertising companies ("Land Licensees") that have heretofore been permitted to erect billboards on Agency property ("Land-License Billboards"). The Land-License Billboards are maintained and operated by the respective Land Licensees, pursuant to license agreements that the Concessionaire will manage on behalf of the applicable Agencies ("Land Licenses"). The Concessionaire will itself maintain, and sell and display the advertising on, the Agency-Owned Billboards.

ACTION REQUESTED: Board authorization to enter into a new license agreement with Outfront with respect to the Concession (the "New Concession Agreement"), and to extend MTA's existing license agreements with respect to the Billboards until the execution of the New Concession Agreement (with the effective date of the New Concession Agreement, including for purposes of the increased MAG and revenue share, being October 31, 2017).

TERM: 7 years, with the potential to extend by 3 years with Board approval depending on extent of capital expenditures.

COMPENSATION: In consideration of the Concession, for any year during the Term, Outfront has agreed to pay to MTA the following:

- (A) For Agency-Owned Billboards: 77% of gross revenues (received by Outfront from advertisers), subject to priority recoupment solely from incremental revenues attributable to new installations made by Outfront with MTA consent, of capital expenditures made by Outfront in furtherance of such installations with interest at 5% per annum.
- (B) For Land-License Billboards: 100% of gross revenues (collected by Outfront from Land Licensees).

In addition, if the aggregate revenue share paid to the MTA in any year does not exceed the minimum annual guarantee ("MAG") set forth below for such year, Outfront will be obligated to pay the difference to the MTA:

Staff Summary

FINANCE COMMITTEE MEETING Billboard Concession (Cont'd)

2018: \$19,000,000
2019: \$20,000,000
2020: \$20,500,000
2021: \$21,012,500
2022: \$21,537,813
2023: \$22,076,258
2024: \$22,268,164

Such MAG will be subject to increase as of each anniversary of the effective date of the New License Agreement, to an amount equal to 80% of the prior year's total compensation. Such MAG would be subject to a decrease of 7.1% in the first year and 3.5% in the second year after any MTA mandated ban on advertising of alcoholic drink products.

COMMENTS:

There are currently a total of 520 non-digital and 9 digital Billboards, of which:

- 109 are Agency-Owned Billboards on NYCT property;
- 149 are Agency-Owned Billboards on LIRR property;
- 7 are Agency-Owned Billboards on Metro-North property
- 69 are Land-License Billboards on Metro-North property; and
- 195 are Land-License Billboards on LIRR property.

Except for a few Land-License Billboards that have heretofore been managed by MTA Real Estate's tenant management contractor, the Billboards are currently covered by two separate concessions, both held by affiliates of Outfront Parent, and both expiring on September 30, 2017. The first, which relates solely to the Billboards on NYCT property, was awarded in 2007 to Van Wagner Transportation Advertising LLC ("Van Wagner"). However, Van Wagner's assets were acquired by Outfront Parent in 2014 and such Outfront Parent affiliate thereupon became the NYCT Billboard concessionaire. The second, which relates to Billboards on Metro-North and LIRR property, as well as a variety of other forms of advertising, are currently covered by a bus and commuter rail advertising concession that was awarded directly to CBS Outdoor (since reorganized and renamed Outfront Parent) in 2010 following the prior concessionaire's default.

This Billboard Concession request for proposals ("RFP") process has been conducted in parallel with one for MTA's station and rolling stock advertising concession, the award recommendation for which is also being presented to the Committee and Board at their respective September, 2017 meetings. However, it was determined that it would be in MTA's best interest to combine all of the Billboards into a single concession, separate from the station and rolling stock assets, to invite offers from outdoor advertising companies that handle billboards but not transit advertising.

For 2016, MTA's net revenues from the Billboards were as follows:

| | |
|---------------|---------------------|
| NYCT: | \$12,996,004 |
| Metro-North: | \$644,856 |
| LIRR: | \$4,245,876 |
| TOTAL: | \$17,886,735 |

The RFP stated that, subject to compliance with any and all applicable laws¹, and provided that no Agency's operations would be adversely affected, the MTA would encourage the new Billboard concessionaire, with Agency approval on a

¹ Section 1204(13-a) of the Public Authorities Law expressly and specifically exempts any billboard on any NYCT property from regulation by the City of New York (the "City") or any other municipality.

Though the Public Authorities Law does not contain a similarly specific provision relating to the other Agencies, the MTA believes that an equivalent exemption is conferred by Section 1266(8) of the Public Authorities Law, which exempts the activities, operations and facilities of the MTA and the Agencies from municipal regulation. A few years ago, asserting that the Billboards are facilities not

Staff Summary

FINANCE COMMITTEE MEETING

Billboard Concession (Cont'd.)

Page 2 of 3

case by case basis, to propose to install new Agency-Owned Billboards at suitable locations, including on B&T tunnels and bridges (which currently have no outdoor advertising signs) and/or to convert existing non-digital Billboards to digital in order to generate additional revenue to support the MTA's mass transportation mission. However, MTA recognizes that billboards sometimes raise aesthetic objections as well as concerns about illumination and traffic safety, and believes it has a responsibility to appropriately balance the potential for new revenue against potential adverse impacts to the communities where such new or enhanced Billboards would be installed. The RFP therefore stated that MTA would be unlikely to approve such new or converted Billboards in residential areas, in historic districts, or close to parks.

Moreover, given that 70% of MTA's total 2016 revenues from Billboards came from just 8% of the Billboards, the RFP encouraged proposers to reduce the overall Billboard inventory so as to eliminate clutter from signs that provide an insignificant revenue stream to MTA.

To facilitate evaluation of proposals, Proposers were asked to provide proposals assuming each of the following two alternative scenarios:

- Scenario 1: no new Billboard locations; no new digital conversions; overall reduction in Billboard inventory encouraged, but not required.
- Scenario 2: new digital Billboards permitted at existing non-digital and/or appropriate new locations, tied to a substantial overall reduction in Billboard inventory.

Proposals were submitted by three (all highly experienced and capable) companies: Outfront; Lamar Advertising Company ("Lamar"); and JCDecaux Outdoor, LLC ("JC Decaux").

Of the three proposers, Outfront proposed the highest MTA revenue share percentages in each of Scenarios 1 and 2, as well as the highest aggregate MAG in scenario 1 and the highest projected MAGs in scenario 2. The aforementioned 77% MTA revenue share represents a substantial increase over the 65% revenue share under the current agreement for NYCT-owned billboards and a 70% revenue share for the current agreement for commuter rail-owned billboards.

Moreover,

- Upon being awarded the Concession, Outfront would immediately re-classify as Agency-Owned Billboards 26 Land-License Billboards that Outfront itself currently operates as Land-License Billboards, resulting in an increase in MTA's annual revenue from such Billboards of approximately \$1.2 million.
- Outfront demonstrated the most unconditional commitment to the removal of under-performing Billboards.
- Outfront was the only proposer to propose to upgrade the aforementioned nine existing digital billboards entirely at its own cost (without recoupment of related capital expenditures as described above).

Based on the foregoing, MTA Real Estate requests authorization to enter into the New Concession Agreement with Outfront on the terms and conditions set forth above.

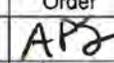
devoted to transportation purposes, even though they are erected on railroad property and generate revenue the MTA uses to support its transportation operations, the City contended that (except as they might be "grandfathered" in certain cases) they are subject to the City's zoning (except for those on NYCT property). However, the MTA and the Current Billboard Concessionaire successfully sued to contest the City's new position. In *CBS Outdoor, Inc. v. City of New York*, 50 Misc. 3d 283 (Sup. Ct. New York Co. 2015), the court held that using trestles or rights-of-way for revenue-generating billboards does not turn them into facilities devoted to other than a transportation purpose, and therefore they are not subject to City regulation. Though it initiated an appeal, the City voluntarily dismissed it.

Staff Summary

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| Subject LEASE AGREEMENT – WAREHOUSE SPACE, ELMSFORD |
| Department REAL ESTATE |
| Department Head Name JEFFREY B. ROSEN |
| Department Head Signature  |
| Project Manager Name ANDREW GREENBERG |

| |
|-----------------------------------|
| Date SEPTEMBER 25, 2017 |
| Vendor Name |
| Contract Number |
| Contract Manager Name |
| Table of Contents Ref. # |

| Board Action | | | | | |
|--------------|-------------------|---------|----------|------|-------|
| Order | To | Date | Approval | Info | Other |
| 1 | Finance Committee | 9/25/17 | X | | |
| 2 | Board | 9/27/17 | X | | |
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| | | | | | |

| Internal Approvals | | | |
|--------------------|---------------------------|--|----------|
| Order | Approval | Order | Approval |
| 1 | Legal |  | |
| 2 | Chief Development Officer |  | |
| 3 | Chief of Staff |  | |
| 4 | Chief Financial Officer |  | |

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

LANDLORD: Mack-Cali CW Realty Associates L.L.C. ("Landlord")

LOCATION: 101 Executive Boulevard, Elmsford, New York, Block 18 lot 4 (the "Property")

ACTIVITY: New lease for temporary warehouse/storage space

ACTION REQUESTED: Approval of terms

LEASED PREMISES: Entire building (approximately 35,000 rentable sq. ft.) and associated paved parking

LANDLORD WORK: Landlord's base building work and a small office area to be provided "turn-key" at landlord's sole cost. Landlord will also provide any additional improvements requested by Metro-North at Metro-North's cost.

POSSESSION/RENT COMMENCEMENT: Possession upon substantial completion of landlord's work. Free rent first 4 months following possession.

INITIAL TERM: Five years and 4 months from the date of possession.

RENEWAL TERM: Two 1-year renewal options, upon 9 months prior written notice.

| ANNUAL BASE RENT: (TRIPLE-NET) | Year | Annual | \$/SF | Monthly |
|-----------------------------------|---------------|---------------|----------|-------------|
| | 1* | \$560,000.00 | \$16.00 | \$46,667.67 |
| | 2 | \$577,500.00 | \$16.50 | \$48,125.00 |
| | 3 | \$595,000.00 | \$17.00 | \$49,583.33 |
| | 4 | \$612,500.00 | \$17.50 | \$51,041.67 |
| | 5 | \$630,000.00 | \$18.00 | \$52,500.00 |
| | 4 Months | \$210,000.00 | \$18.00 | \$52,500.00 |
| | <u>OPTION</u> | <u>PERIOD</u> | | |
| | 1 | \$ 647,500.00 | \$ 18.50 | \$53,958.33 |
| | 2 | \$ 665,000.00 | \$ 19.00 | \$55,416.67 |

*4 months of this amount will be free rent

Staff Summary

FINANCE COMMITTEE MEETING LEASE AGREEMENT – WAREHOUSE, ELMSFORD (Cont'd.)

| | |
|-------------------------------|---|
| REAL PROPERTY TAX: | Metro-North will be responsible for any real estate taxes billed to the affected tax lot but will assert its tax exempt status. |
| OPERATING EXPENSE ESCALATION: | None |
| UTILITIES: | Electricity and gas billed directly by the public utility. |
| SERVICES: | Landlord to provide services including landscaping, snow removal, exterior lighting, and cleaning, and must only charge Metro-North its actual cost, without markup. Metro-North has the option during the term to self-perform. |
| MAINTENANCE & REPAIR: | Landlord to provide all required maintenance, including parking lot maintenance and roof maintenance, at Metro-North's cost and expense (actual cost without markup). Landlord will provide all structural repairs at its cost and expense which are not due to Metro-North's negligence. Landlord to provide all interior non-structural repairs at Metro-North's cost and expense but at the actual cost, without markup. |
| SECURITY DEPOSIT: | None |

COMMENTS:

Metro-North is in the process of demolishing and rebuilding its main shop building at the Harmon Yard. The main shop facility will move into an existing storage facility during construction, which will therefore necessitate relocating the storage facility during that period. To accomplish this, Metro-North requires approximately 35,000 square feet of secure, temporary swing space with high ceilings, wide column spacing, loading docks and access to major highways in reasonably close proximity to the Harmon Yard.

The MTA's broker, Newmark Grubb Knight Frank ("Newmark"), identified 18 potential locations. Six of such locations were deemed potentially suitable for inspection and three were short listed as viable: 333 North Bedford Road, Mount Kisco, NY, 90 Fairview Park Drive, Elmsford, NY and the Property.

During the negotiation process, it was determined that the 333 North Bedford Road owner was unwilling to divide the building to accommodate Metro-North's requirement, and the 90 Fairview Park Drive owner chose to proceed with an alternative transaction. This left 101 Executive Boulevard as the best and most suitable location.

In assessing the market, the team (MTA RE, Metro-North, Newmark) viewed storage space priced as low as \$12 per square foot. However, none of the spaces at that price point satisfied Metro-North's ceiling height and square footage requirements. The rent to be paid for the Property falls well within the \$16-\$20 per square foot average market (triple net) rent in that geography.

In addition the property selected, unlike other candidate properties, will comprise an entire tax lot. Landlord will create a separate tax lot and MTA will not be required to pay any real estate taxes until it is created. This allows Metro-North to have the benefit of its tax exempt status.

Based on the foregoing, MTA Real Estate requests authorization to enter into a lease with Mack-Cali CW Realty Associates L.L.C. on the above-described terms and conditions.

Staff Summary

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| Subject EASEMENT ACQUISITION-MOUNT KISCO |
| Department REAL ESTATE |
| Department Head Name JEFFREY B. ROSEN |
| Department Head Signature  |
| Project Manager Name ANTHONY CAMPBELL |

| |
|-----------------------------------|
| Date SEPTEMBER 25, 2017 |
| Vendor Name |
| Contract Number |
| Contract Manager Name |
| Table of Contents Ref. # |

| Board Action | | | | | |
|--------------|-------------------|---------|----------|------|-------|
| Order | To | Date | Approval | Info | Other |
| 1 | Finance Committee | 9/25/17 | X | | |
| 2 | Board | 9/27/17 | X | | |
| | | | | | |
| | | | | | |

| Internal Approvals | | | |
|--------------------|---------------------------|---|----------|
| Order | Approval | Order | Approval |
| 1 | Legal |  | |
| 2 | Chief Development Officer |  | |
| 3 | Chief of Staff |  | |
| 4 | Chief Financial Officer |  | |

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

GRANTOR: Oakwood Cemetery Association ("Oakwood")

LOCATION: Section 80.39, Block 2, Lot 1 located in the Town/Village of Mount Kisco ("the Property")

ACTIVITY: Amendment of permanent easement areas for construction, maintenance, operation and access to an electrical substation

ACTION REQUESTED: Approval of terms

EXISTING EASEMENT AREAS: 1,519± square feet (0.035 acres) – exclusive easement
3,796± square feet (0.087 acres) – non-exclusive easement

ADDITIONAL EASEMENT AREAS: 5,293± square feet (0.121 acres) – exclusive easement
3,552± square feet (0.082 acres) – non-exclusive easement

COMPENSATION: \$22,000.00

COMMENTS:

In 2009, as part of Metro-North's Harlem and Hudson Line Power Project (the "Project"), Metro-North acquired from Oakwood a permanent non-exclusive easement of 3,796 square feet and a permanent exclusive easement of 1,519 square feet (the "2009 Easements") for the anticipated construction of a new electrical substation adjacent to a utility road that crosses the Harlem Line at a railroad crossing known as City Water Crossing. Metro-North has since reviewed the siting of the substation, which has resulted in a need for the use of additional property owned by Oakwood. Specifically, Metro-North will require an additional 5,293 square feet for the permanent exclusive easement and 3,552 square feet for the permanent non-exclusive easement. All other terms of the agreement under the 2009 Easements will remain the same.

The cost of this acquisition is consistent with the fair market value ascribed to the easements by MTA Real Estate's independent appraiser.

Metro-North intends to advertise a construction contract for the substation project in the fall of 2017.

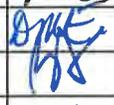
Based on the foregoing, MTA Real Estate requests authorization to enter into an amended easement agreement with Oakwood on the above terms and conditions.

Staff Summary

| |
|--|
| Subject PROPERTY ACQUISITION AT ONE PENN PLAZA |
| Department REAL ESTATE |
| Department Head Name JEFFREY B. ROSEN |
| Department Head Signature  |
| Project Manager Name JEFFREY B. ROSEN |

| |
|-----------------------------------|
| Date SEPTEMBER 25, 2017 |
| Vendor Name |
| Contract Number |
| Contract Manager Name |
| Table of Contents Ref. # |

| Board Action | | | | | |
|--------------|-------------------|------------|----------|------|-------|
| Order | To | Date | Approval | Info | Other |
| 1 | Finance Committee | 09/25/2017 | X | | |
| 2 | Board | 09/27/2017 | X | | |
| | | | | | |
| | | | | | |

| Internal Approvals | | | |
|--------------------|---------------------------|---|----------|
| Order | Approval | Order | Approval |
| 1 | Legal |  | |
| 2 | Chief of Staff |  | |
| 3 | Chief Financial Officer |  | |
| 4 | Chief Development Officer |  | |

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

LOCATION: New York Penn Station / One Penn Plaza, Manhattan

ACTION REQUESTED: Authorization to commence preliminary steps for acquisition of permanent and temporary property interests to support the Penn Station Improvements Project (the "Project") and secure back of house space for LIRR and Metro-North Commuter Railroad ("MNR")

NARRATIVE:

LIRR's portion of Penn Station is one of the nation's busiest train stations, accommodating over 225,000 daily trips on more than 450 daily trains – and more than 33,000 arriving customers in the peak hour – within its platforms, concourses, and exits. LIRR has determined that its Main Concourse, located on the lower level of Penn Station, beneath 33rd Street and between 7th and 8th Avenues, is insufficient to meet current and projected commuter demand. Therefore, LIRR is undertaking the Project, the main purpose of which is to widen the Main Concourse and enhance and rehabilitate the LIRR sections of Penn Station. The areas to be renovated include the Main Concourse, the Main Gate ticketing and waiting area near 7th Avenue, the Central Concourse (located off the Main Concourse between 7th and 8th Avenues), and the Exit Concourse (located off the Main Concourse on the 8th Avenue side). The Project improvements are intended to bring immediate pedestrian flow relief to customers who travel through the LIRR Level of Penn Station, including New York City subway customers who use the adjacent 7th and 8th Avenue subway stations, by creating more space for smooth, seamless, safe, and efficient trips.

It is possible that, as LIRR initially intended, expansion of the Main Concourse might be accomplished by re-purposing space on the south side of the Main Concourse that LIRR currently controls. However, LIRR has determined that, if the requisite property interests can be acquired on financially satisfactory terms, it would be preferable, relative both to constructability and to the appearance and utility of the finished Project improvements, to expand the Main Concourse northward into space in the adjoining One Penn Plaza that LIRR currently master leases to an affiliate of Vornado Realty Trust ("Vornado") pursuant to a long-term lease that dates from the initial construction of One Penn Plaza in the 1960s (most of which Vornado has subleased to various food and retail tenants that operate on the north side of the Main Concourse). To effect such northward expansion, LIRR would require permanent property interests for and in support of the widened corridor and temporary property interests to support construction of the Project improvements.

Staff Summary

FINANCE COMMITTEE MEETING One Penn Plaza (Cont'd.)

Separately, but at the same time, LIRR, and in due course Metro-North, need to acquire long-term control of other portions of the concourse level of One Penn Plaza for the purpose of accommodating essential back-of-house operations, including but not limited to operations that currently are housed there pursuant to a short-term lease that is scheduled to expire in 2019.

MTA Real Estate will endeavor to arrange to acquire the required property interests by negotiated agreements with Vornado and, to the extent required, its subtenants. However, if such negotiated agreements cannot be reached, the MTA may be compelled to acquire the property interests by eminent domain. Therefore, in order to preserve the MTA's rights and lessen the potential for future delays to the Project, we are seeking authorization to begin taking preliminary steps to satisfy the requirements of the Eminent Domain Procedure Law (the "EDPL"), including holding a public hearing.

Any EDPL findings stemming from any such public hearing will be subject to Finance Committee and Board approval, as will the terms of any negotiated agreements that might be reached prior to filing condemnation papers with the court.

The property acquisitions in question would constitute insubstantial additions to an existing transportation facility, and as such, would be exempt from environmental review under MTA's statutory exemption from compliance with the State Environmental Quality Review Act ("SEQRA").

Based on the foregoing, MTA Real Estate hereby requests that the Board adopt the attached Resolution, authorizing the MTA to take preliminary steps to acquire permanent and temporary property interests as necessary to facilitate the Project and accommodate such back-of-house space, by negotiated agreements or eminent domain, including holding a public hearing under the EDPL.

Staff Summary

FINANCE COMMITTEE MEETING
One Penn Plaza (Cont'd.)

BOARD RESOLUTION

WHEREAS, MTA Long Island Rail Road (“LIRR”) is undertaking the Penn Station Improvements Project (“Project”), the main purpose of which is to enhance and rehabilitate Penn Station; and

WHEREAS, the Project will include various pedestrian circulation improvements in Penn Station, including a widening of LIRR’s Main Concourse under 33rd Street between 7th and 8th Avenues; and

WHEREAS, to widen the Main Concourse, LIRR will require additional property interests in adjacent privately owned real estate in One Penn Plaza, including permanent property interests for and in support of the widened corridor and temporary property interests needed to support construction of the new Project improvements; and

WHEREAS, LIRR, and in due course Metro-North Commuter Railroad (“MNR”), also need to acquire long-term control of other portions of the concourse level of One Penn Plaza for the purpose of accommodating essential back-of-house operations, including but not limited to operations that currently are housed there pursuant to LIRR’s short-term lease that is scheduled to expire in 2019; and

WHEREAS, MTA Real Estate will endeavor to acquire the permanent and temporary property interests needed for the Project and for LIRR back of house operations by negotiated agreements, but if negotiations are not successful, Board approval is hereby sought to initiate preliminary actions to acquire those property interests by eminent domain.

NOW THEREFORE, BE IT

RESOLVED, that in accordance with the Eminent Domain Procedure Law and Section 1267 of the Public Authorities Law, the Chairman or designated staff member of the MTA is authorized to proceed with preliminary steps to acquire, by negotiated agreement or eminent domain, the permanent and temporary property interests described above and to conduct a public hearing and undertake such other preliminary actions as may be required in accordance with the Eminent Domain Procedure Law in connection with the proposed property acquisitions.

This Resolution shall take effect immediately upon its adoption.

Staff Summary



| |
|---|
| Subject Increase TAB Fine For Littering |
| Department Law Department |
| Department Head Name James Henly, General Counsel |
| Department Head Signature |
| Project Manager Name Mary-Ann Maloney, TAB Executive Director |

| |
|-----------------------------------|
| Date September 13, 2017 |
| Vendor Name |
| Contract Number |
| Contract Manager Name |
| Table of Contents Ref # |

| Board Action | | | | | |
|--------------|----------------|------|----------|------|-------|
| Order | To | Date | Approval | Info | Other |
| 1 | NYCT Committee | | X | | |
| 2 | MTA Board | | X | | |
| | | | | | |
| | | | | | |

| Internal Approvals | | | |
|--------------------|--------------------------|-------|------------------|
| Order | Approval | Order | Approval |
| 5 | President | 4 | Chief of Staff |
| 3 | Executive VP | 2 | Subway |
| | Capital Prog. Management | | Buses |
| | Operations Support | | Customer Service |

| Internal Approvals (cont.) | | | | | | | |
|----------------------------|----------|-------|-----------------|-------|-----------------|-------|----------|
| Order | Approval | Order | Approval | Order | Approval | Order | Approval |
| 1 | Law | | Human Resources | | Labor Relations | | Material |

PURPOSE:

To obtain Board approval of the annexed proposed revised Schedule of Fines for violations of the Transit Rules of Conduct (set forth as Appendix A to this Staff Summary), which would raise the Transit Adjudication Board (TAB) fine for littering to \$100. Transit Rule of Conduct Section 1050.7(a) prohibits littering in transit facilities (as well as other conduct, such as urinating and spitting in such facilities). The revised Schedule of Fines would increase the fine for violation of this Rule to \$100, from the existing fine amount of \$50.

DISCUSSION:

Littering within the subway system continues not only to detract from customers' experience of NYCT's passenger stations, but also impacts the quality of subway service that NYCT delivers. Trash is brought into the transit system, and littered in stations. Particularly on the platform level, trash can cause serious problems. When trash is littered onto the track bed, it contributes to clogged track drains, resulting in water pooling on the track bed. Water pooling can accelerate breakdowns of the track plates and railroad ties as well as interfere with subway signal equipment. Litter also contributes to track fires. By contributing to track fires, as well as to breakdowns to track plates, ties and subway signal equipment, littering results in service interruptions.

As part of the Subway Action Plan, NYCT is implementing a Water Management & Debris Removal Initiative, which involves performing preventative water and trash removal. Under the Initiative over 20 crews are being deployed to address conditions, additional staff is being hired, and additional clean-up equipment is being purchased.

In coordination with the Waste Management & Debris Removal Initiative, NYCT needs the help of our ridership, to "Keep it Clean." Littering on the tracks is illegal. NYCT is acting to boost public awareness of the damage that subway littering causes, and to boost anti-littering enforcement. The Keep it Clean Initiative aims to do both. Over the past several years, track fires have increased in number, while citations for littering in the subways have declined. Those trends need to be reversed.

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

Staff Summary

On September 6, 2017, the Governor announced efforts to boost littering enforcement at targeted locations, including through the use of NYS Department of Environmental Conservation (DEC) enforcement agents and other law enforcement officers, assigned to issue littering fines of \$100, using existing state law provisions. This is twice the littering fine available at present under the Transit Rules of Conduct, which has remained at \$50 for many years.

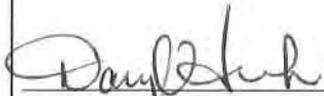
In addition, MTA has commenced a public awareness campaign, using both signage and public service announcements, to inform riders of the impact of creating litter, emphasizing to riders that littering is not just a nuisance – it’s illegal and it disrupts service.

It is timely, and important as an element in the Transit “Keep it Clean” Initiative, that the NYCT Board authorize raising the existing \$50 fine for littering under the Transit Rules of Conduct to \$100. An increased Transit Rules of Conduct fine will further anti-littering enforcement efforts, by enabling enforcement of the higher \$100 fine level through the issuance of a Transit Adjudication Bureau (TAB) summons. Raising the fine will simultaneously support communication of the message that littering is harmful to service and warrants the serious attention of our customers.

RECOMMENDATION:

It is recommended that the Board approve the revised Schedule of Fines for Violations of the Transit Rules of Conduct as set forth at Appendix A to this Staff Summary.

Approved For Submission to the Board:



Darryl C. Irick, Acting President

Dated: _____

9/19/2017

APPENDIX A

SCHEDULE OF FINES TRANSIT RULES OF CONDUCT

| NYCTA RULE | OFFENSE | FINE |
|------------------|---|--------------|
| 1050.4(a) | Non-payment of fare | \$100 |
| 1050.4(c) | Unauthorized sale of fare media | \$60 |
| 1050.4(d) | Use of unauthorized fare media | \$75 |
| 1050.5(a) | Graffiti or other defacement | \$75 |
| 1050.5(b) | Posting notices or signs | \$25 |
| 1050.5(c) | Non-transit use | \$50 |
| 1050.6(a) | Vandalism or obstruction of traffic | \$100 |
| 1050.6(b) | Unauthorized commercial activity/solicitation | \$50 |
| 1050.6(c) | Unauthorized non-transit use | \$25 |
| 1050.6(c)(1) | Activity in a prohibited area | \$25 |
| 1050.6(c)(2) | Interfering with passenger movement | \$25 |
| 1050.6(c)(3) | Activity near construction | \$25 |
| 1050.6(c)(4) | Excessive noise | \$25 |
| 1050.6(c)(5) | Media device | \$25 |
| 1050.6(c)(6) | Sound production device | \$25 |
| 1050.6(c)(7) | Misrepresent affiliation | \$25 |
| 1050.6(d)(1) | Violating TA orders | \$50 |
| 1050.6(d)(2) | Violation TA sign/notice | \$50 |
| 1050.6(d)(3) | Failing to provide requested information | \$50 |
| 1050.6(e) | Interference with wheelchair facilities/conveyances | \$50 |
| 1050.6(f) | Carrying liquid in open container | \$25 |
| 1050.6(g) | Misrepresentation as TA agent | \$50 |
| <u>1050.7(a)</u> | <u>Littering, urinating defecating, spitting, trash removal</u> | <u>\$100</u> |
| 1050.7(b) | Smoking | \$50 |
| 1050.7(c) | Sleeping where hazardous | \$50 |
| 1050.7(d) | Gambling | \$50 |
| 1050.7(e) | Unnecessary noise | \$50 |
| 1050.7(f) | Throwing objects | \$75 |
| 1050.7(g) | Drinking Alcohol | \$50 |
| 1050.7(h) | Impairment by alcohol or drugs | \$50 |
| 1050.7(i) | Breach of Peace | \$50 |
| 1050.7j | Obstruction of seating or other facilities | \$50 |
| 1050.7(k) | Commission of harmful acts | \$100 |
| 1050.8(a) | Carrying weapons | \$100 |
| 1050.8(b) | Carrying explosives | \$100 |

| <u>NYCT RULE</u> | <u>OFFENSE</u> | <u>FINE</u> |
|------------------|-------------------------------------|-------------|
| 1050.9(a) | Entering restricted area | \$50 |
| 1050.9(b) | Unauthorized parking | \$50 |
| 1050.9(c) | Unauthorized photography/filming | \$25 |
| 1050.9(d) | Riding outside vehicle | \$75 |
| 1050.9(e) | Extending body/item outside vehicle | \$75 |
| 1050.9(f) | Unauthorized entrance or exit | \$50 |
| 1050.9(g)(1) | Carrying long object | \$75 |
| 1050.9(g)(2) | Carrying obstructive objects | \$75 |
| 1050.9(g)(3) | Carrying hazardous objects | \$75 |
| 1050.9(h) | Unauthorized animals | \$25 |

PROCUREMENTS

The Procurement Agenda this month includes 5 actions for a proposed expenditure of \$6.1M.

| | | | | | |
|----------------------------------|---|-------------|-----------------|-------------|--------------|
| Subject | Request for Authorization to Award Various Procurements | | | | |
| Department | Materiel – 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 | 9/25/17 | | | |
| 2 | Board | 9/27/17 | | | |
| | | | | | |
| | | | | | |

| | | | |
|----------------------------------|--------------------------|---|------------------------|
| September 25, 2017 | | | |
| Department | | | |
| Law and Procurement – MTACC | | | |
| Department Head Name | | | |
| Evan Eisland | | | |
| Department Head Signature | | | |
| | | | |
| Internal Approvals | | | |
| | Approval | | Approval |
| | President NYCT | | President MTACC |
| | Executive VP | | President MTA Bus |
| X | Capital Prog. Management | X | Subways |
| | Law | X | Diversity/Civil Rights |

Internal Approvals (cont.)

| | | | | | | | |
|--------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|
| Order | Approval | Order | Approval | Order | Approval | Order | Approval |
| | | | | | | | |

PURPOSE:

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

DISCUSSION:

NYC Transit proposes to award Noncompetitive procurements in the following categories: NONE

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

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

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

| <u>Procurements Requiring Two-Thirds Vote:</u> | <u># of Actions</u> | <u>\$ Amount</u> |
|---|---------------------|------------------|
| Schedule B: Competitive Requests for Proposals (Solicitation of Purchase and Public Work Contracts) | 1 | \$ TBD M |
| SUBTOTAL | <u>1</u> | <u>\$ TBD M</u> |

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: NONE

Schedules Requiring Majority Vote:

| | | |
|---|----------|-----------------|
| Schedule K: Ratification of Completed Procurement Actions | 3 | \$ 4.3 M |
| SUBTOTAL | <u>3</u> | <u>\$ 4.3 M</u> |

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

Schedules Requiring Majority Vote:

| | | |
|---|----------|-----------------|
| Schedule K: Ratification of Completed Procurement Actions | 1 | \$ 1.8 M |
| SUBTOTAL | <u>1</u> | <u>\$ 1.8 M</u> |
| TOTAL | <u>5</u> | <u>\$ 6.1 M</u> |

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 noncompetitive 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 noncompetitive 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.

SEPTEMBER 2017

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

B. Competitive Requests for Proposals (Solicitation of Purchase and Public Work Contracts)
(Staff Summaries required for items estimated to be greater than \$1M.)

- | | | |
|---------------------------------------|------------------------------|--------------------------------------|
| 1. Contractor To Be Determined | Cost To Be Determined | <u>Staff Summary Attached</u> |
| Contract Term To Be Determined | | |
| Contract# C-34862 | | |
- RFP Authorizing Resolution for contractor services for groundwater and soil remediation systems at various NYC Transit and MTA Bus Company locations.

Staff Summary

| | | | |
|--|-----------------|--------------|------------------|
| Item Number 1 | | | |
| Division, Department Head Name: SVP Operations Support, Stephen M. Plochochi | | | |
| Internal Approvals | | | |
| Order | Approval | Order | Approval |
| 1 | Materiel | 6 X | Buses |
| 2 X | Law | 7 | EVP |
| 3 X | Budget | 8 | Acting President |
| 4 X | System Safety | 9 | |
| 5 X | CPM | | |

| | |
|--|---------------------|
| SUMMARY INFORMATION | |
| Vendor Name | Contract No. |
| RFP Authorizing Resolution | C-34862 |
| Description Contractor Services for Groundwater and Soil Remediation Systems at Various Locations throughout New York City Transit System | |
| Total Amount TBD | |
| Contract Term (including Options, if any) 5 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"/> Noncompetitive | |
| Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: | |
| Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: | |

PURPOSE:

To request that the Board adopt a resolution declaring that competitive bidding is impractical or inappropriate and that pursuant to Public Authorities Law, Section 1209, Subdivision 9(f) it is in the public interest to issue to multiple firms a Call Agreement type contract for Contractor Services for Groundwater and Soil Remediation Systems at Various Locations on MTA NYC Transit and MTA Bus Company (“MTABC”) properties for a period of five years.

DISCUSSION:

NYC Transit entered into a Consent Decree with the New York State Department of Environmental Conservation (“DEC”), first executed in 1992 and revised in 2001, which requires NYC Transit to replace underground petroleum storage tanks, and to remediate groundwater and soil contaminated by leaks from tanks or any other source. By 1999, the underground storage tanks had been replaced. Groundwater and soil remediation has been ongoing under the Consent Decree since its inception and will continue to be a necessary requirement. The protracted nature of the remediation effort is due in part to the complexity of the remediation task at existing sites and in part to the discovery of contamination at new sites.

NYC Transit must notify the DEC of any spill, leak, or discovery of contamination within two hours. The Consent Decree requires several prompt steps to be taken, including (1) investigation of the source and extent of contamination, (2) submittal of conceptual design of remediation, (3) comment and approval by DEC, (4) submittal of detailed design, (5) approval by DEC of the detailed design and schedule, and (6) implementation of the approved remediation method.

The Consent Decree calls for steep fines for remediation delays. Accordingly, from the inception of the Consent Decree, NYC Transit has used a series of Call Agreements to solicit and award remediation work orders on an expedited basis. A Call Agreement is an agreement under which work orders are solicited from pre-qualified firms. Firms are selected under a Request for Proposals (“RFP”), which evaluates their technical capability, experience, and integrity. Firms selected under the RFP will be submitted to the Board and, upon Board approval, will be signatories to the Call Agreement. The selected firms then bid for each work order; the lowest bidder receives the award. Competitive bidding without the initial RFP process is not appropriate to select firms to receive work orders because work orders must be awarded on an expedited basis. The RFP process allows NYC Transit the ability to qualify contractors in advance of the need to award a work order and otherwise expedites the process to award work orders.

Staff Summary

A site will sometimes require years of remediation, typically by pumping contaminated underground water to the surface, where it passes through an oil/water separator. In such cases, a work order will be competed for the furnishing and installation of pumps, separators, and associated piping, while subsequent work orders will be competed for the ongoing operation and maintenance of the remediation system. The operation and maintenance work orders typically are competed for two years at a time.

It is essential that well-qualified and experienced firms be selected. The selection criteria consists of (1) the contractor's relevant technical experience performing groundwater remediation work with its own forces, (2) record of integrity and business ethics, (3) overall safety record, and (4) general responsibility including a commitment to comply with the required MBE/WBE goals; and financial, insurance, and bonding requirements. It is anticipated that as many as six companies will enter into a new Call Agreement with NYC Transit.

MTABC has a separate stipulation with DEC. NYC Transit solicits and awards work orders for MTABC sites, with funding provided by MTABC.

IMPACT ON FUNDING:

Funding will be established for each individual work order prior to its issuance. The Call Agreements will be 100% MTA funded. A WAR certificate will be obtained prior to the issuance of each individual work order.

ALTERNATIVES:

None.

RECOMMENDATION:

It is recommended that the Board adopt a resolution declaring that competitive bidding is impractical or inappropriate, and that it is in the public interest to enter into Call Agreements with selected qualified firms for Contractor Services for Groundwater and Soil Remediation Systems on MTA NYC Transit and MTABC properties.

Schedule K: Ratification of Completed Procurement Actions



Item Number: 1

| |
|--|
| Vendor Name (Location) CRC Associates, Inc. (South Plainfield, New Jersey) |
| Description RTO Facilities Hardening – Phase 2 in Various Locations |
| Contract Term (including Options, if any) December 12, 2015–September 7, 2017 |
| 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"/> Noncompetitive |
| Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification |
| Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: |
| Requesting Dept./Div., Dept./Div. Head Name: Capital Program Management, John O’Grady |

| | |
|--|------------------------|
| Contract Number C-34829 | AWO/Mod. # 1 |
| Original Amount: | \$ 6,767,000 |
| Prior Modifications: | \$ 177,690 |
| Prior Budgetary Increases: | \$ 0 |
| Current Amount: | \$ 6,785,060 |
| This Request: | \$ 1,070,000 |
| % of This Request to Current Amount: | 15.4% |
| % of Modifications (including This Request) to Original Amount: | 18.4% |

Discussion:

This retroactive modification added security hardening of Rapid Transit Operations (“RTO”) facilities at two locations: 59th Street/Columbus Circle Station and 240th Street Yard.

The original contract provides for security hardening of RTO facilities at five station locations: 168th Street, 125th Street, Stillwell Avenue, Euclid Avenue, and Astoria-Ditmars Boulevard. The security hardening work includes the furnishing and installation of door intrusion hardware, card access entry and CCTV surveillance systems and integration with the NYC Transit communications network.

The two locations (59th Street/Columbus Circle Station and 240th Street Yard) added by this modification were part of an in-house project for security hardening of RTO facilities. The electrical and communications cabling and conduit work was completed by in-house Department of Subways (“Subways”) personnel in 2013. However, due to the demands for communications work after Superstorm Sandy, in-house forces were redirected to other critical projects and were unable to perform the balance of the work (furnishing and installation of door intrusion hardware, card access entry and CCTV surveillance systems and integration with the NYC Transit communications network). Subways requested that the balance of work at these two locations be performed by a contractor. In order to accomplish this work in the most efficient manner, a change order to an existing contract for security hardening was selected. This contract with CRC Associates (“CRC”), a certified D/MBE, was selected because the contract has the same work scope.

This retroactive modification included furnishing and installation of door intrusion hardware, card access entry and CCTV surveillance systems, and integration with the NYC Transit communications network. This modification also will extend the contract from September 8, 2017 to May 1, 2018 with no impact costs.

CRC Associates, Inc.’s proposal was \$1,344,985. NYC Transit’s revised estimate was \$1,142,000. Negotiations resulted in an agreed-upon lump-sum price of \$1,070,000. Savings of \$274,985 were achieved. The negotiated price was found to be fair and reasonable.

The SVP, Capital Program Management approved a retroactive waiver and CRC Associates was directed to proceed.

Schedule K: Ratification of Completed Procurement Actions

Item Number: 2

| |
|--|
| Vendor Name (Location) Kiska Construction, Inc. (Long Island City, New York) |
| Description Renewal of Seven Stations and Component Repair – Kings Highway and Avenue N Stations on the Culver Line |
| Contract Term (including Options, if any) September 30, 2014–January 30, 2018 |
| 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"/> Noncompetitive |
| Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification |
| Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: |
| Requesting Dept./Div., Dept./Div. Head Name: Capital Program Management, John O’Grady |

| | |
|--|-------------------------|
| Contract Number A-46010/11/12/13/14/15/16 | AWO/Mod. # 41 |
| Original Amount: | \$ 80,771,000 |
| Prior Modifications: | \$ 6,138,056 |
| Prior Budgetary Increases: | \$ 0 |
| Current Amount: | \$ 86,909,056 |
| This Request: | \$ 826,000 |
| % of This Request to Current Amount: | 1.0% |
| % of Modifications (including This Request) to Original Amount: | 8.6% |

Discussion:

This retroactive modification is to repair the southbound platform canopy columns with bolted plates in lieu of welded plates at the 18th Avenue and Kings Highway stations on the Culver Line.

The original contract provides for the renewal of seven stations (Avenue X, Avenue U, Avenue P, Bay Parkway, Avenue I, 18th Avenue, and Ditmas Avenue) and the component repair of two stations, Kings Highway and Avenue N, on the Culver Line in Brooklyn. Renewal work includes (1) replacement of staircases, control area walls and floors, (2) replacement of precast slab panels, (3) installation of windscreens and art work, and (4) structural steel work, and enhancement of lighting and power. Component work includes (a) structural steel work and (b) enhancement of lighting and power. Finally, the contract calls for painting and lead abatement work at all stations.

The contract calls for the repair of 20 canopy columns, at 18th Avenue and Kings Highway stations combined, using a specified “welded plate” repair method. After the demolition of existing cast-in-place concrete, the canopy column steel was fully exposed and it was discovered that (a) the canopy column steel was more severely corroded than expected and (b) an additional 26 canopy columns needed repair. Corrosion was found in a location on the canopy column structure that is not accessible for welded repairs, so NYC Transit designed a “bolted plate” repair method for the repair of all 46 canopy columns.

Kiska Construction, Inc.’s (“Kiska”) proposal was \$927,365. NYC Transit’s revised estimate was \$837,702. Negotiations resulted in an agreed-upon lump-sum price of \$826,000. Savings of \$89,663 were achieved.

The SVP, Capital Program Management approved a retroactive waiver, and Kiska was directed to proceed. Kiska completed all the work required by the modification. The SVP, Operations Support authorized payment for this modification.

Schedule K: Ratification of Completed Procurement Actions



Item Number: 3

| | | |
|---|--|--|
| Vendor Name, Location New York Doctors Urgent Care, PLLC (New York, New York) | Contract Number 6%18386 | Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Description Eligibility Assessment Services for Paratransit and Reduced-Fare MetroCard Applicants | Total Amount: \$2,403,600 (Est.) | |
| Contract Term (including Options, if any) June 30, 2017–January 6, 2020 | Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: | |
| Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a | Requesting Dept./Div., Dept./Div. Head Name: Department of Buses, Stephen A. Vidal | |
| Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive | | |
| Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Immediate Operating Need | | |

Discussion:

It is requested that the Board ratify the declaration of an Immediate Operating Need (“ION”), approved by the Senior Vice President, Operations Support, waiving formal competitive bidding pursuant to Public Authorities Law Section 1209, Subdivision 9(a) and approve the award of a contract in the estimated amount of \$2,403,600 to provide eligibility assessment services for the Paratransit Eligibility Determination Unit (“Paratransit”) which evaluates individuals applying for Access-A-Ride (“AAR”) paratransit transportation service, and for the Reduced-Fare MetroCard Unit (“Reduced-Fare”) for individuals appealing the denial of Reduced-Fare MetroCard privileges offered to applicants who may have a qualifying disability. This award replaces a previous contract for the remaining contract term through January 6, 2020. The contract also includes an option for up to two years through January 6, 2022, for which subsequent Board approval will be sought.

This contract was awarded to New York Doctors Urgent Care, PLLC (“NY Doctors”) on June 30, 2017 under the ION to perform eligibility assessments in the borough of Manhattan, to replace the previous Contractor, AHRC Health Care, Inc., d/b/a Access Community Health Center (“Access”), due to Access’ poor performance.

Medical professionals based in assessment centers evaluate how an applicant’s disability may or may not prevent him/her from using fixed-route bus and subway transportation, and provide their recommendations for eligibility to Paratransit and Reduced-Fare. Presently, each New York City borough hosts an assessment center with the exception of Brooklyn, which hosts two locations, as it receives the highest number of applicants.

In December 2014, following a competitive request for proposal, awards were made to a series of companies to provide assessment services in each of the boroughs. The award for Manhattan was made to Access with a start date of January 7, 2015 for a five-year period, expiring January 6, 2020 with an option to extend for up to two years (through January 6, 2022). Subsequent to this award, Access became increasingly deficient in its work performance. Staffing requirements were not being met, and applicant assessment reports were not being submitted within the contractually established timeframe, thereby impeding NYC Transit’s ability to administer the Paratransit eligibility process.

Historically, establishing assessment centers throughout the five boroughs of New York City has been a time-intensive effort, however it has been a unique challenge for Manhattan, since available real estate, that is easily accessible by fixed-route transportation and compliant with the Americans with Disabilities Act (“ADA”) in its external and internal design, is more difficult to secure in the most densely populated borough. The facility’s drop-off/pick-up location must accommodate the applicants’ safe arrival and departure to and from the facility. Further, the internal layout of the facility must be spacious enough to accommodate applicant volume, and the installation and use of assessment equipment. An added challenge has been the full time staffing of medical professionals, such as psychologists, psychiatrists and RNs, required to perform the assessments since salaries are especially competitive in Manhattan. As such, award of this replacement contract was made for the remaining contract term in lieu of seeking a temporary replacement contract.

Continued:

While Procurement was seeking a replacement contractor, new applicants residing in Manhattan were transported to Brooklyn and Bronx assessment centers. Procurement solicited 40 potential contractors, including walk-in healthcare clinics, hospitals, community health centers and existing assessment service providers, to initiate interest in acquiring the new contract. Of the 40 solicited, six companies expressed a genuine interest; three were able to secure a suitable facility for the service, and subsequently two companies submitted price proposals. Each of the two companies that submitted price proposals proved to be technically qualified, was willing to offer a multidisciplinary medical team and an easily accessible ADA-compliant space, to accommodate applicants and assessment equipment. However, NY Doctors was considered to be technically superior overall and is financially qualified to perform the work.

Although NY Doctors' pricing was higher than that of Access, it was significantly lower than the next lowest proposer's pricing. Pricing for the base and option were deemed fair and reasonable. Pricing for the option will be re-evaluated against the current market value, should the option be exercised.

SEPTEMBER 2017

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. John P. Picone, Inc. | \$1,800,000 | <u>Staff Summary Attached</u> |
| Contract# C-26512.31 | | |
| Modification to the contract for the construction of a Station Entrance at Site P, No. 7 (Flushing) Subway Line Extension Project, in order to resolve a claim. | | |

Schedule K: Ratification of Completed Procurement Actions



Item Number: 1

| |
|--|
| Vendor Name (Location) John P. Picone, Inc. (Lawrence, New York) |
| Description Construction of a Station Entrance at Site P – No.7 Line Extension |
| Contract Term (including Options, if any) September 14, 2012 – April 13, 2016 |
| Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a |
| Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive |
| Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification |
| Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input checked="" type="checkbox"/> Other: HYDC |
| Requesting Dept./Div., Dept./Div. Head Name: MTA Capital Construction, John N. Lieber |

| | |
|--|-------------------------|
| Contract Number C-26512 | AWO/Mod. # 31 |
| Original Amount: | \$ 83,886,000 |
| Prior Modifications: | \$ 7,592,223 |
| Prior Budgetary Increases: | \$ 6,076,600 |
| Current Amount: | \$ 97,554,823 |
| This Request: | \$ 1,800,000 |
| % of This Request to Current Amount: | 2.0% |
| % of Modifications (including This Request) to Original Amount: | 18.4% |

Discussion

This modification will: (1) compensate the contractor, John P. Picone, Inc. (“Picone”), for extra work associated with changes to the overbuild foundation shear wall at the Station Entrance at Site P; (2) extend the Substantial Completion Date of the contract from April 14, 2016 to June 15, 2017, (3) extend Milestone #3 (completion of the western portion of the structure) from February 13, 2015 to August 28, 2016, and (4) resolve the claim asserted by Picone for impact costs associated with extra work.

Work under this contract consists of construction of the core and shell for a station entrance structure at Site P, and furnishing and installing all of the finishes and systems for the station entrance. In addition, the contract includes the construction of foundation elements, including a shear wall, footings, tie-downs, and caissons for the overbuild structure, which will be constructed by the Site P developer, The Moinian Group (“Moinian”).

Moinian requested changes to the foundation shear wall being constructed in order to better accommodate its overbuild structure, and Hudson Yards Development Corp. (“HYDC”) directed that the work be performed by Picone. Moinian negotiated the cost of the changed work with Picone for the agreed-upon net lump-sum price of \$750,000. HYDC determined that the price is fair and reasonable and will pay for the cost of the work.

Picone submitted an extension of time request and impact cost claim associated with the changed work totaling \$1,499,173. HYDC analyzed Picone’s claim together with MTA Capital Construction (“MTACC”) estimators, schedulers, and consultants. Based on that analysis, MTACC prepared an independent time impact analysis, which established a new Substantial Completion Date of June 15, 2017, an extension of Milestone #3, from February 13, 2015 to August 28, 2016 and an estimate of associated impact costs of \$988,197.

Following discussions with Picone it was agreed, subject to Board approval, to resolve these claims with a revised Substantial Completion Date of June 15, 2017, and Impact Costs of \$1,050,000. HYDC will pay all Impact Costs in addition to all MTA support costs associated with the time extension. HYDC and MTACC determined this price to be fair and reasonable.

In connection with a previous contract awarded to Picone, Picone was found to be responsible notwithstanding significant adverse information (“SAI”) pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the MTA Chairman/CEO in consultation with the MTA General Counsel in April 2014. No new SAI has been found relating to Picone and Picone has been found to be responsible.

| |
|---|
| Subject Permanent Service Changes at Melrose and Tremont Stations |
| Department Operations Planning & Analysis |
| Department Head Name J. McCormack |
| Department Head Signature |
| Project Manager Name B. Cornelius |

| |
|----------------------------------|
| Date September 7, 2017 |
| Vendor Name |
| Contract Number |
| Contract Manager Name |
| Table of Contents Ref# |

| Board Action | | | | | |
|--------------|----------------|------|----------|------|-------|
| Order | To | Date | Approval | Info | Other |
| 1 | M-N Comm. Mtg. | 9/25 | X | | |
| 2 | MTA Fin. Comm. | 9/25 | | | |
| 3 | MTA Board Mtg. | 9/27 | X | | |

| Internal Approvals | | | |
|--------------------|------------------|-------|---------------------|
| Order | Approval | Order | Approval |
| 6 | President | | VP Capital Programs |
| | Executive VP | | Engr/Const |
| 1 | VP Planning | | Project Reporting |
| 3 | Gov't. Relations | 2 | General Counsel |

| Internal Approvals (cont.) | | | | | | | |
|----------------------------|--------------------|-------|--------------------|-------|-----------|-------|------------|
| Order | Approval | Order | Approval | Order | Approval | Order | Approval |
| 5 | Sr. VP Operations | 4 | VP Financial Admin | | Budget | | Controller |
| | VP Labor Relations | | VP Human Resources | | Personnel | | Other |

Purpose
To authorize a permanent service change at the Melrose and Tremont stations in the Bronx, located on the Harlem Line.

Discussion
During a routine review of service characteristics MTA Metro-North Railroad (MNR) determined that service at Melrose and Tremont stations on the Harlem Line may not meet the needs of the community. MNR implemented a demonstration program to increase service frequency during weekday off-peak and weekend times, from service every two hours to service at the stations every hour; in addition, AM Peak service would begin 90 minutes earlier, and late night service would extend 4 hours later. Three criteria were evaluated under the demonstration program: overall effect on train operations/reliability and infrastructure maintenance; Title VI implications; and effect upon ridership at the two stations.

MNR implemented this demonstration program effective October 2, 2016. The increased service is provided by existing local trains that make additional stops at Melrose and Tremont stations. There was no additional cost associated with the demonstration program.

MNR determined that the increased service frequency has had no significant negative effect on train operations, reliability, or infrastructure maintenance, and that the service increase addresses a condition that would have been viewed as a Title VI deficiency. During the period of the demonstration program overall ridership at the two stations increased by 81%; weekday ridership increased by 67% and weekend ridership increased by 101%. Given that the demonstration criteria have been met, MNR determined the demonstration program is a success and therefore recommends that the service changes be made permanent.

This recommended service change was the subject of a public hearing held on August 23, 2017, at MTA Headquarters, 2 Broadway. Six speakers commented in person at the hearing; speakers cited increased access to transit service for the community, positive impact on current and planned economic development projects, and increased revenue for Metro-North. In addition, written comments were received from two individuals; one did not reflect the hearing topic and one commented on the costs vs. revenues of the proposed service change.

Budget Impact

There is no cost to implementing the recommended service change. Existing trains make additional stops with no incremental cost. Based on the increase in ridership observed during the demonstration period, MNR estimates incremental annual revenue of approximately \$500,000.

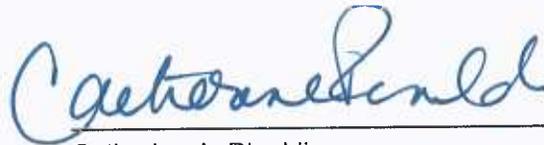
Proposed Implementation Date

This service has been in operation on a demonstration basis since October 2, 2016.

Recommendation

That the Board adopt a Resolution approving the permanent service change at Melrose and Tremont stations on the Harlem Line in the Bronx, to increase service frequency during weekday off-peak and weekend times, from service every two hours to service every hour; AM Peak service to begin 90 minutes earlier, and late night service to extend 4 hours later.

Approved for Submission to the Board



Catherine A. Rinaldi
Acting President

BOARD RESOLUTION

WHEREAS, in a Staff Summary dated September 7, 2017, MTA Metro-North Railroad has recommended the following action:

- Permanently increase service frequency during weekday off-peak and weekend times, from service every two hours to service at the stations every hour; in addition, AM Peak service would begin 90 minutes earlier, and late night service would extend 4 hours later.

WHEREAS, a public hearing was held on the proposed changes on August 23, 2017, and a summary of the public comment is included in the Staff Summary; and

WHEREAS, upon a review of the Staff Summary, the Board has determined that the proposed changes will improve Metro-North service to the community and will not result in any significant negative impacts;

NOW, THEREFORE, IT IS RESOLVED that the Board approves the service changes described in said Staff Summary, and authorizes the Acting President or her designee to implement such changes on a permanent basis.

| | |
|--|-----------------------------|
| Subject NYSDOT Grant for Connecting Services | |
| Department Operations Planning and Analysis | |
| Department Head Name James McCormack | |
| Department Head Signature | |
| Project Manager Name Edilma Jarvis | Program Manager Name |

| |
|-------------------------------------|
| Date August 22, 2017 |
| Vendor Name N/A |
| Contract Number N/A |
| Contract Manager Name N/A |
| Table of Contents Ref# |

| Board Action | | | | | |
|--------------|-----------------|------|----------|------|-------|
| Order | To | Date | Approval | Info | Other |
| 1 | M-N Comm. Mtg. | 9/25 | X | | |
| 2 | MTA Finance Mtg | 9/25 | | | |
| 3 | MTA Board Mtg. | 9/27 | X | | |

| Internal Approvals | | | |
|--------------------|--------------------|-------|----------|
| Order | Approval | Order | Approval |
| 4 | President | | |
| 3 | VP Financial Admin | | |

| Internal Approvals (cont.) | | | | | | | |
|----------------------------|------------|-------|----------|-------|----------|-------|-----------------|
| Order | Approval | Order | Approval | Order | Approval | Order | Approval |
| 1 | VP Plannin | | | | | 2 | General Counsel |
| | Press | | | | | | |

Narrative

PURPOSE:

To obtain MTA Board approval to enter into a contract to accept up to \$565,000 in a Congestion Mitigation/Air Quality (CMAQ) grant from the New York State Department of Transportation (NYSDOT) to support connecting services, covering the period from October 1, 2017 through September 30, 2018.

DISCUSSION:

Metro-North has worked with NYSDOT to implement various projects to improve access to Metro-North stations. These projects, which include connecting buses (e.g. Transport of Rockland, Newburgh-Beacon Shuttle, Dutchess LOOP, HART, etc.), the Haverstraw-Ossining Ferry, the Newburgh-Beacon Ferry and Guaranteed Ride Home programs, create station access/egress and increase ridership and revenue for the Railroad, as well as reduce the number of single occupancy vehicles on the roads.

Over the past fifteen years, Metro-North has received over \$3.5 million from similar NYSDOT(CMAQ) grants. These funds have been used for a variety of operational and marketing activities: providing customer information (e.g. signage, kiosks, pocket timetables, etc.); marketing/advertising to launch and support these services; supporting Metro-North's Guaranteed Ride Home programs; for customer parking and miscellaneous operational improvements. Metro-North plans to use the funds from the new CMAQ grant in a similar fashion, working with our regional partners to maintain service quality and improve station access.

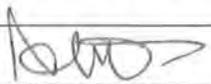
BUDGET IMPACT:

No budget impact. These monies allow for projects that would not otherwise be implemented.

RECOMMENDATION:

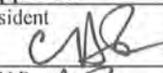
That the MTA Board grant approval to enter into a contract to accept up to \$565,000 in a Congestion Mitigation/Air Quality (CMAQ) grant from the New York State Department of Transportation (NYSDOT) to support connecting services, covering the period from October 1, 2017 through September 30, 2018.

The legal name of MTA Metro-North Railroad is Metro-North Commuter Railroad Company

| | |
|----------------------------------|---|
| 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 | September 8, 2017 |
| 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. | 9-25-17 | X | | |
| 2 | MTA Board Mtg. | 9-27-17 | X | | |
| | | | | | |
| | | | | | |

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

| Internal Approvals (cont.) | | | | | | | |
|----------------------------|----------|-------|----------|-------|----------|-------|----------|
| Order | Approval | Order | Approval | Order | Approval | Order | Approval |
| — | — | — | — | — | — | — | — |

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

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

| <u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u> | <u># of Actions</u> | <u>\$ Amount</u> |
|---|---------------------|--------------------|
| Schedule A: Non-Competitive Purchases and Public Work Contracts | 1 | \$1,500,000 |
| • Balfour Beatty Infrastructure, Inc. \$1,500,000 | | |
| <u>Schedules Requiring Majority Vote</u> | NONE | |
| SUB TOTAL: | | 1 \$1,500,000 |

MNR proposes to award competitive procurements in the following categories:

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

SUB TOTAL:

MNR presents the following procurement actions for Ratification:

| | | |
|--|------|-------------|
| <u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u> | NONE | |
| <u>Schedules Requiring Majority Vote</u> | | |
| Schedule K: Ratification of Completed Procurement Actions | 2 | \$1,552,782 |
| <ul style="list-style-type: none"> • TSS, Inc. \$349,800 • Port Imperial Ferry Corp. d/b/a/NY Waterway \$1,202,982 | | |
| SUB TOTAL: | 2 | \$1,552,782 |
| TOTAL: | 3 | \$3,052,782 |

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.

SEPTEMBER 2017

METRO-NORTH RAILROAD

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedules Requiring Two-Thirds Vote:

A. Non-Competitive Purchases and Public Work Contracts

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

1. Balfour Beatty Infrastructure, Inc. \$1,500,000 (not-to-exceed) *Staff Summary Attached*
Track Undercutting Services

Approval is requested to award a 15 month non-competitive and negotiated public works contract to Balfour Beatty Infrastructure Inc. ("Balfour Beatty") to provide track undercutting services. Undercutting cleans and restores the ballast to the track bed and removes fouling dirt by placing it on the track shoulders or in a dirt car. MNR requires undercutting on the New Haven Line between CP216 and CP223 to lower the elevation of two middle tracks 1 & 2 under overhead bridges which have been measured and identified by MNR's Power Department as areas with low clearances. Undercutting this area will allow MNR to have the required standard clearance for the top of the rail to the catenary wire. Additionally, while these tracks are out of service MNR's Track Department will have the opportunity to remove possible fouled ballast, replace deteriorated ties and plates, clear possible mud spots and resurface mainline tracks.

Balfour Beatty is the only known source/contractor capable of providing an undercutter and support car which can work within the height and clearance of the overhead catenary wires and Right of Way on the New Haven line. Additional firms were contacted; however, it was determined that they did not have the necessary equipment to complete this project. For example, Knox Kershaw, a known Maintenance of Way service provider, no longer provides these particular services; and Hulcher Services requires adjacent off track space and does not have equipment that can operate within the limited clearance envelope of this project.

In requesting Board authorization, MNR has complied with the public advertisement requirements of PAL § 1265-a (3) and PAL § 1265- a (4) (b) and with MTA All-Agency Contract Procurement Guidelines for the procurement of sole source items. An advertisement notice was placed in the New York State Contract Reporter, the New York Post, Daily Challenge and El Diario and posted on the MNR website, none of which yielded interest from other sources.

In connection with previous contracts awarded to the Contractor, the Contractor was found to be responsible notwithstanding significant adverse information (SAI) pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the MTA Chairman/CEO in consultation with the MTA General Counsel. No new SAI has been found relating to the Contractor and the Contractor has been found to be responsible.

The MTA Department of Diversity and Civil Rights has reviewed this contract and found that due to insufficient availability of M/WBE firms in the marketplace, no M/WBE goals would be assigned.

The proposed Balfour Beatty production undercutter includes a three man crew for the switch/spot undercutter. Given the limited competition for these services, MNR and Balfour Beatty reviewed the terms and scope of services to ensure that the Railroad was receiving the best possible pricing. Balfour Beatty confirmed that they are providing the Railroad with their most favored customer pricing for these services. The proposed daily rate of \$14,287 was negotiated to \$14,001, which is deemed fair and reasonable. All pricing will remain firm fixed for the duration of the contract term. The rates include the furnishing of all necessary equipment, labor (operators, etc.) consumables (oil, etc.), materials, tools, permits and maintenance of equipment.

Approval is requested to award a 15 month non-competitive and negotiated public works contract to Balfour Beatty Infrastructure Inc. ("Balfour Beatty") to provide track undercutting services. The total not to exceed amount for the 15 month contract period is \$1,500,000. This procurement is to be funded by MNR's Operating Budget.

Schedule A: Non-Competitive Purchases and Public Work Contracts

Item Number: A

| |
|--|
| Vendor Name (& Location) Balfour Beatty Infrastructure, Inc. |
| Description Track Undercutting Services |
| Contract Term (including Options, if any) 15 Months |
| Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive |
| Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole Source |

| | |
|--|--|
| Contract Number 1-80098 | Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Total Amount: | \$1,500,000 |
| Funding Source X Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: | |
| Requesting Dept/Div & Dept/Div Head Name: Procurement & Material Management, Al Muir, Sr. Director | |
| Contract Manager: Christopher Sefcik | |

Discussion:

Approval is requested to award a 15 month non-competitive and negotiated public works contract to Balfour Beatty Infrastructure Inc. (“Balfour Beatty”) to provide track undercutting services. Undercutting cleans and restores the ballast to the track bed and removes fouling dirt by placing it on the track shoulders or in a dirt car. MNR requires undercutting on the New Haven Line between CP216 and CP223 to lower the elevation of two middle tracks 1 & 2 under overhead bridges which have been measured and identified by MNR’s Power Department as areas with low clearances. Undercutting this area will allow MNR to have the required standard clearance for the top of the rail to the catenary wire. Additionally, while these tracks are out of service MNR’s Track Department will have the opportunity to remove possible foul ballast, replace deteriorated ties and plates, clear mud spots and resurface mainline tracks.

Balfour Beatty is the only known source/contractor capable of providing an undercutter and support car which can work within the height and clearance of the overhead catenary wires and Right of Way on the New Haven line. Additional firms were contacted; however, it was determined that they did not have the necessary equipment to complete this project. For example, Knox Kershaw, a known Maintenance of Way service provider, no longer provides these particular services; and Hulcher Services requires adjacent off track space and does not have equipment that can operate within the limited clearance envelope of this project.

In requesting Board authorization, MNR has complied with the public advertisement requirements of PAL § 1265-a (3) and PAL § 1265- a (4) (b) and with MTA All-Agency Contract Procurement Guidelines for the procurement of sole source items. An advertisement notice was placed in the New York State Contract Reporter, the New York Post, Daily Challenge and El Diario and posted on the MNR website, none of which yielded interest from other sources.

In connection with previous contracts awarded to the Contractor, the Contractor was found to be responsible notwithstanding significant adverse information (SAI) pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the MTA Chairman/CEO in consultation with the MTA General Counsel. No new SAI has been found relating to the Contractor and the Contractor has been found to be responsible

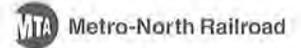
The MTA Department of Diversity and Civil Rights has reviewed this contract and found that due to insufficient availability of M/WBE firms in the marketplace, no M/WBE goals would be assigned.

The proposed Balfour Beatty production undercutter includes a three man crew for the switch/spot undercutter. Given the limited competition for these services, MNR and Balfour Beatty reviewed the terms and scope of services to ensure that the Railroad was receiving the best possible pricing. Balfour Beatty confirmed that they are providing the Railroad with their most favored customer pricing for these services. The proposed daily rate of

\$14,287 was negotiated to \$14,001, which is deemed fair and reasonable. All pricing will remain firm fixed for the duration of the contract term. The rates include the furnishing of all necessary equipment, labor (operators, etc.) consumables (oil, etc.), materials, tools, permits and maintenance of equipment.

Approval is requested to award a 15 month non-competitive and negotiated public works contract to Balfour Beatty Infrastructure Inc. (“Balfour Beatty”) to provide track undercutting services. The total not to exceed amount for the 15 month contract period is \$1,500,000. This procurement is to be funded by MNR’s Operating Budget.

Schedule K: Ratification



Item Number: K

| |
|--|
| Vendor Name (& Location) TSS, Inc. 85 Abbottsford Drive, Pinchurst, NC 28374 |
| Description Purchase of Axle Grade H for M7/M8 Railcars |
| Contract Term (including Options, if any) N/A |
| Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive |
| Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole Source |

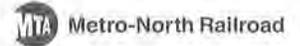
| | |
|--|---|
| Contract Number 1000090863 | AWO/Modification # |
| Renewal? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Total Amount: | \$349,800 |
| Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: | |
| Requesting Dept./Div. & Dept./Div. Head Name: Procurement & Material Management, Al Muir, Sr. Director | |

Discussion:

Non-competitive procurement for the purchase of two hundred Grade H Axles for the MNR M-7 and M-8 Fleet. This purchase will require scheduled deliveries to MNR property commencing in November 2017 through March 2018. Presently, the inventory of these axles is being depleted at a higher than anticipated rate and there is a critical need for delivery to keep the M-7 and M-8 fleet in service. TSS, Inc. is the incumbent supplier for this material. A solicitation and award for a new axle supplier is currently in process, however the first article quality testing will not be finalized in time to meet immediate service needs. TSS, Inc. current unit pricing was held firm. This procurement is to be funded by MNR's Operating budget.

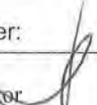
MNR completed a responsibility review of TSS, Inc. as defined in the All Agency Responsibility Guidelines in connection with this award recommendation, which yielded no significant adverse information (SAI).

Schedule K: Ratification



Item Number: K

| |
|--|
| Vendor Name (& Location) Port Imperial Ferry Corp. d/b/a NY Waterway |
| Description Ferry Services (including Ancillary Services) |
| Contract Term (including Options, if any) 4 Years with (three) 2-Year Renewal Options |
| Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive |
| Solicitation Type <input type="checkbox"/> RFP <input checked="" type="checkbox"/> Bid <input type="checkbox"/> Other: |

| | |
|--|---|
| Contract 1000044225 | AWO/Modification # 2 |
| Renewal? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Total Amount: | \$1,202,982 |
| Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other: | |
| Requesting Dept./Div. & Dept./Div. Head Name: Procurement & Material Management, Al Muir, Sr. Director  | |

Discussion:

Ferry services are provided under Contract 1000044225 by NY Waterway (NYW) on the Haverstraw-Ossining and Newburgh-Beacon routes, with connections at the Ossining and Beacon Metro-North Railroad (MNR) train stations. The Contract includes provisions allowing NYW to perform certain ferry-related services on behalf of MNR.

The Haverstraw Ferry Dock has reached the end of its useful life and is in immediate need of replacement. The new dock will incorporate a floating steel barge with gangways, ramps, gates, and passenger egress as well as comply with the laws and regulations relating to accessibility for persons with disabilities. NYW has specific expertise in procuring and managing similar dock replacement projects, including prior work successfully completed in connection with the Metro-North ferry services.

This is being presented as ratification due to the need to have this work performed within the timeframe of September 1 through November 1, per the terms of the NYS DEC permit received for this project. In addition, \$600,000 of federal grand funding obtained by the Village of Haverstraw would be subject to forfeiture if the award of the work were delayed. The period of performance is two months and is funded through the MNR Operating Budget and the Village of Haverstraw

MNR completed a responsibility review of Port Imperial Ferry Corp. d/b/a NY Waterway as defined in the All Agency Responsibility Guidelines in connection with this award recommendation, which yielded no significant adverse information (SAI).

LONG ISLAND RAIL ROAD

PROCUREMENTS

FOR

BOARD ACTION

September 25, 2017

Staff Summary



| | | | | | | | | | |
|---|--------------|-------------|-----------------|-------------|--------------|--|----------------------|--------------|-----------------|
| Subject : Request for Authorization to Award Various Procurements | | | | | | Date <p style="text-align: center;">September 27, 2017</p> | | | |
| 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 | 09.25.17 | | | | X | President | | |
| 2 | MTA Board | 09.27.17 | | | | X | Exec. Vice President | | |
| | | | | | | | | | |
| | | | | | | | | | |

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:

| | |
|---------------------|------------------|
| <u># of Actions</u> | <u>\$ Amount</u> |
|---------------------|------------------|

Schedules Requiring Two-Thirds Vote

Schedule B: Competitive Requests for Proposals

| | | |
|-----------------|---|-------|
| | 2 | \$TBD |
| SUBTOTAL | 2 | |

LIRR proposes to award Ratifications in the following categories:

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

| | | | |
|--|----------------------|-----------------|---------------------|
| | <u>TOTAL:</u> | <u>2</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.

SEPTEMBER 2017

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** **\$TBD** *Staff Summary Attached*
Competitive RFP
Contract No. TBD

LIRR requests MTA Board approval to adopt a resolution declaring that competitive bidding is impractical or inappropriate and that it is therefore in the public interest to use the Request for Proposal (RFP) process pursuant to Section 1265-a of the Public Authorities Law to award a contract to design and furnish an upgraded signal system for the Babylon to Patchogue segment of the LIRR Montauk Branch. Work under this contract includes upgrading the existing 1940's-installed outmoded signal system, from an Automatic Block System (ABS) to new pre-wired signal enclosures required for an Automatic Speed Control (ASC) system. The current system controls the Babylon to Patchogue Segment of the Montauk Branch. The ASC system will reduce infrastructure and increase safety and train movement efficiency allowing bidirectional continuous speed enforcement. Funding for this project is included in the LIRR portion of the MTA's 2015-2019 Capital Program Budget.

2. **TBD** **\$TBD** *Staff Summary Attached*
Competitive RFP
Contract No. TBD

LIRR requests MTA Board approval to adopt a resolution declaring that competitive bidding is impractical or inappropriate and that it is therefore in the public interest to use the Request for Proposal (RFP) process pursuant to Section 1265-a of the Public Authorities Law to award a contract to design, furnish and deliver manufactured signal equipment for the LIRR's new Beaver Interlocking and newly-signalized Johnson Ave. Yard, associated with the Jamaica Capacity Improvements project (PN-TU). The work under this contract includes retaining a 3rd Party Signal-Vendor to progress existing 30% design to 100% design, and to furnish and deliver wired signal instrument huts, battery huts, and signal cases, including the vital and non-vital software necessary for the functionality of the equipment being provided. Funding for this project is included in the 2010-2014 Capital Program Budget.

Staff Summary



| Item Number: 1 | | | | | |
|--|--|---------|--|------|-------|
| Dept & Dept Head Name: Procurement & Logistics - Dennis Mahon Department Head Signature & Date <i>[Signature]</i> | | | | | |
| Division & Division Head Name: DPM, Paul Dietlin Division Head Signature & Date <i>[Signature]</i> 9/18/17 | | | | | |
| Board Reviews | | | | | |
| Order | To | Date | Approval | Info | Other |
| 1 | LI Committee | 9/25/17 | | | |
| 2 | MTA Board | 9/27/17 | | | |
| Internal Approvals | | | | | |
| Order | Approval | Order | Approval | | |
| 1 | President <i>[Signature]</i> | 4 | Sr. VP, Operations <i>[Signature]</i> | | |
| 2 | Executive VP <i>[Signature]</i> | 5 | VP, Chief Financial Officer <i>[Signature]</i> | | |
| 3 | Sr. VP, Engineering <i>[Signature]</i> | 6 | VP, Gen'l Counsel & Sec'y <i>[Signature]</i> | | |

| SUMMARY INFORMATION | |
|---|-------------------------|
| Vendor Name TBD | Contract Number 6283 |
| Description: Babylon to Patchogue Signalization | |
| Total Amount: \$TBD | |
| Contract Term (including Options, if any): 4 Years 3 Months | |
| Options(s) included in Total Amount: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-Competitive | |
| Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: | |
| Funding Source <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input checked="" 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 therefore in the public interest to use the Request for Proposal (RFP) process pursuant to Section 1265-a of the Public Authorities Law to award a contract to design and furnish an upgraded signal system for the Babylon to Patchogue segment of the LIRR Montauk Branch.

II. DISCUSSION

Work under this contract includes upgrading the existing 1940's-installed outmoded signal system, from an Automatic Block System (ABS) to new pre-wired signal enclosures required for an Automatic Speed Control (ASC) system. The current system controls the Babylon to Patchogue Segment of the Montauk Branch. The ASC system will reduce infrastructure and increase safety and train movement efficiency allowing bidirectional continuous speed enforcement. Babylon to Patchogue segment is approximately fourteen (14) miles of double track and three (3) miles of single track in non-electrified territory. The new signal system will be controlled from Babylon Tower and will have a new Control Point Interlocking hut at Great River, an upgraded Interlocking Hut at Sayville, twenty-six (26) new grade crossing huts, and includes master locations, transmitter locations and battery cases, among interfaces and other features. On-site delivery shall be included in this contract. Additionally, this new signal system will include PTC design integration and PTC components to provide full PTC functionality into the LIRR PTC system that will be put in place in this segment.

The RFP process generally is used in design-furnish and design-build contracts because the Contract Specifications are not sufficiently complete to utilize a formal competitive bidding solicitation. With respect to this procurement, the RFP process also gives the 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 this contract has a unique system architecture with advantages and disadvantages, which can be evaluated under 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 2nd quarter, 2018.

III. D/M/WBE INFORMATION

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

IV. IMPACT ON FUNDING

Funding for this project is included in the LIRR portion of the MTA's 2015-2019 Capital Program Budget.

Staff Summary



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 project schedule and incorporate more efficient means and methods for project delivery.

Staff Summary



| Item Number: 2 | | | | | |
|---|--|---------|--|------|-------|
| Dept & Dept Head Name: Procurement & Logistics, Dennis Mahon | | | | | |
| Department Head Signature & Date <i>[Signature]</i> | | | | | |
| Division & Division Head Name: Department of Program Management, Paul Dietlin | | | | | |
| Division Head Signature & Date <i>[Signature]</i> | | | | | |
| Board Reviews | | | | | |
| Order | To | Date | Approval | Info | Other |
| 1 | LI Committee | 9/25/17 | | | |
| 2 | MTA Board | 9/27/17 | | | |
| Internal Approvals | | | | | |
| Order | Approval | Order | Approval | | |
| 1 | President <i>[Signature]</i> | 4 | Sr. VP, Operations <i>[Signature]</i> | | |
| 2 | Executive VP <i>[Signature]</i> | 5 | VP, Chief Financial Officer <i>[Signature]</i> | | |
| 3 | Sr. VP, Engineering <i>[Signature]</i> | 6 | VP, Gen'l Counsel & Sec'y <i>[Signature]</i> | | |

| SUMMARY INFORMATION | |
|--|-----------------|
| Vendor Name | Contract Number |
| TBD | 6288 |
| Description: | |
| Jamaica Capacity Improvements Phase-I, Design, Furnish and Delivery of Wired Signal Instrument Huts and Cases for Beaver Interlocking and Johnson Yard | |
| Total Amount: | |
| \$TBD | |
| Contract Term (including Options, if any): | |
| 13 Months | |
| Options(s) included in Total Amount: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| Procurement Type | |
| <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-Competitive | |
| Solicitation Type | |
| <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: | |
| Funding Source | |
| <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input checked="" 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 therefore in the public interest to use the Request for Proposal (RFP) process pursuant to Section 1265-a of the Public Authorities Law to award a contract to design, furnish and deliver manufactured signal equipment for the LIRR's new Beaver Interlocking and newly-signalized Johnson Ave. Yard, associated with the Jamaica Capacity Improvements project (PN-TU).

II. DISCUSSION

The work under this contract includes retaining a 3rd Party Signal-Vendor to progress existing 30% design to 100% design, and to furnish and deliver wired signal instrument huts, battery huts, and signal cases, including the vital and non-vital software necessary for the functionality of the equipment being provided. The manufactured equipment will be utilized in both Johnson Ave. Yard (located south of the existing Jamaica Station, requiring signalization to facilitate opening-day JCI Phase-I Platform-F operational requirements) and Beaver Interlocking (new interlocking to be installed on the Atlantic Branch east of Jamaica Station, being constructed as part of the JCI Phase-I project to facilitate universal Jamaica station-track access).

The RFP methodology has been successfully used in design-furnish and design-build contracts where the Contract Specifications are not sufficiently complete to and therefore cannot be used as the basis for formal competitive bidding. With respect to this procurement, the RFP process also gives the 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, furnishing and delivering the signal huts called for under this contract has a unique system architecture with advantages and disadvantages, which can be evaluated under the RFP process.

Staff Summary



Upon board approval of this resolution declaring that competitive bidding is impractical, LIRR anticipates presenting a recommendation to the Board to award a contract during the 1st quarter, 2018.

III. D/M/WBE INFORMATION

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

IV. IMPACT ON FUNDING

Funding for this project is included in the 2010-2014 Capital Program Budget.

V. ALTERNATIVES

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

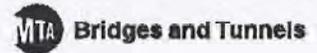


Bridges and Tunnels

Procurements September 2017



Staff Summary



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

| |
|---------------------------------|
| Date: 09/11/2017 |
| Vendor Name: |
| Contract Number: |
| Contract Manager Name: |
| Table of Contents Ref #: |

| Board Action | | | | | |
|--------------|-------------------|------------|----------|------|-------|
| Order | To | Date | Approval | Info | Other |
| 1 | President | 09/11/2017 | | | |
| 2 | MTA B&T Committec | 09/25/2017 | | | |
| 3 | MTA Board | 09/27/2017 | | | |

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

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

PURPOSE:

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

DISCUSSION:

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

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

Schedules Requiring Majority Vote:

| | | |
|--|--------------------------|-------------------------------|
| Schedule I: Modifications to Purchase and Public Works Contracts | <u># of Actions</u> 4 | <u>\$ Amount</u> \$29.451M |
|--|--------------------------|-------------------------------|

| | | |
|----------|---|-----------|
| SUBTOTAL | 4 | \$29.451M |
|----------|---|-----------|

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

| | | |
|-------|---|-----------|
| TOTAL | 4 | \$29.451M |
|-------|---|-----------|

BUDGET IMPACT:

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

RECOMMENDATION:

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

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

MTA BRIDGES & TUNNELS
TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

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

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

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

NOW, the Board resolves as follows:

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

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL
SEPTEMBER 2017

MTA BRIDGES & TUNNELS

Procurements Requiring Majority Vote:

I: Modifications to Purchase and Public Works Contracts

(Approvals/Staff Summaries required for individual change orders greater than \$750K. Approvals without Staff Summaries required for change orders greater than 15% of previous approved amount which are also at least \$250K)

1. **Tutor Perini Corp.** **\$15,850,375.70** **Staff Summary Attached**
Contract No. VN-80B

5 yr. Contract- Competitive Bid

B&T is seeking Board Approval under the All Agency General Contract Procurement Guidelines to amend a public works contract for the remaining necessary civil, structural and electrical infrastructure construction work associated with Open Road Tolling (ORT) for both the Upper and Lower Levels within the Staten Island Plaza and Approach in the westbound direction at the Verrazano-Narrows Bridge.

2. **Tully Construction Co., Inc.** **\$10,325,000.00** **Staff Summary Attached**
Contract No. BB-28S

3 yrs, 4mo. Contract- Competitive RFP

B&T is seeking Board Approval under the All Agency General Contract Procurement Guidelines to amend a public work contract to demolish and replace the Morris Street Pedestrian Overpass (MSPO). In April 2017 the Board authorized the procurement of long lead time materials in the amount of \$1,650,000. The current request is for the approval of the remaining amount.

3. **Halmar International, LLC** **\$1,898,486.77** **Staff Summary Attached**
Contract No. BW-14/BW-84C

3 yr. Contract - Competitive Bid

B&T is seeking Board Approval under the All Agency General Contract Procurement Guidelines to amend public work for revisions to the installation of the Open Road Tolling system at the Bronx-Whitestone Bridge.

4. **Ahern Painting Contractors, Inc.** **\$1,377,456.25** **Staff Summary Attached**
Contract No. VNM-379/380/383

3 yr. Contract - Competitive Bid

B&T is seeking Board approval under the All Agency General Contract Procurement Guidelines to amend a public works contract for interim reconciliation of contract items and additional new items of work which includes: (i) the replacement of two hatches and five hatch splashguards to ensure security and to reduce water intrusion; (ii) replacement of a bottom chord between stringers and (iii) replacement of permanent knee braces

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL
SEPTEMBER 2017

near the side span finger joints that have been flagged. Also, an increased quantity of spot surface cleaning and painting is required for deteriorated areas at existing bridge gantries.

Schedule I: Modifications to Purchase and Public Works Contracts

Item Number: 1 (Final)

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|--|--|-------------------------|
| Vendor Name (& Location) Tutor Perini Corp., New Rochelle, NY | Contract Number VN-80B | AWO/Modification |
| Description Replacement of the Upper Level Roadway Deck Suspension Span at the Verrazano-Narrows Bridge | Original Amount: | \$235,728,000.00 |
| Contract Term (including Options, if any) November 29, 2012 – November 28, 2017 | Prior Modifications: | 49,197,403.13 |
| 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: | \$284,925,403.13 |
| Solicitation Type <input type="checkbox"/> RFP <input checked="" type="checkbox"/> Bid <input type="checkbox"/> Other: | This Request: | \$15,850,375.70 |
| 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: | 5.6% |
| Requesting Dept/Div & Dept/Div Head Name: Engineering & Construction, Joe Keane, P.E. | % of Modifications (including This Request) to Original Amount: | 27.6% |

Discussion:

B&T is seeking Board Approval under the All Agency General Contract Procurement Guidelines to amend a public works contract, Contract VN-80B, with Tutor Perini Corp. (TPC) for the remaining necessary civil, structural and electrical infrastructure construction work associated with Open Road Tolling (ORT) for both the Upper and Lower Levels within the Staten Island Plaza and Approach in the westbound direction at the Verrazano-Narrows Bridge in the negotiated amount of \$15,850,375.70.

The Contract was awarded to TPC in November 2012 in the amount of \$235,728,000 (inclusive of an incentive totaling \$5,480,000) subsequent to a competitive sealed bid process. The Scope of Work required the removal and the replacement of the upper level roadway deck at the suspended spans of the Verrazano-Narrows Bridge (VNB) and addition of a 7th lane for Bus/HOV traffic.

B&T is embarking on full implementation of cashless all-electronic Open Road Tolling (ORT) at B&T facilities. The implementation required necessary civil, structural and electrical infrastructure construction work to install ORT gantries and related infrastructure improvements. Additionally, portions of the reinforced concrete roadway approach are being replaced to facilitate ORT and to maintain the roadway in a state of good repair. The existing toll plaza and booths are being demolished to move to a fully open road environment.

B&T has determined that the most reliable and expeditious means to accomplish the implementation of ORT at the VNB is to amend Contract VN-80B and phase the implementation of construction. Due to the extent of the work and the ongoing design work, this task is being performed in several phases. Pursuant to Board approval Phase I was awarded in March 2017 in an amount of \$23,500,000, which entailed work associated with staged construction maintenance and protection of traffic, soil erosion and sediment control, drainage work, roadway removals, ORT Gantry fabrication and installation, and toll equipment building (TEB) work. Phase 2 was awarded in May 2017 subsequent to Board approval in an amount of \$13,725,000 and the work includes electrical construction, partial roadway restoration, toll booth demolition, striping and signage for ORT to go-live and also gantry work for two Vehicle Occupancy Detection System (VODS) gantries required for the Staten Island Car Pool Plan.

The proposed amendment for Phase 3 work includes roadway restoration/barrier installation adjacent to the ORT zone, electrical infrastructure for roadway lighting and VODS, installation of an Automatic Transfer Switch to allow for a mobile generator to hook-up and power the TEB in event of a power loss, installation of automatic lane closure systems for westbound ramp connecting Upper Level to Lower Level and for the eastbound HOV lane, ventilation work for the existing access tunnel, final grading and drainage modifications, Bay Street Exit realignment and highway lighting, and Weigh-In-Motion (WIM) infrastructure installation adjacent to the ORT zone, which had been planned and will also be done at this time based on increased efficiencies of coordinating this work with the ORT project.

TPC proposed a cost of \$17,720,033.10 for Phase 3 work. The Engineer's estimate is \$14,222,436.59. Negotiations resulted in B&T and TPC agreeing to the amount of \$15,850,375.70 for the Phase 3 work. The agreed upon amount of \$15,850,375.70 is 11.4% above the Engineer's estimate. The variance is primarily due to additional work and higher costs than estimated for: (i) electric and mechanical work due to unanticipated site specific difficulties; (ii) WIM system installation; (iii) Toll Tunnel/Utility Building Work and (iv) automatic lane closure system installation. Based on comparison to the estimate, the negotiated amount of \$15,850,375.70 is considered fair and reasonable.

Funding under this amendment is divided amongst several funding sources: (i) the proposed ORT infrastructure and civil work for Phase 3 at the VNB in the amount of \$14,468,224.57 is available in the 2015-2019 Capital Program under D703/VN63 (Task D04000); (ii) WIM system in the amount of \$1,382,151.13 is funded under the Bridge Health Monitoring Project under D704AWX3 (Task D04142).

In connection with a previous contract awarded to the Contractor, TPC was found to be responsible notwithstanding significant adverse information (SAI) pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the MTA Chairman/CEO in consultation with the MTA General Counsel on February 11, 2017. No new SAI has been found related to the Contractor and TPC has been found to be responsible.

Schedule I: Modifications to Purchase and Public Works Contracts
Item Number: 2 (Final)

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| Vendor Name (& Location) Tully Construction Co., Inc., Flushing, New York | Contract Number BB-28S | AWO/Modification # |
| Description Sandy Restoration and Project BB-28/BB-54, Rehabilitation of the Tunnel and Brooklyn Plaza at the Hugh L. Carey Tunnel | Original Amount: | \$282,454,276.12 |
| Contract Term (including Options, if any) December 12, 2014 – March 31, 2018 | Prior Modifications: | \$56,096,552.16 |
| 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: | \$338,550,828.28 |
| Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: | This Request: | \$10,325,000.00 |
| Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: | % of This Request to Current Amount: | 3.5% |
| Requesting Dept/Div & Dept/Div Head Name: Engineering & Construction, Joe Keane, P.E. | % of Modifications (including This Request) to Original Amount: | 24.1% |

Discussion:

B&T is seeking Board Approval under the All Agency General Contract Procurement Guidelines to amend a public work contract, Contract BB-28S, with Tully Construction Co., Inc. (Tully) to demolish and replace the Morris Street Pedestrian Overpass (MSPO) in the negotiated amount totaling \$11,975,000. In April 2017 the Board authorized the procurement of long lead time materials in the amount of \$1,650,000. The current request is for the approval of the remaining amount of \$10,325,000.

The Contract was awarded to Tully in December 2014 in the amount of \$282,454,276.12 subsequent to a competitive RFP process and Board approval. The Scope of Work required to restore the Hugh L. Carey Tunnel (HCT) to a pre-storm state of good repair includes system replacements as follows: tunnel pumping; electrical; lighting; communications, monitoring and control systems; tunnel structural and civil repairs; tunnel wall tile, ceiling panels, polymer panels, curbs and gutters; and tunnel ventilation building rehabilitation as well as asbestos and incidental lead abatement; and maintenance and protection of traffic. Also, Capital Program Projects BB-28, Ph. II and BB-54 scopes include fire line replacements and rehabilitation of the Brooklyn Plaza. To date, amendments totaling \$56,096,552.16 have been issued. B&T is accelerating the substantial completion of the Project, which is currently scheduled for March 31, 2018.

As previously announced to the Board in April 2017, B&T has taken ownership of the MSPO from NYCDOT and has commenced its demolition and subsequent complete replacement. The MSPO spans the HCT Manhattan Plaza and provides pedestrian access between Washington Street and Greenwich Street. The MSPO structure is deteriorated and has exceeded its useful life. Replacement of the MSPO is required and is being done in conjunction with other plaza modernization initiatives in order to increase efficiency, facilitate design and construction coordination, minimize public inconvenience and reduce construction time.

Tully submitted a proposal \$14,324,440.47. The Engineer's estimate is \$10,903,002. Negotiations resulted in the B&T and Tully agreeing to the negotiated amount totaling \$11,975,000 and is reduced by the previously authorized amount totaling \$1,650,000. Overall, the negotiated amount is 9.8% above the estimate. During negotiations it was determined that the estimate understated the labor to perform the electrical work as well as the contractor's support required during the subcontracted steel installations. The negotiated amount is considered fair and reasonable. B&T is seeking approval in the amount totaling \$10,325,000.00. Funding is available in the 2015-2019 Capital Program under Project D702AWX1, Task D04053.

Schedule I: Modifications to Purchase and Public Works Contracts
Item Number: 3 (Final)

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| Vendor Name (& Location) Halmar International, LLC, Nanuet, New York | Contract Number BW14/BW-84C | AWO/Modification # |
| Description Various Structural Repairs and Removal of the Tuned Mass Damper and Inspection of Select Main Cable Panels at the Bronx-Whitestone Bridge | Original Amount: | \$53,941,711.99 |
| Contract Term (including Options, if any) December 31, 2015 – December 31, 2018 | Prior Modifications: | \$20,187,531.90 |
| 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: | \$ 74,129,243.89 |
| Solicitation Type <input type="checkbox"/> RFP <input checked="" type="checkbox"/> Bid <input type="checkbox"/> Other: | This Request: | \$1,898,486.77 |
| 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: | 2.6% |
| Requesting Dept/Div & Dept/Div Head Name: Engineering & Construction, Joe Keane, P.E. | % of Modifications (including This Request) to Original Amount: | 40.9% |

Discussion:

B&T is seeking Board Approval under the All Agency General Contract Procurement Guidelines to amend public work Contract BW-14/BW-84C with Halmar International, LLC (Halmar) for revisions to the installation of the open road tolling system at the Bronx-Whitestone Bridge in the negotiated amounts totaling \$1,898,486.77.

The Contract was awarded to Halmar in December 2015 in the amount of \$53,941,711.99 subsequent to competitive bidding with a duration of three (3) years. The Scope of Work requires the following: removal of the tuned mass damper (TMD); removal of TMD crossover platform; miscellaneous steel repairs; cable wedging and inspection between and at cable bands: removal and replacement of three suspender rope cables (including testing of cable wires and ropes); painting of all exposed surfaces of main cables, suspender ropes and stay cables, all interior surfaces of both towers including tower bases as well as painting of interior faces of girders (splash zone) including stiffeners and floor beams. Five amendments have been issued totaling \$20,187,531.90.

As part of the New York Crossings initiative, B&T is embarking on full implementation of cashless all-electronic ORT at all B&T facilities. The implementation required necessary civil, structural and electrical infrastructure construction work to install ORT gantries prior to the installation of E-ZPass tag readers, cameras, system software and integration that are to be performed by others. B&T determined that the most reliable means to accomplish the expedited implementation of ORT at the BWB is to amend Contract BW-14/BW-84C. Prior ORT amendments for the BWB have been executed in the negotiated amount totaling \$19,311,211.44.

Halmar submitted proposals for remaining ORT infrastructure work totaling \$2,036,193.71 for design revisions made during Stages 1A through 1D installation. These revisions include an increase in drilled shaft lengths and concrete pedestal configurations as well as additional civil, electrical and mechanical work. The Engineer's estimates total \$1,837,932.60. Negotiations resulted in B&T and Halmar agreeing to the amount of \$1,898,486.77, which is 3.3% above the estimate and is considered fair and reasonable. Funding is available in the 2015-2019 Capital Program under Project BW-63, Task D04046.

Schedule I: Modifications to Purchase and Public Works Contracts

Item Number: 4(Final)

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| Vendor Name (& Location) Ahern Painting Contractors, Inc. | Contract Number VNM-379/380/383 | AWO/Modification # |
| Contract Title: Miscellaneous Steel Repairs, Painting and Bridge Preservation at the Verrazano-Narrows Bridge | | |
| Contract Term (including Options, if any) August 26, 2016 - August 25, 2019 | Original Amount: | \$8,332,200.00 |
| Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Prior Modifications: | N/A |
| Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive | Prior Budgetary Increases: | N/A |
| Solicitation Type <input type="checkbox"/> RFP <input checked="" type="checkbox"/> Bid <input type="checkbox"/> Other: | Current Amount: | \$8,332,200.00 |
| Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: | This Request: | \$1,377,456.25 |
| Requesting Dept/Div & Dept/Div Head Name: Engineering & Construction, Joe Keane, P.E. | % of This Request to Current Amount: | 16.5% |
| | % of Modifications (including This Request) to Original Amount: | 16.5% |

Discussion:

B&T is seeking Board approval under the All Agency General Contract Procurement Guidelines to amend a public works contract, Contract VNM-379/380/383 with Ahern Painting Contractors, Inc. (Ahern) for interim reconciliation of contract items and additional new items of work in a negotiated net amount totaling \$1,377,456.25.

The Contract was awarded to Ahern in August 2016 in the amount of \$8,332,200 subsequent to a competitive sealed bid process. The Scope of Work requires Ahern to perform miscellaneous steel repairs, painting and bridge preservation (which includes bridge cleaning, washing, clearing drains and scuppers) at the Verrazano-Narrows Bridge.

Due to existing field conditions or deterioration that is more extensive than anticipated during design, steel repair quantities in the contract plan do not adequately address the repairs for these components. The Engineer determined that new items of work are required to address these field conditions, improve safety and best serve future project requirements. Additionally: (i) two hatches and five hatch splashguards require replacement to ensure security and to reduce water intrusion; (ii) a bottom chord between stringers requires replacement and (iii) permanent knee braces near the side span finger joints have been flagged and require replacement. Also, increased quantity of spot surface cleaning and painting is required for the painting of observed deteriorated areas at existing bridge gantries. Authorization was given to commence so that this work is completed prior to cold weather. This work will arrest any ongoing corrosive activity as well as restore the coating system on the gantries.

Contract items of work require reconciliation, several item quantities were overstated, the major items based on cost include; stiffener plate, pipe, and top flange repairs, neoprene rubber apron and junction box leg replacements and cleaning of drainage scuppers and down spouts. Proposed credits to existing items which B&T and Ahern agree totaled (\$593,800).

Overall, Ahern proposed a net amount \$1,621,212.07 for the increased quantities, new items of work, less credits for item reductions; the Engineer estimates totaled a net amount of \$1,394,394.75. Based on comparison to those estimates B&T and Ahern agreed to the negotiated net amount totaling \$1,377,456.25 which is 1.2% below the estimate and is fair and reasonable. Funding for this amendment is available in the 2017-2019 Major Maintenance Program under Projects: R702VNAA – VNM-383 and R709VNAA – VNM-380.

In connection with a previous subcontract approval to the Contractor, Ahern was found to be responsible notwithstanding significant adverse information (SAI) pursuant to the All Agency Responsibility Guidelines and such responsibility finding was approved by the Agency President in consultation with B&T General Counsel on January 13, 2017. No new SAI has been found relating to the Contractor and the Contractor has been found to be responsible.