



**Metropolitan Transportation Authority**

# **Corporate Governance Committee Meeting**

## **March 2018**

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### **Committee Members**

J. Lhota, Chairman

F. Ferrer, Vice Chairman

S. Metzger

C. Moerdler

J. Molloy

M. Pally

L. Schwartz

P. Trottenberg

J. Vitiello

P. Ward

N. Zuckerman

# Corporate Governance Committee Meeting

2 Broadway, 20th Floor  
Board Room  
New York, NY 10004  
Monday, 3/19/2018  
3:30 - 4:30 PM ET

## 1. PUBLIC COMMENTS PERIOD

## 2. APPROVAL of MINUTES-March 22, 2017 and DECEMBER 11, 2017

*Minutes of Meeting - March 22, 2017 - Page 3*

*Minutes of Meeting - December 11 2017 - Page 5*

## 3. APPROVAL OF 2018 COMMITTEE WORKPLAN

*Work Plan 2018 Corporate Governance Committee2 - Page 8*

## 4. PRESENTATION ON RECENT DEVELOPMENTS IN CORPORATE GOVERNANCE

## 5. REVIEW AND APPROVE MISSION STATEMENT AND PERFORMANCE MEASUREMENT REPORT

*Staff Summary Mission Statement - Page 9*

*2017 Mission Statement, Measurements, and Performance Indicators Report - Page 10*

## 6. REVIEW AND APPROVE MTA BY-LAWS

*Staff Summary By Laws - Page 43*

*MTA By-Laws - Page 44*

## 7. REVIEW AND APPROVE BOARD COMMITTEE CHARTERS

*Staff Summary-- Committee Charters - Page 53*

*Audit Committee Charter - Page 54*

*Corporate Governance Committee Charter - Page 61*

*CPOC Committee Charter - Page 64*

*Diversity Committee Charter - Page 68*

*Finance Committee Charter - Page 71*

*LIRR Committee Charter - Page 75*

*MNR Committee Charter - Page 79*

*NYCTA MTA Bus Committee Charter - Page 83*

*Safety Committee Charter - Page 87*

*TBTA Committee Charter - Page 90*

## 8. REVIEW AND APPROVE PROCUREMENT GUIDELINES

*Staff Summary Procurement Guidelines - Page 93*

*All Agency Service Procurement Guidelines 2018 - Page 94*

*All Agency General Procurement Guidelines 2018 - Page 108*

## 9. REVIEW AND APPROVE MTA POLICIES IN CONNECTION WITH PROVISIONS OF THE PUBLIC AUTHORITIES LAW

*Staff Summary Policies - Page 123*

## 10. OTHER BUSINESS

**MINUTES OF THE MEETING**  
**MTA Corporate Governance Committee**  
**March 22, 2017**  
**2 Broadway – 20<sup>th</sup> Floor**  
**New York, New York**

The following MTA Corporate Governance Committee members were present:

Hon. Fernando Ferrer, Vice Chairman  
Hon. John J. Molloy

The following MTA Corporate Governance Committee members were absent:

Hon. Susan Metzger  
Hon. Mitchell H. Pally  
Hon. Polly Trottenberg  
Hon. James E. Vitiello  
Hon. Peter Ward  
Hon. Neal Zuckerman

The following MTA staff attended the meeting:

Veronique Hakim, Managing Director  
Donna M. Evans, Chief of Staff  
Helene Fromm, Acting General Counsel  
Barry Kluger, Inspector General  
Lamond W. Kearse, Chief Compliance Officer  
Monica Murray, Deputy Chief Compliance Officer  
Ken Patrey, Assistant Director, Corporate Compliance & Strategic Initiatives – MNCR  
David Cannon, Chief Procurement Officer, Capital Construction

\* \* \*

Vice Chairman Ferrer called the March 22, 2017 meeting of the MTA Corporate Governance Committee to order at 2:47p.m.

**Public Comments Period**

There were no speakers in the public comments portion of the meeting.

**Approval of Minutes**

Upon motion duly made and seconded, the Committee approved the minutes of the Committee meeting held on November 16, 2016.

**1. Review and Approval Mission Statement and Performance Measurement Report**

MTA Chief of Staff Donna M. Evans advised the Committee that MTA is required to annually submit to the ABO a Mission Statement and Performance Measurement Report. She advised the Committee that the committee book contains the MTA 2016 report. She advised the Committee that the report is similar in substance and style to prior reports. Ms. Evans provided the Committee with a summary of the information covered by the report.

Ms. Evans recommended the Board approve the policies.

Upon motion duly made and seconded, the Committee recommended Board approval of the Mission Statement and Performance Measurement Report.

**2. Review and Approve MTA Policies Requiring Board Approval**

Chief Compliance Officer Lamond Kearsé advised the Committee that PAL 2824 requires the MTA Board to, among other things, establish policies regarding travel, the payment of salary, compensation and reimbursements, and rules for the time and attendance of the chief executive and management. The policies being presented to the Committee are new or revisions to existing policies which have been approved by headquarters or their respective Agencies.

Mr. Kearsé recommended the Board approve the policies.

Upon motion duly made and seconded, the Committee recommended Board approval of the proposed changes to MTA Policies in Connection with PAL Provisions.

**Adjournment**

Upon motion duly made and seconded, Vice Chairman Ferrer adjourned the March 22, 2017 meeting of the Corporate Governance Committee at 2:49pm.

Respectfully submitted

Lamond W. Kearsé  
MTA Chief Compliance Officer

**MINUTES OF THE MEETING**  
**MTA Corporate Governance Committee**  
**December 11, 2017**  
**2 Broadway – 20<sup>th</sup> Floor**  
**New York, New York**

The following MTA Corporate Governance Committee members were present:

Hon. Joseph J. Lhota, Chairman  
Hon. Susan Metzger  
Hon. Mitchell H. Pally  
Hon. Polly Trottenberg  
Hon. James E. Vitiello  
Hon. Neal Zuckerman

The following MTA Corporate Governance Committee members were absent:

Hon. Fernando Ferrer, Vice Chairman  
Hon. Charles G. Moerdler  
Hon. John J. Molloy  
Hon. Lawrence Schwartz  
Hon. Peter Ward

The following MTA Board Members attended the meeting:

Hon. Norman E. Brown  
Hon. Veronica Vanterpool  
Hon. Carl Weisbrod

The following MTA staff attended the meeting:

Patrick Foye, MTA President  
Veronique Hakim, Managing Director  
Donna M. Evans, Chief of Staff  
Helene Fromm, Acting General Counsel  
Phillip Eng, Chief Operating Officer  
Lamond W. Kearse, Chief Compliance Officer  
Monica Murray, Deputy Chief Compliance Officer  
David Ross, Chief Procurement Officer  
Ken Patrey, Assistant Director, Corporate Compliance & Strategic Initiatives – MNCR

\* \* \*

Chairman Lhota called the December 11, 2017 meeting of the MTA Corporate Governance Committee to order at 3:58p.m.

**Public Comments Period**

The following speaker commented during the public speakers session: Kevin Zang, private citizen

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

### **Approval of Minutes**

Due to lack of a quorum there was no motion to approve the minutes of the March 22, 2017 Committee meeting.

#### **1. 2018 Draft Committee Work Plan**

Due to lack of a quorum there was no motion made to approve 2018 Committee Work Plan.

#### **2. Presentation – Compliance with Procurement Lobby Law**

This agenda item was not discussed during this meeting.

#### **3. Review of MTA By-Laws**

Mr. Kearse advised the Committee that each year this Committee must review the By-Laws of the MTA and its Agencies. Mr. Kearse advised the Committee that there were no recommended changes at this time.

#### **4. Review of Governance Guidelines**

Mr. Kearse advised the Committee that each year this Committee is required to review the MTA's Governance Guidelines. Mr. Kearse informed the Committee that there were no recommended changes at this time.

#### **5. Review MTA Whistleblower Protection Policy**

Mr. Kearse advised the Committee that each year this Committee must review the MTA Whistleblower and Protection Policy. Mr. Kearse advised the Committee that there were no recommended changes at this time.

#### **6. Review MTA Code of Ethics**

Mr. Kearse informed the Committee that each year they are required to review the MTA Code of Ethics. The Committee was advised that there are no recommended changes to the Code of Ethics at this time.

#### **7. Review and Approve Board Committee Charters**

This agenda item was not discussed during the meeting.

#### **8. Review and Approve Procurement Guidelines**

MTA's Chief Compliance Officer informed the Committee that Public Authorities Law Section 2879 requires the MTA to annually review and approve its procurement guidelines, which were last approved by the Board at its November 16, 2016.

**9. Review and Approve MTA Policies in Connection with Provisions of Public Authorities Law**

This agenda item was not discussed during this meeting.

**10. Other Business**

Chairman Lhota began a broad range discussion with MTA Board members during which the following were discussed:

Board Governance and Committee Structure;  
Duration of Meetings;  
Volume and Dissemination of Board/Committee Material;  
Personnel/Appointment;  
New Agenda Items;  
Guidelines and Charters use for Independent Counsel and Accountants for ABO Complaints;  
Board Member Fiduciary Duty;  
Insulated Collective Bargaining;  
MTA Inspector General Funding and Appointment; and  
Agency Management and Board Communication.

The details of the Committee's discussion relating to the aforementioned topics are included in the videotape of the meeting produced by the MTA and maintained in the MTA records.

**Adjournment**

Chairman Lhota adjourned the December 11, 2017 meeting of the Corporate Governance Committee at 4:51pm.

Respectfully submitted

Lamond W. Kearse  
MTA Chief Compliance Officer

## 2018 CORPORATE GOVERNANCE COMMITTEE WORK PLAN

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### I. RECURRING AGENDA ITEMS

	<u>Responsibility</u>
Approval of Minutes	Committee Chair & Members
Governance Committee Work Plan	Committee Chair & Members
Follow-up Items	As Appropriate
Review of any Significant Governance Issues	Chief Compliance Officer
Executive Sessions	As Appropriate
Action Items	As listed

### II. SPECIFIC AGENDA ITEMS

#### March 2018

#### Responsibility

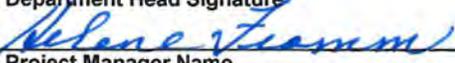
1. Presentation on Recent Developments in Corporate Governance \_\_\_\_\_ Chief Compliance Officer
2. Review and Approve Mission Statement and Measurement Report \_\_\_\_\_ Various Staff Members
3. Review and Approve Procurement Guidelines \_\_\_\_\_ Chief Procurement Officer
4. Review and Approve Any Revisions to MTA By-laws \_\_\_\_\_ General Counsel
5. Review and Approve Any Revisions to Board Committee Charters \_\_\_\_\_ Committee Chair & Members
6. Review and Approval MTA Policies in connection with Provisions of the Public Authorities Law \_\_\_\_\_ Various Staff Members

#### November 2018

#### Responsibility

1. Presentation on Compliance with Procurement Lobby Law \_\_\_\_\_ Chief Compliance Officer
2. Review Governance Principles \_\_\_\_\_ Chief Compliance Officer
3. Review MTA Whistleblower Protection Policy \_\_\_\_\_ Chief Compliance Officer
4. Review and Approval MTA Policies in connection with Provisions of the Public Authorities Law \_\_\_\_\_ Various Staff Members
5. Review and Approve Revisions to MTA Code of Ethics \_\_\_\_\_ Chief Compliance Officer
6. Approve 2019 Committee Work Plan \_\_\_\_\_ Committee Chair & Member

# Staff Summary

Subject <b>Mission Statement, Measurements, and Performance Indicators Report</b>
Department <b>Chief of Staff</b>
Department Head Name <b>Helene Fromm</b>
Department Head Signature 
Project Manager Name <b>Lamond W. Kearse</b>

Date <b>March 21, 2018</b>
Vendor Name <b>N/A</b>
Contract Number <b>N/A</b>
Contract Manager Name <b>N/A</b>
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
	Corporate Governance	3/19/18			
	Board	3/21/18			

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

**Purpose:**

To obtain Board approval of the MTA’s Mission Statement and to authorize submission of the annexed 2017 Mission Statement, Measurements, and Performance Indicators Report (the “Report”) to the Independent Authorities Budget Office (“ABO”).

**Discussion:**

Section 1269-f and Section 2824-a of the Public Authorities Law require MTA to annually reexamine its mission statement, reassess its stakeholders and selected performance measurement indicators, and to submit a report based on the performance indicator results from the previous year.

The MTA and its Board engage in oversight of agency operating performance throughout the year. The Board, through its transit, rail and bridge/tunnel operating committees, closely monitors agency operating performance. Each operating agency reports its most recent performance data in posted monthly reports and in committee books distributed in advance of public MTA operating committee meetings, which are conducted at least eleven times a year. At these public meetings, operating agency results are reviewed and discussed by Board members and agency senior staff. In addition, presentations focused on particular areas of performance are made by the agency staff to the Board operating committees periodically through the year, in accordance with the work plan schedule of each operating committee. The MTA website also contains a “Performance Dashboard” for each of the MTA operating agencies, updated monthly, summarizing the agencies’ leading performance measurements.

The Report compiles the MTA Mission Statement, Stateholder Assessment and the performance measurements from 2017. The operating agencies have each submitted, within the Report, a summary that evaluates agency performance on the applicable indicators in the past year.

**Recommendation:**

It is recommended that the MTA Board approve the annexed Report and authorize submission of such Report as required by Section 1269-f and Section 2824-a of the Public Authorities Law to the ABO.



**Metropolitan Transportation Authority  
Mission Statement, Measurements, and Performance  
Indicators Report Covering Fiscal Year 2017**

**In Compliance with New York State Public Authorities Law §1269-f and §2824-a**

***Submitted as Part of the MTA 2017 Annual Report to the Governor***

### Note

Because of the timing of this report, some of the indicators used by the MTA agencies to measure performance are preliminary and subject to subsequent reconciliation and adjustment as data are finalized over the course of the year. For that reason, some of the 2016 data presented in last year's report have been adjusted, and the 2017 performance is being measured against this more recent and accurate data, even if it differs only slightly from the data in last year's report. Likewise, the 2017 preliminary data are also subject to subsequent adjustment, and the 2018 report will similarly measure performance against the most recent and accurate data available.

## MTA Mission Statement

The Metropolitan Transportation Authority (MTA) preserves and enhances the quality of life and economic health of the region it serves through the cost-efficient provision of safe, on-time, reliable, and clean transportation services.

## Stakeholder Assessment

The main stakeholders of the MTA are its customers; the businesses, residents, and taxpayers of our service area and the State; the MTA's employees and unions; and its government partners. A set of goals for each group has been defined, along with performance indicators to measure the attainment of these goals.

<b>Customers</b>	
<b>Our customers are those who ride our trains and buses or cross our bridges and tunnels. They include the residents in our region, as well as tourists and visiting business persons. Our customers expect service that is safe, on-time, reliable, and that provides good value for their money.</b>	
<b>MTA Goals</b>	<b>Performance Indicators</b>
Ensure our customers' safety	<ul style="list-style-type: none"> <li>✓ Customer injury rates</li> <li>✓ Bus collision rate</li> </ul>
Provide on-time and reliable services	<ul style="list-style-type: none"> <li>✓ Subway major incidents *</li> <li>✓ Subway service delivered *</li> <li>✓ On-time performance (subway and commuter railroads)</li> <li>✓ Subway terminal delays</li> <li>✓ Mean distance between failures</li> <li>✓ Bus trips completed</li> <li>✓ Subway wait assessment</li> </ul>
Provide services to people with disabilities	<ul style="list-style-type: none"> <li>✓ Elevator availability</li> <li>✓ Escalator availability</li> <li>✓ Bus passenger wheelchair lift usage (does not include paratransit)</li> <li>✓ Paratransit ridership</li> </ul>
Repair, replace, and expand transportation infrastructure	<ul style="list-style-type: none"> <li>✓ Capital Program commitments</li> <li>✓ Capital Program completions</li> </ul>

*\* As part of the 2017 Subway Action Plan, several new performance indicators have been developed and are now posted on the MTA website under the expanded Subway Dashboard.*

## Businesses, Residents, and Taxpayers

The businesses, residents, and taxpayers in our service area want the MTA to spend its resources efficiently and appropriately, while enhancing the mobility of the region.

MTA Goals	Performance Indicators
Perform services in an efficient manner	<ul style="list-style-type: none"> <li>✓ Farebox operating ratio</li> <li>✓ Operating cost per customer</li> <li>✓ Total support to mass transit</li> </ul>
Maximize system usage	<ul style="list-style-type: none"> <li>✓ Ridership</li> <li>✓ Traffic volume</li> </ul>
Repair, replace, and expand transportation infrastructure	<ul style="list-style-type: none"> <li>✓ Capital Program commitments</li> <li>✓ Capital Program completions</li> </ul>

## Employees and Unions

Our employees and unions expect a safe workplace, skills training relevant to their roles, and opportunities for growth.

MTA Goals	Performance Indicators
Ensure our employees' safety	<ul style="list-style-type: none"> <li>✓ Employee lost time and restricted-duty rate</li> </ul>
Maintain a workforce that reflects the regional availability of all races, nationalities, and genders for our industry	<ul style="list-style-type: none"> <li>✓ Female representation in MTA workforce</li> <li>✓ Minority representation in MTA workforce</li> </ul>

## Government Partners (Federal, State, and Local Governments)

Our government partners expect us to enhance regional mobility by providing excellent service, while spending our resources in a cost-effective and appropriate manner.

MTA Goals	Performance Indicators
Provide on-time and reliable services	<ul style="list-style-type: none"> <li>✓ On-time performance (subway and commuter railroads)</li> <li>✓ Subway wait assessment</li> <li>✓ Bus trips completed</li> <li>✓ Mean distance between failures</li> </ul>
Maximize system usage	<ul style="list-style-type: none"> <li>✓ Ridership</li> <li>✓ Traffic volume</li> </ul>
Perform services in an efficient manner	<ul style="list-style-type: none"> <li>✓ Farebox operating ratio</li> <li>✓ Operating cost per customer</li> </ul>
Repair, replace, and expand transportation infrastructure	<ul style="list-style-type: none"> <li>✓ Capital Program commitments</li> <li>✓ Capital Program completions</li> </ul>

## MTA New York City Transit (“NYCT”)

Performance Indicator	2016 Actual	2017 Actual
<b>Service Indicators</b>		
Weekday Major Incidents – Subways (monthly average) *	67.7	67.9
Weekday Service Delivered – Subways *	95.6%	94.5%
Weekday Terminal On – Time Performance – Subways	66.8%	63.4%
Weekday Terminal Delays – Subways (monthly average)	54,785	62,479
Mean Distance Between Failures – Subways (miles)	112,208	121,220
Weekday Wait Assessment – Subways	73.7%	71.3%
Elevator Availability – Subways	95.9%	95.9%
Escalator Availability – Subways	93.7%	94.5%
Total Ridership – Subways	1,756,814,800	1,727,315,649
Weekday On-Time Performance – Staten Island Railway	94.9%	96.7%
Mean Distance Between Failures – Staten Island Railway (miles)	58,721	59,871
% of Completed Trips – NYCT Bus	99.1%	99.2%
Total Paratransit Ridership – NYCT Bus	8,516,114	8,644,704
Bus Passenger Wheelchair Lift Usage – NYCT Bus	1,493,348	1,432,622
Total Ridership – NYCT Bus	638,413,113	602,620,356
Mean Distance Between Failures – NYCT Bus (miles)	5,957	6,225
<b>Safety Indicators</b>		
Customer Injury Rate – Subways (per million customers)	2.53	2.83
Customer Accident Injury Rate – NYCT Bus (per million customers)	1.34	1.37
Collisions with Injury Rate – NYCT Bus (per million vehicle miles)	6.87	6.91
Employee Lost Time and Restricted-Duty Rate (per 100 employees)	3.72	3.35
<b>Workforce Indicators</b>		
Female Representatives in NYCT Workforce	18%	18.5%
Minority Representatives in NYCT Workforce	76.5%	77.4%
<p><i>Note: * Several new indicators were added as part of the 2017 Subway Action Plan and are tracked on the new Subway Dashboard at the MTA public website. MTA performance data are subject to periodic adjustment. Some 2016 data may have been updated subsequent to the 2016 PAL §1269-f report. Subways customer injury rate is as of Nov. 2017. This table of NYCT Performance Indicators continues on the following page.</i></p>		

<b>Performance Indicator</b>	<b>2016 Actual</b>	<b>2017 Actual</b>
<b>Financial Indicators</b>		
Farebox Operating Ratio	57.9%	56.3%
Operating Cost per Passenger	\$3.32	NA
<b>Capital Program Indicators</b>		
Commitments in \$ Millions (% of annual goal)	\$2,335 (64%)	\$3,070 (60%)
Completions in \$ Millions (% of annual goal)	\$1,964 (83%)	\$2,502 (70%)
<i>Note: MTA performance data are subject to periodic adjustment. Some 2016 data may have been updated subsequent to the 2016 PAL §1269-f report. The 2017 Farebox Operating Ratios are based on preliminary 2017 actual results and will be updated by the MTA Division of Management &amp; Budget in April 2018. The Operating Costs per Passenger exclude debt service expenses. The preliminary 2017 Operating Cost per Passenger will be calculated in second quarter 2018, prior to the July Financial Plan. Paratransit ridership is now reported based upon completed trips instead of authorized trips.</i>		

**MTA GOAL: Ensure Customer Safety**

**PERFORMANCE INDICATORS: Customer Injury Rate**

The “customer injury rate” for the NYCT Subways was 2.83 per million customers, as of November 2017, which represents a slight increase over the latest adjusted 2016 rate of 2.53 for the same period last year. This slight increase follows an overall decline in customer injuries, down from 3.33 per million customers in 2009. NYCT Subways remains committed to continuing this long-term decline in customer injuries through expanded use of safety-related posters and public information, improvement of train announcements and incident reports, and the training and deployment of station staff.

For NYCT Bus, the “customer accident injury rate” increased by about 2.2 percent in 2017, from 1.34 per million customers to 1.37 per million. The agency continues its program of anonymously monitoring driver safety, while also providing positive feedback, where warranted, at the completion of every ride.

## **NYCT, cont.**

NYCT Bus saw an increase in its 2017 “collision injury rate” of about 0.6 percent over the previous year to 6.91 per million vehicle miles. Throughout the year, NYCT Bus continued to incorporate relevant accident findings into its safety and training initiatives. These initiatives focus on basic operating procedures in bus stop areas, including scanning mirrors, observing all sides of the bus, pulling in and out of bus stops properly, and positioning the bus correctly in the bus stop.

In April 2017, NYCT Bus implemented an updated, enhanced version of the Vision Zero “Eye on Safety” program, an eight-hour training session. All bus operators are being cycled through this third version of the program. In July 2017, NYCT Bus introduced a new eight-hour training program addressing customer service and de-escalation techniques to mitigate conflicts. In addition, the agency is leveraging indicators such as speed-camera violations, red-light violations, cellphone infractions, and customer complaints as part of an enhanced bus operator monitoring program.

In a joint agreement with all labor unions, NYCT Bus continues its “zero-tolerance” policy on use of cellphones and electronic devices while operating a bus. In another joint agreement with the unions, NYCT Bus has established a process whereby operators who receive speed-camera violations are disciplined and must pay the fine. The agency has also negotiated an “Accident Review System” (ARS), which now extends to bus operators in all labor bargaining units.

### **MTA GOAL: Provide On-Time and Reliable Services**

### **PERFORMANCE INDICATORS: Major Incidents, Service Delivered, On-Time**

### **Performance, Terminal Delays, Mean Distance Between Failures, Bus Trips Completed**

In July 2017, NYCT launched the Subway Action Plan (SAP), which aims to stabilize and improve subway service, while laying the foundation for modernization of the system. As part of the plan, NYCT Subways developed four new performance indicators: (1) “Major Incidents” (MI) are incidents that delay 50 or more trains. (2) “Service Delivered” (SD) measures the agency’s ability to deliver scheduled subway service. (3) “Additional Platform Time” (APT) is the average

## **NYCT, cont.**

added time customers must wait for a train, compared the scheduled wait time. (4) “Additional Train Time” (ATT) is the average added time customers spend aboard a train due to service issues. These new indicators are tracked on the [Subway Performance Dashboard](#) at the MTA public website. Complete 2017 data was not available for all of the new indicators.

As NYCT continues the SAP implementation, progress has been captured in both new and old performance indicators. Weekday MIs declined 23.6 percent from an average of 77 per month in the first half of 2017 to an average of 59 per month after July 2017, when the plan launched. Over that period, track incidents declined by 12 percent, signal incidents fell by 22 percent, and subway car incidents dropped by 11 percent. While “on-time-performance” (OTP) declined overall in 2017 compared to the previous year, OTP after July had improved slightly from 62.7 percent to 64.2 percent. Subway “mean distance between failures” (MDBF) continued to improve in 2017, increasing by 8.0 percent over the previous year.

NYCT Bus posted an MDBF of 6,225 miles in 2017, a 4.5-percent improvement over the previous year. NYCT continues to replace its remaining over-age bus fleet under the 2015-2019 Capital Program. The percentage of “bus trips completed,” which depends on both vehicle and operator availability, increased slightly to 99.2 percent in 2017.

### **MTA GOAL: Provide Services to People with Disabilities**

### **PERFORMANCE INDICATORS: Elevator Availability, Escalator Availability, Bus Passenger Wheelchair Lift Usage, Paratransit Ridership**

NYCT elevator availability remained stable between 2016 and 2017 at 95.9 percent, while escalator availability improved from 93.7 percent to 94.5 percent.

All the traction elevators that are the source of most issues are scheduled for replacement under the 2015-2019 Capital Program. In addition, NYCT established a maintenance/repair contract in December 2017 dedicated to elevator and escalator equipment in Washington Heights, to improve performance at those locations.

## **NYCT, cont.**

Wheelchair ridership at NYCT Buses decreased by 4.1 percent in 2017 to a total of 1.43 million passengers. The agency's new low-floor buses provide easier boarding and more reliable service for wheelchair passengers.

NYCT Paratransit's Access-A-Ride ridership grew slightly to 8.6 million in 2017, a 1.5-percent increase over the previous year.

### **MTA GOAL: Repair, Replace, and Expand Transportation Infrastructure**

#### **PERFORMANCE INDICATORS: Capital Program Commitments and Completions**

NYCT committed nearly \$3.07 billion of its Capital Program funds in 2017, representing 60 percent of the 2017 total commitment goal.

NYCT achieved capital project completions in 2017 worth just over \$2.5 billion, representing 70 percent of the 2017 total completion goal.

### **MTA GOAL: Perform Services in an Efficient Manner**

#### **PERFORMANCE INDICATORS: Farebox Operating Ratio, Operating Cost per Passenger**

NYCT's "farebox operating ratio" decreased in 2017, going from a final figure of 57.9 percent of operating costs in 2016 to 56.3 percent in 2017, as estimated in the MTA 2018 Adopted Budget, February Financial Plan.

After final adjustments, the NYCT "operating cost per passenger" was \$3.32 in 2016. The preliminary 2017 "operating cost per passenger" will be available in the second quarter of 2018, prior to the July Financial Plan.

### **MTA GOAL: Maximize System Usage**

#### **PERFORMANCE INDICATORS: Ridership**

Average weekday subway ridership decreased by 1.3 percent from 2016, the first annual decline since 2009. Despite the decrease, average weekday ridership on NYCT Subways has increased by 9.7 percent from 2009 to 2017. This represents the highest levels of subway

ridership since the 1940s, generating a steady, seven-year increase in annual farebox revenues. Total farebox revenues for subways was more than \$3.4 billion in 2017, up 2.7 percent over the previous year, mainly due to the March 2017 fare increase.

Total NYCT Bus ridership decreased again in 2017 by 5.6 percent to 603 million riders, with the largest declines occurring on Manhattan and Bronx routes.

**MTA GOAL: Ensure Our Employees' Safety**

**PERFORMANCE INDICATORS: Employee Lost Time and Restricted-Duty Rate**

The total NYCT employee “lost-time and restricted-duty” accident rates fell from 3.72 per 100 employees in 2016 to the latest 2017 rate of 3.35 per 100 employees, a 10-percent decrease.

At NYCT Subways, the rate decreased from 3.16 per 100 employees in 2016 to 2.74 in 2017. This decrease occurred primarily in the Rail Operations division, and it follows a significant increase from 2014 to 2015.

NYCT Subways will continue to operate an expanded safety program for employees, including safety communications, safety audits, training, and accident investigations. In addition, NYCT Subways continues efforts to maximize use of the FASTRACK program, which provides a safer working environment for maintenance and repair crews by curbing train operations in work areas.

Both NYCT Bus and MTA Bus continued major initiatives aimed at protecting bus operators from assault, including oversight by an executive task force, enhanced training, and the ongoing installation of bus operator shields. In Spring of 2017, an updated version of the “Vision Zero” bus operator training program began, including de-escalation tactics aimed at dealing with customer incidents and mitigating assaults.

**MTA GOAL: Maintain a Workforce that Reflects Regional Availability of All Races, Nationalities, and Genders**

**PERFORMANCE INDICATORS: Female and Minority Representation in the Workforce**

Female representation agency-wide rose by 0.5 percent in 2017, yet continues to fall below the estimated percentage of women available for work within NYCT's recruiting area. A contributing factor is the low percentage of women who apply for what are generally considered nontraditional jobs. NYCT will continue to increase its outreach and recruitment efforts to improve female representation within its workforce. Minority representation grew to 77.4 percent in 2017 from 76.5 percent the previous year, exceeding the estimated percentage of minorities available for work within NYCT's recruiting area.

## MTA Long Island Rail Road (“LIRR”)

Performance Indicator	2016 Actual	2017 Actual
<b>Service Indicators</b>		
On-Time Performance	92.7%	91.4%
Elevator Availability	98.7%	99.0%
Escalator Availability	98.1%	97.4%
Total Ridership	89,351,676	89,158,841
Mean Distance Between Failures (miles)	211,975	205,270
<b>Safety Indicators</b>		
FRA-Reportable Customer Injury Rate (per million customers)	3.72	4.05
FRA-Reportable Employee Lost Time Case Rate (per 200,000 worker hours)	3.01	3.71
<b>Workforce Indicators</b>		
Female Representatives in LIRR Workforce	15.2%	15.1%
Minority Representatives in LIRR Workforce	35.4%	35.8%
<b>Financial Indicators</b>		
Farebox Operating Ratio	51.4%	50.0%
Operating Cost per Passenger	\$15.57	\$16.39
<b>Capital Program Indicators</b>		
Commitments in \$ Millions (% of annual goal)	\$570.4 (121%)	\$1,024.7 (149%)
Completions in \$ Millions (% of annual goal)	\$189.5 (123%)	\$336.8 (118%)
<p><i>Note: MTA performance data are subject to periodic adjustment. Some 2016 data may have been updated subsequent to the 2016 PAL §1269-f report. The 2017 Farebox Operating Ratios are based on preliminary estimates from the “MTA 2018 Proposed Budget, November Financial Plan,” and will be updated by the MTA Division of Management &amp; Budget in April 2018.</i></p>		

**MTA GOAL: Ensure Customer Safety**

**PERFORMANCE INDICATORS: Customer Injury Rate**

In 2017, LIRR's "customer injury rate" increased by 8.9 percent over the previous year. A collision with the bumping post at the Atlantic Terminal on January 4, 2017, resulted in 108 minor customer injuries. Penn Station remains the location with the greatest number of customer injuries. This can be attributed to the volume of customers traveling through the busiest terminal in the LIRR system. LIRR's "Let's Travel Safely Together" safety information campaign, produced in partnership with Amtrak, New Jersey Transit, and NYCT, remains an integral part of LIRR's safety program in 2018.

**MTA GOAL: Provide On-Time and Reliable Services**

**PERFORMANCE INDICATORS: On-Time Performance, Mean Distance Between Failures**

LIRR's "on-time performance" (OTP) for 2017 was 91.4 percent, a decrease of 1.3 percent from the previous year. The decrease in OTP was attributable to weather-related events and service impacts during the Amtrak repairs at Penn Station. The agency's 2017 "mean distance between failures" (MDBF) declined by 3.2 percent to 205,270 miles from a record-high 211,975 miles in 2016. This exceeded the 2017 goals set for each of the LIRR fleets, with the exception of the DE-30 locomotives. The year's decline was due to a decrease in the diesel fleet performance as it retreated from its record MDBF in 2016. The railroad continues to optimize fleet performance through its reliability-centered maintenance (RCM) program, enterprise asset management (EAM) implementation, acquisition of the new M-9 fleet, and other performance initiatives.

**MTA GOAL: Provide Services to People with Disabilities**

**PERFORMANCE INDICATORS: Elevator Availability, Escalator Availability**

Elevator availability increased to 99.0 percent in 2017, a 0.3-percent improvement over the previous year. Escalator availability decreased to 97.4 percent, down by 0.7 percent from last year. The 2017 improvement in elevator availability was due to the agency's RCM program for

elevators and escalators. The railroad's Elevator and Escalator Operations Center, staffed with certified "Qualified Elevator-Escalator Inspectors," further reduced the frequency of breakdowns through both regularly scheduled repairs and improved response times. The decrease in escalator availability was due to the activation of an emergency stop button at the Lynbrook Station on the Long Beach Branch.

**MTA GOAL: Repair, Replace, and Expand Transportation Infrastructure**

**PERFORMANCE INDICATORS: Capital Program Commitments and Completions**

The LIRR's 2017 capital commitments totaled over \$1,024.7 million, or 149 percent of the year's goal. Major commitments for the year included: rehabilitation of the Nostrand Avenue Station; the 2017 Annual Track Program; the Main Line Double Track Phase II—Track, Systems & Platforms; the design-build project for the Buckram Road Bridge; new elevators at the Murray Hill Station; construction of the new Mid-Suffolk Electric Yard in Ronkonkoma; improvements at the Morris Park Diesel Shop; the Jamaica Capacity Improvements Phase II Design; the Atlantic Avenue cables for LIRR's Positive Train Control (PTC) project; LIRR's funding contribution to the Moynihan Station project under the Empire State Development Corporation (ESD); and the purchase of M-9 electric train cars.

The railroad's 2017 capital completions totaled over \$336 million, or 118 percent of the year's goal. Major completions during the year included: rehabilitation of the 150<sup>th</sup> Street Bridge at Jamaica; renewal of employee facilities at the Jamaica Station Building and four other LIRR locations; replacement of escalators at the Rockville Centre, Baldwin, Freeport, Amityville, Copiague, and Lindenhurst stations on the Babylon Branch; restoration of electrical and communications systems at the Wreck Lead Bridge on the Long Beach Branch; the Main Line Double Track Phase II Design; signalization between the Speonk and Montauk stations; the 2017 Annual Track Program; and replacement of the Post Avenue Bridge.

**MTA GOAL: Perform Services in an Efficient Manner**

**PERFORMANCE INDICATORS: Farebox Operating Ratio, Operating Cost per Passenger**

The LIRR's "farebox operating ratio" decreased from 51.4 percent in 2016 to 50.0 percent in 2017, as estimated in the "MTA 2018 Final Proposed Budget, November Financial Plan." This decrease was driven by an increase in passenger expenses, mostly attributable to higher operating expenses, offset partially by an increase in farebox revenue due to anticipated ridership growth. The LIRR's "operating cost per passenger" increased from \$15.57 in 2016 to \$16.39 in 2017. This increase stemmed largely from higher passenger expenses.

**MTA GOAL: Maximize System Usage**

**PERFORMANCE INDICATORS: Ridership**

LIRR carried 89.2 million customers in 2017, a slight 0.2-percent decrease from the post-1940s record of 89.4 million customers in 2016. This represents the railroad's second highest ridership in the last six decades. The post-war record was 91.8 million passengers in 1949.

LIRR remains the busiest commuter railroad in North America. Annual commutation ridership in 2017 was 50.7 million customers, while non-commutation ridership during the year totaled 38.4 million. Strong local economic conditions and continuous growth in non-commutation travel, including trips to entertainment and sports venues, have contributed to these strong ridership numbers.

The LIRR continues to analyze ridership trends in order to respond to new service needs. The agency's market research has revealed an increased reliance on LIRR service—especially on the part of younger riders—for travel to work and other destinations. (See the MTA website, MTA Info, Capital Program, Planning Studies, [Origin-Destination Surveys](#).)

**MTA GOAL: Ensure Our Employees' Safety**

**PERFORMANCE INDICATORS: Employee Lost Time Case Rate**

The rate of FRA-reportable employee “lost time injuries” increased in 2017 by 23 percent over the previous year to 3.71 per 200,000 worker hours. The highest number of employee accidents continues to be in the “slips, trips, and falls” category. The majority of injuries are soft tissue injuries. To maximize employee safety, LIRR continues its efforts to raise awareness among employees and encourage collaborative problem solving. These efforts have involved a number of labor-management initiatives, including: a Confidential Close Call Reporting System (C3RS); mechanical safety partnership meetings; monthly transportation safety meetings; on-track safety labor-management partnership meetings, and Personal Protective Equipment (PPE) labor-management partnership meetings.

**MTA GOAL: Maintain a Workforce that Reflects Regional Availability of All Races, Nationalities, and Genders**

**PERFORMANCE INDICATORS: Female and Minority Representation in the Workforce**

The percentage of women in LIRR’s workforce decreased slightly in 2017 to 15.1 percent from 15.2 percent the previous year. This falls below the estimated percentage of women available for work in LIRR’s recruitment area. Many of the positions available in 2017 are considered “nontraditional” jobs for women, and, as a result, attract a low percentage of women applicants.

The percentage of minority representation increased from 35.4 percent to 35.8 percent. This exceeds the estimated percentage of minorities available in LIRR’s recruitment area. LIRR continues to focus on efforts to improve the representation of women and minorities in its workforce.

## MTA Metro-North Railroad (“Metro-North”)

Performance Indicator	2016 Actual	2017 Actual
<b>Service Indicators</b>		
On-Time Performance (East of Hudson)	93.7%	93.4%
On-Time Performance (West of Hudson)	95.9%	94.1%
Elevator Availability	99.97%	99.3%
Escalator Availability	99.2 %	96.5%
Total Rail Ridership (East & West of Hudson )	86,207,406	86,496,226
Total Ridership on Connecting Services Provided by MNR Contractors	563,482	586,742
Mean Distance Between Failures (miles)	216,772	193,883
<b>Safety Indicators</b>		
FRA-Reportable Customer Injury Rate (per million customers)	1.25	0.77
FRA-Reportable Employee Lost Time Case Rate (per 200,000 worker hours)	2.87	2.86
<b>Workforce Indicators</b>		
Female Representatives in MNR Workforce	13%	13%
Minority Representatives in MNR Workforce	37%	38%
<b>Financial Indicators</b>		
Farebox Operating Ratio	57.4%	56.8%
Operating Cost per Passenger	\$14.32	\$14.92
<b>Capital Program Indicators</b>		
Commitments in \$ Millions (% of annual goal)	\$289.6 (70%)	\$582.5 (138%)
Completions in \$ Millions (% of annual goal)	\$106.9 (94%)	\$49.7% (41%)
<p><i>Note: MTA performance data are subject to periodic adjustment. Some 2016 data may have been updated subsequent to the 2016 PAL §1269-f report. The 2017 Farebox Operating Ratios are based on preliminary estimates from the “MTA 2017 Adopted Budget, February Financial Plan” and will be updated by the MTA Division of Management &amp; Budget in April 2018.</i></p>		

**MTA GOAL: Ensure Customer Safety**

**PERFORMANCE INDICATORS: Customer Injury Rate**

The FRA-reportable “customer injury rate” at Metro-North decreased in 2017 to 0.77 per million customers, down from 1.25 per million in 2016. Metro-North has embarked on the following initiatives aimed at reducing customer injuries:

- Provided training to local fire, police, and EMS workers on responding to railroad incidents and on safety around railroad properties.
- Continued the TRACKS safety outreach program to educate the public on grade crossings and rail safety, which has reached 134,000 people since it launched in 2016.
- Added new pavement markings and signage at three critical grade crossings at White Plains, Valhalla, and Chappaqua to prevent drivers from stopping on or too close to crossings.
- Continued regular customer safety programs, including weekly safety tweets and the “Best Foot Forward” flyers to help prevent “slips, trip, and falls.”
- Continued to implement National Transportation Safety Board (NTSB) recommendations, coordinating with both the NTSB and other MTA agencies on “best and safe practices.”
- Initiated a number of grade-crossing safety projects at eight intersections under a \$5.0 million FRA state grant.

**MTA GOAL: Provide On-Time and Reliable Services**

**PERFORMANCE INDICATORS: On-Time Performance, Mean Distance Between Failures**

Metro-North’s system-wide “on-time performance” (OTP) for 2017 was above goal at 93.4 percent, while train delay minutes fell by 4.8 percent from the previous year. The Hudson Line performed at 93.6 percent OTP, the Harlem Line at 94.9 percent, and the New Haven Line at 92.1 percent.

The railroad maintained a high “mean distance between failures” (MDBF) of 193,883 miles in 2017, just 3.0 percent below the goal of 200,000 miles. MDBF has remained consistently high

## **Metro-North, cont.**

over the last three years, averaging 203,497 miles. Contributing factors include the performance of the new M8 fleet on the New Haven Line and aggressive car and locomotive maintenance. This also resulted in a 99 percent “consist compliance rate,” which is the percentage of cars in service and providing seats for customers each day. Challenges to service delivery in 2017 included aggressive track inspections and maintenance, requiring temporary speed restrictions, as well as catenary replacement on the New Haven Line.

West-of-Hudson OTP for 2017 was 94.1, which is 1.4 percent below the goal of 95.5 percent.

### **MTA GOAL: Provide Services to People with Disabilities**

#### **PERFORMANCE INDICATORS: Elevator Availability, Escalator Availability**

Elevator availability in 2017 was 99.3 percent, down slightly from the previous year. The decline was attributable to construction work affecting an elevator in Grand Central Terminal, and excluding that elevator the availability rate for 2017 was up slightly.

Escalator availability in 2017 was 96.5 percent, down by 2.7 percent from the previous year. The decline was due largely to a motor and gearbox failure on a single escalator in Grand Central Terminal, where a major escalator replacement project is kicking off on March 2018.

### **MTA GOAL: Repair, Replace, and Expand Transportation Infrastructure**

#### **PERFORMANCE INDICATORS: Capital Program Commitments and Completions**

Metro-North’s Capital Program commitments and completions for 2017 came in at 138 percent and 41 percent of the year’s goals, respectively.

Commitments in 2017 included: procurement of 60 additional M8 cars; purchase of a continuous-welded platform machine; design and inspection of retaining walls; Phase 2 construction for six turnouts and attendant crossovers at Beacon and four at Harlem-125th Street; security upgrades at the Harlem River Lift Bridge; superstructure replacement for the 14th Avenue Bridge; design for repairs in the Grand Central Terminal train shed; build-out for the Positive Train Control (PTC) center at Grand Central; lighting upgrades at the Harlem-125th

## **Metro-North, cont.**

Street Station; preconstruction work for the Harmon Shop Replacement, Phase V, Stage II; customer service initiatives at Grand Central and outlying stations; and improvements at the Harlem-125th Street, Riverdale, Crestwood, White Plains, and Port Chester stations.

Completions in 2017 included: cyclical replacement of rolling stock and Maintenance of Way equipment in the 2010-2014 Capital Program; third-rail bracket replacements at the Park Avenue Tunnel; elevator rehabilitation at Grand Central Terminal, Phase 4; design for the replacement of motor alternators to convert 60hz to 100hz frequency for signal power; replacement of five miles of fiber-optic communications and signal cables on the Harlem and Hudson lines; building improvements at the Poughkeepsie Station; and building rehabilitation at the Port Chester Station.

### **MTA GOAL: Perform Services in an Efficient Manner**

### **PERFORMANCE INDICATORS: Farebox Operating Ratio, Operating Cost per Passenger**

Metro-North's 2017 "farebox operating ratio" was 56.8 percent, representing a 0.6 percent decrease from the previous year. Revenues increased by 3.2 percent, with total expenses also increasing year-over-year by 4.2 percent.

The higher farebox revenue was driven by increased non-commutation ridership on the Harlem, Hudson, and New Haven lines, as well as fare increases of 4 percent in New York in March 2017 and of 6 percent in Connecticut in December 2016. Higher expenses resulted from a net staff increase of about 200 positions, along with a 2.5-percent wage increase and increased fringe rates. Other cost contributors included more work on capital projects in operations; increased material usage and emergency responses for Maintenance of Equipment; and higher electric and fuel rates.

The 2017 "operating cost per passenger" of \$14.92 was \$0.60 higher than in 2016, mainly due to the higher expenses noted above.

**MTA GOAL: Maximize System Usage**

**PERFORMANCE INDICATORS: Ridership**

Total Metro-North ridership in 2017 was approximately 86.5 million rides, the highest in the railroad's history and nearly 300,000 rides higher than the previous year.

East of Hudson ridership for the year was approximately 84.9 million, also the highest in Metro-North history, surpassing the record ridership in 2016 by approximately 400,000 rides.

Ridership on both the Harlem and Hudson lines hit new highs in 2017, surpassing the record levels of the previous year. The Harlem Line had 27.8 million rides, up by 200,000, while the Hudson Line saw 16.9 million rides, up by 400,000 rides.

West of Hudson ridership was approximately 1.6 million, which was 3.6 percent below the previous year and 500,000 fewer rides than the record of 2.1 million rides set in 2008.

Combined ridership on Metro-North's three connecting services was about 587,000 in 2017, up by 4.1 percent. Ridership increased by 7.5 percent on the Hudson Rail Link, while decreasing on the Haverstraw-Ossining and the Newburgh-Beacon ferries by 2.6 percent and 1.9 percent respectively.

**MTA GOAL: Ensure Our Employees' Safety**

**PERFORMANCE INDICATORS: Employee Lost Time and Restricted-Duty Rate**

The FRA-reportable "employee lost time case rate" declined slightly in 2017 to 2.86 per 200,000 worker hours. Metro-North has developed a number of major initiatives aimed at reducing employee injuries, including: a confidential "close call" reporting system (C3RS) developed with NASA and the FRA, the first C3RS system for any commuter railroad in the country; bi-annual "Safety Clean-Up Days" and quarterly employee "Safety Focus Days"; a revised set of agency safety rules; a comprehensive program of obstructive sleep apnea (OSA) testing for locomotive engineers and other critical personnel; externally audited safety data reviews; and a program of annual employee safety awards.

**MTA GOAL: Maintain a Workforce that Reflects Regional Availability of All Races, Nationalities, and Genders**

**PERFORMANCE INDICATORS: Female and Minority Representation in the Workforce**

The percentage of minority employees in Metro-North's workforce increased in 2017 from 37 percent to 38 percent. The percentage of female representation remained constant at 13 percent. The railroad maintains a program aimed at achieving workforce representation based on the availability of women and minorities within the relevant labor markets serviced by the MTA. Through targeted outreach recruitment and developmental programs Metro-North will continue to focus on improving minority and female representation in its workforce.

## MTA Bridges and Tunnels (“Bridges and Tunnels”)

Performance Indicator	2016 Actual	2017 Actual
<b>Service Indicators</b>		
Paid Traffic	307,416,595	310,038,376
<b>Safety Indicators</b>		
Collisions with Injury Rate (per million vehicles)	0.87	0.99
Employee Lost Time Injury Rate (per 200,000 work hours)	6.7	7.2
<b>Workforce Indicators</b>		
Female Representation in B&T Workforce	22%	23%
Minority Representation in B&T Workforce	54%	55%
<b>Financial Indicators</b>		
E-ZPass Market Share	86.2%	93.6%
Total Support to Transit (\$ millions)	\$1,126	\$1,123
<b>Capital Program Indicators</b>		
Commitments in \$ Millions (% of annual goal)	\$287.4 (272%)	\$676.1 (128%)
Completions in \$ Millions (% of annual goal)	\$161.5 (110%)	\$832.9 (157%)
<i>Note: MTA B&amp;T performance data are subject to final audit. Some 2016 data may have been updated subsequent to last year's report.</i>		

**MTA GOAL: Ensure Customer Safety**

**PERFORMANCE INDICATOR: Customer Injury Rate**

Bridges and Tunnels reported 312 customer accidents with injuries in 2017, an increase from 272 accident in 2016. Adjusting for increased annual traffic, the rate of collisions with injuries per million vehicles increased from 0.87 in 2016 to 0.99 in 2017.

To address customer safety issues, Bridges and Tunnels conducts Collision Task Force meetings at each of the agency's facilities to analyze collisions locally. In addition, an interdepartmental Collision Reduction Team reviews collisions quarterly to help guide safety improvements. The agency's strategy for improving customer safety is primarily focused on identifying collision-prone locations and improving their physical characteristics, as well as targeted enforcement efforts to address unsafe driving behaviors.

**MTA GOAL: Repair, Replace, and Expand Transportation Infrastructure**

**PERFORMANCE INDICATORS: Capital Program Commitments and Completions**

In 2017, Bridges and Tunnels made 192 task commitments to Capital Program projects, above its 2017 goal of 113 task commitments. The total value of the awards was \$676.1 million. This represents 128 percent of the 2017 goal, as compared to \$287.4 million and 272 percent of the goal committed in 2016. The actual awards in 2017 were \$148.4 million above the approved plan, primarily due to unplanned and accelerated commitments against the 2015-2019 Capital Program for the cashless Open Road Tolling (ORT) initiative. Major project commitments in 2017 included:

- Awarded the contract amendments for the ORT project to provide installation and integration services for all toll facilities, except the Henry Hudson Bridge, which was already cashless.

## **Bridges & Tunnels, cont.**

- Awarded the contract for the reconstruction of the southbound approach at the Henry Hudson Bridge, along with the design-build contract for the rehabilitation of the concrete skewbacks.
- Awarded the design-build contract for the installation of an integrated electronic monitoring and detection system at the Bronx-Whitestone and Robert F. Kennedy bridges.
- Awarded the design-build contract for testing the main cable and suspender ropes at the Verrazano-Narrows Bridge.

The value of Capital Program projects completed in 2017 totaled \$832.9 million, versus planned completions of \$531.4 million, representing 157 percent of the 2017 goal. In 2016, by comparison, a total of \$161.5 million was completed, representing 110 percent of the goal. Major projects completed in 2017 include: Open Road Tolling initiatives at all Bridges and Tunnels crossings; the replacement of the upper-level suspended span deck and the bus/HOV access improvements; painting of the superstructure at the Verrazano-Narrows Bridge; and rehabilitation of the Manhattan approach ramps of the Robert F. Kennedy Bridge.

### **MTA GOAL: Perform Services in an Efficient Manner**

#### **PERFORMANCE INDICATORS: Total Support to Transit**

Bridges and Tunnels provided a total of \$1.123 billion in total support for MTA transit services in 2017. This surpassed the \$1.049 billion estimated for mass transit support in the MTA 2017 Adopted Budget by 7.0 percent.

### **MTA GOAL: Maximize System Usage**

#### **PERFORMANCE INDICATORS: Traffic Volume**

Bridges and Tunnels had an all-time record of 310 million paid crossings in 2017, an increase of about 0.9 percent or 2.6 million more crossings than in 2016. Overall E-ZPass usage increased from 86.2 percent in 2016 to 93.6 percent of total crossings at year-end 2017, the highest year-end E-ZPass usage rate ever.

## **Bridges & Tunnels, cont.**

### **MTA GOAL: Ensure Our Employees' Safety**

#### **PERFORMANCE INDICATORS: Employee Lost Time and Restricted-Duty Rate**

Bridges and Tunnels experienced 101 lost-time injuries in 2017, compared to 100 in 2016. As a result, the “employee lost-time injury rate” increased to 7.2 per 200,000 work hours in 2017, up from 6.7 in 2016. Efforts are underway to address this performance decline, including:

- Continuing safety training for all field employees, including traffic management safety training for all Bridge and Tunnel Officers (BTOs) and supervisors.
- Utilizing joint labor/management safety task forces to address safety risks in the new operating environment.
- Intensifying effective case management of “Injuries on Duty” to minimize lost work time.
- Renewing a focus on incident investigations and condition audits to determine and address the root causes of safety issues.
- Revising and updating agency “Policies and Procedures” as part of a safety management system for all Bridges and Tunnels facilities.

### **MTA GOAL: Maintain a Workforce that Reflects Regional Availability of All Races, Nationalities, and Genders**

#### **PERFORMANCE INDICATORS: Female and Minority Representation in the Workforce**

Minority employees represented 55 percent of the Bridges and Tunnels workforce in 2017, a slight increase over the previous year. Women represented 23 percent of agency employees in 2017, also up slightly. Bridges and Tunnels maintains a program aimed at achieving workforce representation, based on the availability of women and minorities within the labor markets serviced by the MTA. The program includes: targeted outreach/recruitment efforts to attract qualified women and minority candidates; a monitoring program to identify and address under-representation of women and minorities; and retention and mobility programs providing the skills and opportunities women and minority employees require for successful career paths within the agency.

## MTA Bus Company (“MTA Bus”)

Performance Indicator	2016 Actual	2017 Actual
<b>Service Indicators</b>		
% of Completed Trips	99.2%	99.2%
Bus Passenger Wheelchair Lift Usage	82,092	86,584
Total Ridership	125,617,157	122,213,569
Mean Distance Between Failures (miles)	7,271	7,479
<b>Safety Indicators</b>		
Customer Accident Injury Rate (per million customers)	1.30	1.11
Collisions with Injury Rate (per million vehicle miles)	5.66	3.44
Employee Lost Time Rate (per 100 employees)	8.08	5.93
<b>Workforce Indicators</b>		
Female Representation in MTA Bus Workforce	12%	13%
Minority Representation in MTA Bus Workforce	75%	77%
<b>Financial Indicators</b>		
Farebox Operating Ratio	31.4%	29.8%
Operating Cost per Passenger	\$5.71	\$6.25
<b>Capital Program Indicators</b>		
Commitments in \$ Millions (% of annual goal)	\$0.7 (13%)	\$10.7 (37%)
Completions in \$ Millions (% of annual goal)	\$89.3 (90%)	\$0.7 (3%)
<p><i>Note: MTA performance data are subject to periodic adjustment. Some 2016 data may have been updated subsequent to the 2016 PAL §1269-f report. The 2017 Farebox Operating Ratios are based on preliminary estimates from the “MTA 2017 Adopted Budget, February Financial Plan,” and will be updated in April 2018. Actual capital program completions in 2017 included a \$9.9 million security upgrade at the Far Rockaway and Baisley Park depots, which was a carry-over 2016 project and is thus not included in the total above.</i></p>		

**MTA GOAL: Ensure Customer Safety**

**PERFORMANCE INDICATOR: Customer Injury Rate**

MTA Bus saw a 14.6-percent decrease in its “customer accident injury rate” in 2017, as compared to 2016. The agency continued its program of anonymously monitoring driver safety to evaluate and reinforce good safety habits. The program also leverages indicators such as speed camera violations, red light violations, cellphone infractions, and customer complaints. In addition to monitoring, the program provides positive feedback, where warranted, at the completion of every ride.

The “collisions with injury rate” decreased by 39.2 percent in 2017 from the previous year. MTA Bus continued to incorporate relevant accident findings into its safety and training initiatives. These initiatives focus on basic operating procedures in bus stop areas, including scanning mirrors, observing all sides of the bus, pulling in and out of bus stops properly, and positioning the bus correctly in the bus stop. In April 2017, the agency implemented the updated version of its Vision Zero “Eye on Safety,” an eight-hour training program. All operators are being cycled through this third version of the program. In July 2017, MTA Bus initiated a new eight-hour training program focusing on customer service skills and de-escalation techniques to mitigate conflicts.

In a joint agreement with all labor unions, MTA Bus continues to emphasize a “zero-tolerance” policy on the use of cellphones and electronic devices while operating a bus. In another agreement with the unions, MTA Bus has established a process whereby bus operators are disciplined and required to pay the fine for any speed camera violations. In addition, the agency recently negotiated an “Accident Review System” (ARS) that now includes bus operators in all of the labor unions.

**MTA GOAL: Provide On-Time and Reliable Services**

**PERFORMANCE INDICATORS: Mean Distance Between Failures, Bus Trips Completed**

MTA Bus had a “mean distance between failures” (MDBF) of 7,479 miles in 2017, a 2.9-percent improvement over the MDBF of 7,271 miles the previous year.

The “percentage of trips completed,” which depends on the availability of both buses and bus operators, remained constant at 99.2 percent in 2017.

**MTA GOAL: Provide Services to People with Disabilities**

**PERFORMANCE INDICATORS: Bus Passenger Wheelchair Lift Usage**

Wheelchair ridership on MTA buses in 2017 was 86,584 passengers, an increase of 5.5 percent from 82,092 passengers in 2016. The agency’s new low-floor buses provide easier boarding and more reliable service for wheelchair passengers, contributing to the increase in wheelchair ridership.

**MTA GOAL: Repair, Replace, and Expand Transportation Infrastructure**

**PERFORMANCE INDICATORS: Capital Program Commitments and Completions**

MTA Bus committed \$10.7 million in capital project funds in 2017. This represents 37 percent of the year’s goal, compared to 13 percent of goal for the previous year.

Notable 2017 commitments included the bus wash at the Spring Creek Depot (\$3.4 million) and replacement windows at the LaGuardia Depot (\$3.0 million). Planned commitments *not* achieved in 2017 included a security upgrade at the JFK and Spring Creek depots (\$8.5 million).

MTA Bus completed \$0.7 million in capital projects in 2017, which represents 3 percent of the annual goal, as compared to 90 percent of planned completions in 2016. Completions included the Annex Roof at the LaGuardia Depot (\$0.7 million). The planned completion *not* achieved in 2017 was the Bus Command Center (\$17.1 million).

In 2017, the agency also completed a major security upgrade at the Far Rockaway and Baisley Park depots (\$9.9 million), which was a 2016 goal and thus not included in the 2017 totals.

**MTA GOAL: Perform Services in an Efficient Manner**

**PERFORMANCE INDICATORS: Farebox Operating Ratio, Operating Cost per Passenger**

The farebox operating ratio (which includes farebox revenue, student fares, and senior citizen fares) was 29.8 percent in 2017, down from 31.4 percent in 2016.

Fare collections from increased fares in 2016 were offset by increased operating expenses. These were primarily attributable to higher wages and benefits costs, as well as higher costs for fuel, claims, materials and supplies, maintenance, and other operating contracts.

The “operating cost per passenger” was \$6.25 in 2017, as compared to \$5.71 in 2016. The \$0.54 increase was the result of the increased operating costs cited above.

**MTA GOAL: Maximize System Usage**

**PERFORMANCE INDICATORS: Ridership**

Total MTA Bus ridership decreased slightly in 2017 to 122.2 million riders, as compared to 125.6 million riders in 2016.

**A GOAL: Ensure Our Employees' Safety**

**PERFORMANCE INDICATORS: Employee Lost Time and Restricted-Duty Rate**

MTA Bus saw a 26.6-percent decrease in the “employee lost-time accident rate” in 2017. In 2017, MTA Bus continued its Vision Zero II “Eye on Safety” program aimed at reducing collisions and improving pedestrian safety. A reduction of these incidents also reduces the instances of operators injured or traumatized by accidents.

In Spring of 2017, an updated version of the program, Vision Zero III, began along with a program aimed at dealing with customer incidents in order to improve service and mitigate assaults.

**MTA GOAL: Maintain a Workforce that Reflects Regional Availability of All Races, Nationalities, and Genders**

**PERFORMANCE INDICATORS: Female and Minority Representation in the Workforce**

Female representation agency-wide continues to be below the estimated percentage of women available to work within MTA Bus’s recruiting area. The percentage of women in the workforce increased slightly during this reporting period from 12 percent to 13 percent. MTA Bus will continue to increase its outreach and recruitment efforts to improve female representation within its workforce. The percentage of minority representation also increased slightly in 2017 from 75 percent to 77 percent, exceeding the estimated percentage of minorities available to work within MTA Bus’s recruiting area.

## **MTA Capital Construction (“MTACC”)**

<b>Performance Indicator</b>	<b>2016 Actual</b>	<b>2017 Actual</b>
<b>Workforce Indicators</b>		
Female Representatives in MTACC Workforce	35%	33%
Minority Representatives in MTACC Workforce	53%	55%
<b>Capital Program Indicators</b>		
Commitments in \$ Millions (% of planned value)	\$1,526 (81%)	\$2,179 (272%)
Completions in \$ Millions (% of planned value)	\$1,156 (43%)	\$1,044 (67%)
<i>Note: MTA performance data are subject to periodic adjustment. Some prior year data may have been updated subsequent to the 2016 PAL §1269-f report.</i>		

### **MTA GOAL: Repair, Replace, and Expand Transportation Infrastructure**

#### **PERFORMANCE INDICATORS: Capital Program Commitments and Completions**

MTACC had a total commitment goal of \$800 million in capital funds for 2017 and committed approximately \$2.18 billion, or 272 percent of goal. The net commitments above goal were primarily due to award of the LIRR Expansion Project design-build contract and the associated project management contract, which were not part of the original 2017 commitment goal. Another notable MTACC commitment in 2017 included the East Side Access (ESA) Mid-Day Storage Yard contract, which was originally expected to be awarded in late 2016.

MTACC’s goal for capital project completions in 2017 was \$1.6 billion, of which \$1.04 billion, or 67 percent, was achieved. The shortfall was primarily due to delayed substantial completion of the ESA Manhattan Northern Structures contract. Notable completions in the 2017 goal included an ESA Harold Structures contract. The remaining final station contracts for the

Second Avenue Subway were completed in 2017, which were part of the 2015 and 2016 goals. These included the 63<sup>rd</sup> Street Station Upgrade contract, and Finishes & Mechanical, Electrical, Plumbing (MEP) contracts for the new 72<sup>nd</sup> Street, 86<sup>th</sup> Street, and 96<sup>th</sup> Street stations.

**MTA GOAL: Maintain a Workforce that Reflects Regional Availability of All Races, Nationalities, and Genders**

**PERFORMANCE INDICATORS: Female and Minority Representation in the Workforce**

While the agency's percentage of female representation in the workforce decreased from 35 percent to 33 percent in 2017, minority representation increased two percentage points to 55 percent. With anticipated attrition of senior staff in 2018, MTACC is committed to developing our junior employees, many of whom come from diverse backgrounds, to counter some of the gains lost in the past year. As part of the agency's recruitment and outreach efforts, MTACC plans to hire an Equal Employment Opportunity (EEO) director to develop and deliver staff training that focuses on diversity, including age, as well as personal and work experience. The EEO director will also address issues of unconscious bias and suggest best practices to the HR team with the aim of increasing diversity in MTACC hiring.

# Staff Summary

<b>Subject</b> <b>Revisions to MTA By-Laws</b>
<b>Department</b> <b>Corporate Compliance</b>
<b>Department Head Name</b> <b>Lamond W. Kearse</b>
<b>Department Head Signature</b> 
<b>Project Manager Name</b> <b>Lamond W. Kearse</b>

<b>Date</b> <b>March 21, 2018</b>
<b>Vendor Name</b> <b>N/A</b>
<b>Contract Number</b> <b>N/A</b>
<b>Contract Manager Name</b> <b>N/A</b>
<b>Table of Contents Ref #</b>

Board Action					
Order	To	Date	Approval	Info	Other
1	Corporate Governance	03/19/18			
2	Board	03/21/18			

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

**Purpose:**

To seek Board approval of proposed revisions to the MTA By-Laws. Copies of the MTA By-Laws with the proposed revisions are provided with this staff summary.

**Discussion:**

The Chairman, Board Members and MTA staff have engaged in discussions regarding corporate governance at the Authority; as a result of those discussions the Chairman is recommending the following changes to the MTA By-Laws.

The proposed revisions to the MTA By-Laws are: (1) revise the MTA By-laws with gender neutral terminology; (2) further describe how the Board Chair establishes committees and creates a notice process; and (3) clarify the order of precedence of MTA's governance documents and statutory provisions.

**Recommendation:**

It is recommended that the Board adopt the revisions to the MTA By-Laws.

# BY-LAWS METROPOLITAN TRANSPORTATION AUTHORITY

## ARTICLE 1. OFFICES

The principal office of the Metropolitan Transportation Authority (the "Authority") shall be located in the City of New York, County of New York. The Authority may have such other offices as the board may designate or as the business of the Authority may require from time to time.

## ARTICLE II. THE BOARD

**Section 1. General Affairs.** The business and affairs of the Authority shall be managed by its board.

**Section 2. Number, Tenure and Qualifications.** The Authority ("the board" or "the board of the Authority") as used herein shall consist of all of those persons who from time to time hold office as Board Chair or members of the Metropolitan Transportation Authority pursuant to §1263 of the Public Authorities Law of the State of New York. Each member shall hold office for the term established by law and until his or her successor shall have been appointed and qualified. Members shall meet all requirements of law respecting their qualification for office.

**Section 3. Regular Meetings.** Regular meetings of the board shall be held without other notice than these by-laws at 10:00 A.M. on the fourth Wednesday of each month except that there shall be no regular meeting in the month of August and except that in the months of November and December the regular meetings shall be held on the third Wednesday of the month. The board may provide by resolution for the time and place for the holding of additional regular meetings without other notice than such resolution. The chairman may adjust the date and time of any regular meeting by written notice provided to members at least forty-eight hours prior to such adjusted date and time. Such written notice shall be provided to members by the same means required by Section 4(b) of Article II of these by-laws for delivery of notice to members of special meetings.

**Section 4. Special Meetings.** (a) Special meetings of the board may be called by the chairman Board Chair or, in his or her absence or in case of his or her disability, a vice chairman. In addition, a special meeting of the board shall be called by the secretary or in his or her absence by an assistant secretary upon the request of any two members. The person or persons authorized to call special meetings of the board may fix the time and any place within the City of New York as the place for holding any special meeting of the board called or requested by them.

(b) Written notice of each special meeting shall be given by the ~~chairman~~Board Chair or secretary or by an assistant secretary, specifying the time and place of the meeting. Such notice shall be addressed to each member at the member's postal address on record with the Authority and deposited with the U.S. Postal Service at least forty-eight hours prior to the time fixed for such meeting, and in addition, sent by facsimile or email to each member having a facsimile number or email address on record with the Authority at least forty-eight hours prior to the time fixed for such special meeting. Such notice shall state the purpose of such meeting, and no business other than that stated in the notice shall be transacted at such special meeting unless every member of the Authority then in office is present, and it is unanimously agreed to consider matters other than those specifically provided for in the notice of such meeting. Notwithstanding the foregoing, in the event of an emergency the ~~chairman~~Board Chair may call a special meeting without advance notice and by means other than the delivery of a writing to the members.

**Section 5. Open Meetings.** All meetings of the board shall be conducted in compliance with the provisions of the Open Meetings Law, being Chapter 511 of the Laws of 1976, as amended, and with all rules and regulations promulgated thereunder.

**Section 6. Quorum.** A majority of the whole number of voting members of the board as defined in §1263 (1) (a) of the Public Authorities Law of the State of New York then in office shall constitute a quorum for the transaction of any business or the exercise of any power of the Authority. Those members of the board appointed upon the recommendation of the chief executive officers of Dutchess, Orange, Putnam and Rockland counties (the "Hudson Valley Member" or "Hudson Valley Members") shall be considered to be a single member, and the presence of that member for purposes of determining a quorum shall be ascertained pursuant to section 10 of this article. Except as otherwise specified by law, for the transaction of any business or exercise of any power of the Authority, the Authority shall have power to act by a majority of the voting members of the board present at any meeting at which a quorum is in attendance with the ~~chairman~~Board Chair having one additional vote in the event of a tie vote. For purposes of determining a tie vote, an abstention shall be counted as a vote against a motion. If a meeting is validly called but a quorum is not present, a majority of the members of the board then present may adjourn the meeting from time to time without further notice.

**Section 7. Attendance at Meetings.** (a) Any one or more members of the board or of a committee thereof may attend a meeting of such board or committee by means of a conference telephone or similar communications equipment allowing all persons attending the meeting to hear each other at the same time; however, attendance by such means shall not constitute presence at a meeting for the purposes of section 6, section 8 or section 10 of this Article.

(b) Notwithstanding the provisions of Section 7(a), a member's attendance by means of videoconferencing shall constitute presence at a meeting for any purposes of this Article, *provided* (i) the public notice given for such a meeting of such board or committee states that videoconferencing would be used to conduct the meeting and identifies each location at which members may attend the meeting; and (ii) at each such location, opportunity for public attendance at the meeting is provided.

**Section 8. Presumption of Assent.** A member of the board who is present at a meeting of the board at which action on any matter is taken shall be presumed to have assented to the action taken unless his or her abstention or dissent is stated at the meeting, which dissent or abstention shall be duly entered in the minutes of the meeting.

**Section 9. Committees.**

(a) The chairmanBoard Chair may establish one or more committees of the board, each committee to consist of one or more of the members and each of which committees shall have and may exercise the powers conferred upon it by the chairmanBoard Chair. Such committees shall have such names as shall be given them by the chairmanBoard Chair. The chairmanBoard Chair shall also establish such committees of the board as shall be mandated by law.

(b) Once a year the chairmanBoard Chair shall invite, in writing, input from the board regarding the composition of board committees.

(c) The chairmanBoard Chair shall notify the board in writing of any changes to committee assignments.

(d) Except in an emergency, the chairmanBoard Chair and each board member shall be given advance written notice of the time and place of any meeting of any committee of the board.

**Section 10. Quorum and Voting for members of the Board from the counties of Dutchess, Orange, Putnam and Rockland.**

(a) The Hudson Valley Members shall be considered to be a single member. For the purposes of determining a quorum, such single voting member shall be considered present if one or more Hudson Valley Members is present.

(b) The single collective vote of the Hudson Valley Members shall be determined as follows:

(i) if at least three Hudson Valley Members are then in office: (A) if one such member is present, the single collective vote shall be recognized; (B) if two or more such members are present but only one such member votes, the

single collective vote shall be recognized as the vote of such member; (C) if two or more such members are present and two or more such members vote, the majority vote shall be recognized as the single collective vote; and (D) if two or more such members are present and two or more of such members vote but no majority is achieved, the single collective vote shall not be recognized; and

(ii) if two or one Hudson Valley Member(s) are then in office: (A) if one such member is present, the single collective vote shall be recognized as the vote of such voting member; (B) if two such members are present but only one such member votes, the single collective vote shall be recognized as the vote of such voting member; and (C) if two such members are present and both vote, only a unanimous vote shall be recognized as the single collective vote.

To evidence the single collective vote, each such member that is present may be polled as to ~~his~~his or her vote and such poll shall be recorded in the minutes.

### ARTICLE III. OFFICERS

**Section 1. Number.** The officers of the Authority shall be a ~~chairman~~Chairman Board Chair, one or more vice chair~~men~~ (the number and exact designation thereof and the separate functions to be determined by the board if there is more than one), an executive director, if one is appointed by the ~~chairman~~Chairman Board Chair, a counsel, other senior officials (the number and exact designation thereof and the separate functions to be determined by the ~~chairman~~Chairman Board Chair), and a secretary. The ~~chairman~~Chairman Board Chair shall be appointed and shall serve as provided by law. The vice chairmen shall be appointed by the board, upon recommendation by the ~~Chairman~~Chairman Board Chair, and shall serve at its pleasure. The executive director, if one is appointed by the ~~chairman~~Chairman Board Chair, shall serve at the pleasure of the ~~chairman~~Chairman Board Chair. Other senior officials, the counsel, and the secretary shall be appointed by the ~~chairman~~Chairman Board Chair and shall serve at the pleasure of the ~~chairman~~Chairman Board Chair. Such other officials or employees as may be deemed necessary may be appointed by the ~~chairman~~Chairman Board Chair, and each shall serve at the pleasure of the ~~chairman~~Chairman Board Chair.

**Section 2. Chairman Board Chair.** (a) The ~~chairman~~Chairman Board Chair shall serve as the ~~chairman~~Chairman Board Chair of the board of the Authority and as the chief executive officer of the Authority. The ~~chairman~~Chairman Board Chair shall be responsible for providing leadership to the board as it oversees the management of the Authority. The ~~chairman~~Chairman Board Chair shall preside at all meetings of the board. The ~~chairman~~Chairman Board Chair may delegate any or all of his or her powers relating to the leadership of the board to a vice-chair~~man~~. In the event of a tie vote, the ~~chairman~~Chairman Board Chair may cast an additional vote.

(b) The ~~chairman~~Chairman Board Chair shall also serve as the chief executive officer of the Authority. As chief executive officer of the Authority, the ~~chairman~~Chairman Board Chair

shall be responsible for the discharge of the executive and administrative functions and powers of the Authority.

**Section 3. The Vice Chairman.** In the event of the ~~chairman~~Board Chair's death or inability to act, or in the event the position of ~~chairman~~Board Chair is for any other reason vacant, a vice chairman designated by the board shall perform the duties of the ~~chairman~~Board Chair and when so acting, shall have all the powers of and be subject to all the restrictions upon the ~~chairman~~Board Chair. Such powers and duties shall terminate upon the appointment by the Governor of a successor ~~chairman~~Board Chair as provided by law or upon the cessation of the ~~chairman~~Board Chair's inability to act.

**Section 4. Such Other Officials and Employees.** The ~~chairman~~Board Chair may, in his or her judgment, appoint such other officials and employees, including an executive director, as shall in his or her judgment be needed to discharge the executive and administrative functions and powers of the ~~of the~~ Authority. The ~~chairman~~Board Chair may delegate such of his or her powers relating to the discharge of the executive and administrative functions, including the administration and day to day operations of the Authority as the ~~chairman~~Board Chair may deem appropriate to such other officials and employees.

**Section 5. The Agency Presidents.** The presidents of the subsidiary and affiliate agencies of the Authority are primarily responsible for the general management and operation of their agencies.

**Section 6. The Secretary.** The secretary shall keep the minutes of the proceedings of the board, see that all notices are duly given as required by law, be custodian of the corporate records and of the seal of the Authority, see to it that the seal of the Authority is affixed to all documents the execution of which on behalf of the Authority under its seal is duly authorized, and in general shall perform all duties incident to the office of secretary. The ~~chairman~~Board Chair may appoint one or more assistant secretaries who may perform the duties of the secretary in the event of the absence, disability or incapacity of the secretary.

**Section 7. Salaries.** The salaries fixed by the ~~chairman~~Board Chair for those officers and employees appointed by the ~~chairman~~Board Chair shall at all times be within the amounts budgeted therefore by the board.

#### **ARTICLE IV. CONTRACTS, LOANS, CHECKS AND DEPOSITS**

**Section 1. Contracts.** The board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and such authority may be general or confined to specific instances.

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**Section 2. Loans.** No loans shall be contracted on behalf of the Authority and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the board. Such authority may be general or confined to specific instances.

**Section 3. Checks, Drafts, etc.** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Authority shall be signed by such officer or officers, agent or agents of the Authority and in such manner as shall from time to time be determined by resolution of the board.

**Section 4. Deposits.** All funds of the Authority not otherwise employed shall be deposited from time to time to the credit of the Authority in such banks, trust companies or other depositories as the board may select.

## **ARTICLE V. FISCAL YEAR**

The fiscal year of the Authority shall begin on the first day of January and end on the thirty-first day of December in each year.

## **ARTICLE VI. CORPORATE SEAL**

The board shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Authority and the words "Corporate Seal".

## **ARTICLE VII. INDEMNIFICATION**

The Authority shall save harmless and indemnify any person (or his or her estate) who shall have served as a member, officer or employee of the Authority or of a subsidiary of the Authority against financial loss, including punitive damages, or litigation expense incurred in connection with any claim, demand, suit, action or proceeding, whether civil or criminal, or the defense thereof, and arising out of (a) any transaction of the Authority or of a subsidiary of the Authority, or (b) any act or failure to act by any such member, officer or employee while engaged in the discharge of his or her duties on behalf of the Authority or its subsidiaries, or the discharge of his or her duties as a fiduciary of a benefit plan for Authority employees or employees of a subsidiary of the Authority. In the event any such claim, demand, suit, action or proceeding shall occur, such member, officer or employee shall be saved harmless and indemnified as herein provided unless such individual is determined by the Authority or its designee not to have acted, in good faith, for a purpose which he or she reasonably believed to be in the best interests of the Authority or of its subsidiaries or affiliates, and, in criminal actions or proceedings, in addition, not to have had reasonable cause to believe that his or her conduct was lawful. The provisions of this Article shall inure only to the members, officers and employees of the Authority or of its subsidiaries, and to their estates, shall not enlarge or diminish the rights of any other party, and shall not impair, limit or modify the rights and obligations of any insurer under any policy of insurance. The foregoing shall be conditional on (a) the prompt delivery to the Authority of a copy of the summons, complaint, process, notice, demand or pleading commencing any such claim, demand, suit, action or proceeding; and, in civil cases only, (b) a contemporaneous offer to name counsel to the Authority as counsel to the member, officer or employee in the defense of such claim, demand, suit, action or proceeding; (c) the full cooperation of the member, officer or employee, in the event the offer is accepted, in making of such defense; and (d) an agreement that the Authority may enter into a settlement on behalf of the member, officer or employee. If the Authority or its designee determines that the defense shall not be provided by counsel for the Authority because of a conflict of interests or other grounds warranting separate counsel, the member, officer or employee may select another attorney and the Authority shall pay reasonable attorney's fees and

expenses incurred by or on behalf of such member, officer or employee represented by outside counsel. The Authority's payment of such fees and expenses may be conditioned upon the member, officer or employee's agreement that more than one member, officer or employee shall be represented by the same counsel. The provisions of Section 18 of the Public Officers Law relating to defense and indemnification shall supplement and be available in addition to the provisions of this Article; provided, however, that in the event of any conflict between the substantive provisions of this Article and those of Section 18 of the Public Officers Law, the provisions that afford the greater protection to such members, officers and employees shall control. In the event that the ~~chairman~~Board Chair or other member requests indemnification under this by-law, the counsel for the Authority shall review and act upon such request; provided that if upon review, the counsel believes that the facts and circumstances warrant denial of such request or raise serious question as to whether the requestor is entitled to indemnification under the by-law, such request shall be submitted to the board for determination. In the event that an officer or employee, other than the ~~chairman~~Board Chair, requests indemnification under this by-law, the counsel for the Authority shall review and act upon such request; provided that if upon review, the counsel believes that the facts and circumstances warrant denial of such request or raise serious question as to whether the requestor may be entitled to indemnification under the by-law, such request shall be submitted to the ~~chairman~~Board Chair or his or her designee for determination. The provisions of this Article replace and supersede the provisions of the prior Article VII governing Indemnification, and govern any claim, demand, suit, action or proceeding that is pending as of the date of the adoption of this Article.

### Article VIII. Governing Documents: Order of Precedence

In case of any conflict between or among governing documents and/or statutory provisions, the following order of precedence applies:

- Statutes;
- Articles of Incorporation;
- By-Laws;
- Committee Charters; and
- Governance Guidelines.

**ARTICLE IXVIII. AMENDMENTS**

These by-laws may be altered, amended or repealed and new by-laws may be adopted by the board at any regular or special meeting as to which the nature of the proposed alterations, amendments or repeals have been sent in writing to the members of the board together with the notice of meeting if it is a special meeting or if at a regular meeting at least seventy-two hours in advance of such regular meeting.

DRAFT

# Staff Summary

Subject <b>Revisions to Committee Charters</b>
Department <b>Corporate Compliance</b>
Department Head Name <b>Lamond W. Kearse</b>
Department Head Signature 
Project Manager Name <b>Lamond W. Kearse</b>

Date <b>March 21, 2018</b>
Vendor Name <b>N/A</b>
Contract Number <b>N/A</b>
Contract Manager Name <b>N/A</b>
Table of Contents Ref #

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Order	To	Date	Approval	Info	Other
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2	Board	03/21/18			

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

**Purpose:**

To seek Board approval of proposed non-substantive revisions to the each MTA Committee Charter in an effort to provide consistency and additional clarity. Copies of the Charters with the proposed revisions are provided with this staff summary.

**Discussion:**

MTA staff and Board Members have amended the MTA Committee Charters several times since the Charters were first adopted and created new Charters as Committees were created. As a result, staff identified some unintended variations and outdated references.

The proposed non-substantive revisions to the Charters eliminate unintended variations and update references to positions that no longer exist at the MTA. These changes ensure: (1) each charter requires the Committee to create an annual work plan; (2) the Committee head is referred to as the Chairperson; and (3) titles conform to the current MTA Organizational Structure.

In addition, the staff revised the Audit Committee charter to clarify Board voting requirements for retaining outside advisors.

**Recommendation:**

It is recommended that the Board adopt the revisions to each of the Committee Charters.



## THE METROPOLITAN TRANSPORTATION AUTHORITY

### AUDIT COMMITTEE

This Charter for the Audit Committee was adopted by the Board Chair and a majority of the members of the Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the “MTA”), as amended on ~~June 22, 2016~~March 21, 2018.

#### I. PURPOSE

The Audit Committee (the “Committee”) shall assist and provide guidance to the Board Chair and the Board in monitoring and overseeing (a) the conduct of the MTA’s financial reporting process, the application of accounting principles, and the engagement of the MTA’s outside accountants; (b) the MTA’s internal controls and risk management systems; and (c) general matters relating to legal, regulatory and ethical compliance at the MTA (hereinafter referred to as the “Purpose”).

#### II. COMMITTEE AUTHORITY

The Committee’s role is one of oversight. In carrying out this oversight function, the chairperson of the Committee (the “Committee Chair”) and the vice-chairperson of the Committee (the “Committee Vice-Chair”) shall have additional responsibilities, as set forth in Section VI of this Charter. The Committee Chair and/or the Committee Vice-Chair regularly shall report to the entire Committee their findings with respect to these additional responsibilities and refer to the entire Committee for its consideration any matter relating thereto as the Committee Chair and/or the Committee Vice-Chair deem necessary or appropriate. MTA Audit Services’ and Corporate Compliance’s organizational independence is derived from ~~itstheir~~ reporting structure as ~~it reports~~they report to the MTA Audit Committee and MTA Board Chairman/CEO.

Notwithstanding these oversight responsibilities, the MTA and each of its subsidiary corporations and affiliates are responsible for preparing their own financial statements and the respective outside auditors are responsible for auditing the respective financial statements. The Committee, the Committee Chair, and the Committee Vice-Chair recognize that the Auditor General and the outside auditors have more time, knowledge and detailed information about the MTA and each of its subsidiary corporations and affiliates than do Committee members. Consequently, in carrying out its oversight responsibilities, no member of the Committee shall be deemed to provide (i) any expert or special assurance as to the financial statements of the MTA or of any subsidiary corporation or affiliate or (ii) any professional certification as to the work of any outside auditor.

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the Committee Chairman and/or Vice Chairman shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates).

The foregoing is not intended to alter or curtail existing rights of individual board members to access books, records or staff in connection with the performance of their fiduciary duties as board members. With the prior approval of the Board Chair or a majority of the Board, the Committee may retain, compensate and/or terminate outside counsel, auditors or other experts as it deems necessary and will receive adequate funding from the MTA to engage such advisors in accordance with MTA procedures. A majority vote during a Board meeting at which a quorum is present shall constitute such approval by the Board.

### III. COMMITTEE MEMBERSHIP

The Committee shall consist of at least ~~three~~ 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an ex officio member of the Committee. The Board Chair shall appoint the ~~Committee Chair-chairperson~~ and ~~the Committee Vice-Chair~~. ~~A member~~ vice chairperson of the Committee ~~may be removed, for cause or without cause, by the Board Chair~~. In the absence of the ~~Committee Chair or the Committee Vice Chair~~ chairperson at a meeting of the Committee, the vice chairperson shall chair such meeting. In the absence of the chairperson and the vice chairperson, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

At least one committee member shall have accounting or financial management expertise. No member of the Committee shall be employed by (a) the MTA, or (b) a private entity that does, or is likely to do, business with the MTA.

### IV. COMMITTEE MEETINGS

The Committee shall meet on a regularly-scheduled basis at least 4 times per year, and more frequently as circumstances dictate. The Committee will cause to be kept adequate minutes of all its proceedings and records of any action taken and will report on its proceedings and any action taken to the next full meeting of the Board. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, the Chief Compliance Officer, any officer or staff of the MTA, or any other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information at the Committee requests. The Auditor General shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to the Purpose, (2) provide the chairperson of the Committee with all

information regarding the Purpose that is material to the Committee's monitoring and oversight of the Purpose, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the Purpose.

## V. COMMITTEE REPORTS

The chairperson of the Committee ~~Chair~~ shall report on the Committee's proceedings, and any recommendations made.

## VI. KEY RESPONSIBILITIES OF COMMITTEE CHAIR AND VICE-CHAIR

The following responsibilities are set forth as a guide. The Committee ~~Chair~~chairperson and the Committee Vice-~~Chair~~chairperson are authorized to carry out these and such other responsibilities assigned by the Committee, the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To assist the Committee in fulfilling its purpose, the Committee ~~Chair~~chairperson and/or the Committee Vice-~~Chair~~chairperson shall:

### *Auditors, Financial Statements & Accounting Policies:*

1. review and discuss with the Auditor General, the relevant MTA employees, the outside auditor, and the internal auditors any audit problems or difficulties encountered in the course of audit work, including any restrictions on the scope of activities or access to required information and advise the Committee as to how to resolve any disagreements regarding financial reporting;
2. review and discuss with the Auditor General and outside auditor significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements;
3. inquire as to the outside auditor's view of the accounting treatment related to significant new transactions or other significant matters or events not in the ordinary course of business;
4. review and discuss with the Auditor General, the relevant MTA employees, and the outside auditor and any material financial or non-financial arrangements that do not appear on the financial statements of the MTA (or of any subsidiary corporation or affiliate);
5. review and discuss with the Auditor General and the outside auditor: (i) any accounting adjustments that were noted or proposed by the auditors but were "passed" (as immaterial or otherwise), (ii) any communications between the audit team and the audit firm's national office respecting auditing or accounting issues presented by the engagement and (iii) any "management" or "internal control" letter issued, or proposed to be issued, by any outside auditor to the MTA (including to any subsidiary corporation or affiliate);

6. review with the Auditor General and the outside auditor the periodic financial statements and footnotes of the MTA (and of each subsidiary corporation or affiliate, as applicable) and discussing the adequacy of the system of internal controls and the appropriateness of the accounting principles used, and the judgments made, in the preparation of such periodic financial statements;
7. meet annually (or more frequently if necessary) with each respective outside auditor (without the Auditor General or any other officers or staff of the MTA present) to discuss the periodic financial statements of the MTA (and of each subsidiary corporation or affiliate, as applicable);

***Internal Controls & Risk Management:***

8. together with the Auditor General and the Chief Compliance Officer, review, discuss and (if necessary) investigate compliance with MTA policies and/or refer instances of non-compliance to the MTA Inspector General for investigation;
9. review and discuss with the Auditor General, the Chief Compliance Officer, the relevant employees of the MTA, and the outside auditor: (i) any significant deficiencies in the design or operation of the internal controls of the MTA, including information technology security and system controls (ii) any fraud, whether or not material, involving MTA and (iii) related findings and recommendations of the outside auditors together with management's responses;
10. review the scope of the external auditors' assessment of internal controls over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses;
11. review and discuss with the Auditor General, the Chief Compliance Officer, the relevant MTA employees, and the outside auditor the MTA's risk assessment and risk management systems, and oversee the underlying policies with respect to risk assessment and risk management;
12. together with the Auditor General and the Chief Compliance Officer, serve as the point of contact for the MTA Inspector General, including by reviewing all reports and draft reports delivered to the MTA by the MTA Inspector General, and being available to meet with the MTA Inspector General as part of the Inspector General's audits of the MTA's books and records;
13. recognizing the statutory obligations of the MTA Inspector General, and without denigrating from those obligations, seek to communicate with the MTA Inspector General with respect to any matter the Committee Chair and/or Vice Chair, the entire Committee, the Board Chair, the Board or the MTA Inspector General deem appropriate;

***Miscellaneous:***

14. submit to the entire Committee for its consideration any matters (including matters relating to the foregoing) that the Committee Chair and/or Committee Vice-Chair deem should appropriately be considered by the entire Committee; and

15. report regularly to the Committee on the findings and recommendations of the Committee Chair and the Committee Vice-Chair relating to the forgoing, and on any other matters the Committee Chair and/or the Committee Vice-Chair deem appropriate or the Committee, the Board Chair or the Board request.

## **VII. KEY RESPONSIBILITIES OF THE COMMITTEE**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

### ***Auditors, Financial Reporting & Accounting Policies:***

1. in consultation with the Auditor General and the officer primarily responsible for the finances of the MTA and each subsidiary corporation and affiliate, oversee the work of the MTA's outside auditor and provide guidance to the Board Chair and the Board with respect to the appointment (and if appropriate dismissal), evaluation, compensation of the outside MTA's auditors;
2. review and provide guidance to the Board with respect to pre-approving all auditing and non-auditing services provided by the outside auditor to the MTA;
3. provide guidance to the Board with respect to, and approve, the annual audit plan and any subsequent major changes to it and the risk assessment as proposed by the Auditor General in consultation with the MTA Chairman/CEO and the President of each subsidiary and affiliated corporation;
4. review and discuss with the Auditor General, relevant MTA employees, and the outside auditor: (i) any significant audit findings during the year, including the status of previous audit recommendations; (ii) internal audit's activity's performance relative to its plan; (iii) any changes required in the scope of the audit plan; (iv) the audit budget and staffing; and (v) the coordination of audit efforts, status of the internal audit plan and the adequacy of internal audit resources (both numbers and capabilities);
5. on a regular basis, meet with the external auditors to discuss any matters that the committee or internal audit believes should be discussed;
6. review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit;
7. review and discuss with the Auditor General, relevant MTA employees, and the outside auditor accounting policies that may be viewed as critical, all matters required to be communicated to the committee under generally accepted auditing standards, as well as any recent or proposed significant changes in MTA accounting policies; and inquire as to the outside auditors' views as to the application of accounting principles;

8. monitor the consistency and comparability of the financial reporting processes of the MTA;
9. monitor the integrity, consistency and comparability of the financial reports and other financial information provided by the MTA to any other governmental or regulatory body, the public or other users thereof, including reconciliations where necessary;
10. review and provide guidance to the Board with respect to the appointment, compensation, and (if necessary) dismissal of the Auditor General.
11. at least annually, review with the Auditor General a report by the outside auditor describing: (i) such outside auditor's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (iii) all relationships between the outside auditor and the MTA (or any subsidiary corporation or affiliate);
12. on an annual basis, in each case together with the Auditor General: (i) review a formal written statement from the outside auditor delineating all relationships between such outside auditor and the MTA; (ii) actively engage in a dialogue with the outside auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of such outside auditor and take appropriate action in response to such outside auditor's report to satisfy itself of such auditor's independence; (iii) consider whether, in the interest of assuring continuing independence of the outside auditor, the MTA's respective outside auditors should be rotated; and (iv) set clear hiring policies for employees or former employees of the outside auditors;

***Internal Controls & Risk Management:***

13. review and discuss with the Auditor General, the Chief Compliance Officer, the relevant MTA employees, and the outside auditor the adequacy of the MTA's internal and disclosure controls and procedures;
14. together with the Chief Compliance Officer, review and discuss with the relevant MTA employees, and the outside auditor any significant risks or exposures and assess the steps such employees have taken to minimize such risks;
15. review periodically with the Chief Compliance Officer and the General Counsels of the MTA and each subsidiary corporation and affiliate: (i) legal and regulatory matters that may have a material impact on the financial statements of the MTA (or any subsidiary corporation or affiliate); and (ii) the scope and effectiveness of compliance policies and programs;

***Ethics & Conflicts of Interests:***

16. together with the Chief Compliance Officer, review periodically with the relevant MTA employees (i) the process for communicating the code of conduct to company personnel;

- (ii) the level of compliance with all applicable ethics codes, guidelines, and regulations;
- and, (iii) the performance of the MTA Ethics and Compliance programs;

***Miscellaneous:***

17. set the annual work plan for the Committee;

~~17.18.~~ conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;

~~18.19.~~ review and reassess the adequacy of this Charter annually;

~~19.20.~~ approve the internal audit charter;

~~20.21.~~ consider any matter referred to the entire Committee by the Committee Chair and/or Vice-Chair; and

~~21.22.~~ report regularly to the Board on Committee findings and recommendations and any other matters the Committee deems appropriate, or the Board Chair or the Board request.



## THE METROPOLITAN TRANSPORTATION AUTHORITY

### CORPORATE GOVERNANCE COMMITTEE

This Charter for the Corporate Governance Committee was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the “MTA”), as amended on ~~February 26, 2014~~March 21, 2018.

#### I. PURPOSE

The Corporate Governance Committee (the “Committee”) shall assist the Board Chair and the Board in: (i) developing and recommending to the Board, policies to promote honest and ethical conduct by Board members, officers, and employees, and enhance public confidence in the MTA; (ii) developing, recommending to the Board and overseeing implementation of MTA policies relating to corporate governance, including the MTA Corporate Governance Principles; and (iii) reviewing on a regular basis the overall corporate governance of the MTA and recommending improvements when necessary (hereinafter referred to as the “Purpose”).

#### II. COMMITTEE AUTHORITY

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates). The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

#### III. COMMITTEE MEMBERSHIP

The Committee shall consist of 3 or more members of the Board and shall include the Board Chair, and the chairs of each committee of the Board. All other members of the Committee shall be appointed by the Board Chair. At all times, the Committee shall include at least one member from among those recommended for appointment to the Board by the Mayor of the City of New York. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall ~~be~~serve as the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair. No member of the Committee shall be employed by a private entity that does, or is likely to do, business with the MTA.

#### **IV. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least 2 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings and records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information at the Committee requests. The Chief Compliance Officer shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to the Purpose, (2) provide the chairperson of the Committee with all information that is material to the Committee's monitoring and oversight of the Purpose, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the Purpose.

#### **V. COMMITTEE REPORTS**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

#### **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purposes, the Committee shall:

1. coordinate and oversee the annual self-evaluation of the role and performance of the Board, its committees, and management in the governance of the MTA;
2. develop and recommend to the Board, oversee the implementation and effectiveness of, and recommend modifications as appropriate to, any policies or documents relating to the governance of the MTA, including the MTA Corporate Governance Principles;
3. consider corporate governance issues that arise from time to time, and develop appropriate recommendations for the Board regarding such matters;

4. review, and as necessary recommend to the Board any revisions to, MTA policies regarding the procurement of goods and services;
5. monitor the MTA's compliance with MTA policy and the laws and requirements of the State of New York with respect to procurement lobbying; and
6. review, and as necessary recommend to the Board any revisions to, MTA policies regarding the protection of whistleblowers from ~~retaliation~~; retaliation.

~~7. review and assess the adequacy of this Charter annually;~~

In addition, the Committee shall have the following responsibilities:

1 set the annual work plan for the committee;

2 conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter; ~~and~~

3 review and assess the adequacy of this Charter annually; and

24 report regularly to the Board Chair and the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.



## THE METROPOLITAN TRANSPORTATION AUTHORITY

### CAPITAL PROGRAM OVERSIGHT COMMITTEE

This Charter for the Capital Program Oversight Committee was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the “MTA”), ~~on July 24, 2013~~ as amended on March 21, 2018.

#### I. PURPOSE

The Capital Program Oversight Committee (the “Committee”) shall assist the Board Chair and the Board in fulfilling their responsibility to monitor the effective and efficient implementation of the MTA’s five-year capital program.

#### II. COMMITTEE AUTHORITY

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson and/or vice-chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates). The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

#### III. COMMITTEE MEMBERSHIP

The Committee shall consist of 6 or more members of the Board, and shall include the Board Chair; the Chair of the Committee on Operations of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority and the Staten Island Rapid Transit Operating Authority and the MTA Bus Company; the Chair of the Committee on Operations of the Triborough Bridge and Tunnel Authority; the Chair of the Committee on Operations of the MetroNorth Commuter Railroad; and the Chair of the Committee on Operations of the Long Island Rail Road and Metropolitan Suburban Bus Authority. All other members of the Committee shall be appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall serve as the chairperson of the Committee and shall appoint the vice-chairperson of the Committee. In the absence of the chairperson ~~or~~ and vice-chairperson at a meeting of the Committee, the Board Chair

shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

#### **IV. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least 11 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings and records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The Director of the Office of Construction Oversight and the Deputy ~~Executive Director of Administration~~Chief Financial Officer, and/or his or her designee, shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda, (2) provide the chairperson of the Committee with all information regarding the MTA's five year capital program that is material to the Committee's monitoring and oversight of the MTA's five year capital program, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the MTA's five year capital program. The Director of Security and/or his or her designee shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to MTA security projects and MTA-wide security issues, (2) provide the chairperson of the Committee with all information regarding MTA security projects that is material to the Committee's monitoring and oversight of security projects contained in the MTA's five year capital program, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing security projects contained in MTA's five year capital program.

#### **V. COMMITTEE REPORTS**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

#### **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The

Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall, with respect to any approved or proposed capital program plans:

1. monitor the current and future availability of funds to be utilized for such capital improvement programs and plans;
2. monitor the contracts awards of the MTA to insure that such awards are consistent with:
  - a. provisions of law authorizing United States content and New York State content;
  - b. any collective bargaining agreements;
  - c. provisions of law providing for participation by minority and women-owned businesses;
  - d. New York State labor laws;
  - e. competitive bidding requirements including those regarding sole source contracts; and
  - f. any other relevant requirements established by law.
3. monitor the award of contracts to determine if such awards are consistent with the manner in which the work was traditionally performed in the past;
4. review the relationship between capital expenditures pursuant to each such capital program plan and current and future operating budget requirements;
5. monitor the progress of capital elements described in each approved capital program plan;
6. monitor the expenditures incurred and to be incurred for each such element;
7. identify capital elements not progressing on schedule, ascertain responsibility therefor and recommend those actions required or appropriate to accelerate their implementation;
8. monitor the proposed benefits for approved projects in the capital program at appropriate points during the life of the capital project to ensure that the benefits materialize;
9. review capital elements and program management to improve the efficiency and effectiveness of the program, securing analytic resources as needed;
10. monitor awarded contracts to determine if the work is being implemented in the most efficient and effective manner possible;

11. consult as necessary with other New York State departments, agencies and divisions with respect to the foregoing;
12. provide guidance to the Board Chair and the Board with respect to the appointment (and if appropriate dismissal), evaluation, and compensation of an independent engineering firm to provide an independent review of reports by the MTA agencies with respect to the foregoing;
13. in consultation with the Office of Construction Oversight, oversee the work of such independent engineering firm;
14. together with the Office of Construction Oversight, review the periodic and/or special reports provided by such independent engineering firm; and
15. monitor the implementation of MTA security projects contained in approved capital programs, provide a forum for discussion of MTA-wide security issues among representatives of MTA and each of its subsidiaries and constituent agencies, and provide guidance to the Board Chair and the Board with respect to security on an MTA-wide basis;

In addition, the Committee shall have the following responsibilities:

- 1 set the annual work plan for the committee;
- 2 conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
- 3 review and assess the adequacy of this Charter annually; and
- 4 report regularly to the Board Chair and the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.



## THE METROPOLITAN TRANSPORTATION AUTHORITY

### DIVERSITY COMMITTEE

This Charter for the Diversity Committee ~~Charter~~ was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the “MTA”), on the 17th day of December, 2008: ~~This charter was amended on December 16, 2009 and further as~~ amended on November 16, 2011, March 21, 2018.

#### I. PURPOSE

The Diversity Committee (the “Committee”) shall assist the Board Chair and the Board by reviewing, providing guidance, and making recommendations with respect to the diversity programs and initiatives undertaken by MTA and its subsidiary and affiliate agencies.

#### II. COMMITTEE AUTHORITY

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates). The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

#### III. COMMITTEE MEMBERSHIP

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall appoint the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

#### IV. COMMITTEE MEETINGS

The Committee shall meet on a regularly-scheduled basis at least ~~four (4)~~ times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings and records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be

governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The Chief Diversity Officer shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda, (2) provide the chairperson of the Committee with all information that is material to the Committee's monitoring and oversight of diversity programs and initiatives undertaken by MTA and its subsidiary and affiliate agencies, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing diversity programs and initiatives undertaken by MTA and its subsidiary and affiliate agencies

#### **V. COMMITTEE REPORTS.**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

#### **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

1. Consult with the MTA Department of Diversity/Civil Rights and diversity representatives from the MTA's affiliate and subsidiary agencies with respect to the setting of priorities for the MTA's diversity and outreach agenda;
2. Receive regular reports from the MTA Department of Diversity/Civil Rights and diversity representatives from the MTA's affiliate and subsidiary agencies regarding upcoming diversity and outreach events;
3. Receive regular reports from the MTA Department of Diversity/Civil Rights regarding the certification of disadvantaged, minority- and women-owned businesses and the setting of goals for disadvantaged, minority- and women-owned business participation on agency contracts;
4. Receive regular reports from the MTA Department of Diversity/Civil Rights and from staff of MTA affiliate and subsidiary agencies regarding

the status of Equal Employment Opportunity (“EEO”) programs, including, as applicable, EEO investigations, EEO compliance and reporting, and Title VI program compliance and reporting; and

5. Receive regular reports from MTA Department of Diversity/Civil Rights regarding contractor compliance with goals for such participation and, if applicable, action plans to achieve compliance; ~~;~~

In addition, the Committee shall have the following responsibilities:

1. set the annual ~~agenda~~work plan for the committee;
- ~~6. Review and assess the adequacy of this Charter annually;~~
2. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter; and
- ~~3. review and assess the adequacy of this Charter annually; and~~
- ~~3.4.~~ report regularly to the Board Chair and the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or ~~that~~ the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.



## THE METROPOLITAN TRANSPORTATION AUTHORITY

### FINANCE COMMITTEE

The Charter for the Finance Committee was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the “MTA”), as amended on ~~February 26, 2014~~March 21, 2018.

#### I. PURPOSE

The Finance Committee (the “Committee”) shall assist the Board Chair and the Board by (1) reviewing, providing guidance, and making recommendations with respect to the MTA’s core financial policies and (2) reviewing, providing guidance and making recommendations with respect to MTA real estate matters.

#### II. COMMITTEE AUTHORITY

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates). The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

#### III. COMMITTEE MEMBERSHIP

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall appoint the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

#### IV. COMMITTEE MEETINGS

The Committee shall meet on a regularly-scheduled basis at least 11 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings and records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable

provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information at the Committee requests. The Chief Financial Officer and/or the Director of the Division of Management and Budget, the Director of Finance, and the MTA Director of Real Estate, with respect to real estate matters, shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda, (2) provide the chairperson of the Committee with all information that is material to the Committee's monitoring and oversight of the MTA's core financial policies and real estate matters, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the MTA's core financial policies and real estate matters.

#### **V. COMMITTEE REPORTS.**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

#### **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

1. review the MTA's annual budget, and ensure that the MTA operates on a self-sustaining basis, as required by applicable law, and with support from various levels of government;
2. monitor the MTA's compliance during the fiscal year with its annual budget;
3. review the financial requirements of the MTA's capital plans;
4. review annually the proposed plan to meet the financial requirements of the MTA's capital plans, as well as any financing proposals during the fiscal year that deviate from the proposed financial plan for that year.

5. review any proposal relating to the incurrence (or repayment) of material indebtedness or other financing arrangement~~;~~
6. review any proposed procurements submitted to the Committee by the Chief Procurement Officer or Agency Procurement Officers~~;~~
7. oversee the operations of MTA headquarters, including by reviewing proposed procurements for MTA headquarters that require Board approval~~;~~
8. oversee the operations of the First Mutual Transportation Assurance Company (“FMTAC”), including by reviewing proposed procurements for FMTAC~~;~~
9. review annually the scope and terms of the MTA’s insurance policies and coverage~~;~~
10. monitor the economic performance of the various MTA pension plans~~;~~
11. review and make recommendations to the Board with respect to the leasing and acquisition of real property; the licensing of customer services and amenities; the maximizing of advertising opportunities; the disposition or conveyance of interests in real property; the management of occupancies on the property of the MTA and the adoption or amendment of any policies relating thereto;
12. review and make recommendations to the Board with respect to the procurement of certain professional services in support of the activities of the real estate department, including real estate brokerage and other specialized consultant services;
13. review the MTA’s offering and management of leasing, licensing, or other business opportunities on the property of the MTA and its subsidiaries and affiliates; and
14. provide support and guidance to the MTA in its formulation of its real estate policies and procedures;

~~15. Review and assess the adequacy of this Charter annually;~~

~~16. In addition, the Committee shall have the following responsibilities:~~

~~1. set the annual work plan for the committee;~~

~~2. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;~~

~~3. ~~17.~~ review and assess the adequacy of this Charter annually; and~~

| 2.4. report regularly to the Board Chair and the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.



## THE METROPOLITAN TRANSPORTATION AUTHORITY

### COMMITTEE ON OPERATIONS OF THE LONG ISLAND RAIL ROAD AND THE METROPOLITAN SUBURBAN BUS AUTHORITY

This Charter for the Committee on Operations of the Long Island ~~Railroad~~Rail Road and the Metropolitan Suburban Bus Authority was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), ~~on July 24, 2013~~as amended on March 21, 2018.

#### I. PURPOSE

The Committee on Operations of the Long Island ~~Railroad~~Rail Road and the Metropolitan Suburban Bus Authority (the "Committee") shall assist the Board Chair and the Board in fulfilling their responsibility to monitor and oversee the operations of the Long Island ~~Railroad~~Rail Road Company ("LIRR") and the Metropolitan Suburban Bus Authority (~~referred to as "Long Island Bus" or "LIB" and with LIRR as the~~ "LIRR/("LIB")").

#### II. COMMITTEE AUTHORITY

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA and/or the LIRR/LIB. The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

#### III. COMMITTEE MEMBERSHIP

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall appoint the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

#### IV. COMMITTEE MEETINGS

The Committee shall meet on a regularly-scheduled basis at least 11 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings, which shall include records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking

and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, LIRR/LIB or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The President of the LIRR, the President of LIB and the President of the MTA Capital Construction Company shall each (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to his or her respective organization, (2) provide the chairperson of the Committee with all information regarding the affairs of his or her ~~respective~~ organization that is material to the Committee's monitoring and oversight of the operations of such organization, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the operations of his or her ~~respective~~ organization.

## **V. COMMITTEE REPORTS**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

## **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

1. monitor and update the Board Chair and the Board on the operating performance of the LIRR/LIB, including information on railroad, bus and paratransit service;
2. monitor and update the Board Chair and the Board on the safety record of LIRR/LIB; such monitoring shall include reviewing and monitoring customer and employee safety;
3. monitor and update the Board Chair and the Board on the implementation of security programs pertaining to LIRR/LIB operations and facilities;
4. monitor and update the Board Chair and the Board on the finances of the LIRR/LIB, including financial reports, ridership reports, and the use of LIRR/LIB funds;
5. review and make recommendations to the Board Chair and the Board regarding proposed procurement contracts of the LIRR/LIB that require Board approval;

6. review and make recommendations to the Board Chair and the Board on proposed capital projects of the LIRR/LIB and monitor the status of such projects;
7. review and make recommendations to the Board Chair and the Board regarding service and policy changes that require Board approval;
8. facilitate the identification of approaches and solutions that address LIRR/LIB security issues, including best practices in national and international security respecting transportation operations and facilities and review and make recommendations to the Board Chair and the Board regarding LIRR/LIB security issues; and
9. review periodically with the Counsel of the MTA, the Chief Compliance Officer, and the Counsel of the LIRR/LIB: (i) legal and regulatory matters that may have a material impact on the LIRR/LIB; and (ii) the scope and effectiveness of compliance policies and programs; ~~1. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;~~  
~~2.1. review and assess the adequacy of this Charter annually; and~~  
~~report regularly to the Board Chair and the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.~~

With respect to capital projects undertaken by the MTA Capital Construction Company (MTACC) on behalf of ~~Long Island Railroad or Long Island Bus~~ LIRR or LIB:

1. Review and make recommendations to the Board Chair and Board with respect to the proposed procurements made by the MTACC that require Board approval;
2. Review and make recommendations to the Board Chair and the Board with respect to contract procurement solicitations that require Board approval;
3. Monitor the progress of the capital projects undertaken by the MTACC;
4. Monitor the budget and the schedule of capital projects undertaken by the MTACC;
5. Monitor the progress of contract commitments and completions with respect to capital projects; and
6. Track funding needs of capital projects as well as the availability of funds to meet such needs from all sources of funding.

In addition, the Committee shall have the following responsibilities:

1. set the annual work plan for the committee;

2. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
3. review and assess the adequacy of this Charter annually; and
- 3.4. report regularly to the Board Chair and the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.



## THE METROPOLITAN TRANSPORTATION AUTHORITY

### COMMITTEE ON OPERATIONS OF THE METRO-NORTH COMMUTER RAILROAD

This Charter for the Committee on the Operations of the Metro-North Commuter Railroad was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the “MTA”), ~~on July 24, 2013.~~ as amended on March 21, 2018.

#### I. PURPOSE

The Committee on the Operations of the Metro-North Commuter Railroad (the “Committee”) shall assist the Board Chair and the Board in fulfilling their responsibility to monitor and oversee the operations of the Metro-North Commuter Railroad Company (“Metro-North”).

#### II. COMMITTEE AUTHORITY

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA and/or Metro-North. The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

#### III. COMMITTEE MEMBERSHIP

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an ex officio member of the Committee. The Board Chair shall appoint the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

#### IV. COMMITTEE MEETINGS

The Committee shall meet on a regularly-scheduled basis at least 11 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings, which shall include records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking

and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, Metro-North or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information at the Committee requests. The President of Metro-North and the President of the MTA Capital Construction Company shall each (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to his or her organization, (2) provide the chairperson of the Committee with all information regarding the affairs of his or her organization that is material to the Committee's monitoring and oversight of the operations of such organization, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the operations of his or her organization.

#### **V. COMMITTEE REPORTS:**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

#### **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

1. monitor and update the Board Chair and the Board on the operating performance of Metro-North, including information on railroad service;
2. monitor and update the Board Chair and the Board on the safety record of Metro-North; such monitoring shall include reviewing and monitoring customer and employee safety;
3. monitor and update the Board Chair and the Board on the implementation of security programs pertaining to Metro-North operations and facilities;
4. monitor and update the Board Chair and the Board on the finances of Metro-North, including financial reports, ridership reports, and the use of funds by Metro-North;
5. review and make recommendations to the Board Chair and the Board regarding proposed procurement contracts of Metro-North that require Board approval;
6. review and make recommendations to the Board Chair and the Board on proposed capital projects of Metro-North and monitor the status of such projects;

7. review and make recommendations to the Board Chair and the Board regarding Metro-North service and policy changes that require Board approval;
8. facilitate the identification of approaches and solutions that address Metro-North security issues, including best practices in national and international security respecting transportation operations and facilities and review and make recommendations to the Board Chair and the Board regarding Metro-North security issues; and
9. review periodically with the Counsel of the MTA, the Chief Compliance Officer, and the Counsel of Metro-North: (i) legal and regulatory matters that may have a material impact on Metro-North; and (ii) the scope and effectiveness of compliance policies and programs; and

~~1. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;~~

~~2.1. review and assess the adequacy of this Charter annually; and~~

~~report regularly to the Board Chair and the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.~~ With respect to capital projects undertaken by the MTA Capital Construction Company (MTACC) on behalf of Metro-North:

1. Review and make recommendations to the Board Chair and Board with respect to the proposed procurements made by the MTACC that require Board approval;
2. Review and make recommendations to the Board Chair and the Board with respect to contract procurement solicitations that require Board approval;
3. Monitor the progress of the capital projects undertaken by the MTACC;
4. Monitor the budget and the schedule of capital projects undertaken by the MTACC;
5. Monitor the progress of contract commitments and completions with respect to capital projects; and
6. Track funding needs of capital projects as well as the availability of funds to meet such needs from all sources of funding.

In addition, the Committee shall have the following responsibilities:

1. set the annual work plan for the committee;

2. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;

3. review and assess the adequacy of this Charter annually; and

3.4. report regularly to the Board Chair and the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.



## **THE METROPOLITAN TRANSPORTATION AUTHORITY**

### **COMMITTEE ON OPERATIONS OF THE NEW YORK CITY TRANSIT AUTHORITY, THE MANHATTAN AND BRONX SURFACE TRANSIT OPERATING AUTHORITY, THE STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY AND THE MTA BUS COMPANY**

This Charter for the Committee on Operations of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority, the Staten Island Rapid Transit Operating Authority and the MTA Bus Company was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the “MTA”) on ~~July 24, 2013~~March 21, 2018.

#### **I. PURPOSE**

The Committee on Operations of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority, and the Staten Island Rapid Transit Operating Authority and the MTA Bus Company (the “Committee”) shall assist the Board Chair and the Board in fulfilling their responsibility to monitor and oversee the operations of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority and the Staten Island Rapid Transit Operating Authority (collectively, “NYCT”) and of the MTA Bus Company (“MTA Bus”).

#### **II. COMMITTEE AUTHORITY**

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA, NYCT and/or MTA Bus. The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

#### **III. COMMITTEE MEMBERSHIP**

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an ex officio member of the Committee. The Board Chair shall appoint the chairperson and the vice-chairperson of the Committee. The vice-chairperson of the Committee shall be a person recommended to the Board by the Mayor of the City of New York. In the absence of the chairperson at a meeting of the Committee, the vice chairperson shall chair such meeting. In the absence of the chairperson and the vice chairperson, the Board Chair

shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

#### **IV. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least 11 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings, which shall include records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, the NYCT, MTA Bus or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The President of NYCT, the President of MTA Bus, and the President of the MTA Capital Construction Company shall each (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to his or her respective organization, (2) provide the chairperson of the Committee with all information regarding the affairs of his or her respective organization that is material to the Committee's monitoring and oversight of the operations of such organization, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the operations of his or her organization.

#### **V. COMMITTEE REPORTS.**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

#### **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall, with respect to NYCT and MTA Bus:

1. monitor and update the Board Chair and the Board on the operating performance of NYCT and MTA Bus, including information on subway, bus and paratransit service;

2. monitor and update the Board Chair and the Board on the safety record of NYCT and MTA Bus; such monitoring shall include reviewing and monitoring customer and employee safety as well as crime statistics;
3. monitor and update the Board Chair and the Board on the implementation of security programs pertaining to NYCT and MTA Bus operations and facilities;
4. monitor and update the Board Chair and the Board on the finances of NYCT and MTA Bus, including financial reports, ridership reports, and the use of funds by NYCT and MTA Bus;
5. review and make recommendations to the Board Chair and the Board regarding proposed procurement contracts of NYCT and MTA Bus that require Board approval;
6. review and make recommendations to the Board Chair and the Board on proposed capital projects of NYCT and MTA Bus and monitor the status of such projects;
7. review and make recommendations to the Board Chair and the Board regarding NYCT and MTA Bus service and policy changes that require Board approval;
8. facilitate the identification of approaches and solutions that address NYCT and MTA Bus security issues, including best practices in national and international security respecting transportation operations and facilities and review and make recommendations to the Board Chair and the Board regarding NYCT and MTA Bus security issues; and
9. review periodically with the Counsel of the MTA, the Chief Compliance Officer, and the Counsel of NYCT and MTA Bus: (i) legal and regulatory matters that may have a material impact on NYCT; and (ii) the scope and effectiveness of compliance policies and programs.

With respect to capital projects undertaken by the MTA Capital Construction Company (MTACC) on behalf of NYCT or MTA Bus:

1. review and make recommendations to the Board Chair and Board with respect to the proposed procurements made by the MTACC that require Board approval;
2. review and make recommendations to the Board Chair and the Board with respect to contract procurement solicitations that require Board approval;
3. monitor the progress of the capital projects undertaken by the MTACC;
4. monitor the budget and the schedule of capital projects undertaken by the MTACC;
5. monitor the progress of contract commitments and completions with respect to capital projects; and

6. track funding needs of capital projects as well as the availability of funds to meet such needs from all sources of funding.

In addition, the Committee shall have the following responsibilities:

1. set the annual work plan for the committee;
- ~~1.2.~~ conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
- ~~2.3.~~ review and assess the adequacy of this Charter annually; and
- ~~3.4.~~ report regularly to the Board Chair and the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.



## THE METROPOLITAN TRANSPORTATION AUTHORITY

### SAFETY COMMITTEE

This Charter for the Safety Committee was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), as amended on ~~June 22, 2016~~ March 21, 2018.

#### I. PURPOSE

The Safety Committee (the "Committee") shall assist the Board Chair and the Board by reviewing, providing guidance, and making recommendations with respect to the management of safety on an MTA-wide basis.

The MTA manages safety through its ~~SMS or~~ "Safety Management System," or "SMS" which is a top-down, organization wide, data driven approach to managing safety risk and assuring the effectiveness of safety mitigations. SMS includes systematic policies, procedures, and practices for the management of safety risk.

#### II. COMMITTEE AUTHORITY

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates). The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

#### III. COMMITTEE MEMBERSHIP

The Committee shall consist of 3 or more members of the Board and shall include the Board Chair, the chairs of each operating committee of the Board, and each member of the Board recommended for appointment to the Board by a labor organization. All other members of the Committee shall be appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an ex officio member of the Committee. The Board Chair shall appoint the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

#### **IV. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least 4 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings and records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate. The Committee may request that any member of the Board, the Chief Safety Officer, the Auditor General, any officer or staff of the MTA, or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The Chief Safety Officer shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to safety on an MTA-wide basis, (2) provide the chairperson of the Committee with all information regarding safety on an MTA-wide basis that is material to the Committee's monitoring and oversight of safety on an MTA-wide basis, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing safety on an MTA-wide basis.

#### **V. COMMITTEE REPORTS**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

#### **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

1. monitor the implementation and operation of the MTA's SMS;
2. monitor the safety record of the MTA and each of its subsidiaries and constituent authorities, including by selecting and reviewing key safety indicators;
3. provide a forum for the open discussion of safety issues among representatives from the MTA and each of its subsidiaries and constituent agencies; and
4. facilitate the identification of approaches and solutions that address MTA- wide safety issues.

In addition, the Committee shall have the following responsibilities:

1. set the annual work plan for the committee;
2. review and assess the adequacy of this Charter annually;
3. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter; and
4. report regularly to the Board Chair and the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.



## THE METROPOLITAN TRANSPORTATION AUTHORITY

### COMMITTEE ON OPERATIONS OF THE TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

This Charter for the Committee on Operations of the Triborough Bridge and Tunnel Authority was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the “MTA”), ~~on July 24, 2013.~~ as amended on March 21, 2018.

#### I. PURPOSE

The Committee on Operations of the Triborough Bridge and Tunnel Authority (the “Committee”) shall assist the Board Chair and the Board in fulfilling their responsibility to monitor and oversee the operations of the Triborough Bridge and Tunnel Authority ~~(together with its subsidiaries, “B&T”).~~

#### II. COMMITTEE AUTHORITY

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA and/or the B&T. The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

#### III. COMMITTEE MEMBERSHIP

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an ex officio member of the Committee. The Board Chair shall appoint the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

#### IV. COMMITTEE MEETINGS

The Committee shall meet on a regularly-scheduled basis at least 11 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings, which shall include records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities

Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, B&T, or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information at the Committee requests. The President of the B&T shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to his or her organization, (2) provide the chairperson of the Committee with all information regarding the affairs of his or her organization that is material to the Committee's monitoring and oversight of the operations of such organization, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the operations of his or her organization.

#### **V. COMMITTEE REPORTS:**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

#### **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

1. monitor and update the Board Chair and the Board on the operating performance of B&T, including information on the service and conditions of the bridges and tunnels operated by B&T and the operation, maintenance, construction and reconstruction of B&T projects;
2. monitor and update the Board Chair and the Board on the safety record of B&T; such monitoring shall include reviewing and monitoring customer and employee safety;
3. monitor and update the Board Chair and the Board on the implementation of security programs pertaining to B&T operations and facilities;
4. monitor and update the Board Chair and the Board on the finances of B&T, including financial reports the use of funds by the B&T, and the collection and distribution of B&T revenue, such as tolls, fees and rentals charged for the use of B&T projects;

5. review and make recommendations to the Board Chair and the Board regarding proposed procurement contracts of B&T that require Board approval;
6. review and make recommendations to the Board Chair and the Board on proposed projects of B&T and monitor the status of such projects;
7. review and make recommendations to the Board Chair and the Board regarding B&T policy changes;
8. facilitate the identification of approaches and solutions that address B&T security issues, including best practices in national and international security respecting transportation operations and facilities and review and make recommendations to the Board Chair and the Board regarding B&T security issues; and
9. review periodically with the Counsel of the MTA, the Chief Compliance Officer, and the Counsel of B&T: (i) legal and regulatory matters that may have a material impact on B&T; and(ii) the scope and effectiveness of compliance policies and programs;-

In addition, the Committee shall have the following responsibilities:

1. set the annual work plan for the committee;
- 1.2. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter; ~~and~~
- 2.3. review and assess the adequacy of this Charter annually; and
- 3.4. report regularly to the Board Chair and the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.

# Staff Summary

<b>Subject</b> All Agency Procurement Guidelines and All Agency Guidelines for Procurement of Services
<b>Department</b> Corporate Compliance
<b>Department Head Name</b> Lamond W. Kears, Chief Compliance Officer
<b>Department Head Signature</b> 
<b>Project Manager Name</b> Lamond W. Kears

<b>Date</b> March 21, 2018
<b>Vendor Name</b> N/A
<b>Contract Number</b> N/A
<b>Contract Manager Name</b> N/A
<b>Table of Contents Ref #</b> N/A

Board Action					
Order	To	Date	Approval	Info	Other
	Corporate Governance	03/19/18			
	Board	03/21/18			

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

**Purpose:**  
To obtain Board approval of the MTA's All Agency Procurement Guidelines and All Agency Guidelines for Procurement of Services.

**Discussion:**  
Public Authorities Law Section 2879 requires the MTA to annually review and approve its All Agency Procurement Guidelines and All Agency Guidelines for Procurement of Services. These guidelines were last approved by the Board at its December 13, 2017 meeting.  
  
There are no proposed revisions to either guidelines.

**Recommendation:**  
It is recommended that the MTA Board approve the annexed All Agency Procurement Guidelines and All Agency Guidelines for Procurement of Services.



## ALL AGENCY SERVICE CONTRACT PROCUREMENT GUIDELINES

Adopted by the Board on ~~December 13~~ March 21, 2018~~7~~

These guidelines (the “**Service Contract Guidelines**”) apply to the Metropolitan Transportation Authority (“**MTA**”), the New York City Transit Authority (“**NYCT**”), the Long Island Rail Road Company (“**LIRR**”), The Metro-North Commuter Railroad Company (“**MNR**”), Staten Island Rapid Transit Operating Authority (“**SIRTOA**”), Manhattan and Bronx Surface Transit Operating Authority (“**MaBSTOA**”), MTA Capital Construction (“**MTACC**”), MTA Bus Company (“**MTA Bus**”), First Mutual Transportation Assurance Co. (“**FMTAC**”), and to the Triborough Bridge and Tunnel Authority (“**Bridges and Tunnels**”) insofar as they are consistent with the provisions of law applicable to Bridges and Tunnels (each of which is referred to severally and together, as the “**Authority**”).

### Article I-Applicability of Service Contract Guidelines

It is the policy of the Authority to contract for services when, because of factors such as timing, costs, qualifications or availability of Authority staff, or the nature of the services to be rendered, it is more beneficial for such services to be contracted for than performed by employees of the Authority. Contractors shall be selected on a competitive basis except when competition is not required pursuant to applicable law or these Service Contract Guidelines or is waived as impractical or inappropriate.

These **Service Contract Guidelines** apply to

- i) personal service contracts (“**Personal Service Contracts**”); and
  - ii) miscellaneous service contracts (“**Miscellaneous Service Contracts**”, and collectively with Personal Service Contracts, “**Service Contracts**”).
- A. Personal Services Contracts involve contracts for the provision of personal services (“**Personal Services**”) which generally involve retaining a consultant who specializes in one of the following:
- (1) Accounting and auditing
  - (2) Advertising
  - (3) Analysis
  - (4) Appraisal
  - (5) Architecture and design
  - (6) Bonds and financial management
  - (7) Commissioning of original art
  - (8) Dispute resolution
  - (9) Engineering
  - (10) Financial
  - (11) Human resources
  - (12) Information technology
  - (13) Investment
  - (14) Labor relations

- (15) Legal
- (16) Legislation
- (17) Management
- (18) Marketing
- (19) Office services requiring specialized skills
- (20) Other consulting, professional or technical services
- (21) Planning
- (22) Printing where editorial services predominate
- (23) Public affairs and corporate relations
- (24) Real estate
- (25) Records management, including electronic data storage and retrieval and discovery
- (26) Research
- (27) Security, including cybersecurity
- (28) Statistics
- (28) Surveying
- (30) Training

B. A Miscellaneous Service Contract is any contract for services which is not:

- i) a Personal Service Contract; or
- ii) a General Contract (capitalized terms not defined in these Service Contract Guidelines shall have the meaning ascribed thereto in the All Agency General Contract Procurement Guidelines (the “**General Contract Guidelines**” and collectively with these Service Contract Guidelines, the “**Guidelines**”).

Examples of miscellaneous services (“**Miscellaneous Services**”) include but are not limited to guard service, custodial service and maintenance work performed by laborers, workers or mechanics which does not result in a substantial improvement to a building or other fixed asset.

C. In the event a proposed contract contains elements of more than one type of contract under these Service Contract Guidelines or the General Contract Guidelines, the elements which predominate shall determine the type of contract for purposes of the Guidelines.

## **Article II - Delegation of Authority**

The Chairman, the President of the respective Authority or the designated representative or representatives thereof (each defined for purposes of these Service Contract Guidelines as an “**Authorized Officer**”) are hereby empowered with respect to Service Contracts to be entered into by the respective Authority acting on its own behalf or as agent for the MTA, as follows:

A. to implement these Service Contract Guidelines.

- B. to establish procedures which shall be competitive to the extent deemed practicable by the Authorized Officer, for the award of Service Contracts (including contracts for SBC, M/WBE and SDVOB ) estimated to involve the expenditure of less than \$100,000.
- C. to establish procedures, to the extent not otherwise covered herein, for the award of Service Contracts regardless of the estimated expenditure, which procedures shall provide for Board approval of the award if the Services Contract provides for the estimated expenditure of \$100,000 or more is not awarded pursuant to sealed competitive bidding. A majority of the members of the Board in attendance at a meeting at which a quorum is present shall be required to approve the resolution authorizing such award.
- D. for Service Contracts estimated to involve the expenditure of \$100,000 or more:
  - 1. to determine the criteria for the evaluation of bids;
  - 2. to determine whether a Services Contract required to be advertised in the New York State Contract Reporter (“NYSCR”) is exempt from such requirement on the basis of a need to award such contract on an emergency or critical basis;
  - 3. to advertise for, solicit and open bids;
  - 4. to record the name of each bidder and the amount(s) bid;
  - 5. to determine the lowest responsive and responsible bidder, including, in the event two or more responsible bidders submit identical bids which are the lowest bids, to award the Service Contract to any of such bidders or obtain new bids from such bidders;
  - 6. to reject all bids when it is determined to be in the public interest to do so; and
  - 7. to award the Service Contract.
- E. to determine whether a bidder is responsible pursuant to the All-Agency Responsibility Guidelines.

**Article III - Selection of Personal and Miscellaneous Service Contractors**

A. Requirements for Selection of Personal Service Contractors

The following are the requirements to be followed for selection of contractors for Personal Services, except for:

- i) contracts for architectural, engineering, and survey services (which are subject to Article III(B));
- ii) contracts equal to or less than \$100,000 (which may be entered into pursuant to the provisions of this Article III(A) or pursuant to procedures established

by an Authorized Officer which shall be competitive to the extent deemed practicable by the Authorized Officer); and

- iii) Service Contracts for which a competitive selection process is inappropriate pursuant to the provisions of Article III(C).
  1. The Division/Department of the Authority requiring the services shall prepare a written statement containing a description of the services, the reasons why they are required, and the required or estimated schedule or duration of the services.
  2. A request for proposals ("**RFP**") to perform the required services shall be sent by mail or electronically to three or more firms to invite competition, including any DBE, MWBE or SDVOB (as such terms are hereinafter defined) firms selected to receive the RFP pursuant to applicable Authority or New York State DBE, MWBE or SDVOB programs, unless there are only two qualified firms or unless competition is waived as hereinafter provided. The RFP or notice thereof shall also be provided by mail or electronically to professional and other organizations, if any, that represent or regularly notify MWBEs and SDVOBs of the type of procurement opportunity that is the subject of the RFP notice.
  3. The RFP shall describe the services to be performed, any completion dates or time requirements, DBE/WBE/MBE/SDVOB requirements, if applicable, and the criteria to be utilized by the Authority in evaluating proposals and shall contain a requirement for technical and cost proposals and the date, time and place when proposals must be received.
  4. The Authority may select one or more proposers with which to negotiate after evaluation of the proposals received. The award shall be made to the proposer or proposers whose proposal(s) will be the most advantageous to the Authority, price, qualifications and other factors considered, using the evaluation criteria specified in the RFP as the basis for the decision.

B. Architectural- Engineering and Survey Contracts

1. In the procurement of architectural, engineering and surveying services, the Authority shall determine whether to comply with the RFP procedures set forth in Article III(A) or the "Brooks" method set forth in this paragraph, provided that, if federal assistance is involved, the decision shall take into account applicable federal requirements.
2. The Authority shall encourage professional firms engaged in the lawful practice of the profession to submit an annual statement of qualifications and performance data. For each proposed project identified in accordance with Article III(A)(1), the Authority shall evaluate current statements of qualifications and performance data on file with the Authority. If desired

and to the extent appropriate if federal assistance is involved, the Authority may conduct discussions with three or more professional firms regarding anticipated design concepts and proposed methods of approach to the assignment.

3. The Authority shall then evaluate whether a modification to the written statement prepared in accordance with subparagraph 1 of Article III(A)(iii) is appropriate, and shall then comply with the provisions of subparagraphs 2 and 3 of Article III(A)(iii).
  4. The Authority shall select from the proposals submitted, in order of preference, based upon the criteria established by the Authority, no less than three professional firms deemed to be the most highly qualified to provide the services required.
  5. The Authority shall negotiate a contract with the best qualified professional firm for architectural, engineering or surveying services at compensation which the Authority determines in writing to be fair and reasonable. In making this decision, the Authority shall take into account the estimated value of the services to be rendered, the scope, complexity, and professional nature thereof. Should the Authority be unable to negotiate a satisfactory contract with the professional firm considered to be the most qualified, at a fee it determines to be fair and reasonable, negotiations with that professional firm shall be formally terminated. The Authority shall then undertake negotiations with the second most qualified professional firm. Failing to come to accord with the second most qualified professional firm, the Authority shall formally terminate negotiations. The Authority shall then undertake negotiations with the third most qualified professional firm. Should the Authority be unable to negotiate a satisfactory contract with any of the selected professional firms it shall select additional professional firms, in order of their competence and qualification and it shall continue negotiations in accordance with this subparagraph until an agreement is reached.
  6. The provisions of this Article III(B) shall apply only to engineering, architectural, or surveying services contracts in excess of \$100,000. Contracts for engineering, architectural or surveying services involving lesser amounts may be entered into pursuant to the provisions of this paragraph or pursuant to procedures established by an Authorized Officer which shall be competitive to the extent deemed practicable by the Authorized Officer.
- C. It is hereby determined that a competitive selection process is inappropriate and that a competitive process shall not be required in the following instances:
1. When the services are obtainable from one source only.

2. When the provider of the Personal and Miscellaneous Services has unique or otherwise outstanding qualifications.
  3. When an emergency or other circumstances exist which make competition impracticable or inappropriate.
  4. Legal services.
- D. A Service Contract, in an amount not to exceed \$400,000, that is not federally funded, may be awarded pursuant to Section 2879(3)(b)(i) of the Public Authorities Law without competitive bidding or other formal competitive process, notwithstanding any other provision of law or these Guidelines, where either (i) the proposed award is to a small business concern, a certified minority or women-owned business enterprise (“**MWBE**”) or a certified service disabled veteran owned business (“**SDVOB**”).

The relevant Authority Chief Procurement Officer or his/her designee (the “**CPO**”) shall determine which Service Contracts are appropriate for such types of procurements. In the case of Service Contracts that are eligible pursuant to Section 2879(3)(b)(i) for award to SBCs, MWBEs or SDVOBs, the CPO may make a determination that any such Service Contract may only be awarded to an MWBE, or only to an SDVOB, or only to an MWBE or an SDVOB. The basis for such a determination must be to promote participation of MWBEs and SDVOBs in Authority contracts, as mandated by Articles 15-A and 17-B of the Executive Law, and to assist the Authorities in achieving their MWBE and SDVOB goals. Notice of such procurements shall be placed on the Authority website inviting responsive proposals from qualified SBCs, MWBEs or SDVOBs. At least three bids or proposals, must be solicited, and there must be a determination that the price is fair and reasonable. Awards pursuant to this process shall be made to the bidder or proposer determined to have submitted the bid or proposal that is most advantageous to the Authority, price and any other relevant factors considered. An award proposed to be made to a bidder or proposer other than the lowest responsible, responsive bidder or proposer, shall require approval by a majority of the Board at which a quorum is present. The CPO may reject all offers and withdraw the designation of a contract as one to be awarded pursuant to this process if the CPO determines that an award will result in the payment of an unreasonable price or otherwise not be advantageous to the Authority.

- E. Pursuant to Article 17-B of the Executive Law, the Authority may determine that a non-federally funded Service Contract procurement is appropriate for a set-aside contract for SDVOBs. A notice shall be placed on the MTA website and the NYSCR, stating that only SDVOBs are eligible for contract award. The MTA and its agencies will administer set-aside procurements pursuant to the laws, rules and procedures that govern contracting for each type of procurement.
- F. The Chairman, President, General Counsel, or Chief Procurement Officer of the Authority, or such individuals as they may designate, may give verbal authorization

to contractors or consultants to commence the performance of contracts entered into pursuant to the provisions of this Article IV, where prior written agreement is impracticable, provided, however, that the contract shall be reduced to writing as soon as practicable. Prior to issuing a verbal authorization for a federally assisted contract, consideration should be given to the steps which may be taken to assure that federal assistance is not jeopardized.

#### **Article IV – NYSCR Notice**

In those instances where notice in the NYSCR is required under these Service Contract Guidelines:

- A. Regardless of the selection process used, notice of a Services Contract in the actual or estimated amount of \$100,000 or more shall be published at least one time in the NYSCR, except as provided in Article IV(C). The publication shall be no less than fifteen business days prior to the planned date on which a bid or proposal is due, provided that if the Services Contract is to be awarded without bids or proposals and advertising is required, the timing of the publication shall be determined by an Authorized Officer.
  
- B. The notice must contain, as applicable, a statement of: i) the name of the contracting Authority; ii) the contract identification number; iii) a brief description of the services sought, the location where services are to be provided and the contract term; iv) the address where bids or proposals are to be submitted; v) the date when bids or proposals are due; vi) a description of any eligibility or qualification requirement or preference; vii) a statement as to whether the contract may be fulfilled by a subcontracting, joint venture or co-production arrangement; viii) any other information which the Authority deems useful to potential contractors; ix) the name, address and the telephone number of the person to be contacted for additional information; and x) a statement as to whether the services sought had, in the immediately preceding three year period, been supplied by a foreign business enterprise as that term is defined in Article 4-C of the Economic Development Law.
  
- C. Notice in the NYSCR is not required under the following circumstances:
  - i) In the event of an emergency or critical need for the services as determined by an Authorized Officer;
  - ii) The contract is re-bid or re-solicited for substantially the same services within forty-five business days after the date bids or proposals were originally due;
  - iii) The contract is awarded to a not-for-profit provider of human services;
  - iv) The contract is awarded pursuant to the provisions of Article III(C)(1) or (2) (single or unique source) or Article III (D) (discretionary procurements to SBCs, MWBEs or SDVOBs) of these Guidelines.

- D. In addition to the above NYSCR notice, the Authority shall provide notice to professional and other organizations, if any, that regularly notify MWBEs and SDVOBs, of the type of procurement opportunity that is the subject of the solicitation.

#### **Article V – Minority/Women Owned and Disadvantaged Business Enterprises**

The potential exists for disadvantaged/minority/women owned business enterprise involvement in Service Contracts. The Authority shall use its best efforts to maximize the utilization, as applicable, of certified disadvantaged business enterprises (“DBEs”) under the Authority's federal program, and MWBEs and SDVOBs under the New York State program set forth in Public Authorities Law §2879, Article 15-A and 17-B of the Executive Law and these Service Contract Guidelines.

- A. The MTA Chief Diversity Officer ("**Chairman's Designee**") is responsible for overseeing the programs established by the MTA to promote and assist: i) the participation by MWBEs and SDVOBs in procurement opportunities and facilitation of the award of Service Contracts to such enterprises; ii) the utilization of MWBEs and SDVOBs as subcontractors to Authority prime contractors; and iii) the utilization of partnerships, joint ventures (“JVs”) or other similar arrangements between MWBEs, SDVOBs and prime contractors. The Chief Diversity Officer reports directly to the Chairman in connection with the responsibilities set forth herein, and will participate in the procurement process either directly or through his or her designees.
- B. For contracts awarded pursuant to these Service Contract Guidelines, the Authority shall establish appropriate goals for participation by MWBEs and SDVOBs and for the utilization by prime contractors of MWBEs as subcontractors and suppliers. Statewide MWBE numerical participation target goals will be established by the Authority based on the findings of the New York State 2010 Disparity Study, or any subsequent New York State Disparity Study.
- C. The Authority will conduct non-federally funded procurements in a manner that enables the Authority to achieve the maximum feasible portion of the goals set pursuant to Article V(B) including by taking the following actions:
- i) establishing measures and procedures to ensure that MWBEs and SDVOBs are given the opportunity for maximum feasible participation in the performance of Authority contracts and to assist in the identification of those contracts that are best suited for which MWBEs and SDVOBs may best bid to actively and affirmatively promote and assist their participation in the performance of Authority contracts so as to facilitate the Authority's achievement of the maximum feasible portion of the MWBE and SDVOB goals;
  - ii) designating the New York State Division of Minority and Women-owned Business Development (“**DMWBD**”) to certify and decertify MWBEs, and OGS Division of Service-Disabled Veterans' Business Development to

- certify and decertify SDVOBs, for purposes of these Service Contract Guidelines;
- iii) setting forth in each contract solicitation the expected degree of MWBE and SDVOB participation based on potential subcontracting opportunities and the availability of MWBEs and SDVOBs to respond competitively to those opportunities;
  - iv) providing to prospective contractors in writing or by identifying a link to a specific web site a current list of MWBEs and SDVOBs;
  - v) with regard to JVs, allowing a bidder to count toward meeting its MWBE and SDVOB participation goal, the MWBE or SDVOB portion of the JV;
  - vi) waiving a contractor's obligation relating to MWBE or SDVOB participation after a showing of good faith efforts to comply with the participation goal; and
  - vii) verifying that MWBEs and SDVOBs listed in a successful bid or proposal are actually participating to the extent listed in the project for which the bid or proposal was submitted.

The Authority will also consider, where practicable:

- a. the severability of service requirements and other bundled service contracts;
- b. with respect to MWBEs, the implementation of a program that will enable the Authority to evaluate each contract to determine the appropriateness of the goal pursuant to the New York State 2010 Disparity Study, or any subsequent New York State Disparity Study; and
- c. compliance with the requirements of any federal law concerning opportunities for any DBEs, MWBEs and SDVOBs which effectuates the purposes of this Article V.

- D. The Chairman's Designee is responsible for ensuring compliance with all applicable laws and regulations with regard to the utilization of DBEs on federally funded Service Contracts.

#### **Article VI-Types of Provisions to be Contained in Service Contracts**

- A. The following types of provisions shall be contained in all personal services contracts, except that it is not necessary to include any provision which is inapplicable or unnecessary because of the nature or duration of the services to be performed, the location or locations where they are to be performed or the type of compensation being paid.
  - 1. Description of services
  - 2. Compensation
  - 3. Time for performance or date of completion
  - 4. Liability of contractor or consultant; indemnification of Authority
  - 5. Reports of contractor or consultant
  - 6. Ownership of plans, drawings or other products of the performance of the services

7. Assignments; subcontracts
  8. Maintenance of records, accounts
  9. Right of Authority to inspect and/or audit books and records of contractor or consultant
  10. Insurance requirements
  11. Termination
  12. Monitoring of the performance of services
  13. Use of Authority supplies, facilities or property
  14. Use of Authority personnel
  15. All provisions required to be included in Authority contracts by federal, state or local laws, ordinances, codes, rules or regulations.
  16. Such modifications and additions as are appropriate in light of the specific circumstances presented.
- B. To the extent practicable, a verbal authorization to commence work and a writing which is not intended to constitute the final agreement, at a minimum shall:
1. Describe the services to be performed;
  2. Specify the amount of compensation to be paid pursuant to the verbal authorization and writing or the rates or fees which will be utilized to determine such compensation; and
  3. Specify a date for completion or the anticipated duration of the services (except in instances where the nature of the services makes an estimate of the time required impossible or impracticable or where the contract is a retainer for the performance of services over an extended period of time on an "as-needed" basis and contains provisions allowing termination by the Authority at any time without cause).
- C. Miscellaneous service contracts shall contain those provisions of paragraph A and of other standard forms of contract deemed appropriate by an Authorized Officer.

#### **Article VII- Responsibilities of Services Contractors**

A service contractor shall have the following responsibilities:

- A. To perform the contract in accordance with its terms;
- B. To perform the services required under the contract competently, efficiently, in a timely manner, at a reasonable cost and in a manner which is satisfactory to the Authority; and
- C. To cooperate with the Authority personnel who are directing, supervising or monitoring the performance of the services or who are assisting in their performance.

#### **Article VIII - Contracts Involving Former Officers or Employees of the Authority**

The Authority may enter into contracts with any Authority's former officers or employees or with firms employing such officers or employees only to the extent permitted by Public Officers Law §73.

**Article IX - Reporting of Service and Purchase Contracts**

- A. Each Division/Department of an Authority shall maintain records, for each fiscal year, of the following contracts entered into by the Authority at the request of such Division/Department: i) personal service contracts in the actual or estimated amount of \$15,000 or more; ii) miscellaneous service contracts in the actual or estimated amount of \$15,000 or more; and iii) purchase contracts in an actual or estimated amount of \$15,000 or more.
  
- B. The Authority's Authorized Officer shall designate a Division or Department which shall be responsible for preparing a report at the end of each fiscal year with respect to the foregoing contracts. With respect to each such contract, the report shall contain the following information:
  - 1. Name of Contractor;
  - 2. Short description of the services involved;
  - 3. Amounts paid pursuant to the contract as of the end of such fiscal year;
  - 4. The selection process used;
  - 5. Status of the contract;
  - 6. If it was exempt from advertising in the NYSCR pursuant to Article IV(C) of these Guidelines:
    - i) a statement to that effect; and
    - ii) the basis for such exemption;
  - 7. Whether the contract was entered into with a New York State business enterprise or a foreign business enterprise, as those terms are defined in Public Authorities Law § 2879.
  - 8. Whether the contract was entered into with an MWBE or SDVOB
  - 9. Referrals to and penalties imposed by the Director of DMWBD pursuant to Executive Law § 316.
  
- C. Each Authority shall submit a copy of such report to the Board of the Authority upon its completion.

**Article X-Personal Service Contracts Requiring Approval of the Board**

The following Service Contracts shall require the approval of the Board of the Authority by resolution approved by a majority of the members present at a meeting at which a quorum is in attendance and shall be reviewed by the Board on an annual basis:

- A. Personal Service Contracts of all Authorities : All personal service contracts entered into by an Authority in the actual or estimated amount of \$100,000 or more, except if awarded to the lowest responsible bidder, pursuant to sealed bids, and;
- B. Miscellaneous Service Contracts: See Article II(C) of these Service Contract Guidelines.

### **Article XI-Change Orders**

An Authority may enter into a change order or amendment to a personal service or miscellaneous service contract provided that approval of the Board of the Authority by a resolution approved by a majority of the members present at a meeting at which a quorum is in attendance, shall be required in the following circumstances:

- A. The Service Contract did not equal or exceed the applicable monetary or durational threshold for board approval set forth in Article XI or Article II of these Service Contract Guidelines and the applicable threshold is equaled or exceeded as a result of the change order or amendment. This provision applies to all contracts subject to these Service Contract Guidelines, including budget adjustments to estimated quantity contracts previously approved by the Board which exceed the threshold.
- B. The Service Contract was approved by the Board and the change order or amendment, including any change orders or amendments since Board approval was last obtained, results in a substantial change in the contract as determined by an Authorized Officer. Notwithstanding the foregoing, Board approval of change orders shall only be required if the change order is over \$750,000, or over \$250,000 if the change order exceeds 15% of the adjusted contract value, provided that a change order over \$250,000 must be approved by the Authority president or his or her designee.
- C. The Miscellaneous Service Contract was awarded pursuant to the General Contract Guidelines and the change order or amendment equals or exceeds the requirements for Board approval under Article IX of the General Contract Guidelines.
- D. Notwithstanding the foregoing, an Authorized Officer may enter into a change order or amendment in any of the following situations as determined by an Authorized Officer,
  - 1. The existence of an emergency;
  - 2. The risk of a substantial increase in cost or delay if prompt action is not taken; or
  - 3. The change order is for a Design-Build contract and such change order does not change the total contract price to exceed the project budgeted cost, including contingency.
- E. The Chairman or Chief Operating Officer shall establish policies with respect to the delegation of responsibilities set forth in this Article.

## **Article XII – Miscellaneous**

- A. Any provision of these Service Contract Guidelines may be waived by the Chairman, an Authority President or the Board, or such individuals as they may designate, except to the extent prohibited by law. A waiver may also be in the form of a ratification. If a contract is federally assisted, prior to issuing a waiver, consideration should be given to the steps which may be taken to assure that federal assistance is not jeopardized.
- B. No Board Committee action or Authority policy, other than one approved by the Chairman, shall be inconsistent with these Service Contract Guidelines.
- C. An Authority may not divide or split any contract or series of contracts for the purpose of avoiding the requirements of these Service Contract Guidelines, provided that with regard to discretionary contracts awarded under Article III(D), an Authority may divide requirements for the purpose of unbundling contracts to create discretionary contracting opportunities.
- D. Nothing in these Service Contract Guidelines shall preclude the Authority from accepting bids or proposals utilizing an electronic bidding system that may inform bidders whether their bid is the current low bid, and allow bidders to submit new bids before the date and time assigned for the opening of bids. Such procedure shall not constitute disclosure in violation of Section 2878 of the Public Authorities Law.
- E. A Service Contract awarded by an Authority pursuant to the provisions of these Service Contract Guidelines may provide that the Service Contract includes the requirements of one or more other Authorities.
- F. The Authority shall prepare a publicly available report no less frequently than annually, summarizing procurement activity by the Authority for the period of the report, in accordance with the reporting requirements of Section 2879(6) of the Public Authorities Law.
- G. These Service Contract Guidelines are intended for the guidance of officers and employees of the Authority only. Nothing contained herein is intended or shall be construed to confer upon any person, firm or corporation any right, remedy, claim or benefit under or by reason, of any requirement or provision thereof.
- H. An Authority may contract for a service available through an existing contract between a contractor and the State of New York or the City of New York or another Authority if: i) the existing contract, if not awarded by the State of New York, was awarded pursuant to a process of competitive sealed bids or a competitive request for proposals; ii) the Authority's Authorized Officer determines that the price and other commercial terms specified in the contract are satisfactory; and iii) if Board

authorization would otherwise be required under these Guidelines, the Board adopts a resolution by a majority vote of the members of the Board present meeting at which a quorum is in attendance which sets forth the reasons why a competitive process is impractical or inappropriate and authorizes the Authority to enter into the Service Contract.

- I. Nothing contained in these Service Contract Guidelines shall be deemed to alter, affect the validity of, modify the terms of or impair any contract or agreement made or entered into in violation of, or without compliance with, the provisions of these Service Contract Guidelines.
- J. Where applicable federal, state or local laws, ordinances, codes, rules or regulations contain requirements which are in conflict with or which impose greater obligations upon the Authority than these Service Contract Guidelines, then such requirements shall take precedence over those contained herein.



## ALL AGENCY GENERAL CONTRACT PROCUREMENT GUIDELINES

Adopted by the Board on ~~December 13, 2017~~ March 21, 2018

These guidelines (the “**General Contract Guidelines**”) apply to the Metropolitan Transportation Authority (“**MTA**”), the New York City Transit Authority (“**NYCT**”), the Long Island Rail Road Company (“**LIRR**”), The Metro-North Commuter Railroad Company (“**MNR**”), Staten Island Rapid Transit Operating Authority (“**SIRTOA**”), Manhattan and Bronx Surface Transit Operating Authority (“**MaBSTOA**”), MTA Capital Construction (“**MTACC**”), MTA Bus Company (“**MTA Bus**”), First Mutual Transportation Assurance Co. (“**FMTAC**”) and to the Triborough Bridge and Tunnel Authority (“**Bridges and Tunnels**”) insofar as they are consistent with the provisions of law applicable to Bridges and Tunnels (each of which is referred to severally and together, as the “**Authority**”).

### Article I - Applicability of General Contract Guidelines

These **General Contract Guidelines** apply to

- i) purchase contracts for supplies, materials, equipment or other goods (“**Purchase Contracts**”);
- ii) public work contracts (“**Public Work Contracts**”); and
- iii) “**Miscellaneous Procurement Contracts**” (which are defined as leases of equipment with or without an option to purchase, computer software licenses including software as a service subscription, software maintenance agreements, printing contracts (where editorial services do not predominate), and any other contract which is not otherwise classified under these General Contract Guidelines or the All Agency Service Contract Procurement Guidelines (the “**Service Contract Guidelines**”, and collectively with these General Contract Guidelines, the “**Guidelines**”).

Purchase Contracts, Public Work Contracts and Miscellaneous Procurement Contracts are collectively referred to herein as “**General Contracts**”).

In the event a proposed contract contains elements of more than one type of General Contract and/or elements of either or both types of Service Contracts (as such term is defined in the Service Contract Guidelines), the elements of the type of contract that predominates shall determine whether the General Contract Guidelines or the Service Contract Guidelines apply and which type of contract within the applicable Guidelines shall apply.

### Article II - Delegation of Authority

The Chairman, the President of the respective Authority, or the designated representative or representatives thereof (each defined for purposes of these General Contract Guidelines as an

"Authorized Officer") are hereby empowered with respect to General Contracts to be entered into by the respective Authority acting on its own behalf or as agent for MTA, as follows:

- A. to implement these General Contract Guidelines.
- B. to establish procedures which shall be competitive to the extent deemed practicable by the Authorized Officer, for the award of Purchase Contracts, Public Work Contracts or Miscellaneous Procurement Contracts (including contracts for SBC, M/WBE and SDVOB ) estimated to involve the expenditure of \$100,000 or less;
- C. for Purchase Contracts and Public Work Contracts estimated to involve the expenditure of more than \$100,000:
  - 1. to determine the criteria for the evaluation of bids which may include but are not limited to unit or aggregate amount bid, life cycle costs or savings (including but not limited to costs or savings associated with installation, energy use, maintenance, operation, salvage and disposal), discounts and costs of maintenance and inspection services;
  - 2. to determine whether a Purchase Contract or Public Work Contract required to be advertised in the New York State Contract Reporter ("NYSCR") is exempt from such requirement on the basis of a need to award such contract on an emergency or critical basis;
  - 3. to advertise for, solicit and open bids;
  - 4. to record the name of each bidder and the amount(s) bid;
  - 5. to determine the lowest responsive and responsible bidder, including, in the event two or more responsible bidders submit identical bids which are the lowest bids, to award the Purchase Contract or Public Work Contract to any of such bidders or obtain new bids from such bidders;
  - 6. to reject all bids when it is determined to be in the public interest to do so; and
  - 7. to award the Purchase Contract or Public Work Contract.
- D. to determine whether a bidder is responsible pursuant to the All-Agency Responsibility Guidelines.
- E. in addition to the other authorizations set forth elsewhere in this document, to establish guidelines governing the qualifications of bidders for General Contracts, and to fix the standards for the prequalification of bidders entering into such contracts for the East Side Access Project in accordance with Section 1265-a.2(c) of the Public Authorities Law.

**Article III - Award of General Contracts Without Competitive Bidding**

- A. A Miscellaneous Procurement Contract estimated to involve the expenditure of more than \$100,000, may be awarded after soliciting three or more bids or proposals, except for such contracts awarded pursuant to Article III (D) or (E)

below. However, approval of a majority of the members of the Board in attendance at a meeting at which a quorum is present shall be required to approve the resolution authorizing award of a Miscellaneous Procurement Contract estimated to involve the expenditure of more than \$100,000 that is not awarded pursuant to sealed competitive bidding and no Board approval shall be required for a ride of another qualifying contract.

- B. Except as otherwise provided in paragraphs C and D of this Article III, a Purchase Contract or a Public Work Contract estimated to involve the expenditure of more than \$100,000 may be awarded without competitive bidding under the circumstances set forth below, provided that the Authorized Officer recommends such an action and the Board adopts a resolution (i) declaring competitive bidding to be impractical or inappropriate because of the existence of any of the circumstances set forth in Articles III(B)(1) to (6), (ii) stating the reasons therefore, and (iii) summarizing any negotiations that have been conducted. Except in a situation specified in Article III(B)(1), such resolution shall be approved by two-thirds of the members of the Board then in office. A resolution under Article III(B)(1) shall require approval by a majority of the members of the Board in attendance at a meeting at which a quorum is present.
1. Emergency. The existence of an emergency involving danger to life, safety or property which requires immediate action and cannot await competitive bidding; or when the item to be purchased is essential to the efficient operation of or the adequate provision of service and, as a consequence of an unforeseen circumstance, such purchase cannot await competitive bidding. Competitive bidding is hereby declared to be impractical and inappropriate in any of the foregoing situations where an Authorized Officer must take appropriate action and cannot await action by the Board; provided, however, that notice of such action shall be given to the Board as soon as practicable, together with a statement of the reasons for such action and a request for ratification by the Board.
  2. Single Source. The item to be purchased is available only from a single responsible source provided, however, that a notice of the Authority's intent to purchase such item without competitive bidding shall be posted on the Authority's website, and, if bids have not been solicited for such item within the preceding twelve months, a notice must be published pursuant to Article V hereof. Any notices required by this paragraph shall set forth the Authority's intent to purchase the item without competitive bidding because the item is available from only one source and invites any firm which believes it can provide the item to so inform the Authority and to provide the Authority with additional information which confirms that it can supply the item.
  3. No Bids or One Responsive Bid. Competitive bids are solicited and

- a. no responsive bid is received; or
- b. only a single responsive bid is received, and the Authorized Officer rejects the bid.

4. Experiments, Tests and Evaluations. With respect to a product or technology, the Authority wishes to:

- a. experiment with or test it;
- b. experiment or test a new source for it; or
- c. evaluate its service or reliability.

Such a contract may not be awarded until at least thirty days after the date the Board has declared competitive bidding to be impractical or inappropriate

5. Riding an Existing Contract. The item is available through an existing General Contract between a vendor and any of the following and the resolution adopted by the Board includes a determination that, and the reasons, why, it is in the public interest to do so:

- a. An Authority or any other public authority provided such General Contract had been awarded through a process of competitive bidding or a competitive request for proposals;
- b. The State of New York, The City of New York, or (except for Transit and MaBSTOA) the County of Nassau.

It is hereby determined that competitive bidding is inappropriate and, because of the likelihood that a competitive process will not result in better commercial terms, that it is in the public interest to purchase an item through an existing General Contract of the State of New York, The City of New York, a different Authority, or any other public authority, where price and other commercial terms specified in such General Contract are satisfactory to the Authorized Officer. Such a determination shall be documented in writing by the Authorized Officer.

6. Request For Proposals. The Authority determines that it is in the public interest to award the General Contract through a competitive request for proposals ("**RFP**") process.

- a. For purposes of this Article III(B)(6), a competitive RFP shall mean a method of soliciting proposals and awarding a General Contract on the basis of a formal evaluation of the characteristics which are deemed relevant to the Authority's operations, such as quality, cost, delivery schedule and financing, against stated selection criteria. Where the RFP involves the purchase or rehabilitation of rail cars, transit cars or buses, the selection criteria may also include the extent to which the performance of all or a portion of the contract will involve the use of sites within the State of New York or the use

of goods produced or services provided within the State of New York.

- b. For those contracts awarded under this Article III(B)(6), (1) such contract may not be awarded until at least thirty days after the Board has declared competitive bidding to be impractical or inappropriate and (2) the Board's approval resolution must (i) disclose the other proposers and the substance of their proposals, (ii) summarize the negotiation process including the opportunities, if any, available to proposers to present and modify their proposals, and (iii) set forth the criteria upon which the selection was made. The Board's contract approval resolution may be adopted simultaneously with or subsequent to the Board's declaration that competitive bidding is impractical or inappropriate, provided that, if the Board's declaration and the Board's approval resolution are adopted simultaneously or within less than thirty days of each other, the subject contract may be executed by the Authority no less than thirty days after the adoption of the Board's declaration that competitive bidding is impractical or inappropriate.
- c. In addition to the information required under Article V(C), the public notice of an RFP must include a statement of the selection criteria. Such notice shall also be provided by mail or electronically to professional and other organizations, if any, that represent or regularly notify certified minority or women-owned business enterprises ("MWBEs") or a certified service disabled veteran owned business ("SDVOBs") of the type of procurement opportunity that is the subject of the RFP notice.
- d. The Authority may engage in a selection process involving multiple steps such as requests for qualifications, requests for technical proposals and requests for quotations. After the publication of the notice, any or all of the selection criteria specified in the advertisement may be changed, provided that, if the change is material, proposers and potential proposers who, prior to the deadline for the receipt of proposals, have expressed an interest in the RFP, shall be informed of the change and afforded the opportunity to modify their proposals.
- e. After receipt of the proposals, an Authority may:
  - 1. change the selection criteria provided that, if the change is material, all proposers that have not been eliminated from the competitive process prior to such change, are informed of the change and afforded the opportunity to modify their proposals;

2. request that any of the proposers make a presentation. If it does so, it is not required to afford such opportunity to all proposers;
3. negotiate with any of the proposers. If it does so, it is not required to negotiate with all proposers;
4. reject any proposal at any time; and
5. reject all proposals, in which event the Authority may decide to take no further action, solicit new proposals or solicit bids.

C. Under the MTA Small Business Mentoring Program (the “**SBMP**”), a non-federally funded Public Work Contract that is designated by the Authority as a small business mentoring program contract (“**SBMP Contract**”) within the meaning of Section 1265-b(1)(e) of the Public Authorities Law, may be awarded in accordance with the provisions of Section 1265-b of the Public Authorities Law, notwithstanding any other provision of law or these General Contract Guidelines. A Public Work Contract that is partially or wholly federally funded, subject to United States Department of Transportation regulations and estimated to involve an expenditure of not more than \$3 million, may be awarded pursuant to the MTA Small Business Federal Program (the “**SBFP**”) established under 49 CFR 26.39 in accordance with the competitive procedures established under the SBFP, notwithstanding any other provision of law or these General Contract Guidelines. The Chairman or his/her designee is authorized to designate which eligible Public Work Contracts shall be SBMP or SBFP Public Work Contracts.

D. A Purchase Contract or a Miscellaneous Procurement Contract, in an amount not to exceed \$400,000, that is not federally funded, may be awarded pursuant to Section 2879(3)(b)(i) of the Public Authorities Law without competitive bidding or other formal competitive process, notwithstanding any other provision of law or these General Contract Guidelines, where either (i) the Purchase Contract or Miscellaneous Procurement Contract involves goods or technology that are recycled or remanufactured or (ii) the proposed award is to a small business concern (“**SBC**”), an MWBE or a SDVOB.

The relevant Authority Chief Procurement Officer or his/her designee (the “**CPO**”) shall determine which Purchase Contracts or Miscellaneous Procurement Contracts are appropriate for such types of procurements. In the case of Purchase Contracts or Miscellaneous Procurement Contracts that, pursuant to Section 2879(3)(b)(i), are eligible for award to SBCs, MWBEs or SDVOBs, the CPO may make a determination that any such Purchase Contract or Miscellaneous Procurement Contract may only be awarded to an MWBE, or only to an SDVOB, or only to an MWBE or an SDVOB. The basis for such a determination must be to promote participation of MWBEs and SDVOBs in Authority contracts, as mandated by Articles 15-A and 17-B of the Executive Law, and to assist the Authorities in achieving their MWBE and SDVOB goals. Notice of such procurements shall be placed on the Authority website inviting responsive proposals from qualified SBCs, MWBEs or SDVOBs. At least three bids or proposals must be solicited, and there must be a determination that the price is fair and reasonable. Awards pursuant to

this process shall be made to the bidder or proposer determined to have submitted the bid or proposal that is most advantageous to the Authority, price and any other relevant factors considered. An award proposed to be made to a bidder or proposer other than the lowest responsible, responsive bidder or proposer shall require approval by a majority of the Board at which a quorum is present. The CPO may reject all offers and withdraw the designation of a contract as one to be awarded pursuant to this process if the CPO determines that an award will result in the payment of an unreasonable price or otherwise not be advantageous to the Authority.

- E. Pursuant to Article 17-B of the Executive Law, the Authority may determine that a non-federally funded General Contract procurement is appropriate for a set-aside contract for SDVOBs. A notice shall be placed on the MTA website and the NYSCR, stating that only SDVOBs are eligible for contract award. The MTA and its agencies will administer set-aside procurements pursuant to the laws, rules and procedures that govern contracting for each type of procurement.

#### **Article IV - Qualified Products Lists**

The Board hereby determines that for reasons of efficiency, economy, compatibility or maintenance reliability, there is a need for standardization as to various supplies, materials and equipment which are purchased by the Authorities and authorizes the establishment of a qualified products list ("**QPL**") identifying such supplies, materials and equipment as hereinafter provided. A purchase contract for an item which has been included on a QPL duly established and maintained by an Authority, may be entered into by that Authority as hereafter set forth:

- A. The Authorized Officer of the Authority determines as to a specific item that, for reasons of efficiency, economy, compatibility or maintenance reliability, there is a need for standardization.
- B. The QPL is reviewed no less than two times per year. The purpose of this review is to evaluate whether to add or delete items or vendors to or from the QPL.
- C. A notice is published by the Authority no less than one time per year in a general circulation newspaper and in the NYSCR which:
  - 1. advertises the existence of the QPL;
  - 2. states that the QPL is available for public inspection; and
  - 3. specifies the name and address of the Authority's office which may be contacted in regard to the procedure for the compilation of the QPL.
- D. A contract for an item on the QPL may be awarded:
  - 1. without competitive bidding if only one source for the item is specified on the QPL;

2. by competitive sealed bidding but without advertising provided the invitation to bid is sent to all vendors listed on the QPL for the particular item;
  3. by competitive sealed bidding after advertising the bid pursuant to Article V(A) of these General Contract Guidelines.
- E. Two or more Authorities may utilize the same QPL provided that such Authorities jointly comply with the provisions of this Article.

### **Article V – Notice and Advertising**

Except as provided in Article V(D) and Article III(B)(2), in those instances where advertising is required under these General Contract Guidelines:

- A. For Purchase Contracts and Public Work Contracts in the actual or estimated amount in excess of \$100,000, an advertisement shall be published at least once in a newspaper of general circulation in the area served by the Authority and in the NYSCR provided that, if the Purchase Contract or Public Work Contract is to be awarded without the solicitation of competitive bids or RFP, the timing of the publication in the NYSCR shall be determined by an Authorized Officer.
- B. The notice in the NYSCR must contain, as applicable, a statement of: i) the name of the contracting Authority; ii) the contract identification number; iii) a brief description of the services sought, the location where services are to be provided and the contract term; iv) the address where bids or proposals are to be submitted; v) the date when bids or proposals are due; vi) a description of any eligibility or qualification requirement or preference; vii) a statement as to whether the contract may be fulfilled by a subcontracting, joint venture or co-production arrangement; viii) any other information which the Authority deems useful to potential contractors; ix) the name, address and the telephone number of the person to be contacted for additional information; and x) a statement as to whether the services sought had, in the immediately preceding three year period, been supplied by a foreign business enterprise as that term is defined in Article 4-C of the Economic Development Law. The first publication shall be no less than fifteen business days prior to the planned bid opening date and the second publication shall be within a reasonable period prior to the planned bid opening date.
- C. The advertisement must contain, as applicable, a statement of: (i) the time and place where bids received will be publicly opened and read; (ii) the name of the contracting Authority; (iii) the contract identification number; (iv) a brief description of the public work, supplies, materials, or equipment sought, the location where work is to be performed, goods are to be delivered or services provided and the contract term; (v) the address where bids or proposals are to be submitted; (vi) the date when bids or proposals are due; (vii) a description of any eligibility or qualification requirement or preference; (viii) a statement as to whether the contract requirement may be fulfilled by a subcontracting, joint venture

or co-production arrangement; (ix) any other information which the Authority deems useful to potential contractors; and (x) the name, address, and telephone number of the person to be contacted for additional information. In addition, if a purchase contract is involved, the advertisement in the NYSCR shall also include a statement as to whether the goods sought had in the immediately preceding three year period been supplied by a foreign business enterprise as that term is defined in Article 4-C of the Economic Development Law

- D. Advertisement in a general circulation newspaper and in the NYSCR is not required if the Authority regularly purchases the particular supplies, material or equipment and bids are solicited from a list of potential suppliers for the item which has been established and maintained as set forth in Article VI hereof.
- E. In addition to the above advertisements, the Authority shall provide notice to professional and other organizations, if any, that regularly notify MWBEs and SDVOBs of the type of procurement opportunity that is the subject of the solicitation.

#### **Article VI - Contractor Outreach**

The Authority shall encourage firms to be interested in competing for Authority contracts. The Authority shall do so in the following manner:

- A. Suppliers Lists for Purchase Contracts: The Authority shall compile a list of potential sources of supplies, materials, equipment, and other goods which it regularly purchases. Such list must be compiled in accordance with the following procedures:
  - 1. Advertisements must be periodically placed in one or more publications which are likely to be read by manufacturers, suppliers and others who deal in the item including firms which may be minority or woman owned businesses, which set forth a general description of categories of items which are regularly procured by the Authority and invites firms to advise the Authority in writing of their interest in being placed on the suppliers list for specific items or categories of items.
  - 2. A periodic effort:
    - i) must be undertaken to identify potential bidders for the item who are not on the list including minority or woman owned businesses and service disabled veterans. Such effort shall include the use of the Authorities' websites, use of appropriate publications, including those, if any, that serve minority and women's business communities, and service disabled veterans other sources of information, and cooperation with federal, state and local agencies and other Authorities. Where appropriate, a print or electronic letter shall be sent to a new potential supplier which invites it to request that

it be added to the list and, if it does not wish to be added, requests that it indicate why.

ii) where appropriate, must be undertaken to identify firms which have not responded to bids or expressed an interest in remaining on a list. An effort should be made to contact such firms to determine why they have not bid, whether they are interested in remaining on the list and, if not, why not. A firm may be deleted from the list where it requests deletion, or where the circumstances indicate that it is unlikely that the firm is interested in remaining on the list.

3. The Authority will maintain lists of qualified MWBEs and SDVOBs, including professional firms that have expressed an interest in doing business with the Authority and ensure that such lists are updated regularly. The Authority will also consult the lists of MWBEs maintained by the New York State Department of Economic Development (“**DED**”) and the lists of SDVOBs maintained by the New York State Office of General Services (“**OGS**”), Division of Service-Disabled Veterans’ Business Development
  4. An advertisement must be placed quarterly in the State Register and in the NYSCR.
  5. In the event it is not practicable to maintain a suppliers list for a specific item, such item shall be included in a broader category or other appropriate classification which reasonably includes the item, and a suppliers list shall be maintained with respect to the category or classification.
- B. Capital Program Purchase and Public Work Contracts: The Authority shall place an advertisement in the NYSCR no less than four times per year which sets forth a general list of anticipated capital program Purchase Contracts and Public Work Contracts, and the address of the Authority's office which may be contacted in order to be afforded the opportunity to compete for such contracts and for other Authority contracts. Advertisements will also be placed in publications that serve minority and women’s business communities.

**Article VII – Minority/Women Owned and Disadvantaged Business Enterprises and Service-Disabled Veteran-Owned Businesses:**

The potential exists for disadvantaged/minority/women owned business enterprise and SDVOB involvement in General Contracts. The Authority shall use its best efforts to maximize the utilization, as applicable, of certified disadvantaged business enterprises (“**DBEs**”) under the Authority's federal program, and MWBEs and SDVOBs under the New York State programs set forth in Public Authorities Law §2879, Article 15-A and 17-B of the Executive Law and these General Contract Guidelines.

- A. The MTA Chief Diversity Officer ("**Chairman's Designee**") is responsible for overseeing the programs established by the MTA to promote and assist: i) the participation by MWBEs and SDVOBs in procurement opportunities and facilitation of the award of General Contracts to such enterprises; ii) the utilization of MWBEs and SDVOBs as subcontractors and suppliers to Authority prime contractors; and iii) the utilization of partnerships, joint ventures ("**JVs**") or other similar arrangements between MWBEs, SDVOBs and prime contractors. The Chief Diversity Officer reports directly to the Chairman in connection with the responsibilities set forth herein, and will participate in the procurement process either directly or through his or her designees.
- B. For contracts awarded pursuant to these General Contract Guidelines, the Authority shall establish appropriate goals for participation by MWBEs and SDVOBs and for the utilization by prime contractors of MWBEs and SDVOBs as subcontractors and suppliers. Statewide MWBE numerical participation target goals will be established by the Authority based on the findings of the New York State 2010 Disparity Study, or any subsequent New York State Disparity Study.
- C. The Authority will conduct non-federally funded procurements in a manner that enables the Authority to achieve the maximum feasible portion of the goals set pursuant to Article VII (B), including by taking the following actions:
- i) establishing measures and procedures to ensure that MWBEs and SDVOBs are given the opportunity for maximum feasible participation in the performance of Authority contracts and to assist in the identification of those contracts that are best suited for which MWBEs and SDVOBs may best bid to actively and affirmatively promote and assist their participation in the performance of Authority contracts so as to facilitate the Authority's achievement of the maximum feasible portion of the MWBE and SDVOB goals;
  - ii) designating the New York State Division of Minority and Women-owned Business Development ("**DMWBD**") to certify and decertify MWBEs, and OGS Division of Service-Disabled Veterans' Business Development to certify and decertify SDVOBs, for purposes of these General Contract Guidelines;
  - iii) setting forth in each contract solicitation the expected degree of MWBE and SDVOB participation based on potential subcontracting opportunities and the availability of MWBEs and SDVOBs to respond competitively to those opportunities;
  - iv) providing to prospective contractors in writing, or by identifying a link to a specific web site, a current list of MWBEs and SDVOBs;
  - v) with regard to JVs, allowing a bidder to count toward meeting its MWBE and SDVOB participation goals, the MWBE or SDVOB portion of the JV;
  - vi) waiving a contractor's obligation relating to MWBE or SDVOB participation after a showing of good faith efforts to comply with the participation goal; and

- vii) verifying that MWBEs and SDVOBs listed in a successful bid or proposal are actually participating to the extent listed in the project for which the bid or proposal was submitted.

The Authority will also consider, where practicable:

- a. the severability of construction projects and other bundled contracts;
- b. with respect to MWBEs, the implementation of a program that will enable the Authority to evaluate each contract to determine the appropriateness of the goal pursuant to the New York State 2010 Disparity Study, or any subsequent New York State Disparity Study; and
- c. compliance with the requirements of any federal law concerning opportunities for any DBEs, MWBEs and SDVOBs which effectuates the purposes of this Article VII.

- D. The Chairman's Designee is responsible for ensuring compliance with all applicable laws and regulations with regard to the utilization of DBEs on federally funded General Contracts.

### **Article VIII - Change Orders**

- A. A change order to a General Contract which exceeds the lesser of \$750,000 or \$250,000 in the event such change order exceeds 15% of the adjusted contract value, may be entered into by an Authorized Officer, upon the approval of the Board pursuant to a resolution adopted in accordance with Article IX hereof. The submission to the Board shall include an explanation of the need for the change order. All other change orders shall be approved by an Authorized Officer; provided that a change order over \$250,000 must be approved by the Authority president or his or her designee. For purposes of this Article, the "adjusted contract value" shall mean the original amount of the contract plus the aggregate amount of all prior change orders (whether or not approved by the Board). This provision applies to all contracts subject to these General Contract Guidelines, including budget adjustments to estimated quantity contracts previously approved by the Board which exceed the threshold.
- B. Notwithstanding the foregoing, an Authorized Officer may enter into a change order in any of the following situations as determined by an Authorized Officer:
  - 1. The existence of an emergency; or
  - 2. There is a risk of a substantial increase in cost or delay if prompt action is not taken.
  - 3. The change order is for a Design-Build contract where the Board has previously declared (as described in Article III(B)(6)) that it is in the public interest to award the contract through a competitive RFP process, and such change order does not change the total contract price to exceed the project budgeted cost, including contingency.

- C. The Chief Operating Officer shall establish policies with respect to the delegation of responsibilities set forth in this Article.

#### **Article IX - Form of Board Resolution**

- A. Except as otherwise required in Article III, the procedure for the adoption by the Board and the format of a resolution pursuant to these General Contract Guidelines shall be determined by the MTA Chairman and may be in the form of a staff summary or a formal resolution. Provided, however, that any Board resolution or staff summary sought pursuant to these General Contract Guidelines shall (i) identify the contractor by name ; (ii) briefly describe the substance of the General Contract; (iii) specify all the information required under the applicable provisions of these General Contract Guidelines; and (iv) specify the estimated or actual cost to the Authority or that the estimated or actual cost shall be within the budget approved by the Board for that purpose.
- B. To the extent practicable, the recommendation of award and the associated resolution or staff summary shall first be submitted to the standing committee of the Board responsible for the Authority.
- C. The MTA Chairman may modify the procedures in this Article for all Authorities.

#### **Article X - Miscellaneous**

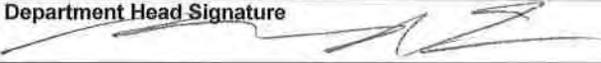
- A. Any provision of these General Contract Guidelines may be waived by the Chairman, an Authority President, or the Board, or such individuals as they may designate, except to the extent prohibited by law. A waiver may also be in the form of a ratification. If a contract is federally assisted, prior to issuing a waiver, consideration should be given to the steps which may be taken to assure that federal assistance is not jeopardized.
- B. No Board Committee action or Authority policy, other than one approved by the Chairman, shall be inconsistent with these General Contract Guidelines.
- C. An Authority may not divide or split any contract or series of contracts for the purpose of avoiding the requirements of these General Contract Guidelines provided that with regard to SBMP and SBFP contracts awarded under Article III(C) and discretionary contracts awarded under Article III(D), an Authority may divide requirements for the purpose of unbundling contracts to create SBMP, SBFP or discretionary contracting opportunities.
- D. If prior to the commencement of an Authority fiscal year, an Authorized Officer reasonably anticipates that, during the next fiscal year, the Authority will expend, in the aggregate, in excess of \$100,000 for a series of Purchase Contracts for the same or substantially similar good or for a series of Public Work Contracts for same

or substantially the same type of public work: i) such requirement shall be met pursuant to a requirements contract awarded pursuant to the applicable provisions of these General Contract Guidelines; ii) each such Purchase Contract shall be awarded pursuant to the provisions of Article II(C), III, IV or Article VI of these General Contract Guidelines or iii) each such contract shall be awarded pursuant to the provisions of Article II(C) or III or a procedure determined by an Authorized Officer to be comparable to Article IV or VI.

- E. Nothing in these General Contract Guidelines shall preclude the Authority from accepting bids or proposals utilizing an electronic bidding system that may inform bidders whether their bid is the current low bid, and allow bidders to submit new bids before the date and time assigned for the opening of bids. Such procedure shall not constitute disclosure in violation of Section 2878 of the Public Authorities Law.
- F. A General Contract awarded by an Authority pursuant to these General Contract Guidelines may provide that the General Contract includes the requirements of one or more other Authorities.
- G. The Authority shall prepare a publicly available report no less frequently than annually, summarizing procurement activity by the Authority for the period of the report in accordance with the reporting requirements of Section 2879(6) of the Public Authorities Law.
- H. These General Contract Guidelines are intended for the guidance of officers and employees of the Authority only. Nothing contained herein is intended or shall be construed to confer upon any person, firm or corporation any right, remedy, claim or benefit under, or by reason of, any requirement or provision hereof.
- I. Nothing in these General Contract Guidelines shall preclude the Authority from offering stipends to proposers on Design-Build contracts as part of an RFP process. The request for Board approval to use the RFP process for a specific Design-Build contract may include a request for approval of the use of stipends in connection with such RFP.
- J. Nothing contained in these General Contract Guidelines shall be deemed to alter, affect the validity of, modify the terms of or impair any contract or agreement made or entered into in violation of, or without compliance with, the provisions of these General Contract Guidelines.
- K. Where applicable federal, state or local laws, ordinances, codes, rules or regulations contain requirements which are in conflict with or which impose greater obligations upon the Authority than these General Contract Guidelines, then such requirements shall take precedence over those contained herein.



# Staff Summary

<b>Subject</b> <b>Public Authorities Law Required Policies</b>
<b>Department</b> <b>Corporate Compliance</b>
<b>Department Head Name</b> <b>Lamond W. Kearsse</b>
<b>Department Head Signature</b> 
<b>Project Manager Name</b> <b>Lamond W. Kearsse</b>

<b>Date</b> <b>March 21, 2018</b>
<b>Vendor Name</b> <b>N/A</b>
<b>Contract Number</b> <b>N/A</b>
<b>Contract Manager Name</b> <b>N/A</b>
<b>Table of Contents Ref #</b> <b>N/A</b>

Board Action					
Order	To	Date	Approval	Info	Other
1	Governance	03/19/18	X		
2	Board	03/21/18	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Corporate Compliance		
2	Legal 		
3	Chief of Staff 		

**Purpose:**

To obtain Board approval for revisions to certain existing policies of the MTA and its Agencies, in order to comply with Public Authorities Law Section 2824 (“PAL 2824”).

**Discussion:**

PAL 2824 requires the MTA Board to, among other things, establish policies regarding travel, the payment of salary, compensation and reimbursements, and rules for the time and attendance of the chief executive and management. The MTA and its Agencies have existing policies addressing the above subject areas.

Most of these policies are All-Agency Policy Directives; others are agency-specific. Because PAL 2824 requires formal Board adoption of these enumerated policies, an exhibit book has been prepared that includes the relevant policies for your review.

The policies in the exhibit book are new or revisions to existing policies which have been approved by their respective Agencies and are being presented to the Board for its review and approval.

**Recommendation:**

It is recommended that the Board approve the policies contained in the exhibit book.