

February 2018

MTA Board Action Items



MTA Board Meeting
2 Broadway - 20th Floor Board Room
New York, NY 10004
Thursday, 2/22/2018
10:00 AM - 12:00 PM ET

1. PUBLIC COMMENT PERIOD

2. APPROVAL OF MINUTES

MTA Regular Board Minutes - January 24, 2018

MTA Regular Minutes - January 24, 2018 - Page 5

NYCT/MaBSTOA/SIRTOA/Bus Company Regular Board Minutes - January 24, 2018

NYCT/MaBSTOA/SIRTOA/BUS CO. Regular Minutes - January 24, 2018 - Page 11

MTA Metro-North Railroad Regular Board Minutes - January 24, 2018

Metro-North Regular Minutes - January 24, 2018 - Page 16

MTA Long Island Rail Road Regular Board Minutes - January 24, 2018

LIRR Regular Minutes - January 24, 2018 - Page 21

Triborough Bridge & Tunnel Authority Regular Board Minutes - January 24, 2018

TBTA Regular Minutes - January 24, 2018 - Page 29

MTA Capital Construction Regular Board Minutes - January 24, 2018

MTACC Regular Minutes - January 24, 2018 - Page 34

3. COMMITTEE ON FINANCE

Action Items

i. MTA 2018 Budget and 2018-2021 February Financial Plan

MTA 2018 Budget Staff Summary (2018-2021 February Financial Plan available in the Exhibit Book) - Page 37

ii. 2017 B&T Operating Surplus

2017 B&T Operating Surplus - Page 50

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

Mortgage Recording Tax - Escalation Payments to Dutchess, Orange and Rockland Counties - Page 63

MTAHQ Procurements Report

MTAHQ Procurement Report - Page 65

i. Non-Competitive (no items)

ii. Competitive

MTAHQ Competitive Procurements - Page 67

iii. Ratifications

MTAHQ Procurement Ratifications - Page 80

Real Estate Items

i. Real Estate Agenda and Staff Summaries

Real Estate Agenda and Staff Summaries - Page 86

4. COMMITTEE ON NYCT & BUS

NYCT & Bus Procurements Report

NYCT & Bus Procurements - Page 88

i. Non-Competitive

NYCT Non-Competitive - Page 92

ii. Competitive

NYCT Competitive - Page 95

iii. Ratifications

NYCT Ratifications - Page 108

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

Action Item: LIRR

i. Amendment to Gateway Tunnel Agreement

Amendment To Gateway Tunnel Agreement - Wheel Truing Machine, West Side Yard - Page 112

MNR Procurements Report

MNR Procurements - Page 115

i. Non-Competitive

MNR Non-Competitive Procurements - Page 118

ii. Competitive

MNR Competitive Procurements - Page 124

iii. Ratification (no items)

LIRR Procurements Report

LIRR Procurements - Page 126

i. Non-Competitive

LIRR Non-Competitive Procurements - Page 130

ii. Competitive

LIRR Competitive Procurements - Page 136

iii. Ratifications (no items)

MTACC Procurements Report (no items)

6. COMMITTEE ON MTA BRIDGES & TUNNELS OPERATIONS

B&T Procurements Report

B&T Procurements - Page 139

i. Non-Competitive (no items)

ii. Competitive

B&T Competitive - Page 142

iii. Ratifications (no items)

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

8. MTA OTHER BUSINESS

NYCT Stations Program Update

Date of next meeting: March 21, 2018

**Metropolitan Transportation Authority
Minutes of
Regular Board Meeting
2 Broadway
New York, NY 10004
January 24, 2018
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. Mitchell H. Pally
Hon. Scott Rechler
Hon. Andrew Saul
Hon. Lawrence Schwartz
Hon. Polly Trottenberg
Hon. James Vitiello
Hon. Peter Ward
Hon. Carl Weisbrod
Hon. Neal Zuckerman**

The following alternate non-voting members were also present:

Hon. Andrew Albert

The following members were absent:

**Hon. John J. Molloy
Hon. Veronica Vanterpool
Hon. Carl V. Wortendyke**

Patrick Foye, President, Veronique Hakim, Managing Director, Janno Lieber, MTA Chief Development Officer, Phillip Eng, Chief Operating Officer, Helene Fromm, Acting General Counsel, Robert Foran, Chief Financial Officer, Andrew Byford, President, NYCT, Patrick Nowakowski, President, Long Island Rail Road, Catherine Rinaldi, Acting President, Metro-North Railroad, Cedrick Fulton, President TBTA, Darryl Irick, President, MTA Bus Operations, 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.

Chairman Lhota stated that everyone who registered to speak would have an opportunity to do so and encouraged groups of speakers on the same topic to join together, but, if not, each would have the opportunity to speak individually. Stephen Morello reminded the public speakers that comments are limited to two minutes each. Mr. Morello called speakers' attention to the countdown clock and stated that each speaker would be notified by him and the clock thirty seconds before their two-minutes expired.

The following thirty-one (31) speakers commented during the public speakers session. 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.

Murray Bodin, private citizen
H.P. Schroer, private citizen /WWI Veteran
Jason A. Pihero, Ind. Transit Advocacy
William Yancy, Community Voices Heard
Mario Bucceri, President, United Transit Leadership Organization
Charlie Giblon, United Transit Leadership Organization
Fedele Rella, United Transit Leadership Organization
Dennis Carlson, United Transit Leadership Organization
Steve Martini, United Transit Leadership Organization
Tony Cipollene, United Transit Leadership Organization
Joe Kennedy, United Transit Leadership Organization
John Povetto, United Transit Leadership Organization
Christy Vedeer, private citizen
Omer Khwaja, Jobs to America NY
Omar Vera, private citizen
Malika Conner, Align Organization
Shain Anderson, CIDNY – AAR Organization
Yesenia Torres, AAR Coalition (AARC)
Tashia Lerebours, CIDNY – AAR Organization
Mary Parisen, CURES
Mary Kaessinger, People's MTA
Tony Murphy, People's MTA
Pedro Valdez-Rivera, Jr., private citizen
Miriam Fischer, private citizen
John Orcott, Transit Center
Collin Wright, Transit Center

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Monica Bartley, CIDNY – AAR Organization
Darryl Pearlstein, Riders Alliance
Laramie Flich, private citizen
Eman Rimawi, NY Lawyers
Robert Hanz, private citizen

2. **CHAIRMAN’S REMARKS.**

Chairman Lhota introduced and welcomed Andrew Byford, President, NYCT, to his first Board meeting. Chairman Lhota stated that Mr. Byford joins the MTA following a five-year career as Chief Executive Officer of the Toronto Transit Commission, the third largest transit system in North America. Chairman Lhota noted that while at the Toronto Transit Commission, Mr. Byford was instrumental in reducing subway delays, resulting in record-levels increase in customer satisfaction. The Chairman stated that Mr. Byford advanced a number of major projects, including the phased introduction of a modern signal system, the roll-out of a smart card, and the completion of a major subway line extension, which led to the Toronto Transit Commission being named “Outstanding Transit System of the Year” by the American Public Transportation Association in 2017. Mr. Byford began his transit career at the London Underground, where over a 14-year career he rose to the position of General Manager of the Central, Bakerloo, and Victoria Lines. Mr. Byford oversaw increases in customer satisfaction and operational performance at the main line UK Railway System and was Chief Operating Officer of Australia’s largest transit system in Sydney. Chairman Lhota stated that at NYCT Mr. Byford will lead the immediate and long-term modernization of one of the oldest and largest transit system in the world, including ensuring the success of the Subway Action Plan aimed at stabilizing and modernizing the subway system by targeting the current key drivers of delays.

Chairman Lhota provided an update to the Subway Action Plan. Chairman Lhota stated that from June, 2017, the start of the implementation of the Subway Action Plan, through December of 2017 major incidents, which delay 50 or more trains, went from 81 to 50, a decrease of 38%, major signal incidents went from 25 to 23, improving by 8%, and major track incidents went from 19 to 7, a 63% improvement. Chairman Lhota stated that excluding the day of the subway terrorist attack on December 11th, additional platform time has improved by 12%. The Chairman noted that all of the improvements can be directly attributed to the extraordinary efforts of the transit workers and managers, who work tirelessly under the Subway Action Plan to install miles of new track and repair thousands of right-of-way and station defects.

Board Member Ward commented on concerns expressed by public speakers relating to the MTA Managers’ Pension Plan and Paratransit. Mr. Ward stated that he is aware that some issues surrounding these matters are not easily solved, and he expressed his desire to meet with representatives from Human Resources and the attorney staff with knowledge of these issues with the hopes of finding solutions. Mr. Ward suggested that a working group be impaneled to address and resolve the MTA Bus pension issue.

Chairman Lhota, responding to Board Member Ward’s concerns with respect to the labor matters, stated he had been setting up working groups to address very specific issues and

matters with respect to labor issues. Chairman Lhota assured Mr. Ward that he would convene a working group and he would ask Veronique Hakim, Managing Director, and he welcomed any Board Member interested in joining the group, to address the issues surrounding the MTA Bus Managers' Pension Plan.

With respect to Paratransit, Chairman Lhota stated that he understands and sympathize with the riders who use the services, and he noted that he had convened a working group headed by President Patrick Foye to work on issues surrounding Access-A-Ride. The Chairman also noted that Board Member Veronica Vanterpool had been very active in working together with the advocate groups on creating new programs in an effort to bring about changes. Chairman Lhota stated that he is expecting a report from the working group and he would report back to the Board on these issues.

3. **MINUTES.** Upon motion duly made and seconded, the Board approved the minutes of the Regular Board Meeting held on December 13, 2017.

4. **COMMITTEE ON FINANCE.**

A. **Action Item.** Upon motion duly made and seconded, the Board approved the following action item. The specifics are set forth in the staff summary and documentation filed with the meeting materials. Board Member Moerdler recused himself from the vote on the item below.

1. **Owner Controlled Insurance Program ("OCIP"): Addition of LIRR Expansion Project.** Approved the procurement of additional insurance coverage from Willis of New York related to MTA's 2015-2019 Capital Plan Owner Controlled Insurance Program ("OCIP") to include the LIRR Expansion Project.

B. **Procurement Items.** Upon motion duly made and seconded, the Board approved the following procurement items. The specifics are set forth in the staff summaries and documentation filed with the meeting materials. Board Member Weisbrod voted in opposition to contracts with Dependable Glass & Mirror Corp. and New Flyer of America, Inc., contracts included in item # 7 below.

1. **Kronos, Inc. – Kronos Timekeeping System – No. 900000000002396.** Approved the award of an All-Agency non-competitive, miscellaneous procurement contract with Kronos, Inc. for continued maintenance of timekeeping hardware, software licenses, application and equipment upgrades, and professional services on an as-needed basis.
2. **Ernst & Young, LLC – Governance, Risk and Compliance System.** Approved the award of an All-Agency, competitively negotiated, miscellaneous procurement contract with Ernst & Young LLC to furnish, implement and maintain an Enterprise Governance, Risk and Compliance System (GRC) to establish and maintain a system of internal controls and facilitate internal control reviews.
3. **Various Contractors - AFT Projects – LIRR Stations on the Port Jefferson Branch.** Approved the award of contracts with Thomas E. Fruin (Syosset

Station) and Philip Duke Riley (Northport Station) to provide technical design, fabrication, crating, storage, delivery and oversight of installation of materials at the LIRR Stations specified above.

4. BlackRock Financial Management – Investment Portfolio Manager for First Mutual Transportation Assurance Company (“FMTAC”) – No. 16276.
Approved the award of a competitively negotiated personal services contract to BlackRock Financial Management Inc. to provide portfolio management services in connection with the assets held with the FMTAC, MTA’s wholly owned captive insurance company, for an initial term of three years with two one-year extension options at MTA’s sole discretion.
5. Various Contractors – Insurance Linked Securities Service Providers. Approved the award of a contract with Raymond James & Associates Inc. to serve as an Insurance-Linked Securities (“ILS”) Risk Financial Advisor to FMTAC and the MTA, and approved the establishment of four panels of qualified firms, each of which will include firms eligible to serve in the roles of ILS Legal Counsel, ILS Initial Purchaser/Structuring Agent, ILS Risk Modeler and Provider of ILS Electronic Platform.
6. Palm Coast Data, LLC – MetroCard Extended Sales Fulfillment Services – No. 05F9218, S/A #7. Approved the modification to the contract with Palm Coast Data, LLC to continue to provide MetroCard extended sales fulfillment services for an additional three (3) years plus two one-year options.
7. Ratification of Various Contracts – Executive Order 168 (“E.O. 168”). In accordance with the emergency provisions in Article III(B)(1) of the All Agency General Contract Procurement Guidelines and Article III(C)(3) of the All Agency Service Contract Procurement Guidelines, the Board ratified various procurement contracts awarded pursuant to E.O. 168 and its extensions.

C. **Real Estate Items.** Upon motion duly made and seconded the Board approved the real estate items listed below. The specifics are set forth in the staff summaries and documentation filed with the meeting materials. Board Member Pally recused himself from the vote on item # 3 below.

MTA Capital Construction

1. Lease modification and extension agreement with 29-76 Realty Company for Eastside Access Continued Occupancy of Field Offices located at 29-76 Northern Boulevard, Long Island City, N.Y.

Metro-North Railroad

2. Easement and long-term license agreements with Tarrytown Self Storage, LLC for exchange of property rights along the Hudson Line Right-of-Way at 160 Wildey Street, Tarrytown, N.Y.

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Long Island Rail Road

3. License agreement with 1 Mill Road Apartments Investors RHPI, LLC, a subsidiary of TRITEC Real Estate Company, Inc. for use of vacant LIRR land located on the northeast corner of Ronkonkoma Station, part of District 0200, Section 800, Block 1, Lot 38, Town of Brookhaven, County of Suffolk, N.Y.

Chairman Lhota announced that due to the holiday in February, the Committee meetings will be held on Tuesday, February 20, 2018 and the regular Board Meeting will be held on Thursday, February 22, 2018.

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

6. **PUBLIC SESSION RESUMED.**

The Chairman announced that during Executive Session the Board approved five actions including pension matters and four labor contracts.

The Chairman also noted that the Audit Committee did not meet in January and would meet in February.

7. **ADJOURNMENT.** Upon motion duly made and seconded, the Board voted to adjourn the meeting at 12:15 p.m.

Respectfully submitted,

Victoria Clement
Assistant Secretary

Regular Board Meeting
January 24, 2018

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

**2 Broadway
New York, NY 10004
Wednesday, January 24, 2018
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. Mitchell H. Pally
Hon. Scott Rechler
Hon. Andrew Saul
Hon. Lawrence Schwartz
Hon. Polly Trottenberg
Hon. James Vitiello
Hon. Peter Ward
Hon. Carl Weisbrod
Hon. Neal Zuckerman**

The following alternate non-voting members were also present:

Hon. Andrew Albert

The following members were absent:

**Hon. John J. Molloy
Hon. Veronica Vanterpool
Hon. Carl V. Wortendyke**

Patrick Foye, President, Veronique Hakim, Managing Director, Janno Lieber, MTA Chief Development Officer, Phillip Eng, Chief Operating Officer, Helene Fromm, Acting General Counsel, Robert Foran, Chief Financial Officer, Andrew Byford, President, NYCT, Patrick Nowakowski, President, Long Island Rail Road, Catherine Rinaldi, Acting President, Metro-North Railroad, Cedrick Fulton, President TBTA, Darryl Irick, President, MTA Bus Operations, and Stephen Morello, Counselor to the Chairman, also attended the meeting.

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

2. **PUBLIC COMMENT PERIOD**

There were thirty-one (31) 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.

Murray Bodin, private citizen
H.P. Schroer, private citizen /WWI Veteran
Jason A. Pihero, Ind. Transit Advocacy
William Yancy, Community Voices Heard
Mario Bucceri, President, United Transit Leadership Organization
Charlie Giblon, United Transit Leadership Organization
Fedele Rella, United Transit Leadership Organization
Dennis Carlson, United Transit Leadership Organization
Steve Martini, United Transit Leadership Organization
Tony Cipollene, United Transit Leadership Organization
Joe Kennedy, United Transit Leadership Organization
John Povetto, United Transit Leadership Organization
Christy Vedeer, private citizen
Omer Khwaja, Jobs to America NY
Omar Vera, private citizen
Malika Conner, Align Organization
Shain Anderson, CIDNY – AAR Organization
Yesenia Torres, AAR Coalition (AARC)
Tashia Lerebours, CIDNY – AAR Organization
Mary Kaessinger, People's MTA
Tony Murphy, People's MTA
Pedro Valdez-Rivera, Jr., private citizen
Miriam Fischer, private citizen
John Orcott, Transit Center
Collin Wright, Transit Center
Monica Bartley, CIDNY – AAR Organization
Darryl Pearlstein, Riders Alliance
Laramie Flich, private citizen
Eman Rimawi, NY Lawyers
Robert Hanz, private citizen

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

3. CHAIRMAN LHOTA'S COMMENTS

Chairman Lhota introduced and welcomed Andrew Byford, President, MTA NYC Transit, to his first Board meeting. Chairman Lhota stated that President Byford joins the MTA following a five-year career as Chief Executive Officer of the Toronto Transit Commission, the third largest transit system in North America. Chairman Lhota noted that while at the Toronto Transit Commission, President Byford was instrumental in reducing subway delays, resulting in record-levels increase in customer satisfaction. The Chairman stated that President Byford advanced a number of major projects, including the phased introduction of a modern signal system, the roll-out of a smart card, and the completion of a major subway line extension, which led to the Toronto Transit Commission being named "Outstanding Transit System of the Year" by the American Public Transportation Association in 2017.

Chairman Lhota noted that President Byford began his transit career at the London Underground, where over a 14-year career he rose to the position of General Manager of the Central, Bakerloo, and Victoria Lines. President Byford oversaw increases in customer satisfaction and operational performance at the main line UK Railway System and was Chief Operating Officer of Australia's largest transit system in Sydney. Chairman Lhota stated that at MTA NYC Transit, President Byford will lead the immediate and long-term modernization of one of the oldest and largest transit systems in the world, including ensuring the success of the Subway Action Plan aimed at stabilizing and modernizing the subway system by targeting the key drivers of delays.

Chairman Lhota provided an update to the Subway Action Plan. He stated that from June, 2017, the start of the implementation of the Subway Action Plan, through December of 2017, major incidents, which delay 50 or more trains, went from 81 to 50, a decrease of 38%, major signal incidents went from 25 to 23, improving by 8%, and major track incidents went from 19 to 7, a 63% improvement. Chairman Lhota stated that excluding the day of the subway terrorist attack on December 11th, additional platform time has improved by 12%. Chairman Lhota noted that all of the improvements can be directly attributed to the extraordinary efforts of the transit workers and managers, who work tirelessly under the Subway Action Plan to install miles of new track and repair thousands of right-of-way and station defects.

Board Member Ward discussed concerns expressed by some of the public speakers relating to Access-A-Ride, and also spoke about the concerns expressed by employees at MTA Bus regarding their pension. Board Member Ward requested that a working group be impaneled to address and resolve the MTA Bus pension issue. Chairman Lhota responded that he had been setting up working groups with Board members and management on very specific issues and problems, and would convene a working group to look into the particular issue regarding MTA Bus. Chairman Lhota noted that he would ask Managing Director Ronnie Hakim to head the group, and also welcomed Board Member Ward's participation. Chairman Lhota expressed understanding and sympathy regarding Paratransit issues, and pointed out that he had put together a working group headed by President Pat Foye relating to these issues. Chairman Lhota noted that Board Member Veronica Vanterpool had been very active in working together with the advocate groups. Chairman Lhota stated that he would report back on these issues.

Further 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/ Manhattan and Bronx Surface Transit Operating Authority/Staten Island Rapid Transit Operating Authority/MTA Bus Company.

4. MINUTES

Upon motion duly made and seconded, the Board unanimously approved the minutes of the meeting held on December 13, 2017 of the Board of MTA NYC Transit /Staten Island Rapid Transit Operating Authority /MTA Bus Company.

5. COMMITTEE ON FINANCE.

Procurements:

Non-Competitive Procurements: Upon motion duly made and seconded, the Board approved non-competitive procurements relating to MTA NYC Transit requiring a majority vote (Schedule E in the Agenda, described on pp. 55-56 of the Board book).

Competitive Procurements: Upon motion duly made and seconded, the Board approved competitive procurements relating to MTA NYC Transit requiring a majority vote (Schedules E and H in the Agenda, described on p. 60 and p. 63 of the Board book).

Ratifications: Upon motion duly made and seconded, the Board approved ratifications requiring a majority vote (Schedule K in the Agenda). These ratifications were made in accordance with the emergency provisions in Article III(B)(1) of the All Agency General Contract Procurement Guidelines and Article III(C)(3) of the All Agency Service Contract Procurement Guidelines and involved procurement actions awarded pursuant to Executive Order 168 (“E.O. 168”) and its extensions. Board Member Weisbrod voted in opposition to the proposed contracts with Dependable Glass & Mirror Corp. and New Flyer of America, Inc.

Details of the above item 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. Details of any Board members’ discussion relating to this item are included in the video recording of the meeting produced by the MTA and maintained in the MTA records.

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

Action Item:

Tariff Change: Transfers Due to Service Disruptions: Upon motion duly made and seconded, the Board approved a resolution authorizing tariff changes to allow: (1) Bus Operators to issue up to two paper transfers in response to planned or unplanned service diversions; and (2) allow subway station staff to issue up to two General Order Transfers during planned General Order service disruptions.

Details of the above item 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.

Procurements:

Competitive Procurements: Upon motion duly made and seconded, the Board approved the competitive procurements requiring a two-thirds vote (Schedule C in the Agenda) and a majority vote (Schedules F and H in the Agenda), with the exception of the procurement items relating to the Enhanced Station Initiative.

Upon motion duly made and seconded, the Board deferred the vote on the three proposed Enhanced Station Initiative contracts to permit further opportunity for review. Details of the Board members' comments with respect thereto are included in the videotape of the meeting produced by the MTA and maintained in MTA records.

Details of the above items are set forth in staff summaries, copies of which are on file with the records of the meeting of the Board of MTA NYC Transit /Staten Island Rapid Transit Operating Authority /MTA Bus Company.

7. EXECUTIVE SESSION

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

8. PUBLIC SESSION RESUMED

The Chairman announced that during Executive Session the Board approved five actions, including pension matters relating to MaBSTOA, and four labor contracts, including collective bargaining agreements between MTA NYC Transit and ATU Locals 1056 and 726.

The Chairman also noted that the Audit Committee did not meet in January and would meet in February.

9. ADJOURNMENT

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 12:15 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, January 24, 2018
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. Mitchell H. Pally
Hon. Scott Rechler
Hon. Andrew Saul
Hon. Lawrence Schwartz
Hon. Polly Trottenberg
Hon. James Vitiello
Hon. Peter Ward
Hon. Carl Weisbrod
Hon. Neal Zuckerman

The following alternate non-voting member was also present:

Hon. Andrew Albert

The following members were absent:

Hon. John J. Molloy
Hon. Veronica Vanterpool
Hon. Carl V. Wortendyke

Patrick Foye, President, Veronique Hakim, Managing Director, Janno Lieber, MTA Chief Development Officer, Phillip Eng, Chief Operating Officer, Helene Fromm, Acting General Counsel, Robert Foran, Chief Financial Officer, Andrew Byford, President, NYCT, Patrick Nowakowski, President, Long Island Rail Road, Catherine Rinaldi, Acting President, Metro-North Railroad, Cedrick Fulton, President TBTA, Darryl Irick, President, MTA Bus Operations, and Stephen Morello, Counselor to the Chairman, also attended the meeting.

Chairman Lhota called the meeting to order.

1. Public Speakers:

There were 31 registered 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 welcomed Andrew Byford, President, NYCT, noting Mr. Byford's past accomplishments.

Chairman Lhota provided an update the Subway Action Plan and the operational results under the Plan.

The details of Chairman Lhota's remarks are contained in the minutes of the other agencies of this date and in the video recording of this meeting, produced by the MTA and maintained in the MTA records, which recording includes discussion between Board member Ward and Chairman Lhota regarding MTA Bus pension issues and paratransit issues.

3. Approval of Minutes:

Upon motion duly made and seconded, the minutes of the Regular Board Meeting held on December 13, 2017 were approved.

4. Committee on Finance:

MTAHQ Procurements:

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

- Approval to award an All-Agency, non-competitive, miscellaneous procurement contract to Kronos, Inc. in the not-to-exceed amount of \$16,783,066 for the continued maintenance of timekeeping hardware, software licenses, application and equipment upgrades, and professional services for MTA and its agencies on an as needed basis.

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

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

- Approval to award a competitively solicited All-Agency, miscellaneous procurement contract with Ernst & Young LLC in the not-to-exceed amount of \$4,795,879 to furnish, implement and maintain an Enterprise Governance, Risk and Compliance System.

Upon motion duly made and seconded, the Board approved the foregoing procurement item, the details of which are contained in the minutes of the MTA Board meeting held this day, a staff summary 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 item recommended to it by the Committee on Finance that relates to Metro-North.

- Exchange of property rights along the Hudson Line Right of Way in Tarrytown, New York with Tarrytown Self Storage, LLC.

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

5. Committee on Metro-North Railroad:

Procurements:

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

- Approval of a non-competitive procurement with Progress Rail/MOW Division in the not-to-exceed amount of \$310,485 for the purchase of 200 axles for Metro-North's coach and M-3 fleets with requirements of 100 axles for each fleet type.
- Approval of an emergency procurement with Community Coach, Inc. in the amount of \$161,918 for substitute busing services initiated to support the installation of new grade crossings on the Wassaic Branch during the weekend of October 20, 2017 to October 22, 2017 and on the Port Jervis Line on the weekend of October 27, 2017 to October 29, 2017.

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

6. Committee on Long Island Rail Road:

The Board was presented with the following non-competitive procurement recommended to it by the Committee on Long Island Rail Road that relates to Metro-North.

- Approval of an omnibus approval request for Long Island Rail Road, Metro-North Railroad and New York City Transit, for items identified as obtainable only from Ansaldo STS USA, Inc. (Ansaldo) in an aggregate amount not-to-exceed of \$18.325M (\$5.325M – LIRR; \$6M – MNR; \$7M – NYCT) over a 36-month period to purchase services and/or parts required to support LIRR's, MNR's and NYCT's current inventory of equipment designed and manufactured by Ansaldo.

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

The Board was presented with the following MTA Capital Construction competitive procurement recommended to it by the Committee on Long Island Rail Road that relates to Metro-North.

- Approval on behalf of MTA Capital Construction, Long Island Rail Road and Metro-North Railroad to enter into competitively solicited personal service contracts with 26 firms to provide professional staffing and services on an as-needed basis.

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

Board member Rechler discussed Long Island Rail Road performance issues. He suggested there be some form of Long Island Rail Road service action plan like the Subway Action Plan. Chairman Lhota stated that he has been working closely with President Nowakoski and MTA Managing Director Hakim regarding Long Island Rail Road performance issues. Board member Brown expressed concern that, because Metro-North does not have such performance issues, it would not receive resources that have been diverted to other agencies to address their issues. Chairman Lhota stated that the MTA needs to look at all the agencies to ensure that they are running as efficiently as possible. He applauds Metro-North for the service it provides. Chairman Lhota monitors the performance of the commuter railroads daily. Board member Zuckerman stated that the main concern for Metro-North during 2018 is the timely implementation of Positive Train Control (PTC). Chairman Lhota stated that a dashboard should be created to provide the public with information regarding the progress of PTC implementation.

7. Executive Session:

Upon motion duly made and seconded, the Board voted to convene an Executive Session, in accordance with Section 105(1)(e) to discuss matters relating to collective bargaining negotiations. No Metro-North matters were discussed. Upon motion duly made and seconded, the Board voted to reconvene in public session.

8. Adjournment:

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 12:15 p.m.

Respectfully submitted,



Linda Montanino
Assistant Secretary

Jan 2018 Board Minutes-FINAL
Legal/Corporate

**Minutes of the Regular Board Meeting
Long Island Rail Road Company
2 Broadway
New York, NY 10004
Wednesday, January 24, 2018
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. Mitchell H. Pally
Hon. Scott Rechler
Hon. Andrew Saul
Hon. Lawrence Schwartz
Hon. Polly Trottenberg
Hon. James Vitiello
Hon. Peter Ward
Hon. Carl Weisbrod
Hon. Neal Zuckerman

The following alternate non-voting member was also present:

Hon. Andrew Albert

The following members were absent:

Hon. John J. Molloy
Hon. Veronica Vanterpool
Hon. Carl V. Wortendyke

Patrick Foye, MTA President, Veronique Hakim, Managing Director, Janino Lieber, Chief Development Officer, Phillip Eng, Chief Operating Officer, Helene Fromm, Acting General Counsel, Robert Foran, Chief Financial Officer, Andrew Byford, President, NYCT, Patrick Nowakowski, President, Long Island Rail Road, Catherine Rinaldi, Acting President, Metro-North Railroad, Cedrick Fulton, President, TBTA, Darryl Irick, President, MTA Bus Operations, and Stephen Morello, Counselor to the Chairman, also attended the meeting.

Chairman Lhota called the meeting to order.

1. Public Speakers

Stephen Morello, Counselor to the Chairman, indicated that twenty eight (28) speakers had signed up to speak (ultimately, a total of 31 public speakers appeared and spoke at the meeting). In light of the number of speakers, he asked that speakers limit their comments to two minutes and advised that a warning would come on after 90 seconds, alerting the speaker that he/she had 30 seconds left.

One (1) of the speakers commented on matters relating to the Long Island Rail Road (“LIRR”):

Mary Parisen, Chair of Civics United for Railroad Environmental Solutions (“CURES”), stated that she had obtained a copy of LIRR’s Request for Proposals (“RFP”) for freight locomotives, and that it exemplifies the points made in the recent New York Times article about MTA projects. She further stated that the RFP would yield little competition but would result in MTA paying inflated consulting fees. She urged that the RFP be stopped. Ms. Parisen pointed to one specification requiring that the engine in the locomotives to be procured be a Cummins or Caterpillar engine, or an LIRR-approved equal. She claimed that this resulted in a preferred vendor who had been fined \$25 Million for throwing rail car parts into the ocean. She characterized the RFP as a rigged procurement.

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 welcomed Andrew Byford, the newly appointed President of NYCT. He noted that Mr. Byford had been CEO of the Toronto Transit Commission for 5 years, where he reduced subway delays, brought customer satisfaction to its highest level, oversaw the installation of a modern signal system, introduced smart card technology and completed a major subway line extension. He noted that Mr. Byford was from the United Kingdom and had started his career with the London Underground.

Chairman Lhota reported on the Subway Action Plan statistics from June 2017 when the plan was implemented, to December 2017. Major incidents decreased 38%, 50 compared to 80 in June 2017; major signal incidents decreased 8%, 23 compared to 25 in June 2017, major track incidents decreased 63%; 7 compared to 19 in June 2017. Excluding the September 10th terrorist attack, additional platform incidents decreased by 12%. The Chairman stated that all of this was due to the efforts of MTA transit workers.

Board Member Peter Ward commented on a matter brought up by several of the public speakers: resolving the pension status of certain MTA bus managers, who were formerly bus managers employed by the private bus lines in Queens taken over by the MTA. He stated that this problem appears to be intractable, and urged that the necessary resources be marshalled so that a decision could be made. He added that it appears that these managers, through no fault of

their own, are facing different treatment than others and he suggested that a small group of Board Members meet with MTA Human Resources to resolve the issue. He stated that he wanted to understand the cost of a “fix” to the problem, and he volunteered his services to serve as part of the working group.

Chairman Lhota responded, stating that he heard Mr. Ward’s concerns loud and clear. He added that he would ask Managing Director Veronique Hakim to head a working group to examine this issue, to include Mr. Ward and any other interested Board Members.

Chairman Lhota also stated that a working group under MTA President Patrick Foye was looking into the issue of paratransit services and that he expected a report from the group and will report back to the Board on this issue.

3. Approval of Minutes

Chairman Lhota asked for a motion to approve the minutes of the Regular Board Meeting of December 13, 2017. Upon motion duly made and seconded, the minutes of the Regular Board Meeting of December 13, 2017 were approved.

4. Committee on Finance

Action Items

The Board was presented with one (1) action item recommended to it by the Committee on Finance, which item was related to Long Island Rail Road.

- To obtain Board approval to procure additional insurance coverage related to MTA’s 2015-2019 Capital Plan Owner-Controlled Insurance Program (OCIP) to include the Long Island Rail Road Expansion Project (Project). Total amount of this request is \$84,500,000.

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 twenty seven (27) procurement items recommended to it by the Committee on Finance, three (3) of which related to Long Island Rail Road:

- **Kronos, Inc. – Install and Maintain Kronos Timekeeping System - \$16,783,066 –** Board approval is sought to award an All-Agency, non-competitive, miscellaneous procurement contract to Kronos, Inc. (Kronos) for the continued maintenance of timekeeping hardware, software licenses, application and equipment upgrades, and

professional services for MTA and its agencies on an as needed basis. The cost is deemed fair and reasonable.

- **Ernst & Young LLC – Governance, Risk and Compliance System - \$4,795,879 –** Approval is sought to award a competitively solicited All-Agency, miscellaneous procurement contract with Ernst & Young LLC to furnish, implement and maintain an Enterprise Governance, Risk and Compliance System (GRC). The new system will establish and maintain a system of internal controls to facilitate internal control reviews. All pricing, terms and conditions are considered fair and reasonable.
- **AFT Projects at one LIRR Station on the Port Jefferson Branch –** AFT to provide technical design, fabrication, crating, storage, delivery and oversight of installation of materials at the station specified below:

Competitively negotiated – 26 proposals – 16 months.
Thomas E. Fruin, Syosset Station – LIRR (\$185,000)
Philip Duke Riley – Northport Station – LIRR (\$249,000)

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 three (3) real estate items recommended to it by the Committee on Finance, one (1) of which related to Long Island Rail Road:

- **License Agreement with TRITEC Real Estate Company, Inc.** – for use of vacant LIRR land at Ronkonkoma Station for construction staging relating to the Ronkonkoma Hub Transit Oriented Development Project.

Upon motion duly made and seconded, the Board approved the foregoing real estate 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.

5. Long Island Rail Road Committee

Procurement Items

The Board was presented with thirty four (34) procurement items recommended to it by the Long Island Rail Road Committee, consisting of four (4) procurement items from LIRR and thirty (30) procurement items from MTA Capital Construction Company (MTACC).

Procurement Items – Non –Competitive

- **LIRR - Ansaldo STS USA, Inc. - \$18,325,000** – This is an omnibus approval request for Long Island Rail Road (LIRR), Metro-North Railroad (MNR) and New York City Transit (NYCT), for items identified as obtainable only from Ansaldo STS USA, Inc. (Ansaldo). LIRR, MNR, and NYCT (the “Agencies”) request MTA Board approval in an aggregate amount not-to-exceed of \$18,325,000 (\$5.25M – LIRR; \$6M – MNR; \$7M – NYCT) over a 36-month period to purchase services and/or parts required to support LIRR’s, MNR’s and NYCT’s current inventory of equipment designed and manufactured by Ansaldo.

Upon motion duly made and seconded, the Board approved the foregoing procurement 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 – Competitive

- **LIRR - Citnalta/Scalamandre JV - \$80,350,000** – Long Island Rail Road requests MTA Board approval to award a competitively solicited and negotiated design-build contract in the amount of \$80,350,000 to Citnalta/Scalamandre JV to complete the design and construction services for station enhancements at 8 out of 14 various LIRR stations. A subsequent MTA Board request to award a second contract for the 6 remaining stations shall follow this initial request. This Contract is an integral part of the Enhanced Station Initiative (ESI) program for the Long Island Rail Road to improve and upgrade the customer experience.
- **MTACC - Various Firms – NTE \$56,000,000** – In accordance with Article X of the MTA All-Agency Service Contract Procurement Guidelines, MTACC is seeking Board approval on behalf of itself, Long Island Rail Road (“LIRR”) and Metro North Railroad (“MNR”) to enter into competitively solicited personal service contracts with twenty six firms to provide professional staffing and services on an as-needed basis:

1. A.G Consulting Engineers (DBE)
2. Aptim Engineering of New York
3. Arcadis of New York Inc.
4. Armand Corporation (DBE)
5. CARIAN Group
6. Di Domenico + Partners
7. Dvirka & Bartilucci Engineering
8. FS Consulting LLC (DBE)
9. Faithful + Gould
10. Haider Engineering (DBE)
11. Hill International Inc.
12. Info Systems International

13. Infojini, Inc.
14. Management Concepts Systems & Svcs (DBE)
15. Mott MacDonald
16. MP Engineers (DBE)
17. Naik Consulting Group (DBE)
18. Net2source Inc.
19. Nova Link Sol
20. Penda Aiken, Inc. (DBE)
21. PMA Consultants
22. Poli Design Group (DBE)
23. SI Engineering (DBE)
24. SJH Engineering (DBE)
25. Tectonic Engineering
26. Ty Lin International

- **MTACC - Various Firms – NTE \$5,000,000** - In accordance with Article X of the MTA All-Agency Service Contract Procurement Guidelines, MTACC seeks Board approval to enter into competitively solicited and negotiated personal service contracts with three firms to provide independent compliance monitoring on projects managed by MTACC on an as-needed basis.

1. Ankura Consulting, LP
2. Exiger LLC
3. K2 Intelligence LLC

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.

Procurement Items – Ratifications

- **LIRR - Harsco Metro Rail, LLC - \$380,000** – Pursuant to an emergency Declaration, LIRR requests Board ratification of a contract to Harsco Metro Rail LLC (Harsco) in the Not to Exceed amount of \$380,000 to provide all equipment and labor necessary for the repair of a Harsco Spreader/Ditcher Model L14230 which is required to clear snow drifts that are up to 12 feet high from the right of way.

- **LIRR - Skanska-Posillico II (Jt Venture) –**

Original Amount:	\$56,015,000
Prior Modification:	\$ 4,702,927
Prior Budget Increases:	\$ <u>0</u>
Current Amount:	\$60,717,974
This Request:	\$ 4,396,690

It is requested that the Board formally ratify the declaration of an Immediate Operating Need ("ION"), made by the Chief Procurement & Logistics Officer, waiving formal competitive bidding pursuant to Article III Paragraph A of the All Agency Procurement Guidelines and Public Authorities Law Section 1265a subsection 4(a) and approve a contract modification to Skanska-Posillico II (JV) ("SPII JV") for Construction Management Services for the new Second Track located on LIRR's Ronkonkoma Branch. The estimated period of performance is sixteen months from Notice of Award ("NOA").

- **MTACC - Tutor Perini Corporation - \$2,768,000** – In accordance with Article VIII of the All-Agency General Contract Procurement Guidelines, MTACC is requesting the Board ratify a modification to the contract to implement repairs and upgrades to prevent water infiltration into multiple Queens Facilities.

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.

Board Member Scott Rechler noted that he had asked about an LIRR Action Plan. He stated that the recent level of service was unacceptable, and while LIRR can't control Amtrak or equipment breakdowns, it can control communications. LIRR needs to develop other approaches so that its people can better communicate with each other and then communicate more effectively with our customers. Mr. Rechler asked the Chairman to focus on this.

Board Member Norman Brown noted that we first had a Subway Action Plan, and now we have an LIRR Action Plan. He stated that he did not want to see MTA resources shifted away from other parts of the system as a result of an LIRR Action Plan.

Chairman Lhota responded that the issues faced by LIRR are less money-related, and more management-related and that this will be a focus of his.

Board member Neal Zuckerman reminded the Board there are 341 days left to go before the December 31, 2018 deadline for PTC implementation. He stated that we must achieve this milestone by December 31, 2018 and it is his #1 priority for 2018. LIRR may have issues, but it is part of one system, and for the communities served by Metro North, PTC is the #1 priority.

Chairman Lhota agreed with Board Member Zuckerman's comments. He stated that as he mentioned at the Safety Committee Meeting, PTC is a layering of different components. MTA will inform the public what PTC is and what is currently happening. He also agreed with Board Member Zuckerman that he would like this to be one MTA.

Board Member Ira Greenberg stated that LIRR has unique challenges; its major terminal, Penn Station, is run by someone else. He asked whether we should have MTA employees maintain the station tracks and tunnels. He added that a certain amount of failure can be tolerated, but on LIRR, it has to be less than what has been occurring recently.

Chairman Lhota responded that Penn Station and the East River Tunnels are a single point of failure for LIRR and that MTA is working with Amtrak to enhance relations overall and to try to get Amtrak and LIRR to work together better.

6. Executive Session.

Chairman Lhota asked for a motion to move the Board meeting into Executive Session, pursuant to Section 105(e)(1) of the Public Officers Law, to discuss matters relating to collective bargaining. Chairman Lhota also announced that the February Committee and Board meetings would be held during the President's Day week, and accordingly would take place on Tuesday and Thursday of that week.

Upon motion duly made and seconded, the Board Meeting was moved into Executive Session.

7. Adjournment

Upon returning to the public session of the Board Meeting, Chairman Lhota noted that the Board had considered one matter relating to pensions and four matters relating to contracts while in Executive Session. He asked for motion to adjourn the meeting.

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 12:15 P.M.

Respectfully submitted,



Mark D. Hoffer,
Secretary

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

BOARD MINUTES

January 24, 2018

Minutes of the Regular Meeting
Triborough Bridge and Tunnel Authority
January 24, 2018

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

The following alternate non-voting member was also present:

Hon. Andrew Albert

The following members were absent:

Hon. John J. Molloy
Hon. Veronica Vanterpool
Hon. Carl V. Wortendyke

Patrick Foye, President, Veronique Hakim, Managing Director, Janno Lieber, MTA Chief Development Officer, Phillip Eng, Chief Operating Officer, Helene Fromm, Acting General Counsel, Robert Foran, Chief Financial Officer, Andrew Byford, President, New York City Transit Authority, Patrick Nowakowski, President, Long Island Rail Road, Catherine Rinaldi, Acting President, Metro-North Railroad, Cedrick T. Fulton, President Triborough Bridge and Tunnel Authority, Darryl Irick, President, MTA Bus Operations, 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 31 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 introducing Andy Byford as president of the New York City Transit Authority. He stated that for five years Mr. Byford was the Chief Executive Officer of the Toronto Transit Commission, the third largest transit system in North America. He helped reduce subway delays and customer satisfaction hit record levels under his leadership. Chairman Lhota also gave an update regarding the Subway Action Plan.

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 December 13, 2017

Upon a motion duly made and seconded, the minutes of the Regular Board Meeting held on December 13, 2017 were approved.

4. Committee on MTA Bridges and Tunnels Operations

Procurements

Commissioner Moerdler stated that there is one (1) procurement totaling \$1.7 million.

Non-Competitive Procurements

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

Competitive Procurements

Commissioner Moerdler stated that there is one (1) competitive procurement totaling \$1.7 million.

Personal Service Contracts

Kupper Engineering and Land Surveying, PLLC	Contract No. PSC-15-2970 TBTA is seeking Board approval under the All Agency Service Contract Procurement Guidelines to award a competitively negotiated personal service contract in order to provide all labor, material and equipment necessary to perform Maritime Security Services.	\$1,682,487.90
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Ratifications

Commissioner Moerdler stated that there are three ratifications totaling \$24.5 million.

Ratification of Completed Procurement Actions

DeFoe Corp.	Contract No. RK-23A This is to inform the Board and seek its ratification under the All Agency General Contract Procurement Guidelines for an amendment issued under public work Contract RK-23A to furnish and install electrical and other associated work in connection with post Open Road Tolling (ORT) implementation at the RFK Bridge.	\$13,925,775.26
Judlau Contracting, Inc.	Contract No. QM-40S This is to inform the Board and seek its ratification under the All Agency General Contract Procurement Guidelines for an amendment issued under public work Contract QM-40S to furnish and install electrical and lighting infrastructure upgrades to modernize the Manhattan and Queens Plazas in coordination with the new Open Road Tolling (ORT).	\$8,600,000.00
WSP SELLS / HNTB, JV	Contract No. PSC-14-2957 This is to inform the Board and seek its ratification under the All Agency Services Contract Procurement Guidelines to amend personal services Contract PSC-14-2957 for additional design and construction support services (CSS).	\$2,007,374.29

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

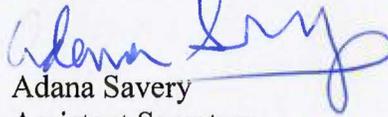
5. Executive Session

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

6. **Adjournment**

Upon a motion duly made and seconded, the Board unanimously voted to adjourn the meeting at 12:15 p.m.

Respectfully submitted,



Adana Savery
Assistant Secretary

**Regular Board Meeting
MTA Capital Construction Company
2 Broadway
New York, NY 10004
Wednesday, January 24, 2018
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. Mitchell H. Pally
Hon. Scott Rechler
Hon. Andrew Saul
Hon. Lawrence Schwartz
Hon. Polly Trottenberg
Hon. James Vitiello
Hon. Peter Ward
Hon. Carl Weisbrod
Hon. Neal Zuckerman

The following alternate non-voting member was also present:

Hon. Andrew Albert

The following members were absent:

Hon. John J. Molloy
Hon. Veronica Vanterpool
Hon. Carl V. Wortendyke

Patrick Foye, President, MTA Veronique Hakim, Managing Director, MTA, Janno Lieber, Chief Development Officer, MTA, Phillip Eng, Chief Operating Officer, MTA, Helene Fromm, Acting General Counsel, MTA, Robert Foran, Chief Financial Officer, MTA, Andrew Byford, President, NYCT, Patrick Nowakowski, President, Long Island Rail Road, Catherine Rinaldi, Acting President, Metro-North Railroad, Cedrick Fulton, President, TBTA, Darryl Irick, President, MTA Bus, and Stephen Morello, Counselor to the Chairman, Evan Eisland, Sr. Vice President, General Counsel and Secretary, MTACC and David Cannon, Vice President, Chief Procurement Officer and Assistant Secretary, MTACC also attended the meeting.

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 thirty one (31) public speakers one of whom spoke on MTA Capital Construction Company matters.

John Orcutt of Transit Center raised concern about labor and consultant costs on MTA projects. He expressed support for the new Board task force that will be reviewing the procurement process and recommending reforms, and noted that it is urgent that the Board show progress to ensure that MTA funds are well used and not wasted. He also suggested that the Board require MTA staff to provide material for Board meetings earlier.

The names and remarks of the other public speakers are contained in the minutes of the Regular Meeting of the Metropolitan Transportation Authority and in the minutes of the other agencies of this date.

Chairman's Remarks

Chairman Lhota'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 Board Meeting of the Metropolitan Transportation Authority and the MTA Capital Construction Company held on December 13, 2017.

Committee on Finance

Action Item

Upon motion duly made and seconded with Board Member Moedler abstaining, the Board approved the following Action item:

Procurement of additional insurance coverage related to the 2015-2019 Capital Plan Owner Controlled Insurance Program ("OCIP") to include the Long Island Railroad Expansion Project for the amount of \$84,500,000.

A copy of the 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.

Procurement Item

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

Award of a competitively solicited and negotiated All-Agency miscellaneous contract (contract number to be determined) to Ernst & Young LLC to furnish, implement and maintain an Enterprise Governance, Risk and Compliance System for the amount of \$4,795,879 and for a four year duration.

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.

Real Estate Action Item

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

Renewal of a lease with 29-76 Realty Company for a seven year period (MTA has the right to terminate the lease with not less than 12 months prior written notice effective the last day of the second year of the lease) for one floor at 29-76 Northern Boulevard, Long Island City to continue to serve as the East Side Access Queens Area Office.

A copy of the 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.

Committee on NYCT and Bus

Procurement Items

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

A modification to five federal and five state funded professional and technical staffing contracts (CM-1413 through CM-1422) for New York City Transit, MTA Capital Construction, MTA Bus and Metro North Rail Road for a time extension of six months and an increase of funding of \$20,000,000.

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.

Committee on Long Island Rail Road

Procurement Items

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

1. Award of competitively solicited Personal Service contracts (contract numbers to be determined) to twenty-six firms to provide professional staffing and services on an as needed basis to MTA Capital Construction Company, Long Island Rail Road and Metro North Railroad for an aggregate not-to-exceed amount of \$56,000,000 (MTACC – \$36,000,000, LIRR - \$10,000,000 and MNR - \$10,000,000) for a five year period.
2. Award of competitively solicited and negotiated Personal Service contracts (PS862A, PS862B and PS862C) to three firms to provide independent integrity compliance monitors for an aggregate not-to-exceed amount of \$5,000,000 and a four year duration.

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

A modification to the Systems Facilities Package No. 1 contract (CS179) for the East Side Access Project to implement repairs and upgrades to prevent water infiltration into multiple Queens Facilities in the amount of \$2,768,000.

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

Executive Session

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

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

Adjournment

Upon motion duly made and seconded, the Board voted to adjourn the public meeting at 12:15 p.m.

Respectfully submitted,



David K. Cannon
Assistant Secretary

Staff Summary

Subject MTA 2018 Budget and 2018-2021 Financial Plan <i>(Revised per February Financial Plan)</i>
Department Chief Financial Officer
Department Head Name Robert E. Foran
Department Head Signature 
Project Manager/Division Head Douglas F. Johnson 

Date February 20, 2018
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

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

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

Purpose:

To secure MTA Board (i) adoption of the accompanying **2018 Final Proposed Budget and the Four-Year Financial Plan 2018-2021 (“February Plan” or “Plan”)**, which includes approving the 2017 Final Estimate and Plan Adjustments (items below the baseline), and (ii) authorization of Budget and Plan adjustments, including MTA efficiency targets and policy actions, as set forth in this Staff Summary. This Plan reflects a “phase-in” of the Subway Action Plan (SAP) to match available funding. It also captures subsidy forecasts that are lower than those projected in the November Plan. This Plan captures favorable 2017 results at MTA Bridges and Tunnels as well as projected debt service savings from advance refunding transactions in December 2017 and the draw-down of capital cash balances in lieu of additional bonding. The February Plan also captures minor timing and other technical adjustments to MTA and Agency forecasts.

Discussion:

In December, the MTA Board approved the 2018 Budget and 2018-2021 November Financial Plan which projected small cash balances through 2019, with deficits of \$352 million in 2020 and \$643 million in 2021. The November Plan reflected: \$1.14 billion in lower real estate revenues since the 2017 Adopted Budget, an average annual decline of \$229 million; proposed 4 percent fare/toll increases in 2019 and 2021, consistent with previous plans; annual recurring cost savings targets increasing from \$214 million in 2018 to \$418 million in 2021; and, the use of some reserves to offset expenses.

That Plan also assumed that the SAP would be fully funded; however, in recognition of the uncertainty of that funding, the staff summary for Plan approval included the following language: “Recommend necessary changes to the scope of the Subway Action Plan in the February Plan to match available funding, as well as authorization to make corresponding changes to the Budget.”

Subsequent events - On January 16, 2018 the New York State 2018-2019 Executive Budget was released; it includes \$254 million in funding intended to cover half of the operating expenses and \$174 million to cover half of the capital funding of the original SAP. On February 1, 2018, the City of New York’s 2019 Preliminary Budget was released. The City’s 2019 Preliminary Budget does not include funding for the SAP. Reflecting this reduced funding level, the MTA is recommending a “phase-in” of the SAP to match available funding from the State, prioritizing the elements most critical to reducing incidents and delays and improving service reliability.

This Plan is an adjusted version of the plan approved by the Board in December. In addition to lower costs from the phase-in of the SAP this Plan reflects: Metropolitan Mass Transportation Operating Assistance (MMTOA) subsidy forecasts that are lower than those projected in the November Plan; favorable 2017 results at MTA Bridges and Tunnels; projected debt service savings from advance refunding transactions in December 2017; the draw-down of capital cash balances in lieu of additional bonding; and minor timing and other technical adjustments to MTA and Agency forecasts. These changes are described in detail within the February Plan materials. This Plan funds all the other programs that were included in the November Plan.

Factoring in the above-described adjustments, ending cash positions have changed from the November Plan. This Plan is projecting year-end cash balances of \$118 million in 2017, \$9 million in 2018 and \$4 million in 2019, with projected cash deficits of \$403 million in 2020 and \$602 million in 2021 (see attachment A). New sources of operating, or acceleration of State/City capital, funding will be necessary to reduce these out-year deficits.

Recommendation:

It is recommended that the Board:

- Adopt the 2018 Final Proposed Budget and Four-Year Financial Plan 2018-2021 (February Plan), which includes approving the 2017 Final Estimate and Plan Adjustments (items below the baseline). The approval of this Plan will supersede prior Board Plan approvals for this period, including that of December 2017. As stated in the December Staff Summary, the projected 2019 and 2021 fare/toll increase proposals will require separate Board action in advance of those dates.
- Reauthorize staff, under the guidance and direction of the Chairman, Managing Director, and Chief Financial Officer or their designees to take actions to implement the policy actions set forth in the Plan.
- Authorize staff to carry out the phased-in SAP.
- Reauthorize staff to carry out all actions, including budget and cash management, that were included within the recommendation section of the December Staff Summary (see attachment B), but excluding those references to SAP reductions that have already been taken and are no longer applicable.
- Authorize staff to expand the SAP should additional funding become available.

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2018-2021
MTA Consolidated Statement Of Operations By Category
(\$ in millions)

Line No.	Non-Reimbursable	Actual 2016	Final Estimate 2017	Adopted Budget 2018	2019	2020	2021
10	Operating Revenue						
11	Farebox Revenue	\$6,050	\$6,172	\$6,277	\$6,308	\$6,347	\$6,353
12	Toll Revenue	1,870	1,906	1,923	1,937	1,946	1,953
13	Other Revenue	688	665	673	685	718	720
14	Capital and Other Reimbursements	0	0	0	0	0	0
15	Total Operating Revenue	\$8,608	\$8,744	\$8,873	\$8,930	\$9,011	\$9,026
17	Operating Expense						
18	Labor Expenses:						
19	Payroll	\$4,839	\$5,037	\$5,285	\$5,455	\$5,592	\$5,712
20	Overtime	771	882	794	795	810	840
21	Health & Welfare	1,172	1,214	1,345	1,441	1,530	1,627
22	OPEB Current Payment	562	569	638	692	751	816
23	Pensions	1,370	1,326	1,340	1,360	1,359	1,373
24	Other-Fringe Benefits	948	889	895	930	966	996
25	Reimbursable Overhead	(425)	(476)	(432)	(412)	(389)	(383)
26	Total Labor Expenses	\$9,238	\$9,441	\$9,864	\$10,262	\$10,620	\$10,981
28	Non-Labor Expenses:						
29	Electric Power	\$406	\$444	\$505	\$519	\$547	\$604
30	Fuel	125	147	153	152	177	187
31	Insurance	(21)	30	30	33	38	44
32	Claims	464	314	320	328	329	330
33	Paratransit Service Contracts	384	391	416	440	467	492
34	Maintenance and Other Operating Contracts	631	751	777	763	762	801
35	Professional Service Contracts	401	575	563	469	462	459
36	Materials & Supplies	586	606	673	667	707	705
37	Other Business Expenses	193	209	213	225	233	238
38	Total Non-Labor Expenses	\$3,168	\$3,467	\$3,651	\$3,594	\$3,723	\$3,860
40	Other Expense Adjustments:						
41	Other	\$47	\$52	\$49	\$50	\$52	\$53
42	General Reserve	0	0	160	165	175	180
43	Total Other Expense Adjustments	\$47	\$52	\$209	\$215	\$227	\$233
45	Total Operating Expense before Non-Cash Liability Adj.	\$12,454	\$12,960	\$13,724	\$14,071	\$14,569	\$15,073
47	Depreciation	\$2,443	\$2,615	\$2,674	\$2,741	\$2,808	\$2,870
48	OPEB Liability Adjustment	1,562	1,681	1,776	1,871	1,975	2,084
49	GASB 68 Pension Expense Adjustment	(219)	(172)	(235)	(229)	(246)	(284)
50	Environmental Remediation	12	4	6	6	6	6
52	Total Operating Expense after Non-Cash Liability Adj.	\$16,252	\$17,088	\$17,945	\$18,461	\$19,112	\$19,750
54	Conversion to Cash Basis: Non-Cash Liability Adjs.	(\$3,798)	(\$4,128)	(\$4,222)	(\$4,390)	(\$4,542)	(\$4,677)
56	Debt Service (excludes Service Contract Bonds)	2,459	2,507	2,573	2,785	2,995	3,162
58	Total Operating Expense with Debt Service	\$14,912	\$15,467	\$16,297	\$16,857	\$17,565	\$18,235
60	Dedicated Taxes and State/Local Subsidies	\$6,666	\$6,469	\$6,601	\$6,817	\$6,983	\$7,206
62	Net Surplus/(Deficit) After Subsidies and Debt Service	\$362	(\$254)	(\$822)	(\$1,110)	(\$1,571)	(\$2,003)
64	Conversion to Cash Basis: GASB Account	0	0	(8)	(18)	(29)	(42)
65	Conversion to Cash Basis: All Other	(594)	80	146	214	92	21
67	CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	(\$232)	(\$174)	(\$685)	(\$915)	(\$1,508)	(\$2,024)
68	ADJUSTMENTS	0	45	576	910	1,101	1,422
69	PRIOR-YEAR CARRYOVER	480	248	118	9	4	0
70	NET CASH BALANCE	\$248	\$118	\$9	\$4	(\$403)	(\$602)

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2018-2021
Plan Adjustments
(\$ in millions)

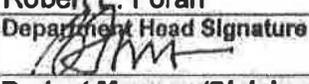
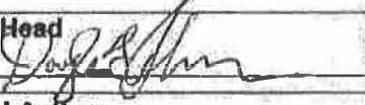
Line No.	Actual 2016	Final Estimate 2017	Adopted Budget 2018	2019	2020	2021
11	Cash Balance Before Prior-Year Carry-over					
	(\$232)	(\$174)	(\$685)	(\$915)	(\$1,508)	(\$2,024)
13	Fare/Toll Increases:					
14		-	-	274	323	323
15		-	-	-	-	286
16		-	-	(10)	(10)	(20)
17	Sub-Total	\$0	\$0	\$263	\$313	\$590
19	MTA Efficiencies - Not Yet Implemented		(\$0)	\$214	\$309	\$388
21	Policy Actions:					
22		-	65	-	-	-
23		-	-	65	65	65
24		-	8	19	30	43
25		-	52	53	54	55
26	Subway Action Plan (SAP):					
27		97	159	150	150	150
28		(97)	(159)	(150)	(150)	(150)
29		(63)	63	-	-	-
30		-	254	150	150	150
31		80	(80)	-	-	-
32	Sub-Total	\$17	\$362	\$286	\$299	\$313
34	MTA Re-estimates:					
35		28	-	-	-	-
36		-	-	50	101	101
37	Sub-Total	\$28	\$0	\$50	\$101	\$101
39	TOTAL ADJUSTMENTS		\$45	\$576	\$910	\$1,101
40						\$1,422
41		480	248	118	9	4
42						0
43	Net Cash Surplus/(Deficit)		\$248	\$118	\$9	\$4
					(\$403)	(\$602)



Staff Summary

REVISED: 12.11.2017

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Department Head Name Robert E. Foran						Contract Number			
Department Head Signature 						Contract Manager Name			
Project Manager/Division Head Douglas F. Johnson 						Table of Contents Ref #			
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Purpose:

To secure MTA Board (i) adoption of the accompanying **2018 Final Proposed Budget and the Four-Year Financial Plan 2018-2021** ("November Plan" or "Plan"), which includes approving the 2017 Final Estimate and Plan Adjustments (Items below the baseline), and (ii) authorization of Budget and Plan adjustments, including MTA efficiency targets and policy actions, as set forth below in this Staff Summary.

Discussion:

This document summarizes the **November Plan** presented to the Board for Information purposes at the November Board meeting, which projects ending cash balances of \$78 million in 2017, \$30 million in 2018, and \$69 million in 2019 with projected cash deficits of \$352 million in 2020 and \$643 million in 2021 (see attachment A). Since 2010, MTA financial plans – which are developed in a disciplined, consistent, and transparent process – have included the impact of our continuous pursuit of operational efficiencies and recurring cost reductions which are used to temper the amount of revenues needed from biennial fare and toll increases and governmental subsidies and provide funding for the capital program and enhanced maintenance. The Plans have added service when sustainable while also addressing long-term costs such as pensions, health care, paratransit, and debt service previously considered "uncontrollable."

The November Plan captures the major assumptions that were first identified in the July Plan. It is updated to reflect stakeholder input and the impact of new developments and risks. It includes a revised current year forecast and finalization of the proposed budget for the upcoming year along with projections for the three out-years.

The **July Plan** was based on three key inter-related elements: (i) fare and toll price increases of 4% in 2019 and 2021; (ii) annually recurring cost reduction cost containment targets that will increase the level of annual savings to \$2.3 billion per year by 2021; and (iii) support for \$100 million in additional funding needed for the amended Capital Program. The July Plan also funded important new investments over the plan period including \$484 million for improved maintenance/operations and customer experience enhancements.

The July Plan included certain MTA actions to address unfavorable changes from the February Plan, most notably a significant reduction in real estate transaction revenue, which remain in the November Plan assumptions:

- Increased savings targets by \$150 million per year, starting in 2018 with an incremental increase of \$50 million per year thereafter, growing to \$300 million in 2021;
- Restoration of PMT Replacement Funds to \$307 million a year (\$65 million per year);
- Suspended contributions to the B&T Necessary Reconstruction Reserve Fund from 2018-2021 (\$214 million) instead of PAYGO;
- Use of \$135 million of the \$155 million in the 2017 General Reserve; and
- Suspended planned contributions to the GASB 45 OPEB reserves, set aside to fund Other Post-Employment Benefits (principally, retiree healthcare costs), beginning in 2018 (\$101 million).

The July Plan was balanced through 2019 with funding gaps of \$112 million in 2020 and \$493 million in 2021.

Changes from the July Plan

There have been revenue and expense re-estimates and other changes since the July Plan:

Changes and re-estimates worsening financial results over the Plan period:

- Lower farebox/toll revenue estimates (\$281 million)
- Lower real estate transaction forecasts (\$147 million)
- Lower advertising revenue (\$143 million)
- Lower MMTOA receipts (\$80 million)

Changes and re-estimates improving financial results over the Plan period:

- Lower debt service costs (\$189 million)

In total, changes and re-estimates, including the above, are \$309 million unfavorable for the plan period.

Highlights of the November Plan

The November Plan continues to follow the approach reflected in earlier plans and contains many noteworthy items:

Subway Action Plan (SAP). This \$1.5 billion investment over the Plan period will target the key drivers of 79 percent of the major incidents that cause service delays, including signals, track and power issues. It also addresses water-related damage and corrosion, track fires, car breakdowns, police activity and station issues. The investment funds the following core areas: track/infrastructure, signals, power, fleet, stations and communications. The Subway Action Plan will “jump start” improvements over the next 14 months, then maintain this level of effort going forward.

Using existing reserves and available cash, the MTA will provide the initial operating and capital cash-flow funding of this work with the expectation of full reimbursement in 2018. The Governor has committed to funding one half of the costs of this program. If new funding commitment for the remaining cost of the program is not forthcoming, the SAP will be scaled back to a sustainable level and the February Plan will be adjusted.

The 2018 operating costs are reflected in the proposed 2018 budget. All capital costs are being presented in a proposed amendment to the 2015-2019 Capital Plan.

Hold projected fare/toll increases to 4% in 2019 and 2021. The Plan continues to project 4% biennial fare/toll increases (the equivalent of 2% per year) which is lower than the projected two-year inflation rates of 5.5% and 5.3% in 2019 and 2021, respectively. Consistent with recent Plans, a March 1st implementation is assumed for both the 2019 and 2021 increases. The annualized yield of these increases is projected to be \$321 million and \$336 million, respectively.

Increase annually recurring savings targets. The Plan maintains the annual savings targets proposed in February and July (\$200 million in 2018, \$250 million in 2019, \$300 million in 2020 and \$350 million in 2021). While these aggressive targets will be harder to achieve, the MTA remains committed to meeting them. Some \$593 million in savings have been implemented or identified in the July and November Plans. The July Plan captured \$509 million of savings in areas including: health & welfare, headcount efficiencies, Enterprise Asset Management (EAM) program, paratransit, maintenance, and Information Technology (IT). The November Plan identifies \$84 million in savings that include reduced prescription benefit costs at NYCT and operational efficiencies at B&T.

Since 2010, the MTA has implemented initiatives with annualized savings of \$1.9 billion. These programs, when combined with the additional targets from February and July will result in annual savings of \$2.3 billion by 2021.

Other MTA Actions

As previously described, the July Plan was balanced in part by using \$135 million from its \$155 million General Reserve and by suspending planned funding to certain reserve accounts. In addition, the July Plan assumed the restoration of PMT Replacement Funds from NYS of \$307 million (\$65 million per year). This Plan retains all of those assumptions. In addition, it assumes that the \$149 million GASB 45 OPEB Reserve and the remaining \$20 million from the 2017 General Reserve used to advance the funding of the SAP in 2017 and early 2018 will be reimbursed by the State and other funding sponsors and then used to offset operating expenses in 2018.

The “Bottom Line”

Combined, the above noted changes and re-estimates and recommendations result in a net worsening to MTA's financial forecast over the plan period. As detailed in the following chart, this Plan is balanced through 2019; however, July projected gaps for 2020 and 2021 of \$112 million and \$362 million are increasing to \$352 million and \$643 million, respectively.

Challenges Going Forward

There are many challenges and risks ahead:

Secure full funding for the Subway Action Plan. The implementation of the SAP will provide critical and measurable improvements to the performance of our subway system and in the quality of service provided to our customers. As previously mentioned, the MTA has received a commitment from the Governor that the State will fund half of the SAP's cost. If an additional funding commitment is not forthcoming, the SAP will be adjusted commensurate with available funding and the February Plan will be adjusted.

Secure new sustainable funding for operations and capital. The plan assumes aggressive cost-cutting yet is still projecting significant out-year gaps. In order to sustain operations and protect investments made to date and/or planned, the MTA will almost certainly require a new source of future funding to support its operating and capital budgets.

Biennial fare and toll increases. While we work diligently to control costs, the reality is that combined fares and tolls only cover approximately half of operating costs (“Farebox Operating Ratio”) and a little more than a third of total costs, including capital costs (“Farebox Recovery Ratio”). Moreover, many costs are dependent on pricing factors beyond our direct control (e.g., energy, health & welfare and pensions). If projected fare and toll increases are not implemented, our financial situation will quickly deteriorate as revenue will not be able to keep pace with inflation and other cost growth.

Achieve cost reduction targets. Efforts to reduce costs will continue, but it becomes increasingly challenging as much of the “low hanging fruit” has been harvested. Unidentified savings targets are \$214 million in 2018, \$309 million in 2019, \$388 million in 2020, and \$418 million in 2021. We recognize that these targets are aggressive and will be harder to achieve, but we are committed to meeting these goals. If we do not achieve our targets, operating gaps will occur earlier and be larger. We must also remain focused on existing cost control efforts to avoid backsliding, as we cannot afford to “give back” any of the savings that we have worked so hard to achieve to date.

Increased investments in maintenance/operations and customer experience enhancements. Our challenge is to continue maintaining and improving our operations, even as growing ridership puts more demands on our aging infrastructure, including our 113-year old subway system. We need to find more efficient ways to improve our System, move our customers, and enhance their experience.

General economic conditions. The finances of the MTA are highly influenced by economic factors. Passenger and toll revenues, dedicated taxes and subsidies (including real estate transaction tax revenue), debt service, pensions and energy costs are all impacted by the health of the economy. If the economic assumptions reflected in the Plan are not realized, the November Plan projected results could be adversely affected.

Potentially higher interest rates greater than forecast. The November Financial Plan includes interest rate assumptions in line with the Federal Open Markets Committee’s recent actions and policy statements on future actions. Changes in economic activity may result in increases of the federal funds rate, which in turn could lead to an increase in bond rates greater than projected in the Plan and ultimately increase our debt service costs.

Recommendation:

It is recommended that the Board:

- Adopt the 2018 Final Proposed Budget and Four-Year Financial Plan 2018-2021 (November Plan), which includes approving the 2017 Final Estimate and Plan Adjustments (items below the baseline). The approval of this Plan will supersede prior Board Plan approvals for this period. Note that the projected 2019 and 2021 fare/toll increase proposals will require separate Board action in advance of those dates.
- Authorize staff, under the guidance and direction of the Chairman, Managing Director, and Chief Financial Officer or their designees to take actions to implement the policy actions set forth in the Plan.
- Policy actions include the full funding of the Subway Action Plan. The Plan assumes NYS funding for half of the costs of the SAP, including debt service. The Plan assumes a new source of funding for the other half of the SAP cost. The Plan also includes the reimbursement of MTA's advance funding of SAP costs in 2017 and early 2018 (see below), and the operating budget will temporarily fund 2017 capital costs that are expected to be paid back from the Capital Program in 2018. The Plan assumes that if new funding commitments are not forthcoming, the SAP will be scaled back to a sustainable level.
- Recommend necessary changes to the scope of the Subway Action Plan in the February Plan to match available funding, as well as authorization to make corresponding changes to the Budget.
- Authorize staff to draw down the unexpended 2017 general reserve (\$155 million). The July Plan assumed the drawdown of \$135 million; the remaining \$20 million will be used to provide advance cash-flow funding of the Subway Action Plan (SAP) in 2017. The \$20 million is assumed to be restored in 2018 upon the reimbursement from NYS and a new funding source, and will roll into the 2018 cash balance.
- Authorize staff to draw down \$80 million of GASB 45 OPEB Reserves to provide advance cash-flow funding of the SAP in 2017. Funds are assumed to be restored to the GASB 45 OPEB Reserves in 2018 upon the reimbursement from NYS and a new funding source.
- Authorize staff to draw down the \$149.5 million GASB 45 OPEB Reserves balance (after restoration of \$80 million advance) to offset expenses in 2018.
- Authorize staff to suspend planned contributions to the GASB 45 OPEB Reserves beginning in 2018. This action would reduce operating-funded contributions by \$101 million over the plan period.
- Authorize staff to suspend contributions to B&T's Necessary Reconstruction Reserve from 2018 to 2021. This action would reduce operating-funded contributions by \$214 million over the plan period, still leaving \$321 million in the fund.
- Authorize technical adjustments to MTA budgets and forecasts of a non-material nature in the February Plan.
- Authorize adjustment of MTA budgets and forecasts to reflect labor settlements approved from time to time by the Board.

- Authorize staff, under the guidance and direction of the Chairman, Managing Director, the Chief Financial Officer or their designees (including the MTA Treasurer), to take additional budget and cash management actions, as has been done in past budgets, to draw on the general reserve and/or make budget adjustments to respond to unexpected expenses or revenue/subsidy shortfalls, and other actions described below:

Advance of Bridges and Tunnels Operating Surplus

The Board is requested to authorize Bridges and Tunnels to advance to MTA and NYC Transit, to the extent funds are available, all or part of the estimated operating surplus for the year 2018.

Uses of MTA MRT-2 Corporate Account Monies

Unlike many other forms of intergovernmental aid, these subsidy monies, by statute, can be allocated at the Board's discretion. It is recommended that the Board authorize that these funds be used as set forth in the Plan, authorize staff to administer these funds in a manner consistent with the Plan, and to temporarily help stabilize cash-flow requirements. As in the past, the advance of funds to the MTA and its affiliates and subsidiaries to stabilize cash-flow requirements may be made, provided they are repaid prior to the end of the fiscal year in which made.

Uses of Payroll Mobility Tax (and Replacement Funds) and MTA Aid

Like the MRT-2 Corporate Account moneys, these subsidy monies, by statute, can be allocated at the Board's discretion. It is recommended that the Board authorize that the revenues from the PMT (and Replacement Funds) be released as needed: (i) for pledged revenues by MTA to secure and be applied to the payment of bonds to be issued in the future, to fund capital projects of MTA, its subsidiaries, and MTA New York City Transit and its subsidiary and (ii) to pay capital costs, including debt service of MTA, its subsidiaries, and MTA New York City Transit and its subsidiary. It is further recommended that the Board authorize that subject to the provisions of any such pledge, or in the event there is no such pledge, the PMT Revenues be used by MTA to pay for costs, including operating and capital costs of MTA, its subsidiaries and MTA New York City Transit and its subsidiary.

Further, it is recommended that the Board authorize that the revenues in the MTA Aid Trust Account (derived from four fees and taxes imposed in the Metropolitan Commuter Transportation District – a supplemental motor vehicle license fee, a supplemental motor vehicle registration fee, a tax on medallion taxicab rides, and a supplemental tax on passenger car rentals) be released as needed and used as pledged revenues by MTA or pledged to the Triborough Bridge and Tunnel Authority to secure debt of MTA Bridges and Tunnels. Further, subject to the provisions of such pledge, or in the event there is no such pledge, the Board authorizes the release of these funds to be used by MTA for the payment of operating and capital costs of the MTA and its subsidiaries, and New York City Transit, and its subsidiary.

Inter-Agency Loans

The Board is requested to authorize staff acting under Section 1266 (6-a) of the Public Authorities Law, to enter into inter-agency loan agreements among the MTA and its affiliates and subsidiaries. This authorization would allow the temporary movement of funds among agencies to meet cash flow requirements for operating or capital purposes resulting from a mismatch between the receipt of subsidies and other monies and cash flow needs. The statute requires that any such inter-agency loans be repaid no later than the end of the next succeeding calendar year.

Use of Stabilization Reserve: Provision for Prompt Payment of Contractual Obligations

In 1996, the Board approved the establishment of a Stabilization Reserve, to be held by the MTA Treasurer (the "Treasurer"), to stabilize MTA Agencies' cash flow requirements. The fund consists of two accounts, the MTA New York City Transit Account (the "Transit Account") and the MTA Commuter Railroad Account (the "Commuter Railroad Account"). The Board is requested to authorize the use of any balances in such accounts, plus any amounts authorized to be transferred to such accounts, to meet the cash flow requirements of MTA New York City Transit and the MTA Commuter Railroads and to authorize MTA New York City Transit to pay to the Treasurer for deposit in the Transit Account such amounts as it deems necessary to accomplish the purpose thereof, consistent with this Plan; and the Treasurer to pay into the Commuter Railroad Account, such amounts as are deemed necessary to accomplish the purpose thereof, consistent with this Plan. The Treasurer, upon request of MTA New York City Transit, shall pay to NYCT such amounts as are necessary to meet cash flow requirements of NYCT and shall transfer from the Commuter Railroad Account such amounts as are necessary to meet the cash flow requirements of MTA Commuter Railroads. The Treasurer shall also use such funds as from time to time may be necessary or convenient to timely make debt service payments on MTA bonds.

Government Accounting Standards Board (GASB) Contributions

In 2008, the MTA approved the establishment of the "MTA Retiree Welfare Benefits Trust" ("OPEB Trust") to govern the administration and investment of the OPEB trust assets. Through 2014, \$300 million was moved into the trust. The Treasurer will continue to hold the remaining funds set aside in discrete sub-accounts that comprise the GASB Account. The Treasurer is authorized to use the GASB accounts to fund intra-agency loans as well as inter-agency loans. If an agency uses its own GASB funds to meet 2018 cash flow needs, the amounts withdrawn in 2018 must be paid back by December 31, 2020. If the GASB funds are used as inter-agency loans in 2018, they would be subject to repayment no later than December 31, 2019, consistent with the Inter-Agency Loan provision described above.

As noted above, the Plan assumes that the remaining \$149.5 million in the GASB 45 OPEB Reserves account will be needed to offset expenses in 2018. The Treasurer remains authorized to make intra-agency and inter-agency loans in 2018 with any available funds.

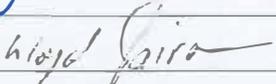
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13	Other Revenue	688	668	685	697	730	732
14	Capital and Other Reimbursements	0	0	0	0	0	0
15	Total Operating Revenue	\$8,608	\$8,747	\$8,886	\$8,942	\$9,023	\$9,038
17	Operating Expense						
18	Labor Expenses:						
19	Payroll	\$4,839	\$5,040	\$5,360	\$5,552	\$5,676	\$5,799
20	Overtime	771	879	829	806	819	849
21	Health & Welfare	1,172	1,214	1,364	1,469	1,556	1,655
22	OPEB Current Payment	562	569	638	692	751	816
23	Pensions	1,370	1,326	1,351	1,371	1,369	1,384
24	Other-Fringe Benefits	948	892	918	951	985	1,015
25	Reimbursable Overhead	(425)	(476)	(426)	(410)	(388)	(384)
26	Total Labor Expenses	\$9,238	\$9,444	\$10,033	\$10,433	\$10,768	\$11,133
28	Non-Labor Expenses:						
29	Electric Power	\$406	\$444	\$505	\$519	\$547	\$604
30	Fuel	125	147	153	152	177	187
31	Insurance	(21)	30	30	33	38	44
32	Claims	464	314	320	328	329	330
33	Paratransit Service Contracts	384	391	416	440	467	492
34	Maintenance and Other Operating Contracts	631	746	858	780	783	810
35	Professional Service Contracts	401	573	518	466	460	458
36	Materials & Supplies	586	617	719	709	730	728
37	Other Business Expenses	193	209	206	217	225	230
38	Total Non-Labor Expenses	\$3,168	\$3,471	\$3,726	\$3,644	\$3,757	\$3,883
40	Other Expense Adjustments:						
41	Other	\$47	\$52	\$49	\$50	\$52	\$53
42	General Reserve	0	155	160	165	175	180
43	Total Other Expense Adjustments	\$47	\$207	\$209	\$215	\$227	\$233
45	Total Operating Expense before Non-Cash Liability Adj.	\$12,454	\$13,122	\$13,968	\$14,292	\$14,752	\$15,249
47	Depreciation	\$2,443	\$2,615	\$2,674	\$2,741	\$2,808	\$2,870
48	OPEB Liability Adjustment	1,562	1,681	1,776	1,871	1,975	2,084
49	GASB 68 Pension Expense Adjustment	(219)	(172)	(235)	(229)	(246)	(284)
50	Environmental Remediation	12	4	6	6	6	6
52	Total Operating Expense after Non-Cash Liability Adj.	\$16,252	\$17,250	\$18,190	\$18,681	\$19,294	\$19,926
54	Conversion to Cash Basis: Non-Cash Liability Adjs.	(\$3,798)	(\$4,128)	(\$4,222)	(\$4,390)	(\$4,542)	(\$4,677)
56	Debt Service (excludes Service Contract Bonds)	2,459	2,525	2,604	2,800	3,029	3,225
58	Total Operating Expense with Debt Service	\$14,912	\$15,647	\$16,573	\$17,092	\$17,781	\$18,474
60	Dedicated Taxes and State/Local Subsidies	\$6,666	\$6,470	\$6,659	\$6,949	\$7,119	\$7,340
62	Net Surplus/(Deficit) After Subsidies and Debt Service	\$362	(\$430)	(\$1,028)	(\$1,201)	(\$1,639)	(\$2,097)
64	Conversion to Cash Basis: GASB Account	0	0	(8)	(18)	(29)	(42)
65	Conversion to Cash Basis: All Other	(594)	88	9	207	97	24
67	CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	(\$232)	(\$342)	(\$1,028)	(\$1,012)	(\$1,572)	(\$2,114)
68	ADJUSTMENTS	0	172	979	1,051	1,150	1,471
69	PRIOR-YEAR CARRYOVER	480	248	78	30	69	0
70	NET CASH BALANCE	\$248	\$78	\$30	\$69	(\$352)	(\$643)

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2018-2021
Plan Adjustments
(\$ in millions)

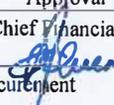
Line No.	Actual 2016	Final Estimate 2017	Final Proposed Budget 2018	2019	2020	2021
11	Cash Balance Before Prior-Year Carry-over					
	(\$232)	(\$342)	(\$1,028)	(\$1,012)	(\$1,572)	(\$2,114)
13	Fare/Toll Increases:					
14		-	-	274	323	323
15		-	-	-	-	286
16		-	-	(10)	(10)	(20)
17	Sub-Total	\$0	\$0	\$263	\$313	\$590
19	MTA Efficiencies:					
20		(0)	14	59	88	68
21		-	50	50	50	50
22		-	150	200	250	300
23	Sub-Total	(\$0)	\$214	\$309	\$388	\$418
25	Policy Actions:					
26	2017 July Plan:					
27		-	65	65	65	65
28		-	8	19	30	43
29		-	52	53	54	55
30		135	-	-	-	-
31	2017 November Plan:					
32	<u>Subway Action Plan (SAP):</u>					
33		100	408	342	301	301
34		(100)	(408)	(342)	(301)	(301)
35		-	(20)	(21)	(21)	(21)
36		(63)	63	-	-	-
37		-	264	181	161	161
38		-	264	181	161	161
39		80	(80)	-	-	-
40		20	(20)	-	-	-
41		-	149	-	-	-
42		-	20	-	-	-
43	Sub-Total	\$172	\$766	\$478	\$450	\$463
45	TOTAL ADJUSTMENTS	\$0	\$172	\$979	\$1,051	\$1,471
47	Prior-Year Carry-Over	480	248	78	30	69
48						0
49	Net Cash Surplus/(Deficit)	\$248	\$78	\$30	\$69	(\$352)
						(\$643)

Staff Summary

Subject: 2017 TBTA Operating Surplus
Department: Finance
Department Head Name Mildred Chua
Department Head Signature 
Project Manager Name Lloyd Jairam 

Date February 14, 2018
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	MTA B&T Committee	02/20/18			
2	MTA Finance Committee	02/20/18			
3	MTA Board	02/20/18			

Internal Approvals			
Order	Approval	Order	Approval
2	President 	1	VP & Chief Financial Officer 
	Executive Vice President		VP Procurement
	General Counsel		VP Labor Relations
	VP Operations		VP & Chief Engineer

PURPOSE:

To obtain MTA Board approval of resolutions which will:

- Certify and transfer \$740,143,952 operating surplus to the MTA and NYCTA pursuant to Section 1219-a(2)(b) of the Public Authorities Law of the State of New York.
- Transfer \$1,476,772 representing 2017 investment income to the MTA pursuant to Section 569-c of the Public Authorities Law of the State of New York.
- Deduct from the operating revenues of the Triborough Bridge and Tunnel Authority for its fiscal year ending December 31, 2018 the amount of \$27,960,932, which amount shall be paid into the Necessary Reconstruction Reserve established by the Authority by resolution adopted March 29, 1968.
- Advance the 2018 TBTA Surplus as per attached Resolution.

DISCUSSION:

The attached calculation and letter from Deloitte & Touche LLP represents the Triborough Bridge and Tunnel Authority's operating surplus for fiscal year ending December 31, 2017. The amount of surplus available for transfer to the MTA and NYCTA is \$740,143,953. The amount of investment income that is surplus funds and available to transfer to MTA for fiscal year 2017 is \$1,476,772. It is also requested to set aside \$27,960,932 from operating revenues of the Triborough Bridge and Tunnel Authority for fiscal year ending December 31, 2018. This money will be used to pay for the cost and expense of current and anticipated necessary construction for the TBTA facilities.

BUDGET IMPACT: None.

ALTERNATIVES: None.

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

RESOLVED, that the Chairman and Chief Executive Officer or their related designees are hereby authorized to certify to the Mayor of the City of New York and to the Chairman of the Metropolitan Transportation Authority, that for the purposes of Section 1219-a (2) (e) of the Public Authorities Law of the State of New York, the amount of the Authority's operating surplus for its fiscal year ending December 31, 2017 is \$740,143,952.

RESOLVED, that this Authority hereby makes the following determination in respect of its operating surplus for its fiscal year ending December 31, 2017, for the purposes of Section 1219-a (2) (e) of the Public Authorities Law of the State of New York:

Operating Revenue	\$1,940,083,157
Operating Expense	<u>490,184,547</u>
	\$1,449,898,610
Establishment of Necessary Reconstruction Reserve Account	(27,515,186)
GASB Reserve	(0)
Debt Service on Bonds	(662,611,787)
Interest Income on Unexpended Bond Proceeds and Debt Service Fund	2,236,192
Purchase of Capital Assets Funded from Operations	(22,032,203)
Increase/(Decrease) in Prepaid Expenses and other Adjustments)	<u>168,326</u>
Operating Surplus	<u>\$ 740,143,952</u>

February 20, 2018

RESOLVED, that the amount of \$1,476,772 representing the Authority's investment income for the year 2017 is determined to be surplus funds of the Authority; and be it further

RESOLVED, that the amount of \$1,476,772 be transferred and paid over to Metropolitan Transportation Authority in a lump sum as soon as practicable pursuant to Section 569-c of the Public Authorities Law.

RESOLVED, that there be set aside and deducted from the operating revenues of the Triborough Bridge and Tunnel Authority for its fiscal year ending December 31, 2018 the amount of \$27,960,932 which amount shall be paid into the Necessary Reconstruction Reserve established by the Authority by resolution adopted March 29, 1968. Money credited to the Reserve, together with interest income earned thereon, are to be applied to the payment of the cost and expense of current and anticipated necessary construction of each of the TBTA Facilities within the meaning of the General Resolution Authorizing General Revenue Bonds (the "General Revenue Bond Resolution") of the Authority adopted on March 26, 2002.

RESOLVED, that the monies thus authorized will be advanced monthly during the fiscal year ending December 31, 2018 and used for the purposes of payment of the cost and expense of necessary construction of each of the TBTA Facilities.

RESOLVED, pursuant to the provisions of paragraphs (b), (c), and (d) of subdivision 2 of Section 1219-a of the Public Authorities Law, that the Chairman and Chief Executive Officer or their related designees are authorized in his discretion, to advance to Metropolitan Transportation Authority and New York City Transit Authority monthly, out of funds in the General Fund created by the General Revenue Bond Resolution which are attributable to the operations of the 2017 fiscal year (other than funds arising out of the investment of monies of the Authority) and which have been released and paid over to the Authority free and clear of the lien and the pledge of the General Revenue Bond Resolution as provided in Section 506 thereof, an aggregate amount not to exceed 90% of the Chairman's estimate of the sum which that month's operations, if available, will contribute to the "operating surplus" of the Authority which he anticipates will or may be certified and transferred for the fiscal year in which such month falls; and

February 20, 2018

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

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

Triborough Bridge and Tunnel Authority

(A Component Unit of the Metropolitan Transportation Authority)

Agreed Upon Procedures Performed in
Connection with the Schedule of Operating
Surplus for the Year Ended December 31, 2017

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated in Exhibit B, which were agreed to by the Triborough Bridge and Tunnel Authority (the "Authority"), a component unit of the Metropolitan Transportation Authority ("MTA"), the MTA and the New York City Transit Authority, solely to assist the Authority in agreeing financial information presented in the Schedule of Operating Surplus for the year ended December 31, 2017 (Exhibit A) to the accounting records of the Authority. The Authority's management is responsible for the Authority's accounting records and the preparation of the Schedule of Operating Surplus (Exhibit A) and the Supporting Schedule to the Schedule of Operating Surplus (Exhibit C) for the year ended December 31, 2017. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described in Exhibit B either for the purpose for which this report has been requested or for any other purpose.

This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The agreed-upon procedures do not constitute an audit of the financial statements or any part thereof, the objective of which is the expression of an opinion on the financial statements or a part thereof. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Directors of the Metropolitan Transportation Authority and managements of Triborough Bridge and Tunnel Authority, Metropolitan Transportation Authority, and the New York City Transit Authority and is not intended to be and should not be used by anyone other than the specified parties.

Deloitte & Touche LLP

February 8, 2018

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

SCHEDULE OF OPERATING SURPLUS YEAR ENDED DECEMBER 31, 2017

OPERATING REVENUES (Procedure 1)	\$ 1,940,083,157
OPERATING EXPENSES (Procedure 2)	<u>(490,184,547)</u>
NET OPERATING REVENUE	1,449,898,610
DECREASE IN PREPAID EXPENSES AND OTHER ADJUSTMENTS (Procedure 2)	168,326
DEBT SERVICE ON BONDS (Procedure 3)	(662,611,787)
INTEREST INCOME ON UNEXPENDED BOND PROCEEDS AND DEBT SERVICE FUNDS (Procedure 4)	2,236,192
ESTABLISHMENT OF GASB 43 RESERVE ACCOUNT (Procedure 7)	-
PURCHASE OF CAPITAL ASSETS FUNDED FROM OPERATIONS (Procedure 5)	(22,032,203)
ESTABLISHMENT OF NECESSARY RECONSTRUCTION RESERVE ACCOUNT (Procedure 6)	<u>(27,515,186)</u>
OPERATING SURPLUS	<u>\$ 740,143,952</u>

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

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

NOTES TO THE SCHEDULE OF OPERATING SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2017 (Exhibit A)

1. OPERATING SURPLUS CALCULATION REQUIREMENTS

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

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

AGREED-UPON PROCEDURES PERFORMED IN CONNECTION WITH THE SCHEDULE OF OPERATING SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2017 (Exhibit A)

1. OPERATING REVENUES

- We agreed the “Operating Revenues” (net of other revenues) of the TBTA appearing on the Schedule of Operating Surplus (Exhibit A) to the general ledger of the TBTA. We discussed with management their policy for recording operating revenue and they indicated that operating revenues were recorded using the accrual basis of accounting. We have been informed that operating revenues excluded interest income.

We found no exceptions as a result of the procedures.

2. OPERATING EXPENSES

- We agreed the aggregated “Operating Expenses” of the TBTA appearing on the Schedule of Operating Surplus (Exhibit A) to the general ledger of the TBTA. We discussed with management their policy for recording operating expenses and they indicated that operating expenses were recorded using the accrual basis of accounting.

We found no exceptions as a result of the procedures.

- We agreed the following expense items to the general ledger: “Interest Expense on Bond Indebtedness” and “Reimbursement of Personnel Costs,” as noted on Exhibit C.

We compared the “Reimbursement of Personnel Costs” as noted on Exhibit C to the general ledger observing a difference of \$22. We found no exceptions as a result of agreeing the “Interest Expense on Bond Indebtedness” as noted on Exhibit C to the general ledger.

- We recalculated the “Increase in Prepaid Expenses and Other Adjustments” appearing in the general ledger and agreed it to the Schedule of Operating Surplus (Exhibit A). We inquired if the operating expense was adjusted to include amounts charged to prepaid expenses and deferred charges on a cash basis of accounting and we have been informed that the operating expenses were adjusted to include amounts charged to prepaid expenses and deferred charges on a cash basis of accounting. We inquired whether any cash adjustments were made for changes in accounts payable, accrued expenses, or accounts receivable and we have been informed that no cash adjustments were made for changes in accounts payable, accrued expenses or accounts receivable.

We found no exceptions as a result of the procedures.

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

AGREED-UPON PROCEDURES PERFORMED IN CONNECTION WITH THE SCHEDULE OF OPERATING SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2017 (Exhibit A)

3. DEBT SERVICE ON BONDS

- We agreed the “Debt Service on Bonds” appearing on the Schedule of Operating Surplus (Exhibit A) for the following bonds to the TBTA debt service schedules:
 - General Revenue Bonds, and
 - Subordinate Revenue Bonds.

We found no exceptions as a result of the procedures.

- We agreed the “Debt Service on Bonds” on the TBTA’s portion of debt service on the 2 Broadway Certificates of Participation to the TBTA debt service schedules.

We found no exceptions as a result of the procedures.

- We confirmed that in all cases, the debt service represents interest paid and/or accrued applicable to calendar year 2017 and the principal payment due January 1, 2018, on all bond indebtedness and certificates.

We found no exceptions as a result of the procedures.

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

- We agreed the aggregated amount of “Interest Income on Unexpended Bond Proceeds and Debt Service Funds” appearing on the Schedule of Operating Surplus (Exhibit A) to the general ledger and noted no differences. We inquired if interest income is excluded from operating revenue on the Schedule of Operating Surplus and we have been informed that interest income is excluded from “Operating Revenues” on the Schedule of Operating Surplus.

We found no exceptions as a result of the procedures.

We inquired if interest income on the debt service fund consists of income from (1) the debt service funds established in connection with the 2 Broadway Certificates of Participation to the extent attributable to the TBTA’s portion of debt service thereon, and (2) the debt service funds established in connection with the TBTA Bonds from their respective dates of issuance and we have been informed that interest income on the debt service fund investments consists of income from (1) the debt service funds established in connection with the 2 Broadway Certificates of Participation to the extent attributable to the TBTA’s portion of debt service thereon, and (2) the debt service funds established in connection with the TBTA bonds from their respective dates of issuance. We inquired that this amount was included in the computation of operating surplus as a reduction of debt service cost (therefore increasing

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

AGREED-UPON PROCEDURES PERFORMED IN CONNECTION WITH THE SCHEDULE OF OPERATING SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2017 (Exhibit A)

- operating surplus) and we have been informed that this amount was included in the computation of operating surplus as a reduction of debt service cost therefore, increasing operating surplus.

We found no exceptions as a result of the procedures.

- We inquired that unexpended bond proceeds consist of bond moneys on deposit with the TBTA until expended for either transit or commuter projects or on the TBTA's bridges and tunnels and we have been informed that unexpended bond proceeds consist of bond moneys on deposit with the TBTA until expended for either transit or commuter projects or on the TBTA's bridges and tunnels.

We found no exceptions as a result of the procedures.

5. CAPITAL ASSETS FUNDED FROM OPERATIONS

- We agreed the amount of "Purchase of Capital Assets Funded From Operations," which represents amounts paid and capitalized for vehicles and other fixed assets, appearing on the Schedule of Operating Surplus (Exhibit A) to the general ledger after reconciling adjustments were made for Capital Assets funded from the Capital Budget. We inquired that these amounts were funded from operations and that such amounts represent a reduction of operating surplus appearing on the Schedule of Operating Surplus and we have been informed that these amounts were funded from operations and that such amounts represent a reduction of operating surplus appearing on the Schedule of Operating Surplus (Exhibit A).

We found no exceptions as a result of the procedures.

6. NECESSARY RECONSTRUCTION RESERVE

- We agreed the amount appearing on the Schedule of Operating Surplus (Exhibit A) as "Establishment of Necessary Reconstruction Reserve Account" to the MTA Bridges and Tunnels Financial Plan 2018-2021 to set aside and reduce the operating surplus by \$27,515,186. The Necessary Reconstruction Reserve Account was established by the TBTA by resolution adopted March 29, 1968. We inquired that this amount, together with interest income thereon, is to be used to fund reconstruction of present facilities within the meaning of TBTA's General Revenue Bond Resolution and we have been informed that this amount, together with interest income thereon, is to be used to fund reconstruction of present facilities within the meaning of the TBTA's General Revenue Bond Resolution.

We found no exceptions as a result of the procedures.

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

AGREED-UPON PROCEDURES PERFORMED IN CONNECTION WITH THE SCHEDULE OF OPERATING SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2017 (Exhibit A)

7. GASB 43 RESERVE

- We agreed the amount appearing on the Schedule of Operating Surplus (Exhibit A) as “Establishment of GASB 43 Reserve Account” of \$0, to the MTA Bridges and Tunnels Financial Plan 2018-2021 which was approved by the Finance Committee.

We found no exceptions as a result of the procedures.

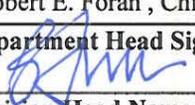
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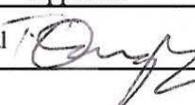
TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

SUPPORTING SCHEDULE TO THE SCHEDULE OF OPERATING SURPLUS YEAR ENDED DECEMBER 31, 2017

TOTAL REVENUES		\$ 1,941,559,929
LESS INTEREST INCOME		<u>1,476,772</u>
OPERATING REVENUES (Exhibit A)		<u>\$ 1,940,083,157</u>
TOTAL EXPENSES		\$ 871,044,379
LESS: Interest Expense on Bond Indebtedness	\$ 359,498,719	
Reimbursement of Personnel Costs	<u>21,361,113</u>	<u>380,859,832</u>
OPERATING EXPENSES (Exhibit A)		<u>\$ 490,184,547</u>
PREPAID EXPENSES AND OTHER ADJUSTMENTS:		
Balance December 31, 2016	\$ 26,208,154	
Balance December 31, 2017	<u>26,039,828</u>	
DECREASE IN PREPAID EXPENSES AND OTHER ADJUSTMENTS (Exhibit A)		<u>\$ (168,326)</u>
DEBT SERVICE:		
TBTA	\$ 279,389,886	
MTA	118,788,008	
NYCTA	<u>262,197,701</u>	
Subtotal	660,375,595	
INTEREST INCOME ON UNEXPENDED BOND PROCEEDS AND DEBT SERVICE FUNDS	<u>2,236,192</u>	
TOTAL DEBT SERVICE ON BONDS (Exhibit A)		<u>\$ 662,611,787</u>

Staff Summary

Subject Mortgage Recording Tax – Escalation Payments to Dutchess, Orange and Rockland Counties					
Department Chief Financial Officer / Treasury Department					
Department Head Name Robert E. Foran , Chief Financial Officer					
Department Head Signature 					
Division Head Name Josiane P Codio					
Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	2/20/2018	X		
2	Board	2/22/2018	X		

Date February 20, 2018			
Vendor Name			
Contract Number			
Contract Manager Name			
Table of Contents Ref #			
Internal Approvals			
Order	Approval	Order	Approval
1	Legal 	2	Chief of Staff 

I. Purpose

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

II. Discussion

The MTA statute requires that certain “mass transportation operating assistance” payments be made by the MTA to Dutchess, Orange and Rockland counties from MTA’s MRT-2 receipts. (These payments are made from funds established by PAL §1270-a, the Metropolitan Transportation Authority Special Assistance Fund, from which monies are transferred to the Metropolitan Transportation Authority Dutchess, Orange and Rockland Fund created by PAL §1270-b.) Under the statute, Dutchess and Orange Counties are each to receive no less than \$1.5 million annually, and Rockland County is to receive no less than \$2.0 million annually. The counties were paid these amounts in quarterly installments during 2017.

In addition to providing these minimum mass transportation operating assistance payments, the statute provides for an “escalator payment” based on the percentage by which total MRT-1 and MRT-2 receipts attributable to such county exceeds the receipts received in 1989 from such county. Pursuant to PAL §1270-a (4)(c), the MRT-1 increase is to be calculated as if the MRT-1 tax was 25 cents per \$100 of mortgage recorded and not the current 30 cents per \$100 of mortgage recorded. The escalator payment due each county based on the FY 2017 MRT receipts is determined as follows:

$$(FY2017 MRT Receipts - FY1989 Base Year MRT Receipts)/FY1989 Base Year MRT Receipts = Escalator Rate$$

$$Escalator Rate X Minimum Mass Transit Operating Assistance Payment = Escalator Payment$$

The results of the above formulas for each county are:

<u>County</u>	<u>1989 Base Year MRT Receipt</u>	<u>2017 MRT Receipts Adj.¹</u>	<u>Escalator Rate</u>	<u>Escalator Payments</u>
Dutchess Cty	\$3,569,702.51	\$5,956,218.48	66.85%	\$1,002,821.37
Orange Cty	\$4,433,935.06	\$8,439,098.92	90.33%	\$1,354,946.73
Rockland Cty	\$4,524,064.27	\$9,121,991.78	101.63%	<u>\$2,032,653.49</u>
			Total	<u>\$4,390,421.59</u>

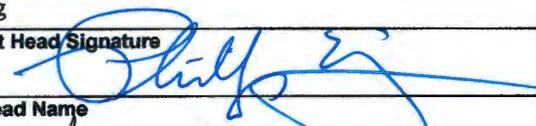
III. Recommendations

It is recommended that the Board authorize escalator payments totaling \$4,390,421.59 to Dutchess, Orange and Rockland counties from available funds on deposit in the MRT-2 Corporate Transportation Account.

¹ The actual 2017 gross receipts for each of the counties was:

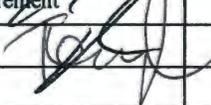
Dutchess Cty	\$6,663,141.77
Orange Cty	\$9,431,552.84
Rockland Cty	\$10,115,413.87

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 <i>M.H. for W. Hibri</i>

Date February 6, 2018
Vendor Name Various
Contract Number Various
Contract Manager Name Various
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance	2/20/2018	X		
2	Board	2/22/2018	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:
None

of Actions \$ Amount

MTAHQ proposes to award Competitive procurements in the following categories:

Schedules Requiring Majority Vote

Schedule F: Personal Services Contracts	17	\$ 84,149,390
Schedule H: Modification to Personal Service/Miscellaneous Service Contracts	3	\$ 11,930,627
SUBTOTAL	20	\$ 96,080,017

MTAHQ presents the following procurement actions for Ratification:

Schedule K: Ratification of Completed Procurement Actions	7	\$ 41,000,835
TOTAL	27	\$137,080,852

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

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

BOARD RESOLUTION

METROPOLITAN TRANSPORTATION AUTHORITY

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

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

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

NOW, the Board resolves as follows:

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

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

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

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

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

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

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

LIST OF PROCUREMENTS FOR BOARD APPROVAL, FEBRUARY 2018
COMPETITIVE PROCUREMENTS

METROPOLITAN TRANSPORTATION AUTHORITY

Procurements Requiring Majority Vote:

F. Personal Service Contracts

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

1. **A&D projects at one LIRR station on the Port Jefferson Branch** - A&D to provide technical design, fabrication, crating, storage, delivery and oversight of installation of materials at the station specified below:

Competitively negotiated - 26 proposals - 16 months.
David McQueen, Port Jefferson Station – LIRR (\$350,000)

- 2-3. **A&D projects at two NYCT Stations on the Sea Beach Line (N)** – A&D to provide technical design, fabrication, crating, storage, delivery and oversight of installation of materials at the stations specified below:

Competitively negotiated - 52 proposals - 24 months.
Emilio Perez, 18th Avenue, NYCT (\$210,000)
Sally Gil, Avenue U, NYCT (\$210,000)

4. **The Hackett Group** **\$311,000**
Benchmarking Services Consulting **(not-to-exceed)**
Contract No. 15235

Competitively negotiated 3 proposals 36 months
To obtain Board approval for the award of a competitively negotiated, personal service contract with The Hackett Group for the procurement of benchmarking services to compare quality, efficiency and effectiveness of services delivered from the BSC against comparable information and metrics of well-managed shared service organizations performing services of a similar nature. MTA will utilize the results to formulate strategies, adopt proven methodologies and to achieve continuous improvement as a Shared provider. The RFP was a competitive process that yielded multiple Proposers. Hackett offered the lowest cost proposal for the services required in the RFP. The three (3) year contract is for a total not to exceed \$311,000, inclusive of travel expenses. Pricing is deemed fair and reasonable.

LIST OF PROCUREMENTS FOR BOARD APPROVAL
COMPETITIVE PROCUREMENTS

METROPOLITAN TRANSPORTATION AUTHORITY

- | | | |
|-----------|--|--------------------------------------|
| 5. | National Safety Council
All-Agency Employee Perception Survey Program
Contract No. 90000000002561 | \$ 669,750
(not-to-exceed) |
|-----------|--|--------------------------------------|

Competitively negotiated – 3 proposals – 48 months

To recommend that the Board approve the award of a competitively negotiated, personal services contract to National Safety Council (NSC) to conduct an anonymous all-agency employee perception survey. Contractor is required to utilize a time-tested survey instrument and methodology based on best practices in an effort to measure and evaluate, by agency and relevant components within an agency, employee perceptions of the current state of safety management. The results will be compared within and across agencies by work group and employee level, identifying areas of concern and benchmarking MTA employee perceptions with employees in other comparable organizations and industries. The National Safety Council was found to be the most technically qualified proposer based on experience their survey instrument, and their methodology was considered to best fit for the needs of the MTA. NSC initially provided a cost of \$1,006,000 which was negotiated to \$669,750 or 33.42% reduction. There is no prior contract for these services with which this cost can be compared; however, based on the above negotiation the not-to-exceed amount deemed fair and reasonable.

- | | | | |
|--------------|--|--|--------------------------------------|
| 6-15. | Various
Full Service Market Research Retainer | \$20,000,000
(not-to-exceed) | <u><i>Staff Summary Attached</i></u> |
|--------------|--|--|--------------------------------------|

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. Abt Associates, Inc. 2. Beta Research Corporation (WBE) 3. Clarion Research, Inc. (WBE) 4. ICF Macro, Inc. 5. M. Davis and Company, Inc. (MBE) | <ol style="list-style-type: none"> 6. Penn, Schoen & Berland Associates, LLC 7. Resource System Group, Inc. 8. Target Research Group, Inc 9. The Research Associates, Inc. (M/WBE) 10. Widener-Burrows & Associates, Inc. (WBE) |
|---|--|

Competitively negotiated 14 proposals 48 months

To recommend that the Board approve the award of ten competitively negotiated, all-agency personal services contracts to provide quantitative market research services on an as-needed basis for a period of forty-eight (48) months starting March 1, 2018 for a combined total not to exceed \$20 million. These firms will be eligible to provide services including questionnaire and sampling design, interviewing customers, data tabulation of survey results, analysis and report writing. Examples of projects planned over the next four years include customers' evaluation of new fare payment systems; on-going tracking surveys of customer satisfaction; and customers' evaluations of in-system communications. The negotiated rates are comparable to the rates under the previous contract. Seven of the awardees agreed to fully loaded fixed rates for the contract duration; the remaining three firms' rates will be subject to annual escalation of 2.5% or CPI; whichever is lower. Based on the above, the negotiated hourly rates are considered fair and reasonable.

LIST OF PROCUREMENTS FOR BOARD APPROVAL
COMPETITIVE PROCUREMENTS

METROPOLITAN TRANSPORTATION AUTHORITY

16. **Greystone & Co., Inc.** **\$19,340,000** **Staff Summary Attached**
Tenant Management and Accounting Services **(not-to-exceed)**
Contract No. 7843-0100
Competitively negotiated – 3 proposals – 60 months
To recommend that the Board approve the award of a competitively negotiated, five-year professional services contract to Greystone & Co., Inc. d/b/a/ Greystone Management Solutions (Greystone) to provide tenant management and accounting service for the MTA Real Estate Department for an amount not-to-exceed \$19.34 million. Through this All-Agency contract, Greystone will continue to provide tenant lease compliance, enforcement and tenant rent collection/accounting services for tenants managed throughout the MTA System by MTA Real Estate, except for tenants at Grand Central Terminal. The originally proposed \$4.6 million annual fee was reduced by 17% to \$3.798 million. This negotiated fee is 25% more than the current contract, an amount considered to be in line with the expanded scope and volumes contemplated. The new contract contemplates a 23% increase in the number of accounts managed vis-à-vis the number of accounts under management when the predecessor contract was solicited, and a 39% increase in monies managed. The negotiated hourly rates are deemed to be fair and reasonable.
17. **TDX Construction Corporation** **\$43,058,640** **Staff Summary Attached**
Construction Manager for MTAHQ Small **(not-to-exceed)**
Business Development Program (SBDP)
Contract No. 10200
Competitively negotiated – 4 proposals – 36 months
To obtain Board approval to award a competitively negotiated, professional services contract to TDX Construction Corporation (TDX) to provide mentoring and construction management (CM) services for the MTA’s Small Business Development Program (SBDP). The proposed contract is for an initial term of three years, commencing March 1, 2018, with options to extend the contract for three additional one-year periods at MTA’s sole discretion. The three year contract is for a total value not to exceed \$43,058,640. This contract is funded by each agency (NYCT, LIRR, MNR, and B&T) from within its capital program. TDX will provide mentoring services to SBDP contractors in the form of training and hands-on technical assistance, strategies in competing for and providing construction management services. TDX will work in conjunction with MTA Agency project managers to provide construction management support for specific SBMP contracts. These projects will include oversight and assistance with respect to all procurement and construction matters involving the respective SBDP contracts. In addition to project-specific mentorships, the SBDP CM will provide training and information on contractor bank loan repayment administration, construction and information technology training, and contractor payment tracking. The rates are equal to or lower than the rates TDX currently charges other government entities, and is consistent with the rates utilized in NYC Transit contracts for similar construction management services. Based on the foregoing, the total not to exceed cost of \$43,058,640 is 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.)

18. **The McKissack Group** **\$ 8,000,000** **Staff Summary Attached**
Independent Engineering Consultants (not-to-exceed)
Contract No. 15095-0100, AWO #1
Base plus previous change orders = \$28,839,368
To recommend that the Board approve a modification to the Independent Engineering Consultant (IEC) Contract with The McKissack Group to address the need for additional funding for monitoring and oversight services pursuant to requirements of the New York State Public Authorities Law 1263-4(b). The current base contract began March 1, 2016 and runs through February 28, 2019 in the amount of \$28,839,368 with services applicable to the originally approved \$29.455 billion 2015-2019 capital plan as well as earlier capital programs. For services beyond the expiration of the base contract, additional options for four additional one-year periods are available at the MTA's sole discretion. The proposed \$8 million increase will ensure that there is sufficient funding for the balance of IEC's base contract, through February 28, 2019.
19. **Willis of New York, Inc.** **\$1,408,318** **Staff Summary Attached**
Insurance Broker Services (not-to-exceed)
Contract No. 90000000002086, S/A #1
Base plus previous change orders = \$7,433,725
To recommend that the Board approve a modification to increase a competitively negotiated, personal services contract with Willis of New York, Inc. (Willis) in the amount not-to-exceed \$1,408,318 to add the Long Island Railroad Expansion Project to the MTA Owner Controlled Insurance Program (OCIP) for the 2015-2019 Capital Plan. Willis' BAFO utilizes existing contract rates deemed fair and reasonable for the original contract award.
20. **Cambridge** **\$2,522,309** **Staff Summary Attached**
Bus CIS Server Software, Hosting, and Maintenance (not-to-exceed)
Contract No. 11084-0100, S/A#4
Base plus previous change orders = \$9,417,042
Approval is sought to extend a service agreement with Cambridge Systematics, Inc. (Cambridge) for continued maintenance and improvements to the Bus Customer Information System (CIS) server subsystem. The CIS server subsystem is comprised of the hardware, software, networking and online services that process real-time data such as schedules and routes for transmittal to various applications used by customers via digital and mobile devices. This change order provides for a 24 month contract extension, during which Cambridge Systematics will continue to work on enhancements to multi-modal trip planning applications for mobile devices. Cambridge Systematics has agreed to keep the same rates as negotiated in the original agreement of September 2011. The negotiated amount of \$2,522,309 is deemed fair and reasonable.

Staff Summary

Schedule F: Personal Service Contracts

Item Number:						SUMMARY INFORMATION					
Dept & Dept Head Name: MTA Planning/William Wheeler						Vendor Name: Various			Contract Number: 15292-0100 thru 1100		
Division & Division Head Name: MTA Market Research /Janice Pepper						Description: Full Service Market Research Retainer Contracts					
Board Reviews						Total Amount: NTE \$20,000,000					
Order	To	Date	Approval	Info	Other	Contract Term (including Options, if any): March 1, 2018 thru February 28, 2022					
1	Finance	2/20/18	X			Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
2	Board	2/22/18	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	CFO	PWX		Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:					
2	DDCR										
3	Legal										

I. PURPOSE/RECOMMENDATION

To recommend that the Board approve the award of ten competitively negotiated, all-agency personal services contracts to provide quantitative market research services on an as-needed basis for a period of forty-eight (48) months starting March 1, 2018 for a combined total not to exceed \$20 million. The contracts will be awarded to the following firms on an as needed basis:

1. Abt Associates, Inc.	6. Penn, Schoen & Berland Associates, LLC
2. Beta Research Corporation (WBE)	7. Resource System Group, Inc.
3. Clarion Research, Inc. (WBE)	8. Target Research Group, Inc
4. ICF Macro, Inc.	9. The Research Associates, Inc. (M/WBE)
5. M. Davis and Company, Inc. (MBE)	10. Widener-Burrows & Associates, Inc. (WBE)

II. DISCUSSION

Since 1989, MTA Headquarters and the operating agencies have utilized the services of quantitative market research firms on an on-call basis to support policy decision-making, capital investments and improvements, service planning, strategic business initiatives and marketing. These firms will be eligible to provide services including questionnaire and sampling design, interviewing customers, data tabulation of survey results, analysis and report writing. Examples of projects planned over the next four years include customers' evaluation of new fare payment systems; on-going tracking surveys of customer satisfaction; and customers' evaluations of in-system communications. The proposed agreements will replace eight existing contracts that were awarded in 2011, three of which will be extended through December 31, 2018 to allow for completion of on-going work assignments.

This Request for Proposals (RFP) was publicly advertised in February 2016 and letters advising potential proposers of the RFP's availability were mailed to fifty-five firms of which ten were minority/women-owned business enterprises. Fourteen firms submitted proposals.

As with the predecessor procurement, the MTA intended to award multiple contracts so as to have cadre of firms with diverse expertise available in order to support varying requirements. The Selection Committee was comprised of representatives from multiple departments and includes managers with expertise in market research and transportation planning. All of the selected firms offered credible proposals and demonstrated expertise in relevant quantitative market research. The committee found that the other firms failed to demonstrate relevant experience.

The proposed fully-loaded hourly rates ranged from \$25 to \$82.00 for interviewers, \$68.47 to \$804 for principals and from \$133 to \$255 for qualitative moderators. These rates were audited and negotiated in accordance with MTA Audit's recommendations. As a result of negotiations, these rates were reduced to a range of \$24.18 to \$70.11 for interviewers, \$67.23 to \$306.10 for principals and \$128 to \$242.92 for qualitative moderators. The negotiated rates are comparable to the rates under the previous contract. Seven of the awardees agreed to fully loaded fixed rates for the contract duration; the remaining three firms' rates will be subject to annual escalation of 2.5% or CPI; whichever is lower. Based on the above, the negotiated hourly rates are considered fair and reasonable.

Each base contract will be awarded for zero dollars and individual work assignments will be awarded pursuant to a competitive mini-RFP process wherein the awardees will submit technical and cost proposals that will be evaluated by a selection committee prior to the award of any tasks.

In connection with a review of the proposed awardees' responsibility pursuant to the All-Agency Responsibility Guidelines, nine out of ten have been deemed responsible for award. One of the proposed awardees, Abt Associates, Inc. revealed significant adverse information (SAI). In accordance with the MTA All-Agency Contractor Responsibility Guidelines, the MTA Managing Director and Acting General Counsel have approved the award of the contract with Abt Associates Inc. as a responsible contractor notwithstanding the significant adverse information.

III. D/M/WBE INFORMATION

The MTA Department of Diversity and Civil Rights has assigned goals of 15% MBE and 15% WBE. Five of the ten awardees are New York State Certified Minority and/or Women-Owned Business Enterprises. All ten firms have submitted utilization plans to achieve the assigned MWBE goals. All ten firms have not completed any MTA contracts; therefore, no assessment of the firm's MWDBE performance can be determined at this time.

IV. IMPACT ON FUNDING

The total cost for these quantitative market research all-agency contracts will not exceed \$20,000,000 for the MTA and the operating agencies. Actual expenditures are dependent upon approval of projects in development by the MTA and the operating agencies. Any expenditure incurred will be apportioned to the operating agencies in accordance with the cost of projects actually implemented by an agency.

V. ALTERNATIVES

1. Perform all services in-house. This alternative is not feasible since performing these specialized functions in-house would require full- and part-time employees, including associated overhead costs, which would not be cost effective. These projects are managed better by independent outside firms monitored closely by MTA staff.
2. Do not approve award of the contracts. This would severely curtail MTA's ability to implement a comprehensive research program to support capital investments and improve customer service.

Staff Summary
Schedule F: Personal Service Contracts

Item Number:					
Dept & Dept Head Name: Chief Development Officer/J. Lieber					
Division & Division Head Name: Real Estate/D. Florio					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	Finance	02/20/18	X		
2	Board	02/22/18	X		
Internal Approvals					
Order	Approval	Order	Approval		
1	Procurement	4	CFO		
2	DDCR				
3	Legal				

SUMMARY INFORMATION	
Vendor Name: Greystone & Co., Inc.	Contract Number: 7843-0100
Description: Tenant Management and Accounting Services	
Total Amount: \$19,340,000	
Contract Term (including Options, if any): March 1, 2018 thru February 28, 2023	
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: [e.g., Ride -- Contract]	
Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

I. PURPOSE/RECOMMENDATION

To recommend that the Board approve the award of a competitively negotiated, five-year professional services contract to Greystone & Co., Inc. d/b/a/ Greystone Management Solutions (Greystone) to provide tenant management and accounting service for the MTA Real Estate Department for an amount not-to-exceed \$19.34 million. Through this All-Agency contract, Greystone will continue to provide tenant lease compliance, enforcement and tenant rent collection/accounting services for tenants managed throughout the MTA System by MTA Real Estate, except for tenants at Grand Central Terminal.

II. DISCUSSION

MTA Real Estate has outsourced lease management and accounting services for the past twenty years. These services have been competitively solicited and have allowed for a reduction in MTA staff while services have improved.

The scope of services includes: (i) abstracting new agreements and loading them into the MTA database, (ii) maintaining a field presence and inspecting the nearly 11,000 station-affecting accounts, (iii) ensuring the roughly 200 tenanted lots are inspected and providing the commuter railroads with support for dispute resolution and compliance monitoring, (iv) field inspections and/or contacting the nearly 2,900 remaining tenants, (v) accounting and rent collection, (vi) tenant insurance compliance monitoring, (vii) opinions of value and appraisals supporting real estate marketing and leasing efforts in compliance with legislation enacted under Public Authorities Law (requiring independent appraisals of properties leased, as opposed to licensed), (viii) design and construction coordination services (expediting completion of tenant improvements), (ix) retail space design consultation, (x) vacant space monitoring (ensuring unoccupied retail space is not vandalized), (xi) monitoring of landlord and tenant litigation (coordination between MTA General Counsel and outside counsel), (xii) insurance monitoring / compliance, (xiii) meter reading and preparation of utility bills, (xiv) periodic reporting, (xv) vending machine administration, (xvi) M/WBE participation, and (xvii) 24/7 emergency and on-call coverage. The roughly 4,200 accounts managed through this contract generate an annual rent rollover of approximately \$163 million.

A Request for Proposals (RFP) was publicly advertised and letters advising potential proposers of the RFP's availability were mailed to approximately thirty-one (31) major consultant firms, ten of which were M/WBE/SDVOB firms provided by the MTA Department of Diversity and Civil Rights.

The Selection Committee, consisting of Directors from MTA Real Estate, Leasing & Acquisitions, Long Island Rail Road Strategic Investment, New York City Transit Station Environment & Operations, and Metro-North Railroad Corporate & Public Affairs. Three proposals were received (Greystone, New Castle and Black Renaissance) and the Selection Committee recommended the incumbent Greystone, finding they possesses the most tailored tenant management experience for the MTA, a strong team, a long history of tenant management experience and they successfully performed under the predecessor contract. One of the other proposals was severely lacking in detail and the other failed to demonstrate a comparable tenant management experience. MTA conducted a responsibility review and other due diligence on Greystone and has deemed them to be responsible for award.

Through negotiations, the originally proposed \$4.6 million annual fee was reduced by 17% to \$3.798 million. This negotiated fee is 25% more than the current contract, an amount considered to be in line with the expanded scope and volumes contemplated. The new contract contemplates a 23% increase in the number of accounts managed vis-à-vis the number of accounts under management when the predecessor contract was solicited, and a 39% increase in monies managed. Moreover, the scope has been enhanced to include the following new or expanded services: (i) development and complex transactions administration and management, (ii) meter reading and preparation of utility bills (to recover costs of tenant usage expanded to various locations), (iii) a New York State Code Enforcement Official (to provide preliminary plan review, operational compliance oversight and construction guidance to assist the Agencies and expedite completion of tenants design and construction with agencies issuing all approvals), (iv) dispute resolution management of collections matters and biweekly reporting on all legal matters, and (v) increased M/WBE participation with the addition of SDVOB participation. Moreover, this total includes \$150,000 in contingencies for reimbursable costs such as painting vacated premises, changing locks, minor repairs/alterations, landlord improvements, etc. and any new complex agreement will be billed at \$270/hr, not to exceed \$200,000 over the course of the contract. The amount shown does not include Greystone's proposed annual escalation of 3% (which will be at MTA's sole discretion) or CPI, whichever is lower (at MTA's sole discretion). Based on the above, the negotiated hourly rates are deemed to be fair and reasonable.

A responsibility review revealed no significant adverse information regarding the firm within the All-Agency Responsibility Guidelines.

III. D/M/WBE INFORMATION

The MTA Department of Diversity and Civil Rights has assigned goals of 15% MBE, 15% WBE and 6% SDVOB. Greystone & Co. has submitted a utilization plan to achieve the assigned MWBE and SDVOB goals. Greystone is achieving its MWBE goals on its current contract.

IV. IMPACT ON FUNDING

The total cost for the contract term is chargeable to the agencies whose tenants are being managed by MTA Real Estate to the effort expended on their behalf.

V. ALTERNATIVES

1. Do not Approve Award of the Contract. This alternative is not feasible. MTA Real Estate, the Comptroller's Office, and Risk & Insurance Management do not have the resources or the trained personnel to adequately perform these services.
2. Perform the Services In-house. This is not a feasible alternative. MTA does not possess the internal resources available to provide the required tenant management and accounting services.

Staff Summary

Schedule F: Professional Services Contract



Item Number:					
Dept & Dept Head Name: Deputy Chief Financial Officer/D. Spero <i>DS</i>					
Division & Division Head Name: MTA Office of Construction Oversight/M. Wetherell <i>[Signature]</i>					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	Finance	2/20/18	X		
2	Board	2/22/18	X		
Internal Approvals					
Order	Approval	Order	Approval		
1	Procurement <i>[Signature]</i>	4	CFO <i>[Signature]</i>		
2	DDCR <i>[Signature]</i>				
3	Legal <i>[Signature]</i>				

SUMMARY INFORMATION	
Vendor Name: TDX Construction Corporation	Contract Number: 10200
Description: Construction Manager for MTAHQ Small Business Development Program	
Total Amount: Not to exceed \$43,058,640	
Contract Term (including Options, if any): March 1 2018 through February 28, 2021 w/ 3 one yr. renewable options	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source: <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

I. PURPOSE/RECOMMENDATION

To obtain Board approval to award a competitively negotiated, professional services contract to TDX Construction Corporation (TDX) to provide mentoring and construction management (CM) services for the MTA's Small Business Development Program (SBDP). The proposed contract is for an initial term of three years, commencing March 1, 2018, with options to extend the contract for three additional one-year periods at MTA's sole discretion. The three year contract is for a total value not to exceed \$43,058,640. This contract is funded by each agency (NYCT, MTACC, LIRR, MNR, and B&T) from within its capital program.

II. DISCUSSION

The MTA has developed and implemented a Small Business Development Program (SBDP) with the goal of increasing small business participation on public works contracts with the MTA. Small businesses will receive guidance on estimating, project scheduling, QA/QC plans, and bidding strategies. In accordance with the State's policy of encouraging growth of small businesses, this program is intended to expand the pool of qualified and diverse contractors who compete for MTA business and to enhance the ability of these firms to successfully compete for the MTA's public work contracts.

Under this program, TDX will provide mentoring services to SBDP contractors in the form of training and hands-on technical assistance and strategies in competing for and providing construction management services. TDX will work in conjunction with MTA agency project managers to provide mentoring services through all phases of construction. TDX will also provide training and information on bank loan repayment administration, payment tracking, and preparation for attending project meetings. TDX will also assist with the establishment and documentation quality assurance and control (QA/QC) procedures.

Each MTA Agency will be responsible for selecting projects estimated up to \$3 million for which only firms that are participating in the SBDP program will be allowed to bid. Awarded firms will be eligible to receive the aforementioned services from TDX. The Office of Construction Oversight will administer this contract and work with a designated representatives at each agency to create an action plan that will continue to enhance the SBDP.

The proposed contract replaces an expiring 7½ year contract which is currently held by the incumbent firm. In order to contract for these services, a Request for Proposals (RFP) was publicly advertised on September 21, 2017, and notifications were emailed to 47 firms, of which 15 firms were M/WBE. Four proposals were received and the selection committee included Directors and Vice Presidents from MTAHQ Office of Construction Oversight, B&T's Office of Engineering, MNR's Office of Engineering, NYC Transit's Capital Program Management, and the MTAHQ Department of Diversity and Civil Rights. The evaluation criteria were: (a) the proposed staff's experience; (b) the proposed mentor process; (c) the ability to provide staff that can manage multiple projects and it's individual contract requirements; (d) responsiveness to the RFP; (e) diversity practices; and (f) cost.

TDX, AECOM, STV/LIRO J.V. and HAKS offered proposals and all four were invited for oral presentations. Ultimately, the committee recommended TDX, finding that they possess a program that is closely tailored to address MTA's needs, a strong support team and a history of successfully managing mentoring programs with agencies such as the New York City School Construction Authority and the Metropolitan Transportation Authority. TDX recommended improvements to the MTA program that are expected to enhance the Agency's success rate.

III. NEGOTIATIONS

TDX initially proposed a fee of \$34,884,801 but that amount only covered 67% of the staffing requirements articulated in the RFP so, before commencing negotiations, TDX corrected their cost proposal, increasing it to \$50,845,708. Negotiations reduced that \$43,058,640, a reduction of 15%. The negotiated fully-loaded average hourly rates proposed by TDX were the lowest among the competing firms and the contract total includes provision for an annual escalation of 2% or CPI, whichever is lower, for each of the subsequent 3 years. These rates are equal to or lower than the rates TDX currently charges other government entities, and is consistent with the rates utilized in NYC Transit contracts for similar construction management services. Based on the foregoing, the total not to exceed cost of \$43,058,640 is found to be fair and reasonable.

A responsibility review revealed no significant adverse information regarding the firm within the All-Agency Responsibility Guidelines.

IV. M/WBE AND SDVOB INFORMATION

The MTA Department of Diversity and Civil Rights has assigned goals of 15% MBE, 15% WBE and 6% SDVOB. TDX Construction Corporation has submitted a utilization plan to achieve the assigned MWBE and SDVOB goals. TDX is achieving its MWBE goals on their current active contract which expires on 2/28/18.

V. IMPACT ON FUNDING

The 2015-2019 capital program funds will be used to finance the costs of this Construction Management contract and other administrative training costs of the three years of the SBDP.

VI. ALTERNATIVES

1. Perform all services in-house. This alternative is not practical. The Authority does not have the resources or the trained personnel to perform mentoring construction management (CM) services.
2. Do not approve award of this contract. This alternative is not feasible. MTAHQ will implement a Small Business Development Program in accordance with the approved NYS Legislation.

Staff Summary

Schedule H: Modifications to Personal Service & Miscellaneous Service Contracts

Item Number:

Page 1 of 1

Vendor Name (& Location): The McKissack Group	Contract Number: 15095-0100	AWO/Modification # 1
Description: Independent Engineering Consultants	Original Amount:	\$28,632,368
Contract Term (including Options, if any): March 1, 2016 – February 28, 2019 plus four 1 year options	Prior Modifications:	\$ 0
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Prior Budgetary Increases:	\$ 207,000
Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	Current Amount:	\$28,839,368
Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	This Request:	\$ 8,000,000
Funding Source: <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	% of This Request to Current Amount:	27.7%
Requesting Dept/Div & Dept/Div Head Name: Donald Spero, Deputy Chief Financial Officer	% of Modifications (including This Request) to Original Amount:	27.9%

I. PURPOSE/RECOMMENDATION:

To recommend that the Board approve a modification to the Independent Engineering Consultant (IEC) Contract with The McKissack Group to address the need for additional funding for monitoring and oversight services pursuant to requirements of the New York State Public Authorities Law 1263-4(b).

The current base contract began March 1, 2016 and runs through February 28, 2019 in the amount of \$28,839,368 with services applicable to the originally approved \$29.455 billion 2015-2019 capital plan as well as earlier capital programs. For services beyond the expiration of the base contract, additional options for four additional one-year periods are available at the MTA's sole discretion.

II. DISCUSSION

The MTA requires the services of a nationally recognized independent transit engineering firm to perform periodic monitoring and oversight on projects in the MTA's Capital program including risk assessments, project monitoring, design review, programmatic review and D/M/WBE support and other tasks as determined by the Chairman, CPOC and the agencies.

The 2015-2019 capital program has grown in size to \$32.853 billion and in complexity with LIRR Mainline expansion, additional station work and accessibility projects, new types of bus purchases, additional signal work and the subway action plan. These changes have resulted in increased monitoring efforts for the IEC and require additional technical specialists for tasks that were not anticipated in the original contract.

The proposed \$8 million increase will ensure that there is sufficient funding for the balance of IEC's base contract, through February 28, 2019.

A responsibility review revealed no significant adverse information regarding the firm within the All-Agency Responsibility Guidelines.

III. IMPACT ON FUNDING:

This contract is funded by the agencies from within their 2015-19 capital programs. The additional cost for this modification will be proportionally allocated to each agency.

IV. ALTERNATIVES:

None. NY State Public Authorities Law requires that these services be available for consultation with CPOC and be involved in the oversight of the MTA Capital Program.

Staff Summary

Schedule H: Modifications to Personal Service & Miscellaneous Service Contracts

Item Number:

Page 1 of 1

Vendor Name (& Location): Willis of New York, Inc.
Description: Insurance Broker Services
Contract Term (including Options, if any): Eight (8) Years (April 1, 2017 to March 31, 2025)
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive
Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:
Funding Source: <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:
Requesting Dept/Div & Dept/Div Head Name: Finance / Robert Foran & RIM / Phyllis Rachmuth

Contract Number: 90000000002086	AWO/Modification # 1
Original Amount:	\$7,433,725.00
Prior Modifications:	\$0.00
Prior Budgetary Increases:	\$0.00
Current Amount:	\$7,433,725
This Request:	\$1,408,318
% of This Request to Current Amount:	18.9%
% of Modifications (including This Request) to Original Amount:	18.9%

DISCUSSION:

To recommend that the Board approve a modification to increase a competitively negotiated, personal services contract with Willis of New York, Inc. (Willis) in the amount not-to-exceed \$1,408,318 to add the Long Island Railroad Expansion Project to the MTA Owner Controlled Insurance Program (OCIP) for the 2015-2019 Capital Plan.

A contract to provide insurance broker services was procured competitively and awarded to Willis in 2017. This personal service contract provides for Willis to be the Broker of Record for OCIP for the 2015-2019 Capital Program and Sandy Related Projects for a period of eight (8) years from April 1, 2017 to March 31, 2025 at a total cost not-to-exceed \$ 7,433,725. The original contract is not limited to a specific project list and contemplates amending the list of projects covered by OCIP based on the MTA's needs during the contract term. This modification adds the LIRR Expansion Project to OCIP, which was originally included in the original solicitation, but was not exercised as part of the final Contract award because the decision to use OCIP therefor was made at a later date. The modification will provide the broker services necessary to immediately support that project with funds provided by the 2015-2019 Capital Program and Sandy Related Projects.

MTA RIM estimates this modification to be valued at \$1,340,154.19. Willis' initial cost proposal valued the work at \$2,387,510.63. Following scope clarification, negotiations yielded a best and final offer (BAFO) of \$1,408,318. Willis' BAFO utilizes existing contract rates deemed fair and reasonable for the original contract award. Willis' BAFO represents a \$979,192.63 or 41% cost reduction from its original proposal and is \$68,163.81 or 4.8% more than MTA RIM's in-house estimate. Additionally, this modification projects an average project savings of \$20 million when compared to utilizing traditional insurance. Based on the foregoing, Procurement finds Willis' BAFO to be fair and reasonable.

In connection with a previous contract awarded to the Contractor, 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 Interim Executive Director with the MTA Acting General Counsel. No new SAI has been found relating to the Contractor and the Contractor has been found to be responsible.

Staff Summary

Schedule H: Modifications to Personal Service & Miscellaneous Service Contracts

Item Number:

Page 1 of 1

Vendor Name (& Location): Cambridge Systematics, Inc.	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Contract Number: 11084-0100</td> <td style="width: 50%;">AWO/Modification # 4</td> </tr> <tr> <td colspan="2">Original Amount: \$ 7,526,026</td> </tr> <tr> <td colspan="2">Prior Modifications: \$ 1,891,016</td> </tr> <tr> <td colspan="2">Prior Budgetary Increases: \$</td> </tr> <tr> <td colspan="2">Current Amount: \$ 9,417,042</td> </tr> <tr> <td colspan="2">This Request: \$ 2,522,309</td> </tr> <tr> <td colspan="2">% of This Request to Current Amount: 27%</td> </tr> <tr> <td colspan="2">% of Modifications (including This Request) to Original Amount: 59%</td> </tr> </table>	Contract Number: 11084-0100	AWO/Modification # 4	Original Amount: \$ 7,526,026		Prior Modifications: \$ 1,891,016		Prior Budgetary Increases: \$		Current Amount: \$ 9,417,042		This Request: \$ 2,522,309		% of This Request to Current Amount: 27%		% of Modifications (including This Request) to Original Amount: 59%	
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Current Amount: \$ 9,417,042																	
This Request: \$ 2,522,309																	
% of This Request to Current Amount: 27%																	
% of Modifications (including This Request) to Original Amount: 59%																	
Description: Bus CIS Server Software, Hosting, and Maintenance																	
Contract Term (including Options, if any): 24 Months																	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																	
Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive																	
Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:																	
Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:																	
Requesting Dept/Div & Dept/Div Head Name: Bus Customer Information Department																	

DISCUSSION:

Approval is sought to extend a service agreement with Cambridge Systematics, Inc. (Cambridge) for continued maintenance and improvements to the Bus Customer Information System (CIS) server subsystem.

The CIS server subsystem is comprised of the hardware, software, networking and online services that process real-time data such as schedules and routes for transmittal to various applications used by customers via digital and mobile devices. This subsystem is one of the key projects of the broader CIS undertaken to improve communications pursuant to the Governor’s initiative to improve customer communications. The other key CIS bus projects are i) bus hardware, including modems that transmit bus location and ii) short messaging services that transmit information regarding bus locations in language that can be received on commonly used platforms (like Android or IOS devices).

In September 2011, the MTA Board approved a competitively solicited, 76 month service agreement with Cambridge to provide the Bus CIS server subsystem in the amount of \$7,526,026. The contract called for a multi-phased approach, which prioritized initial development and deployment of the aforementioned subsystem to coincide with the implementation of the broader CIS. Two prior modifications were issued to this contract, the first for expansion of the “Open Trip Planner” application for MTA.info. The second was for increased usage of Amazon Web and Google Map Services.

This change order provides for a 24 month contract extension, during which Cambridge Systematics will continue to work on enhancements to multi-modal trip planning applications for mobile devices. This includes 1) making improvements to the user interface to ensure compliance with the emerging General Transit Feed Specification – Real Time Service Change Standard and the Inference Engine; 2) Integrating Automatic Passenger Counter with the “OneBusAway” application to provide riders with updates on approximate crowding on the arriving bus; and 3) enhancements to the “Bus at Pull-Out” and “@Stop App Support”, as well as host, maintain and support the current Bus CIS Server.

Cambridge Systematics has agreed to keep the same rates as negotiated in the original agreement of September 2011. These rates are on average 13% lower than the current costs associated with the T&M rates for Principal Engineers, Software Developers and QA Specialists. In addition, the contracted fixed fee of 15% was negotiated down to 14% which decreases their proposed price of \$2,530,558 to \$2,522,309. Based on the above, the negotiated amount of \$2,522,309 is deemed fair and reasonable.

A responsibility review revealed no significant adverse information regarding the firm within the All-Agency Responsibility Guidelines.

LIST OF PROCUREMENTS FOR BOARD APPROVAL, FEBRUARY 2018
PROCUREMENTS FOR RATIFICATION

METROPOLITAN TRANSPORTATION AUTHORITY

Procurements Requiring Majority Vote:

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

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

21-27.	Various Executive Order 168	\$41,000,835	<u>Staff Summary Attached</u>
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This is a request that the Board ratify procurement actions awarded pursuant to Executive Order 168 ("E.O. 168") and its extensions. All seven actions are for NYC Transit and were conducted using informal competition. Pricing for all seven actions was found to be fair and reasonable.

Staff Summary

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

Vendor Name (& Location): Various
Description: Ratification of Executive Order 168 Actions
Contract Term (including Options, if any): Various
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 <input type="checkbox"/> Various
Solicitation Type: <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Various
Approval
Office of the Chairman <i>HT</i>

Contract Number: Various	Renewal? <input type="checkbox"/> Yes <input type="checkbox"/> No
Total Amount:	\$ 41,000,835
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: Chief Operating Officer, Phillip Eng	
Contract Manager: Chief Procurement Officer, David N. Ross	

PURPOSE:

This is a request that the Board ratify procurement actions awarded pursuant to Executive Order 168 (“E.O. 168”) and its extensions.

DISCUSSION:

On June 29, 2017, Governor Andrew M. Cuomo issued Executive Order No. 168, in which he declared a disaster emergency as a result of continued failures of tracks, signals, switches and other transportation infrastructure on MTA rail and subway systems and resulting outages, derailments, and service disruptions that have had a deleterious effect on MTA customers and the regional and New York State economy. The Governor declared that significant and immediate action must be taken to assist in the repair of such transportation infrastructure, and in remediation of track outages and service disruptions. E.O. 168, as extended, provides for the temporary suspension of statutory provisions and any implementing rules, regulations and guidelines for purposes of awarding any contracts, leases, licenses, permits or other written agreements to mitigate the disaster emergency.

Since time is of the essence in addressing the disaster emergency, the procurement actions listed below were procured without a formal competitive process. In accordance with the emergency provisions in Article III(B)(1) of the All Agency General Contract Procurement Guidelines and Article III(C)(3) of the All Agency Service Contract Procurement Guidelines, the E.O. 168 procurement actions listed below are being submitted to the Board for ratification. The total estimated value for the seven actions is \$41,000,835. All seven actions are for NYC Transit. All seven actions were conducted using informal competition.

Pricing for all seven actions was found to be fair and reasonable.

Award Date	Contractors	Description	Contract Numbers	Contract Amount	Solicitation Method
12/13/2017	MWL Brasil Rodas & Eixos Ltda (São Paulo, Brazil)	Purchase of Subway Car Wheels	6%19622	\$10,689,600 (est.)	Informal Competition
12/14/2017	Summit Railroad Products (Burnham, PA)		6%19630	\$ 9,192,000 (est.)	
Total				\$ 19,881,600 (est)	

Discussion:

These 24-Month Estimated Quantity Contracts are for the purchase of subway car wheels (wheels). This material has been identified under the Subway Action Plan to support the increase in the number of subway cars undergoing the Division of Car Equipment’s Scheduled Maintenance System.

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

In order to meet NYC Transit's operational requirements, NYC Transit requires two different suppliers to ensure a timely and sufficient supply of wheels. NYC Transit's monthly requirements for wheels are greater than the monthly production capacity of any single approved wheel supplier. In order to obtain this material in an expeditious manner, an informal competitive solicitation was conducted.

Wheels are a safety sensitive item and are on NYC Transit's Qualified Products List with approved products manufactured by MWL Brasil Rodas & Eixos Ltda (MWL), Sumitomo Corporation and Standard Steel. Both Sumitomo Corporation and Standard Steel are represented by Summit Railroad Products, Inc. (Summit); MWL and Summit were solicited.

The solicitation was crafted to award two contracts, Contract #1 for a 24-Month Estimated Quantity Contract, guaranteeing a quantity of 12,000 wheels to the responsible supplier offering the lowest price and Contract #2 for a 24-Month Estimated Quantity Contract, guaranteeing a quantity of 8,000 wheels to the responsible supplier offering the lowest price, other than the successful supplier for the award of Contract #1. The contract quantities are guaranteed, but NYC Transit has the option to increase the quantities if required during the contract period.

Quotes were received from both MWL and Summit for each contract. For Contract #1, MWL submitted the lowest pricing. For Contract #2, NYC Transit's Cost/Price Analysis Unit performed a cost analysis of Summit's pricing using input from MTA Audit. Prices for both contracts were found to be fair and reasonable.

Contract #1 was awarded to MWL on December 13, 2017 at \$890.80 per wheel and Contract #2 was awarded to Summit on December 14, 2017 at \$1,149.00 per wheel. Delivery of wheels from both suppliers will commence in March 2018.

The use of E.O. 168 for this solicitation expedited the awards and subsequent deliveries in order to ensure an uninterrupted supply of wheels for DCE's increased requirements.

Award Date	Contractor	Description	Contract Number	Contract Amount	Solicitation Method
01/16/2018	Service Line, Inc. (Reedsburg, WI)	Furnish, Deliver and Install One (1) New Journal Bearing Washer	RFQ 175752	\$ 309, 000	Informal Competition

Discussion:

This contract is for the purchase, delivery, installation of one (1) new journal bearing washer and removal of existing equipment at the NYC Transit Wheel and Axle Shop at the Coney Island Overhaul Facility. The journal bearing washer is a critical piece of equipment which is used to degrease and wash journal bearings that are part of the wheel-axle assemblies of rail cars. The washer is comprised of a series of components that must be configured to fit within the limited space available in the Wheel and Axle Shop. Installation also requires steam exhaust ducting. This new washer will replace the existing aged equipment that is subject to frequent breakdowns. NYC Transit in house forces maintain and repair this equipment. Replacement parts are readily available in the marketplace.

This was an informal competitive procurement and three vendors responded to the solicitation: Green Power Chemical, LLC (Green Power) at \$295,000, Service Line, Inc. (Service Line) at \$309,000 and Proceco Ltd. (Proceco) at \$535,432. Although Green Power offered the lowest price, it was not selected for award as it required unreasonable payment terms and a long lead time of nine months. The quote from Service Line, having a six month lead time, is 42.3% lower than the quote submitted by Proceco. In light of the above analysis, Service Line's quote for this contract was determined to be fair and reasonable.

Staff Summary

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

Award Date	Contractor	Description	Contract Number	Contract Amount	Solicitation Method
1/12/2018	Superior Sales & Service, Inc. (Plattsmouth, NE)	Purchase of Five "E" Clip Insertion and Extraction Machines	6%19837	\$188,625 (Est.)	Informal Competition

Discussion:

This contract, for the purchase of five "e" clip insertion and extraction machines was done under E.O. 168 and falls under the Subway Action Plan to accelerate repair of track issues. This equipment will be used to insert and extract "e" clips that hold the rail in place to the plate and tie. The machine is able to perform insertion and extraction of "e" clips on both sides of the rail simultaneously and can be used on a single side if necessary. Currently, the method used to insert and remove "e" clips utilizes a sledge hammer to wedge the clips in or out of place.

This was an informal competitive procurement to which two vendors responded. The low bidder, Superior Sales quoted a unit price of \$37,725.00, which is 25% lower than the unit price of \$47,156.25 from the second lowest bidder, Railroad Tool & Solutions LLC. Superior Sales was awarded the contract based on best price and acceptable lead time.

Award Date	Contractor	Description	Contract Number	Contract Amount	Solicitation Method
1/5/2018	Harben, Inc. (Cumming, GA)	Purchase of Two Water Jetters	6%19783	\$263,500 (Est.)	Informal Competition

Discussion:

The root cause for a significant number of track incidents that cause delays is water-related damage. As part of the Subway Action Plan, NYC Transit has launched an emergency Water Management Initiative that includes, through the use of water jetting, the elimination of debris that clogs drains allowing for the proper diversion of water at various drains located underground, on the tracks.

The two high-pressure hydraulic water jetters (15,000psi) will be mounted on a flat car by NYC Transit personnel and will be operated by NYC Transit's Infrastructure staff to quickly and efficiently clean track sewers, pipe drains and other conduits to remove obstructions, sand, solidified grease and other contaminants. The elimination of debris clogging track drains will reduce the incidents of service outages and disruptions and improve the reliability of service provided to the NYC Transit customers.

This was an informal competitive procurement in which 3 vendors were solicited. Two vendors responded to the solicitation. The low bidder, Harben Inc. (Harben) quoted a unit price of \$131,750 which is 51% lower than the quoted unit price of \$198,746 from the second low bidder, Aviva Technology. Harben was awarded the contract based on best price and acceptable lead-time.

Award Date	Contractor	Description	Contract Number	Contract Amount	Solicitation Method
12/27/2017	Essential Image, Inc. (Ontario, Canada)	Directional Floor Decals	6%19710	\$188,892 (Est.)	Informal Competition

Discussion:

This contract for the purchase of 6,600 red-flecked floor directional decals was done under E.O. 168 and falls under the Subway Action Plan for interior upgrades to subway cars to improve the customer experience. The directional floor decals are intended to assist NYC Transit passengers on entering subway cars in a more efficient manner, and are intended to reduce dwell time in stations.

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

This was an informal competitive procurement in which 7 vendors were solicited. Five vendors responded to the solicitation. The low bidder, Essential Image Inc. quoted a unit price of \$28.62 which is 49% lower than the quoted unit price of \$56.95 from the second low bidder, Sign Now Image 360. Essential Image Inc. was awarded the contract based on best price and lead-time.

Award Date	Contractor	Description	Contract Number	Contract Amount	Solicitation Method
12/29/2017	Saf-Gard Safety Shoes (Greensboro, NC)	Furnish and Deliver Safety Shoes and Work Shoes	6%19739	\$20,169,218 (Est.)	Informal Competition

Discussion:

This is a five year contract for furnishing and delivering safety and work shoes for NYC Transit and MTAB employees. This was identified as E.O. 168 eligible, as safety shoes (approximately 70% of the overall requirement) are mandatory for subway employees doing work on the tracks in the performance of essential job functions. Due to the unique nature of this contract, it was determined to use an informal competitive Request for Proposal (“RFP”) process in order to consider factors in addition to cost including relevant experience and qualifications and approach to the work in awarding an appropriate contract. This RFP contained the following evaluation criteria (listed in descending order of importance): (1) technical criteria including but not limited to relevant experience, qualifications and approach to the work, (2) overall project costs and (3) other relevant matters.

Under this contract, NYC Transit will provide employees with commercially available, off the shelf safety and work shoes which meet the American Society for Testing and Materials (“ASTM”) standards through a secure on-line ordering program. In prior contracts, shoes were distributed to eligible personnel through the use of a “shoe mobile” truck deployed by the contractor to various work sites.

Procurement conducted an extensive outreach and identified thirteen potential proposers, twelve of which are major suppliers in the shoe industry. A pre-proposal meeting was conducted, six proposals were received, Lehigh Outfitters, S&H Uniforms, Saf-Gard Safety Shoes, SMMC Enterprises, VF Imagewear and Workboots.com. The Selection Committee met, reviewed each proposal, and selected five companies to participate in oral presentations; four proposers were subsequently invited for negotiations.

Following negotiations, Best and Final Offers (BAFOs) were requested and received from three companies, S&H Uniforms, Saf-Gard Safety Shoes and VF Imagewear. The Selection Committee reviewed the BAFOs in accordance with the evaluation criteria and unanimously found Saf-Gard to have demonstrated superior technical expertise in this field. The Selection Committee unanimously selected Saf-Gard because it demonstrated technical superiority and offered the lowest pricing.

The award amount of \$20,169,218 results in a total savings of \$3,765,324 or 15.73% below the initial pricing received from Saf-Gard. Additionally, the award amount is 2.23% lower than the next lowest proposer. Procurement, System Wide Contracts Management, and the Cost/Price Analysis Unit have determined the final price to be fair and reasonable.

The contract was awarded to Saf-Gard on December 29, 2017 in the total amount of \$20,169,218.

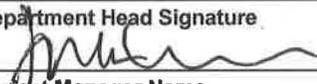
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FEBRUARY 2018
MTA REAL ESTATE
LIST OF REAL ESTATE ACTION ITEMS FOR BOARD APPROVAL

MTA LONG ISLAND RAIL ROAD

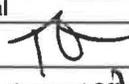
Lease between Joseph Klein Family LLC and Long Island Rail Road for LIRR shelter shed and platform encroachment near East Rockaway Station and Ocean Avenue

Staff Summary

Subject LEASE EXTENSION AND MODIFICATION
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name MICHAEL DANIELS

Date FEBRUARY 20, 2018
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	2/20/18	X		
2	Board	2/22/18	X		

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

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

LESSOR: Joseph Klein Family LLC

LOCATION: Land adjacent to the East Rockaway Station, westside of the right of way, north of Ocean Avenue (Val Map V1F/183), Nassau County

USE: Passenger platform and shelter shed

ACTION REQUESTED: Approval of terms

TERM: Approximately thirteen years

SPACE: Approximately 21 square feet

COMPENSATION: \$1,200.00 per annum / \$100.00 per month

COMMENTS:

A portion of the platform at the East Rockaway station lies on Lessor's property and has been leased for approximately 36 years at a rental fee of \$100.00 per year without an increase. Since 2015, the LIRR had mistakenly not paid the Lessor for the use of the land. The Lessor advised MTA Real Estate and the parties agreed to a negotiated settlement, which allows for continued use of the land at an increased compensation of \$1,200.00 annually.

This is the first increase the Lessor has imposed for the use of the land. The increase will be retroactive to take effect as of 2015.

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

PROCUREMENTS

The Procurement Agenda this month includes 8 actions for a proposed expenditure of \$359.6M.

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	2/20/18			
2	Board	2/22/18			

February 13, 2018			
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:

<u>Procurements Requiring Two-Thirds Vote:</u>	<u># of Actions</u>	<u>\$ Amount</u>
Schedule A: Noncompetitive Purchases and Public Work Contracts	1	\$ 19.0 M
• The Aftermarket Parts Company LLC, dba New Flyer Parts	\$ 19.0 M	
SUBTOTAL	1	\$ 19.0 M

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 C: Competitive Requests for Proposals (Award of Purchase and Public Work Contracts)	3	\$ 262.3 M
<u>Schedules Requiring Majority Vote:</u>		
Schedule F: Personal Service Contracts	1	\$ 62.6 M
Schedule H: Modifications to Personal/Miscellaneous Service Contracts	1	12.4 M
SUBTOTAL	5	\$ 337.3 M

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

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

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

NYC Transit proposes to award Ratifications in the following categories:

<u>Schedules Requiring Majority Vote:</u>		
Schedule K: Ratification of Completed Procurement Actions	1	\$ 1.7 M
SUBTOTAL	1	\$ 1.7 M

MTA Bus Company proposes to award Ratifications in the following categories:

<u>Schedules Requiring Majority Vote:</u>		
Schedule K: Ratification of Completed Procurement Actions	1	\$ 1.6 M
SUBTOTAL	1	\$ 1.6 M
TOTAL	8	\$ 359.6 M

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

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

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

BOARD RESOLUTION

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

WHEREAS, in accordance with the All-Agency Service Contract Procurement Guidelines and General Contract 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 Service Contract Procurement Guidelines, the Board authorizes the award of certain service contracts and certain change orders to service contracts.

NOW, the Board resolves as follows:

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

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

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

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

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

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

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

FEBRUARY 2018

LIST OF NONCOMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

A. Noncompetitive Purchases and Public Work Contracts

(Staff Summaries required for all items greater than: \$100K Sole Source; \$750K Other Noncompetitive.) Note – in the following solicitations, NYC Transit attempted to secure a price reduction. No other substantive negotiations were held except as indicated for individual solicitations.

1. **The Aftermarket Parts Company LLC, \$19,000,000 (Est.)** *Staff Summary Attached*
dba New Flyer Parts
Sole Source - Three-year omnibus
Multi-agency purchase of inventory and non-inventory replacement bus parts.

Schedule A: Noncompetitive Purchases and Public Work Contracts



Item Number: 1

Vendor Name (Location) The Aftermarket Parts Company, LLC, dba New Flyer Parts (New Flyer), (Delaware, Ohio)
Description Purchase of inventory and non-inventory replacement bus parts
Contract Term (including Options, if any) March 1, 2018–February 28, 2021
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Noncompetitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Omnibus Sole-Source Approval

Contract Number NONE	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total Amount: NYC Transit: \$14,000,000 MTABC: \$5,000,000	
\$19,000,000 (Est.)	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept./Div., Dept./Div. Head Name: Department of Operations Support, Stephen M. Plochochi	

Discussion:

This is an omnibus approval request for items identified as obtainable only from The Aftermarket Parts Company, LLC, dba New Flyer Parts (“New Flyer”), and will eliminate the need to advertise and prepare individual procurement staff summaries for Board approval for each procurement over the small purchase threshold. NYC Transit and MTA Bus Company (“MTABC”) are not obligated to generate any purchase orders pursuant to an omnibus approval. Any purchases made under this approval will be made pursuant to paragraph 9(b) of Public Authorities Law 1209 and paragraph 4(b) of Public Authorities Law 1265-a for NYC Transit and MTABC respectively, which allows for purchases of items that are available from only a single responsible source to be conducted without competitive bidding.

In late 2012, Daimler Buses North America (“DBNA”) ceased production of transit buses and exited the transit bus manufacturing industry in North America. DBNA marketed its buses under the “Orion” brand name. Subsequently on March 1, 2013, New Flyer announced that it had acquired the exclusive license to supply DBNA aftermarket parts, including use of DBNA’s proprietary parts’ design. New Flyer then became the exclusive supplier of DBNA parts. Therefore, this approval is intended to support the entire New Flyer and Orion fleet, and will include all items under the New Flyer and Orion trade names.

There are approximately 16,040 items covered by this approval for the purchase of all replacement bus parts, such as cooling system components, hydraulic components, bus body parts, brake systems, and electronic components used on NYC Transit and MTABC buses supplied by New Flyer. These items are identified as obtainable only from New Flyer for the following reasons: Sole pre-qualified item on the Qualified Products List and not available from any distributor or other source; publicly advertised within a twelve-month period without an acceptable alternate supplier, or proprietary to New Flyer. These items are advertised a minimum of once every twelve months to seek competition. A list of New Flyer sole-source items, as well as NYC Transit and MTABC’s intention to buy items on the list without competitive bidding, is available for download on the NYC Transit website at any time by any prospective vendor. These sole-source parts will be used by NYC Transit’s Department of Buses (“DOB”) and MTABC for normal maintenance and replenishment of inventory and non-inventory bus parts identified as sole source and/or proprietary to New Flyer. NYC Transit and MTABC operate a combined fleet of 3,504 New Flyer and DBNA buses, which represents approximately 60.6% of the combined fleet of 5,781 buses. Of the 3,504 buses covered by this request, 1,601 were manufactured by New Flyer and 1,903 were manufactured by DBNA.

The current New Flyer omnibus approval for \$23,000,000 (\$18,000,000 for NYC Transit and \$5,000,000 for MTABC) was approved by the Board in October 2015 and expires on October 31, 2018. There is a remaining balance of approximately \$1,966,114 for NYC Transit’s portion and approximately \$628,948 for MTABC’s portion of unexpended funds on the existing omnibus approval as of January 5, 2018.

Procurement performed an analysis on the 169 (114 NYC Transit and 55 MTABC) contracts issued during the term of the existing omnibus approval that exceeded the small purchase threshold, which have comparative history. A price analysis of the 169 sole-source contracts revealed an annual weighted average price increase of 0.71%. These 169 contracts amount to a total of \$12,259,993 (\$7,717,954 NYC Transit, \$4,542,038 MTABC), which represents 60.1% of the total dollar spent as of January 5, 2018.

The 0.71% annual weighted average price increase compares favorably to the corresponding Producer Price Indexes (PPI) that showed a combined annual weighted average price increase of 1.15%. The Cost/Price Analysis Unit reviewed the comparative price analysis for NYC Transit and concurred that pricing offered by New Flyer is fair and reasonable.

Based on an analysis of the fleet composition, it is anticipated that NYC Transit and MTABC will require approximately \$14,000,000 and \$5,000,000 respectively for sole-source items from New Flyer during the term of this new omnibus approval request. Procurement believes that the amount requested will be sufficient to procure all sole-source materials from New Flyer for the next three-year period. Procurement, DOB, and MTABC will continue to research alternate sources of supply wherever possible. Pricing for any noncompetitive procurement is established by a request for quotation for each item from New Flyer on an as-required basis and each individual procurement is subject to a cost and/or price analysis, and a determination that the price is fair and reasonable.

FEBRUARY 2018

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

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

1. **Boyce Technologies, Inc.** **\$49,338,169** *Staff Summary Attached*
Two Proposals–Thirty-two month contract
Contract# A-37628
 Upgrade of the Emergency Booth Communication System for the replacement and modernization of communication systems; funded under the Superstorm Sandy Resiliency contract.

2. **Judlau Contracting, Inc.** **\$124,949,000** *Staff Summary Attached*
Three Proposals – 11-month contract
Contract# A-36622D
 Package 4 of the Enhanced Station Initiative for the design and construction of improvements at 23rd and 57th streets (6th Avenue IND), 28th Street (Lexington Avenue IRT), 34th Street – Penn Station (7th Avenue IRT), and 34th Street – Penn Station (8th Avenue IND) in the borough of Manhattan.

3. **Citnalta-Forte, JV** **\$87,987,000** *Staff Summary Attached*
Four Proposals – 11-month contract
Contract# A-36622E
 Package 8 of the Enhanced Station Initiative for the design and construction of improvements at 174–175th Street (Concourse IND) and 167th Street (Concourse IND) stations in the borough of the Bronx, and 145th Street Station (Lenox Avenue IRT) in the borough of Manhattan.

Procurements Requiring Majority Vote:

F. Personal Service Contracts

(Staff Summaries required for all items greater than: \$100K Sole Source; \$750K Other Noncompetitive; \$1M Competitive.)

4. **C2K Partners** **\$62,623,706 (Est.)** *Staff Summary Attached*
Two Proposals–126-month contract with two options
Contract# R-84505
 Consulting services for the post-award support for the R211 subway car contract.

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

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

5. **HNTB New York Engineering and Architecture, P.C.** **\$12,389,621** *Staff Summary Attached*
Contract# CM-1059.2
 Modification to the contract for Consultant Construction Management Services for the Enhanced Station Initiative (Design and Renovation of Multiple Stations in the boroughs of Brooklyn, Queens, Manhattan, the Bronx, and Staten Island); in order to exercise options for Package 8 (Design and construction of improvements at the 174–175th Street (Concourse IND) and 167th Street (Concourse IND) stations in the Bronx and the 145th Street Station (Lenox Avenue IRT) in Manhattan) and Package 9 (Richmond Valley Station on the Staten Island Railway).

Staff Summary

Item Number 1			
Department, Department Head Name: SVP Operations Support, Stephen M. Plochochi			
Internal Approvals			
Order	Approval	Order	Approval
1	Materiel	6 X	Subways
2 X	Law	7 X	CFO
3 X	Budget	8	EVP
4 X	DDCR	9	President
5 X	CPM	10	

SUMMARY INFORMATION	
Vendor Name: Boyce Technologies, Inc.	Contract No. A-37628
Description Sandy Resiliency: Upgrade Emergency Booth Communication System	
Total Amount \$49,338,169	
Contract Term (including Options, if any) 32 Months	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> 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 checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

PURPOSE:

To obtain Board approval to award a competitively solicited Sandy Resiliency contract for the upgrade of the Emergency Booth Communication System (“EBCS”) to Boyce Technologies, Inc. (“Boyce”) in the amount of \$49,338,169 with a term of 32 months. The contract also includes three 5-year options for maintenance and training support services; the pricing for these options of \$20,606,396, is not included in the total amount listed above, as separate Board approval and funding will be sought prior to the exercise of any option.

DISCUSSION:

EBCS is an emergency safety notification system used for communications between station agents and the Rail Control Center (“RCC”) during emergency and safety-related incidents. The current EBCS is an analog system that is near the end of its useful life and needs to be replaced to meet the needs of NYC Transit and its users. This contract will replace and modernize the EBCS by upgrading from the use of analog call transmission technology to a digital technology, which will improve the quality of voice communications and Mass Call announcements to station agents. The contract also includes the integration of the upgraded EBCS into a unified platform along with other communication systems such as the Help Point (“HP”) and Customer Assistance Intercom (“CAI”). In addition to providing better response times for customers and station agents, this integration will (1) provide faster and more reliable communication, higher data storage and better management of the emergency communication systems, including consolidating steps in emergency call logging and reporting procedures through report generation and customization, and (2) allow for simpler and automatic diagnostics, testing, and maintenance.

In order to notify the contracting community of this upcoming procurement, an extensive outreach was conducted in 2015 followed by a Request for Information.

The Authorizing Resolution requesting the use of a competitive Request for Proposal (“RFP”) procurement process was approved by the Board in July 2016. A one-step RFP was issued requiring the submission of technical and price proposals including pricing for three 5-year options for maintenance of hardware and software in order to achieve life-cycle costing and to ensure maintenance coverage throughout the useful life of the system. Two proposals were received. Boyce proposed a base price of \$47,412,233 with an optional maintenance price of \$35,215,979 for a total of \$82,628,212. Parsons Transportation Group of New York, Inc. (“Parsons”) proposed a base price of \$63,419,030 with an optional maintenance price of \$18,058,183 for a total of \$81,477,213. The internal estimate included a base price of \$43,909,011 with an optional maintenance price of \$17,553,000 for a total of \$61,462,011.

Both Boyce and Parsons’ proposals were evaluated by a Selection Committee (“SC”) in accordance with preestablished selection criteria addressing relevant experience, approach to the work, and other technical matters related to the project. Supporting the SC evaluation was a Technical Advisory Committee (“TAC”) comprised of members from various NYC Transit divisions, Capital Program Management (“CPM”), and MTA-IT. The SC and members of the TAC also observed oral presentations from both proposers.

Following oral presentations, the proposers were ranked technically. Although it was determined that both proposals met the minimum requirements of the RFP, Boyce’s technical proposal was unanimously ranked the highest based on Boyce’s understanding of the work as well as its familiarity with the current system and having the best proposed solution. At the conclusion of the technical evaluation, the overall project cost and other relevant matters were considered. The SC recommended both proposers for negotiations.

Negotiations included discussions of commercial and contractual terms and conditions including any exceptions, base and option pricing including any assumptions, and technical requirements to ensure that each technical solution complied with all requirements contained in the Scope of Work and Technical Specifications.

Following negotiations, a Post Proposal Addendum (“PPA”) was issued to both proposers to clarify elements of the Technical Specifications, including (1) the coverage range of portable transmitting devices, (2) the testing of all network equipment (EBCS, HPs, and CAIs) by the contractor, and (3) additional contract language pertaining to software and network security. Both proposers were instructed to submit interim technical and price proposals allowing for adjustments resulting from negotiations and the PPA. As a result of the PPA, the internal estimate was revised to include a base price of \$45,253,126 with an optional maintenance price of \$20,573,706 for a total of \$65,826,832.

After receipt of the interim technical and price proposals, a second round of negotiations was conducted with each proposer to discuss their submissions and to finalize any outstanding technical issues. At the conclusion of negotiations, Boyce and Parsons were requested to submit their Best and Final Offers (“BAFO”).

The table below shows a comparison of the two proposers’ initial, interim and BAFO price proposals:

		Initial	Interim	BAFOs	Estimate
Boyce	Base	\$47,412,233	\$49,849,611*	\$49,338,169	\$45,253,126
	Option	\$35,215,979	\$23,249,972	\$20,606,396	\$20,573,706
	Total	\$82,628,212	\$73,099,583	\$69,944,565	\$65,826,832
Parsons	Base	\$63,419,030	\$55,549,999	\$52,425,000	
	Option	\$18,058,183	\$24,732,205	\$19,273,628	
	Total	\$81,477,213	\$80,282,204	\$71,698,628	

*Boyce’s initial base proposal included the use, wherever possible, of existing electrical wiring and switches in lieu of replacement as required by the contract. During negotiations, Boyce was advised that its proposal should comply with the RFP specifications. As a result, Boyce’s interim proposal increased by 5%.

Boyce’s BAFO of \$69,944,565 is \$12,683,647 or 15.4% lower than its initial proposal and is within 6.3% of the revised internal estimate. Boyce’s BAFO is \$1,754,063 or 2.5% below Parsons’ BAFO of \$71,698,628. Boyce’s BAFO price is considered fair and reasonable. The SC reviewed the BAFOs and revisited the technical evaluations. The SC recommended Boyce for award, determining that its superior technical proposal and lowest price offered the best overall value to NYC Transit based on the selection criteria. Based on the competitive nature of the RFP, the price has been found to be fair and reasonable.

Boyce has extensive experience working on NYC Transit projects of similar size, scope, and complexity and is currently the contractor responsible for maintaining the existing EBCS. Boyce has participated in past NYC Transit projects, including Public Address/Customer Information Screens, ESI Package 1, and Passenger Station Local Area Network as a subcontractor and/or systems integrator. Boyce is also a subcontractor on the AMTRAK Wi-Fi project from Boston to Washington D.C. and the prime contractor for an outdoor media kiosk project in various cities for Verizon. Reference checks for all of these projects found Boyce’s performance satisfactory.

M/W/DBE INFORMATION:

The MTA Department of Diversity and Civil Rights has assigned goals of 17% DBE. Boyce Technologies has submitted a utilization plan to achieve the assigned DBE goals. Boyce Technologies has not completed any MTA contracts; therefore, no assessment of the firm’s M/W/DBE performance can be determined at this time.

IMPACT ON FUNDING:

This contract is FTA funded under Superstorm Sandy Resiliency Funding. The contract will not be awarded until a WAR Certificate is received.

ALTERNATIVES:

None recommended. Currently, NYC Transit lacks available in-house technical personnel to perform the specific tasks required under the scope of work for this contract.

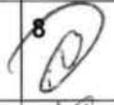
CAPITAL PROGRAM REPORTING:

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

RECOMMENDATION:

It is recommended that the Board approve the award of a contract for the Upgrade of the Emergency Booth Communication System to Boyce Technologies, Inc. in the amount of \$49,338,169 with a term of 32 months. The contract also includes three 5-year options for maintenance and training support services. Separate Board approval and funding will be sought prior to the award of any option.

Staff Summary

Item Number 2			
Department, Department Head Name: SVP Operations Support, Stephen M. Plochochi			
			
Internal Approvals			
Order	Approval	Order	Approval
1 <i>wo</i>	Materiel	6 X	Subways
2 X	Law	7 X	CFO
3 X	Budget	8 	EVP
4 X	DDCR	9 	President
5 X	CPM	10	

SUMMARY INFORMATION	
Vendor Name Judlau Contracting, Inc.	Contract No. A-36622D
Description Enhanced Station Initiative—Package 4 for Improvements at 23rd St. & 57th St. (6th Av. IND), 28th St. (Lex Av. IRT), 34th St. – Penn (7th Av. IRT) and 34th St. – Penn Station (8th Av. IND), in Manhattan	
Total Amount \$124,949,000	
Contract Term (including Options, if any) 11 months	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> 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 obtain approval of the Board to award a contract for Package 4 of the Enhanced Station Initiative (“ESI”) for the design and construction of improvements at 23rd and 57th streets (6th Avenue IND), 28th Street (Lexington Avenue IRT), 34th Street – Penn Station (7th Avenue IRT), and 34th Street – Penn Station (8th Avenue IND) in the borough of Manhattan to Judlau Contracting, Inc. (“Judlau”) in the amount of \$124,949,000 and a duration of 11 months.

In accordance with MTA policy regarding the use of design-build, and to enhance competition and defray proposal costs, this solicitation included a stipend of \$100,000 to be paid to each unsuccessful proposer whose proposal is responsive to the RFP requirements. Accordingly, permission is also requested to pay a total stipend of \$200,000. This is the fourth of several construction contracts to be awarded under the ESI Program.

DISCUSSION:

The ESI Program’s focus is on improving the customer experience, the continued responsibility of providing a state of good repair in stations, and the development of underlying station aesthetics through design innovation. These enhancements will result in stations that are cleaner and brighter, and through the use of more intuitive wayfinding and the inclusion of twenty-first century amenities such as Wi-Fi and cellular connectivity, will be easier to navigate. This program includes 31 preselected stations throughout all five boroughs plus two additional locations in the 34th Street–7th Avenue and 34th Street–8th Avenue stations at Penn Station. The work in Package 4 includes (1) design, (2) demolition/removals, (3) State-of-Good-Repair work including concrete and steel repairs, new platform edges and waterproofing, (4) upgraded electrical and communication systems including new closed-circuit TV cameras in control areas, (5) glass barriers in the fare control areas, (6) new signage and navigation systems providing information at street level, fare control areas and platforms (dashboards and totems), (7) enhanced street entrances, (8) new LED lighting and illuminated handrails, (9) charging stations, benches and leaning bars, and (10) contemporary art. Additionally, to emphasize the schedule as a critical component of the ESI Program, Package 4 includes early completion incentives for reductions to station closure (bypasses) durations as well as liquidated damages for extended durations resulting from contractor delays.

An Authorizing Resolution requesting the use of a two-step competitive Request for Proposal (“RFP”) procurement process was approved by the Board in April 2016. A request for letters of interest and qualification packages was advertised in May 2016, resulting in the submission of seven responses on June 21, 2016. The Step-1 qualification packages were evaluated against preestablished selection criteria addressing relevant experience, general responsibility, financial resources, and safety record.

Five teams were selected: Citnalta-Forte, Joint Venture (“CFJV”); ECCO III Enterprises, Inc. (“ECCO III”); Judlau Contracting, Inc. (“Judlau”); Picone-Schiavone ESI, Joint Venture (“PSJV”); and Skanska USA Civil Northeast (“Skanska”). Pursuant to the Authorizing Resolution, only these pre-qualified teams are eligible to propose on all ESI RFPs in Step 2.

The Package 4 RFP was issued on November 1, 2017. Proposals were received on December 13, 2017 from CFPS, JV (a joint venture between Citnalta-Forte and Picone-Schiavone) – \$157,783,000; Judlau – \$124,949,000; and Skanska – \$124,700,000. The internal estimate is \$149,607,037. ECCO III chose not to propose on Package 4 as the firm decided to focus its full attention on Package 3, which was awarded to them on October 25, 2017.

All Proposals were evaluated by a Selection Committee (“SC”) utilizing preestablished selection criteria addressing the proposer’s overall project schedule; design and construction approach; team experience; project management and M/WBE plans; qualifications and coordination of subcontractors; diversity practices; and other relevant matters. After technical factors, the overall project cost was considered. Supporting the SC evaluation were members from the Program Facilitator/Best Practices Consultant and the Consultant Construction Manager. In consideration of the repetitive nature of the ESI Program, the contractors’ increased understanding of the Program requirements after having gone through the procurement process for Packages 1 - 3 and in order to streamline the procurement process, proposers were informed that no oral presentations of their proposals would be required. In addition, proposers were informed that they should include their best schedule and price in their proposals as it was not NYC Transit’s intention to conduct negotiations.

The SC reviewed the technical proposals and subsequently reviewed the price proposals submitted by each proposer. After review and consideration of all proposals based on the selection criteria, the SC unanimously recommended Judlau for award. Judlau submitted a strong proposal that was determined to offer the best overall value to NYC Transit. Judlau proposed a strong design and construction team with several key members coming from the recently completed and successful South Ferry project. Judlau was the only proposer to offer a reduction to the overall project duration from 12 to 11 months and proposed the earliest delivery of all but one of the five stations in this package. Judlau also proposed to exceed the M/WBE goals providing the greatest M/WBE participation of all proposers. Additionally, members of the SC met with Judlau executive management and their key design and construction personnel proposed for Package 4 whereby Judlau amplified their design schedule and approach. In recognition of issues raised by MTA regarding Judlau’s past performance on the Cortlandt Street Station project as well as concurrent commitments on the Canarsie Tunnel Rehabilitation project, Judlau senior project management from both the Cortlandt and Canarsie projects were also in attendance. Judlau offered their strategy of using a different electrical subcontractor on each of the three projects as evidence of their approach to addressing potential capacity issues and expressed their commitment to the successful completion of each project. To further demonstrate its commitment to the ESI Program and the project schedule, Judlau offered and committed to doubling the contract’s liquidated damages. Judlau’s price of \$124,949,000 is \$24,658,037 (or 16.5%) below the internal estimate of \$149,607,037 and \$249,000 more than the lowest cost proposal submitted by Skanska. Judlau’s price is considered fair and reasonable.

CFPS, JV and Skanska were not selected for award. Although CFPS, JV also submitted a strong technical proposal with a good schedule, it could not compensate for their high cost proposal, which was \$8,175,963 (or 5.5%) above the internal estimate of \$149,607,037 and \$32,834,000 (or 26.3%) above the selected proposal from Judlau. Although Skanska proposed a slightly lower price than Judlau, their technical proposal was determined to be the least preferred of the three submitted. Their proposal included the longest bypass durations and the latest delivery for each station.

While there have been issues with Judlau’s performance on a current MTA Capital Construction (“MTACC”) project, Judlau has shown noticeable improvement in the last four months as reported by MTACC. Additionally, Judlau’s performance was satisfactory on the successful South Ferry project, which was recently completed on time and within its original completion date. Bonds have been approved while financial, and insurance approvals are pending. No award will be made until all such approvals are received. Additionally, Judlau has certified that it is not on the list of firms debarred from obtaining an award under the Iran Energy Sector Divestment Law.

In connection with a previous contract awarded to Judlau, Judlau 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 Interim Executive Director in consultation with the MTA Acting General Counsel in March 2017. No new SAI has been found relating to Judlau and Judlau has been found to be responsible.

In connection with a previous contract awarded to E-J Electric Installation Co. (“E-J Electric”), E-J Electric, a significant subcontractor, was found to be responsible notwithstanding SAI pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the NYC Transit Acting President in March 2017. No new SAI has been found relating to E-J Electric, and E-J Electric has been found to be responsible.

M/W/DBE INFORMATION:

The MTA Department of Diversity and Civil Rights has established goals at 15% MBE and 15% WBE. Judlau indicated in its proposal that it intends to exceed an overall 30% M/WBE participation. Award will not be made until the Department of Diversity and Civil Rights' approval is obtained. Judlau has achieved the M/W/DBE goals on previous MTA contracts.

CAPITAL PROGRAM REPORTING:

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

IMPACT ON FUNDING:

This project is funded by the MTA and will be managed by NYC Transit under the MTA Capital Program. Funding is available through the 2015–2019 Capital Program.

ALTERNATIVES:

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

RECOMMENDATION:

That the Board approve the award of a contract for Package 4 of the Enhanced Station Initiative for the Design and Construction of Improvements at 23rd and 57th Street (6th Avenue IND), 28th Street (Lexington Avenue IRT), 34th Street – Penn Station (7th Avenue IRT), and 34th Street – Penn Station (8th Avenue IND) in the borough of Manhattan to Judlau in the amount of \$124,949,000 and a duration of 11 months.

Staff Summary

Item Number 3			
Department, Department Head Name: SVP Operations Support, Stephen M. Plochochi			
Internal Approvals			
Order	Approval	Order	Approval
1 <i>WD</i>	Materiel	6 X	Subways
2 X	Law	7 X	CFO
3 X	Budget	8 	EVP
4 X	DDCR	9 	President
5 X	CPM	10	

SUMMARY INFORMATION	
Vendor Name Citnalta-Forte, JV	Contract No. A-36622E
Description Enhanced Station Initiative—Package 8 for Improvements at 174–175th St. and 167th St. (Concourse IND) in the Bronx and 145th St. (Lenox Av. IRT) in Manhattan	
Total Amount \$87,987,000	
Contract Term (including Options, if any) 11 months	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> 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 obtain approval of the Board to award a contract for Package 8 of the Enhanced Station Initiative (“ESI”) for the design and construction of improvements at 174–175th Street (Concourse IND) and 167th Street (Concourse IND) in the borough of the Bronx, and 145th Street (Lenox Avenue IRT) in the borough of Manhattan to Citnalta-Forte, Joint Venture (“CFJV”) in the amount of \$87,987,000 and a duration of 11 months.

In accordance with MTA policy regarding the use of design-build, and to enhance competition and defray proposal costs, this solicitation included a stipend of \$100,000 to be paid to each unsuccessful proposer whose proposal is responsive to the RFP requirements. Accordingly, permission is also requested to pay a total stipend of \$300,000. This is the fifth of several construction contracts to be awarded under the ESI Program.

DISCUSSION:

The ESI Program’s focus is on improving the customer experience, the continued responsibility of providing a state of good repair in stations, and the development of underlying station aesthetics through design innovation. These enhancements will result in stations that are cleaner and brighter, and through the use of more intuitive wayfinding and the inclusion of twenty-first century amenities such as Wi-Fi and cellular connectivity, will be easier to navigate. This program includes 31 preselected stations throughout all five boroughs plus two additional locations in the 34th Street–7th Avenue and 34th Street–8th Avenue stations at Penn Station. The work in Package 8 includes (1) design, (2) demolition/removals, (3) State-of-Good-Repair work including concrete and steel repairs, new platform edges and waterproofing, (4) upgraded electrical and communication systems including new closed-circuit TV cameras in control areas, (5) glass barriers in the fare control areas, (6) new signage and navigation systems providing information at street level, fare control areas and platforms (dashboards and totems), (7) enhanced street entrances, (8) new LED lighting and illuminated handrails, (9) charging stations, benches and leaning bars, and (10) contemporary art. Additionally, in order to emphasize the schedule as a critical component of the ESI Program, Package 8 includes early completion incentives for reductions to station closure (bypasses) durations as well as liquidated damages for extended durations resulting from contractor delays.

An Authorizing Resolution requesting the use of a two-step competitive Request for Proposal (“RFP”) procurement process was approved by the Board in April 2016. A request for letters of interest and qualification packages was advertised in May 2016, resulting in the submission of seven responses on June 21, 2016. The Step-1 qualification packages were evaluated against preestablished selection criteria addressing relevant experience, general responsibility, financial resources, and safety record.

Five teams were selected: Citnalta-Forte, Joint Venture (“CFJV”); ECCO III Enterprises, Inc. (“ECCO III”); Judlau Contracting, Inc. (“Judlau”); Picone-Schiavone ESI, Joint Venture (“PSJV”); and Skanska USA Civil Northeast (“Skanska”). Pursuant to the Authorizing Resolution, only these pre-qualified teams are eligible to propose on all ESI RFPs in Step 2.

The Package 8 RFP was issued on November 8, 2017. Proposals were received on January 3, 2018 from CFJV – \$87,987,000; Judlau – \$98,986,000; PSJV – \$97,388,000; and Skanska – \$91,800,000. The internal estimate is \$99,023,845. ECCO III chose not to propose on Package 8 as the firm decided to focus its full attention on Package 3, which was awarded to them on October 25, 2017.

All Proposals were evaluated by a Selection Committee (“SC”) utilizing preestablished selection criteria addressing the proposer’s overall project schedule, design and construction approach, team experience, project management and M/WBE plans, qualifications and coordination of subcontractors, diversity practices, and other relevant matters. After technical factors, the overall project cost was considered. Supporting the SC evaluation was the Program Facilitator/Best Practices Consultant. In consideration of the repetitive nature of the ESI Program, the contractors’ increased understanding of the Program requirements after having gone through the procurement process for Packages 1–4, and in order to streamline the procurement process, proposers were informed that no oral presentations of their proposals would be required. In addition, proposers were informed that they should include their best schedule and price in their proposals as it was not NYC Transit’s intention to conduct negotiations.

The SC reviewed the technical proposals, and subsequently the price proposals, submitted by each proposer. After review and consideration of all proposals based on the selection criteria, the SC unanimously recommended CFJV for award. CFJV submitted a very good proposal that was determined to offer the best overall value to NYC Transit, including the greatest total reductions to the bypass durations for all three stations at the lowest price. CFJV has assembled a strong design and construction team, many of whom worked on the successful ESI Package 1 with each of its three stations reopening on schedule in the fall of 2017. CFJV’s price of \$87,987,000 is \$11,036,845 (or 12.5%) below the internal estimate of \$99,023,845 and \$9,401,000 (or 10.7%) below the only other technically equivalent proposal submitted by PSJV. CFJV’s price is considered fair and reasonable.

Judlau, PSJV, and Skanska were not selected for award. Judlau’s proposal offered significantly fewer bypass duration reductions at the highest proposed price. Although PSJV submitted a very good technical proposal with a strong schedule, it could not compensate for the firm’s high cost proposal, which was \$9,401,000 (or 10.7%) above the selected proposal from CFJV. Although Skanska proposed the second-lowest price proposal, its proposed schedule was not as competitive as the schedule proposed by CFJV.

CFJV’s most recent station experience includes the successful completion of ESI Package 1 (Contract A-36622A) for the Design and Construction of Improvements at the Prospect Avenue, 53rd Street, and Bay Ridge Avenue stations along the 4th Avenue Line (BMT) in Brooklyn (\$72.1M). Bonds, financial, and insurance approvals are pending. No award will be made until all such approvals are received. Additionally, CFJV has certified that it is not on the list of firms debarred from obtaining an award under the Iran Energy Sector Divestment Law.

In connection with a previous contract awarded to HAKS Engineers, Architects and Land Surveyors, PC (“HAKS”), currently a subcontractor, HAKS 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 and Chief Executive Officer in consultation with the MTA General Counsel in December 2016. No new SAI has been found relating to HAKS, and HAKS has been found to be responsible.

M/W/DBE INFORMATION:

The MTA Department of Diversity and Civil Rights has established goals at 15% MBE and 15% WBE. CFJV indicated in its proposal that it intends to exceed an overall 30% M/WBE participation. Award will not be made until the Department of Diversity and Civil Rights’ approval is obtained. CFJV has achieved the M/W/DBE goals on previous MTA contracts.

CAPITAL PROGRAM REPORTING:

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

IMPACT ON FUNDING:

This project is funded by the MTA and will be managed by NYC Transit under the MTA Capital Program. Funding is available through the 2015–2019 MTA Capital Program.

ALTERNATIVES:

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

RECOMMENDATION:

That the Board approve the award of a contract for Package 8 of the Enhanced Station Initiative for the Design and Construction of Improvements at the 174–175th Street (Concourse IND) and 167th Street (Concourse IND) in the borough of the Bronx, and 145th Street (Lenox Av. IRT) in the borough of Manhattan to Citnalta-Forte, Joint Venture in the amount of \$87,987,000 and a duration of 11 months.

Staff Summary

Item Number 2			
Department, Department Head Name: SVP Operations Support, Stephen M. Plochochi			
Internal Approvals			
Order	Approval	Order	Approval
1	Materiel	6 X	CFO
2 X	Law	7	EVP
3 X	Budget	8	President
4 X	DDCR	9	
5 X	Subways	10	

SUMMARY INFORMATION	
Vendor Name C2K Partners	Contract No. R-84505
Description Consulting Services for Post Award Support for the R211 Subway Car Contract	
Total Amount \$62,623,706	
Contract Term (including Options, if any) 126 months (includes two options)	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> 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 checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

PURPOSE:

To obtain Board approval to award the competitively solicited, federally funded, personal services Contract No. R84505 to C2K Partners ("C2K") to provide consulting services for post-award support for the R211 subway car contract. This contract includes two options that will coincide with the options for the R211 subway car contract. Subsequent Board approval will be sought, if these options are exercised.

DISCUSSION:

C2K, a joint venture between CH2M, Inc. ("CH2M") and LTK Engineering Services, Inc. ("LTK"), will provide consulting services for a term of 103 months by assisting NYC Transit with post-award support for the R211 subway car contract during the design, manufacturing, delivery, testing, and acceptance of R211 subway cars at a total price of \$62,623,706 under the base contract.

The support services include project management, quality management, and negotiations support. C2K shall also support NYC Transit with (1) industrial design, car mock-up reviews, and on-site engineering reviews, (2) Buy America and U.S. Employment Plan audits, (3) various inspection services including first article inspection, pre-shipment inspection, on-site inspection, and (4) testing services.

Prior to solicitation, an outreach was conducted, whereby Procurement contacted several consulting firms to generate interest in this contract. The Request for Proposal ("RFP") was publicly advertised in July 2017, and notification was sent to 77 firms. Eight firms picked up the RFP package. On August 10, 2017, the following proposals were received from C2K and SYSTRA Engineering, Inc. ("SYSTRA"):

	<u>Base</u>	<u>Option 1</u>	<u>Option 2</u>	<u>Total</u>
C2K	\$59,557,868	\$21,745,367	\$4,756,799	\$86,060,034
SYSTRA	\$80,209,121	\$28,818,724	\$6,456,931	\$115,484,776

Among the six other firms that picked up the RFP package, some joined the C2K and SYSTRA teams as subconsultants and the balance opted not to propose.

The Selection Committee ("SC") was provided with the technical proposals for each proposer. After evaluating the proposals, the SC determined that both proposers were qualified to perform the work. However, there was a unanimous determination that C2K's proposal was technically superior. This evaluation was conducted in accordance with the stated evaluation criteria (listed in descending order of importance): (1) overall technical qualifications, (2) proposed pricing for the work, and (3) other relevant matters.

Following the review of technical proposals, the SC voted to invite both proposers to give oral presentations.

Due to changes to the R211 car contract relative to the sequence of delivery of cars, quantity of cars, and accelerated delivery schedule, which necessitated increased inspection and testing support, the proposers were requested to submit interim proposals.

MTA Audit and NYC Transit’s Cost Price Analysis Unit reviewed the price proposals submitted by C2K and SYSTRA and made recommendations of areas where reductions could be made. Overhead rates were also reviewed by MTA Audit. Negotiations with C2K and SYSTRA were held on November 29, 2017 and December 1, 2017, respectively, and focused on each proposer’s average hourly labor rates and profit. Each proposer was encouraged to lower its labor rates, as well as its fees.

After negotiations were concluded, a request for Best and Final Offers (“BAFOs”) was issued to both proposers and BAFOs were received. The BAFOs were as follows:

	<u>Base</u>	<u>Option 1</u>	<u>Option 2</u>	<u>Total</u>
C2K	\$62,623,706	\$16,398,082	\$9,958,473	\$88,980,261
SYSTRA	\$68,618,567	\$17,513,594	\$11,192,840	\$97,325,000

After review of the BAFOs in accordance with the evaluation criteria, the SC unanimously recommended C2K for award of this contract. This recommendation was based on the SC’s determination that C2K’s proposal was technically superior because of its extensive rail car experience, strength of the project team, comprehensive understanding of the Scope of Work, its plan of approach for support for the R211 car contract, and significant experience with NYC Transit. While SYSTRA showed rail car experience and an understanding of the Scope of Work for this contract, it did not demonstrate sufficient experience with regard to subway car projects specific to NYC Transit. As a result, the SC unanimously recommended C2K for award, based on its technically superior rating and lower price, which provided the best overall value to NYC Transit.

C2K’s negotiated price of \$62,623,706 for the base is \$4,357,592 (6.5%) lower than the Division of Car Equipment’s (“DCE”) estimate of \$66,981,298 and \$5,994,861 (8.7%) lower than SYSTRA’s negotiated base pricing. C2K’s total negotiated price of \$88,980,261 for the base and both options is \$5,949,358 (6.3%) less than DCE’s total contract estimate of \$94,929,619. C2K’s total negotiated price is also \$8,344,739 (8.6%) less than SYSTRA’s negotiated pricing for this work. Procurement and DCE consider C2K’s proposal for the base contract and both options to be fair and reasonable, based on the competitive nature of the RFP as well as a favorable comparison to DCE’s in-house estimate.

In connection with a previous contract awarded to CH2M, CH2M was found to be responsible, notwithstanding SAI pursuant to the All-Agency Responsibility Guidelines, and such responsibility finding was approved by the MTA Chairman and CEO in consultation with the MTA General Counsel in December 2013. No new SAI has been found relating to CH2M and CH2M has been found to be responsible.

In connection with a previous contract awarded to Jacobs Engineering Group, Inc. (“Jacobs”)¹, Jacobs was found to be responsible notwithstanding SAI pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the MTA Interim Executive Director in consultation with the MTA General Counsel in April 2013. No new SAI has been found relating to Jacobs and Jacobs has been found to be responsible.

M/W/DBE INFORMATION:

The MTA Department of Diversity and Civil Rights has assigned goals of 20% DBE. C2K Partners has submitted a utilization plan to achieve the assigned DBE goals. C2K Partners has not completed any MTA contracts; therefore, no assessment of the firm’s M/W/DBE performance can be determined at this time.

IMPACT ON FUNDING:

This contract is expected to be funded with FTA funds. This project is funded in the approved 2015–2019 Capital Program. The options, if exercised, will be funded in a future Capital Program(s). A WAR certificate will be requested and the contract will not be executed until a WAR certificate has been issued.

ALTERNATIVES:

Perform the work using in-house personnel. At this time, DCE does not have the staff to perform the specific tasks required under the Scope of Work for this project.

RECOMMENDATION:

That the Board approves this request to award the competitively solicited, federally funded, personal services Contract No. R84505 to C2K to provide consulting services for post-award support for the R211 subway car contract at a total price of \$62,623,706.

¹ CH2M was acquired by Jacobs on December 15, 2017.

Item Number: 5

Vendor Name (Location) HNTB New York Engineering and Architecture, P.C. (New York, New York)
Description Consultant Construction Management Services for the Enhanced Station Initiative – Design and Renovation of Multiple Stations in the Boroughs of Manhattan, the Bronx and Staten Island
Contract Term (including Options, if any) March 31, 2017 – June 30, 2019
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> 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	AWO/Mod. #
CM-1059	2
Original Amount:	\$ 33,387,959
Prior Modifications:	\$ 0
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 33,387,959
This Request:	\$ 12,389,621 (Est.)
% of This Request to Current Amount:	37.1%
% of Modifications (including This Request) to Original Amount:	37.1%

Discussion:

This modification is to obtain approval of the Board to exercise an option for Consultant Construction Management (“CCM”) Services for Package 8 of the Enhanced Station Initiative (“ESI”) for the design and construction of improvements at the 174–175th Street (Concourse IND) and 167th Street (Concourse IND) stations in the borough of the Bronx and the 145th Street Station (Lenox Avenue IRT) in the borough of Manhattan, and Package 9, Small Business Mentoring Program contract for the Richmond Valley Station on the Staten Island Railway to HNTB New York Engineering and Architecture, P.C. (“HNTB”) in the estimated amount of \$12,389,621 and a duration of 11 months for construction plus 6 months for closeout.

In March 2017, the Board approved two competitively negotiated contracts (CM-1059 and CM-1060) each with a term of 27 months, for CCM services for the ESI Program. CM-1059 was awarded to HNTB New York Engineering and Architecture, P.C. (“HNTB”) for CCM services in support of ESI Packages 1 and 2 (for three and four stations, respectively) in the combined estimated amount of \$33,287,959. CM-1060 was awarded to Jacobs Civil Consultants, Inc. (“Jacobs”) for CCM services in support of ESI Packages 3 and 4 (for four and five stations, respectively) in the combined estimated amount of \$27,274,513. Each contract allowed NYC Transit to compete options between both consultants for award of the remaining packages.

NYC Transit is competing and exercising the option for CCM services for the Enhanced Station Initiative for Packages 8 and 9 combined. The work in Packages 8 and 9 includes repairing or replacing typical station elements, including stairs, mezzanine/platform stairs, platform edges, ADA boarding areas, windscreens, canopies, platform topping, mezzanine topping, platform walls, ceilings, and column bases. The CCM will provide a range of construction inspection and closeout services. Construction-related management activities include ensuring that the project is on schedule and within budget, obtaining submittals, reviewing and processing change orders, performing inspections for quality and safety requirements, and providing construction oversight and inspections.

To compete the option, NYC Transit provided both firms with titles, hours, and fixed out-of-pocket expenses to facilitate an equal price comparison and evaluation. The maximum proposed rates could not exceed the rates proposed by each consultant in Package 4 of the base contract and subsequent new titles and rates added in Modification No. 1. However, to be competitive, both consultants were encouraged to reevaluate their overhead and fixed fee rates for Packages 8 and 9.

Proposals and alternates were received and evaluated by a Selection Committee (“SC”) utilizing the evaluation criteria in the original Request for Proposal (“RFP”). After review of the proposals, the SC recommended that negotiations be conducted with both firms.

Continued

Negotiations were conducted and focused on reducing overhead rates and fixed fee. At the conclusion of negotiations, both firms were requested to submit their Best and Final Offer (“BAFOs”). In response, HNTB submitted a BAFO in the combined amount of \$15,716,262 and an alternate of \$12,389,621 that was based on fewer labor hours. Jacobs submitted a BAFO in the combined amount of \$13,843,050 and an alternate of \$10,924,504 that was based on fewer labor hours. The SC, after reviewing the BAFOs, including alternates with reduced hours, unanimously agreed that the alternates were more advantageous to NYC Transit.

HNTB was the highest-rated proposer by the SC and was deemed the best prepared to quickly mobilize and provide services in support of Packages 8 and 9 based on its familiarity and experience on ESI Packages 1 and 2. In terms of both technical assessment and cost differential, these results are consistent with the initial award evaluation. HNTB’s alternate was considered the most achievable by the SC based on HNTB’s management experience on Packages 1 and 2 construction phase. Even though HNTB was 13% higher in price than Jacobs, their current workload and lessons learned from Package 1 allow them to transition their resources and apply them to Packages 8 and 9. HNTB completed Package 1 and is currently working as the CCM on Package 2 (four stations with two in construction at any time) while Jacobs is currently the CCM on Packages 3 and 4 for nine stations, with pre-bypass construction having started on the Package 3 stations. The SC deemed HNTB’s proposed project team the strongest and the best team for Packages 8 and 9. With the selection of the same contractor team that successfully completed Package 1, using HNTB as the CCM presents the best opportunity for success.

Procurement and CPM concur that both BAFOs are fair and reasonable based on the competitive process used to evaluate the option and the previously audited and approved rates.

Schedule K: Ratification of Completed Procurement Actions



Item Number: 1

Vendor Name (Location) New Flyer of America (St. Cloud, Minnesota)	
Description Furnish and deliver 138 low-floor 40-foot compressed natural gas buses	
Contract Term (including Options, if any) January 14, 2016–September 30, 2022	
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: Department of Buses, Darryl C. Irick	

Contract Number B-40663	AWO/Mod. # 1
Original Amount:	\$ 77,943,581
Prior Modifications:	\$ 0
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 77,943,581
This Request:	\$ 1,739,143
% of This Request to Current Amount:	2.2%
% of Modifications (including This Request) to Original Amount:	2.2%

Discussion:

This retroactive modification is for incorporation of a series of technical changes on 138 low-floor 40-foot compressed natural gas (“CNG”) buses from New Flyer of America, Inc. (“New Flyer”).

The base contract was a competitively solicited and negotiated Request for Proposal approved by the December 2015 Board and awarded to New Flyer for the purchase of 138 buses. Delivery of these buses was completed in November 2017.

This modification will memorialize the incorporation of a series of technical changes requested by NYC Transit - Department of Buses (“DOB”) to provide enhanced customer amenities and rebrand the buses while also optimizing performance and improving the reliability and maintainability of various mechanical and electrical systems on the 138 low-floor 40-foot CNG buses purchased under this contract. All of these changes were incorporated on the production line.

New Flyer’s initial proposal was in the amount of \$1,962,183; cost data was provided with the proposal to substantiate its pricing. Negotiations focused around the proposed mark-ups and overhead rates for each of the changes. Subsequent to these negotiations, New Flyer submitted a final proposal in the amount of \$1,739,143, which reflects a total savings of \$223,040 or 11.4% from the initial proposal. The final pricing for this modification has been found to be fair and reasonable.

Schedule K: Ratification of Completed Procurement Actions



Item Number: 1

Vendor Name (Location) New Flyer of America, Inc. (St. Cloud, Minnesota)	
Description Furnish and Deliver 75 low-floor 60-foot Articulated diesel buses	
Contract Term (including Options, if any) December 23, 2014–June 30, 2021	
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 checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept./Div., Dept./Div. Head Name: MTA Bus Company, Darryl C. Irick	

Contract Number B-40659	AWO/Mod. # 1
Original Amount:	\$ 57,334,968
Prior Modifications:	\$ 0
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 57,334,968
This Request:	\$ 1,602,231
% of This Request to Current Amount:	2.8%
% of Modifications (including This Request) to Original Amount:	2.8%

Discussion:

This modification is to ratify the incorporation of a series of technical changes on 75 low-floor 60-foot articulated diesel buses from New Flyer of America, Inc. (“New Flyer”).

The base contract was a competitively solicited and negotiated Request for Proposal approved by the September 2014 Board and awarded to New Flyer by NYC Transit on behalf of MTA Bus Company for the purchase of these 75 buses. Delivery of these buses was completed in July 2016.

This modification will memorialize the incorporation of a series of technical changes requested by NYC Transit - Department of Buses (“DOB”) to provide enhanced customer amenities and rebrand the buses while also optimizing performance and improving the reliability and maintainability of various mechanical and electrical systems on the 75 low-floor 60-foot articulated diesel buses purchased under this contract. It should be noted that most of these changes were incorporated on the production line. However, the rebranding of buses, installation of USB charging ports and customer facing Wi-Fi were initiated after 48 buses were manufactured, resulting in the need to retrofit buses.

New Flyer’s initial proposal was in the total amount of \$1,863,991; cost data was provided with the proposal to substantiate its pricing. Negotiations focused around the proposed mark-ups and overhead rates for each of the changes. Subsequent to these negotiations, New Flyer submitted a final proposal in the total amount of \$1,602,231, which reflects a total savings of \$261,760, or 14.0% from the initial proposal. The final pricing for this modification has been found to be fair and reasonable.



Long Island Rail Road

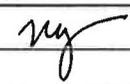
ACTION

ITEMS

Staff Summary

Subject AMENDMENT TO GATEWAY TUNNEL AGREEMENT –WHEEL TRUING MACHINE, WEST SIDE YARDS	Date February 2018
Department LIRR ESA/SPECIAL PROJECT& MAINTENANCE OF EQUIPMENT DEPARTMENTS	Vendor Name
Department Head Name A. Hezarkhani/C. Daly	Contract Number
Department Head Signature 	Contract Manager Name
Project Manager Name G. EHRHARDT	Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	LIRR Committee		X		
1	Finance Committee		X		
2	Board		X		

Internal Approvals			
Order	Approval	Order	Approval
1	President 	5	CFO 
2	Sr. VP - Operations 		
3	Sr. VP - Engineering 		
4	VP & General Counsel 		

PURPOSE AND RECOMMENDATION:

That the Board (1) ratify LIRR execution of an amendment to the Gateway Tunnel Agreement with Amtrak for the design, manufacture and installation of a new tandem wheel truing machine in the re-built Maintenance of Equipment (“MoE”) Facility at West Side Yard (“WSY”), so as to increase the previously authorized not to exceed cost for such work by \$1.84 million, and (2) authorize the expenditure of additional funds under said Agreement, up to a limit of \$800,000, if necessary to further accelerate delivery of said new wheel truing machine so that it is operational by September 2018.

DISCUSSION:

In April 2013, the Board approved a Staff Summary and Resolution which authorized LIRR to enter into a Gateway Tunnel Agreement with Amtrak, pursuant to which Amtrak would construct a concrete Tunnel Casing beneath the Eastern Rail Yard (ERY) portion of the LIRR’s WSY so as to preserve a future subsurface right-of-way for Amtrak’s proposed Gateway Tunnel. In order to allow for the construction of the Tunnel Casing, Amtrak was permitted to partially demolish and then rebuild LIRR’s existing MoE Facility in the ERY, at Amtrak’s expense. Amtrak contracted for the demolition of the existing facility and the construction and installation of the new facility with the Related Companies (“Related”), the developer of the commercial overbuild over the ERY, and Related in turn subcontracted the work to Tutor Perini (“Tutor Perini”), its general contractor tasked with constructing such overbuild.

While Amtrak was responsible for ensuring that the new facility could be used to replicate the same maintenance functions performed at the existing facility, it was not responsible for replacing major items of shop equipment located in the facility. The existing MoE Facility contained a milling-type single wheel truing machine, which was used to correct flat spots on train wheels and restore the wheels to serviceable condition. This machine, which was purchased in 1983, had exceeded its useful life and was not functioning efficiently. In order to obtain a new machine in the shortest possible time frame, LIRR sought and obtained Board approval, in March 2015, to execute an amendment to the Gateway Tunnel Agreement, pursuant to which LIRR contracted with Amtrak, as part of such agreement, to design, manufacture and install a new tandem wheel truing machine (“collectively, the “Wheel Truer Work”), at a total not-to-exceed cost of \$9.5 million.

In June 2017, the Board approved a further amendment to the Gateway Tunnel Agreement with Amtrak, to add an additional \$3.85 million for the Wheel Truer Work, thereby increasing the total not-to-exceed cost of such work to \$13.35 million. These additional funds were needed to address unforeseen site conditions that were revealed upon

Staff Summary

excavation of the pit to house the new wheel truing machine, including a higher than anticipated water table and unstable soil conditions.

It was anticipated that upon authorization of these additional funds, and issuance of appropriate change orders by Related to Tutor Perini, the work to install the new wheel truing machine would commence in the Summer of 2017. However, due to disputes between Amtrak, Related and Tutor Perini, issuance of the necessary change orders was delayed to the point where, in October 2017, Tutor Perini filed a claim for delay damages in the amount of \$1.84 million, and refused to act on the change orders until all of these disputes were resolved (some of the disputes had little or nothing to do with the Wheel Truer Work, such as the release of certain retainages to Tutor Perini on its construction contract).

After lengthy negotiations between all of the parties, with LIRR working to facilitate an overall understanding so as to free up the remaining Wheel Truer Work for completion as quickly as possible, the parties reached agreement allowing that Work to proceed in January 2018. LIRR, acting pursuant to authority granted under Article VIII of the MTA General Contract Procurement Guidelines (which allows an agency President or his/her designee to approve certain contract change orders without prior Board approval, in cases of *emergency or risk of substantial increase in cost or delay if prompt action is not taken*), approved a further amendment to the Gateway Tunnel Agreement, adding an additional \$1.84 million to cover Tutor Perini's delay damages claim. The current schedule for the new wheel truing machine calls for it to be installed by December 2018.

During the Fall "leaf-off" season, residue from crushed leaves falling on the rails results in reduced adhesion, problems in braking, and damage to train wheels in the form of "flat spots." This problem was particularly acute for LIRR in the Fall/Winter of 2017-18, resulting in many railcars being taken out of service until flat spots could be repaired, severely impacting service. Flat spots are typically repaired through use of wheel truing machines, which grind out the flat spots and return the wheels to a safe operating condition. LIRR has several wheel truing machines, but its wheel truing capacity has been impaired by the machine at West Side Yards being unavailable for several years.

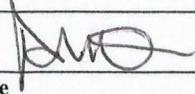
In recognition of the importance of the wheel truing machine at West Side Yards, LIRR is asking the Board to retroactively approve certain steps taken in January to break the impasse between Amtrak, Related and Tutor Perini, avoid further delays and increases in cost, and secure resumption of work to get the machine back into service; specifically, the amendment of the Gateway Tunnel Agreement calling for the expenditure of an additional \$1.84 million to resolve Tutor Perini's delay damage claim. Further, as part of the LIRR's Performance Enhancement Plan (PEP), and to help ensure that we do not face the same situation again this coming Fall/Winter, LIRR is asking for authorization to expend up to an additional \$800,000, under the Gateway Tunnel Agreement, to further accelerate delivery and installation of the wheel truing machine so that it is operational in September 2018, rather than December 2018 as now projected.

ALTERNATIVE:

There are no acceptable alternatives regarding the installation of the new tandem wheel truer, as the original outmoded wheel truer has been removed, the new tandem wheel truer manufactured, and the pit where it will be installed excavated. Unless the new wheel truer is brought on line in time for the Fall 2018 "leaf-off" season, it is possible that LIRR will face the same shortage of railcars due to "flat spots" that occurred this year.

BUDGET IMPACTS:

LIRR has identified funds within the existing MTA 2015 – 2019 Capital Program which can be used to (1) cover the additional \$1.84 million needed to complete the procurement and installation of the new wheel truing machine, and (2) the provision of up to \$800,000 in additional funding, if necessary, to secure further acceleration of the delivery schedule of the new machine so that it is operational in September 2018.

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

Date	February 9, 2018
Vendor Name	Various
Contract Number	Various
Contract Manager Name	Various
Table of Contents Ref #	

Board Action					
Order	To	Date	Approval	Info	Other
1	MNR Comm. Mtg.	2-20-18	X		
2	MTA Board Mtg.	2-22-18	X		

Internal Approvals			
	Approval		Approval
X	Acting President <i>CSE</i>		
X	Executive V.P.	X	V.P. Capital Programs <i>JTC</i>
X	Sr. V.P. Operations <i>JR</i>	X	V.P. & General Counsel <i>RIG</i>
X	V.P. Finance & IT <i>RP</i>		

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

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

<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	\$1,612,725
• SAFT America, Inc. \$1,612,725		
<u>Schedules Requiring Majority Vote</u>		
Schedule G: Miscellaneous Service Contracts	1	\$4,625,000
• Bombardier Transportation, Inc. \$4,625,000		
SUB TOTAL:	2	\$6,237,725

MNR proposes to award competitive procurements in the following categories:

	<u># of Actions</u>	<u>\$ Amount</u>
<u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u>	NONE	
<u>Schedules Requiring Majority Vote</u>		
Schedule I: Modifications to Purchase and Public Work Contracts	1	\$1,207,105
• Sepsa North America, Inc. \$1,207,105		
SUB TOTAL:	1	\$1,207,105

MNR presents the following procurement actions for Ratification:

<u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u>	NONE	
<u>Schedules Requiring Majority Vote</u>	NONE	
SUB TOTAL:		
TOTAL:	3	\$7,444,830

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

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

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

METROPOLITAN TRANSPORTATION AUTHORITY

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

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

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

NOW, the Board resolves as follows:

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

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

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

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

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

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

FEBRUARY 2018

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. SAFT America, Inc. \$1,612,725 (not-to-exceed) Staff Summary Attached
Purchase of Railcar Batteries

Approval is requested to award a five-year non-competitive, negotiated miscellaneous procurement contract in the not to exceed amount of \$1,612,725 to SAFT America, Inc. ("SAFT") for the purchase of SAFT batteries for MNR railcar fleets. SAFT is the Original Equipment Manufacturer (OEM), sole source to MNR.

At this time, MNR requires sufficient quantity of SAFT batteries to support its, M-3, M-7 and M-8 fleet of EMU Rail cars along with MNR's fleet of Coach Railcars which are currently going through a battery replacement program. In order to support this program along with the ongoing need to replace rail car batteries, a forecast was developed to project the estimated need over the next five years. The batteries included in this agreement have been fully vetted by MNR to reflect only those batteries that cannot be acquired from other sources. This agreement would allow for a cost-effective means of acquiring railcar batteries in the most timely and efficient manner on an as needed basis.

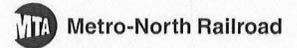
In requesting Board authorization, MNR has complied with the public advertisement requirements of PAL §1265-a (3) and PAL §1265- a (4) (b) and with MTA All-General Contract Procurement for the procurement of sole source items. An advertisement notice was placed in the New York State Contract Reporter, the New York Post, Daily Challenge and El Diario and posted on MNR website, which did not yield interest from other sources.

A review of the individual battery types found an overall price increase of 1% per annum from the previous prices paid. Based on the prior cost history and the negotiated fixed price for the new five-year contract (2018-2023), it is deemed 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 notwithstanding significant adverse information and the award of the contract is subject to the approval of such responsibility finding by the MTA Managing Director in consultation with the MTA's General Counsel.

The total cost of this five-year contract is not to exceed \$1,612,725 and is to be funded by the MNR Operating Budget.

Schedule A: Non-Competitive Purchases and Public Work Contracts



Item Number: A

Vendor Name (& Location) SAFT America, Inc., Cockeyville, MD
Description Purchase of Railcar Batteries
Contract Term (including Options, if any) Five Years
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole Source

Contract Number 195459	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Total Amount:	\$1,612,725 not-to-exceed
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	
Contract Manager: Omar Messado – Assistant Deputy Director, Operations Procurement	

Discussion:

Approval is requested to award a five year non-competitive, negotiated miscellaneous procurement contract in the not to exceed amount of \$1,612,725 to SAFT America, Inc. (“SAFT”) for the purchase of SAFT batteries for MNR railcar fleets. SAFT is the Original Equipment Manufacturer (OEM), sole source to MNR.

At this time, MNR requires sufficient quantity of SAFT batteries to support its, M-3, M-7 and M-8 fleet of EMU Rail cars along with MNR’s fleet of Coach Railcars which are currently going through a battery replacement program. In order to support this program along with the ongoing need to replace rail car batteries, a forecast was developed to project the estimated need over the next five years. The batteries included in this agreement have been fully vetted by MNR to reflect only those batteries that cannot be acquired from other sources. This agreement would allow for a cost effective means of acquiring railcar batteries in the most timely and efficient manner on an as needed basis.

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-General Contract Procurement 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 MNR website, which did not yield interest from other sources.

A review of the individual battery types found an overall price increase of 1% per annum from the previous prices paid. Based on the prior cost history and the negotiated fixed price for the new five-year contract (2018-2023), it is deemed 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 notwithstanding significant adverse information and the award of the contract is subject to the approval of such responsibility finding by the MTA Managing Director in consultation with the MTA’s General Counsel.

The total cost of this five-year contract is not to exceed \$1,612,725 and is to be funded by the MNR Operating Budget.

Schedules Requiring Majority Vote:

G. Miscellaneous Service Contracts

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

**2. Bombardier Transportation Inc. \$4,625,000 (not-to-exceed) Staff Summary Attached
Installation of Positive Train Control (PTC) and Onboard Camera Kits for the MNR M-3 Fleet**

Approval is requested to award a 10-month non-competitive, negotiated, miscellaneous service agreement in the total not to exceed amount of \$4,625,000 to the firm, Bombardier Transportation Inc. (Bombardier), for the installation of Positive Train Control (PTC) and Onboard Camera Kits on the remaining 100 Railcars in the MNR M-3 Fleet.

The 2008 Rail Safety Improvement Act (RSIA) as modified in 2015 requires PTC installation on commuter rail lines by December of 2018. In order to accomplish accelerated PTC installations on multiple fleets concurrently, MNR requires the use of a third-party contractor to install PTC on its M-3 fleet. Bombardier Transportation was approved at the September 2015 MTA Board to install 334 PTC Kits on MNR's M-7 Railcar fleet. Bombardier has performed exceptionally well in completing that project. MNR is looking to take advantage of the efficiencies Bombardier has put in place on the M-7 fleet to accomplish the M-3 fleet in the most timely and efficient manner to achieve the December 2018 date.

In addition to the implementation of PTC and because of recommendations from the National Transportation Safety Board (NTSB), MNR began the process of designing and installing inward and outward facing video and audio recorders in the cabs of its rolling stock. This effort has been on going on all MNR Railcars. It is therefore recommended that Bombardier complete both camera and PTC installations on the M-3 Railcars to optimize the efficiencies. The addition of the camera system installation will not negatively impact the installation of PTC.

Bombardier, through the installation of the M-7 PTC and Camera Kits, has experience and familiarity with these installations. In addition, Bombardier is the owner of the original M-3 Original Equipment Manufacturer (OEM) drawings. Any other vendor would require a learning curve to become acquainted with the M-3 equipment, which would put the current full implementation date in jeopardy. To fully expedite the installation of the PTC and Camera Kits, LIRR is continuing to make its Arch Street Facility (owned by MTA) available for the performance of the MNR work. The license agreement previously executed by the MTA, on behalf of Long Island Rail Road and MNR, with Bombardier to use the Arch Street Facility shall remain in effect.

Bombardier submitted a total cost proposal of \$4,625,000 for the installation of the remaining M-3 100 Railcars. The unit cost for the installation of these kits is 5% less than the engineer's estimate. The prices submitted were deemed fair and reasonable. In addition to the cost savings associated with using Bombardier for these installations the overall duration of the M-3 portion of this project will be greatly reduced. As with the M-7 work, the direct costs associated with maintaining and operating the Arch Street facility and shop equipment will be billed by Bombardier to MNR and reimbursed at actual cost. These costs are not reflected in the \$4,625,000.

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

The total award amount for this agreement shall not exceed \$4,625,000 over the ten-month period and is to be funded by the MNR Operating Budget (Onboard Camera Kits) and MNR's Capital Program (PTC Kits).

Staff Summary

Item Number G					
Dept. & Dept. Head Name: Procurement & Material Management, Alfred Muir, Sr. Director					
Division & Division Head Name: Executive Vice President, Catherine Rinaldi					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	MNR Comm. Mtg.	2-20-18	X		
2	MTA Board Mtg.	2-22-18	X		
Internal Approvals					
Order	Approval	Order	Approval		
X	Acting President				
X	Sr. V.P. Operations	X	V.P. Finance & IT		
X	V.P. & General Counsel	X	V. P. Capital Programs		

SUMMARY INFORMATION	
Vendor Name Bombardier Transportation Inc.	Contract Number TBD
Description Installation of Positive Train Control (PTC) and Onboard Camera Kits for the MNR M-3 Fleet.	
Total Amount \$4,625,000 (not-to-exceed)	
Contract Term (including Options, if any) 10 Months	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source: PTC is Federally funded Camera installation is State funded	
<input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

Narrative

I. PURPOSE/RECOMMENDATION:

Approval is requested to award a 10-month non-competitive, negotiated, miscellaneous service agreement in the total not to exceed amount of \$4,625,000 to the firm, Bombardier Transportation Inc. (Bombardier), for the installation of Positive Train Control (PTC) and Onboard Camera Kits on the remaining 100 Railcars in the MNR M-3 Fleet.

II. DISCUSSION:

The 2008 Rail Safety Improvement Act (RSIA) as modified in 2015 requires PTC installation on commuter rail lines by December of 2018. In order to accomplish accelerated PTC installations on multiple fleets concurrently, MNR requires the use of a third-party contractor to install PTC on its M-3 fleet. Bombardier Transportation was approved at the September 2015 MTA Board to install 334 PTC Kits on MNR's M-7 Railcar fleet. Bombardier has performed exceptionally well in completing that project. MNR is looking to take advantage of the efficiencies Bombardier has put in place on the M-7 fleet to accomplish the M-3 fleet in the most timely and efficient manner to achieve the December 2018 date.

In addition to the implementation of PTC and because of recommendations from the National Transportation Safety Board (NTSB), MNR began the process of designing and installing inward and outward facing video and audio recorders in the cabs of its rolling stock. This effort has been on going on all MNR Railcars. It is therefore recommended that Bombardier complete both camera and PTC installations on the M-3 Railcars to optimize the efficiencies. The addition of the camera system installation will not negatively impact the installation of PTC.

Bombardier, through the installation of the M-7 PTC and Camera Kits, has experience and familiarity with these installations. In addition, Bombardier is the owner of the original M-3 Original Equipment Manufacturer (OEM) drawings. Any other vendor would require a learning curve to become acquainted with the M-3 equipment, which would put the current full

Staff Summary

implementation date in jeopardy. To fully expedite the installation of the PTC and Camera Kits, LIRR is continuing to make its Arch Street Facility (owned by MTA) available for the performance of the MNR work. The license agreement previously executed by the MTA, on behalf of Long Island Rail Road and MNR, with Bombardier to use the Arch Street Facility shall remain in effect.

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

III. COST/PRICE ANALYSIS

Bombardier submitted a total cost proposal of \$4,625,000 for the installation of the remaining M-3 100 Railcars. The unit cost for the installation of these kits is 5% less than the engineer's estimate. The prices submitted were deemed fair and reasonable. In addition to the cost savings associated with using Bombardier for these installations the overall duration of the M-3 portion of this project will be greatly reduced. As with the M-7 work, the direct costs associated with maintaining and operating the Arch Street facility and shop equipment will be billed by Bombardier to MNR and reimbursed at actual cost. These costs are not reflected in the \$4,625,000.

IV. IMPACT ON FUNDING:

The total award amount for this agreement shall not exceed \$4,625,000 over the ten-month period and is to be funded by the MNR Operating Budget (Onboard Camera Kits) and MNR's Capital Program (PTC Kits).

V. ALTERNATIVES:

By contracting this work to a third party, MNR forces can be redeployed to installing the remaining installations on the fleets.

FEBRUARY 2018

METRO-NORTH RAILROAD

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedules Requiring Majority Vote:

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)

1. Sepsa North America, Inc. \$1,207,105 Staff Summary Attached
Design and Delivery of Video Recording Systems

Approval is requested for a contract change order to the firm Sepsa North America, Inc. (Sepsa), in the amount of \$1,207,105, for the fabrication and delivery of 60 M-8 onboard camera kits to be installed by the car builder, Kawasaki Rail Car.

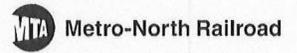
At the November 2014 MTA Board meeting, MNR received approval to award a contract to Sepsa North America to provide onboard video cameras for its fleet of Railcars and Locomotives which included cameras to outfit the existing fleet of 405 M-8 Railcars.

Subsequent to that award, MNR received MTA Board authorization in September 2016 to procure an additional 60 M-8 cars from Kawasaki. This additional quantity of railcars requires onboard cameras configured the same as the base fleet. The fabrication and delivery of these additional kits by Sepsa will coincide with Kawasaki's production of the 60-car order at their facility in Lincoln, Nebraska and will ensure that the railcars arrive fully configured.

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

The cost of this change has been agreed upon in the amount of \$1,207,105 and is consistent with the original competitively solicited material cost of the M-8 cameras. Funding for this change is to be provided by both CDOT and MNR Operating Budget.

Schedule I: Modifications to Purchase and Public Works Contracts



Item Number: I

Vendor Name (& Location) Sepsa North America, Inc.
Description Fabrication and Delivery of Onboard Video Systems
Contract Term (including Options, if any) 36 months
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 checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:
Requesting Dept/Div & Dept/Div Head Name: Procurement & Material Management, Al Muir, Sr. Director

Contract Number	AWO/Modification #
36124	
Original Amount:	\$13,222,010
Prior Modifications:	\$ 9,266,814
Prior Budgetary Increases:	\$ 0
Current Amount:	\$22,488,824
This Request:	\$1,207,105
% of This Request to Current Amount:	5%
% of Modifications (including This Request) to Original Amount:	79%

Discussion:

Approval is requested for a contract change order to the firm Sepsa North America, Inc. (Sepsa), in the amount of \$1,207,105, for the fabrication and delivery of 60 M-8 onboard camera kits to be installed by the car builder, Kawasaki Rail Car.

At the November 2014 MTA Board meeting, MNR received approval to award a contract to Sepsa North America to provide onboard video cameras for its fleet of Railcars and Locomotives which included cameras to outfit the existing fleet of 405 M-8 Railcars.

Subsequent to that award, MNR received MTA Board authorization in September 2016 to procure an additional 60 M-8 cars from Kawasaki. This additional quantity of railcars requires onboard cameras configured the same as the base fleet. The fabrication and delivery of these additional kits by Sepsa will coincide with Kawasaki's production of the 60-car order at their facility in Lincoln, Nebraska and will ensure that the railcars arrive fully configured.

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

The cost of this change has been agreed upon in the amount of \$1,207,105 and is consistent with the original competitively solicited material cost of the M-8 cameras. Funding for this change is to be provided by both CDOT and MNR Operating Budget.

LONG ISLAND RAIL ROAD

PROCUREMENTS

FOR

BOARD ACTION

February 22, 2018

Staff Summary



Subject : Request for Authorization to Award Various Procurements						Date February 22, 2018			
Department Procurement and Logistics									
Department Head Name Dennis L. Mahon, Chief Procurement and Logistics Officer									
Department Head Signature 									
Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
1	LI Committee	2.20.18				2	President <i>PLM 2/23/18</i>		
2	MTA Board	2.22.18				1	Executive VP <i>ECV 2/22/18</i>		

PURPOSE:

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

DISCUSSION:

LIRR proposes to award Non-Competitive Procurements in the following categories: # of Actions \$ Amount

Schedules Requiring Majority Vote

Schedule G:	Miscellaneous Service Contracts	1	\$249,025
Schedule I:	Modifications to Purchase and Public Work Contracts	1	\$30,000,000
SUBTOTAL:		2	\$30,249,025

LIRR proposes to award Competitive Procurements in the following categories: # of Actions \$ Amount

Schedules Requiring Two-Thirds Vote

Schedule I:	Modifications to Purchase and Public Work Contracts	1	\$1,000,000
SUBTOTAL:		1	\$1,000,000

LIRR proposes to award Ratifications in the following categories: # of Actions \$ Amount

None

TOTAL: 3 \$31,249,025

BUDGET IMPACT:

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

RECOMMENDATION:

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

METROPOLITAN TRANSPORTATION AUTHORITY

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

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

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

NOW, the Board resolves as follows:

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

FEBRUARY 2018

MTA LONG ISLAND RAIL ROAD

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote

Schedule G: Miscellaneous Service Contracts

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

- | | | | |
|-----------|---|---------------------|--------------------------------------|
| 1. | Railware, Inc.
Sole Source
Contract No. 6275 | \$249,025.05 | <i><u>Staff Summary Attached</u></i> |
|-----------|---|---------------------|--------------------------------------|

The Long Island Rail Road (LIRR) requests MTA Board approval to award a Sole Source Miscellaneous Service contract to Railware, Inc. (“Railware”) in the amount of \$249,025.05 to make software modifications to LIRR’s Divide Tower Signal Control System (DTSCS) in Hicksville, NY to incorporate the Main Line Second Track from Farmingdale to Ronkonkoma, into the existing SCADA System. These modifications require the original developer of this software, Railware, to make the necessary modifications and revisions to the infrastructure and signal system to the DTSCS located in Divide Tower, Hicksville, New York. Once completed, the DTSCS will conform to the new infrastructure and signal system changes associated with the Main Line Second Track Project. The DTSCS provides all of the functions, data and interfaces necessary for LIRR personnel to monitor and control the Divide Tower Territory. The system includes the interface to field devices, communications lines and user consoles. The DTSCS system communicates with remote terminal units located at field locations along the Main Line and the Port Jefferson Branch. The end users are LIRR Train Dispatchers and Operations Personnel, who control the movement of trains through the Interlockings along these lines.

Procurements Requiring Majority Vote

Schedule I: Modifications to Purchase and Public Work Contracts

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

- | | | | |
|-----------|--|---------------------|--------------------------------------|
| 2. | Progress Rail Locomotive
Non Competitive
Various Contracts (BPOs) | \$30,000,000 | <i><u>Staff Summary Attached</u></i> |
|-----------|--|---------------------|--------------------------------------|

LIRR requests MTA Board approval to exercise a contract option with Progress Rail Locomotive (PRL) (formerly known as Electro-Motive Diesel, Inc.) to extend the period of performance of PRL's contract by an additional two years through February 2020 and increase the funding by \$30,000,000. This option will permit the continued procurement of additional spare parts and any updates required to operate and maintain LIRR's Diesel Electric/Dual Mode (DE/DM) fleet of 45 diesel locomotives. The additional funding will cover procurements for the balance of the current contract term, which expires in February 2018, and for the two-year option period ending in February 2020.

Item Number: 1

Vendor Name (& Location) Railware, Inc. (Hauppauge, NY)
Description SCADA System Modifications at Divide Tower for Mainline Second Track
Contract Term (including Options, if any) 230 Consecutive Calendar Days from Notice of Award
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

Contact Number 6275	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Total Amount:	\$249,025.05
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: LIRR DPM, Paul Dietlin, Chief Engineer 	
Contract Manager : Ana Natal	

I. PURPOSE/RECOMMENDATION:

The Long Island Rail Road (LIRR) requests MTA Board approval to award a Sole Source Miscellaneous Service contract to Railware, Inc. (“Railware”) in the amount of \$249,025.05 to make software modifications to LIRR’s Divide Tower Signal Control System (DTSCS) in Hicksville, NY to incorporate the Main Line Second Track from Farmingdale to Ronkonkoma, into the existing SCADA System. These modifications require the original developer of this software, Railware, to make the necessary modifications and revisions to the infrastructure and signal system to the DTSCS located in Divide Tower, Hicksville, New York. Once completed, the DTSCS will conform to the new infrastructure and signal system changes associated with the Main Line Second Track Project. The DTSCS provides all of the functions, data and interfaces necessary for LIRR personnel to monitor and control the Divide Tower Territory. The system includes the interface to field devices, communications lines and user consoles. The DTSCS system communicates with remote terminal units located at field locations along the Main Line and the Port Jefferson Branch. The end users are LIRR Train Dispatchers and Operations Personnel, who control the movement of trains through the Interlockings along these lines.

II. DISCUSSION:

At this time, LIRR seeks approval to award this Sole Source Miscellaneous Contract to Railware Inc. Railware was requested to provide a technical and cost proposal to perform the work under this contract. Once their proposal was received, LIRR conducted a technical evaluation of the firm’s offerings and determined that Railware’s technical proposal demonstrated a complete understanding of the Technical Statement of Work (TSOW), plans to maintain an aggressive schedule and to meet the requirements of the contract. Further discussions with Railware involved cost-saving initiatives such as eliminating unnecessary scope items. Therefore, since their revised cost proposal price of \$249,025.05 was significantly less than LIRR’s Estimate of \$578,810, it was determined that Railware’s offering was “fair and reasonable.”

After conducting a responsibility review, Railware, Inc. was determined to be a responsible contractor.

III. D/M/WBE INFORMATION:

The MTA Department of Diversity and Civil Rights (DDCR) had established 0% MBE, 0% WBE, and 0% SDVOB goals for this project.

IV. IMPACT ON FUNDING:

Funding for this contract is included in LIRR's 2015-2019 Capital Budget.

V. ALTERNATIVES:

Alternative procurement methods to "sole source" include:

Alternative 1: Openly solicit an upgrade to DTSCS's Railware system. As the current system is proprietary to Railware, only Railware would propose or they would be used as a subvendor to another vendor. Soliciting in this manner therefore would only add time and cost to the procurement process.

Alternative 2: Openly solicit a complete replacement of the entire supervisory control system at Divide Tower which controls the Main Line from Hicksville to Ronkonkoma and the entire Port Jefferson Branch. This system was recently installed in 2015. The cost of this alternative is \$4,300,000 (based on bid prices received in 2014 for the #6123 contract, with an escalation factor to 2017).

Alternative 3: Openly solicit a separate supervisory control system to solely control the Main Line from Farmingdale to Ronkonkoma and remove all Railware's Dispatch X Control of the Main Line from the existing DTSCS Software, while leaving Railware's system intact to control the Port Jefferson Branch. This alternative requires developing a separate system (from DTSCS) which will prohibit efficient control of trains throughout the territories and may require an additional Block Operator. The cost of Alternative 3 is estimated as follows:

- \$2,000,000.00 initial cost to construct a separate supervisory control system (Farm 1 to KO2).
- \$250,000.00 annually for an additional Block Operator and incidental expenses.
- \$7,000,000.00 anticipated life cycle cost over 20 years to have a separate control system.

Another disadvantage to Alternatives #2 and #3 is that the LIRR has been trained in troubleshooting the Railware system and has spare equipment that can be used in the event of system failure. To gain a similar level of familiarity and understanding with a new system will require additional time/money and increase the risk of lengthy system failures.

Staff Summary



Item Number: 2

Vendor Name (& Location) Progress Rail Locomotive (LaGrange, IL)	
Description DE/DM-30 Locomotive Parts Agreement	
Contract Term (including Options, if any) December 8, 2003 – February 28, 2020 (option 3 of 5 two year extensions)	
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:	
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: Maintenance of Equipment, Craig Daly	

Contact Number	AWO/Modificaiton #
Various Contracts (BPOs)	
Original Amount:	\$58,000,000
Prior Modifications:	\$62,000,000
Prior Budgetary Increases:	- 0 -
Current Amount:	\$120,000,000
This Request:	\$30,000,000
% of This Request to Current Amount:	25%
% of Modifications (including This Request) to Original Amount:	145%

Discussion:

LIRR requests MTA Board approval to exercise a contract option with Progress Rail Locomotive (PRL) (formerly known as Electro-Motive Diesel, Inc.) to extend the period of performance of PRL’s contract by an additional two years through February 2020 and increase the funding by \$30,000,000. This option will permit the continued procurement of additional spare parts and any updates required to operate and maintain LIRR’s Diesel Electric/Dual Mode (DE/DM) fleet of 45 diesel locomotives. The additional funding will cover procurements for the balance of the current contract term, which expires in February 2018, and for the two-year option period ending in February 2020.

In December 2003, the MTA Board approved the award of a contract to Electro-Motive Diesel, Inc. (EMD) for a ten (10) year Original Equipment Manufacturer (OEM) spare parts agreement in the amount of \$58,000,000 to enable the LIRR to repair and maintain its fleet of 45 DE/DM diesel locomotives. This agreement established fixed prices for the first year and subsequent price adjustments based on specified Producer Price Indices (PPIs) for each subsequent year. In addition, it included options for five two-year extensions. In June 2013, the MTA Board approved the exercise of the first of these five options, which increased the funding by \$24,000,000, for a new total amount of \$82,000,000. The MTA Board approved the exercise of the second of the five options in 2017, which increased the funding by \$38,000,000, for a new total amount of \$120,000,000. The approval of this request, which will exercise the third of those five options, will bring the new total amount to \$150,000,000.

The agreement on parts permits the LIRR to add or delete parts from the original list as needed and as a result, the LIRR has increased the parts list to supply inventory for the Reliability Centered Maintenance (RCM) program and unscheduled repairs. Over the past several years, the LIRR migrated repairs to an RCM cycle to improve fleet performance. Pricing for additions to the parts list is based on a determination of fair and reasonable pricing and most favored customer pricing. These parts can only be provided by Progress Rail Locomotive, the OEM.

Staff Summary

As of this date, LIRR has expended approximately \$109M against the \$120M amount authorized in the contract. LIRR estimates that an additional \$30M will be required to cover the remaining period under the contract and the two-year option period. This amount includes expenditures under the RCM program which are necessary to replace certain Traction Motors and Engines reaching the end of their useful life. Of the \$30M, an estimated \$21.0M is for continued RCM and the remaining \$9.0M is required to purchase OEM material to perform unscheduled maintenance repairs and to replace other miscellaneous parts.

A review of the Contractor's responsibility was conducted, whereby significant adverse information was identified and the Contractor was found to be responsible notwithstanding such significant adverse information based on a waiver granted by the MTA Chairman.

Funding for this option is included in LIRR's Operating budget.

FEBRUARY 2018

MTA LONG ISLAND RAIL ROAD

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote

Schedule I: Modifications to Purchase and Public Work Contracts

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

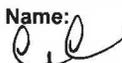
- 3. Loram Maintenance of Way, Inc. \$1,000,000** *Staff Summary Attached*
Competitive Bid
Contract No. 400000000001554

LIRR requests MTA Board approval of a Change Order to add \$1,000,000 to the Joint Agency (LIRR and MNR) Contract with Loram Maintenance of Way, Inc. for Specialty Excavation (Railvac) Services needed by the LIRR Track Department, resulting in a new Contract Value of \$11,699,440. The Period of Performance for this contract runs until 12/21/19.

Staff Summary



Item Number: 3

Vendor Name (& Location) Loram Maintenance of Way, Inc. – Hamel, Minnesota
Description Specialty Excavating Equipment Services (Railvac)
Contract Term (including Options, if any) March 7, 2017 – December 31, 2019
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-Competitive
Solicitation Type <input type="checkbox"/> RFP <input checked="" type="checkbox"/> Bid <input type="checkbox"/> Other:
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:
Requesting Dept/Div & Dept/Div Head Name: Engineering/Christopher Calvagna 

Contact Number 400000000001554	AWO/Modificaiton # 1
Original Amount:	\$10,699,440
Prior Modifications:	\$ 0
Prior Budgetary Increases:	\$ 0
Current Amount:	\$10,699,440
This Request:	\$1,000,000
% of This Request to Current Amount:	9.34%
% of Modifications (including This Request) to Original Amount:	9.34%

Narrative:

I. PURPOSE/RECOMMENDATION:

LIRR requests MTA Board approval of a Change Order to add \$1,000,000 to the Joint Agency (LIRR and MNR) Contract with Loram Maintenance of Way, Inc. for Specialty Excavation (Railvac) Services needed by the LIRR Track Department, resulting in a new Contract Value of \$11,699,440. The Period of Performance for this contract runs until 12/21/19.

II. DISCUSSION:

LIRR’s Engineering Department utilizes Loram’s Railvac machine to excavate ballast along rights of way to ensure that any weak spots in the track bed are corrected to help avoid situations in which speed restrictions must be imposed as a track safety measure.

The Engineering Department requires additional Railvac Services to assist in the removal of excessive fouled ballast along the right of way leftover from years of routine track maintenance which is preventing proper drainage and causing premature failure of right of way infrastructure.

Scheduled track outages, coupled with production constraints associated with Track Laying Machine (TLM) and other right of way programs prevented removal of excess ballast near the drains. The initial plan is to remove fouled ballast from underneath station platforms at Rockville Centre, Lynbrook and Valley Stream viaducts to facilitate drainage and then proceed with all other necessary locations.

Standing water at these stations has led to mud spots, premature deterioration of the viaduct structures, reduced useful life of concrete and wood ties, and has created slip/trip fall hazards to our customers and employees due to numerous leaks and icing conditions on pedestrian walkways, sidewalks and staircase surfaces underneath the viaducts.

Loram has agreed to maintain the exact price structure, terms and conditions as provided in the Contract approved by the MTA Board in May, 2017 which was deemed fair and reasonable at that time.

Staff Summary



A responsibility review was conducted of Loram Maintenance of Way, Inc. LLC consisting of an internet search as well as other databases (ACE, Vendeval, MTA Repository, NYCT Debarred, VENDEX, NYS DOL Debarred and Federal Debarred) and no significant adverse information was found. Loram Maintenance of Way, Inc., therefore, is deemed a responsible firm.



Bridges and Tunnels

Procurements February 2018



Staff Summary



Subject: Request for Authorization to Award Various Procurements
Department: Procurement
Department Head Name: M. Margaret Terry
Department Head Signature:
Project Manager Name: Various

Date: 02/12/2018
Vendor Name:
Contract Number:
Contract Manager Name:
Table of Contents Ref #:

Board Action					
Order	To	Date	Approval	Info	Other
1	President	02/12/2018			
2	MTA B&T Committee	02/20/2018			
3	MTA Board	02/22/2018			

Internal Approvals			
Order	Approval	Order	Approval
	President		VP Operations
	Executive Vice President		VP & Chief Engineer
	SVP & General Counsel		VP & Chief Procurement Officer
	VP & Chief Financial Officer		

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:

<u>Schedules Requiring Majority Vote:</u>	<u># of Actions</u>	<u>\$ Amount</u>
Schedule F: Personal Service Contracts	1	\$10.277M
Schedule H: Modifications to Personal Service Contracts and Misc. Service Contracts Awarded as Contracts for Services	3	\$75.683M
SUBTOTAL	4	\$85.960M

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

TOTAL	4	\$85.960M
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BUDGET IMPACT:

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

RECOMMENDATION:

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

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

MTA BRIDGES & TUNNELS
TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

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

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

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

NOW, the Board resolves as follows:

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

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL
FEBRUARY 2018

MTA BRIDGES & TUNNELS

Procurements Requiring Majority Vote:

F: Personal Service Contracts

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

1. Stantec Consulting Services, Inc.	\$3,040,422.65	<i><u>Staff Summary Attached</u></i>
WSP USA, Inc.	\$2,536,229.92	
HAKS Engineers, Architects & Land Surveyors, P.C.	\$3,090,886.00	
AI Engineers, Inc.	<u>\$1,609,637.68</u>	
	<u>\$10,277,176.25</u>	
Contract No(s). PSC-15-3005A PSC-15-3005B PSC-15-3005C PSC-15-3005D		

2yr., 9 month Contract- Competitive RFP

B&T is seeking Board approval under the All-Agency Guidelines for Procurement of Services to award four personal service contracts for the 2018 Biennial Bridge Inspections at the: (i) Robert F. Kennedy Bridge: Main Line, (ii) Robert F. Kennedy Bridge (Approach Ramps & Lift Span), (iii) Verrazano-Narrows Bridge (Main Spans), and (iv) Verrazano-Narrows Bridge (Approach Ramps).

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

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

1. Transcore, LP	\$73,011,502.00	<i><u>Staff Summary Attached</u></i>
Contract No. PSC-13-2949		

8yr. Contract- Competitive RFP

B&T is seeking Board Approval in accordance with the All-Agency Service Contract Procurement Guidelines to amend personal service Contract No. PSC-13-2949 with Transcore, LP for cashless tolling maintenance services at the Authority toll facilities.

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL
FEBRUARY 2018

2. **JHK Engineering, P.C.** **\$ 1,700,000.00** *Staff Summary Attached*
Henningson, Durham & Richardson
Architecture & Engineering, P.C.

Contract No(s). PSC-15-2980A
PSC-15-2980B

4yr. Contract- Competitive RFP

B&T is seeking Board approval in accordance with the All-Agency Guidelines for Procurement of Services to modify two personal service contracts, PSC-15-2980A and PSC-15-2980B for additional support and technical consulting services for Miscellaneous ITS Design at all of the Authority's facilities.

3. **EnviroMed Services, Inc.** **\$ 970,593.11** *Staff Summary Attached*
Contract No. PSC-16-3002

2yr. Contract- Competitive RFP

B&T is seeking Board approval under the All Agency Service Contract Procurement Guidelines to amend personal service contract PSC-16-3002 in order to provide continued services for independent safety monitoring of ongoing B&T construction projects.

Staff Summary

Item Number: 1 (Final)					
Dept & Dept Head Name: Engineering and Construction, Joe Keane, P.E. <i>Joe Keane</i>					
Division & Division Head Name: Engineering and Construction, Philip Swanton, P.E. <i>Philip Swanton</i>					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	President	2/07/18			
2	MTA B&T Committee	2/20/18			
3	MTA Board	2/22/18			
Internal Approvals					
Order	Approval	Order	Approval		
1	Chief Financial Officer <i>[Signature]</i>	4	Executive Vice President <i>[Signature]</i>		
2	General Counsel <i>[Signature]</i>	5	President <i>[Signature]</i>		
3	Chief Procurement Officer <i>[Signature]</i>				

SUMMARY INFORMATION	
Vendor Name	Contract No.
A) Stantec Consulting Services, Inc.	PSC-17-3005A
B) WSP USA, Inc.	PSC-17-3005B
C) HAKS Engineers, Architects & Land Surveyors, P.C.	PSC-17-3005C
D) AI Engineers, Inc.	PSC-17-3005D
Description 2018 Biennial Bridge Inspection & Design of Miscellaneous Structural Repairs at the Robert F. Kennedy & Verrazano Narrows Bridges	
Total Amount PSC-17-3005A, \$3,040,422.65; PSC-17-3005B, \$2,536,229.92; PSC-17-3005C, \$3,090,886.00; PSC-17-3005D, \$1,609,637.68	
Contract Term (including Options, if any) Two years, nine months (through 12/31/20)	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

Narrative

I. PURPOSE/RECOMMENDATION

B&T is seeking Board approval under the All-Agency Guidelines for Procurement of Services to award four personal service contracts for the 2018 Biennial Bridge Inspections at the: (i) Robert F. Kennedy Bridge: Main Line (Contract PSC-17-3005A) to Stantec Consulting Services, Inc. (SCS), (ii) Robert F. Kennedy Bridge (Approach Ramps & Lift Span) (Contract PSC-17-3005B) to WSP USA, Inc. (WSP), (iii) Verrazano-Narrows Bridge (Main Spans) (Contract PSC-17-3005C) to HAKS Engineers, Architects & Land Surveyors, P.C. (HAKS), and (iv) Verrazano-Narrows Bridge (Approach Ramps) (Contract PSC-17-3005D) to AI Engineers, Inc. (AI). The negotiated contract amounts are: (A) \$3,040,422.65 (B) \$2,536,229.92 (C) \$3,090,886.00 (D) \$1,609,637.68. Each contract will be for a duration of approximately two years, nine months through December 31, 2020.

II DISCUSSION

B&T requires the services of four consultant firms to provide biennial bridge inspection and miscellaneous design services at the Robert F. Kennedy and Verrazano-Narrows Bridges. These inspections assist in our mission to keep B&T's assets in a state of good repair, and are required by the New York State Department of Transportation.

The requirements were publicly advertised. Eleven firms submitted qualification information for review and evaluation by the selection committee. Eight firms were chosen to receive the RFP based on a review of those qualifications and all eight submitted proposals: AI Engineers, Inc. (AI); HAKS Engineers, Architects and Land Surveyors, P.C. (HAKS); Hardesty & Hanover, LLC (H&H); HNTB New York Engineering & Architecture, P.C. (HNTB); Louis Berger U. S., Inc. (LB); Stantec Consulting Services, Inc. (SCS); Thornton Tomasetti (TT); and WSP USA, Inc. (WSP). The proposals were evaluated

Staff Summary

against established criteria set forth in the RFP including technical work proposed, depth of understanding of the project, qualifications of the firm for specific personnel proposed and cost. Based on the committee's review of all submittals and its consideration of proposed costs, the committee selected SCS for Group A (Robert F. Kennedy Bridge: Main Line), WSP for Group B (Robert F. Kennedy Bridge: Approach Ramps & Lift Span), HAKS for Group C (Verrazano-Narrows Bridge: Main Spans) and AI for Group D (Verrazano-Narrows Bridge: Approach Ramps).

The Committee's selections were based on the following:

- SCS has a knowledgeable Project Manager, Quality Control Engineer, Safety Officer and Inspection Team that have been working together for many years and have a demonstrated strong record of performance for other agencies on their facility inspections.
- WSP demonstrated strong experience with lift span inspections, such as the Marine Parkway Bridge and proposed a team with a proven record of performance on prior biennial inspections.
- HAKS has a record of sound management of previous biennial inspections and a responsiveness to the Authority.
- AI submitted an innovative approach to field inspections and provided an experienced team including members of its top management to manage the project. AI has a good record of inspection experience as a subconsultant on TBTA facilities and as a prime consultant for other area facilities.

The overall cost of the four recommended 2018 Biennial Contracts reflects a decrease of 0.03% compared with the preceding 2016 Biennial Contracts (PSC-15-2978). The following represents a summary of costs for the 2016 Biennial Contracts, and the costs proposed, estimated and negotiated for the recommended 2018 Biennial Contracts (all excluding allowances).

Group	2016 Contracts	2018 Contracts			Comparisons	
	Amount	B&T Estimate	Proposed	Negotiated	2018 Negotiated vs. 2016	2018 Negotiated vs. Estimate
A	\$2,214,389.18	\$2,417,957.00	\$2,570,176.00	\$2,290,422.65	3.43%	-5.27%
B	\$2,197,800.00	\$2,063,857.00	\$2,035,565.82	\$1,936,229.92	-11.9%	-6.18%
C	\$2,021,888.69	\$2,257,129.00	\$2,174,666.00	\$2,140,886.00	5.89%	-5.15%
D	\$1,145,469.00	\$1,204,620.00	\$1,238,256.23	\$1,209,637.68	5.60%	0.39%

* All costs above exclude allowances.

With all groups being not more than 6% higher than the preceding 2016 Biennial Contracts (PSC-17-2978), the negotiated amounts are considered fair and reasonable. AI, SCS and WSP are each considered to be responsible consultants.

In connection with a previous contract awarded to the Consultant, HAKS 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 and Chief Executive Officer in consultation with the MTA Acting General Counsel on January 12, 2017. No new SAI has been found relating to the consultant and HAKS has been found to be responsible.

Summary of 2018 Proposed Contracts			
Group	Negotiated Amount	Allowance	Contract Amount with Allowance
A	\$2,290,422.65	\$750,000.00	\$3,040,422.65
B	\$1,936,229.92	\$600,000.00	\$2,536,229.92
C	\$2,140,886.00	\$950,000.00	\$3,090,886.00
D	\$1,209,637.68	\$400,000.00	\$1,609,637.68

The total amount for each contract will include the assigned allowances as shown in the table above. Services under these allowances are to provide support based on the results of the inspection and include: (i) interim or special inspections; (ii) spalling concrete removal supervision; (iii) sign gantries and light pole inspections; (iv) auxiliary design services for the

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repair of defective structural conditions; (v) preliminary studies and scope development for future capital improvement projects; and (vi) auxiliary testing services for elements such as concrete cores, steel coupons, and cable wires. These services will be provided via work orders on an as-needed basis. The allowances are based on historical costs and will permit B&T to quickly respond to the needs of each facility.

III. DBE/MBE/WBE/SDVOB INFORMATION

The MTA Department of Diversity and Civil Rights has established goals of 15% MBE, 15% WBE and 6% SDVOB for each of these contracts. WSP USA, Inc. (formerly WSP|PB and WSP USA Corporation) has achieved its MWDBE goals on previously completed MTA contracts. AI Engineers, Inc. has not completed any MTA contracts; therefore, no assessment of the firm's MWDBE performance can be determined at this time. HAKS Engineers, Architects & Land Surveyors, P.C. has achieved its MWDBE goals on previously completed MTA contracts. Stantec Consulting Services, Inc. has achieved its MWDBE goals on previously completed MTA contracts. SDVOB goals have never been assigned to prior contracts of any of the firms. As such, none have any record of performance in this diversity category.

IV. IMPACT ON FUNDING

Funding in the amount of \$10,277,176.25 is available in the Operating Budget under GFM-523, General Ledger #711101.

V. ALTERNATIVES

There are no recommended alternatives. B&T does not have the resources required to perform these New York State inspection requirements.

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

Item Number: 2 (Final)

Vendor Name (& Location) TransCore, LP		Contract Number PSC-13-2949	AWO/Modification
Description All-Electronic Open Road Tolling (ORT)		Original Amount:	\$7,968,282.00
Contract Term (including Options, if any) July 18, 2014 – July 17, 2022		Prior Modifications:	\$73,551,478
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:	\$81,519,760
Solicitation Type	<input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	This Request:	\$73,011,502
Funding Source		% of This Request to Current Amount:	90%
<input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:		% of Modifications (including This Request) to Original Amount:	1826%
Requesting Dept./Div & Dept/Div Head Name: Operations/ VP and Chief of Operations, Patrick Parisi			

Discussion

B&T is seeking Board Approval in accordance with the All-Agency Service Contract Procurement Guidelines to amend personal service Contract No. PSC-13-2949 with TransCore, LP for cashless tolling maintenance services at the Authority toll facilities in the not-to exceed amount of \$73,011,502 for a period of six years with three (3) one-year option periods. This contract was awarded to TransCore in July 2014 on a competitive basis in the amount of \$7,968,282 for a duration of eight (8) years to install and maintain an AET/ORT system (cashless tolling system) at the Henry Hudson Bridge (HHB). Subsequent amendments added cashless tolling at the eight additional Authority toll Facilities and increased the contract value by \$73,551,478.

Cashless tolling has been in operation at all Authority facilities since September 2017. While the original RFP focused primarily on the Henry Hudson Bridge, the RFP also advised all proposers that the awarded contract may be amended to expand cashless tolling to the other B&T toll facilities. In October 2016, the Board approved an amendment to fund the contract for the implementation of cashless tolling at all the Authority's facilities and for a one-year maintenance term. This proposed amendment will add maintenance services for six (6) years to the contract and modify the contract's Key Performance Indicators (KPIs). KPIs are metrics that demonstrate how the system is performing and whether it is meeting the functional requirements of the contract. It is noted that TransCore will provide a revenue guaranty for the Authority's \$1.9 billion revenue stream. Therefore, to ensure optimal system performance and protect the Authority's revenue stream, it will cost the Authority approximately \$12 million annually to maintain and operate the cashless toll collection system.

The maintenance services include (i) 24/7/365 monitoring of the system at each facility; (ii) performance of maintenance required due to normal wear and tear and damage to the equipment; (iii) establishment and management of an inventory of spare parts; (iv) provision of preventive and scheduled maintenance; and (v) providing software maintenance and support services. TransCore will also monitor and audit the performance of the cashless system monthly which will be reviewed and verified by the Authority. The Authority has also modified the KPIs in the contract to ensure they are clearly defined, simple, practicable, transparent, and 100% measurable. Each of the KPIs corresponds to a revenue function performed by the system (e.g. the capturing of tag reads, collection of images, etc.). The Authority has also augmented the revenue protection features of the contract by adding performance requirements for equipment availability, maximum repair time, and lost revenue events not covered under the above noted KPI provisions. The KPIs and added requirements are critical for the protection of the Authority's approximately \$1.9 billion revenue stream and will be used to calculate any damages resulting from lost revenue or the Contractor's failure to meet performance at the levels established under the contract.

TransCore initially proposed a cost of \$72,000,000. As a result of negotiations, both parties agreed to \$69,411,502 for a savings of \$2,588,498. The user's estimate of \$68,444,570 is 1.4% lower than the negotiated amount, which is considered fair and reasonable. The not-to-exceed amount of \$73,011,502 includes an allowance for spare parts inventory in the amount of \$2,600,000 and an allowance for special events coverage in the amount of \$1,000,000. TransCore has been found to be a responsible Contractor. Funding is available in the Operating Budget under General Ledger #711420.

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

Item Number: 3 (Final)

Vendor Name (& Location) 1) JHK Engineering, P.C., New York, NY 2) Henningson, Durham and Richardson Architecture and Engineering, P.C., New York, NY	Contract Number PSC-15-2980A, PSC-15-2980B	AWO/Modification #
Description Miscellaneous ITS Design Consultant on an As-Needed Basis	Original Amount: \$3,000,000.00	
Contract Term (including Options, if any) 08/26/2016 – 08/25/2020	Prior Modifications: \$ 0.00	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Prior Budgetary Increases: \$ 0.00	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	Current Amount: \$3,000,000.00	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	This Request: \$1,700,000.00	
Funding Source <input checked="" type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	% of This Request to Current Amount: 56.5%	
Requesting Dept/Div & Dept/Div Head Name: Department, Name	% of Modifications (including This Request) to Original Amount: 56.5%	

Discussion:

B&T is seeking Board approval in accordance with the All-Agency Guidelines for Procurement of Services to modify two personal service contracts, PSC-15-2980A and PSC-15-2980B to (A) JHK Engineering, P.C. (JHK), and (B) Henningson, Durham and Richardson Architecture and Engineering, P.C., (HDR) for additional design services in the not-to exceed amount of \$1,700,000 .

The contracts were competitively awarded to JHK and HDR in September 2016 to provide miscellaneous design services for Intelligent Transportation Systems (ITS) projects on an as-needed basis in the aggregate not-to-exceed amount of \$3,000,000 over a period of four (4) years. ITS systems provide innovative services for different modes of transportation and enable the public to make informed, safer and coordinated decisions when using transportation networks. These contract services will be assigned on an as-needed basis by issuing work orders.

As a result of cashless tolling and its impacts on the existing Traffic Management and Intelligent Transportation related systems, additional design services are required for the following items: (i) a new Over Height Vehicle Detection System at QMT and HLCT approach roadway on facility and off-facility, (ii) a traffic/queue detection system to reduce collisions at BW and VN exits lanes, (iii) updating specifications for video signs, variable message signs, and IP cameras, (iv) the new command center for centralized operation and (v) new B&T Operations system architecture.

As a result of the above, additional money in the amount of \$1,700,000 is needed so that both JHK and HDR can continue to assist the Authority with the existing traffic management and intelligent transportation related systems. Funding is available in the 2015 – 2019 Capital Program under the agency-wide (AW) projects (WAR Certificates will be requested on a work order basis).

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

Item Number: 4 (Final)

Vendor Name (& Location) EnviroMed Services, Inc., Meriden CT	Contract Number PSC-16-3002	AWOModification#
Description Independent Safety Monitor for Ongoing Authority Construction Projects.		
Contract Term (including Options, if any) April 11, 2017 – April 10, 2019		
Option(s) included in Total Amount <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive		
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:		
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:		
Requesting Dept/Div & Dept/Div Head Name: Engineering & Construction, Joe Keane, P.E.		
	Original Amount:	\$1,931,869.10
	Prior Modifications:	\$0.00
	Prior Budgetary Increases:	\$0.00
	Current Amount:	\$1,931,869.10
	This Request:	\$970,593.11
	% of This Request to Current Amount:	50.2%
	% of Modifications (including This Request) to Original Amount:	50.2%

Discussion:

B&T is seeking Board approval under the All Agency Service Contract Procurement Guidelines to amend this personal service contract with EnviroMed Services, Inc. (EnviroMed) to provide continued services for independent safety monitoring of ongoing B&T construction projects in the amount of \$970,593.11.

On April 11, 2017 pursuant to Board approval the subject contract was awarded to EnviroMed in the agreed amount of \$1,931,869.10 for a duration of two (2) years to provide independent safety monitoring services for B&T construction projects. EnviroMed performs short term and continuous on-site monitoring as directed; safety analysis; report preparation and presentations; training and additional services as required to aid in ensuring a safe working environment on B&T construction projects.

The Engineer requires additional funding for ongoing monitoring services resulting from: (i) The consultant dedicating additional unanticipated resources for the increased work being performed at the Hugh L. Carey and Queens Midtown Tunnels (Sandy Restoration Projects) and Open Road Tolling Initiatives at all B&T locations; (ii) an increase of detailed site safety audits for both contractor safety programs and consultant inspection contracts and; (iii) added outside training that included crane safety for B&T Engineering personnel. As a result of the additional construction work on existing contracts, the Independent Safety Monitor has expended 3,982 hours or 41% more hours of work as compared to those initially anticipated. This increased effort in terms of hours coincides with the number of construction labor hours worked by B&T contractors which has increased by 51% (1.3 million man-hours in 2015 to 2.45 million man-hours in 2017).

EnviroMed submitted a proposal in the amount of \$970,593.11. The Engineer's estimate is \$953,238.32. The consultant's proposal is 2% above the estimate and is considered fair and reasonable. Funding is available in the Operating Budget under GES-239.