



Metropolitan Transportation Authority

November 2018

MTA Board Action Items



MTA Board Meeting

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

Thursday, 11/15/2018

9:00 AM - 12:00 PM ET

1. PUBLIC COMMENT PERIOD

2. APPROVAL OF MINUTES

MTA Regular Board Minutes - October 24, 2018

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

NYCT/MaBSTOA/SIRTOA/MTA Bus Company Minutes - October 24, 2018 - Page 13

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

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

MTA LIRR Minutes - October 24, 2018 - Page 27

MTA Bridges & Tunnels Regular Board Minutes - October 24, 2018

MTA B&T Minutes - October 24, 2018 - Page 36

MTA Capital Construction Regular Board Minutes - October 24, 2018

MTACC Minutes - October 24, 2018 - Page 40

3. COMMITTEE ON FINANCE

Action Items

i. Law Firm Panel Addition

Approval of Law Firm Panel Addition - Page 43

ii. Revisions to MTA All Agency Investment Guidelines

Revisions to MTA All Agency Investment Guidelines - Page 45

MTAHQ Procurements Report

MTAHQ Procurement Report - Page 58

i. Non-Competitive

MTAHQ Non-Competitive Procurements - Page 61

ii. Competitive (no items)

iii. Ratifications (no items)

Real Estate Items

i. Real Estate Agenda and Staff Summaries

Real Estate Agenda and Staff Summaries - Page 67

4. COMMITTEE ON NYCT & BUS

NYCT Action Item

i. Fair Fares

Fair Fares - Page 84

NYCT Procurements

NYCT November Staff Summary and Resolution - Page 87

i. Non-Competitive

NYCT Non-Competitive Actions - Page 92

ii. Competitive

NYCT Competitive Actions - Page 94

iii. Ratifications

Procurement Ratifications - Page 96

5. COMMITTEE ON METRO-NORTH RAILROAD

Metro-North Procurements

MNR Procurements - Page 99

i. Non-Competitive (no items)

ii. Competitive

Competitive Procurements - Page 103

iii. Ratifications

Ratifications - Page 106

6. COMMITTEE ON LONG ISLAND RAIL ROAD

LIRR Procurements (no items)

LIRR MTACC Procurements

MTA CC Procurements - Page 108

i. Non-Competitive (no items)

ii. Competitive

MTA CC Competitive - Page 112

iii. Ratifications

MTA CC Ratifications - Page 114

7. COMMITTEE ON MTA BRIDGES & TUNNELS OPERATIONS

B&T Procurements

B&T Procurements - Page 119

i. Non-Competitive (no items)

ii. Competitive

B&T Competitive - Page 122

iii. Ratifications (no items)

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

**9. CFO PRESENTATION ON MTA 2019 FINAL PROPOSED BUDGET AND
NOVEMBER FINANCIAL PLAN 2019-2022 (Materials distributed separately)**

Date of next meeting: Wednesday, December 12, 2018

**Metropolitan Transportation Authority
Minutes of
Regular Board Meeting
2 Broadway
New York, NY 10004
Wednesday, October 24, 2018
9:00 a.m.**

The following members were present:

**Hon. Joseph J. Lhota, Chairman
Hon. Fernando Ferrer, Vice Chairman
Hon. Andrew Albert
Hon. Norman E. Brown
Hon. David Jones
Hon. Susan Metzger
Hon. Mitchell H. Pally
Hon. Scott Rechler
Hon. Andrew Saul
Hon. Lawrence Schwartz
Hon. Polly Trottenberg
Hon. Veronica Vanterpool
Hon. Peter Ward
Hon. Carl Weisbrod
Hon. Carl V. Wortendyke**

The following alternate non-voting members were also present:

**Hon. Randolph Glucksman
Hon. Vincent Tessitore, Jr.
Hon. John Samuelson**

The following members were absent:

**Hon. Charles G. Moerdler
Hon. Neal Zuckerman**

Patrick Foye, MTA President, Veronique Hakim, Managing Director, Helene Fromm, Chief of Staff, Janno Lieber, MTA Chief Development Officer, Robert Foran, Chief Financial Officer, Thomas J. Quigley, General Counsel, Andrew Byford, President, NYCT, Phillip Eng, President, Long Island Rail Road, Catherine Rinaldi, President, Metro-North Railroad, Cedrick Fulton, President, TBTA, Darryl Irick, President, MTA Bus Operations, and Timothy Ellis, Acting Chief Government and Community Relations also attended the meeting.

The Board of the Metropolitan Transportation Authority also met as the Boards of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority, the Staten Island Rapid Transit Operating Authority, the Metropolitan Suburban Bus Authority, the Triborough Bridge and Tunnel Authority, the Long Island Rail Road, the Metro-North

Commuter Railroad Company, the MTA Capital Construction Company, the MTA Bus Company, and the First Mutual Transportation Assurance Company.

Unless otherwise indicated, these minutes reflect items on the agenda of the Board of the Metropolitan Transportation Authority, the Metropolitan Suburban Bus Authority, and the First Mutual Transportation Assurance Company. Refer to the other agencies' minutes of this date for items on the agendas of the Boards of the other agencies.

1. CHAIRMAN LHOTA'S REMARKS.

Chairman Lhota welcomed everyone to MTA's October Board meeting.

Chairman Lhota acknowledged the resignation of James Vitiello, MTA Board Member representing Dutchess County. The Chairman, on behalf of the Board, thanked Mr. Vitiello for his dedicated service to the MTA.

Chairman Lhota stated that today he has distributed to Board Members a copy of the report issued two weeks ago by New York State Comptroller Thomas DiNapoli, entitled: "Financial Outlook for the Metropolitan Transportation Authority", which examines the MTA's financial situation. Chairman Lhota thanked Comptroller DiNapoli and Deputy Comptroller Kenneth Bleiwas, the primary author of the report, for an honest and straight-forward analysis of the facts. Chairman Lhota noted that he agrees with the headline of the press release that accompanied the Comptroller's report, which read "MTA Faces Its Greatest Challenge in Decades". The Chairman stated that the Comptroller's analysis concisely portrays the MTA's dual challenges with the operating budget and with future capital plans. The Chairman stated that Mr. Foran noted, and the Comptroller acknowledged, that the MTA has a significant revenue issue, which is mostly attributed to the level of the current economic activity that has resulted in lower than expected dedicated real estate-related taxes. Chairman Lhota stated that the MTA is also experiencing a decline in ridership, especially on the weekends and late evenings when portions of the system is purposely shut down significantly to perform much-needed backlogged repairs and maintenance. The Chairman noted that, unfortunately, these system closures will continue into the future and will probably be expanded as we move from stabilizing the system to modernizing it.

Chairman Lhota stated that the proposed 2019 budget that will be presented to the Board next month actually forecasts a continuation of the decline in ridership. However, the Chairman stated that one piece of good news is that the proposed 2019 budget will be balanced because it includes a fare and toll increase in the 2nd quarter and a continuation of the MTA's unprecedented cost-cutting re-engineering for the purpose of being more efficient and effective. Chairman Lhota stated that the bad news is that the projections for 2020, 2021 and 2022 show significant deficits, consistent with the Comptroller's report.

Chairman Lhota stated that the Board has a fiduciary statutory obligation and a legal requirement to adopt a balance budget. The Chairman stated that while the Board will be presented with the 2019 balanced budget proposal in November, the Board will need to immediately start dealing with the projected out-year deficits.

The Chairman stated that it has been his experience that solving any out-year budget gaps is an equation that involves increasing revenues and decreasing expenses. The best option for increasing revenue is securing new and additional revenue sources from MTA government partners. The other revenue option is to implement additional fare and toll increase, above and beyond those which have already been projected. With respect to expenses, Chairman Lhota stated that reductions and cost cutting have been on-going for nearly a decade at the MTA and its operating agencies, and will continue until the managers have identified new cost-saving measures. The Chairman stated that a hiring freeze has been implemented for all non-essential employees and the organization will continue to reengineer its businesses to streamline operations for both efficiency and effectiveness. Chairman Lhota stated that these types of dramatic cost-cutting measures often lead to more aggressive measures such as service reductions, which is never an acceptable option and always a last resort for the sake of millions of New Yorkers and the economy. Unless sustainable new sources of revenue are identified, Chairman Lhota stated that we will have no other options to balance the budget after 2019.

Chairman Lhota stated that last year, with the adoption of the state budget, the Governor and Legislature acknowledged MTA's financial challenges by creating a Metropolitan Transportation Sustainability Advisory Workgroup, charged with, among other things, focusing on the overall funding needs of the MTA, as well as identifying options for sources of additional funding for MTA, outside of congestion pricing. The workgroup includes representatives appointed by the State Assembly, the State Senate, the Governor, the NYC Mayor, City and State Departments of Transportation and the MTA, represented by Vice Chairman Ferrer.

Chairman Lhota stated that the Legislature recognized that MTA is facing its next fiscal crisis for both its operating and capital budgets. Chairman Lhota stated that before MTA can credibly appeal for billions of dollars of public funding, it must continue to advance its reform agenda. The Board was advised at Monday's committee meeting of the progress being made at New York City Transit with the Subway Action Plan and the Save Safe Seconds Programs, the impact of these improvements may not be felt by MTA customers yet but will soon be realized. Additionally, the Chairman stated that last year he created Board-directed Task Forces to focus on construction cost and procurement, chaired by Board Members Scott Rechler and Charles Moerdler, respectively. The Construction Task Force, working with Janno Lieber, MTA Chief Development Officer and his team, has reduced the number of approvals and time required for processing change orders, reduced time to pay vendors who have submitted required documentation and shortened and rationalized timelines. A multi-agency team is working to extend these approaches across all of the operating agencies. The Procurement Task Force group, working with President Patrick Foye and Steve Plochochi, NYCTA Senior Vice President Procurement and Supply Chain, have streamlined the procurement process and is on track to eliminate approximately 150 days from the procurement process for NYCT service contracts. This process is also slated to be extended across all MTA agencies.

Chairman Lhota stated that MTA will keep the Board, the public and its funding partners in government updated on the agency's progress moving forward. The Chairman stated that following today's Board meeting, the agency will embark on a process to solve the budget crisis and the Board's involvement will be a critically important part of its success. Board briefings will be held before the meeting in November, at which time Mr. Foran will present the 2019 operating budget proposal. Following the meeting in November there will be additional Board briefings, and in December the Board will be required to vote to adopt the 2019 operating budget. Chairman Lhota stated that the agency must start implementing strategies to enhance and expand MTA's revenues from its partners in government to deal with the projected out-year budget deficits. Additional sources for both the operating and capital budgets are needed, and funding to enhance the agencies' level of service delivery, as well as to begin the modernization of the network must be identified.

Chairman Lhota stated that over the past year, there has been spirited debates on the Board about the organization's priorities, and the Chairman noted that he encourages the debate because he believes that an open dialogue results in a better product. However, the Chairman stated that now is the time to band together to jointly and uniformly advocate for the MTA with our partners in government, including the Federal Government. Chairman Lhota stated the organization must secure multiple sources of additional, recurring revenue to address its out-year operating deficits and future capital plan funding needs because Congestion Pricing, even fully developed and completely implemented, will not be enough.

Chairman Lhota thanked State Comptroller DiNapoli again for his report and encouraged those who have not read the report to consider reading it. The Chairman stated that the report should not scare you, but instead, it should motivate you to act.

Further details of Chairman Lhota's remarks and Board Members' comments and discussion are contained in the video recording of the meeting, produced by the MTA and maintained in the MTA records.

2. PUBLIC SPEAKERS SESSION.

Mr. Ellis called speakers' attention to the countdown clock and asked that each speaker observe the two minute limit and, he stated that each speaker would be notified thirty seconds before their two-minutes expired.

The following forty-one (41) speakers commented during the public speakers' session. Refer to the video recording of the meeting produced by the MTA and maintained in MTA records, and to the other agencies' minutes of this date, for the content of speakers' statements and Board Members' comments and discussion.

Mr. X, private citizen
Mayor Richard Thomas, City of Mt. Vernon
Stefan Henry, BCID
Yesenia Torres, BCID
Milagros Franco, BCID
Miriam Fisher, private citizen

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Mary Parisen-Lavell, CURES
 Councilmember Ydanis Rodriguez
 Congressman Adriano Espaillat
 Carey King, Director, Uptown Grand Central
 Assemblman Robert Rodriguez
 Jason Pineiro, private citizen
 Haydee McCarthy, private citizen
 Victor Garcia, private citizen
 Lisa Daglian, Executive Director, PCAC
 Jose Carrero, TUC Management
 Debra Norman, Deputy Fire Commissioner, City of MT. Vernon
 Eileen Mildenberger, Executive Director, City of Mt. Vernon
 Minister Kirsten Foy, National Action Network, Northeast
 H.P. Schroer, private citizen /WWI Veteran Advocacy
 Bernard Cylich, Riverbay Corporation, Northeast Bronx
 Rachel Fauss, Reinvent Albany
 Monica Bartley, CIDNY
 Blake Eagel, CIDNY
 Benjamin Torado, CIDNY
 Shawn Chandler, Rochdale, N.Y.
 Albert Smith, Rochdale Village, N.Y.
 Ivan Mossop, Rochdale Village, N.Y.
 Suzhen Chi, CIDNY
 Shawn Harris, Police Commissioner, City of Mt. Vernon
 Tony Murphy, People's MTA
 Michael Howard, private citizen
 Kate Slevin, Regional Plan Association
 Collin Wright, Transit Center
 Joe Rapport, Executive Director, BCID
 Vijay Duggal, private citizen
 Liam Blank, Tri-State Transportation Campaign
 Clifton Diaz, President, Rochdale Village Civic Association
 Jessica Murray, Rise & Resist
 Jean Randolph Castro, Rochdale Village
 Mary Kessinger, People's MTA

3. **MINUTES.** Upon motion duly made and seconded, the Board approved the minutes of the Regular Board Meeting held on September 26, 2018.

4. **COMMITTEE ON FINANCE.**

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

1. New York State Department of Correctional Services, Corcraft Products Division – Furniture Products – No. 6000000000022115. Approved the award of a sole source non-competitive contract for the purchase and delivery, on an as-needed basis, of

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office furniture, seating, lockers and other products offered in the pricing guide published by the NYS Department of Correctional Services-Corcraft Products Division.

2. New York State Industries for the Disabled – Janitorial and Window Cleaning Services – Nos. 0600000000006413 (NYC Transit), 0400000000001062 (LIRR) and MNR66666 (MNRR). Approved the increase in value and the extension of services for an additional twelve months, ending October 31, 2019, for a multi-agency, miscellaneous service contract for janitorial and window cleaning services.
3. Various Contractors – Electrical Power Supply – No. 15372. Approved the award of competitively negotiated contracts, pre-qualifying energy services companies licensed by the Connecticut Department of Energy & Environmental Protection, and the Public Utilities Regulatory Authority, to provide as-needed load-following full-requirements electricity services to Metro-North Railroad’s Connecticut portion of the New Haven line within the New England Independent System Operator service territory.
4. Miller Advertising Agency Inc. – All-Agency Classified, Legal and Recruitment Advertising – No. 13102-0100. Approved the budget increase to a competitively solicited all-agency personal services contract awarded to Miller Advertising Agency, Inc., providing classified, legal and recruitment advertising services.
5. Pulsar Advertising Inc./Arcade Creative Group – Full Service Marketing Services – No. 12104-0100. Approved the contract extension and additional funding for the all-agency full service marketing contract.
6. SSDC Services Corporation – Medicare Coordination Services – No. 5543. Approved the term extension of a competitively negotiated personal service contract with SSDC Services Corporation for Medicare conversion services through September 30, 2019 and to add additional funding to the contract for NYCTA Human Resources.
7. Contract Ratification – Executive Order 168 (“E.O. 168”). In accordance with the emergency provisions in Article III(B)(1) of the All Agency General Contract Procurement Guidelines and Article III(C)(3) of the All Agency Service Contract Procurement Guidelines, the Board ratified actions for a NYCTA contract, awarded pursuant to E.O. 168 and its extensions.

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

Long Island Railroad

1. Lease agreement with an entity to be formed by Iqbal Mozawalla, Uzman Bandukra and Mohammad Afzal for a master lease of two retail buildings at Ronkonkoma Station, Brookhaven, NY.

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Metro-North Rail Road

2. License agreement with JIN CT, LLC for employee and guest vehicle parking located at 120 Viaduct Road, adjacent to the Springdale MOW facility in Stamford, CT.
3. Lease agreement with Central Watch Band Stand, Ltd, d/b/a Central Watch, for retail spaces Y-1, Y-2, Y-3, Y-4 and Y-5 at Grand Central Terminal, New York, N.Y.

New York City Transportation Authority

4. Renewal of lease with Forest City Pierrepont Associates for office space in 1 Pierrepont Plaza, Brooklyn, N.Y.
5. Lease agreement with Manhattan College for the operation of an athletic field, accessory facilities and parking lots located at 4000 Irwin Avenue (portion of Bronx County Block 5776, Lot 401), Bronx, N.Y.

Metropolitan Transportation Authority

6. Amendment to lease agreement with General Nutrition Corporation for ground floor retail space at 2 Broadway, New York, N.Y.

5. EXECUTIVE SESSION.

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

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

6. PUBLIC SESSION RESUMED.

Chairman Lhota announced that during Executive Session the Board approved the following:

- (i) Collective bargaining agreement between MTA Metro-North Railroad and the Transport Workers Union of America, Locals 2001 and 2055; and
- (ii) Resolutions amending the MTA 20-Year Police Retirement Program of the MTA DB Pension Plan, the Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA) Pension Plan, and the MTA DB Pension Plan relating to certain MTA Bus employees represented by TWU Local 100.

Chairman Lhota announced that the next regularly scheduled Board meeting will be held on Thursday, November 15, 2018 at 9:00 a.m.

7. **ADJOURNMENT.** Upon motion duly made and seconded, the Board voted to adjourn the meeting at 11:10 a.m.

Respectfully submitted,

Victoria Clement
Assistant Secretary

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

**2 Broadway
New York, NY 10004
Wednesday, October 24, 2018
9:00 a.m.**

The following members were present:

**Hon. Joseph J. Lhota, Chairman
Hon. Fernando Ferrer, Vice Chairman
Hon. Andrew Albert
Hon. Norman E. Brown
Hon. David Jones
Hon. Susan Metzger
Hon. Mitchell H. Pally
Hon. Scott Rechler
Hon. Andrew Saul
Hon. Lawrence Schwartz
Hon. Polly Trottenberg
Hon. Veronica Vanterpool
Hon. Peter Ward
Hon. Carl Weisbrod
Hon. Carl V. Wortendyke**

The following alternate non-voting members were also present:

**Hon. Randolph Glucksman
Hon. Vincent Tessitore, Jr.
Hon. John Samuelson**

The following members were absent:

**Hon. Charles G. Moerdler
Hon. Neal Zuckerman**

Patrick Foye, MTA President, Veronique Hakim, Managing Director, Helene Fromm, Chief of Staff, Janno Lieber, MTA Chief Development Officer, Robert Foran, Chief Financial Officer, Thomas J. Quigley, General Counsel, Andrew Byford, President, NYCT, Phillip Eng, President, Long Island Rail Road, Catherine Rinaldi, President, Metro-North Railroad, Cedrick Fulton, President, TBTA, Darryl Irick, President, MTA Bus Operations, and Timothy Ellis, Acting Chief Government and Community Relations also attended the meeting.

1. CHAIRMAN LHOTA CALLED THE MEETING TO ORDER

2. CHAIRMAN LHOTA'S REMARKS

Chairman Lhota welcomed everyone to the October Board meeting.

Chairman Lhota acknowledged the resignation of Board Member James Vitiello, representing Dutchess County. The Chairman, on behalf of the Board, thanked Mr. Vitiello for his dedicated service to the MTA.

Chairman Lhota stated that today he has distributed to Board Members a copy of the report issued two weeks ago by New York State Comptroller Thomas DiNapoli, entitled: "Financial Outlook for the Metropolitan Transportation Authority", which examines the MTA's financial situation. Chairman Lhota thanked Comptroller DiNapoli and Deputy Comptroller Kenneth Bleiwas, the primary author of the report, for an honest and straight-forward analysis of the facts. Chairman Lhota noted that he agrees with the headline of the press release that accompanied the Comptroller's report, which read "MTA Faces Its Greatest Challenge in Decades". The Chairman stated that the Comptroller's analysis concisely portrays the MTA's dual challenges with the operating budget and with future capital plans. As stated by MTA Chief Financial Officer Robert Foran in his presentation at the July Board meeting, MTA has a challenging operating budget future with significant future projected deficits. The Chairman stated that Mr. Foran noted, and the Comptroller acknowledged, that the MTA has a significant revenue issue, which is mostly attributed to the level of the current economic activity that has resulted in lower than expected dedicated real estate-related taxes. Chairman Lhota stated that the MTA is also experiencing a decline in ridership, especially on the weekends and late evenings when portions of the system are purposely shut down significantly to perform much-needed backlogged repairs and maintenance. The Chairman noted that, unfortunately, these system closures will continue into the future and will probably be expanded as we move from stabilizing the system to modernizing it.

Chairman Lhota stated that the proposed 2019 budget that will be presented to the Board next month actually forecasts a continuation of the decline in ridership. However, the Chairman stated that one piece of good news is that the proposed 2019 budget will be balanced because it includes a fare and toll increase in the 2nd quarter and a continuation of the MTA's unprecedented cost-cutting re-engineering for the purpose of being more efficient and effective. Chairman Lhota stated that the bad news is that the projections for 2020, 2021 and 2022 show significant deficits, consistent with the Comptroller's report.

Chairman Lhota stated that the Board has a fiduciary statutory obligation and a legal requirement to adopt a balance budget. The Chairman stated that while the Board will be presented with the 2019 balanced budget proposal in November, the Board will need to immediately start dealing with the projected out-year deficits.

The Chairman stated that it has been his experience that solving any out-year budget gaps is an equation that involves increasing revenues and decreasing expenses. The best option for increasing revenue is securing new and additional revenue sources from MTA government partners. The other revenue option is to implement additional fare and toll increase, above and beyond those which have already been projected. With respect to expenses, Chairman Lhota

stated that reductions and cost cutting have been on-going for nearly a decade at the MTA and its operating agencies, and will continue until the managers have identified new cost-saving measures. The Chairman stated that a hiring freeze has been implemented for all non-essential employees and the organization will continue to reengineer its businesses to streamline operations for both efficiency and effectiveness. Chairman Lhota stated that these types of dramatic cost-cutting measures often lead to more aggressive measures such as service reductions, which is never an acceptable option and always a last resort for the sake of millions of New Yorkers and the economy. Unless sustainable new sources of revenue are identified, Chairman Lhota stated that we will have no other options to balance the budget after 2019.

Chairman Lhota stated that last year, with the adoption of the state budget, the Governor and Legislature acknowledged MTA's financial challenges by creating a Metropolitan Transportation Sustainability Advisory Workgroup, charged with, among other things, focusing on the overall funding needs of the MTA, as well as identifying options for sources of additional funding for MTA, outside of congestion pricing. The workgroup includes representatives appointed by the State Assembly, the State Senate, the Governor, the NYC Mayor, City and State Departments of Transportation and the MTA, represented by Vice Chairman Ferrer.

Chairman Lhota stated that the Legislature recognized that MTA is facing its next fiscal crisis for both its operating and capital budgets. Chairman Lhota stated that before MTA can credibly appeal for billions of dollars of public funding, it must continue to advance its reform agenda. The Board was advised at Monday's committee meetings of the progress being made at New York City Transit with the Subway Action Plan and the Save Safe Seconds Programs. Chairman Lhota noted that while the impact of these improvements may not be felt by MTA customers yet, it will soon be realized. Additionally, the Chairman stated that last year he created Board-directed Task Forces to focus on construction cost and procurement, chaired by Board Members Scott Rechler and Charles Moerdler, respectively. The construction task force working with Janno Lieber, MTA Chief Development Officer, and his team has reduced the number of approvals and time required for processing change orders, reduced time to pay vendors who have submitted required documentation and shortened and rationalized timelines. A multi-agency team is working to extend these approaches across all of the operating agencies. The procurement task group working with President Patrick Foye and Steve Plochochi, NYCTA Senior Vice President Procurement and Supply Chain, have streamlined the procurement process and is on track to eliminate approximately 150 days from the procurement process for NYCT service contracts. This process is also slated to be extended across all MTA agencies.

Chairman Lhota stated that MTA will keep the Board, the public and its funding partners in government updated on the agency's progress moving forward. The Chairman stated that following today's Board meeting, the agency will embark on a process to solve the budget crisis and the Board's involvement will be a critically important part of its success. Board briefings will be held before the meeting in November, at which time Mr. Foran will present the 2019 operating budget proposal. Following the meeting in November there will be additional Board briefings, and in December the Board will be required to vote to adopt the 2019 operating budget. Chairman Lhota stated that the agency must start implementing strategies to enhance and expand MTA's revenues from its partners in government to deal with the projected out-year budget deficits. Additional sources for both the operating and capital budgets are needed, and funding to enhance the agencies' level of service delivery, as well as to begin the modernization of the network must be identified.

Chairman Lhota stated that over the past year, there has been a spirited debate on the Board about the organization's priorities, and the Chairman noted that he encourages the debate because he believes that an open dialogue results in a better product. However, the Chairman stated that now is the time to band together to jointly and uniformly advocate for the MTA with our partners in government, including the Federal Government. Chairman Lhota stated the organization must secure multiple sources of additional, recurring revenue to address its out-year operating deficits and future capital plan funding needs because Congestion Pricing, even fully developed and completely implemented, will not be enough.

Chairman Lhota thanked State Comptroller DiNapoli again for his report and encouraged those who have not read the report to consider reading it. The Chairman stated that the report should not scare you, but instead, it should motivate you to act.

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

3. PUBLIC COMMENT PERIOD

There were forty-one (41) public speakers. The following speakers spoke on MTA NYC Transit/Staten Island Rapid Transit Operating Authority /MTA Bus Company matters during the public speakers session:

Mr. X, private citizen
Stefan Henry, BCID
Yesenia Torres, BCID
Milagros Franco, BCID
Miriam Fisher, private citizen
Councilmember Ydanis Rodriguez
Congressman Adriano Espaillat
Carey King, Director, Uptown Grand Central
Assemblyman Robert Rodriguez
Jason Pineiro, private citizen
Lisa Daglian, Executive Director, PCAC
Jose Carrero, TUC Management
Minister Kirsten Foy, National Action Network, Northeast
H.P. Schroer, private citizen /WWI Veteran Advocacy
Bernard Cylich, Riverbay Corporation, Northeast Bronx
Rachel Fauss, Reinvent Albany
Monica Bartley, CIDNY
Blake Eagel, CIDNY
Benjamin Torado, CIDNY
Shawn Chandler, Rochdale, N.Y.
Albert Smith, Rochdale Village, N.Y.
Ivan Mossop, Rochdale Village, N.Y.
Susan Chi, CIDNY
Tony Murphy, People's MTA
Michael Howard, private citizen

Kate Slevin, Regional Plan Association
Collin Wright, Transit Center
Joe Rapport, Executive Director, BCID
Vijay Duggal, private citizen
Liam Blank, Tri-State Transportation Campaign
Cliffon Diaz, President, Rochdale Village Civic Association
Jessica Muray, Rise & Resist
Jean Randolph Castro, Rochdale Village
Mary Kessinger, People's MTA

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

4. MINUTES

Upon motion duly made and seconded, the Board unanimously approved the minutes of the meeting held on September 26, 2018, of the Board of MTA NYC Transit /Staten Island Rapid Transit Operating Authority /MTA Bus Company.

5. COMMITTEE ON FINANCE

Real Estate Action Items: Upon motion duly made and seconded, the Board approved: (i) the renewal of a lease with Forest City Pierrepont Associates for office space in 1 Pierrepont Plaza, Brooklyn, N.Y and (ii) a lease agreement with Manhattan College for the operation of an athletic field, accessory facilities and parking lots located at 4000 Irwin Avenue (portion of Bronx County Block 5776, Lot 401), Bronx, N.Y.

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

Action Item:

Expedited Change Order Procedure: Upon motion duly made and seconded, the Board authorized the use of the expedited change order procedure developed pursuant to the All-Agency General Contract Procurement Guidelines ("Guidelines") for the R211 Train Procurement with Kawasaki Rail Car, Inc., including base and option cars.

Procurements:

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

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

Competitive Procurements: Upon motion duly made and seconded, the Board approved the competitive procurements requiring a two-thirds vote (Schedule B in the Agenda) and a majority vote (Schedule F in the Agenda).

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

7. EXECUTIVE SESSION

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

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

8. PUBLIC SESSION RESUMED

Chairman Lhota announced that during Executive Session the Board approved Resolutions amending the MTA 20-Year Police Retirement Program of the MTA DB Pension Plan, the Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA) Pension Plan, and the MTA DB Pension Plan relating to certain MTA Bus employees represented by TWU Local 100.

9. ADJOURNMENT

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 11:10 a.m.

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

Minutes of the Regular Meeting
Metro-North Commuter Railroad Company
2 Broadway – 20th Floor
New York, NY 10004
Wednesday, October 24, 2018
9:00 a.m.

The following members were present:

Hon. Joseph J. Lhota, Chairman
Hon. Fernando Ferrer, Vice Chairman
Hon. Andrew Albert
Hon. Norman E. Brown
Hon. David Jones
Hon. Susan Metzger
Hon. Mitchell H. Pally
Hon. Scott Rechler
Hon. Andrew Saul
Hon. Lawrence Schwartz
Hon. Polly Trottenberg
Hon. Veronica Vanterpool
Hon. Peter Ward
Hon. Carl Weisbrod
Hon. Carl V. Wortendyke

The following alternate non-voting members were also present:

Hon. Randolph Glucksman
Hon. Vincent Tessitore, Jr.
Hon. John Samuelson

The following members were absent:

Hon. Charles G. Moerdler
Hon. Neal Zuckerman

Patrick Foye, MTA President, Veronique Hakim, Managing Director, Helene Fromm, Chief of Staff, Janno Lieber, MTA Chief Development Officer, Robert Foran, Chief Financial Officer, Thomas J. Quigley, General Counsel, Andrew Byford, President, NYCT, Phillip Eng, President, Long Island Rail Road, Catherine Rinaldi, President, Metro-North Railroad, Cedrick Fulton, President, TBTA, Darryl Irick, President, MTA Bus Operations, and Timothy Ellis, Acting Chief Government and Community Relations also attended the meeting.

Chairman Lhota called the meeting to order.

1. Chairman's Opening Remarks:

Chairman Lhota welcomed everyone to MTA's October Board meeting.

Chairman Lhota acknowledged the resignation of James Vitiello, MTA Board Member representing Dutchess County. The Chairman, on behalf of the Board, thanked Mr. Vitiello for his dedicated service to the MTA.

Chairman Lhota stated that today he has distributed to Board Members a copy of the report issued two weeks ago by New York State Comptroller Thomas DiNapoli, entitled: "Financial Outlook for the Metropolitan Transportation Authority", which examines the MTA's financial situation. Chairman Lhota thanked Comptroller DiNapoli and Deputy Comptroller Kenneth Bleiwas, the primary author of the report, for an honest and straight-forward analysis of the facts. Chairman Lhota noted that he agrees with the headline of the press release that accompanied the Comptroller's report, which read "MTA Faces Its Greatest Challenge in Decades". The Chairman stated that the Comptroller's analysis concisely portrays the MTA's dual challenges with the operating budget and with future capital plans. The Chairman stated that Mr. Foran noted, and the Comptroller acknowledged, that the MTA has a significant revenue issue, which is mostly attributed to the level of the current economic activity that has resulted in lower than expected dedicated real estate-related taxes. Chairman Lhota stated that the MTA is also experiencing a decline in ridership, especially on the weekends and late evenings when portions of the system is purposely shut down significantly to perform much-needed backlogged repairs and maintenance. The Chairman noted that, unfortunately, these system closures will continue into the future and will probably be expanded as we move from stabilizing the system to modernizing it.

Chairman Lhota stated that the proposed 2019 budget that will be presented to the Board next month actually forecasts a continuation of the decline in ridership. However, the Chairman stated that one piece of good news is that the proposed 2019 budget will be balanced because it includes a fare and toll increase in the 2nd quarter and a continuation of the MTA's unprecedented cost-cutting re-engineering for the purpose of being more efficient and effective. Chairman Lhota stated that the bad news is that the projections for 2020, 2021 and 2022 show significant deficits, consistent with the Comptroller's report.

Chairman Lhota stated that the Board has a fiduciary statutory obligation and a legal requirement to adopt a balanced budget. The Chairman stated that while the Board will be presented with the 2019 balanced budget proposal in November, the Board will need to immediately start dealing with the projected out-year deficits.

The Chairman stated that it has been his experience that solving any out-year budget gaps is an equation that involves increasing revenues and decreasing expenses. The best option for increasing revenue is securing new and additional revenue sources from MTA government partners. The other revenue option is to implement additional fare and toll increase, above and beyond those which have already been projected. With respect to expenses, Chairman Lhota stated that reductions and cost cutting have been on-going for nearly a decade at the MTA and its operating agencies, and will continue until the managers have identified new cost-saving measures. The Chairman stated that a hiring freeze has been implemented for all non-essential employees and the organization will continue to reengineer its businesses to streamline operations for both efficiency and effectiveness. Chairman Lhota stated that these types of dramatic cost-cutting measures often lead to more aggressive measures such as service reductions, which is never an acceptable option and always a last resort for the sake of millions of New Yorkers and the economy. Unless sustainable new sources of revenue are identified, Chairman Lhota stated that we will have no other options to balance the budget after 2019.

Chairman Lhota stated that last year, with the adoption of the state budget, the Governor and Legislature acknowledged MTA's financial challenges by creating a Metropolitan Transportation Sustainability Advisory Workgroup, charged with, among other things, focusing on the overall funding needs of the MTA, as well as identifying options for sources of additional funding for MTA, outside of congestion pricing. The workgroup includes representatives appointed by the State Assembly, the State Senate, the Governor, the NYC Mayor, City and State Departments of Transportation and the MTA, represented by Vice Chairman Ferrer.

Chairman Lhota stated that the Legislature recognized that MTA is facing its next fiscal crisis for both its operating and capital budgets. Chairman Lhota stated that before MTA can credibly appeal for billions of dollars of public funding, it must continue to advance its reform agenda. The Board was advised at Monday's committee meeting of the progress being made at New York City Transit with the Subway Action Plan and the Save Safe Seconds Programs, the impact of these improvements may not be felt by MTA customers yet but will soon be realized. Additionally, the Chairman stated that last year he created Board-directed Task Forces to focus on construction cost and procurement, chaired by Board Members Scott Rechler and Charles Moerdler, respectively. The Construction Task Force, working with Janno Lieber, MTA Chief Development Officer and his team, has reduced the number of approvals and time required for processing change orders, reduced time to pay vendors who have submitted required documentation and shortened and rationalized timelines. A multi-agency team is working to extend these approaches across all of the operating agencies. The Procurement Task Force group, working with President Patrick Foye and Steve Plochochi, NYCTA Senior Vice President Procurement and Supply Chain, have streamlined the procurement process and is on track to eliminate approximately 150 days from the procurement process for NYCT service contracts. This process is also slated to be extended across all MTA agencies.

Chairman Lhota stated that MTA will keep the Board, the public and its funding partners in government updated on the agency's progress moving forward. The Chairman stated that following today's Board meeting, the agency will embark on a process to solve the budget crisis and the Board's involvement will be a critically important part of its success. Board briefings will be held before the meeting in November, at which time Mr. Foran will present the 2019 operating budget proposal. Following the meeting in November there will be additional Board briefings, and in December the Board will be required to vote to adopt the 2019 operating budget. Chairman Lhota stated that the agency must start implementing strategies to enhance and expand MTA's revenues from its partners in government to deal with the projected out-year budget deficits. Additional sources for both the operating and capital budgets are needed, and funding to enhance the agencies' level of service delivery, as well as to begin the modernization of the network must be identified.

Chairman Lhota stated that over the past year, there have been spirited debates on the Board about the organization's priorities, and the Chairman noted that he encourages the debate because he believes that an open dialogue results in a better product. However, the Chairman stated that now is the time to band together to jointly and uniformly advocate for the MTA with our partners in government, including the Federal Government. Chairman Lhota stated the organization must secure multiple sources of additional, recurring revenue to address its out-year operating deficits and future capital plan funding needs because Congestion Pricing, even fully developed and completely implemented, will not be enough.

Chairman Lhota thanked State Comptroller DiNapoli again for his report and encouraged those who have not read the report to consider reading it. The Chairman stated that the report should not scare you, but instead, it should motivate you to act.

Further details of Chairman Lhota's remarks and Board Members' comments and discussion are contained in the video recording of the meeting, produced by the MTA and maintained in the MTA records.

2. Public Speakers:

There were 41 registered public speakers. The following speaker spoke on matters referencing Metro-North:

Mayor Richard Thomas, City of Mount Vernon spoke on several topics with respect to Metro-North, including the City's desire to cover the railroad tracks; the effort to clean-up the trash along the tracks; the desire to expedite work on the bridges spanning the Metro-North tracks to alleviate congestion; and the desire to work with MTA on a value capture study and to obtain air rights over the tracks. He also noted that the City is petitioning to build a ferry from Memorial Field in Mt. Vernon to City Island and LaGuardia Airport. Mayor Thomas provided the Board with recommendations and looks forward to future discussions with the MTA.

Haydee McCarthy, a resident of Tarrytown, commented on the MTA's decision to relocate the Monopole Cellular Tower that was built on MTA property near Franklin Courts. She hopes that the new location for this tower is away from peoples' homes, schools, and children's playgrounds. Tarrytown residents ask that the MTA permit them to be part of the process of finding a suitable location for the Tower.

Victor Garcia, a resident of Tarrytown who lives at Franklin Courts stated that he was happy to learn of the relocation of the Monopole Cellular Tower. He stated that the residents of Tarrytown and Sleepy Hollow would like to have a town hall meeting with the MTA to find a suitable location for the tower.

Lisa Daglian, Executive Director of the PCAC commented on the procurement process. She stated that she looks forward to the implementation of the working group's plans into the operating agencies strategic plans, including Metro-North's Way Ahead plan. Ms. Daglian would like the MTA to create a public dashboard that will show the success of the agencies' strategic plans.

Debra Norman, Deputy Fire Commissioner, City of Mt. Vernon asked the Board to consider the impact of bridge closures in Mt. Vernon. She stated that in 2018, the Sixth Avenue Bridge, located near a hospital was closed, and that other bridges in the City are impacted, and this and previous the bridge closures and the resulting traffic hinder the operations of ambulance and Fire Department emergency service units. Ms. Norman asked that the projects be accelerated for the safety and movement of traffic.

Eileen Mildenberger, Executive Director of the Mt. Vernon Industrial Development Agency discussed the effect of the bridge closures on the City's economy. She stated that the lack of accessible bridges creates a regional economic development impact. Ms. Mildenberger stated that larger Mt. Vernon employers, including American Christmas which decorates Rockefeller Center, Tiffany's and Saks Fifth Avenue are negatively impacted. She stated that developers have approached the Industrial Development Agency asking about air rights over the Metro-North tracks. She believes the time is ripe for a conversation regarding how the City can cover the tracks to gain more economic development through air rights.

Bernard Cylich, Vice President, Riverbay Corporation, commented on the planned opening of four new stations in the Bronx, one of which was to be located in Co-Op City. He stated that Co-Op City residents who work in Manhattan and lower Manhattan have to commute two to three hours to arrive at work. Mr. Cylich stated that an MTA stop at Co-Op City would reduce the commute to 20 minutes and would reduce the strain on buses and subways. He expressed his opinion that a millionaire tax be reintroduced, which he believes would be a major source of income for the MTA.

Shawn Harris, Police Commissioner, Mt. Vernon Police Department also discussed the impact resulting from the closure of the bridges located in the City. He stated that the bridge closures are affecting residents' quality of life and emergency service operations.

Board member Saul asked that a report be given to the Metro-North Committee regarding the time table and costs associated with the repair of the bridges. President Rinaldi stated that she can provide the Committee with information regarding the replacement of the bridges. She stated that Metro-North is in the process of replacing the 14th Avenue Bridge. President Rinaldi reported that the steel on the bridge has been demolished, foundation work will be done, and new steel and a concrete road deck will be installed. It is anticipated that the 14th Avenue Bridge will be completed in the second quarter of 2019. President Rinaldi reported that bids are out for the replacement of the Sixth and Tenth Avenue Bridges with the work to proceed concurrently. The bid openings are to be held on October 25, 2018. President Rinaldi reported that Metro-North has a cost sharing agreement with the City of Mt. Vernon for repair of the Third Avenue Bridge and she believes the City is in the process of identifying the funding for their share of the cost. A number of other bridges in the City are in the upcoming Capital Program. Board member Saul asked if the bridges could be opened temporarily until the spans could be replaced. He noted that the bridge replacements are a long-term project and asked if something could be done to facilitate a temporary replacement of the bridges until there is a long-term solution.

Chair Metzger noted that innovative techniques have been used on Long Island Rail Road and Capital Construction projects. She asked President Rinaldi to speak with Mr. Lieber and President Eng to see if any of the expedited processes and techniques could be applied to the Mt. Vernon situation to shorten the time the bridges are out of service. President Rinaldi will share the designs for the bridges that are out for bid to see if there are any opportunities to expedite the replacement of the bridges.

The details of the comments made by the remaining public speakers are contained in the video recording of the meeting produced by the MTA and maintained in MTA records, and to the other agencies' minutes of this date.

3. Approval of Minutes:

Upon motion duly made and seconded, the minutes of the Regular Board Meeting held on September 26, 2018 were unanimously approved.

4. Committee on Finance:

MTAHQ Procurements:

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

- Approval to pre-qualify energy services companies licensed by the Connecticut Department of Energy & Environmental Protection, and the Public Utilities Regulatory Authority, to provide as-needed load-following full requirements electricity services to MTA Metro-North Railroad's Connecticut portion of the New Haven Line within the New England Independent System Operator service territory. The MTA plans to solicit price proposals/Bids from the suppliers at any time during the length of the Pre-Qualification Term to provide Electricity Supply Services for accounts or a select subset of accounts. The selected bid, if and when awarded, will be awarded to the lowest priced bid.
- Approval for a budget increase in the not-to-exceed amount of \$125,000 to a competitively solicited All-Agency Personal Services contract that was awarded to Miller Advertising Agency, Inc. The contract provides for Classified, Legal, and Recruitment Advertising Services and was originally awarded to Miller Advertising for four years through a competitive RFP process.
- Approval to extend and add funding for the All-Agency full service marketing contract with Pulsar/Arcade Creative Group, contract #12104-0100, for two months ending December 31, 2018, valued at an amount not-to-exceed \$6,000,000. The additional funding and time is needed to complete the RFP process to replace the expiring contract.

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

Real Estate:

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

- License agreement with JIN CT, LLC for vehicle parking adjacent to the Springdale MOW facility in Stamford, CT.
- Lease agreement with Central Watch Band Stand, Ltd. at Grand Central Terminal.

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

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

Metro-North Procurements:

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

- Board approval to award a non-competitive miscellaneous service contract to National Railroad Passenger Corporation (Amtrak) for the lease of two P42 Locomotives in the not-to-exceed amount of \$722,700 for a period of six months with an option for extending the lease period up to and including September 30, 2019.

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

Long Island Rail Road Procurements:

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

- Approval on behalf of the Long Island Rail Road Company and Metro-North Commuter Railroad Company (collectively, the "Railroads"), to award a contract to Ronald E. Dowdy in an amount of \$7,250,000 to purchase a license for additional Radio Spectrum which will minimize potential interference issues and address contingency and future growth needs in furtherance of the Railroads' implementation of the federally mandated Positive Train Control (PTC) Project.

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

6. Executive Session.

Upon motion duly made and seconded, the Board voted to convene an executive session in accordance with Section 105(1)(e) of the New York State Public Officer's Law to discuss matters relating to collective bargaining.

Thereafter, upon motion duly made and seconded, the Board unanimously approved the following: Implementation of a collective bargaining agreement between MTA Metro-North Railroad and the Transport Workers Union of America (TWU) Locals 2001 and 2055, representing Carmen, Carmen Helpers, Cabinet Makers and Coach Cleaners covering the period from March 16, 2017 through August 31, 2019.

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

7. Adjournment:

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 11:10 a.m.

Respectfully submitted,



Linda Montanino
Assistant Secretary

Oct 2018 Board Minutes-FINAL
Legal/Corporate

**Minutes of the Regular Board Meeting
Long Island Rail Road Company
2 Broadway
New York, NY 10004
Wednesday, October 24, 2018
9:00 a.m.**

The following members were present:

Hon. Joseph J. Lhota, Chairman
Hon. Fernando Ferrer, Vice Chairman
Hon. Andrew Albert
Hon. Norman E. Brown
Hon. David Jones
Hon. Susan Metzger
Hon. Mitchell H. Pally
Hon. Scott Rechler
Hon. Andrew Saul
Hon. Lawrence Schwartz
Hon. Polly Trottenberg
Hon. Veronica Vanterpool
Hon. Peter Ward
Hon. Carl Weisbrod
Hon. Carl V. Wortendyke

The following alternate non-voting members were also present:

Hon. Randolph Glucksman
Hon. Vincent Tessitore, Jr.
Hon. John Samuelson

The following members were absent:

Hon. Charles G. Moerdler
Hon. Neal Zuckerman

Patrick Foye, MTA President, Veronique Hakim, Managing Director, Helene Fromm, Chief of Staff, Janno Lieber, MTA Chief Development Officer, Robert Foran, Chief Financial Officer, Thomas J. Quigley, General Counsel, Andrew Byford, President, NYCT, Phillip Eng, President, Long Island Rail Road, Catherine Rinaldi, President, Metro-North Railroad, Cedrick Fulton, President, TBTA, Darryl Irick, President, MTA Bus Operations, and Timothy Ellis, Acting Chief Government and Community Relations, also attended the meeting.

Chairman Joseph J. Lhota called the meeting to order.

1. Chairman's Remarks

Chairman Lhota noted that James Vitiello, a member of the Board representing Dutchess County, stepped down from the Board last week. He thanked Mr. Vitiello for his service and noted his appreciation for Mr. Vitiello always being an honest and independent voice on the Board.

Chairman Lhota stated that he put in front of the Board members a report issued two weeks ago by Thomas DiNapoli, the New York State Comptroller, entitled "Financial Outlook for the MTA." The report examines MTA's financial situation.

Chairman Lhota thanked Comptroller DiNapoli and the report's principal author, Ken Blythwaite, for an honest and straightforward assessments of the facts. The data in the report comes largely from the MTA.

Chairman Lhota noted that a press release which accompanied the report says that MTA is facing its greatest fiscal challenge in decades. The Chairman stated that he couldn't agree more. If it were up to him, he would have said "MTA's operating budget is abysmal and its source of funding for future capital plans is TBD." As MTA Chief Financial Officer Robert Foran said in July, MTA has a challenging operating budget, and a future with significant projected deficits. Bob Foran and the State Comptroller both acknowledge that we have a significant revenue issue, attributable to a lower level of economic activity leading to a shortfall in expected dedicated real estate taxes. We are also seeing a decline in ridership, especially on weekends and late evenings when we are shutting down substantial parts of the system to address a backlog of repairs and maintenance. These closures will likely continue as we move from stabilizing the system to modernizing it.

The Chairman stated that the 2019 budget the Board will be seeing next month projects a continuing decline in ridership. One piece of good news is that next month, Bob Foran will present a proposed 2019 budget which will be balanced, because it includes a fare and toll increase in the second quarter of 2019, and a continuation of MTA's cost-cutting efforts. The bad news is that in 2020, 2021 and 2022, it shows substantial deficits, consistent with the State Comptroller's report, which is based on the July data.

The Chairman stated that as Board members we have a statutory obligation to adopt a balanced budget. You will be presented in November with a balanced budget but we need to start now to address the out-year deficits. Simply put, we need to increase revenues and decrease expenses. The best option for increasing revenues is to secure new sources of funding from our partners in government. Another option is to adopt additional fare and toll increases above those already projected. The Chairman stated this is not a path he wants to follow.

With respect to expenses, the Chairman noted that MTA has been cutting costs for nearly a decade and we will not stop asking management to leave no stone unturned. We have a hiring freeze in place except for essential personnel. We have cut costs dramatically, but we cannot continue to cut to the point where you have already cut fat and are now cutting muscle and bone.

This leads to diminishing returns and to service cuts which is not an acceptable option. This is what happened in 2009, when MTA adopted significant service cuts, plus an extraordinary 30% fare and toll increase. The Chairman stated he did not want to follow that path.

The Chairman stated that last year, the Governor and the Legislature recognized these problems and established the Metropolitan Transportation Sustainability Advisory Workgroup, focusing on the overall budgetary needs of the MTA, and options for additional sources of revenue. The Workgroup consists of representatives of the Governor, the State Assembly, the State Senate, the Mayor of New York City, the New York City Department of Transportation, the New York State Department of Transportation, and the MTA, which is represented by Vice Chairman Ferrer.

The Chairman stated that the Legislature recognized that MTA is facing its next fiscal crisis for both its operating and capital budgets. The Chairman added that before we can ask for billions of additional dollars, we must continue to pursue a reform agenda at the MTA. The Board heard on Monday about progress under the Subway Action Plan; the impacts may not yet have been felt by the public, but they will be. The Chairman further stated that last year, he established a task force on Cost Containment in Capital Projects and a task force on Procurement Reform, chaired by Board Members Scott Rechler and Charles Moerdler, respectively. The Cost Containment task force, working under the leadership of Janno Lieber, has reduced the time frame for processing change orders, reduced the time for paying vendors, and shortened and rationalized timelines. A multi-agency team is working to extend these reforms across the operating agencies. The Procurement Reform task force, with leadership from MTA President Pat Foye and New York City Transit's ("NYCT") Steven Plochochi, has taken weeks out of the procurement timeline, and cut 150 days from the procurement process for NYCT contracts. We will also be working to extend these reforms across the agencies.

The Chairman stated that MTA will keep the Board and the public informed as we go forward. There will be budget briefings before the next meeting in November, and in December there will be additional briefings and the Board will be asked to vote to adopt the 2019 operating budget. But now we need to begin work with our partners in government, including the federal government, to start to address the out-year deficits and to address our capital budget needs. Over the past year, there has been a spirited debate on the Board about this, and the Chairman noted that he encouraged such debate because it leads to a better result. However, now is the time we must band together and seek multiple sources of additional, recurring revenue. Multiple sources are needed because even if congestion pricing is adopted and implemented, it won't be enough.

The Chairman concluded by thanking State Comptroller DiNapoli again for his report and urged that all Board members read it. He stressed that the report should not scare you; instead, it should motivate you to act now.

2. Public Speakers

Timothy Ellis, Acting Chief, Government and Community Relations indicated that forty (40) public speakers had signed up to speak (a total of forty one (41) speakers ultimately appeared to speak at the meeting). Mr. Ellis asked all speakers to observe the two (2) minute

limit in fairness to others and noted the clock up front and the fact that a warning light will come on with 30 seconds to go.

Seven (7) of the speakers commented on matters relating to the Long Island Rail Road ("LIRR"):

Mary Parisen-Lavelle, Chair of Civics United for Railroad Environmental Solutions ("CURES"), thanked LIRR President Phillip Eng for his actions to protect the taxpayers in connection with the 2018 green locomotive procurement. He has committed to replace all Tier 0 locomotives being operated by the New York & Atlantic Railway ("NYAR"), including the four units sold to NYAR in violation of the Public Authorities Law. He has engaged a consultant to determine if the procurement of Tier 4 line haul locomotives will yield the cleanest Tier 4 emissions if such locomotives are misapplied and used for idling, low speed switcher work. Mr. Parisen-Lavelle stated that a hand out she had distributed to the Board will demonstrate that line haul locomotives will not operate in Tier 4 compliance while doing switcher work. A truly independent consultant will confirm to President Eng that this is a fact. Ms. Parisen-Lavelle added that a PR-30 locomotive exceeds PM and NoX standards when operated as a switcher. She asked the Board to please support President Eng's efforts to procure the cleanest switch duty Tier 4 locomotives.

Minister Kirsten Foy of the National Action Network, representing the Flatbush community, stated that the community was tired of the existence of the Brooklyn Resource Recover Center ("BRRC"); that BRRC was operating illegally; and that it was poisoning our air and ground. He further stated that BRRC had three (3) major fires in the last year, which released toxic substances into the atmosphere and the community. He noted that there is a school bus parking lot adjacent to the company and that it operates on land stolen from the MTA. He urged that there should not be disparities between the ways communities are treated – a similar situation prompted an immediate response in Suffolk County, and that anything less in Flatbush was unacceptable.

Sean Chandler of Rochdale Village, Queens, requested elevators and a ramp for the LIRR Locust Manor Station. He stated that 1,000 riders per day use the station, many of whom are seniors. He noted that residents like the Atlantic Ticket and would like to see it extended to travel to Penn Station. He indicated there was a petition with 1,200 signatures in support of elevators and a ramp for the LIRR Locust Manor Station.

Albert Smith of Rochdale Village, Queens, stated that we need more half-hourly service at Locust Manor, and that community wants a legally binding agreement on the installation of elevators and ramps.

Ivan Mossop of Rochdale Village, Queens, stated that accessibility is needed at the Locust Manor station. Any elevator installed must be safe and therefore must be one you can see through. He stated that Rochdale Village is a naturally occurring retirement community, and gets funding from the New York City Department of the Aging.

Hon. Clifton Diaz of Rochdale Village, Queens, spoke in support of elevators and ramps being installed at the Locust Manor station. He stated that there is a large percentage of seniors

living at Rochdale Village who need these improvements. He also urged that the station name be changed from Locust Manor to Rochdale Village.

Jean Randolph Castro of Rochdale Village, Queens, stated that his community needs ramps at the station, and that the station is not Americans with Disabilities Act ("ADA") compliant. There are 28,000 people living at Rochdale Village, 50% of whom are seniors, who have to contend with steep stairs.

Board Member John Samuelson stated that he was upset by some of the criticism levelled at the MTA workforce during the course of public speaker comments, and stated there was a big difference between exercising First Amendment rights and engaging in personal abuse. He asked that the Board move to adopt rules of decorum for public speakers.

Chairman Lhota stated he would ask the MTA's General Counsel to look at developing such rules.

Various Board Members raised questions and engaged in discussion regarding a matter relating to Metro-North Railroad which was addressed by several public speakers: the closure of certain roadway bridges spanning Metro-North Railroad's tracks in the City of Mount Vernon, and the resulting impacts on traffic and emergency responders.

The details of the speakers' comments are contained in the video recording of the meeting, produced by the MTA and maintained in MTA records, and in the minutes of the other agencies of this date.

4. Approval of Minutes

Chairman Lhota asked for a motion to approve the minutes of the Regular Board Meeting of September 26, 2018. Upon motion duly made and seconded, the minutes of the Regular Board Meeting of September 26, 2018 were approved.

5. Committee on Finance

Procurement Items

The Board was presented with eleven (11) procurement items recommended to it by the Committee on Finance.

Non-Competitive Procurements:

There were four (4) non-competitive procurements, one (1) of which related to Long Island Rail Road:

- **New York State Industries for the Disabled – Janitorial and Window Cleaning Services – Contract Nos. 0600000000006413 (NYC Transit), 040000000001062 (LIRR, MNR 66666 (MNRR) - Not to Exceed \$11,800,000 – Board approval is sought to extend and increase the contract value for three miscellaneous service**

contracts with New York State Industries for the Disabled (NYSID) for janitorial and window cleaning services an additional twelve months ending October 31, 2019. The total increase in the value of these contracts will not exceed \$11.8 million, comprised of \$7.1 million for NYC Transit/MTA Bus, and \$4.7 million for Long Island Rail Road (LIRR). Metro-North Railroad (MNRR) does not require finding for the extension period.

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

Competitive Procurement:

There were six (6) competitive procurements and one (1) ratification. One (1) of the competitive procurements related to Long Island Rail Road:

- **Pulsar Advertising Inc./Arcade Creative Group- Full Service Marketing Services – Not to Exceed \$6,000,000** – Board approval is requested to extend and add funding for the all-agency full service marketing contract with Pulsar/Arcade Creative Group, contract # 12104-0100, for two months ending December 31, 2018, valued at an amount not to exceed \$6,000,000.

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

Real Estate Items

The Board was presented with six (6) real estate items recommended to it by the Committee on Finance, one (1) of which related to Long Island Rail Road:

- **Lease Agreement at Ronkonkoma Station** – Master lessee: Iqbal Mozawalla; Location – Ronkonkoma Station; Activity – Master lease of two retail buildings at LIRR's Ronkonkoma Station; Action Requested – Authorization to enter into master lease; Term – Ten years with one five-year option; Space – Two retail facilities at Ronkonkoma Station containing a total of nine retail units.

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

6. LIRR Committee

Procurement Items

The Board was presented with five (5) procurement items recommended to it by the LIRR Committee, three (3) of which were for the Long Island Rail Road and two (2) of which were for MTA Capital Construction Company ("MTACC"):

Procurements by Long Island Rail Road:

Competitive Procurements:

- **Ronald E. Dowdy – Competitive - \$7,250,000** – The Long Island Rail Road Company (LIRR), on behalf of itself and Metro –North Commuter Railroad Company (MNR) (collectively, the "Railroads"), request MTA Board approval to award a contract to Ronald E. Dowdy (Dowdy) in an amount of \$7,250,000 to purchase a license for additional Radio Spectrum which will minimize potential interference issues and address contingency and future growth needs in furtherance of the Railroads' implementation of the federally mandated Positive Train Control (PTC) Project.
- **Fifteen Bus Companies – Competitive – Not to Exceed \$25,000,000** – LIRR requests MTA Board approval for the award of five year competitively negotiated, miscellaneous service, estimated quantity contracts to fifteen bus companies, who will provide LIRR with Scheduled and Emergency Bus Services.

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

Ratification:

- **Various Contractors – Scheduled Rubbish Removal and On-Call Container Services – Original Amount: \$11,057,785 NTE; This Request: \$3,165,000 NTE** – LIRR requests MTA Board ratification of a modification to a Miscellaneous Service contract to add funds to extend the period of performance of various firms for scheduled rubbish removal, and on-call container services in the not to exceed amount of \$3,165,000. The period of performance shall be extended for a period of six months with a six months' option, from October 1, 2018 through September 30, 2019.

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

Procurements by MTA Capital Construction Company:

Competitive Procurements:

- **Tutor Perini Corporation – Contract No. CS179, Modification No. 132**
- **\$2,560,000** – In accordance with Article VIII of the All-Agency General Contract Procurement Guidelines, MTACC requests that the Board approve a modification that will compensate the Contractor for costs it has incurred and will incur in reconfiguring the Internet Protocol (IP) addresses for various ESA networks that were previously configured with different IP addresses.
- **Tutor Perini Corporation – Contract No. CQ033, Modification No. 24**
- In accordance with Article VIII of the All-Agency General Contract Procurement Guidelines, MTACC requests that the Board approve a modification to furnish and install two stormwater hydrodynamic separators, connecting pipe and service manhole in the Mid-Day Storage Yard.

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

7. Executive Session.

Chairman Lhota asked for a motion to move the meeting into Executive Session, pursuant to Section 105(1)(e) of the Public Officers Law, to discuss matters relating to collective bargaining agreements. Upon motion duly made and seconded, the meeting was moved into Executive Session.

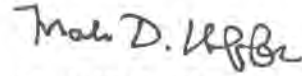
8. Adjournment

Upon coming out of Executive Session and resuming the public session of the meeting, Chairman Lhota announced that the November Board meeting would be held one week earlier on account of the holidays, with the Committee meetings being held on Tuesday November 13, and the full Board on Thursday November 15, at 9 A.M.

Chairman Lhota then asked for a motion to adjourn the meeting. Upon motion duly made

and seconded, the Board voted to adjourn the meeting at 11:10 A.M.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Mark D. Hoffer". The signature is written in a cursive, slightly slanted style.

Mark D. Hoffer,
Secretary

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

BOARD MINUTES

October 24, 2018

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

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

9:00 a.m.

The following members were present:

Hon. Joseph J. Lhota, Chairman
Hon. Fernando Ferrer, Vice Chairman
Hon. Andrew Albert
Hon. Norman E. Brown
Hon. David Jones
Hon. Susan Metzger
Hon. Mitchell H. Pally
Hon. Scott Rechler
Hon. Andrew Saul
Hon. Lawrence Schwartz
Hon. Polly Trottenberg
Hon. Veronica Vanterpool
Hon. Peter Ward
Hon. Carl Weisbrod
Hon. Carl V. Wortendyke

The following alternate non-voting members were also present:

Hon. Randolph Glucksman
Hon. Vincent Tessitore, Jr.
Hon. John Samuelsen

The following members were absent:

Hon. Charles G. Moerdler
Hon. Neal Zuckerman

Patrick Foye, MTA President, Veronique Hakim, Managing Director, Helene Fromm, Chief of Staff, Janno Lieber, MTA Chief Development Officer, Robert Foran, Chief Financial Officer, Thomas J. Quigley, General Counsel, Andrew Byford, President, New York City Transit Authority, Phillip Eng, President, Long Island Rail Road, Catherine Rinaldi, President, Metro-North Railroad, Cedrick T. Fulton, President, Triborough Bridge and Tunnel Authority, Darryl Irick, President, MTA Bus Operations, and Timothy Ellis, Chief Government and Community Relations Officer also attended the meeting.

The Board of the Metropolitan Transportation Authority also met as the Board of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority, the Staten Island Rapid Transit Operating Authority, the Metropolitan Suburban Bus Authority, the Triborough Bridge and Tunnel Authority, the Long Island Rail Road Company, the Metro-North Commuter Railroad Company, the MTA Capital Construction Company, the MTA Bus Company, and the First Mutual Transportation Assurance Company.

1. Public Speakers

There were forty-one (41) public speakers. None of the speakers specifically commented on issues regarding the Triborough Bridge and Tunnel Authority.

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

2. Chairman Lhota's Opening Remarks

Chairman Lhota opened his remarks by thanking Board Member James Vitiello, who resigned from his position, for his dedicated service on the MTA Board. Chairman Lhota also discussed a report, "The Financial Outlook of the Metropolitan Transportation Authority," issued by New York State Comptroller Thomas DiNapoli, which examines the MTA's financial situation and its dual challenges related to the operating budget and funding for future capital plans. Chairman Lhota stated that at the November MTA Board Meeting, Robert Foran, MTA Chief Financial Officer, will give a presentation of the proposed 2019 budget which is balanced because it includes the proposed second quarter of 2019 fare and toll increases. The projections for 2020-2022 show significant deficits and revenue shortfalls. Solving out year budget gaps will involve increasing revenues and decreasing expenses. The best option would be to secure new revenue sources and additional fare and toll increases. Chairman Lhota stated that the MTA Sustainability Advisory Working Group was created by the Governor and Legislature to focus on the funding needs of the MTA, including congestion pricing. Last year, Chairman Lhota created board directed task forces to reduce construction costs and procurements and they are working on streamlining the procurement process and decreasing construction costs.

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

3. Approval of Minutes of Regular Meeting September 26, 2018

Upon a motion duly made and seconded, the minutes of the Regular Board Meeting held on September 26, 2018 were approved.

4. Committee on MTA Bridges and Tunnels Operations

Procurements

Commissioner Pally stated that there are two (2) procurements totaling \$35.1 million.

Non-Competitive Procurements

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

Competitive Procurements

Commissioner Pally stated that there are two (2) competitive procurements totaling \$35,1 million.

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

| | | |
|------------------------------|--|---|
| Contractors to be Determined | Contract No. GFM-525 TBTA is seeking Board approval under the All-Agency General Procurement Guidelines to declare competitive bidding to be impractical and/or inappropriate and authorize TBTA to enter into a competitive Request for Proposal (RFP) process for | \$20,000,000.00 Initial Projected Budget |
|------------------------------|--|---|

Contract GFM-525 to obtain Miscellaneous Cleaning & Painting Services on an As-Needed Basis at Various Authority Facilities.

Competitive Requests for Proposals (Award of Purchase and Public Works Contracts)

| | | |
|---------------------------|---|-----------------|
| Kiewit Infrastructure Co. | Contract No. VN-89/VN-30 | \$35,093,252.00 |
| | TBTA is seeking Board approval under the All-Agency General Procurement Guidelines to award a competitively solicited public work contract for design-build services for rehabilitation of the tower pedestals, mooring platforms and elevators at the Verrazzano-Narrows Bridge. | |

Ratifications

Commissioner Pally stated that there are no ratifications.

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

5. Executive Session

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

6. Adjournment

Upon a motion duly made and seconded, the Board unanimously voted to adjourn the meeting at 11:10 a.m.

Respectfully submitted,


Adana Savery
Assistant Secretary

Regular Board Meeting
MTA Capital Construction Company
2 Broadway
New York, NY 10004
Wednesday, October 24, 2018
9:00 AM

The following members were present:

Hon. Joseph J. Lhota, Chairman
Hon. Fernando Ferrer, Vice Chairman
Hon. Andrew Albert
Hon. Norman E. Brown
Hon. David Jones
Hon. Susan Metzger
Hon. Mitchell H. Pally
Hon. Scott Rechler
Hon. Andrew Saul
Hon. Lawrence Schwartz
Hon. Polly Trottenberg
Hon. Veronica Vanterpool
Hon. Peter Ward
Hon. Carl Weisbrod
Hon. Carl V. Wortendyke

The following alternate non-voting members were also present:

Hon. Randolph Glucksman
Hon. Vincent Tessitore, Jr.
Hon. John Samuelson

The following members were absent:

Hon. Charles G. Moerdler
Hon. Neal Zuckerman

Patrick Foye, President, MTA, Veronique Hakim, Managing Director, MTA, Helene Fromm, Chief of Staff, MTA, Janno Lieber, Chief Development Officer, MTA and President, MTACC, Robert Foran, Chief Financial Officer, MTA, Thomas J. Quigley, General Counsel, MTA, Andrew Byford, President, NYCT, Phillip Eng, President, Long Island Rail Road, Catherine Rinaldi, President, Metro-North Railroad, Cedrick Fulton, President, TBTA, Darryl Irick, President, MTA Bus Operations, Timothy Ellis, Acting Chief Government and Community Relations, Evan Eisland, Executive Vice President, General Counsel and Secretary, MTACC, and David Cannon, Vice President, Chief Procurement Officer and Assistant Secretary, MTACC also attended the meeting.

The Board of the Metropolitan Transportation Authority met as the Board of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority, the Staten Island Rapid Transit Operating Authority, the Triborough Bridge and Tunnel Authority, the Long Island Rail Road, the Metro-North Commuter Railroad Company, the MTA Capital Construction Company, the MTA Bus Company, and the First Mutual Transportation Assurance Company.

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

Chairman Lhota called the meeting to order.

Chairman's Remarks

Chairman Lhota's remarks are contained in the minutes of the Regular Meeting of the Metropolitan Transportation Authority and in the minutes of the other agencies of this date.

Public Comment Periods

There were forty-one (41) public speakers five (5) of whom spoke on MTACC matters.

Congressman Adriano Espaillat spoke in favor of Phase II of the Second Avenue Subway Project in response to one Board member's suggestion to delay Phase II to fund other MTA Capital needs. Congressman Espaillat noted that the completion of Phase I was lauded by residents, transportation experts and politicians as being a promising sign of a larger movement to secure access to equitable transportation for all New Yorkers. He announced that had sent a letter to the Board, supported by members of the U.S. House of Representatives, the New York City Council, the New York State Senate and Assembly as well as the Manhattan Borough President, denouncing any delay to Phase II. He noted that East Harlem has historically been an underserved pocket in one of the most prosperous cities in the world with residents forced to walk numerous blocks to reach a distant subway station that is often overburdened with other riders. He noted that Phase II is an important project to East Harlem and Harlem that will provide transportation justice and that he hopes the MTA Board will support this project as we fight for additional funding at the Federal, State and City levels.

Kerry King, Executive Director of Uptown Grand Central (a coalition of small businesses, property owners, cultural institutions, health institutions and residents along 125th St.) spoke in favor of Phase II of the Second Avenue Subway Project and noted its importance to the economic development of the 125th Street neighborhood.

New York State Assemblyman Robert Rodriguez spoke of the numerous benefits of the Second Avenue Subway. He noted that as one of the fastest growing communities, East Harlem needs to have increased transit access. Phase II will not just bring redundancy to the system but provide additional access to thousands of new housing units that are being created in this neighborhood in addition to providing alternative options to some of the most highly public transit dependent people in the City. The Project will be a benefit not just to the East Harlem Community but to the upper east side, Harlem and Washington Heights. While we prioritize many transportation issues and address them in terms of funding and revenue up in Albany, there has to be an equal balance making sure we can maintain the system but also create unique opportunities to alleviate transportation desserts. Assemblyman Rodriguez stated that he hopes the MTA Board will continue to support the Project and include funding in its next Capital Program for it. He also left copies of a letter that highlighted the benefits of the Project.

Jose Carrero, spoke of the need for Phase II of the Second Avenue Subway Project which would facilitate health care providers' ability to get to work at a senior living facility in the area.

Bernard Cylich of Riverbay Corporation spoke in favor the proposed Co-Op City Metro North Railroad Station which would be constructed as part of the Penn Station Access Project. The stop would reduce commute times and strains on buses and subways.

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

Approval of Minutes

Upon motion duly made and seconded, the Board approved the minutes of the Regular Board Meeting of the Metropolitan Transportation Authority and the MTA Capital Construction Company held on September 26, 2018.

Long Island Rail Road Committee

Procurement

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

1. A modification to Systems Facility Package No. 1 contract (CS179) for the East Side Access Project to compensate the Contractor for costs of reconfiguring the Internet Protocol (IP) addresses for various ESA networks in the amount of \$2,560,000.
2. A modification to the Mid-Day Storage Yard contract (CQ033) for the East Side Access Project to furnish and install two stormwater hydrodynamic separators, connecting pipe and a service manhole in the amount of \$1,232,185.

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

Executive Session

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

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

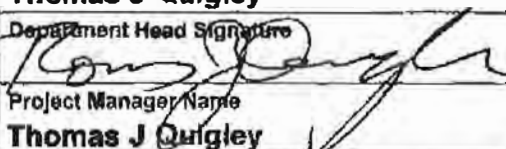
Adjournment

Upon motion duly made and seconded, the Board voted to adjourn the public meeting at 11:10 a.m.

Respectfully submitted,


David K. Cannon
Assistant Secretary

Staff Summary

| |
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| Subject Law Firm Panel Addition |
| Department MTA Office of the General Counsel |
| Department Head Name Thomas J Quigley |
| Department Head Signature  |
| Project Manager Name Thomas J Quigley |

| |
|---|
| Date NOVEMBER 13, 2018 |
| Vendor Name Skadden, Arps, Slate, Meagher & Flom LLP |
| Contract Number |
| Contract Manager Name |
| Table of Contents Ref. # |

| Board Action | | | | | |
|--------------|-------------------|----------|----------|------|-------|
| Order | To | Date | Approval | Info | Other |
| 1 | Finance Committee | 11/13/18 | X | | |
| 2 | Board | 11/15/18 | X | | |
| | | | | | |
| | | | | | |

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

Purpose:

To obtain Board approval of the retention of the law firm Skadden, Arps, Slate, Meagher & Flom LLP (the "Firm") effective as of August 15, 2018, and the addition of the Firm to the panel of Board-approved outside counsel. The approval of the Firm is sought in connection with its representation of the Metropolitan Transportation Authority ("MTA") and the Long Island Rail Road ("LIRR") in connection with the creation of a new entrance to 33rd Street Concourse at Penn Station (the "33rd St. Concourse") which is adjacent to property owned by an affiliate of Vornado Realty Trust ("Vornado") and involves the negotiation, documentation and closing of the associated real estate, operational and commercial transactions with Vornado and other potential stakeholders, including National Railroad Passenger Corporation ("Amtrak"). The Firm is a nationally recognized top-tier law firm with a first-rate real estate practice. Moreover, it has unique knowledge and experience in connection with this specific project and, as a result, it will both add value and be cost-effective.

Discussion:

MTA, New York State Urban Development Corporation D/B/A Empire State Development Corporation ("ESD") and Amtrak are co-Project Sponsors in a joint effort to develop the former Farley Post Office Building (the "Farley Building") as an integrated world-class "Empire Station" complex that will be integrated with Penn Station. The creation of a new entrance to the 33rd St. Concourse at Penn Station is an anticipated follow on activity as part of the Empire Station complex, and the northward expansion of the concourse, if included, may involve acquiring retail areas owned by Vornado. Initial conversations with Vornado were explored in late summer/early fall of 2017 while the Firm represented ESD, with the understanding that MTA/LIRR would seek approval to retain the Firm directly for the legal work necessitated by the the 33rd St. Concourse. During that time, the Firm became thoroughly familiar with all aspects of the project and drafted term sheets setting forth the structures of the proposed transaction. Before the deal could be finalized, however, but after the Firm completed a substantial portion of the legal

Staff Summary

FINANCE COMMITTEE MEETING [Subject] (Cont'd.)

work, the negotiations were suspended. In August 2018, negotiations with Vornado resumed. Given the importance and complexity of these transactions, MTA/LIRR was required to retain outside counsel and determined that the most cost-efficient and effective representation would be to retain the Firm, leveraging the Firm's prior work on, and understanding of, this same transaction. The Firm was conditionally retained, pending Board approval.

Given the importance and complexity of these transactions, the retention of outside counsel is necessary and appropriate to represent and protect the interests of MTA and its commuter railroads. Because of its prior representation through ESD, the Firm is the best positioned to provide quality legal services in a cost efficient manner. Staff recommends that the Board authorize MTA's addition of the Firm to its panel of approved law firms and its retention of the Firm, in order to take advantage of the Firm's extensive previous experience with respect to the Farley Building development project in general, and the 33rd St. Concourse project, in particular, as well as its general experience with complex multi-party real estate development transactions. The Firm has agreed to provide a 20% discount off standard billing rates for all work on this or any other matters for which it may be retained. The Firm's rates are competitive with rates for similarly qualified firms in this practice area.

Recommendation:

It is recommended that the Board approve the addition of the Firm to the approved outside counsel panel for matters other than personal injury, and authorize the retention of the Firm as set forth above. As in the past, it is requested that the Board's approval of the Firm also (i) authorizes the use of the Firm for any matter in addition to the instant and other real estate matters, and (ii) entails the approved use of a successor firm, in the event that the Firm should subsequently merge into another firm, or a partner or principal lawyer in charge of an MTA matter at the Firm should move to a different firm.

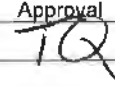

Staff Summary

Page 1 of 1

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|---|
| Subject Revisions to MTA All Agency Investment Guidelines |
| Department CFO/Treasury |
| Department Head Name Robert E. Foran, Chief Financial Officer |
| Department Head Signature  |
| Project Manager/Division Head Josiane P Codio, Director of Treasury |

| |
|----------------------------------|
| Date November 13, 2018 |
| Vendor Name |
| Contract Number |
| Contract Manager Name |
| Table of Contents Ref # |

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

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

Purpose: To obtain approval for an amendment to the MTA All Agency Investment Guidelines as related to Commercial Paper (CP) investments.

Background: The MTA All Agency Investment Guidelines were adopted by the Board in May 2003. The MTA Treasury Department is seeking MTA Board approval to change the Commercial Paper investment rating from “the highest rating” to “the highest rating category of A1 from Standard and Poor’s, P1 from Moody’s and F1+ from Fitch Rating”.

A review of the current investment guidelines as related to Commercial Paper will allow us to achieve greater investment flexibility. With the limited number of broker dealers available for investing in Repurchase Agreement, the use of Commercial Paper investments provides us with the flexibility required to meet our liquidity to match our investments need.

Recommendation(s): The Board approves the amendment to MTA All Agency Investment Guidelines.

MTA ALL AGENCY
INVESTMENT GUIDELINES
Operating and Capital Program Funds

WHEREAS the Treasury Department of the Metropolitan Transportation Authority manages the investment of the operating and capital program funds of the Metropolitan Transportation Authority (MTA), The Long Island Rail Road Company (LIRR), the Metro-North Commuter Railroad Company (MN), the Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA), the Metropolitan Suburban Bus Authority (MSBA), the New York City Transit Authority (NYCTA), the Staten Island Rapid Transit Authority (SIRTOA), the MTA Bus Company, and the Triborough Bridge and Tunnel Authority (TBTA) (collectively the related entities), and

WHEREAS the investment of funds are regulated by the New York State Public Authorities Law, the State Comptroller's Investment Guidelines for Public Authorities, and in accordance with the Bond Resolutions of the MTA and TBTA ,

BE IT RESOLVED, that the following investment guidelines be adopted by the related entities.

I. GENERAL GUIDELINES

1. The MTA Treasury Department (Treasury) shall be responsible for the execution and management of all operating and capital program investment activity for each of the related entities. The Treasury Department will report to the Chief Financial Officer. The following guidelines do not apply to investments of MTA First Mutual Transportation Assurance Corporation, MTA's Defined Benefit Pension Plan, the MaBSTOA Pension Plan, the MTA Retiree Welfare Benefits Trust or to accounts established to hold employee and employer contributions under the New York State Voluntary Defined Contribution Program – these funds are subject to separately established guidelines. All investment decisions will meet the following requirements:
 - a. Safeguard the Investment Principal.
 - b. Meet expected cash flow requirements.
 - c. Maximize yield.
2. Federal Statutory Requirements, New York State Statutory Requirements, and Bond Resolutions of the related entities supercede these guidelines.
 - a. Federal Statutory requirements include compliance with any existing or future statute or administrative ruling that may affect the tax-exempt status of related entities' debt.
 - b. New York State statutory requirements include, but are not limited, to the following sections:
 - i. Public Authorities Law Sections 1265(4) (MTA), 1204(19) (Transit Authority) and 553(21) (TBTA)
 - ii. Public Authorities Law Section 2925 Investment of funds by public authorities and public benefit corporations; general provisions
 - iii. State Finance Law Article 15 – EXCELSIOR LINKED DEPOSIT ACT
3. Authorized Investment Obligations will be limited to the following:
 - a. obligations of the state or the United States government,
 - b. obligations the principal and interest of which are guaranteed by the state or the United States government,
 - c. certificates of deposit of banks or trust companies in this state, secured, if the authority shall so require, by obligations of the United States or of the state of New York of a market value equal at all times to the amount of the deposit,
 - d. banker's acceptances with a maturity of ninety days or less which are eligible for purchase by the federal reserve banks and whose rating at the time of purchase is in the highest rating category of two nationally recognized independent rating agencies, provided, however, that the amount of banker's

acceptances of any one bank shall not exceed two hundred fifty million dollars,

- e. obligations of any bank or corporation created under the laws of either the United States or any state of the United States maturing within two hundred seventy days, provided that such obligations receive the highest rating category of two nationally recognized independent rating agencies such as, A1 from Standard and Poor's, P1 from Moody's and F1+ from Fitch Ratings and, provided further, that no more than two hundred fifty million dollars may be invested in such obligations of any one bank or corporation,
- f. as to any such moneys held in reserve and sinking funds, other securities in which the trustee or trustees of any public retirement system or pension fund has the power to invest the monies thereof pursuant to article four a of the retirement and social security law, each such reserve and sinking fund being treated as a separate fund for the purposes of article four a of the retirement and social security law,
- g. notes, bonds, debentures, mortgages and other evidences of indebtedness, issued or guaranteed at the time of the investment by the United States postal service, the federal national mortgage association, the federal home loan mortgage corporation, the student loan marketing association, the federal farm credit system, or any other United States government sponsored agency, provided that at the time of the investment such agency or its obligations are rated and the agency receives, or its obligations receive, the highest rating of all independent rating agencies that rate such agency or its obligations, provided, however, that no more than two hundred fifty million dollars or such greater amount as may be authorized for investment for the state comptroller by section ninety-three of the state finance law may be invested in the obligations of any one agency,
- h. general obligation bonds and notes of any state other than the state, provided that such bonds and notes receive the highest rating of at least one independent rating agency, and bonds and notes of any county, town, city, village, fire district or school district of the state, provided that such bonds and notes receive either of the two highest ratings of at least two independent rating agencies,
- i. mutual funds registered with the United States securities and exchange commission whose investments are limited to obligations of the state described in paragraph (a) of this subdivision, obligations the principal and interest of which are guaranteed by the state described in paragraph (b) of this subdivision, and those securities described in paragraph (h) of this subdivision and that have received the highest rating of at least one independent rating agency, provided that the aggregate amount invested at any one time in all such mutual funds shall not exceed ten million dollars, and, provided further, that the authority shall not invest such funds, accounts or other monies in any mutual fund for longer than thirty days,
- j. financial contracts in a foreign currency entered into for the purpose of minimizing the foreign currency exchange risk of the purchase price of a contract with a vendor chosen through competitive process for the acquisition

of capital assets for the benefit of the capital program of the Triborough Bridge and Tunnel Authority or either the transit or transportation capital programs, and

- k. repurchase agreements with any dealer or bank, which agreement is secured by any one or more of the securities described in clauses (a), (b) or (g) above, which securities shall (A) at all times have a market value of not less than the full amount held or invested pursuant to the agreement and (B) be delivered to a Bank as defined in clause (i) or (ii) of the definition thereof, as custodian, that is independent from the dealer or bank with whom the repurchase agreement is executed.
- 4. Bank shall mean any (i) bank or trust company organized under the laws of any state of the United States of America, (ii) national banking association, (iii) savings bank or savings and loan association chartered or organized under the laws of any state of the United States of America, or (iv) federal branch or agency pursuant to the International Banking Act of 1978 or any successor provision of law, or domestic branch or agency of a foreign bank which branch or agency is fully licensed or authorized to do business under the laws of any state or territory of the United States of America.
 - 5. Trading Authorization – The board delegates to the Chairman the power to authorize certain individuals to buy and sell securities and enter into investment agreements on behalf of the related entities. The trading authorization will take the form of attachment A to these guidelines.
 - 6. Investment Limitations – All dollar limitations for investment will be based on the original cost of the investment including accrued interest purchased at the time of investment.

II. CUSTODIAN

1. All Investment Obligations and collateral is to be held by a custodian who is not a party to the Investment Obligation.
2. A custodian must meet one of the following three criteria:
 - a. A bank as the term is defined in either clauses (i) or (ii) in section I.4 of these guidelines, and which the MTA Board has adopted a resolution establishing the bank as a depository of the MTA or any of its related entities.
 - b. A bank appointed as a trustee under a specific MTA board resolution.
 - c. A bank designated as a trustee by an authorized officer who has been delegated the authority by the MTA Board to appoint a custodian as part of a specific transaction.
3. Each bank acting as a custodian, except for a custodian established for a specific transaction, must have the following capabilities;
 - a. Daily electronic reporting of all investment and cash activity,
 - b. Acceptance of electronic instructions to buy, sell, deliver or receive securities,
 - c. Acceptance of electronic instructions to transfer funds, and
 - d. Electronic Access to current Investment Inventory position statements.
4. The Treasury Department will maintain at least \$100 million of its portfolio (subject to cash flow requirements) with a separate emergency custodian bank. The purpose of this deposit is in the event that the MTA's main custodian cannot execute transactions due to an emergency outside of the custodian's control, the MTA has an immediate alternate source of liquidity. Securities held in the separate emergency custodian bank are subject to the following conditions;
 - a. The securities will be included in the MTA portfolio, and
 - b. All security activity in the emergency custodian bank will be governed by these guidelines.

III. REPURCHASE AGREEMENTS

1. An executed Master Repurchase Agreement, approved as to form by the MTA General Counsel, must be executed between the dealer or bank and the MTA. The Director of Treasury is authorized to execute the agreement on behalf of the related entities.
 - a. A dealer must be listed on the "LIST OF THE GOVERNMENT SECURITIES DEALERS REPORTING TO THE MARKET REPORTS DIVISION OF THE FEDERAL RESERVE BANK OF NEW YORK", published by the Federal Reserve Bank of New York.
 - b. Agreements currently signed with firms meeting the requirements contained in the current Investment Guidelines will remain in effect.
2. The market value of the collateral must at all times be not less than the principal amount of the repurchase agreement plus the accrued interest of the repurchase agreement. MTA Treasury will use as its primary source its mark-to-market report based upon the prior day closing prices.
 - a. A mark- to- market of the collateral will be done each morning. The market value will include the accrued interest on the collateral securities.
 - b. For repurchase agreements having a term of more than 1 business day, if the market value of the collateral is less than 102%, rounded to the nearest 1%, additional collateral must be delivered to the MTA's custodian.
 - c. For the purpose of the mark- to- market calculation, the market value for all repurchase agreements with any one dealer, having a maturity of more than 1 business day, may be aggregated against the total collateral requirement for all of the repurchase agreements, having a maturity of more than 1 business day, with the one dealer.
 - d. The Treasury Department may waive the requirement for additional collateral if the amount of additional collateral is less than \$100,000.00 and the market value, as determined in the daily mark to market referred to in subsection (a) of this section, of the collateral held by the MTA's custodian is greater than the sum of the principal amount of the repurchase agreement plus the accrued interest of the repurchase agreement.
 - e. On the purchase date, which is the date on which the repurchase agreement is entered into, the Treasury Department will test a minimum of 20% of the repurchase agreements to ensure that the collateral being delivered is sufficient for the repurchase agreement.
 - f. For overnight, including weekends and holidays, repurchase agreements, the Treasury Department will be responsible for monitoring dealer performance and will take corrective action with regard to chronic problems. Such corrective action will consist of notifying in writing the dealer who has developed a pattern of not providing adequate collateral. If the problem

persists, the Treasury Department will discontinue doing business with the dealer.

- g. For repurchase agreements longer than overnight, including weekends and holidays, the Treasury Department will contact any under collateralized dealer and require additional collateral or the return of cash as required in the written repurchase agreement. Request for additional collateral should be made by 10:00AM.
- i. In the event of a dispute, a revised mark-to-market report may be used based upon current day pricing provided by a 3rd party, such as Bloomberg LLP. Documentation for such a revised report will consist of a screen pricing out of each collateral security at the current bid price plus the accrued interest on the collateral security.

Nothing in these guidelines prohibit entering into 3rd party repurchase agreements if the custodian meets the above criteria and all segregation requirements for the MTA funds are maintained.

- 3. Dealer limits for repurchase agreements are to be determined by a tier level based on a firm's capital.
 - a. The tier levels are:
 - 1st Tier \$1,000.0 million or more in capital
 - 2nd Tier \$200.0 to \$999.9 million in capital
 - 3rd Tier Less than \$200.0 million in capital
 - b. Capital will be defined as the sum of the firm's equity plus subordinated long-term debt. If the dealer is a wholly owned subsidiary of another dealer, and is included in a consolidated balance sheet of the parent broker, the parent's capital will be the basis for determining the capitalization. If the parent organization is not primarily a dealer/broker type of firm, but does have a major portion of its revenues generated by other than security type transactions, the parent's capital will not be included. This would exclude firms owned by insurance companies, and other non security investment institutions. Only audited financial statements will be used for determining the firm's capital.
 - i. Capital for a bank or dealer owned by a bank shall mean the bank's equity only.
 - ii. The capital of those holding companies which are foreign based cannot be applied for the purpose of determining capitalization except and unless the holding company has provided an unconditional guarantee in writing and any necessary supporting documents in a form acceptable to the MTA General Counsel against any losses incurred as a result of the domestic subsidiary being unable to fulfill its Contractual Obligations with the MTA.
 - iii. Only audited financial statements will be used for determining a firm's capital.

- c. The total maximum exposure for repurchase agreements to any Dealer/Banks will be limited by Tier as follows for any one day:
 - 1st Tier \$300.0 million
 - 2nd Tier \$250.0 million
 - 3rd Tier amount of firm's capital
- 4. Investment in repurchase agreements will be further governed by the following operational requirements:
 - a. The Treasury Department will maintain a record of the results of its monitoring of overnight repurchase agreement collateral for each dealer.
 - b. All repurchase agreements shall be in the form of cash versus delivery.
 - c. The MTA Treasury Department will determine the final maturity of repurchase agreements based upon cash needs of the Authority.
 - d. A minimum of three solicitations will be made prior to the awarding of any repurchase agreement. The award of the investment will be made in order of the highest yields, and in accordance with the exposure constraints established in Section III.3. A written record of the quotes received and awards made will be maintained by the Treasury Department.

IV. SECURITY PURCHASES AND SALES

1. The direct purchase of investment obligations securities covers the purchase of securities listed in sections I.3.a, b, d, e, g and h above.
2. All securities will be delivered to a designated MTA Custodian against cash payment. Delivery instructions will be sent to the MTA Custodian electronically or via telecopied letter signed by an authorized signer
3. A minimum of three (3) bids or offers will be solicited for direct purchases or sales of securities. The award will be based on lowest cost for purchases or highest price for sales. A written record of the quotes received will be maintained by the Treasury Department.
4. Nothing in this section prohibits the use of electronic trading screens, provided that the requirements of III.2 and III.3 are met.
5. The authority may participate directly in US Treasury government security auctions. This participation takes the form of placing an order through one of the dealers listed on the "LIST OF THE GOVERNMENT SECURITIES DEALERS REPORTING TO THE MARKET REPORTS DIVISION OF THE FEDERAL RESERVE BANK OF NEW YORK", published by the Federal Reserve Bank of New York. The award of securities is determined by the results of the auction process, and is based on the rates received and the amount of securities offered for sale. The pricing results of the auction are published, and such published notices will be included in the record of the trade.

V. REPORTING REQUIREMENTS

1. The Treasury Department will prepare reports as scheduled by the Finance Committee's work plan, investment reports covering the investment activity of all MTA Treasury Department funds. These reports will contain a detailed listing of all broker activity for the period. A listing of dealers with whom the MTA does repurchase agreements including limits set for each broker, will also be included.
2. An annual investment report shall be submitted to the Finance Committee consisting of the following:
 - a. Investment Guidelines and amendments to those guidelines since the last report, and an explanation of the guidelines and amendments.
 - b. Investment income for the year.
 - c. List of total fees, commissions or other charges paid to each investment banker, broker, agent, dealer, custodian bank and adviser rendering investment associated services to the MTA.

Following receipt of approval of the Board, copies of the annual report shall be submitted to:

1. State Division of the Budget
2. State Department of Audit and Control
3. State Senate Finance Committee
4. Assembly Ways and Means Committee
5. Independent Authority Budget Office

VI. PORTFOLIO MANAGERS

1. Due to the various portfolio requirements of the MTA, it may be advantageous to structure a specific portfolio and contract with outside portfolio managers for the management of these funds. The awarding of a portfolio management contract will be controlled by the MTA's procurement policy covering personal services contracts. The criteria for awarding these contracts will include, but not limited by, the following provisions:
 - a. Experience of the portfolio manager.
 - b. Concepts and ideas for the management of the funds, including the identification of an appropriate benchmark for the portfolio.
 - c. The ability to provide regular and timely reports, consistent with internal reporting requirements of the MTA All Agency Investment Guidelines.
 - d. Fees.
 - e. Capitalization and financial strength of the firm.
2. Each portfolio manager will be required to operate within the structure of these guidelines except for the reporting requirement of competition with regards to the purchase and sale of securities. This exception is made because it would be impossible to monitor compliance. In addition, an outside manager would also have to comply with the following:
 - a. All transactions will be made from an MTA controlled Custody Account on a cash vs. delivery basis.
 - b. All Bank Statements and Broker advices will be mailed to the Comptroller for the MTA.
 - c. The MTA will designate to the custodian the representatives of the portfolio manager authorized to conduct business on behalf of the MTA.

VII. MISCELLANEOUS

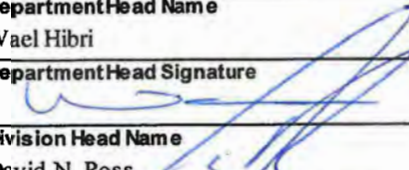
The following guidelines will also be adhered to with regard to the investment of MTA Operating and Capital Program Funds.

1. **AUTHORIZATION** The Chairman, or any person or persons who may from time to time be designated in writing by the Chairman, may purchase or sell securities and/or enter into repurchase agreements for the MTA and its related entities.
2. **BANK RECONCILIATIONS** All bank confirmations and statements will be addressed to the Comptroller. The Comptroller will be responsible for all investment custody account reconciliations.
3. **INDEPENDENT AUDITOR.** The MTA's independent auditor will include as part of its annual audit a statement on the compliance of the investment activity with these investment guidelines.
4. **CONFLICTS OF INTEREST.** MTA's policy regarding conflicts of interest shall be followed regarding the investment of funds. Business may not be transacted with any institution or dealer of which an MTA Board Member, senior agency official, or any other officer or employee authorized to participate in the selection of such institution or dealer is an officer, a director or a substantial stockholder.
5. **BROKER ADVICES.** All broker advices will be mailed to the Treasury Department for safekeeping. All broker advices will be made available by the Treasury Department to the Comptroller and Audit Department as requested.
6. **STOCK TRANSACTIONS.** Due to the reorganization of mutual insurance firms into stock firms, the MTA and its related entities receive stock in reorganized corporations. The Chairman, or any person or persons who may from time to time be designated in writing by Chairman, may sell this stock for the MTA and its related entities.
 - a. If the corporation has a stock buy back plan that will purchase the stock, the stock will be sold using the plan.
 - b. If the corporation does not have a stock buy bank plan, the Treasury Department will solicit commission fee bids from at least 3 members of the MTA's senior underwriting management firms. The firm with the smallest commission will be awarded the sale trade. In case of a tie, the trade may be divided among the firms with the same commission fee bid.
 - c. Proceeds from the sale of the stock will be distributed back to the related entities in proportion to the shares of securities and/or enter into repurchase agreements originally owned by each of the related entities.

PROCUREMENTS

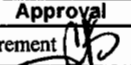
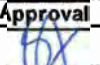

The Procurement Agenda this month includes 5 actions for a proposed expenditure of \$3.5M.

Staff Summary

| |
|---|
| Subject |
| Request for Authorization to Award Various Procurements |
| Department |
| MTA Business Service Center |
| Department Head Name |
| Wael Hibri |
| Department Head Signature |
|  |
| Division Head Name |
| David N. Ross |

| |
|--------------------------------|
| Date |
| November 1, 2018 |
| Vendor Name |
| Various |
| Contract Number |
| Various |
| Contract Manager Name |
| Various |
| Table of Contents Ref # |
| |

| Board Action | | | | | |
|--------------|---------|------------|----------|------|-------|
| Order | To | Date | Approval | Info | Other |
| 1 | Finance | 11/13/2018 | X | | |
| 2 | Board | 11/15/2018 | X | | |
| | | | | | |
| | | | | | |

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

PURPOSE:

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

DISCUSSION:

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

Schedules Requiring Two Thirds Vote:

Schedule A: Non-Competitive Purchases and Public Works Contracts

| | # of Actions | \$ Amount |
|-----------------|--------------|-------------------|
| | 1 | \$ 544,058 |
| SUBTOTAL | | \$ 544,058 |

Schedules Requiring Majority Vote:

Schedule H: Modifications to Personal Service/Miscellaneous Service Contracts

| | | |
|-----------------|----------|---------------------|
| | 4 | \$ 2,970,169 |
| SUBTOTAL | | \$ 2,970,169 |
| TOTAL | 5 | \$ 3,514,227 |

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

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

BOARD RESOLUTION

METROPOLITAN TRANSPORTATION AUTHORITY

WHEREAS, in accordance with Section 1265-a and Section 120 of the Public Authorities Law and the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive purchase and public work contracts, and the solicitation and award of request for proposals in regard to purchase and public work contracts; and

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

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

NOW, the Board resolves as follows:

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

LIST OF PROCUREMENTS FOR BOARD APPROVAL, NOVEMBER 2018
NON-COMPETITIVE PROCUREMENTS

METROPOLITAN TRANSPORTATION AUTHORITY

Procurements Requiring Two Thirds Vote:

A. Non-Competitive Purchases and Public Work Contracts

(Staff Summaries required for all items greater than \$100K; \$750K Other Non-Competitive)

- | | | | |
|----|--|--------------------------------|--------------------------------------|
| 1. | National Industries for the Blind | \$544,058 | <u>Staff Summary Attached</u> |
| | Purchase of Safety Gloves | <small>(not-to-exceed)</small> | |
| | Contracts Nos. 400000000001815 (LIRR) | | |
| | 100000000080430 (MNR) | | |

Board approval is sought for the award of a non-competitive, contract for the purchase and delivery of various safety gloves in the estimated amount of \$544,058 to the National Industries for the Blind (NYSPSP – New York State Preferred Source Program for People who are Blind), a New York State Preferred Source Vendor. These safety gloves will be used by LIRR (estimate \$359,097) and MNR (estimated \$184,961). This contract is being awarded to NYSPSP in accordance with Section 162 of the New York State Finance Law which states that preferred sources shall be granted the right to provide services to New York State Agencies to advance social and economic goals. Under the State Finance Law, a contract award to a preferred source provider such as NYSPSP is expressly exempt from New York State Statutory competitive procurement requirements provided they are, (i) capable of providing the service in the form, function and utility required and (ii) the price offered is as close to the prevailing market prices as is practicable. NYSPSP meets these requirements. NYSPSP utilized the OGS price grid as a guide to providing pricing and has not exceeded the maximum dollar amount provided by OGS, therefore, their pricing is considered fair and reasonable. A market survey of potential non-preferred sources was conducted, comparing National Industries for the Blind pricing with prevailing market prices. The survey indicated that National Industries for the Blind's pricing was between 4 to 10% less than prevailing market prices for the same or equivalent commodities. Accordingly, pricing is considered fair and reasonable.

LIST OF PROCUREMENTS FOR BOARD APPROVAL, NOVEMBER 2018
NON-COMPETITIVE PROCUREMENTS

METROPOLITAN TRANSPORTATION AUTHORITY

Procurements Requiring Majority Vote:

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

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

- | | | |
|-------------|---|-------------------------------------|
| 2-3. | Various Freelance Graphic Design, Production and Printing Services Contract No. 09016 Base Amount = \$1,492,000 Current Contract Value = \$1,840,800 Proposed Contract Value = \$1,991,800 | \$151,000 (not-to-exceed) |
|-------------|---|-------------------------------------|

- a. Creative Source, Inc.**
- b. L.J. Gonzer & Associates**

Board approval is sought to award a contract extension to Creative Source, Inc. (Creative) and add funding to a competitively solicited miscellaneous service contract series with both Creative and L.J. Gonzer & Associates (Gonzer). These contracts provide freelance graphic design, production and printing services to NYC Transit and the Long Island Rail Road (LIRR). The extension for Creative is for six months ending July 31, 2019, allowing said contract to run coterminous with the already extended contract with Gonzer. A combined \$151,000 will be added for the two contracts in order to fund the completion of projects through their expiration. In February 2011, five contracts were awarded with an aggregate budget not-to-exceed \$1,492,000 for 48 months ending January 31, 2015. Three of the contracts were not utilized and expired. Creative has provided LIRR with copy writing and overall design assistance. Gonzer has provided NYC Transit and LIRR with graphic artists that assist in the design of media materials that convey information to the public. To date, modifications and contract extensions have added a combined \$348,800 to the aggregate budget. An additional \$151,000 is requested to cover costs through July 2019. All terms, conditions and pricing are unchanged for this modification. Rates for this modification are consistent with those rates deemed fair and reasonable for award of the original contract; thus, pricing continues to be fair and reasonable.

LIST OF PROCUREMENTS FOR BOARD APPROVAL, NOVEMBER 2018
NON-COMPETITIVE PROCUREMENTS

METROPOLITAN TRANSPORTATION AUTHORITY

4. **Grand Meridian Printing** **\$100,000**
 Offset Printing Services **(not-to-exceed)**
 Contract No. 1000019701-1, Modification No. 9
 Base Amount = \$50,000
 Current Contract Value = \$285,000
 Proposed New Contract Value = \$385,000

Board approval is sought to award a five-month extension to a competitively solicited miscellaneous procurement contract with Grand Meridian Printing (GMP), a New York State-certified MBE firm. This contract provides offset printing services for the production and delivery of information for riders regarding major service changes and safety messages. The original contract was for two years beginning January 2013. Eight modifications have been issued, extending the term through December 2018 and adding funding as required. This modification is required to allow time for completion of a consolidated all-agency printing procurement. It adds \$100,000 and extends for five months ending May 31, 2019. All terms, conditions and pricing are unchanged for this extension. Grand Meridian has stated it offers the MTA better pricing than any other customer. The pricing continues to be considered fair and reasonable.

LIST OF PROCUREMENTS FOR BOARD APPROVAL, NOVEMBER 2018
NON-COMPETITIVE PROCUREMENTS

METROPOLITAN TRANSPORTATION AUTHORITY

5. **International Business Machines \$2,719,169 *Staff Summary Attached***
 Data Center Services – Purchase of (not-to-exceed)
 a Refurbished Z114 Mainframe,
 System Software and related services
 Contract No. 03A8602, Additional Service Work Order No. 135
 Base Amount = \$65,228,757
 Current Contract Value = \$209,184,934.91
 Proposed New Contract Value = \$211,904,103.91

Board approval is sought to award Additional Service Work Order No. 135 (ASWO 135) to a miscellaneous service contract with International Business Machines (IBM) for an estimated amount of \$2,719,169. In February 2005, the Board approved award of a 5-year Contract to International Business Machines (IBM) in the amount of \$65,228,757 for data center services. To date, 134 AWSOs/modifications have been awarded to extend the contract, add services and products, and relocate a data center. This ASWO 135 is for the purchase of a refurbished z114 mainframe, system software and the steady-state services required to provide higher availability of AFC MetroCard Debit/Credit functionality during periods when the application is experiencing failure or scheduled maintenance. This will allow one machine to be up and processing while the other is under maintenance. IBM submitted a price proposal of \$2,719,168.89 for this modification. NYCT's Cost Price Unit reviewed the proposal and found the cost to be 8.8% below our in-house estimate of \$2,960,754.21. In addition, a comparison of IBM's proposal with GSA software prices indicated a savings of \$693,000. Based on the foregoing, Procurement finds IBM's price to be fair and reasonable.

Staff Summary

Schedule A: Non-Competitive Purchases and Public Work Contracts

Page 1 of 1

Item Number: 1

| | | |
|--|---|--|
| Vendor Name (& Location): National Industries For the Blind DBA NYSPSP | Contract Number: 40000000001815 (LIRR) 10000000080430 (MNR) | Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Description: Purchase and Delivery of Various Gloves | Total Amount: Estimated \$ 544,058 | |
| Contract Term (including Options, if any): One (1) Year | Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: | |
| Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Requesting Dept/Div & Dept/Div Head Name: MNCRR-INVENTORY- THERESA VALENTINE | |
| Procurement Type: <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive | Contract Manager: Carla Butler-Blackburn/Shahidah Reynolds | |
| Solicitation Type: <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Preferred Source | | |

DISCUSSION:

Board approval is sought for the award of a non-competitive, contract for the purchase and delivery of various safety gloves in the estimated amount of \$544,058 to the National Industries for the Blind (NYSPSP – New York State Preferred Source Program for People who are Blind), a New York State Preferred Source Vendor. These safety gloves will be used by LIRR (estimate \$359,097) and MNR (estimated \$184,961).

This contract is being awarded to NYSPSP in accordance with Section 162 of the New York State Finance Law which states that preferred sources shall be granted the right to provide services to New York State Agencies to advance social and economic goals. Under the State Finance Law, a contract award to a preferred source provider such as NYSPSP is expressly exempt from New York State Statutory competitive procurement requirements provided they are, (i) capable of providing the service in the form, function and utility required and (ii) the price offered is as close to the prevailing market prices as is practicable. NYSPSP meets these requirements.

NYSPSP utilized the OGS price grid as a guide to providing pricing and has not exceeded the maximum dollar amount provided by OGS, therefore, their pricing is considered fair and reasonable. A market survey of potential non-preferred sources was conducted, comparing National Industries for the Blind pricing with prevailing market prices. The survey indicated that National Industries for the Blind's pricing was between 4 to 10% less than prevailing market prices for the same or equivalent commodities. Accordingly, pricing is considered fair and reasonable.

A review of the bid documents submitted by NYSPSP has disclosed no significant adverse information within the meaning of the Responsibility Guidelines. NYSPSP has prior experience performing similar with services with LIRR, thus, LIRR and MNR consider the company to be technically sound and qualified to perform the contract work.

Preferred Source procurements are exempt from M/WBE and SDVOB goals consideration by MTA Department of Diversity and Civil Rights.

Staff Summary

Schedule H: Modifications to Personal Service & Miscellaneous Service Contracts

Item Number: **5**

Page 1 of 1

| | | | | | |
|---|--|--|--|----------------------------------|--|
| Vendor Name (& Location): International Business Machines (IBM) | | Contract Number: 03A8602-1/PO #C0000A1852 | | AWO/Modification # 135 | |
| Description: Data Center Services purchase of a Refurbished z114 Mainframe- ASWO #135 | | | | | |
| Contract Term (including Options, if any): Upon Approval – May 31, 2019 | | | | | |
| Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | | | | |
| Procurement Type: <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive | | | | | |
| Solicitation Type: <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification | | | | | |
| Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: | | | | | |
| Requesting Dept/Div & Dept/Div Head Name: MTA-IT Sidney Gellineau | | | | | |
| | | Original Amount: | | \$65,228,757 | |
| | | Prior Modifications: | | \$143,956,177.91 | |
| | | Prior Budgetary Increases: | | | |
| | | Current Amount: | | \$209,184,934.91 | |
| | | This Request | | (Est.) \$2,719,169 | |
| | | % of This Request to Current Amount: | | 1.2% | |
| | | % of Modifications (including This Request) to Original Amount: | | 224.8% | |

DISCUSSION:

In February 2005, the Board approved an award of a 5-year Contract to International Business Machines (IBM) in the amount of \$65,228,757 for data center services. In March 2010, the Board approved the exercise of options to extend the contract for three years ending May 31, 2013 at a cost of \$35,711,692. In March 2013, the Board approved a 5-year extension that included, among other things, migration of IBM's Staten Island Data Center to New York City Transit (NYCT) Data Center locations, replacement of the mainframe, a new automated tape library and a new virtual tape server in the amount of \$68,821,119.

Since the contract's inception, an additional 118 Additional Service Work Orders (ASWOs) were issued for a total amount of \$39,423,367.08. The ASWOs included an April 2018 Board approved award of a one-year extension ending May 31, 2019 (\$14,854,573.56). MTA Headquarters (HQ) Procurement issued a solicitation seeking proposals for a replacement contract and negotiations with vendors in the competitive range are under review.

IBM's services include mainframe and midrange server processing for NYCT, Business Service Center (BSC), Headquarters, Bridges and Tunnels, Long Island Rail Road (LIRR) and Metro-North Railroad (MNR). The IBM operated mainframe environment runs NYCT's the AFC MetroCard application, TALON logistics application, MaBSTOA Pension Payroll Administration and Loan applications, MaBSTOA Family Court application, and its Capital Program Management CPICS application. The IBM mainframe environment also runs the LIRR Safety System application and MNRs Crew Management application. IBM's data center also operates a midrange environment that runs the BSC PeopleSoft applications for payroll, financials, and human resource applications for all MTA Agencies.

The proposed modification would allow for the purchase of a refurbished mainframe, system software and the steady-state services required to provide higher availability of AFC MetroCard Debit and Credit functionality during periods when the application is experiencing failure or scheduled maintenance. This will allow one machine to be up and processing while the other is under maintenance.

IBM submitted a price proposal of \$2,719,168.89 for this modification. NYCT's Cost Price Unit reviewed the proposal and found the cost to be 8.8% below our in-house estimate of \$2,960,754.21. In addition, a comparison of IBM's proposal with the US General Services Administration software prices indicated a savings of \$693,000. Based on the foregoing, Procurement finds IBM's price to be fair and reasonable.

In connection with a previous contract awarded, IBM was found to be responsible notwithstanding Significant Adverse Information (SAI) pursuant to the All-Agency Responsibility Guidelines, and such responsibility finding was approved by the MTA Chairman/CEO in consultation with the MTA General Counsel on July 25, 2016. No new SAI has been found relating to IBM and IBM has been found to be responsible.

714077v4

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

MTA METRO-NORTH RAILROAD

Permit with Premium Outlet Partners, L. P. for use of parking spaces at the Harriman Station

Lease with Leather Spa GCT Inc., for retail space at Grand Central Terminal

MTA LONG ISLAND RAIL ROAD

License agreement with Boingo Wireless, Inc. for wireless communications services along a portion of the LIRR's Atlantic Branch right of way and associated stations

License agreement with Boingo Wireless, Inc. for wireless communications services at the MTACC's/LIRR's Grand Central Terminal east side access facility

MTA NEW YORK CITY TRANSIT


License agreement with Sajjad Ahmad for retail space at the Myrtle-Wyckoff Avenues subway station, mezzanine paid zone, Canarsie Line, Brooklyn

METROPOLITAN TRANSPORTATION AUTHORITY

Option to purchase Grand Central Terminal and the Harlem/Hudson Lines

Single source procurement BP 347 Madison Associates, LLC, to oversee demolition of 341, 345 and 347 Madison Avenue

Staff Summary

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| Subject SHORT TERM PERMIT FOR USE OF PARKING SPACES AT THE HARRIMAN STATION |
| Department REAL ESTATE |
| Department Head Name JOHN N. LIEBER |
| Department Head Signature  |
| Project Manager Name ANTHONY CAMPBELL |

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|----------------------------------|
| Date NOVEMBER 13, 2018 |
| Vendor Name |
| Contract Number |
| Contract Manager Name |
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| Board Action | | | | | |
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| Order | To | Date | Approval | Info | Other |
| 1 | Finance Committee | 11/13/18 | X | | |
| 2 | Board | 11/15/18 | X | | |
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| Internal Approvals | | | |
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| Order | Approval | Order | Approval |
| 1 | Legal  | | |
| 2 | Chief Development Officer  | | |
| 3 | Chief Financial Officer  | | |
| 4 | Chief of Staff  | | |

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

PERMITTEE: Premium Outlet Partners, L.P. ("Premium")

LOCATION: Harriman Station parking facility, Harriman, New York (the "Parking Facility")

ACTION REQUESTED: Authorization to enter into permit

TERM: Four days - Thursday November 22 through Sunday, November 25, 2018

SPACE: Up to 700 spaces at the Harriman station parking facility

FEE: \$9,464

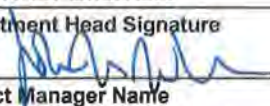
COMMENTS:

Premium owns and operates Woodbury Common, a shopping center in Harriman, New York. Premium has requested that Metro-North permit Premium to use up to 700 parking spaces in the Metro-North Harriman Station parking lot for employee parking during Premium's 2018 Thanksgiving weekend shopping event. Metro-North does not routinely charge a parking fee for commuter holiday and weekend parking, and therefore the lot is normally underutilized during these times.

MTA Policy #26 – All Agency Policy for Short-Term Agreements with For-Profit Entities ("Policy #26") authorizes MTA Real Estate to permit for-profit entities to use MTA Agency (in this case, Metro-North) property for periods not to exceed 72 hours provided the commercial entity is charged a base fee per space of \$3.38. Examples of the uses expressly authorized by Policy #26 include use of a commuter parking lot for parking of employees of an adjacent business during a holiday period (typically not longer than 3 days), however, because the Thanksgiving holiday period is for 4 days, rather than 3, it will extend beyond the 72 hour limit. For this reason, MTA Board approval is being sought. Premium will be charged the rate of \$3.38 per space per day, which fee is consistent with the MTA Policy. Additionally, Premium will be required to provide appropriate insurance coverage and indemnification, comply with Metro-North's operating requirements, and cleanup the Location after the event. The form of permit will be approved by MTA Legal.

Based on the forgoing, MTA Real Estate requests authorization for Metro-North to enter into a permit agreement with Premium as described above.

Staff Summary

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| Subject LEASE AGREEMENT FOR LEATHER SPA AT GRAND CENTRAL TERMINAL |
| Department REAL ESTATE |
| Department Head Name JOHN N. LIEBER |
| Department Head Signature  |
| Project Manager Name LEAH BASSKNIGHT |

| |
|----------------------------------|
| Date NOVEMBER 13, 2018 |
| Vendor Name |
| Contract Number |
| Contract Manager Name |
| Table of Contents Ref. # |

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| Order | To | Date | Approval | Info | Other |
| 1 | Finance Committee | 11/13/18 | X | | |
| 2 | Board | 11/15/18 | X | | |
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| Internal Approvals | | | |
|--------------------|---|-------|----------|
| Order | Approval | Order | Approval |
| 1 | Legal  | | |
| 2 | Chief Development Officer  | | |
| 3 | Chief Financial Officer  | | |
| 4 | Chief of Staff  | | |

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

LESSEE: Leather Spa GCT Inc., dba Leather Spa

LOCATION: Retail Space MC-39 in the Graybar Passage of Grand Central Terminal

ACTIVITY: The operation of a shoe shine and leather repair service including the incidental sale of shoe care items and umbrellas.

ACTION REQUESTED: Authorization to enter into a lease

TERM: 5 years

SPACE: Approximately 461 square feet of retail space

COMPENSATION: Annual Base Rent plus 8% of gross sales over Breakpoint as follows:

| | <u>Annual Base</u> | | |
|-------------|--------------------|------------|-------------------|
| <u>Year</u> | <u>Rent</u> | <u>PSF</u> | <u>Breakpoint</u> |
| 1 | \$92,200.00 | \$200.00 | \$1,152,500.00 |
| 2 | \$94,966.00 | \$206.00 | \$1,187,075.00 |
| 3 | \$97,814.98 | \$212.08 | \$1,222,687.20 |
| 4 | \$100,749.42 | \$218.55 | \$1,259,367.70 |
| 5 | \$103,771.92 | \$225.10 | \$1,297,148.70 |

COMMENTS:

In response to a recent MTA Request for Proposals ("RFP") for the preferred operation of shoe shine, barber or hair salon services in Retail Space MC-39 at Grand Central Terminal, three proposals were received. Proposals were received from 45th Street Park Ave Shoe Repair, Inc., Angelo's Shoe and Leather Specialist and Leather Spa.

Per the Guidelines for Selection of Tenants for Grand Central Terminal approved by the MTA Board in November 2009, as amended in March 2014, 2016 and 2018, such proposals were independently evaluated by Newmark Grubb Knight Frank and Jones Lang LaSalle and subsequently evaluated by the Director of Retail Leasing & Management for GCT. When evaluating the proposals, two evaluations were taken into account. Selection Criterion A, which accounts for 70% of the score, is designed to reflect the direct economic value of a proposal. Selection Criterion B, which accounts for 30% of the score, is the evaluator's determination of a proposal's indirect economic benefit to the MTA. The Director of Retail Leasing & Management's evaluation assigned Leather Spa the highest Total Criterion Score, but because 45th Street Park Ave Shoe Repair, Inc. offered higher guaranteed minimum rent, a selection committee was convened, per the guidelines.

Staff Summary

FINANCE COMMITTEE MEETING

LEASE AGREEMENT FOR LEATHER SPA AT GRAND CENTRAL TERMINAL

The three person selection committee reviewed and scored the three proposals, and unanimously assigned Leather Spa both the highest Selection Criterion B Score and the highest Total Criterion Score. The proposers' averaged scoring is reflected in the chart below. The rent to be paid by Leather Spa is at fair market value as determined by an independent appraiser.

Leather Spa has been a tenant in GCT's Dining Concourse and has provided quality shoe shine and leather repair services since August 2010. They have shown strong sales over the life of their lease and have increased sales year over year. Leather Spa is critically acclaimed throughout NYC for their knowledgeable and personable staff, luxurious interiors and superior repair quality. Within their proposal, Leather Spa described their goal of increasing the drop-off repair business and sale of their leather products within MC-39, allowing them to serve as a true destination for customers' shoe shine and leather repair needs. They currently operate 5 Manhattan locations, including GCT, with a sixth location opening in Saks Fifth Avenue in 2019.

Based on the foregoing, MTA Real Estate requests authorization for Metro-North to enter into a lease agreement with Leather Spa GCT, Inc. dba Leather Spa on the above-described terms and conditions.

Grand Central Terminal Retail Leasing Evaluation Sheet
Evaluator: Selection Committee

Space: MC-39 (currently GNC)
Date: 8/30/2018

| | A | B | C | D | E | F | G | H | I | J |
|--|---|--|---|--|--|---|--|---|---|---|
| PROPOSER | Unadjusted Guaranteed Rent Amount | Guaranteed Rent Adjustment Factor* | Adjusted Guaranteed Rent Amount (A x B) | Unadjusted Percentage Rent Amount | Percentage Rent Adjustment Factor** | Adjusted Percentage Rent Amount (D x E) | Adjusted Total Rent Amount (C + F) | Selection Criterion A Score *** (0-70) | Selection Criterion B Score (0-30) | Total Selection Criterion Score (H + I) |
| 45 th Street Park Ave Shoe Repair | 433,639 | 1.0 | 433,639 | | .50 | | 433,639 | 70 | 15 | 85 |
| Leather Spa | 399,811 | 1.0 | 399,811 | | .50 | | 399,811 | 64.5 | 27 | 91.5 |
| Angelo's Shoe & Leather Specialist | 289,010 | 1.0 | 289,010 | | .50 | | 289,010 | 46.7 | 25 | 71.7 |
| * Guaranteed Rent Adjustment Factor: from 1.00 (no uncertainty about A) to as low as 0.50 (great uncertainty about A); however may be as low as 0.00 per guidelines | | | | | | | | | | |
| ** Percentage Rent Adjustment Factor: as high as 0.50 (no uncertainty about D) to as low as zero (great uncertainty about D). | | | | | | | | | | |
| *** Selection Criterion A Score: 70 multiplied by the ratio of the Adjusted Total Rent Amount for the proposer to the highest Adjusted Total Rent Amount (from column G) | | | | | | | | | | |

Staff Summary

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|---|
| Subject LICENSE AGREEMENT FOR WIRELESS COMMUNICATIONS SERVICES ALONG A PORTION OF THE LIRR'S ATLANTIC BRANCH RIGHT OF WAY AND ASSOCIATED STATIONS |
| Department REAL ESTATE |
| Department Head Name JOHN N. LIEBER |
| Department Head Signature  |
| Project Manager Name MARLON HOLFORD |

| |
|----------------------------------|
| Date NOVEMBER 13, 2018 |
| Vendor Name |
| Contract Number |
| Contract Manager Name |
| Table of Contents Ref. # |

| Board Action | | | | | |
|--------------|-------------------|----------|----------|------|-------|
| Order | To | Date | Approval | Info | Other |
| 1 | Finance Committee | 11/13/18 | X | | |
| 2 | Board | 11/15/18 | X | | |
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| Internal Approvals | | | |
|--------------------|---|-------|----------|
| Order | Approval | Order | Approval |
| 1 | Legal  | | |
| 2 | Chief Development Officer  | | |
| 3 | Chief Financial Officer  | | |
| 4 | Chief of Staff  | | |

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

LICENSEE: A subsidiary entity to be created by Boingo Wireless, Inc. ("Boingo")

LOCATION: Above and below ground LIRR Territory from Atlantic Terminal through Jamaica Station to just west of the LIRR's Hillside Support Facility, including the Nostrand Avenue and East New York Stations

ACTION REQUESTED: Approval to enter into an exclusive license for Licensee to design, build, operate, maintain and sublicense a wireless communication access system for the benefit of LIRR customers, along with a Wi-Fi data network, and a dark fiber network, along the Atlantic Branch (collectively, the "Project") at no expense to the MTA

TERM: 10 years with 2 consecutive 5-year renewal options

COMPENSATION: **Annual License Fees:**

The Annual License Fee will be the greater of a Minimum Annual Guarantee ("MAG") or a percentage of gross revenue share

MAG:

- MAG will be \$100,000 per year (increasing 2% each thereafter) or 80% of previous year's revenue paid to the MTA, which ever is greater.

Enhanced MAG:

If, at any time during the Term, any of the major cellular telecommunications carriers do not have a sublicense agreement with the Licensee to provide wireless communication services to the Project, the Licensee shall pay an additional MAG equal to \$25,000 per year. The \$25,000 will increase each year thereafter by two percent (2%) per annum.

Revenue Share:

- Forty-five percent (45%) of gross revenues derived directly or indirectly from the dark fiber network portion of the Project.

FINANCE COMMITTEE MEETING

LICENSE AGREEMENT FOR WIRELESS COMMUNICATIONS SERVICES ALONG A PORTION OF THE LIRR'S ATLANTIC BRANCH RIGHT OF WAY AND ASSOCIATED STATIONS (Cont'd)

Page 2 of 3

- Twenty-five percent (25%) of gross revenues derived directly or indirectly from the use of any other portion of the Project (Cellular, Wi-Fi, etc.), including sublicense fees from other cellular telecommunications carriers.

One-time Fees:

- Year 1- LIRR Coaxial cellular cable reimbursement: Up to \$5,000,000
- Year 16- Additional reimbursement at renewal: \$2,000,000

COMMENTS:

A key element of LIRR Forward is a renewed focus on improving the customer experience, and one of the most important areas of focus is customer communication. While LIRR customers have connectivity to wireless services through most of the operating territory, there is one significant exception. There currently is no wireless service available to customers or employees in the tunnels between Jamaica Station and Atlantic Terminal, and service in Atlantic Terminal, Jamaica Station and other aboveground portions of this territory is at times weak. The first step to address this need was for the LIRR to lay cable in the Atlantic Tunnels in advance of this RFP. The installation of the first cable for Track 1 was successfully completed on schedule in September 2018 and the second cable for Track 2 is expected to be complete by the second quarter of 2019. Piggybacking on this early work, the approval of this license agreement would address this need and for the first time allow customers and employees to enjoy robust wireless communication in these locations, as early as the first half of 2019.

A Request for Proposals ("RFP") was developed by MTA Real Estate ("MTARE"), MTA Legal ("Legal"), and the LIRR, and issued in July 2018 with the intention to solicit proposals and select a licensee to be granted the exclusive right to implement the Project described above along a stretch of the LIRR's Atlantic Branch, and extending west to the Hillside Support Facility. The Project will be a design/build wireless system allowing our customers to enjoy voice and data reception throughout the Project area. Key requirements of the license include, at no cost to the MTA/LIRR:

- (i) Title to the Project vesting in LIRR upon installation completion.
- (ii) Delivery of reliable Wi-Fi and cellular services to LIRR's customers and employees.
- (iii) Operation and maintenance of a dark fiber network for re-sale to commercial users, reserving 72 fiber strands for LIRR use.
- (iv) The requirement that Licensee perform as a neutral-host, sub-licensing telecommunications capacity to, at a minimum, the four major cellular carriers. This is intended to insure maximum coverage for our customers.
- (v) Responsibility for on-going operation and maintenance of the system, including providing technical upgrades and future capital repairs, at Licensee's expense.
- (vi) Provision for posting of a performance bond to assure completion of the Project installation.

In response to the RFP, MTARE received proposals from Transit Wireless, Boingo, and Insite. The technical portion of the proposals were evaluated by representatives of LIRR Engineering (the "Technical Committee"). With the Technical Committee's input, the proposals (both financial and technical components) were evaluated by representatives from MTARE, Legal and the LIRR (collectively, the "Selection Committee"). The selection criteria were: 1) ability to expeditiously complete the Project and operate under operating constraints of the territory, 2) overall value of the financial proposal, 3) technical capability, and 4) viability of proposed solution.

Staff Summary

FINANCE COMMITTEE MEETING

LICENSE AGREEMENT FOR WIRELESS COMMUNICATIONS SERVICES ALONG A PORTION OF THE LIRR'S ATLANTIC BRANCH AND ASSOCIATED STATIONS (Cont'd.)

Page 3 of 3

Meetings with the proposers were held to discuss the proposals and to ask for clarifications. Subsequent requests for a best and final offer ("BAFO") were solicited and received from each proposer. Each proposer presented designs that were reviewed and evaluated.

As noted in the RFP, the LIRR was looking for a Phase 1 completion date as early as December 2018, therefore, scheduling and timing submitted by the proposers were weighted heavily by the Technical Committee. Boingo was the only proposer who produced a full conceptual design for the Technical Committee to review. As a result, the Technical Committee had more confidence that Boingo was more prepared and more likely than the other proposers to complete the task within the timeframe of the first half of 2019.

The Selection Committee reviewed the financial proposals submitted by the proposers. While Boingo did not offer the most lucrative proposal of the three, the Selection Committee felt that the superiority of Boingo's technical proposal and the demonstration of its understanding of the Project outweighed the financial considerations.

A summary of the final financial proposals is shown below:

| | Boingo | Transit Wireless | Insite |
|-----------------------------------|---|--------------------|---------------------|
| Minimum Annual Guarantee | Greater of \$100k or 80% of previous years rev share | \$120K | \$360K |
| One-time fees: | | | |
| Initial | \$5M | \$7M | \$7M |
| 1st License Renewal Fee | \$2M | \$500K | \$250K |
| 2nd License Renewal Fee | X | \$500K | \$250K |
| Annual Escalation Rate: | 2% | 3% | 3% |
| Gross Rev Share: | 25% | 20% | 55% |
| Dark Fiber Share: | 45% | X | x |
| NPV on Total Compensation* | \$9,844,559 | \$9,434,014 | \$15,999,411 |

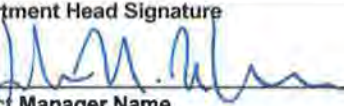
*NPV does not include dark fiber revenue estimates.

After evaluation of the Technical Committee's review and a review of the financial responses, the Selection Committee conducted a vote which resulted in Boingo as the lead finalist. Boingo's demonstrated capability as a neutral-host provider of cellular and Wi-Fi network services with more depth of experience and more nationwide deployments than any other company in the U.S. weighed in its favor. In choosing Boingo, the Selection Committee favorably viewed:

- (i) the Technical Committee's views on technical aspects of the Project.
- (ii) its past performance and ability to deliver on urban transportation projects of similar size, scope and complexity.
- (iii) the financial guarantee to secure carrier participation for the neutral host.
- (iv) the financial package including both revenue and non-revenue compensation.
- (v) Licensee-funded in-kind benefits including wireless charging stations for passengers and \$112K towards related, future, LIRR customer communication initiatives.
- (vi) The offer of 45% of gross revenues on dark fiber revenue.

Based on the foregoing, MTA Real Estate requests authorization for the LIRR to enter into a License agreement with a subsidiary to be created by Boingo based upon the above described terms and conditions.

Staff Summary

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| Subject |
| LICENSE AGREEMENT FOR WIRELESS COMMUNICATIONS SERVICES AT THE MTACC/LIRR GRAND CENTRAL TERMINAL EAST SIDE ACCESS FACILITY |
| Department |
| REAL ESTATE |
| Department Head Name |
| JOHN N. LIEBER |
| Department Head Signature |
|  |
| Project Manager Name |
| MARLON HOLFORD MTARE KIM TREVISAN MTACC-ESA |

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|--------------------------|
| Date |
| NOVEMBER 13, 2018 |
| Vendor Name |
| Contract Number |
| Contract Manager Name |
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| 1 | Finance Committee | 11/13/18 | X | | |
| 2 | Board | 11/15/18 | X | | |
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| Internal Approvals | | | |
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| Order | Approval | Order | Approval |
| 1 | Legal  | | |
| 2 | Chief Development Officer  | | |
| 3 | Chief Financial Officer  | | |
| 4 | Chief of Staff  | | |

AGENCIES: Metropolitan Transportation Authority ("MTA") MTA Capital Construction ("MTACC-ESA") and MTA Long Island Rail Road ("LIRR")

LICENSEE: A subsidiary entity to be created by Boingo Wireless, Inc. ("Boingo")

LOCATION: MTACC-ESA/LIRR's East Side Access station, concourse and tunnels in and to Grand Central Terminal (the "ESA Facility")

ACTION REQUESTED: Approval to enter into an exclusive license for Licensee to design, build, operate, maintain and sublicense a wireless communication access (Cellular) system for the operational benefit of MTA and LIRR and its customers, along with a Wi-Fi data network, and a dark fiber network (collectively, the "Project"), at no expense to the MTA or LIRR.

TERM: 15 years with 2 subsequent 5-year renewal options

FINANCE COMMITTEE MEETING

LICENSE AGREEMENT FOR WIRELESS COMMUNICATIONS SERVICES AT THE MTACC'S/LIRR'S GRAND CENTRAL TERMINAL EAST SIDE ACCESS FACILITY (Cont'd)

Page 2 of 4

COMPENSATION:

Annual License Fees:

The Annual License Fee will be the greater of a Minimal Annual Guarantee ("MAG") or a percentage of gross revenue share.

MAG:

- A MAG of \$331,000 for the first Year, increasing by three percent (3%) each year thereafter.

Enhanced MAG:

- If, at any time during the Term, any of the major cellular telecommunications carriers (T-Mobile, Verizon, AT&T and Sprint) do not have a sublicense agreement with the Licensee to provide wireless communication services to the Project, the Licensee shall pay an additional MAG equal to \$69,000 per year. The \$69,000 will increase each year thereafter by three percent (3%) per annum.

Revenue Share:

- Fifty-one percent (51%) of gross revenues derived directly or indirectly from the dark fiber network portion of the Project.
- Twenty-five percent (25%) of gross revenues derived directly or indirectly from the use of any other portion of the Project (Cellular, Wi-Fi, etc.), including sublicense fees from other cellular telecommunications carriers.

One-Time Fees:

- Year 1-15 Initial Term Fee: \$2,250,000, payable upon execution
- Year 16-20 Renewal Fee: \$1,000,000, payable upon exercising the option
- Year 21-25 Renewal Fee: \$1,000,000, payable upon exercising the option

Retroactive Amount:

- The Licensee will reimburse MTACC-ESA for its prior, advance work completed in support of the Project, up to \$5M for documented work attendant to the Project.

LIRR Operational Services:

The Licensee will provide, at no cost to the LIRR, wireless services to enable LIRR personnel to use wireless paging, cellular telephone, radio and cellular data within the ESA Facilities in Manhattan and Queens.

COMMENTS:

To optimize the planned East Side Access passenger experience and meet LIRR operating needs for wireless services, MTACC-ESA, with LIRR support, launched a Wireless Program planning effort. Actions included a comprehensive technical assessment, to ensure the feasibility of incorporating critical cellular and Wi-Fi infrastructure into the ESA Facility. MTACC-ESA identified project parameters, requisite equipment, space requirements, and opportunities for integration into existing plans. Based on this analysis, select ESA Facility design and construction modifications were advanced to build-out and protect critical 'at-risk' infrastructure vital for the future installation of a cellular and wireless system.

FINANCE COMMITTEE MEETING

LICENSE AGREEMENT FOR WIRELESS COMMUNICATIONS SERVICES AT THE MTACC'S/LIRR'S GRAND CENTRAL TERMINAL EAST SIDE ACCESS FACILITY (Cont'd.)

Page 3 of 4

Subsequently, a Request for Proposals ("RFP") was developed by MTA Real Estate ("MTARE"), MTACC-ESA, MTA Legal ("Legal"), and LIRR, to create a public/private partnership for the delivery of wireless communication services to the ESA Facility, at no cost to the MTA, while also generating revenue for the MTA. The RFP, issued in July 2017, was intended to solicit proposals and provide a basis to select a licensee to be granted the exclusive right to implement the Project described above. The Project will be a design/build wireless system allowing our customers to enjoy voice and data reception throughout the ESA Facility, while ensuring LIRR operations can equally utilize the wireless platforms. Key requirements of the license include, at no cost to the MTA, MTACC-ESA or LIRR:

- (i) Design, construction, operations and maintenance of the wireless system, integrated into the ESA Facility.
- (ii) Title to the Project vesting in the MTA upon installation completion.
- (iii) Delivery of reliable Cellular and Wi-Fi services for MTA/ LIRR customers.
- (iv) Operation and maintenance of a dark fiber network for re-sale or sublicensing to commercial users, reserving 48 fiber strands, at no cost, for MTA/LIRR use.
- (v) Provision of wireless operational services to MTA/LIRR in select additional areas.
- (vi) The requirement that Licensee perform as a non-exclusive neutral-host, sub-licensing telecommunications capacity to, at a minimum, the four major cellular carriers. This is intended to insure maximum coverage for the MTA and LIRR's customers.
- (vii) Responsibility for on-going operation and maintenance of the system, including providing technical upgrades and future capital repairs, at Licensee's expense.
- (viii) Provision of funding by Licensee of one full-time MTACC-ESA Deputy Construction Manager dedicated to integrating the Project into the ESA Facility, as well as, at Licensee's expense, provision of an on-site. Boingo System Manager to respond immediately to any service need once revenue service has commenced.
- (ix) Provision for posting of a performance bond to assure completion of the Project installation.

In response to the RFP, proposals were received from Verizon, Boingo, Transit Wireless and Insite. The technical portions of the proposals were evaluated by representatives of MTACC-ESA, LIRR, and MTACC-ESA advisory consultants (the "Technical Committee"). With the Technical Committee's input, the entire submissions (both financial and technical components) were evaluated by representatives from MTARE, MTACC-ESA, Legal and LIRR (the Selection Committee). Meetings with the proposers were held to discuss the proposals and to further clarify ESA requirements. Two firms, Boingo and Transit Wireless, were short-listed and subsequent requests for a best and final offer ("BAFO") were solicited and received from those two firms.

Staff Summary

FINANCE COMMITTEE MEETING

LICENSE AGREEMENT FOR WIRELESS COMMUNICATIONS SERVICES AT THE MTACC'S/LIRR'S GRAND CENTRAL TERMINAL EAST SIDE ACCESS FACILITY (Cont'd.)

Page 4 of 4

A summary of the NPV of the final BAFO financial proposals is shown below:

| | Boingo | Transit Wireless |
|-------------------------------------|--------------------|--------------------|
| Minimum Annual Guarantee | \$331K * | \$350K |
| One-time fees: | | |
| Initial | \$2.25M | \$1M |
| 1st License Renewal Fee | \$1M | \$500K |
| 2nd License Renewal Fee | \$1M | \$500K |
| Annual Escalation Rate: | 3% | 3% |
| Gross Rev Share: | 25% | 15% |
| Dark Fiber Share: | 51% | 15% |
| NPV on Total Compensation ** | \$8,009,818 | \$6,917,742 |

* Boingo has committed to an Enhanced MAG of \$69K annually in the event they do not have full participation of all major carriers


** NPV does not include dark fiber revenue estimates, which are projected at \$3.5M for Boingo and \$1.03M for Transit Wireless

Each proposer presented concepts that were reviewed and evaluated. The initial analysis by the Technical Committee was that all of the proposers were capable of building the Project. However, Boingo demonstrated strongly its capability as a neutral-host provider of cellular and Wi-Fi network services, with more depth of experience and a more extensive number of nationwide deployments than any other company in the U.S., weighing in its favor. All proposer information was carefully evaluated by the Selection Committee. In choosing Boingo, the Selection Committee favorably viewed:

- (i) its past performance and ability to deliver on urban transportation projects of similar size, scope and complexity.
- (ii) its demonstrated understanding of the complex ESA Facility working conditions and access constraints.
- (iii) Licensee's financial assurance in the form of increased MAG to secure carrier participation.
- (iv) Licensee's superior financial package, including both revenue based (guaranteed and percentage sharing) and non-revenue based compensation.
- (v) Licensee's agreement to development of 30% design drawings (now completed) for inclusion as part of the executed award contract documents.
- (vi) Licensee-funded additional services, including wireless charging stations used by LIRR customers and \$150K towards future related MTA/LIRR customer communication initiatives.

Based on the foregoing, MTA Real Estate requests authorization for the MTA, MTACC and the LIRR to enter into a License Agreement with a subsidiary to be created by Boingo Wireless, Inc. for the above described terms and conditions.

Staff Summary

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| Subject LICENSE AGREEMENT AT MYRTLE-WYCKOFF |
| Department REAL ESTATE |
| Department Head Name JOHN N. LIEBER |
| Department Head Signature  |
| Project Manager Name ARTURO ESPINOZA |

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|----------------------------------|
| Date NOVEMBER 13, 2018 |
| Vendor Name |
| Contract Number |
| Contract Manager Name |
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| Internal Approvals | | | |
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| Order | Approval | Order | Approval |
| 1 | Legal  | | |
| 2 | Chief Development Officer  | |  |
| 3 | Chief Financial Officer  | | |
| 4 | Chief of Staff  | | |

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

LICENSEE: Sajjad Ahmad (or entity to be formed in which Mr. Ahmad is the principal)

LOCATION: Myrtle-Wyckoff Avenues subway station, mezzanine paid zone, Canarsie Line, Brooklyn

ACTIVITY: Operation of a newsstand

ACTION REQUESTED: Authorization to enter into a license agreement

TERM: 5 years, terminable at will by NYCT on 60 days' notice, at no cost

SPACE: Approximately 135 square feet

| Year | Annual Compensation | Monthly Compensation | % Increase | PSF Compensation |
|------|---------------------|----------------------|------------|------------------|
| 1 | \$27,500.00 | \$2,291.67 | | \$203.70 |
| 2 | \$28,235.00 | \$2,352.92 | 3% | \$209.15 |
| 3 | \$29,175.00 | \$2,431.25 | 3% | \$216.11 |
| 4 | \$30,049.00 | \$2,504.08 | 3% | \$222.59 |
| 5 | \$30,951.00 | \$2,579.25 | 3% | \$229.27 |

COMMENTS:

The Space is a vacant newsstand built out by a previous tenant and vacated due to nonpayment of rent. It was subsequently offered via a Request for Proposals ("RFP") for a 5-year revocable license term. In response to the RFP, Mr. Sajjad Ahmad was the sole proposer and his offer is summarized in the chart below:

| Proposer Name | Net Present Value at 7% |
|---------------|-------------------------|
| Sajjad Ahmad | \$119,170 |

The present value of Mr. Ahmad's proposed compensation is \$119,170 for the 5-year revocable license term (calculated at a 7% discount rate). The compensation amount exceeds the independent valuation of the Property which was determined to be \$200 PSF.

Staff Summary

FINANCE COMMITTEE MEETING LICENSE AGREEMENT AT MYRTLE-WYCKOFF (Cont'd.)

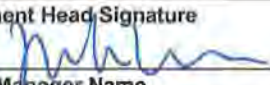
Required improvements, as specified in the RFP, call for professional cleaning of and minor repairs to the Space. A credit and background investigation performed on Mr. Ahmad determined that he has good credit, and the financial resources to carry out the required improvements and pay the compensation amount he offered. If Mr. Ahmad forms an entity to be the licensee rather than himself individually, Mr. Ahmad will be required to provide a guaranty of the licensee's obligations under the license agreement.

The license agreement will be revocable with a 60-day, at will, termination provision, and will be prepared in a form approved by MTA Legal.

MTA Real Estate requests authorization for NYCT to enter into a license agreement with Sajjad Ahmad (or an entity to be formed) based on the above-described terms and conditions.

Staff Summary



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|--|
| Subject OPTION TO PURCHASE GRAND CENTRAL TERMINAL AND THE HARLEM/HUDSON LINES |
| Department REAL ESTATE |
| Department Head Name JOHN N. LIEBER |
| Department Head Signature  |
| Project Manager Name ROBERT PALEY & DAVID FLORIO |

| |
|----------------------------------|
| Date NOVEMBER 15, 2018 |
| Vendor Name |
| Contract Number |
| Contract Manager Name |
| Table of Contents Ref. # |

| Board Action | | | | | |
|--------------|-------------------|----------|----------|------|-------|
| Order | To | Date | Approval | Info | Other |
| 1 | Finance Committee | 11/13/18 | X | | |
| 2 | Board | 11/15/18 | X | | |
| | | | | | |
| | | | | | |

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

AGENCY: Metropolitan Transportation Authority ("MTA")

SELLER: Midtown Trackage Ventures, LLC

PROPERTY: Grand Central Terminal (the "Terminal") and the Harlem and Hudson railroad lines, including the rights-of-way, trackages, passenger stations, shops, yards and other improvements within the same (collectively, the "Harlem and Hudson Lines") operated by MTA Metro-North Railroad, excluding the Landlord's Reserved Air Rights over the Terminal (collectively, the "Property")

ACTIVITY: Exercise an option to purchase the fee interest in the Property pursuant to an option to purchase (the "Option") contained in the long-term ground lease of the Property to MTA, and to enter into subdivision and zoning lot development documents with the Seller

ACTION REQUESTED: Approval to exercise an option to purchase the fee interest in the Property, and in connection therewith allow the Seller to create a "fee above a plane" above the Terminal to facilitate the Seller's reservation of Seller's transferrable air/development rights associated with the Property, to which Seller is already entitled and to finance the cost of the purchase price and related closing costs associated therewith. Additionally, to enable these transactions, approval is sought to create four new capital projects, two in the 2010-2014 Capital Program and two in the 2015-2019 Capital Program.

PURCHASE PRICE: Not to exceed \$35,065,664 depending on when the actual closing occurs, to be determined as of the closing date per the Option formula as described below, less a \$500,000 credit

COMMENTS:

In April 1994, the MTA entered into a lease (as amended, the "Lease") with Seller's predecessors-in-interest for the Property for an extended term expiring February 28, 2274, which also included an Option for MTA to purchase the Property. The Option may only be exercised beginning April 8, 2017 and no later than October 5, 2019, after which date MTA will have no further contractual right to purchase the Property. The Lease (and the Option) excludes all transferrable development rights appurtenant to the Terminal tax and landmark lot (the "Landlord's Air Rights"), less 100,000 sf which is reserved under the Lease for MTA. Therefore MTA has no ownership interest in the Landlord's Air Rights.

Staff Summary

FINANCE COMMITTEE MEETING

OPTION TO PURCHASE GRAND CENTRAL TERMINAL AND THE HARLEM/HUDSON LINES

(Cont'd.)

Page 2 of 2

The annual rent under the Lease is approximately \$2.4MM (decreasing to approximately \$2.04MM in 2019), payable in semi-annual installments through February 28, 2274.

Under the Option, the purchase price for the fee interest in the Property is (i) the present value of the rental stream for the balance of the term of the Lease plus (ii) \$400,000, which is the agreed to value of the landlord's reversionary interest. The discount rate which is used to calculate the present value of the rental stream is based on the then-current rate at which Lessor/Seller could borrow on a nonrecourse basis for a 25-year term secured solely by the Lease, subject to a minimum of 6.25% and a maximum of 9%. Given the current interest rate environment, the estimated Purchase Price set forth above utilizes a discount rate of 6.25%. The closing under the Option would not occur before April of 2020 or one year after its exercise, whichever is later.

Acquisition of the fee interest in the Property affords the MTA and Metro-North with a host of benefits, including the following:

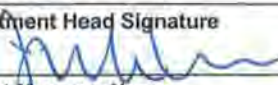
- Owning the Property, as opposed to leasing it will afford Metro-North the ability to capture the full value of the Property, especially for the Hudson and Harlem Lines and any improvements, through transit-oriented development or other public-private partnerships.
- Ownership will allow Metro-North to enjoy unfettered control of its operating environment as it does on the New Haven Line, and also allow it to dispose of property if needed.
- Ownership will also allow the LIRR to enjoy unfettered control of the new East Side Access Terminal being constructed beneath the Terminal.
- MTA will be protected from having to "pay twice" for future investments in the Terminal and the Harlem and Hudson Lines, which increase the value of the Property.
- This is a one-time only Option. The Option expires in October 2019, and there is no other opportunity to purchase the Property, especially at the favorable price established in the Lease.
- If the Option is allowed to lapse, and MTA sought to acquire the Property in the future either through negotiations or condemnation, the assessed value would likely be many multiples of the purchase price under the Lease.
- Owning the Property removes the indemnification obligation to the Landlord.
- There is a positive arbitrage between the rate at which MTA borrows and the minimum 6.25% discount rate that is established under the Option for determining the present value of the future rent payments to be made by MTA under the Lease, which results in a lower purchase price than one could negotiate today.

As part of the exercise of the Option, the Seller has asked that MTA cooperate with the Seller in the establishment of a fee above a plane for the Terminal tax and landmark lot, which effectively subdivides the Terminal lot into two lots for zoning purposes only – one above a specified elevation and the other below, which lots are merged for zoning purposes. This will, at no cost or burden to MTA, facilitate the Seller's continued ownership of the Landlord's Air Rights, which in any event are not part of the Property leased to MTA or subject to the Option. The Lease and the Option each require MTA to continue to cooperate with the Seller after the closing to allow the Seller to transfer the Landlord's Air Rights. The implementation of the fee above the plane subdivision for zoning purposes and entering into by MTA of the zoning lot development agreement and other subdivision documents at no cost to MTA, would be an extension of that cooperation obligation. The Seller has agreed to accelerate the Closing and afford the MTA a credit of \$500,000 toward the purchase price of the Property.

The proposed activities will require the creation of four new Metro-North capital projects, two in the 2010-2014 Capital Program and two in the 2015-2019 Capital Program. These will be created in the GCT elements M60201 and M70201 and in the Track elements M60301 and M70301. New funding will provide for an increase to Metro-North's funding envelope for the purchase.


MTA Real Estate requests authorization for the MTA to exercise the Option, enter into the subdivision and zoning lot documents, and acquire the Property based upon the above terms and conditions, and to finance the cost of the purchase price and related closing costs associated therewith.

Staff Summary

| |
|---|
| Subject |
| AGREEMENT WITH BP 347 ASSOCIATES, LLC |
| Department |
| REAL ESTATE |
| Department Head Name |
| JOHN N. LIEBER |
| Department Head Signature |
|  |
| Project Manager Name |
| ROBERT PALEY & DAVID FLORIO |

| |
|--------------------------|
| Date |
| NOVEMBER 13, 2018 |
| Vendor Name |
| |
| Contract Number |
| |
| Contract Manager Name |
| |
| Table of Contents Ref. # |
| |

| Board Action | | | | | |
|--------------|-------------------|----------|----------|------|-------|
| Order | To | Date | Approval | Info | Other |
| 1 | Finance Committee | 11/13/18 | X | | |
| 2 | Board | 11/15/18 | X | | |
| | | | | | |
| | | | | | |

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

AGENCY: Metropolitan Transportation Authority ("MTA")

PERMITTEE: BP 347 Madison Associates, LLC, d/b/a Boston Properties ("BP")

LOCATION: 341, 345, 347 Madison Avenue, New York, New York (the "Buildings")

ACTIVITY: Entry into a single source procurement of qualified personal service contractor to oversee demolition activities for the Buildings.

ACTION REQUESTED: Approval for a single source procurement and creation of a new capital project in the 2015-2019 Capital Program to allow for access to and demolition of the Buildings.

TERM: Eighteen (18) months

COMPENSATION: Not to exceed \$1,000,000 plus a direct pass-through of actual cost of demolition of the Buildings based upon competitively bid contracts for the work, will be paid out of MTA Capital Budget.

COMMENTS:

The redevelopment of the former MTA Headquarters Buildings on Madison Avenue was anticipated to be undertaken shortly after the MTA relocated its headquarters to 2 Broadway in late 2014. BP, the designated developer selected through a 2013 Request For Proposals ("RFP"), was to have demolished the Buildings at its cost immediately after securing approval by the City and MTA of the redevelopment project for the Buildings (the "Project") and executing a long-term triple net ground lease with the MTA (the "Ground Lease") as contemplated by the 2013 RFP. However, the Project has been delayed, and the Buildings, already in substandard condition at that time, are now substantially vacant and have continued to deteriorate due to deferred maintenance as cost savings initiatives. In addition, the Buildings may soon be in non-compliance with updated life-safety codes, which will go into effect in June 2019.

Concern about the safety and cost of maintaining the largely vacant Buildings prompted MTA Real Estate to have them evaluated in the summer of 2018 by Syska Hennessy Group, Inc. Syska's Property Conditions Assessment Report outlines work required to make the Buildings safe for the immediate future and to meet code and life safety requirements. Syska estimated the cost of the work required to address "Priority One Deficiencies" which include façade repairs, sprinkler system installation and life safety updates at approximately \$30 Million. These improvements must be completed by mid-2019. Priority Two work totaling \$7.7 million must be completed by 2020. MTA Real estate has determined that these costs make the Buildings, which, even if brought to code and life safety standards, substandard as office space, and unmarketable in the foreseeable future.

FINANCE COMMITTEE MEETING AGREEMENT WITH BP 347 ASSOCIATES, LLC

The estimated demolition cost of \$25 Million is less than the investment required to make the Buildings code compliant in the immediate future and significantly less than the cost of continuing to maintain them over even a modest period of time. The most prudent path, for both public safety and fiscal responsibility, is to demolish the Buildings as quickly as possible.

The MTA has no expertise overseeing a demolition project of this size. Under the proposed arrangement, BP, under a personal services contract would act as a construction manager, hire all professionals required (i.e. architects, engineers, expeditors etc.), to produce a demolition documentation package and bid out that package pursuant to MTA guidelines to a qualified general contractor, who will manage the demolition and bid out to all subcontractors.

The benefits to the MTA contemplated in the Ground Lease would be preserved to the greatest extent possible. Upon closing of the Ground Lease for the Project, BP will reimburse the MTA for all costs related to the demolition. This proposed arrangement aligns BP's and the MTA's interests in keeping costs as low as possible since the ultimate responsibility for costs will rest with BP if the Project and Ground Lease move forward. If the Project is not ultimately approved by the City and MTA, the demolition of the Buildings will still relieve MTA of the approximately \$37 Million in repair costs it would otherwise be required to invest to maintain the buildings.

Upon approval of the work contemplated hereunder, BP would undertake an approximately six-month design and permitting process and bid the trade contracts with an anticipated start date for demolition in Q2 2019 with completion of demolition anticipated for Q2 2020.

Although BP, as a redeveloper, would normally not initiate demolition until after the completion of all public approvals related to the Project (2020 at the earliest), segmenting the demolition from the balance of the redevelopment project through a contract with BP independent of the Ground Lease would preserve the benefits to the MTA anticipated for the Project. This will ensure that 1) the demolition of deteriorating and non-compliant Buildings is timely and efficient, 2) the demolition is undertaken in a manner that leaves the site in a condition that would provide BP a seamless transition to its Project, 3) the demolition will provide the MTA the assurance that it is getting the best pricing since it will ultimately be BP's cost if and when the Project proceeds and 4) the MTA is relieved of the burden of overseeing a demolition project, which it is not properly staffed to handle.

The design of the demolition is particularly important with respect to an East Side Access ("ESA") entrance, which is to be included as part of the Project. The design of the foundation removal, required underpinning, and utility removal will ensure that BP coordinates demolition with the future planned construction that includes an ESA entrance. For this reason, BP will retain the same architecture, engineering and geotechnical consultants for the demolition as it would for the Project.

Segmenting the demolition from the Project is permissible under these circumstances since the Project has been delayed and the Buildings, already in substandard condition, continue to deteriorate and will soon be out of compliance with updated life-safety codes. An Environmental Assessment has been performed in accordance with Article 8 of the New York State Environmental Conservation Law, and the demolition will not result in any significant adverse environmental impact. The environmental review for the Project will take note of the Buildings demolition and be no less protective of the environment than if they had remained in their current condition.

To support this work, a new capital project will be created under category N711 of the MTA Interagency section of the 2015-2019 Capital Program. Budget authority will be transferred from the existing Capital Program Support project (N7110103).

Staff Summary



| | |
|---------------------------|--------------------|
| Subject | Fair Fares Program |
| Department | Operations Support |
| Department Head Name | Tim Mulligan |
| Department Head Signature | |
| Project Manager Name | Al Putre |

| | |
|-------------------------|------------------|
| Date | November 7, 2018 |
| Vendor Name | N/A |
| Contract Number | N/A |
| Contract Manager Name | N/A |
| Table of Contents Ref # | N/A |

| Board Action | | | | | |
|--------------|-----------|------|----------|------|-------|
| Order | To | Date | Approval | Info | Other |
| 1 | NYCT Comm | | | | |
| 2 | Board | | | | |
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| | | | | | |

| Internal Approvals | | | |
|--------------------|--------------------------------------|-------|---------------------------------------|
| Order | Approval | Order | Approval |
| 3 | President <i>[Signature]</i> 11/8/18 | 1 | VP General Counsel <i>[Signature]</i> |
| | | 2 | CFO <i>[Signature]</i> |
| | | | |
| | | | |

Purpose

To obtain Board approval of the annexed resolution authorizing the Chairman or his designee to enter into an agreement with the City of New York governing the proposed Fair Fares Program and to take such actions as may be deemed necessary or appropriate in connection with the implementation of the Fair Fares Program during its inaugural six month pilot period. This subsidized fare program, which is to be fully paid for by the City of New York, will provide eligible low-income residents of the City of New York with half-price fares when riding on Transit subways and bus lines.

Discussion

The City of New York has appropriated FY 2018-19 funds for inauguration of the Fair Fares Program, which is targeted to commence in January 2019 and is funded through June 2019. Through this Program, eligible low-income New York City residents will be issued special MetroCards they can use on the subway and bus lines within New York City at half-fare, with the City making up the difference from full fare.

MTA and MTA NYCT staff have been working with representatives of the City of New York, including staff from its Department of Social Services/Human Resources Administration (DSS/HRA), on procedures for implementing the Fair Fares Program and the parties plan to execute an agreement setting forth implementation procedures (the "Agreement") this month.

Under the Agreement, MTA NYCT will be responsible for creating a new class of half-fare MetroCards designed for this Program, and supplying these to DSS/HRA; DSS/HRA will be responsible for determining eligibility of participants, issuing the half-fare MetroCards to eligible persons, and funding an account to reimburse MTA NYCT. Pursuant to Section 1205(2) of the Public Authorities Law, when reduced fares are to be provided by MTA NYCT for one or more classes of transit facility users at the request of the City, the City of New York must agree to assume the burden of the resulting fare differential, together with the attendant administrative costs of MTA NYCT, under procedures satisfactory to MTA NYCT. Accordingly, the Agreement contains provisions that require the City to pay MTA NYCT the full differential in fare revenue that arises from

the reduced fares received from participants in the Fair Fares Program, as well as pay MTA NYCT for administrative costs that will be incurred in connection with the Fair Fares Program.

The resolution that accompanies this Staff Summary authorizes the Chairman or his designee to execute the Fair Fares Agreement with the City, in advance of implementation of the Program. The initial term of the Fair Fares Agreement will provide for a six month period of implementation, commencing with its January 2019 inauguration. Future Board approval would be sought for an extension of the Fair Fares Program beyond this initial pilot period, subject to further monies being made available by the City of New York to fund the Program's continuation.

Impact on Funding

None anticipated. The City of New York is to fund the reduced fare differential arising from the Fair Fares Program, as well as MTA NYCT's administrative costs incurred in implementing the Program.

Recommendation

The Board approve the annexed resolution authorizing the MTA Chairman or his designee to enter into an agreement with the City of New York governing the proposed Fair Fares Program and to take necessary and appropriate steps to implement the Fair Fares Program, in conjunction with the City of New York.

RESOLUTION

METROPOLITAN TRANSPORTATION AUTHORITY and NEW YORK CITY TRANSIT AUTHORITY

WHEREAS, the City of New York has appropriated funds for its Fiscal Year 2018-2019 for inauguration of a program in January 2019 by which eligible New York City residents with incomes below federal poverty levels can make use of the transit system at half-fare (the "Fair Fares Program"); and

WHEREAS, pursuant to Section 1205(2) of the Public Authorities Law, the New York City Transit Authority ("Transit Authority") is authorized to provide reduced fares for one or more classes of transit facility users designated by the Mayor, provided the City of New York agrees to assume the burden of the resulting fare differential, together with the attendant administrative costs of the NYCT, pursuant to procedures satisfactory to the Transit Authority; and

WHEREAS, the Metropolitan Transportation Authority (the "MTA") and the Transit Authority have worked with the City of New York to develop plans for commencing the Fair Fares Program, and are now finalizing a proposed agreement with the City of New York governing implementation of the Fair Fares Program to enable its timely implementation;

WHEREAS, said agreement governing implementation of the Fair Fares Program shall require the City of New York, consistent with Section 1205(2) of the Public Authorities Law, to pay to the Transit Authority the fare differential resulting from the Fair Fares Program as well as pay the Transit Authority for attendant administrative costs incurred in connection with the Fair Fares Program;

NOW, THEREFORE, BE IT RESOLVED, that

1. The Chairman or his designee, in consultation with the President of the Transit Authority and other appropriate officers of the MTA and Transit Authority, are hereby authorized to enter into an agreement with the City of New York, on behalf of the MTA and the Transit Authority, regarding the implementation of the proposed Fair Fares Program (the "Agreement") for an initial term of six months, and to take such actions as may be deemed necessary or appropriate in connection with the implementation of the proposed Fair Fares Program during this six month pilot period.
2. The Chairman or his designee, in consultation with the President of the Transit Authority and other appropriate officers of the MTA and Transit Authority, are further authorized to make such changes, alterations, modifications, and revisions to the Agreement and related procedures for implementing the Fair Fares Programs during its initial six month term as are not inconsistent with this Resolution.

Dated: November 15, 2019

Procurement

Steve Plochochi, Senior Vice President



This specially designed gantry crane in operation at 121 St station in Queens along the Jamaica line is being used for station renewal and repair projects. The crane can hoist steel girders that range in length from 45 to 60 feet, each weighing an average of 4 tons. Renewal and component repairs are underway at four stations: 121 St, 111 St, and 104 St in Queens and Myrtle Av in Brooklyn. The work includes the installation of 34 trackside platform steel girders (See item 3 in NYC Transit's Procurement Package).

PROCUREMENTS

The Procurement Agenda this month includes 3 actions for a proposed expenditure of \$10.0M.

| | | | | | |
|--|-----------|-------------|-----------------|-------------|--------------|
| Subject Request for Authorization to Award Various Procurements | | | | | |
| Department Procurement & Supply Chain – NYCT | | | | | |
| Department Head Name Stephen M. Plochochi | | | | | |
| Department Head Signature  | | | | | |
| Project Manager Name Rose Davis | | | | | |
| Board Action | | | | | |
| Order | To | Date | Approval | Info | Other |
| 1 | Committee | 11/13/18 | | | |
| 2 | Board | 11/15/18 | | | |
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| | | | |
|---|--------------------------|---|-------------------------|
| November 5, 2018 | | | |
| Department | | | |
| Department Head Name | | | |
| Department Head Signature | | | |
| Internal Approvals | | | |
| | Approval | | Approval |
|  | President NYCT 11/7/18 | | President MTACC |
| | Operations Support | X | President MTA Bus/Buses |
| X | Capital Prog. Management | X | Subways |
| | Law | | Diversity/Civil Rights |

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

PURPOSE

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

DISCUSSION

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

| <u>Procurements Requiring Two Thirds Vote:</u> | | <u># of Actions</u> | <u>\$ Amount</u> |
|--|----------|---------------------|------------------|
| Schedule A: Noncompetitive Purchases and Public Work Contracts | | 1 | \$ 3.2 M |
| • Transit Sourcing Services, Inc. | \$ 3.2 M | | |
| SUBTOTAL | | 1 | \$ 3.2 M |

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

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

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

Schedules Requiring Majority Vote:

| | | | |
|--|-----------------|----|----------|
| Schedule L: Budget Adjustments to Estimated Quantity Contracts | 1 | \$ | 1.0 M |
| | SUBTOTAL | 1 | \$ 1.0 M |

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

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

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

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

NYC Transit proposes to award Ratifications in the following categories:

Schedules Requiring Two-Thirds Vote:

| | | | |
|---|-----------------|----|-----------|
| Schedule K: Ratification of Completed Procurement Actions | 1 | \$ | 5.8 M |
| | SUBTOTAL | 1 | \$ 5.8 M |
| | TOTAL | 3 | \$ 10.0 M |

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

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

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

BOARD RESOLUTION

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

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

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

NOW, the Board resolves as follows:

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

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

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

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

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

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

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

NOVEMBER 2018

LIST OF NONCOMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

A. Noncompetitive Purchases and Public Work Contracts

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

- | | | |
|--|---------------------------|--------------------------------------|
| 1. Transit Sourcing Services, Inc. Noncompetitive – Six-month contract SSE # 235697 Purchase of subway car wheels. | \$3,205,050 (Est.) | <u>Staff Summary Attached</u> |
|--|---------------------------|--------------------------------------|

Schedule A: Noncompetitive Purchases and Public Work Contracts

Item Number: 1

| | | |
|---|--|--|
| Vendor Name (Location) Transit Sourcing Services, Inc. (Concord, North Carolina) | Contract Number SSE 235697 | Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Description Purchase of Subway Car Wheels | Total Amount: \$3,205,050 (Est.) | |
| Contract Term (including Options, if any) Six months | Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: | |
| Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a | Requesting Dept./Div., Dept./Div. Head Name: Department of Subways, Sally Librera | |
| Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Noncompetitive | | |
| Solicitation Type <input type="checkbox"/> RFP <input checked="" type="checkbox"/> Bid <input type="checkbox"/> Other: | | |

Discussion

It is requested that the Board declare competitive bidding impractical or inappropriate pursuant to New York State Public Authorities Law, Section 1209, subdivision 9(d), and approve the award of noncompetitive purchase contract 235697 to Transit Sourcing Services, Inc. ("TSS") for the award of a production quantity of 3,000 subway car wheels ("wheels"). TSS will supply wheels manufactured by GHH-Bonatrans ("Bonatrans"), located in the Czech Republic.

The purpose of this award is to ensure that Bonatrans has the production capacity to consistently supply wheels that meet NYC Transit's quality and delivery schedule requirements. Currently, NYC Transit's monthly requirements for wheels are greater than the monthly production capacity of any single approved wheel supplier. In order to meet NYC Transit's operational requirements, multiple contracts for wheels are required to ensure a timely and sufficient supply of wheels. Wheels are a vital component of the entire NYC Transit subway car fleet and are replaced by the Department of Subways' Division of Car Equipment ("DCE") during its six-year and 12-year Scheduled Maintenance Systems. NYC Transit currently uses approximately 1,100 wheels per month.

Wheels are safety sensitive, and currently MWL Brasil Rodas & Eixos Ltda. ("MWL"), Sumitomo Corporation, and Standard Steel are the only manufacturers whose products are approved on NYC Transit's Qualified Products List ("QPL") for wheels. [In April 2012, Sumitomo Metals and Sumitomo Corporation acquired Standard Steel and formed a new entity, Summit Railroad Products, Inc. ("Summit"), which represents both Sumitomo Corporation and Standard Steel.] In December 2017, MWL and Summit were each awarded a 24-month Estimated Quantity Contract for wheels, and both contracts expire in December 2019. Additionally, in September 2018, the Board approved the purchase of 1,300 wheels manufactured by Lucchini RS S.p.A. for use in a two-phase qualification process.

Board approval was obtained in March 2013 for the purchase of 1,300 Bonatrans wheels from TSS for a two-phase qualification process by DCE in accordance with NYC Transit specifications. The qualification process consists of the successful completion and performance evaluation of in-service testing of the 1,300 wheels in two phases. For Phase I testing, NYC Transit purchased 300 Bonatrans wheels, installed them on subway cars, and operated those cars in service for six months. Bonatrans successfully completed Phase I testing and proceeded to Phase II. In Phase II, NYC Transit purchased an additional 1,000 Bonatrans wheels, installed them on subway cars, and is in the process of operating those cars in service for one year. To date, the Bonatrans wheels have performed satisfactorily and Phase II testing is expected to be completed in December 2018.

Upon successful completion of Phase II, Bonatrans' wheel will be QPL approved, and this procurement for a six-month Estimated Quantity Contract guaranteeing a quantity of 3,000 wheels will be awarded to TSS for delivery of 500 wheels per month. Award of this contract to TSS will provide an additional source of supply in the event of disruption of the delivery of wheels from NYC Transit's other contractors. NYC Transit has the ability to increase the quantity as required during the contract period without any changes to the terms and conditions or unit price.

TSS originally submitted a quote in the amount of \$1,095 per wheel for an estimated total contract amount of \$3,285,000. Subsequent discussions resulted in Procurement successfully obtaining a price reduction of \$26.65 per wheel, thereby reducing the price to \$1,068.35 per wheel for an estimated total savings of \$79,950. NYC Transit's Cost Price Analysis Unit performed a review and determined that TSS's price of \$1,068.35 per wheel is fair and reasonable.

This contract is subject to review and approval of the Office of the New York State Comptroller, and an award will not be made prior to this approval. Delivery will commence 240 days after Notice of Award.

NOVEMBER 2018

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

L. Budget Adjustments to Estimated Quantity Contracts

(Expenditures anticipated to exceed the lesser of \$750,000 or \$250,000 in the event such expenditures exceed 15% of the adjusted contract budget, including any contract modifications.)

- | | | |
|--|------------------|--------------------------------------|
| 1. Trillium CNG, Inc. Contract #19633 | \$961,503 | <u>Staff Summary Attached</u> |
|--|------------------|--------------------------------------|

Provide additional funding for the upgrade of Skid A at Jackie Gleason Bus Depot to operational status.

L. Budget Adjustments to Estimated Quantity Contracts

(Expenditures anticipated to exceed the lesser of \$750,000 or \$250,000 in the event such expenditures exceed 15% of the adjusted contract budget, including any contract modifications.)

| | | | | |
|----|--------------------|---|----|------------|
| 1. | Trillium CNG, Inc. | Original Amount: (including options) | \$ | 13,655,334 |
| | Contract# 19633 | Prior Modifications: | \$ | 0 |
| | | Prior Budgetary Increases: | \$ | 0 |
| | | Current Amount: | \$ | 13,655,334 |
| | | | | |
| | | This Request: | \$ | 961,503 |
| | | | | |
| | | % of This Request to Current Amount: | | 7.0% |
| | | % of Mods/Budget Adjustments (including This Request) to Original Amount: | | 7.0% |

Discussion

The NYC Transit Department of Buses (“DOB”) is requesting approval of a budget adjustment to upgrade Skid A at Jackie Gleason Bus Depot to operational status. This work will be performed by Trillium CNG, Inc (“Trillium”).

The original award was a competitively negotiated contract for the operation and maintenance of compressed natural gas (“CNG”) fueling facilities for DOB and MTA Bus Company (“MTABC”) for a period of 87 months, and contains contract provisions for upgrades. DOB and MTABC currently operate six CNG fueling facilities: four fast-fill facilities exist at depots that operate CNG-fueled buses (Jackie Gleason and West Farms are operated by DOB; College Point, and Spring Creek are operated by MTABC); and two slow-fill facilities exist at Zerega Avenue and Grand Avenue maintenance facilities (both operated by DOB) that are used for fueling and defueling buses that undergo scheduled maintenance at these facilities. Trillium is the contractor responsible for the entire maintenance and operation of each CNG fueling facility.

Each fast-fill facility houses several natural gas compressors called skids. Skid A is one of four skids located at Jackie Gleason Bus Depot. The depot’s three operational skids are used simultaneously during peak fueling periods; the upgrade of Skid A will allow for increased fueling capacity. It was determined to fulfill this requirement by issuing a task order from Trillium’s Operation and Maintenance (“O&M”) contract. This contract was competitively negotiated, and Trillium was determined to possess outstanding technical expertise and offered the best pricing. Facility and equipment upgrades were contemplated under the O&M contract, which contains competitively negotiated rates for labor, parts, materials, and equipment.

The upgrade will replace the compressor, catalyst, muffler, and ancillary equipment. The existing engine will be removed, rebuilt, and reinstalled. All other existing infrastructure will remain in place. This upgrade of Skid A was originally solicited as a standalone procurement anticipated to yield multiple bids. However, after significant outreach efforts, only Trillium expressed interest and the standalone solicitation was cancelled prior to opening.

The pricing for this task order is based on the rates within the O&M contract and has been found to be fair and reasonable.

NOVEMBER 2018

LIST OF RATIFICATIONS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

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

- | | | |
|--|--------------------|--------------------------------------|
| 1. E.E. Cruz & Company, Inc. | \$5,798,000 | <u>Staff Summary Attached</u> |
| Contract# A-36865.20 | | |
| Modification to the contract for station renewal and component repairs of three stations in Queens: 121st Street, 111th Street, and 104th Street, and one station in Brooklyn: Myrtle Avenue; in order to install 34 trackside platform steel girders. | | |

Item Number: 1

| |
|--|
| Vendor Name (Location) E.E. Cruz & Company, Inc. (New York, New York) |
| Description Component Repairs at Four Stations, Jamaica Line (BMT) in the Boroughs of Brooklyn and Queens |
| Contract Term (including Options, if any) June 22, 2016–February 21, 2019 |
| Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a |
| Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive |
| Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification |
| Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: |
| Requesting Dept./Div., Dept./Div. Head Name: Capital Program Management, John O'Grady |

| | |
|--|-------------------------|
| Contract Number A-36865 | AWO/Mod. # 20 |
| Original Amount: | \$ 58,255,400 |
| Prior Modifications: | \$ 1,531,392 |
| Prior Budgetary Increases: | \$ 0 |
| Current Amount: | \$ 59,786,792 |
| This Request: | \$ 5,798,000 |
| % of This Request to Current Amount: | 9.7% |
| % of Modifications (including This Request) to Original Amount: | 12.6% |

Discussion

This retroactive modification is for the installation of 34 trackside platform steel girders that were furnished under a prior modification.

The base contract covers station renewal and component repairs of three stations in Queens: 121st Street, 111th Street, and 104th Street. The work includes (1) cast-in-place platform replacements, including tactile warning strips; (2) installation of windscreens, artwork, doors, and windows; (3) renewal of side platform stairs; (4) structural steel repairs and replacements; (5) temporary support of electrical and signal cables; (6) communications work; and (7) painting and other incidental work.

In July 2018, the Board approved retroactive Modification 19 for the shop fabrication and delivery of 34 trackside platform steel girders for platforms at three stations in Queens: 121st Street, 111th Street, and 104th Street. At that time, the Board was advised that this separate modification was being negotiated for the cost of installation. At these stations, the contract calls for the repair of 103.7 tons of trackside platform girders. During construction, 55.23 tons of repair were required at the Manhattan-bound platforms at 121st and 104th Street stations. After the concrete slabs and paint were removed from the 34 trackside girders at the remaining platforms of the Queens stations, a joint survey revealed that the trackside girders had excessive corrosion. Capital Program Management ("CPM") and the Department of Subways determined that all 34 girders should be removed and replaced with new, shop-fabricated girders. The corrosion was so extensive, and the repairs were so intensive that it was no longer beneficial to continue with the repairs from either a schedule or cost point of view. Replacement of the girders will mitigate schedule delay. The cost of furnishing and installing shop-fabricated replacement girders is comparable to the cost of performing the required intensive repairs. Moreover, the replacement girders are superior and have a much longer life-span than the girders that would otherwise have been repaired.

This retroactive modification requires the contractor to install the 34 shop-fabricated trackside platform girders furnished under Mod 19 at a cost of \$982,500.

Work under this retroactive modification includes (1) additional temporary supports; (2) lead abatement and rivet removal; (3) New York City Department of Transportation permit, crane rigging plan, and additional Maintenance and Protection of Traffic; (4) design, fabrication, and delivery of a gantry system to hoist the girders at the jobsite; (5) removal, protection, and reinstallation of existing utility conduits to provide clearance for girder removal; (6) removal, hoisting, and disposal of existing girders; and (7) hoisting and installation of new girders.

The contractor requested an extension of time. An extension of time and impact costs, if any, will be provided under a separate modification. To mitigate delay, the contractor was directed to proceed with the installation of the shop fabricated girders on July 18, 2018, with the approval of the SVP, CPM. Delivery of the shop-fabricated girders began in August 2018 and installation work proceeded immediately.

E.E. Cruz submitted its revised proposal in the amount of \$6,931,765. The revised in-house estimate is \$5,500,000. Negotiations resulted in the agreed-upon lump-sum price of \$5,798,000. Savings of \$1,133,765 were achieved. This price is found to be to be fair and reasonable.

The SVP, Procurement & Supply Chain, authorized a partial payment in the amount of \$1 million for this modification on September 17, 2018.

At Myrtle Avenue Station in Brooklyn, the contract covers only component repairs (including tactile tiles and platform edge replacement, crack and spall repairs, replacement of the expansion joint plates, and other miscellaneous minor repairs) because the girders are considered to be in a state of good repair.

In connection with a previous contract modification awarded to E.E. Cruz, E.E. Cruz was found to be responsible notwithstanding significant adverse information (“SAI”) pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the NYC Transit President in July 2018. No new SAI has been found relating to E.E. Cruz and E.E. Cruz has been found to be responsible.



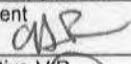





Metro-North Railroad

Procurements

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

| | |
|--------------------------------|------------------|
| Date | November 6, 2018 |
| Vendor Name | Various |
| Contract Number | Various |
| Contract Manager Name | Various |
| Table of Contents Ref # | |

| Board Action | | | | | |
|--------------|----------------|----------|----------|------|-------|
| Order | To | Date | Approval | Info | Other |
| 1 | M-N Comm Mtg. | 11-13-18 | X | | |
| 2 | MTA Board Mtg. | 11-15-18 | X | | |
| | | | | | |
| | | | | | |

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

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

PURPOSE:

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

DISCUSSION:

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

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

SUB TOTAL:

MNR proposes to award competitive procurements in the following categories:

| | | # of Actions | \$ Amount |
|---|--|-----------------|-------------|
| <u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u> | | NONE | |
| <u>Schedules Requiring Majority Vote</u> | | NONE | |
| Schedule I: | Modifications to Purchase and Public Work Contracts | 1 | \$2,004,290 |
| | <ul style="list-style-type: none"> Tully Construction/Richards Plumbing Joint Venture LLC | | \$2,004,290 |
| | | 1 | \$2,004,290 |

MNR presents the following procurement actions for Ratification:

| | | |
|---|------|-------------|
| <u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u> | NONE | |
| <u>Schedules Requiring Majority Vote</u> | 1 | \$516,650 |
| Schedule K: Ratification of Completed Procurement Actions | | |
| • ORX Railway Corporation | | \$516,650 |
| | | |
| | | |
| | | |
| SUB TOTAL: | 1 | \$516,650 |
| TOTAL: | 2 | \$2,520,940 |

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

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

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

METROPOLITAN TRANSPORTATION AUTHORITY

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

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

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

NOW, the Board resolves as follows:

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

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

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

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

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

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

NOVEMBER 2018

METRO-NORTH RAILROAD

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedules Requiring Majority Vote:

I. Modifications to Purchase and Public Work Contracts

(Approvals/Staff Summaries required for individual change orders greater than \$250K.

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

**1. Tully Construction/Richards Plumbing \$2,004,290(not-to-exceed) Staff Summary Attached
Joint Venture LLC**

GCT Fire Standpipe System Upgrades

Approval is requested for a contract modification in the not-to-exceed amount of \$2,004,290 to the firm Tully Construction/Richards Plumbing Joint Venture LLC ("Tully/Richards ") for the Fire Standpipe System Upgrades located in Grand Central Terminal ("GCT").

During the initial design of the new stand pipe system certain determinations were made as to where the heat trace system could be electrically supported within the current GCT power distribution system. These determinations were documented in the contract drawings and provided as part of the Bid documents. Subsequent field review, after the contract award to Tully/Richards, found that the previously identified power source to operate the heat trace system, which encases the complete stand pipe system, was not available for use as it was a dedicated safety circuit and could not be compromised with additional circuits. This alteration necessitated several significant changes, including the need to install a new 1200amp Distribution Panel to ensure a dedicated circuit along with a need to increase the size and capacity of the wire and conduit based upon the increased length of the wire run. This modification created a dedicated and safer installation, but also added a greater complexity to the physical installation. An additional impact created by the Railroad's redirection was the need to recalculate and determine additional heat trace circuits based upon the new lengths and high amperage of the individual circuit runs. The relocation of the power source created a significant increase in the linear footage of heat trace material.

The price negotiated by MNR and the Contractor is consistent with MNR's independent cost estimate (\$1,798,247) with the differences being directly related to the final physical layout of the additional work and is deemed fair and reasonable.

It is recommended a contract modification be approved in the total not-to-exceed amount of \$2,004,290. Funding is included in the 2015-2019 MTA Capital Program and is federally funded.

Schedule I: Modifications to Purchase and Public Works Contracts

Item Number: I

| | | | |
|--|--|---|--------------------------------------|
| Vendor Name (& Location) Tully Construction/Richards Plumbing Joint Venture LLC, Flushing, NY | | Contract Number: 39090 | AWO/Modification # 21 & 22 |
| Description GCT Fire Standpipe System Upgrades | | Original Amount: \$34,299,000 | |
| Contract Term (including Options, if any) | | Prior Modifications: \$ 854,939 | |
| Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | Prior Budgetary Increases: \$ 0.00 | |
| Procurement <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive | | Current Amount: \$ 35,153,939 | |
| Solicitation Type <input type="checkbox"/> RFP <input checked="" type="checkbox"/> Bid <input type="checkbox"/> Other | | This Request: \$ 2,004,290 (not-to-exceed) | |
| Funding Source <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other: | | % of This Request to Current 6% | |
| Requesting Dept./Div. & Dept./Div. Head Name: Procurement & Material Management, Al Muir, Sr. Director | | % of Modifications (including This Request) to Original Amount: 8% | |

Discussion and Background:

Approval is requested for a contract modification in the not-to-exceed amount of \$2,004,290 to the firm Tully Construction/Richards Plumbing Joint Venture LLC ("Tully/Richards") for the Fire Standpipe System Upgrades located in Grand Central Terminal ("GCT").

The Fire Standpipe System is a built-in water piping system in which fire hoses can be connected allowing manual application of water to a fire much like a fire hydrant. The GCT Fire Standpipe System is almost 100 years old and reaching the end of its useful life.

On December 31, 2015, a competitively solicited contract was awarded to Tully/Richards in the amount of \$34,299,000. The work scope for the replacement of the existing lower level fire standpipe system includes:

- Replace the lower level and utility tunnel fire standpipe system including replacement of piping, valves and hose connection;
- Provide heat tracing system, alarm system upgrade, and additional electrical circuits associated with all new piping work and upgrade fire department connections and Siamese signage;
- Installation of pressure reducing valves at all sprinkler connections

Approval is requested at this time for a contract modification in the not-to-exceed amount of \$2,004,290 for two Metro-North requested changes. During the initial design of the new stand pipe system certain determinations were made as to where the heat trace system could be electrically supported within the current GCT power distribution system. These determinations were documented in the contract drawings and provided as part of the Bid documents. Subsequent field review, after the contract award to Tully/Richards, found that the previously identified power source to operate the heat trace system, which encases the complete stand pipe system, was not available for use as it was a dedicated safety circuit and could not be compromised with additional circuits. This alteration necessitated several significant changes, including the need to install a new 1200amp Distribution Panel to ensure a dedicated circuit along with a need to increase the size and capacity of the wire and conduit based upon the increased length of the wire run. This modification created a dedicated and safer installation, but also added a greater complexity to the physical installation. An additional impact created by the Railroad's redirection was the need to recalculate and determine additional heat trace circuits based upon the new lengths and high amperage of the individual circuit runs. The relocation of the power source created a significant increase in the linear footage of heat trace material.

Schedule I: Modifications to Purchase and Public Works Contracts

The price negotiated by MNR and the Contractor is consistent with MNR's independent cost estimate (\$1,798,247) with the differences being directly related to the final physical layout of the additional work and is deemed fair and reasonable.

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

It is recommended a contract modification be approved in the total not-to-exceed amount of \$2,004,290. Funding is included in the 2015-2019 MTA Capital Program and is federally funded.

NOVEMBER 2018

METRO-NORTH RAILROAD

LIST OF RATIFICATIONS FOR BOARD APPROVAL

Schedules Requiring Majority Vote:

K. Ratification of Completed Procurement Actions

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

**1. ORX Railway Corporation \$516,650 (not-to-exceed) Staff Summary Attached
Purchase of Axles for the Coach Car and M-3 Fleets**

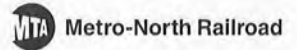
Non-competitive procurement deemed as an "Immediate Operating Need" in the not-to-exceed amount of \$516,650 to ORX Railway Corporation for the purchase of 225 axles for the Metro-North Railroad (MNR) Coach Cars and M-3 Fleet. This purchase requires the immediate delivery of axles to MNR property commencing in October 2018.

Presently, the inventory of axles for the Coach and M-3 railcars is being depleted and there is a critical need for the delivery of axles over the next few months to keep these railcars in revenue service. MNR has competitively solicited the fabrication and delivery of these axles and have made awards to two vendors, CAF and Lucchini. The First Article of Inspection (FAI) of their axles and manufacturing capabilities shall be fully completed by the end of 2018. Once MNR has fully approved these vendors they will be released for the production of the Coach and M3 axles. The timing of these approvals and subsequent production lead times will result in the possibility of having inadequate inventory of axles to support MNR Operations for the remainder of 2018 and into 2019.

ORX is a previously qualified supplier of axles for the Coach and M-3 railcars and can supply these 225 axles in time to meet MNR's immediate need. A comparative analysis of previous unit prices paid to ORX's proposed prices for the Coach Car and M-3 axles shows an increase of 3.8%. The two vendors, CAF and Lucchini once they have completed the FAI process, shall be delivering axles at an average unit price of \$1,660 which shall yield a significant long-term savings. The ORX pricing is deemed to be fair and reasonable given the immediate need.

The total cost for this procurement in the not-to-exceed amount of \$516,650 is to be funded by the MNR Operating Budget.

Schedule K: Ratification



| | |
|--|--|
| Item | K |
| Vendor Name (& Location) ORX Railway Corporation, Tipton, PA | Contract Number |
| Description Purchase of Axles for the Coach Car and M-3 Fleets | AWO/Modification # No |
| Contract Term (including Options, if any) N/A | Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Total Amount: \$516,650 (not-to-exceed) |
| Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive | Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: |
| Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole Source | Requesting Dept./Div. & Dept./Div. Head Name: Procurement & Material Management, Al Muir, Sr. Director |

Discussion:

Non-competitive procurement deemed as an "Immediate Operating Need" in the not-to-exceed amount of \$516,650 to ORX Railway Corporation for the purchase of 225 axles for the Metro-North Railroad (MNR) Coach Cars and M-3 Fleet. This purchase requires the immediate delivery of axles to MNR property commencing in October 2018.

Presently, the inventory of axles for the Coach and M-3 railcars is being depleted and there is a critical need for the delivery of axles over the next few months to keep these railcars in revenue service. MNR has competitively solicited the fabrication and delivery of these axles and have made awards to two vendors, CAF and Lucchini. The First Article of Inspection (FAI) of their axles and manufacturing capabilities shall be fully completed by the end of 2018. Once MNR has fully approved these vendors they will be released for the production of the Coach and M3 axles. The timing of these approvals and subsequent production lead times will result in the possibility of having inadequate inventory of axles to support MNR Operations for the remainder of 2018 and into 2019.

ORX is a previously qualified supplier of axles for the Coach and M-3 railcars and can supply these 225 axles in time to meet MNR's immediate need. A comparative analysis of previous unit prices paid to ORX's proposed prices for the Coach Car and M-3 axles shows an increase of 3.8%. The two vendors, CAF and Lucchini once they have completed the FAI process, shall be delivering axles at an average unit price of \$1,660 which shall yield a significant long-term savings. The ORX pricing is deemed to be fair and reasonable given the immediate need.

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

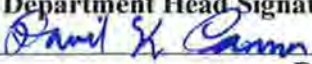
The total cost for this procurement in the not-to-exceed amount of \$516,650 is to be funded by the MNR Operating Budget.

PROCUREMENT PACKAGE
November 2018

PROCUREMENTS

The Procurement Agenda this month includes three actions for a proposed expenditure of \$6,283,966.

Staff Summary

| | | | | | |
|---|---|-------------|-----------------|-------------|--------------|
| Subject | Request for Authorization to Award Various Procurements | | | | |
| Department | Procurement | | | | |
| Department Head Name David K. Cannon | | | | | |
| Department Head Signature  | | | | | |
| Board Action | | | | | |
| Order | To | Date | Approval | Info | Other |
| 1 | LIRR Committee | 11/13/18 | X | | |
| 2 | Board | 11/15/18 | X | | |

| | | | |
|---|---|---|---|
| Date: November 6, 2018 | | | |
| Vendor Name Various | | | |
| Contract Number Various | | | |
| Contract Manager Name Various | | | |
| Internal Approvals | | | |
| | Approval | | Approval |
| 2 | Executive Vice President & General Counsel  | 3 | President  |
| 1 | Vice President & Chief Financial Officer  | | |

PURPOSE

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

DISCUSSION

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

| | <u># of Actions</u> | <u>\$ Amount</u> |
|---|---------------------|---------------------|
| <u>Schedules Requiring Majority Vote</u> | | |
| Schedule I Modifications to Purchase or Public Work Contracts | 1 | \$ 2,043,800 |
| SUBTOTAL | 1 | \$ 2,043,800 |

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

| | | | |
|--|-----------------|----------|---------------------|
| Schedule K Ratification of Completed Procurement Actions | SUBTOTAL | 2 | \$ 4,240,166 |
| | TOTAL | 3 | \$ 6,283,966 |

Budget Impact:

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

Recommendation:

That the modifications be approved as proposed. (The items are included in the resolution of approval at the beginning of the Procurement Section.)

MTA Capital Construction Company

BOARD RESOLUTION

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

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

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

NOW, the Board resolves as follows:

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

November 2018

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedule I. Modification To Purchase and Public Work Contracts

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

- | | | | |
|----|---|---------------------|--------------------------------------|
| 1. | Tutor Perini Corporation Contract No. CH053 Modification No. 170 | \$ 2,043,800 | <u>Staff Summary Attached</u> |
|----|---|---------------------|--------------------------------------|

In accordance with Article VIII of the All-Agency General Contract Procurement Guidelines, MTACC seeks Board approval to modify the Contract to compensate the Contractor for compensable delays and associated impact costs during the period from the February 18, 2015 through February 29, 2016.

Item Number 1

| | |
|---|--|
| Vendor Name (& Location) Tutor Perini Corporation | |
| Description Harold Structures Part I | |
| Contract Term (including Options, if any) 98 Months | |
| Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A | |
| Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive | |
| Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification | |
| Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other: | |
| Requesting Dept/Div & Dept/Div Head Name: East Side Access, Rob Troup, VP & Sr. Program Executive | |

| Contract Number | AWO/Modification # |
|--|--------------------|
| CH053 | 170 |
| Original Amount: | |
| | \$ 139,280,000 |
| Prior Modifications: | |
| | \$ 147,281,015 |
| Options: | |
| | \$ -0- |
| Current Amount: | |
| | \$ 286,561,015 |
| This Request | |
| | \$ 2,043,800 |
| % of This Request to Current Amount: | |
| | 1% |
| % of Modifications (including This Request) to Original Amount: | |
| | 107 % |

Discussion:

Contract CH053 is for the construction of various civil infrastructure elements in Harold Interlocking and to expand the existing LIRR/Amtrak right-of-way to enable mainline track diversions and facilitate the future construction of tunnels for the East Side Access (“ESA”) Project. In accordance with Article VIII of the All-Agency General Contract Procurement Guidelines, MTACC seeks Board approval to modify the Contract to compensate the Contractor for compensable delays and associated impact costs during the period from the February 18, 2015 through February 29, 2016.

This Modification will compensate the Contractor for delays associated with the completion of the 12kV C3 Feeder System, G02 Substation and the Track A Approach and the installation of eighteen (18) catenary structures. These delays were primarily the result of Amtrak not being able to support the program as anticipated, failing to provide the number of track/power outages or the Electrical/Traction (“ET”) Lineman that were required for the installation of the catenary structures and additional work. In addition, some of the available outages and resources were allocated to other program critical work in the Harold Interlocking that was prioritized ahead of CH053 work.

Additionally, when the Contractor began coordinating with Amtrak to handover the new 12kV Feeders, Amtrak imposed requirements for additional commissioning tests before activating the new Feeders. The additional commissioning tests were not required in the original Contract Documents nor the revised 12kV design developed by the GEC.

This Modification acknowledges 376 calendar days of Excusable Delay of which 195 calendar days have been determined by MTACC to constitute Compensable Delay. MTACC’s cost estimate, which included credits due back from the contractor associated with contract completion work since 2016 was \$2,227,011. The Contractor submitted a cost proposal of \$4,369,121. Negotiations were held and the parties agreed to the amount of \$2,043,800 which is considered fair and reasonable. This modification resolves the remaining commercial issues on this contract and will facilitate completion of the contract closeout process.

In connection with a previous contract award to Tutor Perini Corporation (TPC), TPC was found to be responsible notwithstanding significant adverse information pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the MTA Interim Executive Director in consultation with the MTA General Counsel in February 2017. No new SAI has been found relating to TPC and TPC was found responsible.

November 2018

LIST OF RATIFICATIONS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

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

- | | | | |
|----|--|---------------------|--------------------------------------|
| 2. | Tutor Perini Corporation Contract No. CS179 Modification No. 89 | \$ 2,815,865 | <u>Staff Summary Attached</u> |
|----|--|---------------------|--------------------------------------|

In accordance with Article VIII of the All-Agency General Contract Procurement Guidelines, MTACC requests that the Board ratify a contract modification that will resolve errors and deficiencies in the Tunnel SCADA System design and the hardware specifications for associated Field Network devices.

- | | | | |
|----|--|---------------------|--------------------------------------|
| 3. | Michels Corporation Contract No. CH061A Modification No. 21 | \$ 1,424,301 | <u>Staff Summary Attached</u> |
|----|--|---------------------|--------------------------------------|

In accordance with Article VIII of the All Agency General Contract Procurement Guidelines, MTACC requests that the Board ratify a Unilateral Modification for the additional costs to recover and accelerate the Contract to ensure that critical work for the Track A Approach Structure was completed by June 14, 2018.

Item Number 2

| | | |
|---|--|-------------------------------|
| Vendor Name (& Location) Tutor Perini Corporation (Peekskill, New York) | Contract Number CS179 | AWO/Modification 89 |
| Description Systems Facilities Package No. 1 | Original Amount: | \$ 333,588,000 |
| Contract Term (including Options, if any) 75 Months | Prior Modifications: | \$ 26,083,157 |
| Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A | Exercised Options: | \$ 216,800,001 |
| Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive | Current Amount: | \$ 576,471,157 |
| Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification | This Request | \$ 2,815,865 |
| Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other: | % of This Request to Current Amount: | 0.5% |
| Requesting Dept/Div & Dept/Div Head Name: East Side Access, Rob Troup, VP & Sr. Program Executive | % of Modifications (including This Request) to Original Amount: | 8.7% |

Discussion:

This Contract provides the systems for the East Side Access (“ESA”) project, including the fire detection, tunnel ventilation, facility power, signal power, tunnel lighting and Supervisory Control and Data Acquisition (SCADA) systems. In accordance with Article VIII of the All-Agency General Contract Procurement Guidelines, MTACC requests that the Board ratify a contract modification that will resolve errors and deficiencies in the Tunnel SCADA System design and the hardware specifications for associated Field Network devices.

The Tunnel SCADA System provides control, indication and management functions between ESA Control Centers and field devices. However, the system, as designed in the Contract Documents, did not provide the capabilities, and omitted necessary components, needed to provide the functionality to meet the ESA program’s needs. In particular, the model of Gigabit Ring Switch (GRS) – a type of router installed in a number of locations throughout the system to provide for communication among the various parts of the system -- specified in the Contract was not capable of meeting the East Side Access network requirements, necessitating their replacement with an upgraded model. In addition, it was discovered that the SCADA system, as designed in the Contract Documents, omitted necessary elements of the SCADA system, including additional GRSs, certain field network equipment in multiple tunnel ventilation facilities and certain missing cable segments between adjacent communication rooms and between the tunnel SCADA cabinets and downstream field devices. The General Engineering Consultant (GEC) revised the Contract Documents to provide for an upgraded model of GRS, and to provide the missing elements in the system.

In October of 2017 the President approved a Retroactive Memorandum and MTACC directed the Contractor to procure the revised model GRS, which consisted of upgrading the specified model of GRS at 77 locations indicated in the Contract Documents and obtaining 11 additional GRSs for locations omitted from the Contract Documents. On April 27, 2018, the President approved a supplemental Retroactive Memorandum and MTACC directed the Contractor to begin the physical work to install the GRSs and perform the Work necessary to correct the omissions from the SCADA system.

The MTA estimate for this Work is in the amount of \$2,815,736 and the Contractor proposed \$5,071,043. Negotiations were held and the parties agreed to \$2,815,865 for the direct costs, which is deemed to be fair and reasonable. The Contractor has also asserted a claim for time impacts and has sought \$191,902 in overhead costs in excess of the negotiated direct costs. MTACC has not agreed to pay any compensation in connection with these claims. In order to advance the Work without delay, MTACC seeks approval to issue this Modification to provide for the payment of the negotiated Direct Costs, and to address time impacts and additional overhead separately, without prejudice to MTACC’s defenses to such claims.

Item No. 2

Page 2 of 2

This modification appears to be the result of design errors or omissions on the part of the GEC. Certain of the deficiencies in the SCADA design and system deficiencies were the subject of a previous settlement of claims with, and recovery against, the GEC. Those issues were not addressed in the previous claim are being reviewed and, if appropriate, will be addressed in a subsequent E&O claim against the GEC.

In connection with a previous contract award to Tutor Perini Corporation (TPC), TPC was found to be responsible notwithstanding significant adverse information pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the MTA Interim Executive Director in consultation with the MTA General Counsel in February 2017. No new SAI has been found relating to TPC and TPC was found responsible.

Item Number 3

| | |
|---|--|
| Vendor Name (& Location) Michels Corporation (Brownsville, Wisconsin) | |
| Description Track A Cut and Cover Structure for the ESA Project | |
| Contract Term (including Options, if any) 16 Months | |
| Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A | |
| Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive | |
| Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification | |
| Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other: | |
| Requesting Dept/Div & Dept/Div Head Name: East Side Access, Rob Troup, VP & Sr. Program Executive | |

| Contract Number | AWO/Modification # |
|--|--------------------|
| CH061A | 21 |
| Original Amount: | |
| | \$ 34,074,520 |
| Prior Modifications: | |
| | \$ 2,316,340 |
| Prior Budgetary Increases: | |
| | \$ -0- |
| Current Amount: | |
| | \$ 35,631,412 |
| This Request | |
| | \$ 1,424,301 |
| % of This Request to Current Amount: | |
| | 4 % |
| % of Modifications (including This Request) to Original Amount: | |
| | 10.5 % |

Discussion:

This Contract is for the construction of the Track A Approach Structure in the Harold Interlocking, the installation of catenary structures and the relocation of electrical, sewer and communication systems for the East Side Access Project ("ESA"). In accordance with Article VIII of the All Agency General Contract Procurement Guidelines, MTACC requests that the Board ratify a Unilateral Modification for the additional costs to recover and accelerate the Contract to ensure that critical work for the Track A Approach Structure was completed by June 14, 2018.

The work under this Contract experienced delays, principally related to differing site conditions, but also as a result of contractor delay, and would not, without acceleration, achieve its contractual Substantial Completion Date of May 28, 2018. If the work was not completed on time, the project would have been forced to compete for Amtrak Electrical Traction (ET) resources with Contracts CQ033 and CH057D. The availability of ET resources has been a significant bottleneck to the completion of Work within and around the Harold Interlocking and so, if this work had not been accelerated it is likely that all three contracts would have suffered delays and incurred impact costs.

Consequently, MTACC and the Contractor agreed to a joint recovery schedule and a cost-sharing plan as described in a Memorandum of Understanding (MOU) signed by both parties on May 18, 2018. At the time, the parties could not agree on their relative responsibility for the delay that was being recovered by acceleration, but the work needed to proceed immediately in order to achieve the dates agreed to. Therefore, the MOU provided for the acceleration work to proceed, subject to negotiation of an acceleration Modification, and the Work was completed, and Substantial Completion was achieved in accordance with the deadlines provided for in the MOU and by this Modification. The MOU also defined the scope of Work eligible for acceleration payments and a method of calculating how much of the cost of acceleration that MTACC would be liable for and how much the Contractor was liable for, based on each parties' relative degree of responsibility for the delay being recovered.

The Contractor submitted a cost proposal in the amount of \$5,508,750 for the cost recovery and acceleration based on a total cost of \$6,885,938 and a time impact assessment that 80% of the delay was caused by MTACC. The MTACC's project estimate is \$1,424,301 based on a total cost of \$2,191,232 and a time impact assessment that 65% of the delay was caused by MTACC. Numerous negotiation sessions were held; however, the parties remain far apart and Michels has failed to produce proper back up or an explanation to support its position or to demonstrate that its costs are calculated in accordance with the terms of the MOU.

Item No. 3

Page 2 of 2

Accordingly, MTACC intends to issue a Unilateral Modification based on its' assessment in the amount of \$1,424,301, which MTACC deems to be fair and responsible. Michels will have the right to dispute this determination under the Contract's dispute resolution provision.

In connection with the review of Michels Corporation's responsibility pursuant to the All-Agency Responsibility Guidelines, no Significant Adverse Information exists and Michels' has been found to be responsible.



Bridges and Tunnels

Procurements November 2018



Staff Summary

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

| | |
|--------------------------------|------------|
| Date | 11/06/2018 |
| Vendor Name | |
| Contract Number | |
| Contract Manager Name | |
| Table of Contents Ref # | |

| Board Action | | | | | |
|--------------|-------------------|------------|----------|------|-------|
| Order | To | Date | Approval | Info | Other |
| 1 | President | 11/06/2018 | | | |
| 2 | MTA B&T Committee | 11/13/2018 | | | |
| 3 | MTA Board | 11/15/2018 | | | |
| | | | | | |

| Internal Approvals | | | |
|--------------------|-------------------------------------|-------|--|
| Order | Approval | Order | Approval |
| | President <i>MT for CTF</i> | | VP & Chief Financial Officer |
| | Executive Vice President <i>Don</i> | | VP Operations <i>Alber</i> |
| | VP & Chief of Staff <i>Ju</i> | | VP & Chief Engineer |
| | SVP & General Counsel | | VP & Chief Procurement Officer <i>BB</i> |

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

PURPOSE:

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

DISCUSSION:

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

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

Schedules Requiring Two-Thirds Vote:

Schedule C: Competitive Requests for Proposals
(Award of Purchase and Public Works Contracts)

of Actions

2

\$ Amount

\$46.523M

Schedules Requiring Majority Vote:

Schedule F: Personal Service Contracts

2

\$15.219M

SUBTOTAL

4

\$61.742M

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

TOTAL

4

\$61.742M

BUDGET IMPACT:

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

RECOMMENDATION:

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

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

MTA BRIDGES & TUNNELS
TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

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

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

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

NOW, the Board resolves as follows:

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

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL
NOVEMBER 2018

MTA BRIDGES & TUNNELS

Procurements Requiring Two-Thirds Vote:

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

- | | | |
|---|------------------------|--------------------------------------|
| 1. E-J Electric Installation Co. | \$28,822,961.00 | <u>Staff Summary Attached</u> |
| Contract No. QM-81 | | |

2yr. 7 months Contract- Competitive RFP

B&T is seeking Board approval under the All-Agency General Procurement Guidelines to award a competitively solicited public work contract for design-build services for upgrades at the Queens Midtown Tunnel (QMT) and Hugh L. Carey Tunnel (HCT) control rooms as well as the construction of backup control rooms.

- | | | |
|---|------------------------|--------------------------------------|
| 2. E-J Electric Installation Co. | \$17,700,000.00 | <u>Staff Summary Attached</u> |
| Contract No. HC-30 QM-91 | | |

2yr. Contract- Competitive RFP

B&T is seeking Board approval under the All-Agency General Procurement Guidelines to award a competitively solicited public work contract for design-build services for installation of fire alarm and smoke detector systems at the Hugh L. Carey Tunnel (HLC) and Queens Midtown Tunnel (QMT).

Procurements Requiring Majority Vote:

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

- | | | |
|---|-----------------------|--------------------------------------|
| 1. Greenman-Pedersen, Inc. (GPI) | \$8,648,727.96 | <u>Staff Summary Attached</u> |
| Contract No. PSC-18-3016 | | |

3yr. 6 months Contract- Competitive RFP

B&T is seeking Board approval under the All Agency Service Contract Procurement Guidelines to award a personal service contract for Construction Administration and Inspection Services for Project VN-32/VN-49, Miscellaneous Steel Repairs, Cleaning (Surface Preparation) and Overcoat Painting at the Verrazzano-Narrows Bridge.

- | | | |
|---|-----------------------|--------------------------------------|
| 2. BTMI Engineering, P.C./ | \$6,570,079.00 | <u>Staff Summary Attached</u> |
| CHA Consulting, Inc. a Joint Venture | | |
| Contract No. PSC-18-3010X | | |

3yr. 3 months Contract- Competitive RFP

B&T is seeking Board approval under the All-Agency Service Procurement Guidelines to award a personal service contract for Design-Build Quality Oversight for Projects HC-07, HC-64, HC-30/QM-91 and QM-81.

Staff Summary

Page 1 of 2

| | | | | | |
|---|-------------------------------------|----------|-------------------------------------|------|-------|
| Item Number : 1 (Final) | | | | | |
| Dept. & Dept. Head Name: | | | | | |
| Engineering and Construction, Joe Keane, P.E., V.P. & C.E. <i>Joe Keane</i> | | | | | |
| Division & Division Head Name: | | | | | |
| Engineering and Construction, Romolo Desantis, P.E. <i>R. Desantis</i> | | | | | |
| Board Reviews | | | | | |
| Order | To | Date | Approval | Info | Other |
| 1 | President | 11/6/18 | | | |
| 2 | MTA B&T Committee | 11/13/18 | | | |
| 3 | MTA Board | 11/15/18 | | | |
| Internal Approvals | | | | | |
| Order | Approval | Order | Approval | | |
| 1 | Chief Financial Officer <i>MMT</i> | 4 | Chief of Staff <i>SK</i> | | |
| 2 | General Counsel <i>MMT</i> | 5 | Executive Vice President <i>MMT</i> | | |
| 3 | Chief Procurement Officer <i>BB</i> | 6 | President <i>MMT</i> | | |

| | |
|---|-----------------|
| SUMMARY INFORMATION | |
| Vendor Name | Contract Number |
| E-J Electric Installation Co. | QM-81 |
| Description: | |
| Design-Build Services for Rehabilitation of Tunnel Controls and Communication Systems at the QMT and HCT | |
| Total Amount | |
| E-J Electric Installation Co. Award - \$28,822,961.00 Stipends - \$120,000.00 | |
| Contract Term (including Options, if any) | |
| 31 Months | |
| Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| Procurement Type | |
| <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive | |
| Solicitation Type | |
| <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: | |
| Funding Source | |
| <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: | |

Narrative

I. PURPOSE/RECOMMENDATION

B&T is seeking Board approval under the All Agency General Contract Procurement Guidelines to award a competitively solicited public work contract for design-build services for upgrades at the Queens Midtown Tunnel (QMT) and Hugh L. Carey Tunnel (HCT) control rooms as well as the construction of backup control rooms to E-J Electric Installation Co. for a period of 31 months in the negotiated amount of \$28,822,961.00. The Work is necessary to modernize the Queens Midtown Tunnel control room and critical tunnel life safety system controls and monitoring devices and to enhance safety of the tunnels, as per the recommendations of National Fire Protection Association (NFPA) 502, including provision of full redundancy and resiliency of tunnel electronic system monitoring and controls. In accordance with the MTA Design-Build Best Practice Guidance, and in order to enhance competition and defray proposal costs, this solicitation included stipends to be paid to each unsuccessful proposer in the amount of \$40,000 whose proposal met a defined standard. Accordingly, approval is also requested to pay stipends totaling \$120,000 to the three unsuccessful shortlisted firms.

II. DISCUSSION

In July 2016, the Board authorized B&T to enter into a competitive Request for Proposal (RFP) process for design-build services for upgrades at both the QMT and HCT control rooms as well as the construction of backup control rooms as per recommendations of NFPA 502. The Work requires design and construction for the reconfiguration of the QMT central control room including replacement of obsolete equipment / systems, and installation of satellite control rooms for both the QMT and HCT in accordance with current standards.

(rev. 4/07/10)

Staff Summary

The service requirements were publicly advertised; five firms submitted qualification information and, based on a review of their qualifications, four firms were deemed qualified to receive the RFP. All four firms submitted proposals: E-J Electric Installation Co. (E-J) (\$32,202,961.10), Hellman Electric Corp. (Hellman) (\$35,347,500), MASS Electric Construction Co (MASS) (\$27,605,000), and WeDeBuBett, LLC. (WDBB) (\$28,810,000). The proposals and oral presentations were evaluated against established criteria set forth in the RFP including proposed price, design-build experience, technical approach, key personnel, schedule, and management approach.

In accordance with the MTA Design-Build Best Practice Guidance, Technical Proposals were evaluated by a Selection Committee (SC) prior to evaluation of the cost proposals. The SC recommended E-J as the highest rated firm based on several factors. E-J's proposal demonstrated successful past experience on comparable system design and rehabilitation projects of similar complexity including that of their proposed designer, Gannett Fleming Engineers and Architects, PC (GF). E-J (i) had the best understanding of the scope and objectives and the overall project, (ii) submitted the most thorough proposal with innovative and cost effective approaches that will minimize operational disruptions and improve functionality of the systems, and (iii) proposed highly qualified personnel with demonstrated relevant and recent experience with these Facility systems.

All the shortlisted firms provided responsive proposals demonstrating systems experience. MASS and WDBB proposals did not demonstrate requisite familiarity with certain Authority requirements, specifically regarding space constraints, system commissioning and the necessary coordination with third party vendors. Hellman proposed feasible technical solutions, however, they proposed the highest cost and the SC unanimously considered the E-J proposal to offer the best value for the Authority.

E-J submitted a proposal of \$32,202,961.10. Negotiations were conducted with E-J which included discussion of technical requirements, design assumptions, and construction approach. During the detailed technical discussion, it was agreed to streamline project staffing requirements, to reduce the contract duration from 35 months to 31 months, and to allow the Design-Builder to house project engineering staff on Facility property. Through negotiations and as a result of these cost saving measures the parties agreed to a contract amount of \$28,822,961. This agreed amount is 22% below the Engineer's estimate of \$35,162,000. As the estimate does not account for reduced staffing and project duration the negotiated amount is deemed fair and reasonable. The SC recommended the E-J team for award, determining that they proposed the best technical solution, and based on the reasons listed above, will provide the best value to the Authority.

In connection with a previous Joint Venture Contract awarded to the Contractor, E-J was found to be responsible notwithstanding significant adverse information (SAI) pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the MTA Managing Director in consultation with the MTA General Counsel on August 31, 2018. No new SAI has been found related to the Contractor and E-J has been deemed responsible.

III. D/M/WBE INFORMATION

MTA Department of Diversity and Civil Rights has assigned goals of 15% MBE, 15% WBE and 6% SDVOB to this Contract. EJ Electric Installation Co. has not completed any MTA contracts with goals; therefore, no assessment of the firm's MWDDBE performance can be determined at this time.

IV. IMPACT ON FUNDING

Funding is available in the 2015-2019 Capital Program under project: D704QM-81/D03564. The three Design-Build Stipends totaling \$120,000 are funded under the 2015-2019 Capital Program Tasks D04312, D04313 and D04314.

V. ALTERNATIVES

There are no recommended alternatives. The Authority does not possess the resources required to perform these services.

Staff Summary

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| Item Number : 2 (Final) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|----------|------------------------------------|------|-------|-------|----------|-------|----------|------|--|---|-------------------------------|----------|-----------------------------------|---|------------------------------------|---|--|----------|--------------------------|--|--|---|-----------|----------|--|--|--|
| Dept. & Dept. Head Name: <i>Joe Keane</i> Engineering and Construction, Joe Keane, P.E., V.P. & C.E. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Division & Division Head Name: <i>R. Ne Desantis</i> Engineering and Construction, Romolo Desantis, P.E. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <div style="text-align: center;">Board Reviews</div> <table border="1"> <thead> <tr> <th>Order</th> <th>To</th> <th>Date</th> <th>Approval</th> <th>Info</th> <th>Other</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>President</td> <td>11/06/18</td> <td></td> <td></td> <td></td> </tr> <tr> <td>2</td> <td>MTA B&T Committee</td> <td>11/13/18</td> <td></td> <td></td> <td></td> </tr> <tr> <td>3</td> <td>MTA Board</td> <td>11/15/18</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> | | | | | | Order | To | Date | Approval | Info | Other | 1 | President | 11/06/18 | | | | 2 | MTA B&T Committee | 11/13/18 | | | | 3 | MTA Board | 11/15/18 | | | |
| Order | To | Date | Approval | Info | Other | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | President | 11/06/18 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | MTA B&T Committee | 11/13/18 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | MTA Board | 11/15/18 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <div style="text-align: center;">Internal Approvals</div> <table border="1"> <thead> <tr> <th>Order</th> <th>Approval</th> <th>Order</th> <th>Approval</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>VP & Chief Financial Officer <i>BB</i></td> <td>4</td> <td>VP & Chief of Staff <i>BB</i></td> </tr> <tr> <td>2</td> <td>SVP & General Counsel <i>MMCT</i></td> <td>5</td> <td>Executive Vice President <i>MM</i></td> </tr> <tr> <td>3</td> <td>VP & Chief Procurement Officer <i>BB</i></td> <td>6</td> <td>President <i>for CTM</i></td> </tr> </tbody> </table> | | | | | | Order | Approval | Order | Approval | 1 | VP & Chief Financial Officer <i>BB</i> | 4 | VP & Chief of Staff <i>BB</i> | 2 | SVP & General Counsel <i>MMCT</i> | 5 | Executive Vice President <i>MM</i> | 3 | VP & Chief Procurement Officer <i>BB</i> | 6 | President <i>for CTM</i> | | | | | | | | |
| Order | Approval | Order | Approval | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | VP & Chief Financial Officer <i>BB</i> | 4 | VP & Chief of Staff <i>BB</i> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | SVP & General Counsel <i>MMCT</i> | 5 | Executive Vice President <i>MM</i> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | VP & Chief Procurement Officer <i>BB</i> | 6 | President <i>for CTM</i> | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | |
|---|---------------------------------------|
| SUMMARY INFORMATION | |
| Vendor Name E-J Electric Installation Co. | Contract Number HC-30 QM-91 |
| Description: Design-Build Services for Installation of Fire Alarm and Smoke Detector Systems at the HCT and QMT Ventilation and Exhaust Buildings, Service Buildings and Pump Rooms | |
| Total Amount E-J Electric Installation Co. Award - \$17,700,000.00 Stipends - \$40,000.00 | |
| Contract Term (including Options, if any) 24 Months | |
| Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive | |
| Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: | |
| Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: | |

Narrative

I. PURPOSE/RECOMMENDATION

B&T is seeking Board approval under the All Agency General Contract Procurement Guidelines to award a competitively solicited public work contract for design-build services for installation of fire alarm and smoke detector systems at the Hugh L. Carey Tunnel (HLC) and Queens Midtown Tunnel (QMT) to E-J Electric Installation Co. for a period of 24 months in the negotiated amount of \$17,700,000.00. The Work is necessary to address the critical needs of fire alarm and smoke detection systems at the facility buildings that house vital electrical and mechanical systems that are essential to tunnel operations. In accordance with the MTA Design-Build Best Practice Guidance, and in order to enhance competition and defray proposal costs, this solicitation included stipends to be paid to each unsuccessful proposer in the amount of \$20,000 whose proposal met a defined standard. Accordingly, approval is also requested to pay stipends totaling \$40,000 to the two unsuccessful shortlisted firms.

II. DISCUSSION

In July 2016, the Board authorized B&T to enter into a competitive Request for Proposal (RFP) process for design-build services for smoke detector and alarm systems at the QMT and HCT. The Work requires the design, construction and construction management of smoke detector and fire alarm systems in ventilation, exhaust and service buildings, as well as pump rooms in accordance will all current codes and standards.

(rev. 4/07/10)

Staff Summary

The service requirements were publicly advertised; ten firms submitted qualification information and, based on a review of their qualifications, four firms were deemed qualified to receive the RFP. Three firms submitted proposals: E-J Electric Installation Co. (E-J) (\$21,984,074), Hellman Electric (Hellman) (\$23,969,092) and MASS Electric Construction Co (MASS) (\$21,599,000). The proposals and oral presentations were evaluated against established criteria set forth in the RFP, including proposed price, technical approach, key personnel and management approach.

In accordance with the MTA Design-Build Best Practice Guidance, Technical Proposals were evaluated by a Selection Committee (SC) prior to evaluation of the cost proposals. The SC recommended E-J as the highest rated firm based on several factors. E-J's proposal demonstrated successful past experience on comparable system design and rehabilitations of similar complexity including that of their proposed designer, AI Engineers, Inc. E-J provided an innovative design which will minimize operational disruptions and improve facility safety. The E-J team has relevant and recent experience with these systems at these tunnels.

All shortlisted firms provided responsive proposals demonstrating fire alarm and smoke detection systems experience. MASS and Hellman's proposals did not demonstrate requisite familiarity with certain Authority requirements, specifically integration of the fire alarm and smoke detector systems with the Operation Command Center (OCC) located on Randall's Island. The SC unanimously considered the E-J proposal to offer the best value for the Authority.

E-J submitted a proposal of \$21,984,074. Negotiations were conducted with E-J which included discussion of technical requirements, design assumptions, and construction approach. During the detailed technical discussion and negotiation, it was agreed that some items in E-J's proposal exceed RFP requirements. The parties agreed to more cost effective methods for transportation of materials to the project sites and pricing that reflect a more refined facility specific scope of services. Based on these scope clarifications, the parties agreed to a contract duration of 24 months with a value of \$17,700,000, which is 2.41% above the Engineer's revised estimate of \$17,284,087 and is fair and reasonable. The SC recommended the E-J team for award, determining that they proposed the best technical solution, and based on the reasons listed above, will provide the best value to the Authority.

In connection with a previous Joint Venture Contract awarded to the Contractor, E-J was found to be responsible notwithstanding significant adverse information (SAI) pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the MTA Managing Director in consultation with the MTA General Counsel on August 31, 2018. No new SAI has been found related to the Contractor and E-J has been deemed responsible.

III. D/M/WBE INFORMATION

MTA Department of Diversity and Civil Rights has assigned goals of 15% MBE, 15% WBE and 6% SDVOB to this contract. E-J Electric Installation, Co. has not completed any MTA contracts with goals; therefore, no assessment of the firm's MWDBE performance can be determined at this time.

IV. IMPACT ON FUNDING

Funding is available in the 2015-2019 Capital Program under projects: D704HC30/D03714 (\$8,673,000) and D704QM91/D03576 (\$9,027,000). The two Design-Build Stipends totaling \$40,000 are funded under the 2015-2019 Capital Program Tasks D04317 and D04318.

V. ALTERNATIVES

There are no recommended alternatives. The Authority does not possess the resources required to perform these services.

Staff Summary

| Item Number: 3 (Final) | | | | | |
|--|--|----------|---|------|-------|
| Dept & Dept Head Name: Engineering & Construction Department, Joe Keane, P.E. <i>Joe Keane</i> | | | | | |
| Division & Division Head Name: Engineering & Construction Department, Aris Stathopoulos, P.E. <i>Aris Stathopoulos</i> | | | | | |
| Board Reviews | | | | | |
| Order | To | Date | Approval | Info | Other |
| 1 | President | 11/6/18 | | | |
| 2 | MTA B&T Committee | 11/13/18 | | | |
| 3 | MTA Board | 11/15/18 | | | |
| Internal Approvals | | | | | |
| Order | Approval | Order | Approval | | |
| 1 | Vice President & Chief Financial Officer <i>[Signature]</i> | 4 | Vice President & Chief of Staff <i>[Signature]</i> | | |
| 2 | Sr. Vice President & General Counsel <i>[Signature]</i> | 5 | Executive Vice President <i>[Signature]</i> | | |
| 3 | Vice President & Chief Procurement Officer <i>BB</i> | 6 | President <i>[Signature]</i> | | |

| | |
|---|---------------------------------------|
| SUMMARY INFORMATION | |
| Vendor Name: Greenman-Pedersen, Inc. (GPI) | Contract Number PSC-18-3016 |
| Description: Construction Administration and Inspection Services for Project VN-32/VN-49, Miscellaneous Steel Repairs, Cleaning (Surface Preparation) and Overcoat Painting at the Verrazzano-Narrows Bridge (VNB) | |
| Total Amount \$8,648,727.96 | |
| Contract Term (including Options, if any) Three (3) Years, Six (6) months | |
| Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive | |
| Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: | |
| Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: | |

I. PURPOSE/RECOMMENDATION

B&T is seeking Board approval under the All Agency Service Contract Procurement Guidelines to award a personal service contract for Construction Administration and Inspection Services for Project VN-32/VN-49, Miscellaneous Steel Repairs, Cleaning (Surface Preparation) and Overcoat Painting at the Verrazzano-Narrows Bridge, to Greenman Pedersen, Inc. (GPI), located at 325 West Main Street, Babylon, NY 11702, in the amount of \$8,648,727.96 for a duration of three (3) years, six (6) months.

II. DISCUSSION

B&T requires the services of a consulting engineering firm to provide construction administration and inspection (CA&I) services necessary to assist B&T's Engineering and Construction Department for the oversight of Project VN-32/VN-49, Miscellaneous Steel Repairs, Cleaning (Surface Preparation) and Overcoat Painting at the Verrazzano-Narrows Bridge. The required CA&I services include: pre-construction review of technical requirements; construction administration and inspection; and project closeout. The construction scope includes but is not limited to (i) cleaning and painting of all suspender ropes from 10' above the roadway through the inside of the stiffening truss, all floor and stiffening truss members, gusset plates and all steel connections to the main structural members; (ii) median center post repairs; (iii) installation of hangers, splices and traveler rail/runway beams on the main span; (iv) installation of a new maintenance catwalk system on each side of the bridge adjacent to the lower cord of the stiffening truss; (v) installation of fencing system; (vi) abatement of lead containing materials; and (vii) maintenance and protection of traffic.

The service requirements were publicly advertised; six (6) firms submitted qualification information and, based on their

Staff Summary

qualification four (4) firms were deemed qualified to receive the RFP. All four firms submitted proposals: AECOM (\$9,945,093.18), AI Engineers, Inc. (\$7,183,124), GPI (\$8,648,727.96), and LiRo Engineers, Inc. (\$8,736,444). The proposals were evaluated against established criteria set forth in the RFP, including an understanding of the technical requirements, expertise of proposed personnel and cost. AECOM, withdrew its name from the consideration due to personnel being unavailable for this project. The Selection Committee unanimously recommended that B&T enter into negotiations with GPI. Although AI Engineers, Inc. submitted the lowest proposed cost it was deemed not sufficient in terms of hours to meet the requirements of the Project. GPI demonstrated best understanding of the work scope, associated risks and the required contractor coordination necessary for the successful completion of the Project. They were deemed most qualified and provided an experienced staff as compared to the other proposers. Furthermore, they demonstrated an extensive knowledge base regarding bridge painting projects and in-house laboratory capabilities for coatings testing.

GPI submitted a cost proposal of \$8,648,727.96. The Authority accepted GPI's proposed cost, which is 3.14% lower than the Engineer's estimate of \$8,930,234 and is fair and reasonable. GPI's proposal is deemed most advantageous to B&T.

GPI was found to be responsible notwithstanding significant adverse information (SAI) pursuant to the All-Agency Responsibility Guideline and such responsibility finding was approved by the MTA Chairman/CEO in consultation with the MTA General Counsel in December 2014.

III. D/M/WBE INFORMATION

The MTA Department of Diversity and Civil Rights has established goals of 15% MBE, 15% WBE and 6% SDVOB for this contract. GPI has not completed any MTA contracts with goals; therefore, no assessment of the firm's MWDBE performance can be determined at this time.

IV. IMPACT ON FUNDING

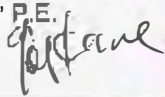
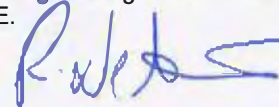


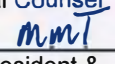


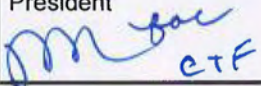
Funding is available in the 2015-2019 Capital Program under Project VN-32 (Task D03748 - \$1,431,367 and Task D04319 \$1,431,367), VN-49 (Task D03830 - \$4,250,000) and B&T's Operating Budget GL #711101 (\$2,000,000).

V. ALTERNATIVES

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

Staff Summary

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|--|--|----------|---|--|-------|--|--|--|
| Item Number: 4 (Final) | | | | | | SUMMARY INFORMATION | | |
| Dept & Dept Head Name: Engineering & Construction Department, Joe Keane, P.E.  | | | | | | Vendor Name: BTMI Engineering, P.C./CHA Consulting, Inc. a Joint Venture | | Contract Number PSC-18-3010X |
| Division & Division Head Name: Engineering & Construction Department, Romolo DeSantis, P.E.  | | | | | | Description: Design-Build Quality Oversight (D-B QO) for Projects HC 07, HC-64, HC-30/QM-91 and QM-81 | | |
| Board Reviews | | | | | | Total Amount \$6,570,079 | | |
| Order | To | Date | Approved | Info | Other | Contract Term (including Options, if any) Three (3) Years, three (3) months | | |
| 1 | President | 11/6/18 | | | | Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| 2 | MTA B&T Committee | 11/13/18 | | | | Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| 3 | MTA Board | 11/15/18 | | | | Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive | | |
| Internal Approvals | | | | | | Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: | | |
| Order | Approval | Order | Approval | Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: | | | | |
| 1 | Vice President & Chief Financial Officer  | 4 | Vice President & Chief of Staff  | | | | | |
| 2 | Sr. Vice President & General Counsel  | 5 | Executive Vice President  | | | | | |
| 3 | Vice President & Chief Procurement Officer  | 6 | President  | | | | | |

Narrative

I. PURPOSE/RECOMMENDATION

B&T is seeking Board approval under the All Agency Service Contract Procurement Guidelines to award a personal service contract for Design-Build Quality Oversight for Projects HC-07, HC-64, HC-30/QM-91 and QM-81 to BTMI Engineering, P.C./CHA Consulting, Inc. a Joint Venture (BTMI/CHA, JV) located at 276 5th Avenue, New York, NY 10001 in the amount of \$6,570,079 for a duration of three (3) years, three (3) months.

II. DISCUSSION

B&T requires the services of a consulting engineering firm to provide quality assurance oversight and administration services for the following Design-Build Projects: HC-07, Ventilation System Rehabilitation and Fixed Fire Suppression System Prototype at the Hugh L. Carey Tunnel (HLCT); HC-64, Hugh L. Carey Tunnel Service Building Electrical Rehabilitation; HC-30/QM-91, Installation of Fire Alarm and Smoke Detection Systems in the Hugh L. Carey and Queens Midtown Tunnels Service and Ventilation Buildings; and QM-81, Rehabilitation of Tunnel Controls and Communication Systems at the Queens Midtown Tunnel (QMT and HCLT). The services to be provided include: (i) reviewing D-B compliance in accordance with all Contract requirements; (ii) providing design quality assurance oversight; (iii) reviewing design submittals; (iv) monitoring the progress of the D-B Contract work; (v) providing construction quality assurance oversight; (vi) providing on-site representation for B&T during construction ; (vii) evaluating the Design-Builder's payment requests; (ix) preparing and submitting monthly project reports; and (x)

Staff Summary

performing project closeout.

The service requirements were publicly advertised. Seven (7) firms submitted qualification information and based on a review of their qualifications five (5) firms: BTMI Engineering, Inc. (BTMI); CHA Consulting, Inc. (CHA); Hardesty & Hanover Construction Services, LLC, (H&H); Henningson, Durham & Richardson Architecture & Engineering P.C. (HDR); and WSP USA, Inc. were selected to receive the RFP based on a review of their qualifications. BTMI and CHA requested to combine resources prior to the submission of proposals, which was allowed by B&T since both firms were deemed individually qualified. Three (3) firms submitted proposals: BTMI/CHA, JV (\$6,570,079), H&H (\$7,907,529) and HDR (\$8,988,278.45). The proposals were evaluated against established criteria set forth in the RFP, including an understanding of the technical requirements and expertise, proposed personnel, oral presentations and cost. The Selection Committee unanimously recommended that B&T enter into negotiations with BTMI/CHA, JV. BTMI/CHA, JV demonstrated the most thorough understanding of each project scope, the associated risks and challenges to be faced as compared to the other proposers. The key personnel proposed have extensive experience working on B&T tunnel projects. BTMI/CHA, JV identified cost savings by consolidating staffing between projects resulting in the lowest proposed cost.

BTMI/CHA, JV submitted a cost proposal in the amount of \$6,570,079. The Engineer's estimate is \$9,030,000. BTMI/CHA, JV's proposal reflects the synergies generated by combining the scopes of these electrical and life safety projects. The Authority accepted BTMI/CHA's proposed cost, which is 27.2% lower than the Engineer's estimate and is fair and reasonable. BTMI/CHA, JV's proposal is deemed most advantageous to B&T. The JV is considered a responsible consultant.

III. D/M/WBE INFORMATION

The MTA Department of Diversity and Civil Rights has established goals of 15% MBE, 15% WBE and 6% SDVOB for this contract. BTMI Engineering PC/CHA Consulting, Inc. has not completed any MTA contract work; therefore, no assessment of the firm's MWDBE performance can be determined at this time.

IV. IMPACT ON FUNDING

Funding is available in the 2015-2019 Capital Program under, Project HC-07 (Task D03605 - \$2,446,451), Project HC-30 (Task D03712 - \$784,426), Project HC-64 (Task D03740 - \$946,691), Project QM-81 (Task D03562 - \$1,594,435) and Project QM-91 (Task D03573 - \$798,076).

V. ALTERNATIVES

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