



Metropolitan Transportation Authority

June 2019

MTA Board Action Items



MTA Board Meeting
2 Broadway - 20th Floor Board Room
New York, N.Y. 10004
Wednesday, 6/26/2019
9:00 AM - 12:00 PM ET

1. PUBLIC COMMENT PERIOD

2. INTRODUCE NEW BOARD MEMBERS

3. APPROVAL OF MINUTES

MTA Special Board Minutes - May 10, 2019

MTA Special Minutes - May 10, 2019 - Page 5

MTA Regular Board Minutes - May 22, 2019

MTA Regular Minutes - May 22, 2019 - Page 16

NYCT/MaBSTOA/SIRTOA/MTA Bus Company Regular Board Minutes - May 22, 2019

NYCT/MaBSTOA/SIRTOA/MTA Bus Company Regular Board Minutes - May 22, 2019 - Page 24

MTA Metro-North Railroad Regular Board Minutes - May 22, 2019

Metro-North Regular Minutes - May 22, 2019 - Page 31

MTA Long Island Rail Road Regular Board Minutes - May 22, 2019

LIRR Regular Minutes - May 22, 2019 - Page 38

Triborough Bridges & Tunnels Regular Board Minutes - May 22, 2019

TBTA Regular Minutes - May 22, 2019 - Page 52

MTA Capital Construction Regular Board Minutes - May 22, 2019

MTACC Regular Minutes - May 22, 2019 - Page 56

4. COMMITTEE ON FINANCE

Action Items

i. Increase Existing New Money Transit and Commuter Project Bond

Authorization to Increase Existing New Money Transit and Commuter Project Bond - Page 59

ii. MTA & TBTA Reimbursement of Central Business Tolling Program Capital Costs for Federal Tax Purposes

MTA & TBTA Reimbursement of Central Business Tolling Program Capital Costs for Federal Tax Purposes - Page 63

iii. Transportation Revenue Anticipation Notes

Transportation Revenue Anticipation Notes - Page 66

iv. All-Agency Procurement Guidelines

Approval of All-Agency Procurement Guidelines - Page 70

v. Paid Family Leave Program

Paid Family Leave Program - Page 106

vi. 2019 State PWEF Assessment

2019 State PWEF Assessment - Page 108

MTAHQ Procurements Report

MTAHQ Procurement Report - Page 109

i. Non-Competitive

MTAHQ Non-Competitive Procurements - Page 112

ii. Competitive

MTAHQ Competitive Procurements - Page 115

iii. Ratifications

MTAHQ Ratifications - Page 126

Real Estate Items

i. Real Estate Agenda and Staff Summaries

Real Estate Agenda and Staff Summaries - Page 129

5. COMMITTEE ON NYCT & BUS

NYCT & Bus Procurements Report

Procurement Cover, Staff Summary, Resolution - Page 159

i. Non-Competitive

NYCT Non-Competitive Actions - Page 164

ii. Competitive

NYCT Competitive Actions - Page 166

iii. Ratifications

NYCT Ratifications - Page 171

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

MNR Action Item

i. Westchester County DPW&T Fare Increase

Westchester County DPW &T Fare Increase - Page 174

MNR Procurements Report (no items)

LIRR Procurements Report (no items)

MTACC Procurements Report

MTA CC Procurements - Page 176

i. Non-Competitive (no items)

ii. Competitive

MTA CC Competitive - Page 180

iii. Ratification (no items)

7. COMMITTEE ON MTA BRIDGES & TUNNELS OPERATIONS (no items)

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

9. Presentation

10. EXECUTIVE SESSION

Next Board meeting: Wednesday, July 24, 2019

**Metropolitan Transportation Authority
Minutes of
Special Board Meeting
2 Broadway
New York, NY 10004
Friday, May 10, 2019
4:00 p.m.**

The following members were present:

**Hon. Patrick Foye, Chairman & CEO
Hon. Fernando Ferrer, Vice Chairman
Hon. Andrew Albert
Hon. Kevin Law
Hon. Michael Lynton
Hon. David Mack
Hon. Haeda B. Mihaltses
Hon. Lawrence Schwartz
Hon. Vincent Tessitore, Jr.
Hon. Polly Trottenberg
Hon. Neal Zuckerman**

The following alternate non-voting members were also present:

**Hon. Norman E. Brown
Hon. Randolph Glucksman
Hon. John Samuelsen**

The following members were absent:

**Hon. Sarah E. Feinberg
Hon. Rhonda Herman
Hon. David Jones
Hon. Susan Metzger
Hon. Veronica Vanterpool**

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, Daniel DeCrescenzo, Acting President, TBTA, Craig Cipriano, Executive Vice President, Business Strategies and Operations Support, and Cate Contino, Assistant Director, Government Affairs, also attended the meeting.

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

1. CHAIRMAN'S OPENING REMARKS.

Chairman Foye called the meeting to order and announced that notice of the Special Board meeting was duly provided to Board Members. Chairman Foye proceeded by asking Cate Contino, Assistant Director, Government Affairs to provide a safety briefing.

Cate Contino provided an overview of the Safety Procedures in the event of an emergency.

Chairman Foye stated that the Board will not be required to take any formal action at today's meeting. Chairman Foye stated that the Board will convene an Executive Session to discuss a confidential matter. The Chairman further stated that the public comment portion of today's meeting will take place following management's discussion and staff presentations.

2. EXECUTIVE SESSION.

Chairman Foye made a motion to convene an Executive Session to discuss a confidential matter pursuant to Section 105 of the New York State Open Meetings Law.

Board Member Samuelson asked the Chairman to explain the nature of the confidential discussion and why the matter could not be discussed in the public session.

Chairman Foye explained that the Executive Session would be brief, no formal Board action will be required and that it is not related to collective bargaining matters. Chairman Foye deferred further response to Mr. Samuelson's questions to Thomas J. Quigley, MTA General Counsel.

Mr. Quigley confirmed that the Executive Session relates to a confidential matter and is pursuant to Section 105 of the Open Meetings Law, and does not relate to collective bargaining matters.

Board Member Samuelson stated that for the record he objects to the Board convening an Executive Session.

Chairman Foye acknowledged Board Member Samuelson's objection, and upon motion duly made and seconded, the Board voted to convene in Executive Session to discuss a confidential matter pursuant to Section 105 of the NYS Open Meetings Law.

3. PUBLIC SESSION RESUME.

Upon motion duly made and seconded, the public session resumed.

Chairman Foye announced that the Board discussed a confidential matter, no vote was taken, and that there was no discussion of any collective bargaining agreements.

Chairman Foye stated that today's meeting will consist of discussions relating to two priority issues: overtime and a rail car matter. Chairman Foye referred to Board Member Schwartz, who requested the Special Board meeting, to provide an opening statement.

Board Member Schwartz thanked the Chairman for his prompt response to his request to convene an emergency Board meeting to discuss recent press reports relating to abuse of overtime in the organization. Board Member Schwartz stated that he appreciated the Chairman's public comments and directing the MTA Inspector General to begin an investigation into the matter, as well as other actions that the Chairman has taken to date. Board Member Schwartz stated that he believes that further action relating to this matter should be taken immediately. Board Member Schwartz stated that in conjunction with the Inspector General's investigation, he is asking the Board to join and support in approving the appointment of an Independent Investigator, who is a former prosecutor, to investigate overtime, payroll and pension abuse and the lack of oversight relating to these issues at the MTA. Board Member Schwartz suggested that the Board approve a resolution to hire an expert with the goal of receiving answers and recommendations relating to these issues within the next thirty days. Board Member Schwartz stated that since the recent news reports have surfaced regarding new overtime abuse at the MTA, he has reviewed information from the last ten years to find answers, and he stated that what he has learned is disturbing. Board Member Schwartz stated that he discovered that over the past decade the MTA Inspector General's office and other oversight entities, such as the New York State Attorney General's Office and the NYS Comptroller's Office, have issued more than a dozen reports documenting a pattern of time and attendance, pension and payroll fraud theft and abuse spanning the MTA system. In addition, during the ten-year period, there have been frequent press reports documenting the same problems. These reports have shown a lack of internal control systems, lack of proper supervisory oversight and the potential lack of implementing the recommendations in the Inspector General's and other oversight reports. These reports show that, at a minimum, the MTA needs to implement a state of the art system-wide time and attendance system, as well as other reform systems and programs.

Board Member Schwartz provided a chronology of the various reports on overtime and attendance published and made public during the past ten years, and he posed several questions that he stated needed answers. Board Member Schwartz stated that his goal is to get answers and find solutions to these problems, and not point fingers.

Board Member Schwartz thanked Chairman Foye for scheduling the Special Board meeting and for giving him the opportunity to raise his concerns, and he stated that he is seeking answers to these questions from the Chairman and the MTA Executive Staff.

Chairman Foye thanked Board Member Schwartz for his comments and the Chairman stated that the two priority issues that will be discussed at today's meeting are overtime and matters relating to rail cars.

Chairman Foye stated that the MTA continues to face steep fiscal challenges and a bleak future forecast, with projected operating deficits of nearly \$1 billion in 2020 through 2021, and in the next twelve months, the MTA must reduce expenses by half a billion dollars. The Chairman stated that while the Governor and the MTA partners in the state legislature have shown tremendous leadership by passing Central Business District Tolling and two additional tax revenue streams to help fund the next MTA Capital Plan, no new funding for operations have been provided. State law requires MTA to have a balanced budget each year, and the consequence of not having a balanced budget would be severe. In addition to Central Business District Tolling, this year's State budget required a series of MTA reforms including a forensic audit and a restructuring and organization plan that MTA is actively working on with AlixPartners, LLP. Chairman Foye stated that the Board and the senior leadership of a public agency have a duty to the taxpayers and the customers to ensure effective and responsible management of the organization and to use the public funds it receives efficiently.

Chairman Foye noted that any discussion of overtime and any issues that arise are largely a reflection on the MTA, and not on the hard-working employees that keep the region moving on a daily basis. It's the MTA's responsibility to manage, monitor and control overtime. The Chairman stated that most overtime hours are legitimate and there is a small fraction of overtime that is fraudulent and that involves abuse of the current system, which is being investigated and aggressive action will be taken to curb this type of overtime. Consequently, Chairman Foye reported that in the last several months, five LIRR employees have been discipline or are facing discipline for overtime abuse and the MTA Inspector General has other open investigations at the LIRR.

Chairman Foye stated that the MTA network operates around the clock, year-round, and MTA employees on the front lines work nights and weekends through blizzards and emergencies. Overtime, when authorized and appropriate, is a way to keep the system running through severe weather events, such as in the case of Superstorm Sandy. It also allows the agency to accelerate a tremendous amount of maintenance and repair work, delivering a better system for customers through initiatives such as the Subway Action Plan. Chairman Foye stated that in the last fifteen years total headcount at the MTA has increased 19%, by nearly 12,000 positions, while the scope of services has remained constant, save for acquisition several years ago of financially challenged bus lines.

Chairman Foye stated that safety is always the top priority and it's no different when it comes to the issue of overtime. It is management's responsibility to ensure employees are not working so many hours that it becomes unsafe. The federal government has allowed a gap to exist in federal regulations governing certain railroad employees' hours of service, which impose requirements in certain cases for rest periods and maximum hours that can be safely worked. Chairman Foye stated that although the federal code includes train operators, engineers and signal maintainers, among other employment classes, it does not include Maintenance of Way workers - employees that install, repair and maintain tracks. The Federal Railroad Administration has been grappling with this issue for years and the MTA

has repeatedly weighed in with its perspective and will continue to do so. Chairman Foye noted that he is sadly aware that rail workers around the country who are not governed by hours of service rules have been fatally injured due to fatigue. There is a current National Transit Safety Bureau (“NTSB”) investigation underway related to an accident at LIRR, involving a Maintenance of Way worker fatality that occurred two years ago following an excessive number of hours of work. Chairman Foye stated that while he does not have any insight into the outcome of the NTSB’s investigation, he believes that the excessively extended hours worked by any employee could clearly pose a safety risk, and he stated that it is the agency’s responsibility to provide safe working conditions for all its employees. Chairman Foye stated that to address the issue of excessive overtime, he intends to consult with the relevant unions at both LIRR and Metro-North, with respect to limits on the hours of Maintenance of Way workers to be in line with other safety-critical positions governed by federal hours of service regulations, except in cases of true emergencies.

With respect to timekeeping and security, Chairman Foye stated that the MTA must know who is or is not on premises at its facilities, for safety and security of its employee and customers. In recent days, a limited number of civilians and MTA Police Officers have performed random checks at MTA facilities intended to only be a temporary measure to address immediate security concerns, which will no longer be necessary once the new 21st century timekeeping system is installed. Chairman Foye stated that the agency will also ensure GPS tracking is enabled in all MTA and agency vehicles to monitor and avoid any potential misuse of MTA property, and to indicate where there may be improper or irresponsible practices, especially when employees are on duty.

About overtime equity, Chairman Foye stated that the LIRR collective bargaining agreement and its rules about seniority mandate that those with the most years on the job get the first pick at overtime opportunities. The Chairman stated that the LIRR unions did not create that provision unilaterally, the provision is the product of arms’ length collective bargaining. However, the Chairman stated that responsibility for this provision rests on the MTA, as well. As a result, Chairman Foye stated that there is a perception that he fears is real institutional racism on the part of the MTA and the collective bargaining agreement, propagated by work rules and contracts that favor employees who have been on the job the longest, and who the data has shown is a less diverse workforce than their more junior colleagues. Chairman Foye stated that the MTA is committed to addressing this injustice, and that he believes everyone in attendance, including Board Members, are committed to the MTA’s core values of diversity and inclusion, and to the MTA’s role in creating economic opportunities for the region. The Chairman stated that the agency should examine the current system and practices, and identify ways to reform and improve the system.

Chairman Foye stated that AlixPartners is working with colleagues at the agencies and with Wael Hibri, Senior Vice President, Shared Services, on a rapid roll out of one timekeeping system across all agencies, and new attendance systems with biometrics. AlixPartners is providing oversight and project management, and Mr. Hibri will share more details along with the expedited project schedule. The Chairman stated that he has asked the agency Presidents to review the last twelve months of overtime and the first quarter of 2019 at their agencies and report back within sixty days. Chairman Foye stated that he has asked the Inspector General to perform a full review of examples of excessive overtime to ensure that it is appropriately planned, authorized and worked. Each agency President has acknowledged

the important work of the Inspector General's investigations and are fully cooperating. The Chairman stated that the agencies are also reviewing time and attendance verification systems at each facility and are deploying a rapid overhaul of these systems.

Chairman Foye provided an update and acknowledged cost-cutting initiatives, launched by then Acting Chairman Ferrer, to enact urgent and immediate cost controls to address the operating deficits. These initiatives have helped the MTA control costs and work towards the statutory requirement to balance the MTA's budget, and the MTA is continuing to implement both.

Chairman Foye first acknowledged the agency-wide hiring freeze and the Vacancy Control Committee, implemented in December of last year and focused on limiting the hiring of non-represented, non-operating employees. Chairman Foye stated that the Committee, chaired by then Acting Chairman Ferrer, has allowed limited exceptions, the first of which was Pete Tomlin, an international signaling expert who joined NYCT earlier this year and who just successfully completed CBTC rollout on the #7 line. Chairman Foye stated that the initiative focused on achieving a 10% reduction on professional, technical and advisory service contracts, and that effort is well underway. A number of negotiations concluded and there are active discussions underway with over 40 vendors, representing approximately 200 contracts. Chairman Foye stated that the MTA expects to see at least \$75 million in savings from this overall effort and continue to negotiate with a focus on achieving this goal. With respect to vendors who have been given repeated opportunities to cooperate but still have challenges complying with the reductions, the MTA is prepared to terminate those contracts for convenience, where it makes sense, pursuant to the terms of the contracts.

Chairman Foye invited Board Members' comments and questions.

Board Member Tessitore stated he has been a Board Member since 2007 and has done his best at being a respectful representative for labor and other LIRR union representatives, however, Board Member Tessitore stated that he is disheartened by Board Member Schwartz' comments and accusations directed at the labor workforce. Board Member Tessitore noted that this matter involves issues relating to a few employees that have been targeted, and the Chairman has already initiated an investigation into the matter. Board Member Tessitore stated that the Board has to be careful of the message it sends to the MTA workforce because the current message being sent is not a positive one.

Board Member Law stated he would like to have management answer some of the questions presented by Board Members Schwartz, which he believes were legitimate and fair questions.

Board Member Brown stated that overtime is worked by employees because of management's request, and he proceed to explain the rules and guidelines as it relate to the workforce and overtime.

Board Member Mihaltses asked Presidents Eng and Byford how overtime is reviewed at their respective agencies and to explain how the agency handles excessive overtime.

President Andrew Byford stated that NYCT has a management team that meets monthly and one of the criteria reviewed is finance, which is also reviewed at the NYCT Committee and

Finance Committee meetings. President Byford stated that what this process has demonstrated is that the agency needs more details on this process. There are three different time keeping systems at NYCT, and President Byford stated that he would welcome one unified system throughout the agency, which would flag excessive overtime or excessive safety critical hours.

President Phillip Eng explained LIRR's process for review of overtime, stating that the management team reviews the annual work plan and schedules work accordingly, and the budget is also reviewed as part of this process. President Eng stated that the overtime associated with the work is reviewed quarterly by the finance group, the management group, and the departments, and the groups monitor excessive overtime. President Eng stated that the agency reviews the causes of excessive overtime and management works with the different departments to make sure that departments stay within the budget.

Board Member Zuckerman expressed his support and appreciation for the labor force and the difficult work conditions that the employees are subjected to, and he acknowledged the value of organized labor and the collective bargaining process. Board Member Zuckerman stated he believes that the MTA has three major issues, which include; a real financial crisis, an issue with fairness, and a problem with trust, and that he believes that management and labor will work together to solve these problems. Board Member Zuckerman urged the Board to cap wage increases that are tied to fare increases, which he believes is necessary to create a sustainable MTA.

Board Member Samuelsen responded to remarks made about institutional racism and the agency's placement of armed police into worksites to monitor employees. Board Member Samuelsen stated that he appreciates Board Member Schwartz' reports, which he said described a decade of mismanagement by the MTA and the Board. Board Member Samuelsen stated that the MTA adopted a broad program to restore the NYCT system, which the TWU played a major role in. However, the MTA did not increase the workforce necessary to accommodate the increased workload, and as a result the current workforce was assigned overtime to get the job done.

Board Member Lynton stated that he does not believe that anyone begrudges overtime. However, he stated that he believes that the concerns expressed are more related to abuse of overtime. Board Member Lynton stated that it is incumbent on the MTA and the management to institute the proper controls and oversight to adequately determine any abuse in overtime and attendance.

Board Member Schwartz confirmed that the MTA I.G. will do an investigation and, in addition, he has recommended that the Board engage its own independent investigation to further look into the matter. Board Member Schwartz stated that he places most of the blame for this situation on management and that it is not his intent to besmirch the majority of the workers. Board Member Schwartz stated that he does not understand why there are so many different types of time and attendance systems.

Board Member Albert asked if there is a formula to determine abuse of overtime.

Chairman Foye responded by stating that it depends on the various projects, which warrants overtime in certain circumstances. The Chairman stated that Chief Financial Officer Robert Foran and President Byford will provide reports on overtime trends and spending later in the meeting. Chairman Foye stated that he agreed with some statements made by Board Member Schwartz and Board Member Samuelsen's statement that overtime is assigned by management. The Chairman noted that part of the issue is abuse and another issue is that the organization's credibility and reputation becomes impaired when outrageous things happen. Chairman Foye stated that the organization needs to install a 21st century time and attendance system.

Board Member Brown stated that when police are assigned to oversee employees at their work location there is an assumption of abuse and guilt, which is not a good approach to maintaining a good relationship between management and its employees.

Board Member Tessitore asked what will be the plan to hire track workers to avoid overtime and what will be done to win the support and respect of the employees. Board Member Tessitore stated that it is imperative that the employees know how valuable they are to the organization.

Board Member Samuelsen noted that the MTA asked the TWU to lift the overtime caps in the contracts in order to accommodate the projects in place to restore the system.

Board Member Trottenberg stated that she does not believe that the MTA needs to engage another consultant, and she suggested that management and labor come together to discuss the issues with the goal of finding solutions to the problems.

The details of Board members' comments and discussion are included in the videotape of the meeting produced by the MTA and maintained in MTA records

4. CHIEF FINANCIAL OFFICER'S OVERTIME PRESENTATION.

Chief Financial Officer Robert Foran presented an overview of overtime trends and statistics from 2018 and year-to-date 2019.

The details of Mr. Foran's presentation, Board members' comments and discussion are included in the videotape of the meeting produced by the MTA and maintained in MTA records.

5. AGENCY PRESIDENTS' REPORTS.

LIRR Overtime Report:

President Phillip Eng stated that the LIRR is critical to the regional economy and to supporting the growth on Long Island. President Eng stated that between the LIRR's modernization projects and efforts to stabilize the system, there is an unprecedented amount of work happening at the railroad. President Eng stated that all the programs at the LIRR are essential to getting the railroad back to a state of good repair, increase capacity, and deliver quality service to the railroad's growing ridership, with as little disruption to customers as

possible. The President stated that the railroad is pleased with the historic level of investment for the projects that modernize and harden the infrastructure, and the railroad is already reaping the benefits by the acceleration of the work. President Eng stated that as a 24/7 operation, much of the work happens during nights and weekends, when service is least impacted. While this is premium time, the President stated that it enables the agency to be better service the public.

President Eng stated that it is his fiduciary responsibility, as President, to ensure that overtime be used when necessary, in accordance with the agency's collective bargaining agreements, and is assigned in such a way as to not jeopardize the safety of employees or customers. President Eng stated that, with the leadership of Chairman Foye, LIRR will take every step necessary to ensure that we are working efficiently and safely. President Eng provided a report on the LIRR's overtime for 2018 through 1st quarter 2019, and he discussed actions that the LIRR is taking as part of its 60-day review process.

The details of President Eng's report, Board members' comments and discussion are included in the videotape of the meeting produced by the MTA and maintained in MTA records.

Metro-North Railroad Overtime Report:

President Catherine Rinaldi stated that her report will consist of an overview of three different categories: the agency's global overtime drivers, overtime trends in 2018 through 1st quarter 2019, and Metro-North's timekeeping systems. President Rinaldi stated that first she wanted to express her appreciation and thanks to the Metro-North workforce, who she stated have been supportive of her since she became President and who show up every day providing round-the-clock service in all types of weather.

President Rinaldi proceed to provide an overview of Metro-North's overtime drivers, trends and time and attendance systems.

The details of President Rinaldi's report, Board members' comments and discussion are included in the videotape of the meeting produced by the MTA and maintained in MTA records.

NYCT Overtime Report:

President Andy Byford expressed his gratitude to the employees who he stated are responsible for keeping the systems running daily and around the clock, and he also expressed his thanks to the NYCT management staff. President Byford stated that he has no evidence to believe that the staff has abused time. However, the President stated that if there were evidence he would immediately investigate the matter. President Byford stated that as a management team the staff is overwhelmed with the number of initiatives it is tasked with managing, and sometimes things fall through the cracks. However, President Byford stated that, as President of the agency, he must be held accountable for all affairs concerning the agency.

President Byford proceed to provide an overview of NYCT's overtime statistics.

The details of President Byford's report, Board members' comments and discussion are included in the videotape of the meeting produced by the MTA and maintained in MTA records.

B&T Overtime Report:

Acting President Daniel DeCrescenzo stated that B&T's core mission is different than the other agencies, as the agencies move people, and B&T allow people to move on its facilities, and it is a smaller agency. Acting President DeCrescenzo proceeded to provide an overview of B&T's overtime protocol, procedures and trends.

The details of Acting President DeCrescenzo's report, Board members' comments and discussion are included in the videotape of the meeting produced by the MTA and maintained in MTA records.

Chairman Foye thanked the agency Presidents for their reports.

The Chairman stated that there are two additional presentations, one provided by Wael Hibri, Senior Vice President of Shared Services, who will provide a report on the rapid roll-out of the 21st century timekeeping and attendance system, which he is working on in partnership with AlixPartners, LLP, and President Byford will present a brief report on new issues relating to Bombardier subway cars.

6. TECHNOLOGY/SYSTEMS UPDATE.

Wael Hibri, Senior Vice President of Shared Services, working closely with Alix Partners, provided a technology update, which included the rollout of the time and attendance system and an overview of the existing timekeeping systems and overtime controls.

Chairman Foye stated that he has asked Mr. Hibri to provide monthly status updates beginning in June.

The details of the Mr. Hibri's report, Board members' comments and discussion are included in the videotape of the meeting produced by the MTA and maintained in MTA records.

7. BOMBARDIER UPDATE.

President Andrew Byford briefly discussed and updated the Board on the issues relating to Bombardier subway cars.

The details of the President Byford's report, Board members' comments and discussion are included in the videotape of the meeting produced by the MTA and maintained in MTA records.

8. **PUBLIC SPEAKERS SESSION.** The following two (2) speakers commented during the public speakers' session. Refer to the video recording of the meeting produced by the MTA and maintained in MTA records for the content of speakers' statements.

Jason Pinerio, private citizen
Chris Sylvera, private citizen

9. **ADJOURNMENT.** Upon motion duly made and seconded, the Board voted to adjourn the meeting at 6:30 p.m.

Respectively submitted,

Victoria Clement
Assistant Secretary

**Metropolitan Transportation Authority
Minutes of
Regular Board Meeting
2 Broadway
New York, NY 10004
Wednesday, May 22, 2019
9:00 a.m.**

The following members were present:

**Hon. Patrick Foye, Chairman & CEO
Hon. Andrew Albert
Hon. Sarah E. Feinberg
Hon. Rhonda Herman
Hon. David Jones
Hon. Kevin Law
Hon. David Mack
Hon. Susan Metzger
Hon. Haeda B. Mihaltses
Hon. Lawrence Schwartz
Hon. Vincent Tessitore, Jr.
Hon. Polly Trottenberg
Hon. Veronica Vanterpool
Hon. Neal Zuckerman**

The following alternate non-voting members were also present:

**Hon. Norman E. Brown
Hon. Randolph Glucksman
Hon. John Samuelsen**

The following members were absent:

**Hon. Fernando Ferrer, Vice Chairman
Hon. Michael Lynton**

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, Daniel Decrescenzo, Acting President, TBTA, Darryl Irick, President, MTA Bus and Senior V.P., NYCT Department of Buses, and Leah Flax, Associate Staff Analyst, Strategy & Customer Experience, 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.

Chairman Foye called the meeting to order and welcomed everyone to the May Board meeting, and he announced that today's meeting also serves as the annual Board meeting of the First Mutual Transportation Assurance Company ("FMTAC").

1. PUBLIC SPEAKERS SESSION.

Leah Flax, Associate Staff Analyst, Assistant, Department of Strategy and Customer Experience, reviewed the safety procedures protocol in the event of an emergency, reminded speakers of the two (2) minute speaking limit, and she called speakers attention to the countdown clock and the warning light, which will come on alerting speakers that thirty (30) seconds remain to conclude their remarks.

The following twenty-two (22) 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.

Lisa Daglian, Executive Director, MTA PCAC
Ellyn Shanon, PCAC
John Maier, CURES
Norbert Giesse, CURES
Suzhen Chi, CIDNY,
Kimberly McLaurin, Progressive Action
Tramell Thompson, Progressive Action
Gary Yeung, private citizen
Jason Pinerio, private citizen
Rachael Fauss, Reinvent Albany
HP Schroer, Veteran/UMEWE
Sista Shirley, private citizen
Colin Wright, Transit Center
Eman Rimawi, NY LPI
Ashley Pryce, Transit Center
Kevin Zeng, private citizen
Omar Vera, private citizen
Stephanie Burgos, Riders Alliance
Sasha Blair-Goldensohn, Elevator Action
William Long, Riders Alliance
Liam Blank, Tri State Transportation
Joe Rappaport, BCID

2. CHAIRMAN FOYE'S REMARKS.

Chairman Foye began the meeting by discussing several incidents that occurred on the transit system in the previous days. The first was a video of a vicious assault that had been circulating on the web, of a teenager on one of the subway trains. Chairman Foye described the assault as disturbing and shocking. Chairman Foye next discussed a shooting at the Franklin Avenue station the night before. He noted that police reports indicated that a man fired a gun from the platform, and the bullet or debris struck a person in the ankle. Chairman Foye said that the gunman has not yet been arrested, but that the police are investigating both of these incidents.

Third, Chairman Foye stated that based on train data and reports from employees, it is believed that there is an individual or a group of individuals who are systematically getting onto trains, pulling the emergency brakes, and then fleeing to the tracks, getting on the next train, and repeating the process. Chairman Foye stated that there was a belief that it happened again the night before on the northbound 2 train. He noted that this is not an isolated incident and may have been happening for several years. He stated that the MTA and NYCT are cooperating with the NYPD. Chairman Foye expressed the reluctance to discuss these issues publicly based on the concern of copycats, but encouraged the public to help in catching these potential criminals who are impacting the lives of thousands of customers, and endangering the lives of NYCT men and women working on the subways. Chairman Foye asked the public to report any suspicious activity observed.

Chairman Foye stated that the agency is in contact with leaders from the NYPD, who are not only investigating these issues, but have deployed additional personnel to catch these individuals. The Chairman stated that these incidents happened in the wake of several assaults on transit employees that are both disgusting and cowardly. Chairman Foye expressed that all of this speaks to a larger point – that the MTA and NYPD need the ability to ban criminals from the subway system if they are engaging in behavior that puts employees and the public at risk. This could include disrupting trains, unwanted touching, assaulting employees or engaging in other violent behavior. Chairman Foye explained that while the system is extremely safe, with crime near record low, the MTA needs every tool available to keep it that way.

Chairman Foye noted that the MTA is strongly supportive of legislation that has been introduced or will be introduced in the legislature by Senator Savino in Staten Island that would allow the MTA to enact these bans, and would urge its quick passage. Chairman Foye also stated that he personally suggested to Senator Savino that her bill not only include sexual assault recidivists, but people who engage in multiple attacks on transit workers.

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

3. POSITIVE TRAIN CONTROL UPDATE

Chairman Foye provided an update on Positive Train Control (“PTC”), an integrated train control and communication system currently in progress at both commuter railroads. The

Chairman noted that the federally mandated system provides key safety measures that would protect passengers and workers.

Chairman Foye stated that he, along with Managing Director Veronique Hakim and Board Member Feinberg, met with Joe Kaeser, President and Chief Executive Officer of Siemens AG, and Marc Buncher, President of the Siemens Mobility Division in the U.S. and Canada, last Friday. Chairman Foye explained that at that meeting he made it clear that Siemens' recent performance on this project has been unacceptable and that, unless their performance on this project turned around dramatically, they were putting their company and the Consortium in danger of losing all future business with the MTA.

Chairman Foye stated that Mr. Kaeser made a full commitment to meeting the December 2020 federal deadline for PTC – a commitment, not an assurance, and that will be reflected in writing – and Chairman Foye made sure Mr. Kaeser understood that the MTA would be holding him to that commitment. He noted that this included adding personnel, changing personnel, reporting publicly on a new, more frequent cycle, and bringing on third-party inspectors and quality control experts.

Chairman Foye stated that Mr. Kaeser went as far as to say that if it takes up to an additional \$100 million to fix this issue, he will make it happen. Chairman Foye noted that Mr. Kaeser asked him to report to the Board and the public the substance of their meeting. Chairman Foye stated that Siemens has accepted full responsibility for their failures, and did not seek to shift the blame to the LIRR or Metro-North. Chairman Foye stated that on Monday afternoon he received a joint apology letter from Bombardier and Siemens, a copy of which was distributed to the Board members.

Chairman Foye noted that while he accepts and values their apology, their commitment and results are what is most important. They still need to demonstrate that they are truly turning this project around and will consistently deliver. With that, Chairman Foye acknowledged the four senior leaders from both Siemens and Bombardier:

- Michael Peter, CEO of Siemens Mobility;
- Marc Buncher, President of Siemens Mobility Division in the US and Canada;
- Danny Di Perna, President of Bombardier Transportation; and
- Lee Sander, President of Bombardier Transportation in the Americas.

Chairman Foye invited the Siemens and Bombardier representatives to make their statements, and he stated that following the presentations he would take questions from the Board.

Following objections to having the representatives from Siemens and Bombardier make statements, and Board Members questions and comments thereto, the Board heard statements from representatives of Siemens and Bombardier regarding their past performance, their efforts to improve their performance, and various issues relating to PTC.

The details of the statements made by the Siemens and Bombardier representatives, Board Members' comments, questions and discussion are contained in the video recording of the meeting produced by the MTA and maintained in the MTA records.

4. COST CONTAINMENT UPDATE

Chairman Foye then invited Janno Lieber, Chief Development Officer and President, MTA Capital Construction, to provide an update on the Cost Containment Working Group and efforts underway at three agencies.

Mr. Lieber gave a PowerPoint presentation and noted the following key elements of the cost containment strategy recommended by the working group: Project CEOs, to control scope and design changes, and to execute a project schedule; better management of the change order process, including managing scope, reducing the time to process change orders, and eliminating customization; and better management of force account support and costs.

President Andrew Byford then gave an update on cost containment progress at NYCT. He discussed the progress that has been made, including, among other things, increasing General Orders by 40%, increasing productive time on General Orders using 10pm starts, strengthening project leadership, reducing processing and embracing design-build contracting. President Byford presented a video illustrating some of the progress that has been made. He also discussed the initiatives underway, including, among other things, implementing best value contracting including A+B bidding, re-writing technical specifications and updating internal procedures.

The details of the presentations 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.

5. EXECUTIVE SESSION.

Upon motion duly made and seconded, Chairman Foye made a motion to convene into Executive Session.

Board member Samuelson expressed concerns about convening an executive session to discuss allegations of overtime abuse at the MTA and possible appointment of a special prosecutor to investigate these allegations, and he requested that the discussion be held publicly. Board member Samuelson also raised concerns about the safety of MTA employees.

Chairman Foye responded to these concerns, including stating that all non-voting Board Members representing labor would be invited to join in the discussion of this matter. He also stated that under Public Officers Law ("POL") Section 105(1)(c), it was appropriate to discuss this matter in Executive Session because it pertained to current or future investigations and may imperil effective law enforcement if discussed publicly. Chairman Foye confirmed that there was an investigation pending by the MTA Inspector General (IG).

Further details of this discussion and Board members' comments are contained in the video recording of the meeting produced by the MTA and maintained in the MTA records.

Following discussion, Chairman Foye asked for a motion to move the meeting into Executive Session, pursuant to Public Officers Law Section 105(1)(c), to discuss matters relating to

current or future investigations. Upon motion duly made and seconded, the Board voted to convene into Executive Session.

6. **PUBLIC SESSION RESUMES**

Upon motion duly made and seconded, the Board voted to resume the public session, whereupon Chairman Foye announced that the Board had, in Executive Session, approved the ratification of four collective bargaining agreements, and that the non-voting Board members representing labor were not there for that part of the discussion. He also stated that the Board approved the retainer of a consultant for a limited period of time – 60 days – to look at issues of timekeeping and attendance at the MTA, in coordination with the General Counsel.

7. **MINUTES**

Upon motion duly made and seconded, the Board approved the minutes of the Board Meeting held on April 17, 2019.

8. **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. National Industries for the Blind – Purchase and Delivery of Safety Vests – No. 10000000080519. Approved the award of a non-competitive contract for the purchase and delivery of various safety vest for Metro-North Railroad to the National Industries for the Blind (d/b/a NYSPSP – New York State Preferred Source Program for People who are Blind), a New York State Preferred vendor.
2. Various Contractors – All-Agency Procurement of Maintenance, Repair and Operating Supplies & Related Products and Services – No. 11751. Approved the award of the Hardware and Fasteners and Material Handling categories of a competitively negotiated All-Agency Procurement of Maintenance, Repair and Operating Supplies contract with Choice Distribution, Inc. (“Choice”) for the hardware and fasteners category; and with W.W. Grainger, Inc. (“Grainger”) for the material handling fasteners category, for a period of seven (7) years for Choice and five (5) years with Grainger, with two one-year options to be exercised at MTA’s sole discretion, both commencing on or about July 1, 2019.
3. Various Contractors – Environmental Compliance Services – No. 93672. Approved the award of competitive negotiated personal services contract to Phoenix Environmental Laboratories, Inc. (“Phoenix”), and York Analytical Laboratories, Inc. (“York”) to provide environmental compliance services generated at Metro-North Railroad and Long Island Rail Road.

B. Information Item.

1. 2018-2019 Station Maintenance Billing. The Board was advised of the submission of the station maintenance billings to New York City and the counties for the period of April 1, 2018 to March 31, 2019.

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

Metro-North Railroad

1. Lease agreement with Xarupa LLC for a café and bar/lounge located at the Bronxville Station, Harlem Line, Westchester County, N.Y.
2. Lease with The Coiffure Clique LLC for vacant retail space for a hair salon located at the Bronxville Station, Harlem Line, Westchester County, N.Y.
3. Acquisition of a permanent easement from the City of White Plains of property located at 20 Ferris Avenue, White Plains, N.Y. (Easement Area 1) and at 10 Ferris Avenue, White Plains, N.Y. (easement Area 2), in support of the construction of improvements and operations for the Enhanced Station Initiative for the White Plains Metro-North Station.
4. Acquisition of a permanent easement from White Plains Urban Renewal Agency of property located at 3 Hamilton Avenue, White Plains, N.Y., in support of the construction of improvements and operations for the Enhanced Station Initiative for the White Plains Metro-North Station.
5. Lease agreement with GC Alpha, LLC d/b/a Cipriani for retail space R-01 located in the Southwest Balcony in the Main Concourse of Grand Central Terminal, New York, N.Y.

Long Island Rail Road

6. Lease agreement with Off the Diet LLC for lease of property, Lawrence Station, Far Rockaway Branch, Nassau County for use as a restaurant.
7. Disposition of air rights to Medford Ber, LLC for property known as Block 3457, Lot 39 in Brooklyn, N.Y., to enter into a zoning lot development agreement, purchase and sale agreement and other transaction agreements deemed necessary.
8. Development agreement with Vornado for New York Penn Station LIRR Train Hall Renovation, Phase 1, 33rd Street Entrance, between Seventh and Eighth Avenues, and connecting corridors located within a portion of Penn Station, New York, N.Y.

New York City Transit Authority

9. Lease with CAI Foods, Inc. for 9 retail spaces for food and retail use located at Stillwell Avenue Terminal Complex, Coney Island, Brooklyn, N.Y.
9. **FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY (FMTAC)**. This meeting served as FMTAC's annual Board meeting. The Board was provided information concerning FMTAC's 2018 activities and operations.

Chairman Foye announced the retirement of Darryl Irick, President, MTA Bus and Senior V.P., NYCT Department of Buses, and thank him for his service and dedication to the MTA organization.

Mr. Irick stated that it has been an amazing three decades, and he thanked the Chairman and the Board for their support.

10. **ADJOURNMENT**. Upon motion duly made and seconded, the Board voted to adjourn the meeting at 2:00 p.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 May 22, 2019
9:00 a.m.**

The following members were present:

**Hon. Patrick Foye, Chairman & CEO
Hon. Andrew Albert
Hon. Sarah E. Feinberg
Hon. Rhonda Herman
Hon. David Jones
Hon. Kevin Law
Hon. David Mack
Hon. Susan Metzger
Hon. Haeda B. Mihaltses
Hon. Lawrence Schwartz
Hon. Vincent Tessitore, Jr.
Hon. Polly Trottenberg
Hon. Veronica Vanterpool
Hon. Neal Zuckerman**

The following alternate non-voting members were also present:

**Hon. Norman E. Brown
Hon. Randolph Glucksman
Hon. John Samuelsen**

The following members were absent:

**Hon. Fernando Ferrer, Vice Chairman
Hon. Michael Lynton**

Veronique Hakim, Managing Director, Helene Fromm, Chief of Staff, Janno Lieber, MTA Chief Development Officer and President, MTA Capital Construction, 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, Daniel Decrescenzo, Acting President, TBTA, Darryl Irick, President, MTA Bus and Senior V.P., NYCT Department of Buses, and Leah Flax, Associate Staff Analyst, Strategy & Customer Experience, also attended the meeting.

1. CHAIRMAN FOYE CALLED THE MEETING TO ORDER

MTA Chairman & CEO Patrick Foye called the meeting to order. He welcomed everyone to the Board meeting and the annual meeting of the First Mutual Transportation Assurance Company (“FMTAC”).

2. PUBLIC COMMENT PERIOD

There were twenty-two (22) public speakers. The following speakers spoke on MTA NYC Transit/Staten Island Rapid Transit Operating Authority /MTA Bus Company matters during the public speaker session.

Lisa Daglian, PCAC
Ellyn Shannon, PCAC
Suzhen Chi, CIDNY
Kimberly McLauren, Progressive Action
Tramell Thompson, Progressive Action
Gary Yeung, private citizen
Jason Pineiro, private citizen
Rachael Faus, Reinvent Albany
H.P. Schroer, private citizen
Sista Shirly, private citizen
Collin Wright, Transit Center
Eman Rimawi, NY LPI
Ashley Pryce, Transit Center
Kevin Zeng, private citizen
Omar Vera, private citizen
Stephanie Burgos, Riders Alliance
Sasha Blair-Goldensohn, Elevator Action
William Long, Riders Alliance
Liam Blank, Tri State Transp.
Joe Rappaport, BCID

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

3. CHAIRMAN FOYE’S REMARKS

Chairman Foye began the meeting by discussing several incidents that occurred on the transit system in the previous days. The first was a video of a vicious assault that had been circulating on the web, of a teenager on one of the subway trains. Chairman Foye described the assault as disturbing and shocking. Chairman Foye next discussed a shooting at the Franklin Avenue station the night before. He noted that police reports indicated that a man fired a gun from the platform, and the bullet or debris struck a person in the ankle. Chairman Foye said that the gunman has not yet been arrested, but that the police are investigating both of these incidents.

Third, Chairman Foye stated that based on train data and reports from employees, it is believed that there is an individual or a group of individuals who are systematically getting onto trains, pulling the emergency brakes, and then fleeing to the tracks, getting on the next train, and repeating the process. Chairman Foye stated that there was a belief that it happened again the night before

on the northbound 2 train. He noted that this is not an isolated incident and may have been happening for several years. He stated that the MTA and NYCT are cooperating with the NYPD. Chairman Foye discussed the reluctance to discuss these issues publicly based on the concern of copycats, but encouraged the public to help in catching these potential criminals who are impacting the lives of thousands of customers, and endangering the lives of NYCT men and women working on the subways. He asked the public to report any suspicious activity observed.

Chairman Foye stated that they are in contact with leaders from the NYPD, who are not only investigating these issues, but have deployed additional personnel to catch these individuals. He stated that these incidents happened in the wake of several assaults on transit employees that are both disgusting and cowardly. Chairman Foye expressed that all of this speaks to a larger point – that the MTA and NYPD need the ability to ban criminals from the subway system if they are engaging in behavior that puts employees and the public at risk. This could include disrupting trains, unwanted touching, assaulting employees or engaging in other violent behavior. Chairman Foye explained that while the system is extremely safe, with crime near record low, the MTA needs every tool in the toolbox available to keep it that way.

Chairman Foye noted that the MTA is strongly supportive of legislation that has been introduced or will be introduced in the legislature by Senator Savino in Staten Island that would allow the MTA to enact these bans, and would urge its quick passage. Chairman Foye also stated that he personally suggested to Senator Savino that her bill not only include sexual assault recidivists, but people who engage in multiple attacks on transit workers.

Further details of the Chairman’s remarks are contained in the video recording of the meeting produced by the MTA and maintained in the MTA records.

4. POSITIVE TRAIN CONTROL UPDATE

Chairman Foye then turned the discussion to an update on Positive Train Control (“PTC”), an integrated train control and communication system currently in progress at both commuter railroads. He noted that the federally mandated system provides key safety measures that would protect passengers and workers.

Chairman Foye stated that he, along with Ronnie Hakim and Commissioner Feinberg – met with the global CEO of Siemens, Joe Kaeser and the President of the Siemens Mobility Division in the U.S. and Canada, Marc Buncher last Friday. Chairman Foye explained that at that meeting, he made it clear that Siemens’ recent performance on this project has been unacceptable, and that – unless their performance on this project turned around dramatically – they were putting their company and the Consortium in danger of losing all future business with the MTA.

Chairman Foye said the CEO of Siemens made a full commitment to meeting the December 2020 federal deadline for PTC – a commitment, not an assurance, and that will be reflected in writing – and Chairman Foye made sure the CEO understood that the MTA would be holding him to that commitment. He noted that this included adding personnel, changing personnel, reporting publicly on a new, more frequent cycle, and bringing on third-party inspectors and quality control experts.

Chairman Foye said the CEO went as far as to say that if it takes an additional \$100 million to fix this issue, he will make it happen. The Siemens representative said that Chairman Foye could report to the Board and the public the substance of our meeting. He said that Chairman Siemens accepted full responsibility for their failures, and did not seek to shift the blame to the LIRR or Metro-North. On Monday afternoon, Chairman Foye said he received a joint apology letter from Bombardier and Siemens, a copy of which was distributed to the Board members.

Chairman Foye noted that while he accepts and values their apology, their commitment and results are what is most important. They still need to demonstrate that they are truly turning this project around and will consistently deliver. With that, Chairman Foye acknowledged the four senior leaders from both Siemens and Bombardier:

- Michael Peter, CEO of Siemens Mobility;
- Marc Buncher, President of Siemens Mobility Division in the US and Canada;
- Danny Di Perna, President of Bombardier Transportation; and
- Lee Sander, President of Bombardier Transportation in the Americas.

Chairman Foye invited the Siemens and Bombardier representatives to make their statements, and he stated that following the presentations he would take questions from the Board.

Following objections to having the representatives from Siemens and Bombardier make statements, and Board Members questions and comments thereto, the Board heard statements from representatives of Siemens and Bombardier regarding their past performance, their efforts to improve their performance, and various issues relating to PTC.

The details of the statements made by the Siemens and Bombardier representatives, Board Members' comments, questions and discussion are contained in the video recording of the meeting produced by the MTA and maintained in the MTA records.

5. COST CONTAINMENT UPDATE

Chairman Foye then invited Janno Lieber, Chief Development Officer and President, MTA Capital Construction, to provide an update on the Cost Containment Working Group and efforts underway at three agencies.

Mr. Lieber gave a PowerPoint presentation and noted the following key elements of the cost containment strategy recommended by the working group: Project CEOs, to control scope and design changes, and to execute a project schedule; better management of the change order process, including managing scope, reducing the time to process change orders, and eliminating customization; and better management of force account support and costs.

NYCT President Andrew Byford then gave an update on cost containment progress at NYCT. He discussed the progress that has been made, including, among other things, increasing General Orders by 40%, increasing productive time on General Orders using 10pm starts, strengthening project leadership, reducing processing and embracing design-build contracting. President Byford presented a video illustrating some of the progress that has been made. He also discussed the initiatives underway, including, among other things, implementing best value contracting including A+B bidding, re-writing technical specifications and updating internal procedures.

The details of the presentations and Board Members' comments are contained 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, Chairman Foye made a motion to convene into Executive Session.

Board member Samuelsen and Board member Schwartz expressed concerns about convening an executive session to discuss allegations of overtime abuse at the MTA and possible appointment of a special prosecutor to investigate these allegations. It was requested that the discussion be held publicly. Board member Samuelsen also raised concerns about the safety of MTA employees.

Chairman Foye responded to these concerns, including stating that all non-voting Board Members representing labor would be invited to join in the discussion of this matter. He also stated that under Public Officers Law ("POL") Section 105(c), it was appropriate to discuss this matter in Executive Session because it pertained to current or future investigations and may imperil effective law enforcement if discussed publicly. Chairman Foye confirmed that there was an investigation pending by the MTA Inspector General (IG).

Further details of this discussion and Board members' comments are contained in the video recording of the meeting produced by the MTA and maintained in the MTA records.

Following discussion, Chairman Foye asked for a motion to move the meeting into Executive Session, pursuant to POL Section 105(c), to discuss matters relating to current or future investigations. Upon motion duly made and seconded, the Board voted to move the meeting into Executive Session.

7. PUBLIC SESSION RESUMES

Upon motion duly made and seconded, the Board voted to resume the public session, whereupon Chairman Foye announced that the Board had, in Executive Session, approved the ratification of four collective bargaining agreements, and that the non-voting Board members representing labor were not there for that part of the discussion. He also stated that the Board approved the retainer of a consultant for a limited period of time – 60 days – to look at issues of timekeeping and attendance at the MTA, in coordination with the General Counsel.

8. MINUTES

Upon motion duly made and seconded, the Board approved the minutes of the Board Meeting held on April 17, 2019.

9. COMMITTEE ON FINANCE

Real Estate Item:

Lease Agreement for Stillwell Avenue Terminal Complex: Upon motion duly made and seconded, the Board approved a lease with CAI Foods, LLC for the operation of nine retail units in Stillwell Avenue Terminal in Coney Island, New York.

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

Action Item:

Tariff Revision: Elimination of Half Fare Student MetroCard: Upon motion duly made and seconded, the Board authorized a tariff change to discontinue the half-fare student MetroCard program and allow all students who live at least one-half mile from their school to be given a free 3-Trip student MetroCard valid on subway and local bus. The details of any discussion and Board Members' comments with respect to this item are contained in the video recording of the meeting produced by the MTA and maintained in the MTA records.

Procurements:

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

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

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

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

Ratifications: Upon motion duly made and seconded, the Board approved ratifications requiring a majority vote (Schedule K in the Agenda). Board member Vanterpool, Board member Trottenberg and Board member Jones voted in opposition to the items related to the Enhanced Station Initiative ratifications.

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. The details of any discussion and Board Members' comments with respect to these items are contained in the video recording of the meeting produced by the MTA and maintained in the MTA records.

11. ADJOURNMENT

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 2:00 p.m.

Respectfully submitted,

/s/Mariel A. Thompson

Mariel A. Thompson

Assistant Secretary

Minutes of the Regular Meeting
Metro-North Commuter Railroad Company
2 Broadway – 20th Floor
New York, NY 10004
Wednesday, May 22, 2019
9:00 a.m.

The following members were present:

Hon. Patrick Foye, Chairman & CEO
Hon. Andrew Albert
Hon. Sarah E. Feinberg
Hon. Rhonda Herman
Hon. David Jones
Hon. Kevin Law
Hon. David Mack
Hon. Susan Metzger
Hon. Haeda B. Mihaltses
Hon. Lawrence Schwartz
Hon. Vincent Tessitore, Jr.
Hon. Polly Trottenberg
Hon. Veronica Vanterpool
Hon. Neal Zuckerman

The following alternate non-voting members were also present:

Hon. Norman E. Brown
Hon. Randolph Glucksman
Hon. John Samuelson

The following members were absent:

Hon. Fernando Ferrer, Vice Chairman
Hon. Michael Lynton

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, Daniel Decrescenzo, Acting President, TBTA, Darryl Irick, President, MTA Bus and Senior V.P., NYCT Department of Buses, and Leah Flax, Associate Staff Analyst, Strategy & Customer Experience, also attended the meeting. Unless otherwise indicated, these minutes reflect items on the agenda of the Metro-North Commuter Railroad Company Board (“Metro-North”). Refer to the other agencies’ minutes of this date for items on the agendas of the Boards of the other agencies.

Chairman Foye called the meeting to order.

1. **SAFETY PROCEDURES:**

Leah Flax, Associate Staff Analyst, Strategy and Customer Experience, reviewed the emergency safety procedures and introduced the public speakers.

2. **PUBLIC SPEAKERS:**

There were 22 registered public speakers. The following speakers spoke on Metro-North related matters:

Rachel Fauss, with Reinvent Albany, commented on a letter sent to Chairman Foye and the MTA Board by eleven organizations that called for upcoming discussions surrounding the reorganization of the MTA to be public and transparent. Ms. Fauss commented that the letter requested the public release of the reorganization plan as soon as possible, consultation with stakeholders about potential recommendations, and the public release of additional reviews of waste, fraud, and abuse, conflicts of interest, duplications of functions, and overtime issues.

Collin Wright, with Transit Center, commented on the MTA reorganization and urged the Board to conduct its oversight of the reorganization plan with transparency to allow the public to review and comment. Mr. Wright commented that open deliberation about the reorganization plan will build trust with the MTA.

Additional details of the comments made by the public speakers are contained in the other agencies' minutes of this date. The video recording of the meeting produced by the MTA and maintained in the MTA records contains a complete record of the public comments.

3. **CHAIRMAN FOYE'S REMARKS:**

Chairman Foye expressed concern about subway crime and assaults. He commented that there were several serious incidents in recent days, including a vicious assault captured on video, and a shooting at the Franklin Avenue Station where a gun was fired and the victim was struck in the ankle with a bullet. He added that the MTA believes an individual or group is accessing subway cars, pulling the handle on the emergency brake, and leaving the cars to repeat the process on other trains. He expressed a desire to enlist the public's help in apprehending those responsible and advised that the New York City Police Department ("NYPD") is investigating these matters.

Chairman Foye stated that the MTA and the NYPD need the ability to ban criminals from the subway system if they are engaging in behavior that puts employees or the public at risk, including unwanted touching and assaulting employees. He added that he strongly supports legislation introduced by State Senator Diane J. Savino to ban sexual predators from the system.

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

4. POSITIVE TRAIN CONTROL UPDATE:

Chairman Foye provided an update on Positive Train Control (“PTC”), an integrated train control and communication system currently in progress at both commuter railroads. The Chairman noted that the federally mandated system provides key safety measures that would protect passengers and workers.

Chairman Foye stated that he, along with Managing Director Veronique Hakim and Board Member Sarah Feinberg, met with the global CEO of Siemens, Joe Kaeser, and the President of the Siemens Mobility Division in the U.S. and Canada, Marc Buncher, last Friday. Chairman Foye explained that at that meeting he made it clear that Siemens’ recent performance on this project has been unacceptable and that, unless their performance on this project turned around dramatically, they were putting their company and the Consortium in danger of losing all future business with the MTA.

Chairman Foye stated that the CEO of Siemens made a full commitment to meeting the December 2020 federal deadline for PTC – a commitment, not an assurance, that will be reflected in writing. Chairman Foye made sure the CEO understood that the MTA would be holding him to that commitment. He noted that this included adding personnel, changing personnel, reporting publicly on a new, more frequent cycle, and bringing on third-party inspectors and quality control experts.

Chairman Foye stated that the CEO went as far as to say that if it takes an additional \$100 million to fix this issue, he will make it happen. Chairman Foye noted that the Siemens representatives asked him to report to the Board and the public about the substance of their meeting. Chairman Foye stated that Siemens has accepted full responsibility for their failures and did not seek to shift the blame to the railroads. Chairman Foye stated that on Monday afternoon he received a joint apology letter from Bombardier and Siemens, a copy of which was distributed to the Board members.

Chairman Foye noted that while he accepts and values the apology, their commitment and results are what is most important. The Consortium still needs to demonstrate that it is truly turning the project around and will consistently deliver. Chairman Foye then acknowledged the four senior leaders from both Siemens and Bombardier in attendance:

- Michael Peter, CEO of Siemens Mobility;
- Marc Buncher, President of Siemens Mobility Division in the US and Canada;
- Danny Di Perna, President of Bombardier Transportation; and
- Lee Sander, President of Bombardier Transportation in the Americas.

Chairman Foye invited the Siemens and Bombardier representatives to make their statements. Following the presentations, they would take questions from the Board.

Following objections to having the representatives from Siemens and Bombardier make statements, and Board Member questions and comments thereto, the Board heard statements from

the representatives of Siemens and Bombardier regarding their past performance, efforts to improve performance, and various issues related to PTC.

The details of the statements made by the Siemens and Bombardier representatives, Board Members' comments, questions, and discussions are contained in the video recording of the meeting produced by the MTA and maintained in the MTA records.

5. **COST CONTAINMENT UPDATE:**

Janno Lieber, Chief Development Officer, provided an update on the Cost Containment Working Group which has focused on empowering project CEOs, reducing change order process red tape, managing scope, and managing force account costs. Andrew Byford, New York City Transit ("NYCT") President, also reported on NYCT cost containment efforts. Due to time constraints, Metro-North's presentation was not made.

Board Member Schwartz asked, with respect to the working group's recommendations, whether all divisions of the MTA have implemented the recommendations and who was overseeing the process. Mr. Lieber responded that the team, led by Mark Roche, was working with all the agencies. He stated that the recommendations are being implemented by the agencies with some customization.

Board Member Schwartz also inquired about design-build projects. He asked whether the NYCT Grand Central Terminal project was design-build. President Byford responded in the negative. Mr. Schwartz asked if there were other outstanding contracts that could still be awarded as design-build. Mr. Byford responded that the project is very complex, but new contracts in excess of \$25 million will be handled as design-build, as directed by the Legislature. Mr. Schwartz also asked whether the project was on schedule and on budget. President Byford responded that the project is phased, and it is difficult to speed up the process while maintaining daily service.

Board Member Schwartz asked why the project was not overseen by MTA Capital Construction ("MTACC"). Mr. Byford responded that the issue was being examined and he was not opposed to having MTACC administer the project if it is determined to be desirable.

6. **EXECUTIVE SESSION:**

Chairman Foye asked for a motion to convene an Executive Session. Board Member Samuelsen expressed concerns about convening an executive session to discuss allegations of overtime abuse at the MTA and the possible appointment of a special prosecutor to investigate the allegations. He requested that the discussions be held publicly. Board Member Samuelsen also raised concerns about the safety of MTA employees.

Chairman Foye responded to the concerns and indicated that the appointment of a special prosecutor was included in the matters to be discussed in Executive Session. He also stated that all non-voting Board Members representing labor would be invited to join in the discussion. He stated that under the New York State Public Officers Law Section 105(1)(c), it was appropriate to discuss

the matter in Executive Session because it pertained to current or future investigations or the prosecution of a criminal offense which would imperil effective law enforcement if disclosed. Chairman Foye also confirmed that there was an investigation pending by the MTA Inspector General (IG).

Further details of this discussion and Board Members' comments are contained in the video recording of the meeting produced by the MTA and maintained in the MTA records.

Upon motion duly made and seconded, the Board voted to move the meeting into Executive Session pursuant to Section 105(1)(c) of the New York State Public Officers Law, to discuss matters relating to current or future investigation or the prosecution of a criminal offense which would imperil effective law enforcement if disclosed.

7. RETURN TO PUBLIC SESSION AND APPROVAL OF MINUTES:

Upon motion duly made and seconded, the Board voted to reconvene in public session. Upon returning to the public session of the meeting, Chairman Foye stated that in Executive Session the Board approved the ratifications of four collective bargaining agreements, and that the non-voting Board Members representing labor were not in attendance for the ratifications. The Board also approved retaining a consultant for a limited time of 60 days review issues related to timekeeping and attendance at the MTA, in coordination with the General Counsel.

Upon motion duly made and seconded, the minutes of the Regular Board Meeting held on April 17, 2019 were approved.

8. COMMITTEE ON FINANCE:

MTAHQ Procurements:

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

- Board approval to award a non-competitive contract for the purchase and delivery of various safety vests for Metro-North Railroad to the National Industries for the Blind (d/b/a NYSPSP – New York State Preferred Source Program for People who are Blind), a New York Preferred Source Vendor. The proposed contract term is one year for an estimated not-to-exceed amount of \$300,000.

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

- Board approval to award the Hardware and Fasteners and Material Handling categories of a competitively negotiated All-Agency Procurement of Maintenance, Repair, and Operating Supplies as follows: i) Choice Distribution, Inc. (“Choice”) in the not-to-exceed amount of \$49,179,795 for the Hardware and Fasteners category; and ii) W.W. Grainger, Inc. (“Grainger”) in the not-to-exceed amount of \$11,233,852 for the Material Handling Fasteners category. All awards

include a 10% contingency. The contract period for Choice is seven years and the contract period for Grainger is five years with two one-year options to be exercised at MTA's sole discretion, both commencing on or about July 1, 2019.

- Board approval to award a competitively negotiated personal service contracts to Phoenix Environmental Laboratories, Inc. ("Phoenix") for an amount not-to-exceed \$274,164 and York Analytical Laboratories, Inc. ("York") for an amount not-to-exceed \$668,795 to provide environmental compliance services, including field and laboratory services, flow measurement, pH measurement, sample collection, sample analysis/testing and reporting for monitoring and environmental purposes, on liquids, process wastewater, process sludge, and industrial wastewater, oil/water separator effluent, solids, etc., generated at Long Island Rail Road and Metro-North facilities. The proposed contract terms are three years, with options to extend for two, one-year periods.

Upon motion duly made and seconded, the Board approved the foregoing procurements. The details of the approved procurements are contained in staff summaries and documentation filed with the records of this meeting.

Information Item:

The Board was presented with the following information item that relates to Metro-North:

- 2018-2019 Station Maintenance Billing.

The details of the above information item are contained in a staff summary and documentation filed with the records of this meeting.

Real Estate Items:

The Board was presented with the following real estate items that relate to Metro-North:

- Board authorization to enter into a lease agreement with Xarupa LLC for a café and bar/lounge at the Bronxville Station building in Bronxville, NY.
- Board authorization to enter into a lease agreement with the Coiffure Clique LLC for a hair salon at the Bronxville Station building in Bronxville, NY.
- Board authorization to enter into permanent easements with the City of White Plains located at 20 and 10 Ferris Avenue and two parking spaces located at the White Plains TransCenter in support of Metro-North's Enhanced Station Initiative Project at the White Plains Station.

- Board authorization to enter into a permanent easement with the White Plains Urban Renewal Agency at 3 Hamilton Avenue in support of Metro-North's Enhanced Station Initiative Project at the White Plains Station.
- Board authorization to enter into a lease agreement with GC Alpha, LLC d/b/a Cipriani for a restaurant in the southwest balcony of Grand Central Terminal.

The details of the above real estate items are contained in staff summaries and documentation filed with the records of this meeting.

9. **JOINT METRO-NORTH AND LONG ISLAND RAIL ROAD COMMITTEE:**

Metro-North Procurements:

Two competitive procurements were presented to the Board:

- Board approval to award a contract modification in the not-to-exceed amount of \$780,276 under the current miscellaneous service contract with the firm MotivePower, Inc. ("MPI") for the design, manufacturing, supply, and testing of 12 FRA compliant locomotive fuel tanks for the 12 BL2OGH locomotives being overhauled by MPI as part of its current contract awarded in February 2017.
- Board approval to award a contact modification in the not-to-exceed amount of \$6,000,000 under the current contract with the firm Ducci Electrical Contractors, Inc. ("Ducci") for the installation of required PTC fiber optic cable between Fordham (CP-109) and Woodlawn (CP-112). This installation will also support required communication systems for the Customer Service Initiatives station upgrades and future substations.

Upon motion duly made and seconded, the Board approved the foregoing procurements. The details of the approved procurements are contained in staff summaries and documentation filed with the records of this meeting.

10. **ADJOURNMENT:**

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 2:00PM.

Respectfully submitted,



Richard Gans
Vice President, General Counsel and
Secretary

**Minutes of the Regular Board Meeting
Long Island Rail Road Company
2 Broadway
New York, NY 10004
Wednesday, May 22, 2019
9:00 a.m.**

The following members were present:

Hon. Patrick Foye, Chairman & CEO
Hon. Andrew Albert
Hon. Sarah E. Feinberg
Hon. Rhonda Herman
Hon. David Jones
Hon. Kevin Law
Hon. David Mack
Hon. Susan Metzger
Hon. Haeda B. Mihaltses
Hon. Lawrence Schwartz
Hon. Vincent Tessitore, Jr.
Hon. Polly Trottenberg
Hon. Veronica Vanterpool
Hon. Neal Zuckerman

The following alternate non-voting members were also present:

Hon. Norman E. Brown
Hon. Randolph Glucksman
Hon. John Samuelsen

The following members were absent:

Hon. Fernando Ferrer, Vice Chairman
Hon. Michael Lynton

Veronique Hakim, Managing Director, Helene Fromm, Chief of Staff, Janno Lieber, MTA Chief Development Officer and President, MTACC, Robert Foran, Chief Financial Officer, Thomas J. Quigley, General Counsel, Andrew Byford, President, NYCT, Phillip Eng, President, Long Island Rail Road, Susan J. Doering, Executive Vice President, Metro-North Railroad, Daniel Decrescenzo, Acting President, TBTA, Daryl Irick, President, MTA Bus and Senior Vice President, NYCT Department of Buses, and Leah Flax, Associate Staff Analyst, Strategy & Customer Experience, also attended the meeting.

MTA Chairman & CEO Patrick Foye called the meeting to order. He welcomed everyone to the Board meeting and the annual meeting of First Mutual Transportation Assurance Company ("FMTAC").

1. Public Speakers.

Leah Flax, Associate Staff Analyst, Strategy and Customer Experience, after reviewing safety procedures for the meeting, stated there were twenty two (22) public speakers registered to speak at the meeting. She reminded all public speakers about the two minute time limit, and noted the clock up front and that a warning light would come on with thirty (30) seconds remaining.

Two (2) of the public speakers spoke about matters relating to the Long Island Rail Road (“LIRR”).

John Maier, Vice Chairman of Civics United for Railroad Environmental Solutions (“CURES”) requested that the Board stop LIRR Request for Proposals (“RFP”) No. 6263. He stated that since 2017, CURES has presented the Board with the facts about mismanagement and corruption in this LIRR procurement. Last week, CURES was informed that RFP No. 6263 will proceed. Mr. Maier stated that the Board has demanded value engineering and competition in procurements. In light of the information presented by CURES, he suggested that the Board ask the District Attorney’s Office and the MTA Inspector General to investigate this RFP. He further stated that the conduct of this RFP is exactly the opposite of what the Board wants.

Norbert Giesse, a Board member of CURES, stated that the Governor and the MTA promised CURES that LIRR would procure the cleanest locomotives. Instead, LIRR sold older, more polluting locomotives to New York & Atlantic Railway (“NYAR”) in violation of the Public Authorities Law. He further stated that after elected officials obtained funds for LIRR to procure the cleanest locomotives, LIRR developed hyper-restrictive specifications for the RFP that suppress competition in favor of Progress Rail, the same thing that happened in the 2013 procurement. He added that Progress Rail and Caterpillar are candidates for debarment and that LIRR is thumbing its nose at the Board. He called for cleaning up mismanagement at LIRR.

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

2. Chairman’s Remarks

Chairman Foye expressed concern about subway crime and assaults. He noted that there were several serious incidents in recent days, including a vicious assault captured on video, and a shooting last night at Franklin Avenue where a bullet struck someone in the ankle. He added that we believe an individual or group is accessing subway cars, pulling the handle on the emergency brake, and then jumping off to repeat the process on another train. He expressed a desire to enlist the public’s help in apprehending those responsible, and advised that the New York City Police Department (“NYPD”) is investigating this matter.

Mr. Foye stated that the larger point is that MTA and the NYPD need the ability to ban criminals from the subway system. He added that he strongly supports legislation introduced by State Senator Diane J. Savino to ban sexual predators from the system.

3. Update and Discussion on Positive Train Control.

Chairman Foye stated that Positive Train Control (“PTC”) was in progress at both MTA commuter railroads. PTC is a federally mandated safety initiative, that will protect passengers and workers. Mr. Foye stated that he, along with MTA Managing Director Veronique Hakim and Board Member Sarah Feinberg, met with Joseph Kaeser and Mark Buncher of Siemens, a member of the consortium that is the Systems Integrator (“SI”) for PTC on both LIRR and Metro-North Railroad (“Metro-North”). They advised Mr. Kaeser and Mr. Buncher that the performance of the SI was unacceptable, and that the SI was in danger of losing all business with the MTA. These two gentlemen made a commitment to meeting the December 2020 PTC deadline, and promised additional personnel being assigned to the project, as well as redeployment of personnel to where they are most needed. Siemens accepted full responsibility for the problems that have occurred on this project.

Mr. Foye added that on Monday, he received a formal letter of apology from the SI. While this is a good step, we still need to see that they are truly turning the project around. Mr. Foye noted that we have four (4) representatives of the SI in attendance today, who will make a brief statement and be prepared to answer questions from the Board.

Board Member Lawrence Schwartz requested a reaction from the Board as to whether we want to allow these individuals to speak. Mr. Schwartz noted that the Board asked for Mr. Kaeser, Siemens’ Global Chairman, to appear before the Board today, but instead Chairman Foye met with him privately.

Mr. Schwartz stated that the apology letter is insulting. It is not signed by Mr. Kaeser but by “flunkies.” He further stated that Mr. Kaeser was supposed to be here today, and he did not believe we should listen to the individuals who are present. Mr. Kaeser exhibited disrespect for the Board; he did not appear or explain why he could not appear.

Chairman Foye stated that he was going to overrule Mr. Schwartz’s motion as being out of order. Mr. Foye noted that he ceded time for his report in order to allow these individuals to speak.

Board Member Schwartz stated that it was up to the Board whether or not to allow these individuals to speak, in the exercise of their fiduciary duties. He asked for MTA’s General Counsel to advise on whether this is up to the Board, or whether the Chairman can unilaterally decide whether to allow these individuals to speak to the Board.

Board Member Veronica Vanterpool stated that we made a decision to use outside people on this project. She did not feel that this debate is helpful, and that we need to finish the work.

Board Member Norman Brown stated that you cannot learn anything without asking questions.

Board Member Vanterpool stated that she shared Mr. Schwartz's frustration, but we are in a situation where we need to work with the SI, and she did not see more acrimony as being helpful.

Board Member Kevin Law stated that our word means something. We asked Mr. Kaeser to appear and he did not. Mr. Law further stated that he therefore supports Mr. Schwartz.

Board Member Neal Zuckerman stated that he was satisfied where we are at this moment. He further stated that under Chairman Foye's three predecessors, we made progress on PTC but did not get the project done across both railroads by December 2020.

Mr. Zuckerman stated that the fact that the SI has appeared before this Board in February, April and now is appreciated. He further added that Mr. Schwartz is the only Board member who really listened to his concerns about progress on PTC, and that he supports him. He further stated that he doesn't think anything he'll hear today will make him feel any better, and that he wants to see progress.

Board Member Susan Metzger stated that Mr. Schwartz rightfully noted that the SI has shown disrespect for the Board, but she did not really care if a German "big wig" shows up. She wants to see equipment functioning properly, and extended Revenue Service Demonstration ("RSD") goals being met.

Board Member Haeda Mihaltses asked why Mr. Kaeser did not show up. He must show up himself.

Chairman Foye asked about progress made over the last three months on PTC.

Metro-North President Catherine Rinaldi noted several issues, including adequacy of resources being provided by the SI, which remains a chronic concern; and adequacy of technical support both in the field and with respect to the development of software. We are still working with the SI on field support, but we have seen progress over the past three months, including management changes, and organizational changes which have been helpful.

LIRR President Phillip Eng stated that we have seen an attitude change at the SI and further progress that reflects such change. Now we want to see results, that the new attitude yields dividends.

Board Member Schwartz apologized for his previous comment about "flunkies," which was inappropriate. He stated that he respects the wishes of each individual Board Member. He further stated that we asked Mr. Kaeser to attend but did not, and he did not even ask for more time or explain why he could not come. Mr. Schwartz expressed concern that by allowing others to speak in Mr. Kaeser's place, the Board was setting a precedent by condoning someone ignoring the requests of the Board. He added that the Board has a fiduciary responsibility to get questions answered by the top executives of the SI, and asked that Mr. Kaeser come before the Board in June.

Board Member Sarah Feinberg stated that she was a new member of the Board but that she was formerly a safety regulator for the United States government. She further stated that we have no room to get this wrong on PTC; we cannot operate on January 1, 2012, unless PTC is in place. Congress has said that it will not extend the deadline any further. She expressed concern that the Board was very clear about asking Mr. Kaeser to attend today, but he did not and this is not appropriate. She stated that it was acceptable to hear from the SI representatives in attendance, but it is still a matter of concern that Mr. Kaeser did not show up. She added that the representatives from Siemens might want to communicate with their CEO and advise him that this is going south quickly.

Chairman Foye stated that we asked these people to appear. They can speak to Siemens' and Bombardier's performance and the December 2020 deadline. We just spent an hour listening to the public; not letting these people speak is inappropriate, considering that PTC is a key safety issue. In the exercise of our fiduciary responsibilities, it would be irresponsible not to let them speak.

Mr. Foye noted that while he was at the Port Authority, he was the President of Port Authority Trans Hudson ("PATH"). We worked with Siemens and we got it done. This can get done if we don't take our eye off the ball.

Board Member Andrew Albert stated that he favors letting the representatives of the SI speak. They are speaking for their management.

Board Member Schwartz stated that he was invited to the meeting with Mr. Kaeser last week, but he did not go; a last minute item intervened. We asked him to appear before a public meeting. By declining to hear from the representatives in attendance, this may send a signal to other vendors who make money off of the MTA that the Board will not tolerate this type of behavior any more.

Board Member Brown stated that if there are practical questions to be asked, we should go ahead and ask them. He further stated that PTC is a safety enhancement, and this discussion should not be read to suggest we are not operating safely today. He expressed a desire to know about software problems and other issues.

Board Member Schwartz stated that he would withdraw his motion, but added that the SI has been here several times and that talk is cheap; we want to see progress.

Chairman Foye invited the representatives of the SI to come forward and sit at the table, in order to speak with the Board. He asked that they each introduce themselves.

The following representatives of the SI appeared before the Board: Danny Di Perna, President, Bombardier Transportation; Elliot ("Lee") Sander, President, Bombardier Transportation Americas; Michael Peter, CEO, Siemens Mobility Inc.; and Marc Buncher, President, Siemens Mobility Americas.

Mr. Di Perna acknowledged an “incorrect attitude” at the project leadership level; noted leadership changes that have been made, including bringing in a very qualified outside individual, putting in a top-notch Program Director, and stepping up leadership in Pittsburgh, Pennsylvania; and also noted that with respect to systems engineering, Siemens was injecting more resources. Mr. Di Perna added that the project was extremely challenging; that when he convenes a weekly staff meeting every Monday morning, this project is first on the agenda; and that he will be joining forces with Michael Peter of Siemens on a bi-weekly basis to monitor progress. He stated that with respect to this project, Bombardier and Siemens are partners and are “one.” He further stated that on the “Bombardier side”, the firm was holding non-advocate review meetings, including 2 individuals from Bombardier’s aerospace business, a safety expert, and a systems expert to audit itself.

Mr. Di Perna stated that these steps were yielding actual results: Metro-North software version 3.5 was released on schedule and running in Revenue Service Demonstration on Pilot Line P-2; LIRR software version 3.5 is on schedule; and the project scorecard is on the website. He added that, overall, MTA has the SI’s commitment to progress the project and meet the December 2020 deadline.

Michael Peter, CEO of Siemens Mobility stated he had spent 27 years with the company, and 22 of those years in Transportation. Siemens Mobility is a separate company from Siemens AG, with \$12 billion in revenues and 35,000 employees. He reports directly to Joe Kaeser.

Mr. Peter stated that there was no intent to show disrespect to the MTA Board. Mr. Kaeser readjusted his schedule to get here on Friday. Mr. Peter added that New York City is one of Siemens’s most important clients, and that the Headquarters for Siemens Mobility North America was moved here in 2013. He stated that Siemens was establishing a new level of cooperation with Bombardier and reasserted Siemens’ commitment to address any problems on PTC. He further stated that there is no “Plan B”; we have a schedule and we need to meet the mandate.

Mr. Peter noted the complexity of the project, including the issue of back-to-back interlockings; and stated that with respect to the quality control issue on antennas, Siemens proactively notified MTA about the problem, brought in a second set of eyes from Germany to help address the problem, and is committed to installing properly functioning antennas long before the deadline.

Chairman Foye asked about the likelihood of meeting the December 2020 deadline.

Mr. Di Perna stated that, at this point, we believe it is very high. He stated that by the end of the first quarter of 2020, we should have software version 3.7 on line, and perhaps version 3.8 for LIRR.

Mr. Peter stated that we will meet the deadline; certain lights on the scorecard may be yellow now, but we will do what is needed to meet the deadline.

Chairman Foye stated that Mr. Kaeser said that the SI would spend \$100 million beyond the contract, if necessary, to do what is needed.

Board Member Zuckerman made several requests: First, that we engage an independent third-party engineer to do an enhanced review of what is going on; second, that the SI invite the PTC Committee to visit the project facility at Pittsburgh; and third, although he was not invited to attend the meeting with Mr. Kaeser, that the PTC Committee be invited to any subsequent meeting of this magnitude.

Mr. Zuckerman noted that the SI is a consortium and that most consortiums fail. He expressed a desire to hear how Siemens and Bombardier adjudicate responsibility and asked for a description of what each party is doing.

Mr. Di Perna stated that the SI had received a request for an independent audit, and MTA is welcome to do this. He further stated that the SI would be delighted if the PTC Committee were to come to Pittsburgh. He spoke about the scope of the project and stated that the reason the consortium was formed is that the Siemens Corporation has very strong technical capabilities in certain parts of the system but Bombardier also does the software. Together, we are the SI and we put the whole system together.

Mr. Peter commented much of the Northeast Corridor is run on a system called the Advanced Civil Speed Enforcement System (“ACSES”). The Siemens scope is the onboard unit and the antennas to read out the transponders in the field, so many of the safety-related functionalities rest with us, on the onboard unit. Siemens delivers very important products and systems into the overall system of Bombardier.

Board Member Vincent Tessitore commented that we have a speed control system in place, and that the PTC system we are having installed works in conjunction with it. Knowing that there is a deadline that we are committed to meeting, should the railroads now be speaking with the FRA on some exceptions regarding when we can fall back on the speed control system in areas where there is some complexity such as with back to back interlockings. Should we be doing anything to help you achieve your goal to satisfy the FRA that where there may be a gap or two left, and where we can work with a PTC failure but still have our speed control and still be in compliance?

Mr. Di Perna responded that this is a very technical and detailed matter. We are engaged right now with LIRR on the complexities associated with back-to-back interlockings, which includes Harold and Valley. Mr. Di Perna stated that the SI would want to consult with LIRR, as the client, before any outreach to FRA is made, and he asked LIRR President Eng if he wished to comment on this. He further stated that the only thing he would say is we are working on the technical details and finalizing the requirements for Harold and Valley Stream.

LIRR President Eng responded, stating that LIRR has ongoing discussions with FRA with regard to all of our progress. We are not asking for additional waivers or exceptions. We are holding the consortium responsible and accountable for delivering on their commitment.

Mr. Peter commented regarding the issue of back-to-back interlockings, stating that we do not need a waiver; we will implement PTC on time. This is a functionality issue that was discovered late in the project, not being clearly spelled out in the specifications, and I think it is exemplary how we are now working together to resolve it.

Board Member Metzger commented that she appreciates we have union representatives reminding us that we have safety systems in place. She further stated that she appreciates the comments she heard today, and that we are getting a better technical response today than we got the first time. She noted the great improvement in project management and would like to see the railroads' reports showing all green.

Ms. Metzger stated that what she wants to see is functional equipment being delivered; continued expansion of RSD; and an independent engineer's report. She would like to hear from all three parties on progress being made: the SI, the commuter railroads, and the independent engineer.

Board Member Brown asked the SI where it secured the additional personnel being assigned to the PTC project. Did you shift these people off of other assignments?

Mr. Di Perna stated that we have 39,000 employees world-wide, with 427 projects going on. We have redeployed 53 people from our aerospace unit and we wanted to put top notch systems engineering people to work on this project.

Board Member David Jones stated that he is worried that the SI's drop-dead date is September 2020.

Mr. Peter responded, stating that in September of this year we have a one year testing period, which is called RSD, for the whole calendar year of 2020; after which penalties would kick in in January 2021. In the United States, there are 41 railroads that have to implement PTC and only four did it on time and 37 did not. Mr. Peter also explained what a green light meant on the project scorecard. He stated that a green light is when we are confident about the date. When the traffic light goes yellow, it means we have a risk with respect to the schedule.

Board Member Zuckerman commented that, in light of the problems that have surfaced, he would like to see a lot more pessimism than optimism when choosing the color coding for the scorecard. He asked the SI to be conservative with regard to the color coding.

Mr. Sander responded, stating that the SI had a good dialog with the Chairman. There was a discussion about how the SI wanted to demonstrate its level of commitment and confidence to get there, and that is why we want to show green. There is no Plan B. We are totally committed to the Chairman's insistence on meeting the deadline, but we also want to be totally transparent about areas that we need to focus on and those that we have nailed.

Board Member Feinberg asked the SI what other commuter railroads it was working with on PTC. Mr. Sander, responding for Bombardier, said just this project on PTC and Siemens is

working on some other properties. Mr. Buncher, responding for Siemens, said all Northeast Corridor commuter railroads, including MBTA, New Jersey Transit, Amtrak, and SEPTA.

Board Member Randolph Glucksman asked the SI if it was supporting PTC on Metro-North's West of Hudson service. Mr. Sander responded, stating that the SI is working with New Jersey Transit on this. Mr. Buncher stated that we supply ACSES components to New Jersey Transit.

Board Member Metzger stated that she would like to have a separate briefing on PTC West of Hudson with Metro-North President Rinaldi.

Board Member Feinberg asked if PTC would be completely installed by September 2019. Mr. Peter responding, stating no; LIRR software version 3.6 is in, which resolves 20 out of 22 interlockings.

The details of the update and discussion on PTC 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. Report on Cost Containment

At the request of Chairman Foye, MTA Chief Development Officer Janno Lieber gave a report on the work of the Cost Containment working group. This group was formed ten months ago and included Board Members Polly Trottenberg and Larry Schwartz, and former Board Members Mitchell Pally and Scott Rechler.

Mr. Lieber gave a PowerPoint presentation and noted the following key elements of the cost containment strategy recommended by the working group: Project CEOs, to control scope and design changes, and to execute a project schedule; better management of the change order process, including managing scope, reducing the time to process changes orders, and eliminating customization; and better management of force account support and costs.

MTA New York City Transit ("NYCT") President Andrew Byford then gave an update on cost containment progress at NYCT.

Board Member Schwartz asked, with respect to the working group's recommendations, whether all divisions of the MTA have implemented all of the recommendations. He also asked who is overseeing this.

Mr. Lieber responded, stating that our team has been working with all of the agencies. Mark Roche is leading the team. There is some customization at different agencies, but no recommendation is not being implemented.

Board Member Schwartz inquired about design-build projects. He asked whether Grand Central Terminal is a design-build project, and Mr. Lieber responded in the negative.

Mr. Schwartz asked why Grand Central Terminal was not being handled as a design-build project. Mr. Byford responded, stating that this was decided on in 2016, before he joined MTA.

Mr. Schwartz asked if there were other parts of that project that could still be done as a design-build. Mr. Byford responded, stating that the project is very complex, but that new contracts in excess of \$25 million will be handled as design-build, as directed by the Legislature.

Mr. Schwartz asked about the status of the project and whether we are on schedule and on budget. Mr. Lieber responded, stating that the project is phased, and we are revisiting it to see if the phases can be sped up. We must maintain service while doing this.

Mr. Schwartz asked why the project wasn't being overseen by MTA Capital Construction (MTACC) rather than NYCT. Mr. Lieber responded, stating that we are looking at this, and we are not opposed to having MTACC administer the project if this is determined to be desirable.

5. Executive Session.

Board Member John Samuelsen stated that it was reported in newspapers that Board Member Schwartz was planning to push for a motion to appoint a special prosecutor to investigate allegations of overtime abuse at MTA. If this is true, the matter should be discussed publicly here.

Chairman Foye stated that this matter was going to be included in a discussion to be held in Executive Session.

Mr. Samuelsen asked why, and asked for the legal justification for discussing this matter in Executive Session.

Chairman Foye responded, stating that all non-voting Board Members representing labor would be invited to join in the discussion of this matter. He also stated that under Public Officers Law ("POL") Section 105(c), it was appropriate to discuss this matter in Executive Session because it pertains to current or future investigations.

Mr. Samuelsen asked whether there was a formal investigation, as the media have generated attention to this matter. The documents received by the Board from CURES give more specific information about corruption.

Chairman Foye responded, stating that an investigation by the MTA Inspector General ("MTA IG") was pending.

Mr. Samuelsen asked why, in that case, was there a need for a special prosecutor.

Chairman Foye responded, stating that the matter would be discussed in Executive Session pursuant to POL Section 105(c).

Mr. Samuelsen asked why, if the MTA IG investigation is the only one, we need to have a non-public discussion of this matter.

Board Member Vincent Tessitore, Jr. stated that this was going to send a negative impression, and is a slap in the face to labor.

Board Member Samuelsen stated that any suggestion of criminality puts MTA workers at risk of assault and attacks. Mr. Samuelsen also stated that the United States Attorney's Office is involved, the District Attorney is involved, and the IG is involved. This should all be discussed publicly.

Chairman Foye then asked for a motion to move the meeting into Executive Session, pursuant to POL Section 105(c), to discuss matters relating to current or future investigations. Upon motion duly made and seconded, the Board voted to move the meeting into Executive Session.

6. Return to Public Session: Approval of Minutes.

Upon returning to the public session of the meeting, Chairman Foye stated that the Board had, in Executive Session, approve the ratification of four (4) collective bargaining agreements, and that the non-voting Board members representing labor were not there for that part of the discussion. The Board also approved retaining a consultant for a limited time --- 60 days --- to look at issues of timekeeping and attendance at MTA, in coordination with the General Counsel.

Chairman Foye then asked for a motion to approve the minutes of the Regular Board Meeting of April 17, 2019. Upon motion duly made and seconded, the minutes of the Regular Board Meeting of April 17, 2019 were approved.

7. Committee on Finance

Procurement Items

The Board was presented with five (5) procurement items recommended to it by the Committee on Finance, four (4) of which related to Long Island Rail Road:

Competitive Procurements:

- **Various-All agency Procurement of Maintenance, Repair and Operating Supplies & Related Products and Services – Contact No. 11751 – Competitively Negotiated – 12 proposals – 36 months with 2 one-year options – Not to Exceed \$60,413,647**

a. Choice Distribution, Inc.

b. W.W Grainger, Inc.

Board approval is sought to award the Hardware and Fasteners and Material Handling categories of a competitively negotiated All-Agency Procurement of Maintenance, Repair and Operating Supplies as follows: i) Choice Distribution, Inc. (Choice) in the

not-to-exceed amount of \$49,179,795 for the Hardware and Fasteners category; and ii) W.W. Grainger, Inc. (Grainger) in the not-to-exceed amount of \$11,233,852 for the Material Handling Fasteners category; all awards include a 10% contingency. The contract period for Choice is seven years and for Grainger is five years with two one-year options to be exercised at MTA's sole discretion, both commencing on or about July 1, 2019.

- **Various – Environmental Compliance Services – Contract No. 93672 – Competitively negotiated – 3 proposals – 36 months with 2 one-year options – Not to Exceed \$942,959**

a. Phoenix Environmental Laboratories, Inc.

b. York Analytical Laboratories, Inc.

Board approval is sought for the award of competitively negotiated personal service contracts to Phoenix environmental Laboratories, Inc. (“Phoenix”) for an amount not to exceed \$274,164, and York Analytical Laboratories, Inc. (“York”) for an amount not to exceed \$668,795 to provide environmental compliance services, including field and laboratory services, flow measurement, pH measurement, sample collection, sample analysis/testing and reporting for monitoring and environmental purposes, on liquids, solids, etc. generated at LIRR and MNR facilities.

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

Information Item

The Board was presented with an information item on 2018-2019 Station Maintenance Billing, 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 nine (9) real estate items, three (3) of which related to Long Island Rail Road:

- **Lease Agreement for Lawrence Station** – Agency: LIRR; Lessee – Off the Diet LLC; Location – Lawrence Station, Far Rockaway Branch, Nassau County; Activity – Lease of station building for a restaurant; Action requested – Authorization to enter into lease agreement; Term – 10 years; Space- +/- 1,280 square feet; Compensation - \$21,600 for lease year 1, with 3% annual increases through lease year 10.
- **Disposition of Air Rights-Bay Ridge Branch** – Agency: LIRR; Grantee – Medford Ber, LLC; Location – Block 3457, Lot 39 in Brooklyn, New York; Activity: Sale of +/- 20,169 zoning square feet of surplus development rights and granting of light and

air easement; Action requested – Approval to enter into zoning lot development agreement, purchase and sale agreement, and other transaction agreements deemed necessary; Space - +/- 20,169 zoning square feet; Compensation: +/- \$1,815,210 (\$90 per zoning square foot).

- **Penn Station Concourse Improvements** – Agencies: MTACC and LIRR; Location – The LIRR Main Concourse, running beneath 33rd Street, between Seventh and Eighth Avenues (the “Concourse”) and connecting corridors located within a portion of Pennsylvania Station; Action Requested – Authorization to enter into Development Agreement with Vornado for New York Penn Station LIRR Train Hall Renovation, Phase 1 – 33rd Street Entrance (the “LIRR Entrance Development Agreement”). .

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

8. Long Island Rail Road Committee

Action Item

The Board was presented with one (1) action item recommended to it by the Long Island Rail Road Committee, which related to MTA Capital Construction (“MTACC”).

- **East Side Access and Regional Investments Budget Transfer** – MTACC is seeking approval to transfer of \$110.651M of East Side Access (“ESA”) Project budget (and associated expenditures) under the 2000-2004, 2005-2009 and 2010-2014 Capital Programs to the Regional Investments Project 2015-2019 Capital Program, to reflect the funding of the work through the HSIPR grant. At the same time, to reimburse ESA for the reductions in its earlier Capital Program budgets, the same amount, \$110.651M, will be transferred from the Regional Investments Project 2015-2019 Capital Program budget to the ESA Project’s current 2015-2019 Capital Program budget.

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

Procurement Items

The Board was presented with three (3) procurement actions recommended to it by the Long Island Rail Road Committee, all three (3) of which related to MTACC.

Competitive:

- **URS Corporation – New York – Contract No. 98-0001-01, Modification No. 45 – Not to Exceed \$116,196,859** - In accordance with Article XI of the All-Agency Service Contract Procurement Guidelines, MTACC requests that the Board approve a contact modification to extend this contract from July 1, 2019 to December 31, 2020 with an option to extend the contract for two additional years to December 31, 2022.
- **Jacobs/LiRo Joint Venture – Contract No. PS819, Modification No. 22 – Not to Exceed \$78,972,485** - In accordance with Article XI of the All-Agency Service Contract Procurement Guidelines, MTACC requests that the Board approve a contact modification to extend this contract from July 1, 2019 to December 31, 2020 with an option to extend the contract for two additional years to December 31, 2022.

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:

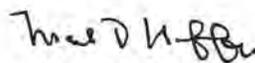
- **Tutor Perini Corporation – Contract No. CS179, Modification No. 206 - \$1,238,900** – In accordance with Article VIII of the All-Agency General Contract Procurement Guidelines, MTACC requests that the Board ratify a modification to the Contract to implement redesigned layouts for certain communication rooms and equipment in the new Grand central Terminal (GCT).

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.

9. Adjournment

Chairman Foye asked for a motion to adjourn the meeting. Upon motion duly made and seconded, the Board voted to adjourn the meeting at 2:00 p.m.

Respectfully submitted,



Mark D. Hoffer,
Secretary

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

BOARD MINUTES

May 22, 2019

Minutes of the Regular Meeting
Triborough Bridge and Tunnel Authority
May 22, 2019

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

9:00 a.m.

Hon. Patrick Foye, Chairman & CEO
Hon. Andrew Albert
Hon. Sarah E. Feinberg
Hon. Rhonda Herman
Hon. David R. Jones
Hon. Kevin Law
Hon. David S. Mack
Hon. Susan G. Metzger
Hon. Haeda B. Mihaltses
Hon. Lawrence S. Schwartz
Hon. Vincent Tessitore, Jr.
Hon. Polly Trottenberg
Hon. Veronica Vanterpool
Hon. Neal Zuckerman

The following alternate non-voting members were also present:

Hon. Norman E. Brown
Hon. Randolph Glucksman
Hon. John Samuelsen

The following members were absent:

Hon. Fernando Ferrer, Vice Chairman
Hon. Michael Lynton

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, Daniel F. DeCrescenzo, Jr., Acting President, Triborough Bridge and Tunnel Authority, Darryl Irick, President, MTA Bus and Senior Vice President, New York City Transit Department of Buses, and Leah Flax, Associate Staff Analyst, Strategy and Customer Experience, 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 twenty-two (22) 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 and Chief Executive Officer Foye's Opening Remarks

Chairman and CEO Foye opened his remarks by discussing subway crime and Positive Train Control (PTC). Representatives from Siemens and Bombardier were also present to discuss the PTC project.

The details of Chairman Foye'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. Cost Containment Working Group Presentation

Janno Lieber, MTA Chief Development Officer, provided an update and presentation on the status of cost containment efforts.

The details of the presentation 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.

4. 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)(c) and (e) to discuss information relating to current or future investigation or prosecution of a criminal offense which would imperil effective law enforcement if disclosed and matters regarding collective bargaining.

5. Public Session

Upon a motion duly made and seconded, the Board unanimously voted to reconvene in Public Session. Chairman and CEO Foye stated that the following two matters were approved in Executive Session: 1) four ratifications of Collective Bargaining Agreements for past periods were considered and approved without the presence of the non-voting labor representatives and 2) approval to hire a consultant for a limited time, approximately 60 days, to look at issues related to timekeeping and attendance, which will be coordinated with the MTA General Counsel.

6. Approval of Minutes of Regular Meeting April 17, 2019

Upon a motion duly made and seconded, the minutes of the Regular Board Meeting held on April 17, 2019 were approved.

7. Committee on MTA Bridges and Tunnels Operations

Procurements

Commissioner Mack stated that there is one (1) procurement totaling \$2 million.

Non-Competitive Procurements

Commissioner Mack stated that there is one (1) non-competitive procurement totaling \$2 million.

Personal Service Contracts

City of New York	Contract No. MOU-19-72	\$2,000,000.00
	To obtain approval in accordance with the All Agency Service Contract Procurement	

Guidelines to award a non-competitive personal service contract, MOU-19-72, to the City of New York acting by the New York City Police Department to provide Traffic Enforcement Agents to control traffic on City streets adjacent to construction projects for all Authority facilities on an as-needed basis. Initial funding is in the not-to-exceed amount of \$2,000,000 for a duration of five years.

Competitive Procurements

Commissioner Mack stated that there are no competitive procurements.

Ratifications

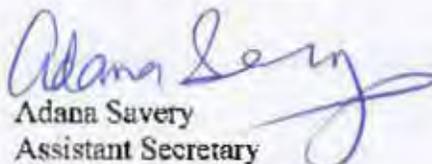
Commissioner Mack stated that there are no ratifications.

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

8. Adjournment

Prior to adjourning the meeting, Chairman Foye thanked Darryl Irick for his service and wished him a happy retirement. Upon a motion duly made and seconded, the Board unanimously voted to adjourn the meeting at 2:00 p.m.

Respectfully submitted,


Adana Savery
Assistant Secretary

Regular Board Meeting
MTA Capital Construction Company
2 Broadway
New York, NY 10004
Wednesday, May 22, 2019
9:00 AM

The following members were present:

Hon. Patrick Foye, Chairman & CEO
Hon. Andrew Albert
Hon. Sarah E. Feinberg
Hon. Rhonda Herman
Hon. David Jones
Hon. Kevin Law
Hon. David Mack
Hon. Susan Metzger
Hon. Haeda B. Mihaltses
Hon. Lawrence Schwartz
Hon. Vincent Tessitore, Jr.
Hon. Polly Trottenberg
Hon. Veronica Vanterpool
Hon. Neal Zuckerman

The following alternate non-voting members were also present:

Hon. Norman E. Brown
Hon. Randolph Glucksman
Hon. John Samuelson

The following members were absent:

Hon. Fernando Ferrer, Vice Chairman
Hon. Michael Lynton

Veronique Hakim, Managing Director, MTA, , Janno Lieber, Chief Development Officer, MTA and President, MTACC, Helene Fromm, Chief of Staff, MTA, 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, Daniel Decrescenzo, Acting President, TBTA, Darryl Irick, President, MTA Bus and Senior V.P., NYCT Department of Buses, Evan Eisland, Executive Vice President, General Counsel and Secretary, MTACC, David Cannon, Vice President, Chief Procurement Officer and Assistant Secretary, MTACC and Leah Flax, Associate Staff Analyst, Strategy & Customer Experience, NYCT 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 and Chief Executive Officer Foye called the meeting to order.

Public Comment Period

There were twenty-two (22) public speakers none of whom spoke on MTA Capital Construction matters.

The names of the public speakers and their 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.

Chairman and Chief Executive Officer's Remarks

Chairman and Chief Executive Officer Pat Foye's comments 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.

Cost Containment Update and Presentation

Janno Lieber, Chief Development Officer, MTA and President, MTACC, provided an update on the Cost Containment Working Group and efforts underway at three agencies. Mr. Lieber gave a Power Point presentation and noted the following key elements of the cost containment strategy recommended by the working group: Project CEOs, to control scope and design changes, and to execute a project schedule; better management of the change order process, including managing scope, reducing the time to process change orders, and eliminating customization; and better management of force account support and costs.

Andy Byford, the NYCT President then gave an update on cost containment progress at NYCT. He discussed the progress that has been made, including, among other things, increasing General Orders by 40%, increasing productive time on General Orders using 10pm starts, strengthening project leadership, reducing processing and embracing design-build contracting. President Byford presented a video illustrating some of the progress that has been made. He also discussed the initiatives underway, including, among other things, implementing best value contracting including A+B bidding, re-writing technical specifications and updating internal procedures.

The details of the presentations along with Board Member's comments are filed with the records of the Regular Meeting of the Board of the Metropolitan Transportation Authority held on this date.

Executive Session

A discussion was held among Board Members concerning convening in Executive Session.

The details of the Board Members discussion are contained in the minutes of the Regular Meeting of the Metropolitan Transportation Authority.

Upon motion duly made and second, the Board convened an executive session pursuant to Section 105(1)(c) and (e) of the New York State Public Officers Law, to discuss matters relating to current or future investigation or prosecution of a criminal offense which would imperil effective law enforcement if disclosed and, collective bargaining negotiations.

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

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 April 17, 2019.

Finance Committee

Real Estate

Upon motion duly made and seconded the Board:

Authorized MTA Capital Construction and the Long Island Rail Road to enter into a Development Agreement with One Penn Plaza LLC ("Vornado") for New York Penn Station LIRR Train Hall Renovation, Phase 1 - 33rd Street Entrance (the "LIRR Entrance Development Agreement") for the amount \$124,020,612

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

Metro-North and the Long Island Rail Road Joint Committee

Action Item

Upon motion duly made and seconded the Board:

Approved the transfer of \$110.651M of East Side Access ("ESA") Project budget (and associated expenditures) under the 2000-2004, 2005-2009 and 2010-2014 Capital Programs to the Regional Investments Project 2015-2019 Capital Program, to reflect funding work performed by ESA that had previously been determined to be eligible through a HSIPR Grant and the corresponding transfer of \$110.651M from the Regional Investments Project 2015-2019 Capital Program budget to the ESA Project's 2015-2019 Capital Program budget to reimburse ESA for the reductions in its earlier Capital Program budgets listed above.

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

Procurements

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

1. A modification to the East Side Access Project's Program Management Consultant Services contract (98-000-01R), to extend the contract from July 1, 2019 through December 31, 2020 for a not-to-exceed amount \$82,408,190 with an option to extend the contract for two additional years to December 31, 2022 for an amount not-to-exceed \$33,788,669.
2. A modification to the East Side Access Project's Consultant Construction Management Services contract (PS819) to extend the contract from July 1, 2019 through December 31, 2020 for the not-to-exceed amount of \$46,467,594 and a two-year option (January 1, 2021 through December 31, 2022) for the not-to-exceed amount of \$32,504,891.

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.

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

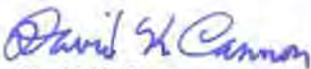
A modification to the East Side Access Project's Systems Facilities Package No. 1 contract (CS179) to implement redesigned layouts for certain communication rooms and equipment in the amount of \$1,238,900.

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

Adjournment

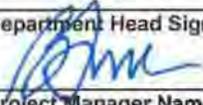
Upon motion duly made and seconded, the Board voted to adjourn the public meeting at 2:00 p.m.

Respectfully submitted,



David K. Cannon
Assistant Secretary

Staff Summary

Subject Authorization to Increase Existing New Money Transit and Commuter Project Bond Authorization from \$3.0 Billion to \$5.0 Billion and to Amend Existing Supplemental Resolutions and Reimbursement Resolution to Provide for Such Increase
Department Finance
Department Head Name Robert E. Foran, Chief Financial Officer
Department Head Signature 
Project Manager Name Patrick J. McCoy, Director, Finance 

Date June 26, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
	Finance Comm.	6/24	X		
2	Board	6/26	X		

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

PURPOSE:

The Metropolitan Transportation Authority (the "MTA") Finance Department is seeking MTA Board authorization and approval of the necessary documentation to amend the resolutions adopted by the MTA Board on December 12, 2018, authorizing and approving the issuance of new money bonds and bond anticipation notes ("BANs"), in order to finance up to an additional \$2.0 billion of new money bonds and BANs to finance capital projects set forth in approved transit and commuter capital programs. The MTA Finance Department will report to the Board on the status of the proposed debt issuance schedule, the results of each note and bond issue and planned bond and note issues.

The MTA Finance Department is also seeking MTA Board authorization and approval of the necessary documentation to amend the reimbursement resolution adopted by the MTA Board on December 12, 2018, preserving MTA's ability to finance capital projects in the capital improvement programs on a tax-exempt or tax-advantaged basis, in order to increase the expected maximum expenditure by an additional \$2.0 billion.

DISCUSSION:

MTA Board approval is sought for the following resolution amendments, documents and activities in connection with the issuance of additional bonds and/or BANs in an aggregate principal amount necessary to finance up to an additional \$2.0 billion of capital projects of the transit and commuter systems set forth in approved capital programs above the \$3.0 billion of capital projects of the transit and commuter systems set forth in approved capital programs approved in December 2018:

- An amendment to the Multiple Series 2019 Transportation Revenue Bond Supplemental Resolution authorizing Metropolitan Transportation Authority Transportation Revenue Obligations, to increase the aggregate principal amount of Metropolitan Transportation Authority Transportation Revenue Bonds that may be issued to \$5.0 billion (reduced by Transportation Revenue BANs, Dedicated Tax Fund ("DTF") Bonds and DTF BANs) in one or more series from time to time necessary to finance capital projects of MTA as set forth in existing transit and commuter capital programs, plus applicable issuance costs and any original issue discount;

Staff Summary

- An amendment to the Multiple Series 2019 Bond Anticipation Notes and Related Subordinated Indebtedness Transportation Revenue Bond Supplemental Resolution authorizing Metropolitan Transportation Authority Transportation Revenue Obligations, to increase the aggregate principal amount of Metropolitan Transportation Authority Transportation Revenue BANs that may be issued to \$5.0 billion (reduced by Transportation Revenue Bonds, DTF Bonds and DTF BANs) in one or more series from time to time necessary to finance capital projects of MTA as set forth in existing transit and commuter capital programs, plus applicable issuance costs and any original issue discount;
- An amendment to the Multiple Series 2019 Dedicated Tax Fund Bond Supplemental Resolution authorizing Metropolitan Transportation Authority Dedicated Tax Fund Obligations, to increase the aggregate principal amount of Metropolitan Transportation Authority Dedicated Tax Fund Bonds that may be issued to \$5.0 billion (reduced by Transportation Revenue Bonds, Transportation Revenue BANs and DTF BANs) in one or more series from time to time necessary to finance capital projects of MTA as set forth in existing transit and commuter capital programs, plus applicable issuance costs and any original issue discount;
- An amendment to the Multiple Series 2019 Bond Anticipation Notes and Related Subordinated Indebtedness Dedicated Tax Fund Bond Supplemental Resolution authorizing Metropolitan Transportation Authority Dedicated Tax Fund Obligations, to increase the aggregate principal amount of Metropolitan Transportation Authority Dedicated Tax Fund BANs that may be issued to \$5.0 billion (reduced by Transportation Revenue Bonds, Transportation Revenue Bond Anticipation Notes and DTF Bonds) in one or more series from time to time necessary to finance capital projects of MTA as set forth in existing transit and commuter capital programs, plus applicable issuance costs and any original issue discount; and
- An amendment to the 2019 MTA Reimbursement Resolution to increase the expected maximum principal amount of tax-exempt or tax-advantaged debt (including bonds, commercial paper and BANs) to be issued by MTA subsequent to the date hereof to pay capital expenditures in 2019 (whether directly or as a reimbursement) to \$5.0 billion (plus associated financing costs).

ALTERNATIVES:

There are no viable funding alternatives to the bond funded portion of existing capital programs.

RECOMMENDATION:

The MTA Board approves the above-referenced amendments and all other actions described above, including the execution and delivery of such other documents, and the taking of all other actions, from time to time deemed necessary or desirable by such officers in connection therewith. The authorization to issue the bonds and BANs and take other related actions hereunder shall continue in effect without any further action by the MTA Board until the adoption by the MTA Board of subsequent bond and BANs supplemental resolutions relating to 2020 bond and BANs issues (except that bonds may still be issued to refinance 2019 BANs outstanding at any time) unless (a) the MTA Board shall have confirmed the effectiveness of this authorization for an additional period, or (b) the MTA Board shall have modified or repealed this authorization. The authorization of the reimbursement resolution shall continue in effect until the adoption later in 2019 by the MTA Board of a subsequent reimbursement resolution.

**AMENDMENTS TO
MULTIPLE SERIES 2019 TRANSPORTATION REVENUE BOND
SUPPLEMENTAL RESOLUTION, MULTIPLE SERIES 2019 BOND ANTICIPATION
NOTES AND RELATED SUBORDINATED INDEBTEDNESS TRANSPORTATION
REVENUE BOND SUPPLEMENTAL RESOLUTION, MULTIPLE SERIES 2019
DEDICATED TAX FUND BOND SUPPLEMENTAL RESOLUTION, MULTIPLE
SERIES 2019 BOND ANTICIPATION NOTES AND RELATED SUBORDINATED
INDEBTEDNESS DEDICATED TAX FUND BOND SUPPLEMENTAL RESOLUTION
AND
REIMBURSEMENT RESOLUTION,
ADOPTED DECEMBER 12, 2018**

BE IT RESOLVED by the Metropolitan Transportation Authority (the “Issuer”), as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

Section 1.01 Amendment to Supplemental Resolution. This Amendment (the “Amendment”) to Multiple Series 2019 Transportation Revenue Bond Supplemental Resolution adopted December 12, 2018 (the “2019 TRB Bonds Supplemental Resolution”), and Multiple Series 2019 Bond Anticipation Notes and Related Subordinated Indebtedness Transportation Revenue Bond Supplemental Resolution adopted December 12, 2018 (the “2019 TRB BANs Supplemental Resolution”) is supplemental to, and is adopted, in accordance with Article II, Article A-II and Article A-VIII of, a resolution adopted by the Issuer on March 26, 2002, entitled “General Resolution Authorizing Transportation Revenue Obligations”, as heretofore supplemented (the “TRB Resolution”). This Amendment is also supplemental to the Multiple Series 2019 Dedicated Tax Fund Bond Supplemental Resolution adopted December 12, 2018 (the “2019 DTF Bonds Supplemental Resolution”), and the Multiple Series 2019 Bond Anticipation Notes and Related Subordinated Indebtedness Dedicated Tax Fund Bond Supplemental Resolution adopted December 12, 2018 (the “2019 DTF BANs Supplemental Resolution”), and is adopted, in accordance with Article II, Article A-II and Article A-VIII of, a resolution adopted by the Issuer on March 26, 2002, entitled “Dedicated Tax Fund Obligation Resolution”, as heretofore supplemented (the “DTF Resolution”). This Amendment also supplements the resolution relating to the reimbursement of expenditures (the “Reimbursement Resolution”) required by, and in conformance with, the provisions of Treasury Regulation Section 1.150-2(e) adopted December 12, 2018.

Section 1.02 Definitions. All capitalized terms which are used but not otherwise defined in this Amendment shall have the same meanings, respectively, as such terms are given by Section 102 of the TRB Resolution or the DTF Resolution, as applicable.

Section 1.03 Authority for this Amendment. This Amendment is adopted pursuant to the provisions of the Issuer Act, the TRB Resolution and the DTF Resolution.

ARTICLE II

AMENDMENT TO AUTHORIZATION OF SERIES 2019 OBLIGATIONS

Section 2.01 Amendment to Authorized Principal Amount of 2019 TRB Bonds Supplemental Resolution. The first paragraph of Section 2.01 of the 2019 TRB Bonds Supplemental Resolution is hereby amended by deleting “\$3.0 billion” and replacing it with “\$5.0 billion”.

Section 2.02 Amendment to Authorized Principal Amount of 2019 TRB BANs Supplemental Resolution. The first paragraph of Section 2.01 of the 2019 TRB BANs Supplemental Resolution is hereby amended by deleting “\$3.0 billion” and replacing it with “\$5.0 billion”.

Section 2.03 Amendment to Authorized Principal Amount of 2019 DTF Bonds Supplemental Resolution. The first paragraph of Section 2.01 of the 2019 DTF Bonds Supplemental Resolution is hereby amended by deleting “\$3.0 billion” and replacing it with “\$5.0 billion”.

Section 2.04 Amendment to Authorized Principal Amount of 2019 DTF BANs Supplemental Resolution. The first paragraph of Section 2.01 of the 2019 DTF BANs Supplemental Resolution is hereby amended by deleting “\$3.0 billion” and replacing it with “\$5.0 billion”.

Section 2.05 Amendment to Reimbursement Resolution. The third RESOLVED paragraph of the Reimbursement Agreement is hereby amended by deleting “\$3.0 billion” and replacing it with \$5.0 billion”.

Section 2.06 Effective Date. This Amendment shall take effect immediately upon its adoption by the Issuer’s Board.

Staff Summary



Subject MTA and TBTA Reimbursement of Central Business District Tolling Program Capital Costs for Federal Tax Purposes	Date June 26, 2019
Department Chief Financial Officer	Vendor Name
Department Head Name Robert E. Foran, Chief Financial Officer	Contract Number
Department Head Signature 	Contract Manager Name
Project Manager Name Josiane Codio, Director of Treasury 	Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
	Finance Comm.	6/24	X		
	Board	6/26	X		

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

PURPOSE:

To obtain MTA and TBTA adoption of the annexed reimbursement resolution, which is required by Federal tax law to preserve the ability to finance certain capital projects on a tax-exempt basis.

The Metropolitan Transportation Authority (the “MTA”) and Triborough Bridge and Tunnel Authority (“TBTA” or “MTA Bridges and Tunnels”) intend to finance capital costs relating to the Central Business District Project. For purposes of the attached reimbursement resolution, the “Central Business District Project” refers to the capital projects associated with tolling in the Central Business District Tolling Program, as described in Article 44-C of the Vehicle and Traffic Law, including as described in Section 553-j of the Public Authorities Law.

It is important that MTA and MTA Bridges and Tunnels preserve the ability to finance such capital costs on a tax-exempt or tax-advantaged basis. To maintain the ability of MTA and MTA Bridges and Tunnels to finance such capital costs on a tax-exempt or tax-advantaged basis, consistent with Federal tax law, the MTA and TBTA Boards periodically adopt reimbursement resolutions. Federal tax law requires that official action that sets forth the issuer’s intent to spend tax-exempt bond proceeds on a project must be taken by an issuer that wants to reimburse itself from tax-exempt bond proceeds for capital project costs that were funded from another source of revenue. A copy of the 2019 Central Business District reimbursement resolution submitted for Board adoption is attached hereto.

ALTERNATIVES:

There is no alternative to preserve the ability to finance certain capital projects on a tax-exempt or tax-advantaged basis under Federal tax law.

Staff Summary

RECOMMENDATION:

The MTA and TBTA Boards approve the above-referenced resolution. This authorization shall continue in effect until the adoption by the MTA and TBTA Boards of subsequent reimbursement resolutions.

RESOLUTION

WHEREAS, Metropolitan Transportation Authority (“MTA”) and Triborough Bridge and Tunnel Authority (“MTA Bridges and Tunnels”) intend to finance capital costs relating to the Central Business District Tolling Program, as more fully described in the accompanying staff summary (the “Central Business District Project”);

WHEREAS, MTA and MTA Bridges and Tunnels desire to finance the Central Business District Project through the issuance of tax-exempt debt or tax-advantaged debt, if available, and other sources, including moneys deposited into the Central Business District Tolling Capital Lockbox Fund established by Section 553-j of the Public Authorities Law, and expects to reimburse expenditures made from such other sources with proceeds of such tax-exempt or tax-advantaged debt;

WHEREAS, in its FY 2020 Capital Projects Budget, the State included a loan of \$100 million to the MTA for the capital project costs of the planning, design, acquisition and construction to implement the Central Business District Tolling infrastructure and collection system, as established in Article 44-C of the Vehicle and Traffic Law;

NOW THEREFORE, BE IT:

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

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

RESOLVED, that MTA and MTA Bridges and Tunnels reasonably expect that the maximum aggregate principal amount of tax-exempt or tax-advantaged debt (including bonds, commercial paper and bond anticipation notes) to be issued by MTA and MTA Bridges and Tunnels subsequent to the date hereof to pay Central Business District Project expenditures (whether directly or as a reimbursement) in 2019 is \$100 million (plus associated financing costs); and

RESOLVED, that this Resolution shall take effect immediately.

June 26, 2019

Staff Summary

Subject Transportation Revenue Anticipation Notes
Department Finance
Department Head Name Robert E. Foran, Chief Financial Officer
Department Head Signature
Project Manager Name Patrick J. McCoy, Director of Finance

Date June 26, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	6/24			
2	Board	6/26			

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

PURPOSE

The MTA Finance Department is seeking MTA Board authorization of the necessary documentation and activities to increase its authorization to issue revenue anticipation notes under the Transportation Revenue General Resolution (“RANs”) to provide for short-term liquidity. The Board previously approved the issuance of RANs of up to \$700 million. The Finance Department is seeking authorization to increase the amount of RANs to \$1.0 billion. The notes will be used from time to time, and may be repaid and reissued, to address potential unanticipated operating funding needs.

DISCUSSION

As part of MTA’s overall preparedness efforts and in order to provide operating and financing flexibility, MTA Finance has identified a need to secure ongoing operating liquidity to address unanticipated events that could impact day to day operations. As difficult situations such as the attacks of 9-11 and more recently large weather-related storms such as Irene and Sandy have shown, system wide service interruptions and shutdowns are possible. While the Authority has taken significant measures to reduce these risks, MTA Finance believes it is in the best interests of the Authority to continue to have standing liquidity available to provide a secure level of resources to help operate the system during times of acute stress as well as to address seasonal liquidity needs.

The existing liquidity facility for \$700 million is currently in the form of a revolving credit agreement with JPMorgan Chase Bank, National Association pursuant to which the RANs may be issued, and repaid and reissued, as and when needed to a financial institution. This liquidity facility provides significant flexibility in the day to day management of the MTA’s operating budget, particularly during periods of unexpected costs and service disruptions.

On August 24, 2017, MTA entered into a taxable revolving credit agreement with JPMorgan Chase Bank, National Association that is active through August 24, 2022. Per discussion with JPMorgan Chase Bank, it is currently anticipated that the existing revolving credit agreement can be increased

from \$700 million to \$800 million under the same pricing and terms as previously agreed upon. It is also currently anticipated that MTA will enter into an additional \$200 million revolving credit agreement with Bank of America, N.A. under similar terms as the agreement with JPMorgan Chase Bank in order to diversify MTA's liquidity access.

It is further anticipated that no RANs will be issued until a draw upon the facility is made by the MTA and that such RANs will be issued in compliance with MTA's existing Transportation Revenue General Resolution and will be payable from (1) operating subsidies received by the MTA, and (2) farebox operating revenues to the extent such subsidies are delayed or insufficient to repay the RANs.

Board approvals are sought as follows:

1. MTA Board approval of the annexed amendatory resolution (the "Resolution"), documents and activities in connection with the issuance of RANs in an aggregate principal amount necessary to finance, on a short-term basis, up to \$1.0 billion of operating needs for MTA wide systems. The Resolution authorizes MTA to issue RANs under the Transportation Revenue General Resolution, in one or more subseries in an aggregate principal amount at any time outstanding necessary to finance, on a short-term basis, up to \$1.0 billion of operating costs of the MTA system, including amounts needed to provide for applicable issuance costs and any original issue discount.

2. With respect to the above-referenced transaction set forth in paragraph 1, MTA Board approval delegating authority to the Chairman and CEO, the Managing Director, the Chair of the Finance Committee, the Vice Chairman, the Chief Financial Officer or the Director, Finance to (a) increase the revolving credit agreement with JPMorgan Chase Bank to \$800 million, and enter into a new \$200 million revolving credit agreement with Bank of America, N.A. under similar terms as the agreement with JPMorgan Chase Bank and/or one or more other financial institutions which are members of the Federal Home Loan Bank System and rated at least investment grade by any two nationally recognized rating agencies to execute and/or deliver in each case, where appropriate the documents listed below; and (b) authority to take such other actions as may be necessary or desirable to effectuate such transactions. The anticipated documents consist of:

- Revolving Credit Agreements or similar loan arrangements with financial institutions,
- Required disclosure documents,
- Deposit Agreement
- Paying Agent Agreement

Any such documents will be in substantially the form of any document previously entered into by MTA for previous issues and programs or otherwise substantially conform to the terms of the Resolution authorizing the RANs with such changes as approved by any one or more of the foregoing officers. In addition, such officers are hereby authorized to terminate, amend, supplement, replace or extend any such documents.

3. In addition, with respect to the above referenced transaction set forth in paragraph 1, approval of the respective Boards of NYCTA, MaBSTOA, LIRR, MNCRC, and MTA Bus and TBTA, delegating authority to the Chairman and CEO, the Managing Director, the Chair of the Finance Committee, the

Vice Chairman, the Chief Financial Officer or the Director, Finance of MTA to (a) execute and deliver a Deposit Agreement in substantially the form of the Deposit Agreement attached as Exhibit B to the Resolution referred to in paragraph 1, with such changes as approved by any one or more of the foregoing officers; and (b) to perform the obligations of such respective entities under the Deposit Agreement and to take such other actions as may be necessary or desirable to effectuate such transaction.

4. On behalf of Boards of MTA and its subsidiaries and affiliates, to authorize the Chairman and CEO, the Managing Director, the Chair of the Finance Committee, the Vice Chairman, the Chief Financial Officer or the Director, Finance of MTA and its subsidiaries and affiliates, as appropriate, and in each case, the Chief Financial Officer of the MTA to take such other actions as may be necessary or desirable to effectuate the issuance of the operating liquidity notes.

ALTERNATIVES:

To not increase the amount of short-term operating liquidity.

RECOMMENDATION:

The relevant Boards approve the above-referenced resolution and documents and all other actions described above, including the execution and delivery of such other documents, and the taking of all other actions, from time to time deemed necessary or desirable by such officers in connection therewith.

2019
AMENDMENT TO
SERIES 2013 TRANSPORTATION REVENUE ANTICIPATION NOTE RESOLUTION
(WORKING CAPITAL REVOLVING CREDIT FACILITY),
ADOPTED JULY 24, 2013

BE IT RESOLVED by the Metropolitan Transportation Authority (the “Issuer”), as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

Section 1.01 Amendment to Supplemental Resolution. This Amendment (the “Amendment”) to Series 2013 Transportation Revenue Anticipation Note Resolution (Working Capital Revolving Credit Facility) adopted July 24, 2013, as amended (the “2013 RAN Resolution”) is supplemental to, and is adopted, in accordance with Article A-VIII and Article A-IX of a resolution of the Issuer adopted on March 26, 2002, entitled “General Resolution Authorizing Transportation Revenue Obligations” (the “Resolution”).

Section 1.02 Definitions. All capitalized terms which are used but not otherwise defined in this Amendment shall have the same meanings, respectively, as such terms are given by Section 102 of the Resolution.

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

ARTICLE II

AMENDMENT TO AUTHORIZATION OF NOTES

Section 2.01 Amendment to Authorized Principal Amount of 2013 RAN Resolution.

(a) Section 1 of the 2013 RAN Resolution is hereby amended by deleting “Seven Hundred Million (\$700,000,000)” and replacing it with “One Billion Dollars (\$1,000,000,000)”.

(b) The first sentence of paragraph 5 of Section 5 is hereby amended by deleting such sentence in its entirety and replacing it with “Consistent with book-entry provisions, one typewritten certificate for each \$500,000,000 of principal amount, or such other amount as shall be consistent with the then current practices of DTC together with an additional certificate with respect to the remaining principal amount, in the aggregate principal amount of Notes bearing each interest rate applicable to the Notes shall be prepared for the Notes and registered in the name of the Securities Depository Nominee.”

Section 2.02 Effective Date. This Amendment shall take effect immediately upon its adoption by the Issuer’s Board.

Staff Summary

Subject All Agency General Contract Procurement Guidelines and All Agency Service Contract Procurement Guidelines
Department MTA Office of the General Counsel
Department Head Name Thomas J. Quigley
Department Head Signature
Project Manager Name Thomas J. Quigley

Date June 26, 2019
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
	Finance	08/24/19			
	Board	06/26/19			

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

Purpose:

To obtain Board approval of the MTA's revised All Agency General Contract Procurement Guidelines and revised All Agency Service Contract Procurement Guidelines (collectively, the "Guidelines").

Discussion:

The Guidelines were last revised in 2016, and were last approved by the Board at its March 27, 2019 meeting; however, no changes were proposed at that time.

After the passage of the Governor's 2019 Transportation and Economic Development budget bill, which revised certain procurement-related statutes, the MTA Legal Department, in consultation with agency counsel and agency procurement staff reviewed the Guidelines and made the changes in the attached revised Guidelines, annexed as Attachments 1 and 2. The changes are intended to streamline MTA's procurement processes, consistent with the goal of the Board's Cost Containment and Procurement Working Groups. The notable substantive changes that have been proposed include the following, most of which flow, either directly or indirectly, from the changes to Public Authorities Law Sections 1209 and 1265-a made pursuant to the Governor's budget bill:

1. The greatest benefits of these statutory changes and the resulting internal policy changes are to streamline the MTA's procurement processes and provide additional flexibility in the MTA's internal approval processes, within the confines of the MTA's procurement statutes.
2. Certain changes were made to enhance the ease of use of the Guidelines and to bring the Guidelines in line with each other, and are not substantive.
3. Increase in the threshold for Board approval of contracts not solicited by sealed bids from \$100,000 to \$1 million: this change is a direct result of the 2019 statutory changes. Competitive solicitations

between \$100,000 and \$1 million will be conducted through the PeopleSoft procurement system and will be open and visible to all bidders registered with MTA¹. Sole source or non-competitive contracts in this range that previously would have required Board approval will now be approved by the agency presidents in order to ensure adequate oversight.

4. Increase in threshold for discretionary purchase contracts to MWBEs, SDVOBs (service disabled veteran owned businesses), and small businesses from \$400,000 to \$1 million; this change is a direct result of the 2019 statutory changes. This change will facilitate greater opportunities for discretionary contract awards to MWBEs, SDVOBs, and small businesses and will assist them to prepare themselves to take on larger contracts as prime contractors. This change also furthers MTA's mandate to increase participation of MWBEs and SDVOBs in state contracts.
5. Increase in the threshold for change orders that require Board approval from \$750,000 to \$1 million to align with the statutory increases discussed in paragraph 3, and in furtherance of the desire of the Board's Cost Containment Working Group to streamline the change order process. Further, this increase is justified by inflation in construction costs since the last increase to this threshold in 2013. Since that time, construction cost indexes have increased by 32.1%, which if applied to the old threshold would raise it to approximately \$991,000. Finally, agency presidents will approve change orders that were previously approved by the Board.
6. In addition, the change order rule was modified to remove reference to budget adjustments to estimated quantity contracts. Budget adjustments are not procurement actions and other controls are in place to control authority budgets. Going forward, budget adjustments that previously required Board approval will be approved by the agency presidents.
7. A further modification has been made to allow Authorized Officers to enter into a change order without Board approval if the change order does not change the total contract price to exceed the contract budgeted cost, including contingency. Agency presidents will approve change orders that were previously approved by the Board. This change allows the MTA to act more quickly within the already-established budgets for our construction and capital projects. MTA's Independent Engineering Consultant surveyed other governmental agencies, including other large transit agencies, to better understand industry practices for board-level change order approvals. Most agencies surveyed award change orders without board-level approval if cost is within a project's budgeted contingency². The same rule was previously applied only to design-build contracts. This change will now extend the rule to all capital contracts. The Board will be informed of the status of contract contingencies through the quarterly Traffic Light Report to the CPOC Committee.
8. The change order article was also revised to clarify that Board approval is not required in situations where an Authorized Officer must act in cases of emergency, other critical need or unforeseen circumstance, or where there is a risk of substantial increase in cost or delay if prompt action is not taken.³

¹ There are approximately 10,500 bidders and suppliers registered to receive bids in MTA's PeopleSoft procurement system. They are registered in approximately 340 categories. For every procurement over \$100,000, all bidders in the selected category will be notified of the procurement opportunity.

² Amtrak and WMATA do not require Board approval for any change orders. SEPTA only requires Board approval for change orders that exceed 10% of the base contract amount. MBTA and PANYNJ only require Board approval for change orders that cumulatively exceed the project contingency.

³ The existing Guidelines do not require agencies to obtain Board approval in the situations discussed in this paragraph. Nevertheless, it has been MTA's practice to bring such change orders to the Board after the fact for ratification. The revision to the Guidelines clarifies that Board approval/ratification is not required.

9. For those contracts which require approval from the Office of the State Comptroller (“OSC”), if such approval or disapproval has not been received in thirty (30) days, then the relevant MTA agency may enter into the contract with no further OSC action required. This change is a direct result of the 2019 statutory changes which reduced the time for OSC to review MTA contracts from 90 days to 30 days.

It is important to note that a recent change to section 1264 of the Public Authorities Law requires MTA to use design-build contracting for all projects over \$25 million. As design-build contracts are negotiated procurements, all such contracts will require Board approval. This will significantly increase the number of contracts that will require Board approval, resulting in increased Board oversight of high dollar procurement actions.

Since change orders below \$1 million will no longer generally require Board approval, the reports that are currently submitted quarterly to the Finance Committee and the CPOC Committee of change orders between (a) \$250,000 and \$750,000 and (b) over \$250,000 and over 15% of the adjusted contract amount will be eliminated.

The revised Guidelines, once approved, will be implemented by the agencies, as required.

Recommendation:

It is recommended that the Board approve the annexed resolution and the attached revised All Agency General Contract Procurement Guidelines and revised All Agency Service Contract Procurement Guidelines.

BOARD RESOLUTION

WHEREAS, pursuant to Public Authorities Law Section 2879, the Board must approve the All Agency General Contract Procurement Guidelines and All Agency Service Contract Procurement Guidelines (collectively, the “Guidelines”) on an annual basis;

WHEREAS, the Board approved the last substantive revisions to the Guidelines in 2016 and last approved the Guidelines in March 2019; and

WHEREAS, Governor Cuomo’s 2019-2020 budget bill made certain substantive changes to the procurement rules that govern the Metropolitan Transportation Authority, its subsidiaries and affiliated agencies (collectively, the “MTA”).

NOW, THEREFORE, BE IT RESOLVED, that the BOARD acting as the Board of the MTA and each subsidiary and affiliated agencies of the MTA, adopts the attached Guidelines, which shall supersede the All Agency General Contract Procurement Guidelines and All Agency Service Contract Procurement Guidelines previously adopted by the Board in March 2019.



ALL AGENCY GENERAL CONTRACT PROCUREMENT GUIDELINES

Adopted by the Board on ~~March 217, 2019~~May 22, 2019

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

Article I - Applicability of General Contract Guidelines

These **General Contract Guidelines** apply to

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

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

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

Article II - Delegation of Authority

The Chairman, the Managing Director, the President, or chief procurement officer (“CPO”) of the ~~respective relevant~~ Authority, ~~or the designated representative or representatives thereof, and any further delegations that the Chairman or relevant Authority President may make for those specified delegated purposes only~~ (each defined for purposes of these General Contract Guidelines as an “**Authorized Officer**”) are hereby empowered with respect to General Contracts to be entered into by the ~~respective relevant~~ Authority acting on its own behalf or as agent for MTA, as follows:

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

Article III - Award Selection of General Contractors Without Competitive Sealed Bidding

- A. A competitively bid Miscellaneous Procurement Contract ~~estimated to involve the expenditure of more than \$100,000,~~ may be awarded without Board approval. after soliciting three or more bids or proposals, except for such contracts awarded pursuant to Article III (D) or (E) below. However, approval of a majority of the members of the Board in attendance at a meeting at which a quorum is present shall be required to approve the ~~resolution authorizing award of a Miscellaneous Procurement Contract estimated to~~

~~involve the expenditure of more than \$100,000 that is not awarded pursuant to sealed competitive bidding and a~~ No Board approval shall be required for a Miscellaneous Procurement Contract ~~or of another qualifying contract pursuant to Article III.B.5.~~

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

4. Experiments, Tests and Evaluations. With respect to a product or technology, the Authority wishes to:
 - a. experiment with or test it;
 - b. experiment or test a new source for it; or
 - c. evaluate its service or reliability.

Such a ~~e~~General Contract may not be awarded until at least thirty days after the date the Board has declared competitive bidding to be impractical or inappropriate.

5. Riding an Existing Contract. The item is available through an existing General Contract between a vendor and any of the following and the resolution adopted by the Board, if Board authorization would otherwise be required under these General Contract Guidelines, includes a determination that, and the reasons, why, it is in the public interest to do so:
 - a. ~~An Authority or a~~Any other public authority (not New York State) provided such General Contract had been awarded through a process of competitive sealed bidding or a competitive request for proposals ("RFP");
 - b. ~~The A New York State of New York~~agency or authority (including the New York State Office of General Services ("OGS")), ~~the City of New York, or (except for Transit and Ma~~BSTOA) the County of Nassau County (except for NYCT, SIRTOA and MaBSTOA, as to Nassau County only).

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

6. Request For Proposals. The Authority determines that it is in the public interest to award the General Contract through a competitive ~~request for proposals ("RFP")~~ process.
 - a. For purposes of this Article III, ~~(B.)~~(6), ~~an competitive~~RFP shall mean a method of soliciting proposals and awarding a General Contract on the basis of a formal evaluation of the characteristics which are deemed relevant to the Authority's operations, such as quality, cost, delivery schedule and financing, against stated selection criteria. Where the RFP involves the purchase or rehabilitation of rail cars, transit cars or buses, the selection criteria may also include the extent to which the performance of all or a portion of the General eContract will involve the

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

- b. For those General eContracts awarded under this Article III ~~(B)(6)~~, (1) such contracts may not be awarded until at least thirty days after the Board has declared competitive bidding to be impractical or inappropriate and (2) the Board's approval resolution must (i) disclose the other proposers and the substance of their proposals, (ii) summarize the negotiation process including the opportunities, if any, available to proposers to present and modify their proposals, and (iii) set forth the criteria upon which the selection was made. The Board's contract approval resolution may be adopted simultaneously with or subsequent to the Board's declaration that competitive bidding is impractical or inappropriate, provided that, if the Board's declaration and the Board's approval resolution are adopted simultaneously or within less than thirty days of each other, the subject General eContract may be executed by the Authority no less than thirty days after the adoption of the Board's declaration that competitive bidding is impractical or inappropriate.

- c. In addition to the information required under Article V ~~(C)~~, the public notice of an RFP must include a statement of the selection criteria. Such notice shall also be provided by mail or electronically to professional and other organizations, if any, that represent or regularly notify certified ~~minority or women owned business enterprises ("MWBEs") or a certified service disabled veteran owned business ("SDVOBs")~~ of the type of procurement opportunity that is the subject of the RFP notice.

- d. The Authority may engage in a selection process involving multiple steps such as requests for interest, requests for qualifications, requests for technical proposals and requests for quotations. After the publication of the notice, any or all of the selection criteria specified in the advertisement may be changed, provided that, if the change is material, proposers and potential proposers who, prior to the deadline for the receipt of proposals, have expressed an interest in the RFP, shall be informed of the change and afforded the opportunity to modify their proposals.

- e. After receipt of the proposals, an Authority may:
 - ~~i)~~ change the selection criteria provided that, if the change is material, all proposers that have not been eliminated from the competitive process prior to such change, are informed of the change and afforded the opportunity to modify their proposals;
 - ~~ii)~~ request that any of the proposers make a presentation. If it does so, it is not required to afford such opportunity to all proposers;
 - ~~iii)~~ ~~3-~~ negotiate with any of the proposers. If it does so, it is not required to negotiate with all proposers;
 - ~~iv)~~ ~~4-~~ reject any proposal at any time; and

~~v)5.~~ reject all proposals, in which event the Authority may decide to take no further action, solicit new proposals or solicit bids.

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

~~C.D.~~ A Purchase Contract or a Miscellaneous Procurement Contract, not estimated to involve the expenditure in excess of \$1 million, that is not federally funded, may be awarded pursuant to Section 1209.7(b) or Section 1265-a.2(b) of the Public Authorities Law without competitive sealed bidding or other formal competitive process, notwithstanding any other provision of law or these General Contract Guidelines where the Purchase Contract or Miscellaneous Procurement Contract involves goods or technology that are recycled or remanufactured.

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

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

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

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

Article IV - Qualified Products Lists

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

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

- 3. by competitive sealed bidding after advertising the bid pursuant to Article V.~~(A.)~~ of these General Contract Guidelines.
- E. Two or more Authorities may utilize the same QPL provided that such Authorities jointly comply with the provisions of this Article.

Article V – Notice and Advertising

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

- A. ~~Regardless of the selection process used,~~ For Purchase Contracts and Public Work Contracts in the actual or estimated amount in excess of \$~~100,000~~1 million, an advertisement shall be published at least once in a newspaper of general circulation in the area served by the Authority and in the NYSCR. ~~Such advertisement and notice in the NYSCR must be placed at least fifteen (15) business days prior to the planned date on which a bid/proposal is due;~~ provided that, if the Purchase Contract or Public Work Contract is to be awarded without the solicitation of competitive sealed bids or RFP, the timing of the publication in the NYSCR shall be determined by an Authorized Officer.
- B. The advertisement and the notice in the NYSCR must contain, as applicable, a statement of: ~~i~~1) the name of the contracting Authority; ~~ii~~2) the contract identification number; ~~iii~~3) a brief description of the goods, supplies, materials, or equipment sought, the location where work is to be performed or goods are to be delivered~~services sought, the location where services are to be provided~~ and the contract term; ~~iv~~4) the address where bids/~~or~~ proposals are to be submitted; ~~v~~5) the date when bids/~~or~~ proposals are due; ~~vi~~6) a description of any eligibility or qualification requirement or preference; ~~vii~~7) a statement as to whether the contract may be fulfilled by a subcontracting, joint venture ("JV") or co-production arrangement; ~~viii~~8) any other information which the Authority deems useful to potential contractors; ~~ix~~9) the name, address and the telephone number of the person to be contacted for additional information; and ~~x~~10) the time and place where bids received will be publicly opened and read. In addition, if a purchase contract is involved, the advertisement in the NYSCR shall also include a statement as to whether the ~~services~~ goods, supplies, materials, or equipment sought had, in the immediately preceding three year period, been supplied by a foreign business enterprise as that term is defined in Article 4-C of the Economic Development Law. ~~The first publication shall be no less than fifteen business days prior to the planned bid opening date and the second publication shall be within a reasonable period prior to the planned bid opening date.~~
- C. ~~The advertisement must contain, as applicable, a statement of: (i) the time and place where bids received will be publicly opened and read; (ii) the name of the contracting Authority; (iii) the contract identification number; (iv) a brief description of the public work, supplies, materials, or equipment sought, the location where work is to be performed, goods are to be delivered or services provided and the contract term; (v) the address where bids or proposals are to be submitted; (vi) the date when bids or proposals are due; (vii) a description of any eligibility or qualification requirement or preference; (viii) a statement as to whether the contract requirement may be fulfilled by a subcontracting, joint venture or co-production arrangement; (ix) any other information~~

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

~~DC.~~ Advertisement in a general circulation newspaper and in the NYSCR is not required if the Authority regularly purchases the particular supplies, material or equipment and bids are solicited from a list of potential suppliers for the item which has been established and maintained as set forth in Article VI hereof.

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

Article VI - Contractor Outreach

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

A. Suppliers Lists for Purchase Contracts: ~~t~~The Authority shall compile a list of potential sources of supplies, materials, equipment, and other goods which it regularly purchases. Such list must be compiled in accordance with the following procedures:

1. Advertisements must be periodically placed in one or more publications which are likely to be read by manufacturers, suppliers and others who deal in the item, including firms which may be ~~minority or woman owned businesses~~ MWBEs or SDVOBs, which set forth a general description of categories of items which are regularly procured by the Authority and invites firms to ~~advise the Authority in writing of their interest in being utilize the MTA Business Services Center Vendor Portal to be~~ placed on the suppliers list for specific items or categories of items.

2. A periodic effort:

i) must be undertaken to identify potential bidders for the item who are not on the list, including ~~minority or woman owned businesses~~ MWBEs and ~~service disabled veterans~~ SDVOBs. Such effort shall include the use of the Authorities' websites, use of appropriate publications, including those, if any, that serve ~~minority and women's business communities~~ MWBEs, and ~~service disabled veterans~~ SDVOBs, other sources of information, and cooperation with federal, state and local agencies and other ~~A~~ authorities. Where appropriate, a print or electronic letter shall be sent to a new potential supplier which invites it to request that it be added to the list and, if it does not wish to be added, requests that it indicate why; ~~and-~~

ii) where appropriate, must be undertaken to identify firms which have not responded to bids or expressed an interest in remaining on a list. An effort should

be made to contact such firms to determine why they have not bid, whether they are interested in remaining on the list and, if not, why not. A firm may be deleted from the list where it requests deletion, or where the circumstances indicate that it is unlikely that the firm is interested in remaining on the list.

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

Article VII – ~~Minority/Women Owned and Disadvantaged Business Enterprises and Service Disabled Veteran Owned Businesses: MWBE, SDVOB, and Disadvantaged Business Enterprise (“DBE”)~~

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

- A. The MTA Chief Diversity Officer (~~“Chairman’s Designee”~~) is responsible for ensuring compliance with all applicable laws and regulations and for overseeing the programs established by the MTA to promote and assist: 1i) the participation by MWBEs and SDVOBs in procurement opportunities and facilitation of the award of General Contracts to such enterprises; 2ii) the utilization of MWBEs and SDVOBs as subcontractors and suppliers to Authority prime contractors; and iii3) the utilization of partnerships, ~~joint ventures (“JVs”)~~

contractors. The Chief Diversity Officer reports directly to the Chairman in connection with the responsibilities set forth herein, and will participate in the procurement process either directly or through his or her designees.

B. A Purchase Contract or a Miscellaneous Procurement Contract, not estimated to involve the expenditure in excess of \$1 million, that is not federally funded, may be awarded pursuant to Section 1209.7(b) or Section 1265-a.2(b) of the Public Authorities Law without competitive sealed bidding or other formal competitive process, notwithstanding any other provision of law or these General Contract Guidelines where the proposed award is to a SBC, MWBE or SDVOB. The MTA and its agencies will administer set-aside procurements pursuant to the laws, rules and procedures that govern small purchase contracting.

The Authority CPO or his/her designee shall determine which Purchase Contracts or Miscellaneous Procurement Contracts are appropriate for these procurements. In the case of Purchase Contracts or Miscellaneous Procurement Contracts that are eligible pursuant to Section 2879(3)(b)(i) of the Public Authorities Law for award to SBCs, MWBEs or SDVOBs, the CPO may make a determination that any such Purchase Contract or Miscellaneous Procurement Contract may only be awarded to an MWBE, or only to an SDVOB, or only to an MWBE or an SDVOB. The basis for such a determination must be to promote participation of MWBEs and SDVOBs in Authority contracts, as mandated by Articles 15-A and 17-B of the Executive Law, respectively, and to assist the Authorities in achieving their MWBE and SDVOB goals.

Notice of such procurements shall be placed on the Authority website inviting responsive bids/proposals from qualified SBCs, MWBEs and/or SDVOBs. Awards pursuant to this process shall be made to the bidder/proposer determined to have submitted the bid/proposal that is most advantageous to the Authority after considering price and any other relevant factors. The CPO may reject all offers and withdraw the designation of a contract as one to be awarded pursuant to this process if the CPO determines that an award will result in the payment of an unreasonable price or otherwise not be advantageous to the Authority.

The value for SDVOB set aside contracts may be in excess of \$1 million. In these instances, notice of such procurements must also be placed in the NYSCR.

C. For contracts awarded pursuant to these General Contract Guidelines, other than those whose award process is described in Article VII.B., the Authority shall establish appropriate goals for participation by MWBEs and SDVOBs and for the utilization by prime contractors of MWBEs and SDVOBs as subcontractors and suppliers. Statewide MWBE numerical participation target goals will be established by the Authority based on the findings of the most recent New York State 2010-Disparity Study, or any subsequent New York State Disparity Study.

CD. The Authority will conduct non-federally funded procurements in a manner that enables the Authority to achieve the maximum feasible portion of the goals set pursuant to Article VII.C. (B), including by taking the following actions:

1. _____ establishing measures and procedures to ensure that MWBEs and SDVOBs are given the opportunity for maximum feasible participation in the performance of Authority contracts and to assist in the identification of those contracts that are best suited for ~~which MWBEs and SDVOBs may best bid to actively and affirmatively promote and assist their~~ participation ~~in the performance of Authority contracts~~ so as to facilitate the Authority's achievement of the maximum feasible portion of the MWBE and SDVOB goals;
- ~~1.2.~~ _____ designating the New York State Division of Minority and Women-owned Business Development ("DMWBD") to certify and decertify MWBEs, and ~~OGS DSDVBD OGS Division of Service-Disabled Veterans' Business Development~~ to certify and decertify SDVOBs, for purposes of these General Contract Guidelines;
- ~~2.3.~~ _____ setting forth in each contract solicitation the expected degree of MWBE and SDVOB participation based on potential subcontracting opportunities and the availability of MWBEs and SDVOBs to respond competitively to those opportunities;
- ~~3.4.~~ _____ providing to prospective contractors in writing, or by identifying a link to a ~~specific~~ web-site ~~containing~~, a current list of MWBEs and SDVOBs;
- ~~4.5.~~ _____ with regard to JVs, allowing a bidder/~~proposer~~ to count toward meeting its MWBE and SDVOB participation goals, the MWBE or SDVOB portion of the JV;
- ~~5.6.~~ _____ waiving a contractor's obligation relating to MWBE or SDVOB participation after a showing of good faith efforts to comply with the participation goal; and
- ~~6.7.~~ _____ verifying that MWBEs and SDVOBs listed in a successful bid/~~or~~ proposal are actually participating to the extent listed in the project for which the bid/~~or~~ proposal was submitted.

E. _____ The Authority will also consider, where practicable:

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

~~E.F.~~ D. _____ The ~~Chairman's Designee~~ Chief Diversity Officer or his/her designee is responsible for ensuring compliance with all applicable laws and regulations with regard to the utilization of DBEs on federally funded General Contracts.

Article VIII - Change Orders

~~A.~~ A.—A change order to a General Contract which exceeds ~~the lesser of \$750,000 or \$250,000 in the event such change order exceeds 15% of the adjusted contract value~~\$1 million, may be entered into by an Authorized Officer, upon the approval of the Board pursuant to a resolution adopted in accordance with Article IX hereof. The submission to the Board shall include an explanation of the need for the change order. In order to avoid splitting change orders to below \$1 million for the purpose of avoiding the Board approval requirements of this Article VIII.A., the CPO of the relevant Authority must approve multiple change orders to the same contract and for the same scope of work, if all such change orders for any rolling 12-month period would equal to or be more than \$1 million. For example only, if change order #1 is issued in March Year 1 for \$600,000, change order #2 is issued in June Year 1 for \$300,000 and change order #3 is issued in January Year 2 for \$200,000 (all for the same scope of work), then the CPO would be required to approve change order #3 because the total amount would be \$1.1 million for the rolling 12-month period from March Year 1 to March Year 2, and further the CPO would need to approve any other change order issued during any rolling 12-month period which would bring that 12-month period total to be equal to or greater than \$1 million.

~~A.B.~~ A.B. All other change orders shall be approved by an Authorized Officer; provided that a change order over \$250,000 must be approved by the Authority ~~pPresident, or his or her designee~~CPO, or the Authority President’s designee. ~~For purposes of this Article, the “adjusted contract value” shall mean the original amount of the contract plus the aggregate amount of all prior change orders (whether or not approved by the Board).~~ This provision applies to all contracts subject to these General Contract Guidelines, ~~including budget adjustments to estimated quantity contracts previously approved by the Board which exceed the threshold.~~

~~BC.~~ BC. Notwithstanding the foregoing, an Authorized Officer may enter into a change order without Board approval in any of the following situations as determined by an Authorized Officer:

or

1. The existence of an emergency, other critical need or unforeseen circumstance;
2. There is a risk of a substantial increase in cost or delay if prompt action is not taken; or;
3. The change order ~~is for a Design-Build contract where the Board has previously declared (as described in Article III(B)(6)) that it is in the public interest to award the contract through a competitive RFP process, and such change order~~ does not change the total contract price to exceed the project contract budgeted cost, including contingency.

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

Article IX - Form of Board Resolution

A. Except as otherwise required in Article III, the procedure for the adoption by the Board and the format of a resolution pursuant to these General Contract Guidelines shall be

determined by the ~~MTA~~ Chairman and may be in the form of a staff summary or a formal resolution. Provided, however, that any Board resolution or staff summary sought pursuant to these General Contract Guidelines shall (i1) identify the contractor by name; (ii2) briefly describe the substance of the General Contract; (iii3) specify all the information required under the applicable provisions of these General Contract Guidelines; and (iv4) specify the estimated or actual cost to the Authority or that the estimated or actual cost shall be within the budget approved by the Board for that purpose.

- B. To the extent practicable, the recommendation of award and the associated resolution or staff summary shall first be submitted to the standing committee of the Board responsible for the Authority.
- C. The ~~MTA~~ Chairman may modify the procedures in this Article for all Authorities.

Article X - Responsibilities of General Contractors

In each General Contract, a general contractor shall have the following responsibilities:

- A. To perform the contract in accordance with its terms and to remain a responsible contractor;
- B. To provide the public work, goods, supplies, materials, or equipment required under the contract competently, efficiently, in a timely manner, at a fair and reasonable cost and in a manner which is satisfactory to the Authority; and
- C. To cooperate with Authority personnel who are directing, supervising or monitoring the performance of the general contractor or who are assisting in their performance.

Article XI - Contracts Involving Former Officers or Employees of the Authority

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

Article XII - Miscellaneous

- A. Any provision of these General Contract Guidelines may be waived by the Chairman, an Authority President, or the Board, or such individuals as they may designate, except to the extent prohibited by law. A waiver may also be in the form of a ratification. If a contract is federally assisted, prior to issuing a waiver, consideration should be given to the steps which may be taken to assure that federal assistance is not jeopardized.
- B. No Board Committee action or Authority policy, other than one approved by the Chairman, shall be inconsistent with these General Contract Guidelines.

- C. An Authority may not divide or split any contract or series of contracts for the purpose of avoiding the requirements of these General Contract Guidelines provided that with regard to SBMP and SBFP contracts awarded under Article III.~~(C).~~ and discretionary contracts awarded under Article III.~~(D)~~VII.B., an Authority may divide requirements for the purpose of unbundling contracts to create SBMP, SBFP or discretionary contracting opportunities. ▸
- D. If prior to the commencement of an Authority fiscal year, an Authorized Officer reasonably anticipates that, during the next fiscal year, the Authority will expend, in the aggregate, in excess of \$~~100,000~~1 million for a series of Purchase Contracts for the same or substantially similar good or for a series of Public Work Contracts for same or substantially the same type of public work: ~~i1)~~ such requirement shall be met pursuant to a requirements contract awarded pursuant to the applicable provisions of these General Contract Guidelines; ~~ii2)~~ each such Purchase Contract shall be awarded pursuant to the provisions of Article II.~~(C).~~ Article III, Article IV, ~~or Article VI,~~ or Article VII.B. of these General Contract Guidelines or ~~iii3)~~ each such contract shall be awarded pursuant to the provisions of Article II.~~(C).~~ ~~or Article III,~~ or Article VII.B. or a procedure determined by an Authorized Officer to be comparable to Article IV or Article VI.
- E. Nothing in these General Contract Guidelines shall preclude the Authority from accepting bids~~/or~~ proposals utilizing an electronic bidding system that may inform bidders whether their bid is the current low bid, and allow bidders to submit new bids before the date and time assigned for the opening of bids. Such procedure shall not constitute disclosure in violation of Section 2878 of the Public Authorities Law.
- F. A General Contract awarded by an Authority pursuant to these General Contract Guidelines may provide that the General Contract includes the requirements of one or more other Authorities.
- G. Each Authority shall maintain records, for each fiscal year, of the all Purchase Contracts in an actual or estimated amount of \$15,000 or more entered into by the Authority at the request of such Division/Department, and such reports shall be prepared pursuant to the specifications located in Article IX.B. and Article IX.C. of the Services Contract Guidelines.
- H. The Authority shall prepare a publicly available report no less frequently than annually, summarizing procurement activity by the Authority for the period of the report in accordance with the reporting requirements of Section 2879(6) of the Public Authorities Law.
- II. These General Contract Guidelines are intended for the guidance of officers and employees of the Authority only. Nothing contained herein is intended or shall be construed to confer upon any person, firm or corporation any right, remedy, claim or benefit under, or by reason of, any requirement or provision hereof.
- J. Nothing in these General Contract Guidelines shall preclude the Authority from offering stipends to proposers on Design-Build contracts as part of an RFP process. The request for Board approval to use the RFP process for a specific Design-Build contract may include a request for approval of the use of stipends in connection with such RFP.

K. Nothing contained in these General Contract Guidelines shall be deemed to alter, affect the validity of, modify the terms of or impair any contract or agreement made or entered into in violation of, or without compliance with, the provisions of these General Contract Guidelines.

L. Where applicable federal, state or local laws, ordinances, codes, rules or regulations contain requirements which are in conflict with or which impose greater obligations upon the Authority than these General Contract Guidelines, then such requirements shall take precedence over those contained herein.

M. For those General Contracts for which the Office of the State Comptroller (“OSC”) has requested review and approval pursuant to Public Authorities Law §2879-a, if the Authority has not received OSC approval or disapproval within thirty days of submission to the OSC, the Authority may enter into such General Contract without further waiting for such review and approval.



ALL AGENCY SERVICE CONTRACT PROCUREMENT GUIDELINES

Adopted by the Board on ~~March 217, 20198~~ [May 22, 2019]

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

Article I - Applicability of Service Contract Guidelines

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

These **Service Contract Guidelines** apply to

personal service contracts (“**Personal Service Contracts**”); and miscellaneous service contracts (“**Miscellaneous Service Contracts**”, and collectively with Personal Service Contracts, “**Service Contracts**”).

- A. Personal Services Contracts involve contracts for the provision of personal services (“**Personal Services**”), ~~which~~ generally involve retaining a consultant who specializes in one of the following:
- (1) Accounting and auditing
 - (2) Advertising
 - (3) Analysis
 - (4) ~~Appraisal~~
 - (5) Architecture and design
 - (6) Bonds and financial management
 - (7) ~~Commissioning of original art~~
 - (8) ~~Dispute resolution~~
 - (9) Engineering
 - (10) ~~Finances~~ Financial
 - (11) Human resources
 - (12) Information technology (but not software licenses or software maintenance)
 - (13) Investments
 - (14) Labor relations

- (15) _ Legal
- (16) Legislation
- (17) Management
- (18) Marketing
- (19) _ Office services requiring specialized skills
- (20) _ Other consulting, professional or technical services
- (21) _ Planning
- (22) _ Printing where editorial services predominate
- (23) _ Public affairs and corporate relations
- (24) Real estate
- (25) Records management, including electronic data storage, ~~_ and~~ retrieval and discovery
- (26) Research
- (27) Risk management and related services
- (28) Security, including cybersecurity
- ~~(29)~~ Statistics
- ~~(2028)~~ Surveying
- ~~(310)~~ Training

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

- ~~i)-(1)~~ a Personal Service Contract; or
- ~~ii)-(2)~~ a General Contract (capitalized terms not defined in these Service Contract Guidelines shall have the meaning ascribed thereto in the All Agency General Contract Procurement Guidelines (the “**General Contract Guidelines**” and collectively with these Service Contract Guidelines, the “**Guidelines**”).

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

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

Article II - Delegation of Authority

The Chairman, the Managing Director, the President, or chief procurement officer (“CPO”) of the ~~respective relevant Authority or the designated representative or representatives thereof, and any further delegations that the Chairman or relevant Authority President may make for those specifically delegated purposes only~~ (each defined for purposes of these Service Contract Guidelines as an “**Authorized Officer**”) are hereby empowered with respect to Service Contracts to be entered into by the ~~respective relevant Authority~~ acting on its own behalf or as agent for the MTA, as follows:

A. to implement these Service Contract Guidelines;

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

Article III - Selection of Personal and Miscellaneous Service Contractors

- A. Requirements for Selection of Personal Service Contractors by RFP

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

(1) Service eContracts for architectural, engineering, and survey services, ~~(which are subject to Article III.B.(B);~~

~~ii) (2)e~~ Service Contracts ~~contracts equal to or less than in the amount of \$100,0001 million or less,~~ ~~(which may be entered into pursuant to the provisions of this Article II.B.(A) or pursuant to procedures established by an Authorized Officer which shall be competitive to the extent deemed practicable by the Authorized Officer); and~~

~~iii) (3)~~ Service Contracts for which a competitive selection process is inappropriate pursuant to the provisions of Article III.C.~~(C).~~

~~1. (a):~~ The Division/Department of the Authority requiring the services shall prepare a written statement containing a description of the services, the reasons why they are required, and the required or estimated schedule or duration of the services.

~~2. (b):~~ A request for proposals ("RFP") to perform the required services shall be sent by mail or electronically to three or more firms to invite competition, including any certified disadvantaged business enterprise ("DBE"), MWBE or SDVOB ~~(as such terms are hereinafter defined) firms~~ selected to receive the RFP pursuant to applicable Authority or New York State DBE, MWBE or SDVOB programs, unless there are only two qualified firms or unless competition is waived as hereinafter provided. The RFP or notice thereof shall also be provided by mail or electronically to professional and other organizations, if any, that represent or regularly notify MWBEs and SDVOBs of the type of procurement opportunity that is the subject of the RFP notice.

~~3. (c):~~ The RFP shall describe the services to be performed, any completion dates or time requirements, DBE/WBE/MBE/SDVOB requirements, if applicable, and the criteria to be utilized by the Authority in evaluating proposals and shall contain a requirement for technical and cost proposals and the date, time and place when proposals must be received.

~~4. (d):~~ The Authority may select one or more proposers with which to negotiate after evaluation of the proposals received. The award shall be made to the proposer or proposers whose proposal(s) will be the most advantageous to the Authority after considering, price, qualifications and other relevant factors considered, using the identified as evaluation criteria specified in the RFP ~~as the basis for the decision.~~

B. Architectural, - Engineering and Survey Services Contracts

~~(1.)~~ In the procurement of architectural, engineering and surveying services, the Authority shall determine whether to comply with the RFP procedures set forth in Article III.A.(A) or the "Brooks" method set forth in this ~~paragraph~~ Article III.B., provided that, if federal funds will be utilized for such contract assistance is involved, the decision shall take into account applicable federal requirements.~~.~~

- (2)- The Authority shall encourage ~~professional architectural, engineering and surveying~~ firms ~~engaged in the lawful practice of the profession~~ to submit an annual statement of qualifications and performance data. For each proposed project identified in accordance with Article III.A(A)(1), the Authority shall evaluate current statements of qualifications and performance data on file with the Authority. If desired and to the extent appropriate if federal assistance is involved, the Authority may conduct discussions with ~~three or more~~ professional firms regarding anticipated design concepts and proposed methods of approach to the ~~assignment proposed project~~.
- (3)- The Authority shall then evaluate whether a modification to the ~~written statement prepared in accordance with subparagraph 1 of Article III(A)(iii) RFP documents~~ is appropriate, and shall then ~~comply solicit the RFP in compliance~~ with the provisions of subparagraphs ~~(2-b)~~ and ~~(c3)~~ of Article III.A(iii)(3).
- (4)- ~~Based upon the criteria established by the Authority, The~~ Authority shall select ~~from the proposals submitted, in order of preference, based upon the criteria established by the Authority,~~ no less than three professional firms deemed to be the most highly qualified to provide the services required ~~from the proposals submitted, in order of preference~~.
- (5)- The Authority shall negotiate a contract with the best qualified professional firm for architectural, engineering or surveying services at compensation which the Authority determines in writing to be fair and reasonable. In making this decision, the Authority shall take into account the estimated value of the services to be rendered, the scope, complexity, and professional nature thereof. Should the Authority be unable to negotiate a satisfactory contract with the professional firm considered to be the most qualified, at a fee it determines to be fair and reasonable, negotiations with that professional firm shall be formally terminated. The Authority shall then undertake negotiations with the second most qualified professional firm. Failing to come to accord with the second most qualified professional firm, the Authority shall formally terminate negotiations. The Authority shall then undertake negotiations with the third most qualified professional firm. Should the Authority be unable to negotiate a satisfactory contract with any of the ~~three~~ selected professional firms it shall select additional professional firms, in order of their ~~competence and~~ qualifications and it shall continue negotiations in accordance with this subparagraph until an agreement is reached.
- (6)- The provisions of this Article III.B.(B) shall ~~must~~ apply ~~only~~ to engineering, architectural, or surveying services contracts in excess of \$~~100,000~~1 million. Contracts for engineering, architectural or surveying services involving lesser amounts may be entered into pursuant to the provisions of ~~this paragraph Article III.B.~~ or pursuant to procedures established by an Authorized Officer which shall be competitive to the extent deemed practicable by the Authorized Officer, ~~provided that a qualification based selection procedure is used when required by federal guidance~~.

~~C.~~ ~~C.~~ It is hereby determined that a competitive selection process is inappropriate and that a competitive process shall not be required in the following instances:

~~(1-) Single Source. The service to be procured is available only from a single responsible source. When the services are obtainable from one source only.~~

~~(2-) No Bids or One Responsive Bid. Competitive bids are solicited and~~

~~(a) no responsive bid is received; or~~

~~(b) only a single responsive bid is received, and the Authorized Officer rejects the bid.~~

~~When the provider of the Personal and Miscellaneous Services has unique or otherwise outstanding qualifications.~~

~~(3-) Emergency, Critical Need or Unforeseen Circumstances. The existence of an emergency involving danger to life, safety or property, or a critical need or unforeseen circumstance which requires immediate action and cannot await competitive bidding; or when the contract is essential to the efficient operation of or the adequate provision of service and, as a consequence of an unforeseen circumstance, such purchase cannot await competitive bidding. Competitive bidding is hereby declared to be impractical and inappropriate in any of the foregoing situations where an Authorized Officer must take appropriate action and cannot await action by the Board; provided, however, that notice of such action shall be given to the Board in a timely manner, together with a statement of the reasons for such action and a request for ratification by the Board. When an emergency or other circumstances exist which make competition impracticable or inappropriate.~~

~~(4-) Legal Services. When the services are legal services.~~

~~(5) Unique Source. When the provider of the services has unique or otherwise outstanding qualifications.~~

~~D. A Service Contract, in an amount not to exceed \$400,000, that is not federally funded, may be awarded pursuant to Section 2879(3)(b)(i) of the Public Authorities Law without competitive bidding or other formal competitive process, notwithstanding any other provision of law or these Guidelines, where either (i) the proposed award is to a small business concern, a certified minority or women-owned business enterprise (“MWBE”) or a certified service disabled veteran-owned business (“SDVOB”).~~

~~The relevant Authority Chief Procurement Officer or his/her designee (the “CPO”) shall determine which Service Contracts are appropriate for such types of procurements. In the case of Service Contracts that are eligible pursuant to Section 2879(3)(b)(i) for award to SBCs, MWBEs or SDVOBs, the CPO may make a determination that any such Service Contract may only be awarded to an MWBE, or only to an SDVOB, or only to an MWBE or an SDVOB. The basis for such a determination must be to promote participation of~~

MWBEs and SDVOBs in Authority contracts, as mandated by Articles 15-A and 17-B of the Executive Law, and to assist the Authorities in achieving their MWBE and SDVOB goals.

Notice of such procurements shall be placed on the Authority website inviting responsive proposals from qualified SBCs, MWBEs or SDVOBs. At least three bids or proposals, must be solicited, and there must be a determination that the price is fair and reasonable. Awards pursuant to this process shall be made to the bidder or proposer determined to have submitted the bid or proposal that is most advantageous to the Authority, price and any other relevant factors considered. An award proposed to be made to a bidder or proposer other than the lowest responsible, responsive bidder or proposer, shall require approval by a majority of the Board at which a quorum is present. The CPO may reject all offers and withdraw the designation of a contract as one to be awarded pursuant to this process if the CPO determines that an award will result in the payment of an unreasonable price or otherwise not be advantageous to the Authority.

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

DF. The Chairman, Managing Director, President, General Counsel, or President or Chief Procurement Officer-CPO of the relevant Authority, or such individuals as they may designate, may give verbal authorization to contractors or consultants to commence the performance of contracts entered into pursuant to the provisions of this Article ~~IIIIV~~, where prior written agreement is impracticable, provided, however, that the contract shall be reduced to writing as soon as practicable. Prior to issuing a verbal authorization for a federally assisted contract, consideration should be given to the steps which may be taken to assure that federal assistance is not jeopardized.

Article IV – NYSCR Notice and Advertising

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

A. Regardless of the selection process used, notice of a Services Contract in the actual or estimated amount in excess of \$100,0001 million or more shall be published at least one time in the NYSCR, except as provided in Article IV.C(C). ~~The publication shall be no less than~~ Such advertising must be placed at least fifteen (15) business days prior to the planned date on which a bid/ or proposal is due, provided that if the Services Contract is to be awarded without bids/ or proposals and advertising is required, the timing of the publication shall be determined by an Authorized Officer.

B. The notice must contain, as applicable, a statement of: (1) the name of the contracting Authority; (2) the contract identification number; (3) a brief description of the services sought, the location where services are to be provided and the contract term; (4) the address where bids/ or proposals are to be submitted; (5) the date when bids/ or proposals are due; (6) a description of any eligibility or qualification requirement or preference; (7) a statement as to whether the contract may be fulfilled by a

subcontracting, joint venture ("JV") or co-production arrangement; ~~viii(8)~~ any other information which the Authority deems useful to potential ~~contractors-bidder/proposer~~; ~~(9ix)~~ the name, address and the telephone number of the person to be contacted for additional information; and ~~x(10)~~ a statement as to whether the services sought had, in the immediately preceding three year period, been supplied by a foreign business enterprise as that term is defined in Article 4-C of the Economic Development Law.

~~B-C.~~ Notice in the NYSCR is not required under the following circumstances:

- ~~i)(1)~~ In the event of an emergency or critical need for the services as determined by an Authorized Officer;
- ~~ii)(2)~~ The contract is ~~re-bid or~~ re-solicited for substantially the same services within forty-five business days after the date bids/~~or~~ proposals were originally due;
- ~~iii)(3)~~ The contract is awarded to a not-for-profit provider of human services;
- ~~iv)(4)~~ The contract is awarded pursuant to the provisions of Article III.~~C.(C)~~(1) or (2) ~~(single or unique source)~~ or Article V.B. III (D) (discretionary procurements to SBCs, MWBEs or SDVOBs) of these Service Contract Guidelines.

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

Article V – ~~Minority/Women Owned, and Disadvantaged Business Enterprises and SDVOB~~MWBEs, SDVOBs, and DBEs

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

A. The MTA’s Chief Diversity Officer (~~“Chairman’s Designee”~~) is responsible for ensuring compliance with all applicable laws and regulations and for overseeing the programs established by the MTA to promote and assist: ~~(1)i)~~ the participation by MWBEs and SDVOBs in procurement opportunities and facilitation of the award of Service Contracts to such enterprises; ~~(2ii)~~ the utilization of MWBEs and SDVOBs as subcontractors to Authority prime contractors; and ~~iii(3)~~ the utilization of partnerships, ~~joint ventures (“JVs”)~~ or other similar arrangements between MWBEs, SDVOBs and prime contractors. The Chief Diversity Officer reports directly to the Chairman in connection with the responsibilities set forth herein, and will participate in the procurement process either directly or through his or her designees.

B. A Service Contract, not estimated to involve the expenditure in excess of \$1 million, that is not federally funded, may be awarded pursuant to Section 1209.7(b) or Section 1265-a.2(b) of the Public Authorities Law without competitive sealed bidding or other formal

competitive process, notwithstanding any other provision of law or these Guidelines, where the proposed award is to a SBC, MWBE or SDVOB. The MTA and its agencies will administer set-aside procurements pursuant to the laws, rules and procedures that govern small purchase contracting.

The Authority CPO or his/her designee shall determine which Service Contracts are appropriate for these procurements. In the case of Service Contracts that are eligible pursuant to Section 2879(3)(b)(i) of the Public Authorities Law for award to SBCs, MWBEs or SDVOBs, the CPO may make a determination that any such Service Contract may only be awarded to an MWBE, or only to an SDVOB, or only to an MWBE or an SDVOB. The basis for such a determination must be to promote participation of MWBEs and SDVOBs in Authority contracts, as mandated by Article 15-A and Article 17-B of the Executive Law, respectively, and to assist the Authorities in achieving their MWBE and SDVOB goals.

Notice of such procurements shall be placed on the Authority website inviting responsive bids/proposals from qualified SBCs, MWBEs and/or SDVOBs. Awards pursuant to this process shall be made to the bidder/proposer determined to have submitted the bid/proposal that is most advantageous to the Authority after considering price and any other relevant factors. The CPO may reject all offers and withdraw the designation of a contract as one to be awarded pursuant to this process if the CPO determines that an award will result in the payment of an unreasonable price or otherwise not be advantageous to the Authority. -

The value for SDVOB set aside contracts may be in excess of \$1 million. In these instances, notice of such procurements must also be placed in the NYSCR.

- C. _____ For contracts awarded pursuant to these Service Contract Guidelines, other than those whose award process is described in Article V.B., the Authority shall establish appropriate goals for participation by MWBEs and SDVOBs and for the utilization by prime contractors of MWBEs as subcontractors and suppliers. Statewide MWBE numerical participation target goals will be established by the Authority based on the findings of the most recent New York State 2010-Disparity Study, or any subsequent New York State Disparity Study.
- D. The Authority will conduct non-federally funded procurements in a manner that enables the Authority to achieve the maximum feasible portion of the goals set pursuant to Article V.C.,(B) including by taking the following actions:
- (1) _____ establishing measures and procedures to ensure that MWBEs and SDVOBs are given the opportunity for maximum feasible participation in the performance of Authority contracts and to assist in the identification of those contracts that are best suited for ~~which~~ MWBEs and SDVOBs ~~may best bid to actively and affirmatively promote and assist their~~ participation ~~in the performance of Authority contracts~~ so as to facilitate the Authority's achievement of the maximum feasible portion of the MWBE and SDVOB goals;

(2) designating the New York State Division of Minority and Women-owned Business Development (“**DMWBD**”) to certify and decertify MWBEs, and the Office of General Services (“OGS”) Division of Service-Disabled Veterans’ Business Development to certify and decertify SDVOBs, for purposes of these Service Contract Guidelines;

(3) setting forth in each contract solicitation the expected degree of MWBE and SDVOB participation based on potential subcontracting opportunities and the availability of MWBEs and SDVOBs to respond competitively to those opportunities;

~~(1)~~ —

~~(2)~~ providing to prospective contractors in writing or by identifying a link to a a specific web-site containing a current list of MWBEs and SDVOBs;

(4) —

(5) with regard to JVs, allowing a bidder/proposer to count toward meeting its MWBE and SDVOB participation goal, the MWBE or SDVOB portion of the JV;

~~(3)~~ —

~~(4)~~(6) waiving a contractor’s obligation relating to MWBE or SDVOB participation after a showing of good faith efforts to comply with the participation goal; and

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

E. The Authority will also consider, where practicable:

(1) the severability of service requirements and other bundled service contracts;

~~(1)~~ —

(2) with respect to MWBEs, the implementation of a program that will enable the Authority to evaluate each contract to determine the appropriateness of the goal pursuant to the most recent New York State ~~2010~~ Disparity Study, ~~or any subsequent New York State Disparity Study~~; and

(3) compliance with the requirements of any federal law or regulations concerning opportunities for any DBEs, MWBEs and SDVOBs ~~which that~~ effectuates the purposes of this Article V.

F. The Chief Diversity Officer or his/her designee ~~Chairman’s Designee~~ is responsible for ensuring compliance with all applicable laws and regulations with regard to the utilization of DBEs on federally funded Service Contracts.

Article ~~V~~VI - Types of Provisions to be Contained in Service Contracts

~~A. _____ A. _____~~ The following types of provisions shall be contained in all Personal Services Contracts~~personal services contracts, except that it is not necessary to include any provision which is inapplicable or unnecessary because of the nature or duration of the services to be performed, the location or locations where they are to be performed or the type of compensation being paid~~ to the extent applicable due to the specifications of such Personal Service Contract:

- ~~(1).~~ Description of services
- ~~(2).~~ Compensation
- ~~(3).~~ Time for performance or date of completion
- ~~(4).~~ Liability of contractor or consultant; indemnification of Authority
- ~~(5).~~ Reports of contractor or consultant
- ~~(6).~~ Ownership of plans, drawings or other deliverables products of the performance of the services
- ~~(7).~~ Assignments; subcontracts
- ~~(8).~~ Maintenance of records, accounts
- ~~(9).~~ Right of Authority to inspect and/or audit books and records ~~of contractor or consultant~~
- ~~(10).~~ Insurance requirements
- ~~(11).~~ Termination
- ~~(12).~~ Monitoring of the performance of services
- ~~(13).~~ Use of Authority supplies, facilities or property
- ~~(14).~~ Use of Authority personnel
- ~~(15).~~ All provisions required to be included in Authority contracts by federal, state or local laws, ordinances, codes, rules or regulations.
- ~~(16).~~ Such modifications and additions as are appropriate in light of the specific circumstances presented.

B. To the extent practicable, a verbal authorization to commence work and a letter of intent/notice to proceed shall be required~~a writing which is not intended to constitute the final agreement, which~~ at a minimum shall:

- ~~(1).~~ Describe the services to be performed;
- ~~(2).~~ Specify the amount of compensation to be paid pursuant to the verbal authorization and writing letter of intent/notice to proceed or the rates or fees which will be utilized to determine such compensation; and
- ~~(3).~~ Specify a date for completion or the anticipated duration of the services (except in instances where the nature of the services makes an estimate of the time required impossible or impracticable or where the contract is a retainer for the performance of services over an extended period of time on an “as-needed” basis and contains provisions allowing termination by the Authority at any time without cause).

For the avoidance of doubt, such letter of intent/notice to proceed shall NOT constitute the final Service Contract.

- C. Miscellaneous ~~service~~ Service Contracts ~~contracts~~ shall contain those provisions of ~~paragraph Article VI.A.~~ and ~~of~~ other standard forms of contract deemed appropriate by an Authorized Officer.

Article VII - Responsibilities of Services Contractors

In each Service Contract, A service contractor shall have the following responsibilities:

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

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

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

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

- A. Each ~~Division/Department of an~~ Authority shall maintain records, for each fiscal year, of the following contracts entered into by the Authority at the request of such Division/Department: ~~(1) Personal Service Contracts~~ in the actual or estimated amount of \$15,000 or more; and ~~;(2) Miscellaneous Service Contracts~~ in the actual or estimated amount of \$15,000 or more; ~~and~~ ~~iii) purchase contracts in an actual or estimated amount of \$15,000 or more.~~
- B. The ~~Authority's~~ Authorized Officer shall designate a Division or Department which shall be responsible for preparing a report at the end of each fiscal year with respect to the foregoing contracts. With respect to each such contract, the report shall contain the following information:
 - ~~(1)~~ Name of ~~C~~ contractor;
 - ~~(2)~~ Short description of the services involved;
 - ~~(3)~~ Amounts paid pursuant to the contract as of the end of such fiscal year;
 - ~~(4)~~ The selection process used;
 - ~~(5)~~ Status of the contract;
 - ~~(6)~~ If it was exempt from advertising in the NYSCR pursuant to Article IV ~~.C.(C)~~ of these Service Contract Guidelines, state that and include a basis for such exemption;
 - ~~i) a statement to that effect; and~~
 - ~~ii) the basis for such exemption;~~

- ~~(7).~~ Whether the contract was entered into with a New York State business enterprise or a foreign business enterprise, as those terms are defined in Public Authorities Law §-2879-;
- ~~(8).~~ Whether the contract was entered into with an MWBE or SDVOB; and
- ~~(9).~~ Referrals to and penalties imposed by the Director of DMWBD pursuant to Executive Law §-316.

- C. Each Authority shall submit a copy of such report to the Board of the Authority upon its completion.

Article X ~~Personal Service Contracts Requiring Approval of the~~ – Board Approval

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

- A. Personal Service Contracts ~~of all Authorities:~~ All personal all Personal Service service contracts-Contracts entered into by an Authority in the actual or estimated amount in excess of \$100,0001 million or more, except if awarded to the lowest responsible bidder, pursuant to competitive sealed bids; ~~and, and;~~
- B. ~~B.~~ — Miscellaneous Service Contracts: See Article II(C) of these Service Contract Guidelines-all Miscellaneous Service Contracts entered into by an Authority in the actual or estimated amount in excess of \$1 million, unless awarded pursuant to competitive sealed bids.

Article XI - Change Orders

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

- A. The Service Contract did not initially equal or exceed the applicable monetary ~~or~~ durational threshold for ~~Board~~ approval set forth in Article XI or Article II of these Service Contract Guidelines and the applicable threshold is equaled or exceeded as a result of the change order or amendment. This provision applies to all Service contracts-Contracts subject to these Service Contract Guidelines, ~~including budget adjustments to estimated quantity contracts previously approved by the Board which exceed the threshold.~~
- B. ~~B.~~ — The Service Contract was approved by the Board and the change order or amendment, including any change orders or amendments since Board approval was last obtained, results in a substantial change in the contract as determined by an Authorized Officer. Notwithstanding the foregoing, Board approval of change orders shall only be required if the change order is over \$1 million. In order to avoid splitting change orders or amendments to below \$1 million for the purpose of avoiding the Board approval requirements of this Article XI.B., the CPO of the relevant Authority must approve

multiple change orders or amendments to the same contract and for the same scope of work, if all such change orders or amendments for any rolling 12-month period would equal to or be more than \$1 million.

For example only, if change order #1 is issued in March Year 1 for \$600,000, change order #2 is issued in June Year 1 for \$300,000 and change order #3 is issued in January Year 2 for \$200,000 (all for the same scope of work), then the CPO would be required to approve change order #3 because the total amount would be \$1.1 million for the rolling 12-month period from March Year 1 to March Year 2, and further the CPO would need to approve any other change order issued during any rolling 12-month period which would bring that 12-month period total to be equal to or greater than \$1 million. 750,000, or over \$250,000 if the change order exceeds 15% of the adjusted contract value, provided that a change order over \$250,000 must be approved by the Authority president or his or her designee.

~~C. The Miscellaneous Service Contract was awarded pursuant to the General Contract Guidelines and the change order or amendment equals or exceeds the requirements for Board approval under Article IX of the General Contract Guidelines.~~

CD. Notwithstanding the foregoing, an Authorized Officer may enter into a change order or amendment without Board approval in any of the following situations as determined by an Authorized Officer,

- ~~(1.)~~ The existence of an emergency, other critical need or unforeseen circumstance;
- ~~(2.)~~ The risk of a substantial increase in cost or delay if prompt action is not taken; or
- ~~(3.)~~ The change order ~~is for a Design-Build contract and such change order~~ does not change the total contract price to exceed the contract project budgeted cost, including contingency.

DE. The Chairman ~~or Chief Operating Officer~~ shall establish policies with respect to the delegation of responsibilities set forth in this Article.

Article XII – Miscellaneous

- A. Any provision of these Service Contract Guidelines may be waived by the Chairman, an Authority President or the Board, or such individuals as they may designate, except to the extent prohibited by law. A waiver may also be in the form of a ratification. If a contract is federally assisted, prior to issuing a waiver, consideration should be given to the steps which may be taken to assure that federal assistance is not jeopardized.
- B. No Board Committee action or Authority policy, other than one approved by the Chairman, shall be inconsistent with these Service Contract Guidelines.
- C. -An Authority may not divide or split any contract or series of contracts for the purpose of avoiding the requirements of these Service Contract Guidelines, provided that with regard to discretionary contracts awarded under Article V.B. -III(D), an Authority may divide requirements for the purpose of unbundling contracts to create discretionary contracting opportunities.

- D. Nothing in these Service Contract Guidelines shall preclude the Authority from accepting bids ~~/or~~ proposals utilizing an electronic bidding system that may inform bidders whether their bid is the current low bid, and allow bidders to submit new bids before the date and time assigned for the opening of bids. Such procedure shall not constitute disclosure in violation of Section 2878 of the Public Authorities Law.
- E. A Service Contract awarded by an Authority pursuant to the provisions of these Service Contract Guidelines may provide that the Service Contract includes the requirements of one or more other Authorities.
- F. The Authority shall prepare a publicly available report no less frequently than annually, summarizing procurement activity by the Authority for the period of the report, in accordance with the reporting requirements of Section 2879(6) of the Public Authorities Law.
- G. These Service Contract Guidelines are intended for the guidance of officers and employees of the Authority only. Nothing contained herein is intended or shall be construed to confer upon any person, firm or corporation any right, remedy, claim or benefit under or by reason, of any requirement or provision thereof.
- H. An Authority may contract for a service available through an existing contract between a contractor and ~~the State of New York or the City of New York or~~ another public Authority (not New York State) if: ~~(1)i~~ the existing contract, ~~if not awarded by the State of New York,~~ was awarded pursuant to a process of competitive sealed bids or a competitive ~~request for proposals~~RFP; ~~(2)ii~~ the Authority's Authorized Officer determines that the price and other commercial terms specified in the contract are satisfactory; and ~~(3)iii~~ if Board authorization would otherwise be required under these Service Contract Guidelines, the Board adopts a resolution by a majority vote of the members of the Board present at a meeting at which a quorum is in attendance, which sets forth the reasons why obtaining such service is in the public interest a competitive process is impractical or inappropriate and authorizes the Authority to enter into the Service Contract.
- I. An Authority may contract for a service available through an existing contract between a contractor and a New York State agency or authority (including OGS), the City of New York or Nassau County (except for NYCT, SIRTOA and MaBSTOA, as to Nassau County only) if: (1) the Authority's Authorized Officer determines that the price and other commercial terms specified in the contract are satisfactory; and (2) if Board authorization would otherwise be required under these Service Contract Guidelines, the Board adopts a resolution by a majority vote of the members of the Board present at a meeting at which a quorum is in attendance , which sets forth the reasons why obtaining such service is in the public interest and authorizes the Authority to enter into the Service Contract.
- Hj. If an Authority enters into a Service Contract pursuant to these Service Contract Guidelines, and such Service Contract allows all other Authorities to utilize the same Service Contract, then no further action is required. For the avoidance of doubt, the

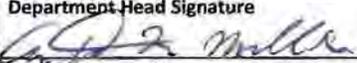
provisions of Article II.C. and Article XI shall apply to change orders to all such Service Contracts.

K. Nothing contained in these Service Contract Guidelines shall be deemed to alter, affect the validity of, modify the terms of or impair any contract or agreement made or entered into in violation of, or without compliance with, the provisions of these Service Contract Guidelines.

L.K. Where applicable federal, state or local laws, ordinances, codes, rules or regulations contain requirements which are in conflict with or which impose greater obligations upon the Authority than these Service Contract Guidelines, then such requirements shall take precedence over those contained herein.

M.± For those Service Contracts for which the Office of the State Comptroller (“OSC”) has requested review and approval pursuant to Public Authorities Law §2879-a, if the Authority has not received OSC approval or disapproval within thirty days of submission to the OSC, the Authority may enter into such Service Contract without further waiting for such review and approval.

Staff Summary

Subject All Agency Paid Family Leave Program
Department Human Resources
Department Head Name Anita L. Miller, Chief Emp. Rel. & Admin. Officer
Department Head Signature 
Project Manager Name Anita L. Miller, Chief Emp. Rel. & Admin. Officer

Date June 24, 2019
Vendor Name N/A
Contract Number N/A
Contract Manager Name N/A
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance	6/24/2019			
2	Board	6/26/2019			

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

Purpose:

To obtain MTA Board approval of the MTA Paid Family Leave Program (“PFLP” or Program) for all non-represented employees at the MTA Agencies.

MTA seeks Board approval authorizing the MTA Chairman and CEO, Managing Director, or Chief Employee Relations and Administration Officer, or other authorized officer of the MTA, to take such other actions as may be necessary or desirable to effectuate and to implement the PFLP, including without limitation promulgating policy and other documentation in connection therewith.

Discussion:

Public Authorities Law Section 2824 requires Board adoption of certain programs and policies concerning leave and attendance. Pursuant to the New York State Paid Family Leave Act, all MTA Agencies except Long Island Rail Road and Metro-North Railroad, will provide paid family leave to all non-represented employees. Due to their federally regulated status, Long Island Rail Road and Metro-North Railroad will provide a “mirror program” to their non-represented employees. Together, the MTA Agencies’ provisions of this benefits, either by statute or through the mirror program, will constitute the PFLP.

Currently, there are up to approximately 10,000 non-represented employees across all MTA Agencies who may be eligible to participate in the PFLP.

The PFLP will provide eligible non-represented employees with up to 10 weeks of leave (increasing to 12 weeks in 2021). The leave is paid at 55% of the employee’s salary with a cap of 55% of the State Average Weekly Wage (currently the cap is at \$746.41 and it will increase slightly over the next two years). The leave covers time to bond with a child after birth or adoption, leave to care for a family member with a serious medical condition, and leave when a family member goes on active military duty. The leave does not cover an employee’s own medical conditions. Paid family leave will run concurrently with leave under the Family and Medical Leave Act (“FMLA”) where the reason for the leave is also a qualifying event under FMLA.

The New York Paid Family Leave Act, under which the PFLP is based, is the nation's strongest and most comprehensive state paid family leave policy. Adoption of the PFLP will allow MTA to support its working families by providing some paid benefits for extended absences from work, where those absences are not covered by the use of accrued leave time.

The PFLP is currently for non-represented employees only. Pursuant to the New York Paid Family Leave Act, represented employees must collectively bargain for this benefit. This proviso also applies to the Long Island Rail Road and Metro-North Railroad mirror program.

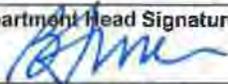
Financial Impact:

The estimated costs of the Program are \$227,000 in 2019, \$313,000 in 2020, and \$436,000 in year 2021 and each year thereafter. MTA based this estimate on data showing how many employees took child bonding leave in prior years.

Recommendation:

It is recommended that the Board approve the implementation of the PFLP for non-represented employees at the MTA Agencies, including the execution and delivery of such other documents, and the taking of all other actions, as from time to time deemed necessary or desirable by MTA's Chairman and CEO, Managing Director, or Chief Employee Relations and Administrative Officer, or other authorized officer of the MTA, in connection with the Program.

Staff Summary

Subject 2019 State PWEF Assessment
Department Chief Financial Officer
Department Head Name Robert E. Foran
Department Head Signature 
Project Manager Name David E. Keller 

Date June 3, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	6/26	X		
2	Board	6/26	X		

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

Purpose: To authorize actions relating to the payment of the State assessment on the MTA and its constituent agencies for the Public Work Enforcement Fund for calendar 2019.

Discussion: Chapter 511 of the Laws of 1995, as amended, requires State agencies and authorities to pay to the State Comptroller an assessment based upon 1/10 of 1% of the value of public work (construction) contracts entered into (excluding rolling stock contracts). The assessments are deposited in the State Public Work Enforcement Fund to reimburse the State Department of Labor for its costs in enforcing the State's prevailing-wage law. The State and the MTA have entered into a simple annual estimate-and-settlement procedure agreement. Payments are made each year based upon the estimated amount of public works contracts and are adjusted to reflect the actual experience from the prior year. The 2019 payment, therefore, is based upon a 2019 estimate and an adjustment for 2018.

Based on the actual average spending rates, it is assumed that in calendar year 2019, MTA's constituent agencies are projected to let \$2.489 billion worth of construction and design-build contracts, which is \$620 million decrease in contract values from the actual 2018 level of \$3.109 billion. These calculations include commitments from the April 25, 2018 Board approved 2015-2019 Capital Program Amendment as well as updated Superstorm Sandy estimates for 2010-2014.

In 2018, the estimated 2018 assessment of \$2,908,107 was less than the actual assessment of \$3,109,998 by \$201,891. This underpayment, when added to the estimated 2019 assessment of \$2,489,367 requires a total payment of \$2,691,258.

Financial Implications: The 2019 MTAHQ Budget contains sufficient funds for this payment.

Recommendation: The Board should authorize staff to remit the 2019 assessment, including the adjustment for the 2018 underpayment, to the State Department of Labor.

PROCUREMENTS

The Procurement Agenda this month includes 7 actions for a proposed expenditure of \$43 M.

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 June 18, 2019
Vendor Name Various
Contract Number Various
Contract Manager Name Various
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance	6/24/2019	X		
2	Board	6/26/2019	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 Majority Vote:

Schedule F: Personal Service Contracts

	<u># of Actions</u>	<u>\$ Amount</u>
Schedule F: Personal Service Contracts	1	\$ 884,000
SUBTOTAL	1	\$ 884,000

MTAHQ 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 Work Contracts)

Schedule C: Competitive Requests For Proposals (Award of Purchase and Public Work Contracts)	2	\$ 12,200,000
Schedule F: Personal Service Contracts	2	\$ 25,985,500
Schedule I: Modifications to Purchase and Public Works Contracts	1	\$ 2,750,000
SUBTOTAL	5	\$ 40,935,500

MTAHQ proposes to ratify procurements in the following categories:

Schedules Requiring Majority Vote:

Schedule K: Ratification of Completed Procurement Actions

Schedule K: Ratification of Completed Procurement Actions	1	\$ 1,297,800
SUBTOTAL	1	\$ 1,297,800
TOTAL	7	\$ 43,117,300

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.

JUNE 2019

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

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. | <p>Crowe LLP</p> <p>Capital Program Development</p> <p>Contract No. 15457</p> <p>Non-competitively negotiated – 6 months</p> | <p>\$884,000</p> <p>(not-to-exceed)</p> | <p><u>Staff Summary Attached</u></p> |
|----|--|--|---|

Board approval is sought to retain Crowe LLP to fulfill the statutory mandate of section 1279-f of the New York Public Authorities Law (“NY PAL”), which requires the MTA to, among other things, contract with a Certified Public Accounting Firm (CPAF) to conduct an independent, comprehensive forensic audit that will include an examination of and detailed accounting of the authority’s capital elements by agency, including rolling stock, buses, passenger stations, track, line structures, signals and communication, power stations, substations, shops, yards and depots. Such audit shall be performed in accordance with Generally Accepted Government Auditing Standards. The firm shall review and confirm the quality of existing inventory and condition assessment datasets and their ability to support the MTA’s state of good repair analyses and investment strategies. The firm will also review, per the above legislation, the 2015-19 capital program for cost overages and duplication. This contract will be awarded pursuant to a declaration of critical need to forgo formal advertising requirements and conduct a competitive process to the extent practicable to meet the statutory deadline that was established by NY PAL §1279-f and 1279-e. The need for this declaration and immediate procurement derives from new legislation that requires the MTA submit a report to the MTA Board by January 1, 2020. This legislative requirement was cited by both the Governor and the Mayor of New York City in their 10-Point Plan released on February 26, 2019. Crowe’s initial proposal was \$669K but, subsequent to the passing of legislation that added substantial activities to the scope of the consultants’ work, Crowe modified its proposal to meet the additional requirements. Their fee increased accordingly to a total of \$884K due to an estimated 539 added hours. The average hourly rates proposed are 12% less than rates currently paid by the MTA for similar audit services. This action seeks approval of a total not-to-exceed \$884K for this engagement. Based on the foregoing, Crowe final pricing has been found to be fair and reasonable. A responsibility review of Crowe conducted pursuant to the All-Agency Responsibility Guidelines revealed no significant adverse information and Crowe has been found to be responsible.

Staff Summary

Schedule F: Personal Service Contracts

Item Number: 1						SUMMARY INFORMATION																			
Dept & Dept Head Name: Office of the General Counsel, Thomas Quigley, Esq, General Counsel						Vendor Name: Crowe, LLP																			
Division & Division Head Name: Finance, Donald Spero						Contract Number: 15457																			
Board Reviews						Description: Capital Planning Process Review																			
<table border="1" style="width:100%; border-collapse: collapse;"> <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>Finance</td> <td>6/24/19</td> <td>X</td> <td></td> <td></td> </tr> <tr> <td>2</td> <td>Board</td> <td>6/26/19</td> <td>X</td> <td></td> <td></td> </tr> </tbody> </table>						Order	To	Date	Approval	Info	Other	1	Finance	6/24/19	X			2	Board	6/26/19	X			Total Amount: \$883,725	
Order	To	Date	Approval	Info	Other																				
1	Finance	6/24/19	X																						
2	Board	6/26/19	X																						
Internal Approvals						Contract Term (Including Options, if any): 180 Days																			
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>Order</th> <th>Approval</th> <th>Order</th> <th>Approval</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Procurement</td> <td></td> <td></td> </tr> <tr> <td>2</td> <td>Legal</td> <td></td> <td></td> </tr> <tr> <td>3</td> <td>CFO</td> <td></td> <td></td> </tr> </tbody> </table>						Order	Approval	Order	Approval	1	Procurement			2	Legal			3	CFO			Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Order	Approval	Order	Approval																						
1	Procurement																								
2	Legal																								
3	CFO																								
						Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																			
						Procurement Type: <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive																			
						Solicitation Type: <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Declaration of Critical Need																			
						Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:																			

Narrative

I. PURPOSE/RECOMMENDATION

Board approval is sought to retain Crowe LLP to fulfill the statutory mandate of section 1279-f of the New York Public Authorities Law ("NY PAL"), which requires the MTA to, among other things, contract with a Certified Public Accounting Firm (CPAF) to conduct an independent, comprehensive forensic audit that will include an examination of and detailed accounting of the authority's capital elements by agency, including rolling stock, buses, passenger stations, track, line structures, signals and communication, power stations, substations, shops, yards and depots. Such audit shall be performed in accordance with Generally Accepted Government Auditing Standards. The firm shall review and confirm the quality of existing inventory and condition assessment datasets and their ability to support the MTA's state of good repair analyses and investment strategies. The firm will also review, per the above legislation, the 2015-19 capital program for cost overages and duplication. Crowe will prepare, a completed report to be submitted to the MTA Board by January 1, 2020, and to be posted on MTA's website 30 days thereafter.

II. DISCUSSION

Pursuant to Article II of the All-Agency Service Contract Procurement Guidelines, the Chairman and CEO authorized the declaration of the critical need to forgo formal advertising requirements and conduct a competitive process to the extent practicable to meet the statutory deadline that was established by NY PAL §1279-f and 1279-e. The need for this declaration and immediate procurement derives from new legislation that requires the MTA submit a report to the MTA Board by January 1, 2020. This legislative requirement was cited by both the Governor and the Mayor of New York City in their 10-Point Plan released on February 26, 2019.

Working within the time constraints imposed by the legislation, a Selection Committee consisting of the Deputy Comptroller, the Asst. Auditor General, and the Director of Capital Program Management was formed to vet consulting firms and make a recommendation for submission to the Board.

In advance of soliciting proposals, and drawing on the several decades of combined experience working on various initiatives with consulting industry leaders, the Steering Committee identified four CPAF's (Grant Thornton, BDO, RSM and Crowe). The CPAF's were believed to have particularly strong and applicable expertise in the framework of generally accepted government auditing standards and meet the requirements of section 1279-f of the recently enacted amendment to the public authorities' law for an independent forensic auditor.

All four of these CPAF's were invited for discussions regarding the project and to submit proposals. Only Crowe submitted a proposal. The other firms indicated that they were unable to propose for reasons that included an inability to find partners with the required capital program knowledge and/or concerns regarding the risks associated with performing based on the new legislation. Following a review of the proposal, the Selection Committee determined that Crowe understood the MTA's needs, could perform the require services within the prescribed timeframe and that they were able to demonstrate the necessary experience.

Crowe's initial proposal was \$669K but, subsequent to the passing of legislation that added substantial activities to the scope of the consultants' work, Crowe modified its proposal to meet the additional requirements. Their fixed fee increased accordingly to a total of \$884K due to an estimated 539 added hours. The average hourly rates proposed are 12% less than rates currently paid by the MTA for similar audit services. This action seeks approval of a total not-to-exceed \$884K for this engagement. Based on the foregoing, Crowe final pricing has been found to be fair and reasonable.

A responsibility review of Crowe conducted pursuant to the All-Agency Responsibility Guidelines revealed no significant adverse information and Crowe has been found to be responsible.

III. D/M/WBE INFORMATION

The MTA Department of Diversity and Civil Rights (DDCR) has established 15% MBE and 15% WBE goals on this contract. Crowe, LLP has submitted an MWBE utilization plan that exceed the 30% MWBE requirement. Crowe, LLP has not completed any MTA contracts; therefore, no assessment of the firm's MWDBE performance can be determined at this time.

IV. IMPACT ON FUNDING

Funding is included in the MTA HQ Operating Budget.

V. ALTERNATIVES

None recommended.

JUNE 2019

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

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

- | | | |
|--|---|---|
| <p>2-3. Various
 On-Call Asbestos Abatement,
 Environmental Remediation and
 Disposal Services
 Contract No. 42640
 Competitively negotiated – 3 proposals – 36 months with 2 one-year options</p> <p>a. ETS Contracting, Inc.
 b. Pinnacle Environmental</p> | <p>\$12,200,000
 (not-to-exceed)</p> | <p><u>Staff Summary Attached</u></p> |
|--|---|---|

Board approval is sought to award indefinite quantities contracts to Pinnacle Environmental Corporation and ETS Contracting for on-call asbestos abatement, environmental remediation and disposal services to support NYC Transit and Long Island Railroad. The period of performance is three years plus a unilateral MTA option to extend for an additional two years. The aggregate budget for these contracts is not-to-exceed \$7.2 million for NYC Transit and \$5 million for Long Island Railroad. The MTA Office of System Safety recognizes that work sites at MTA’s NYCT & LIRR facilities may contain hazardous materials including asbestos, lead, and biological agents. These materials can pose a risk to the health and safety of MTA employees, customers, and the public if not remediated and safely disposed. A pool of pre-qualified contractors is necessary to support this regulatory requirement in a timely fashion to meet project schedules. Task Orders will be issued on a mini-bid basis by each agency. The subject contracts will replace asbestos abatement contracts that expire in September 2019. Following a competitive RFP process, two firms were recommended for award by the Selection Committee – ETS Contracting Inc. and Pinnacle Environmental. Pinnacle presented a thorough technical proposal with competitive rates, positive safety rating and relevant experience. ETS Contracting also proposed competitive rates, positive safety rating and a demonstrated a well-developed approach and management structure. Negotiations yielded best and final offers in the following amounts: (1) \$2M for NYC Transit services and an average labor rate of \$154 for LIRR services from ETS; and (2) \$2.3M for NYC Transit services and an average labor rate of \$126 for LIRR services from Pinnacle. Based on the foregoing, Procurement finds Pinnacle’s and ETS’ BAFOs for NYC Transit and LIRR services fair and reasonable. A responsibility review of Pinnacle and ETS conducted pursuant to the All-Agency Responsibility Guidelines revealed no significant adverse information and Pinnacle and ETS have been found to be responsible.

JUNE 2019

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

F. Personal Service Contracts

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

- | | | | |
|----|---|--------------------------------------|--------------------------------------|
| 4. | CB Richard Ellis, Inc.
On-Call Real Estate Brokerage
Services
Contract No. 11417-0100
Competitively negotiated – 4 proposals – 36 months with 2 one-year options | \$7,360,000
(fixed price) | <u>Staff Summary Attached</u> |
|----|---|--------------------------------------|--------------------------------------|

Board approval is sought to award a competitively-negotiated, all-agency miscellaneous procurement contract to CB Richard Ellis, Inc. (CBRE) (the “Broker”) to provide real estate brokerage, advisory, design and project management services to MTA Real Estate (“RED”) for a five-year period with two one-year extensions to be exercised at the MTA’s sole discretion. The proposed fixed price of \$7,360,000 will cover brokerage management fees for Grand Central Terminal and East Side Access payable monthly. All other fees, including commissions and architectural & engineering/project management will be paid pursuant to negotiated rates established in the Agreement and defrayed using proceeds from rebates provided by Broker for lease or sale of MTA Properties. Following a competitive RFP process, a selection committee determined that CBRE offered the most innovative technologies and was the most technically qualified with superior value-added services including cutting edge technology and marketing tools designed to maximize revenue. The MTA requested fixed cost proposals for brokerage and advisory services at GCT and ESA, and commission schedules for leased-in and leased-out transactions. Through negotiations, CBRE agreed to lower this fee to a maximum of \$7,360,000. CBRE also proposed rates for architectural, engineering and project management services that were comparable to those of the other proposers. Expenditures for these additional services will be funded primarily from commission rebates held in an escrow account managed by MTA Real Estate. In addition to compensating the Broker, the MTA reserves the right to compensate any cooperating broker(s) representing prospective tenants based on a fee calculated in accordance with the methodology outlined in the contract, which fees will be reported to the Board. Based on the forgoing CBRE’s pricing is considered fair and reasonable. All other transactional costs and expenses associated with Leased-In/Leased Out and Master Lease transactions (excluding the East Side Access master lease additional fee) including commissions and costs for optional services, to the extent they are not paid from the Commission Rebate Account, will be reported to the Board by MTA Real Estate when seeking authorization to proceed with a transaction. A responsibility review of CBRE conducted pursuant to the All-Agency Responsibility Guidelines revealed no significant adverse information and CBRE has been found to be responsible.

JUNE 2019

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

- | | | | |
|-----------|---|---|--------------------------------------|
| 5. | Eye-Med Vision Care LLC
All Agency Vision Benefits
Contract No. 15332
Competitively negotiated – 3 proposals – 30 months with 2 one-year options | \$18,625,500
(not-to-exceed) | <u>Staff Summary Attached</u> |
|-----------|---|---|--------------------------------------|

Board approval is sought to award a competitively negotiated, all agency personal services contract to EyeMed Vision Care, LLC, to provide vision care benefits, inclusive of eye testing, glasses and contact lenses for non-represented employees and some represented employees. The period of performance is four and a half years, from July 1, 2019 through December 31, 2021, plus two one-year options for a total not-to-exceed amount of \$18,625,500 including options. MTA offers vision benefits plans to all agencies' non-represented employees and retirees, and certain represented employees and retirees. Under the new contract, EyeMed will administer all plans, including the 15 MTA – all agency plans and a consolidated single plan for SSSA and TSO. Following a 2-step RFP process, a Selection committee unanimously recommended EyeMed for award based on the technical evaluation and lowest pricing. EyeMed's original proposal of \$4,255,000 per annum was negotiated to \$4,139,000 for a total 4.5-year contract cost of \$18,625,500, and EyeMed BAFO proposal is \$2,979,000 less than Empire's final offer. EyeMed's self-insured pricing remained at a competitive \$4,087,000 per annum, \$131,000 less per year than its competitor's offer. The proposed rates in the contract are firm for the term inclusive of options. The MTA is proceeding with fully insured benefits with EyeMed for at least one year while retaining the ability to change to self-insurance after evaluating the members' participation in the plan. Because plan members from other providers are being consolidated into one plan, it is less risky for the MTA to be fully insured due to initial unpredictable claims volumes and utilization. Once benefits participation become predictable, the MTA can re-evaluate and switch, if appropriate, from fully to self-insured benefits and pricing. Based on the above, pricing is deemed to be fair and reasonable. A responsibility review of EyeMed Vision Care, LLC, conducted pursuant to the All-Agency Responsibility Guidelines revealed no significant adverse information and EyeMed has been found to be responsible.

JUNE 2019

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

I. Modifications to Purchase and Public Work Contracts

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

6.	Interface Cable Assemblies And Services Corp. As-needed Cabling Services Contract No. 60000000017718, Modification No. 3 Base Amount: \$4,460,300 Current Value: \$5,198,100 Proposed New Contract Value: \$7,948,100	\$2,750,000 (not-to-exceed)	<u>Staff Summary Attached</u>
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Board approval is requested to modify a contract with Interface Cable Assemblies and Services Corp. (ICAS) to provide cabling installation services to support MTA's expansion and full deployment of state-of-the-art Kronos time and attendance systems at approximately 1,100 NYCT locations. The proposed work will be performed for an amount not to exceed \$2,750,000. ICAS provided a 5% reduction below the current contract pricing on materials. All hourly rates are based on the current prevailing wages and as negotiated in the base agreement. Final pricing will be subject to actual work performed and exact number of Kronos clocks installed. All pricing and terms for this Modification No. 3 are deemed fair and reasonable. A background search and review of documents submitted by ICAS disclosed no "significant adverse information" within the meaning of the All-Agency Responsibility Guidelines.

Staff Summary

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



Item Number: 2-3						SUMMARY INFORMATION	
Dept & Dept. Head Name: LIRR President; Phillip Eng NYC Transit Office of Safety and Security; Robert Dicht						Vendor Name: See below Pinnacle Environmental Corporation	
Division & Division Head Name: LIRR Office of Corporate Safety; Lori Ebbighausen NYCT Office of System Safety; Carl Hamann						Contract Number: 42640-0100/0200	
						ETS Contracting	
						Description: Asbestos Abatement, Environmental Remediation Contracting Services & Waste Disposal	
						Total Amount: \$12.2M	
						NYCT \$7.2 Million aggregate Budget LIRR - \$5 Million Aggregate Budget	
Board Reviews						Contract Term (including Options, if any): 3 Years plus 2-year option	
Order	To	Date	Approval	Info	Other		
1	Finance	06/24/19	X				
2	Board	06/26/19	X				
						Option(s) Included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
						Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
						Procurement Type:	
						<input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Internal Approvals						Solicitation Type:	
Order	Approval	Order	Approval				
1	Procurement	4	CFO				
2	Legal	5	NYCT System Safety				
3	DDCB	6	LIRR Corp Safety Dept				
						Funding Source:	
						<input checked="" type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other	

I. PURPOSE/RECOMMENDATION

Board approval is sought to award indefinite quantities contracts to Pinnacle Environmental Corporation and ETS Contracting for on-call asbestos abatement, environmental remediation and disposal services to support NYC Transit and Long Island Railroad. The period of performance is three years plus a unilateral MTA option to extend for an additional two years. The aggregate budget for these contracts is not-to-exceed \$7.2 million for NYC Transit and \$5 million for Long Island Railroad.

II. DISCUSSION

The MTA Office of System Safety recognizes that work sites at MTA's NYCT & LIRR facilities may contain hazardous materials including asbestos, lead, and biological agents. These materials can pose a risk to the health and safety of MTA employees, customers, and the public if not remediated and safely disposed. A pool of pre-qualified contractors is necessary to support this regulatory requirement in a timely fashion to meet project schedules. Task Orders will be issued on a mini-bid basis by each agency. The subject contracts will replace asbestos abatement contracts that expire in September 2019.

The RFP was publicly advertised in the Contract Reporter, El Diario, and NY Post, and three firms submitted proposals – Pinnacle, ETS and PAL. The Selection Committee, consisting of Agency representatives from MTA Bus Company (Environmental Department Manager), NYC Transit Department Office of System Safety (Manager), NYC Transit Department of Subways (Facilities Manager), LIRR Corporate Safety Department, and Capital Program Management (Director of Occupational & System Safety). Firms were evaluated based: 1). Relevant experience and qualifications, 2). Approach to the work, 3). Compliance, quality, proposal, and oral presentation, 4). Diversity practices, and 5). Cost. The Committee decided to forego oral presentations because all three firms were familiar with worksite requirements and conditions. Instead, the Committee opted for interviews with the key personnel and the firms were required to respond to a series of questions regarding worksite performance, staffing, and availability. Firms were also given the opportunity to clarify information in their technical proposals.

Pinnacle presented a thorough technical proposal with competitive rates, positive safety rating and relevant experience. ETS Contracting also proposed competitive rates, positive safety rating and a demonstrated a well-developed approach and management structure. The third firm was not selected based on disclosures of safety issues on prior remediation projects and a lack of immediately available in-house personnel to staff work assignments. The Committee agreed to invite Pinnacle and ETS for negotiations.

III NEGOTIATIONS

NYC Transit pays for work based on unit rates. Based on NYC Transit's workloads, Pinnacle's initial proposal valued the NYC Transit work at \$2.4 million vis-a-vis ETS's initial proposal of \$2.5 million and the in-house estimate of \$1.9 million. Following negotiations that focused on rates and scope, Pinnacle's pricing was reduced by \$74K, still about 16.4 % higher than the in-house estimate. Negotiations with ETS yielded a \$300k or 11.8% reduction, though the amount is still \$250k or 12.5% higher than the in-house estimate. The higher pricing for both firms is attributable to new regulatory requirements for silica testing (not required prior to 2019) that took effect after the in-house estimate was developed. A revised estimate that accounts for these new regulatory requirements valued the total scope at \$2.2 million. Accounting for that change, Pinnacle's pricing is within 5.7% of the revised estimate and ETS' pricing is about 1% higher.

LIRR pays for work based on hourly rates and estimated an average salary of \$97 per hour based on the rates utilized in the prior contract. Pinnacle and ETS initially proposed average hourly rates of \$143 and \$150 respectively. Following negotiations, Pinnacle reduced its hourly rates to \$126. ETS revised its pricing up from \$150 to \$154 in order to account for the need to use equipment operators. After negotiations, LIRR revised its estimate to \$139 per hour, reflecting current market rates based on Consumer Price Index and Prevailing Wage Rate changes. Based on these revisions, the pricing offered by Pinnacle and ETS are 9% lower and 10% above the in-house estimate respectively. The variance between the awardees' pricing is attributed to ETS' utilization of unionized subcontractors for heavy equipment operations; whereas, Pinnacle is able to supplement the labor force with in-house personnel. Based on the foregoing, Procurement finds Pinnacle's and ETS' BAFOs for NYC Transit and LIRR services fair and reasonable.

A responsibility review of Pinnacle and ETS conducted pursuant to the All-Agency Responsibility Guidelines revealed no significant adverse information and Pinnacle and ETS have been found to be responsible.

III. D/M/WBE INFORMATION

The MTA Department of Diversity and Civil Rights (DDCR) has established 15% MBE, 15% WBE and 6% SDVOB goals on this contract. ETS Contracting and Pinnacle Environmental has submitted an MWBE utilization plan that are currently under review. Contracts will not be awarded without DDCR approval. ETS Contracting has achieved its previous MWDBE goals on previous MTA contracts. Pinnacle Environmental has not completed any MTA contracts with MWDBE goals; therefore, no assessment of the firm's MWDBE performance can be determined at this time.

IV. IMPACT ON FUNDING

Two contracts will be awarded and the funding for these contracts are available from NYC Transit's Operating budget and LIRR's Operating and Capital budgets.

V. ALTERNATIVES

Perform the services with in-house personnel. This alternative is not feasible because the MTA currently lacks the available in-house personnel able to perform this area of work.

Staff Summary

Schedule F: Personal Service Contracts

Item Number: 4 Dept & Dept Head Name: Chief Development Officer / Janno Lieber Division & Division Head Name: Real Estate / Christopher Nesterczuk						SUMMARY INFORMATION Vendor Name: CB Richard Ellis, Inc.		Contract Number: 11417-0100	
Description: Real Estate Brokerage, Advisory and Design Services						Total Amount: \$ 7,360,000			
Board Reviews						Contract Term (including Options, if any) July 1, 2019 to June 30, 2026			
Order	To	Date	Approval	Info	Other	Option(s) Included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
1	Finance	06/24/19	X			Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
2	Board	06/26/19	X			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 checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:			
1	Procurement	4	Legal						
2	Real Estate	5	CFO						
3	DDCB								

Narrative

I. PURPOSE/RECOMMENDATION

Board approval is sought to award a competitively-negotiated, all-agency miscellaneous procurement contract to CB Richard Ellis, Inc. (CBRE) (the "Broker") to provide real estate brokerage, advisory, design and project management services to MTA Real Estate ("RED") for a five-year period with two one-year extensions to be exercised at the MTA's sole discretion. The proposed fixed price of \$7,360,000 will cover brokerage management fees for Grand Central Terminal and East Side Access payable monthly. All other fees, including commissions and architectural & engineering/project management will be paid pursuant to negotiated rates established in the Agreement and defrayed using proceeds from rebates provided by Broker for lease or sale of MTA Properties.

II. DISCUSSION

The MTA is seeking to optimize both its leased-in (i.e. office space leased by MTA from landlords) and leased-out (i.e. MTA owned properties leasing to retail tenants) portfolio by engaging the services of a broker experienced in real estate transactions and project management to provide: i) a comprehensive review of the MTA leased-in portfolio to identify opportunities for reducing occupancy costs and ii) advisory and retail brokerage for Grand Central Terminal (GCT), East Side Access (ESA), and retail space at various stations, and iii) architectural and engineering services that support the optimization of both leased-in and leased-out facilities.

The Request for Proposals (RFP) was publicly advertised and notification advising potential proposers of its availability was sent to 14 real estate firms. Four proposals were received. The Selection Committee consisted of the MTA Real Estate's Director, Metro North Railroad's Deputy Director of Capital Planning, NYC Transit's Assistant Chief Officer of Planning, Long Island Rail Road's Chief Financial Officer, and MTA's Grand Central Terminal Director of Retail Leasing & Management. The evaluation criteria were: i) experience of the proposer's team, ii) experience with government agencies, iii) acceptance of terms and conditions of MTA Agreement, iv) added value services, v) cost, and vi) diversity practices.

Following a review of the technical proposals and oral presentations, the Selection Committee determined that CBRE offered the most innovative technologies and was the most technically qualified. CBRE offered superior value-added services including cutting edge technology and marketing tools designed to maximize revenue. The remaining three firms were not shortlisted because they failed to demonstrate the depth of personnel and technology offered by CBRE.

III. NEGOTIATIONS

The MTA requested fixed cost proposals for brokerage and advisory services at GCT and ESA, and commission schedules for leased-in and leased-out transactions. For GCT and ESA, the four proposals ranged in price from \$6.6 million to \$11.9 million, with CBRE the second lowest at \$7,410,000. Through negotiations, CBRE agreed to lower this fee to a maximum of \$7,360,000. Their pricing includes:

- a one-time strategy fee of \$250,000;
- a dedicated account management fee of \$2,555,000;
- a brokerage services fee of \$3,605,000;
- a one-time master lease commission for ESA that will be based on a commission schedule capped at \$950,000;
- of the firms that proposed on the ESA master lease, the CBRE pricing and cap were the lowest.

CBRE also proposed rates for architectural, engineering and project management services that were comparable to those of the other proposers. Similarly, all four proposers offered comparable brokerage commission schedules for leased-in and leased-out transactions. Expenditures for these additional services will be funded primarily from commission rebates held in an escrow account managed by MTA Real Estate. In addition to compensating the Broker, the MTA reserves the right to compensate any cooperating broker(s) representing prospective tenants based on a fee calculated in accordance with the methodology outlined in the contract, which fees will be reported to the Board.

Based on the forgoing CBRE's pricing is considered fair and reasonable.

All other transactional costs and expenses associated with Leased-In/Leased Out and Master Lease transactions (excluding the East Side Access master lease additional fee) including commissions and costs for optional services, to the extent they are not paid from the Commission Rebate Account, will be reported to the Board by MTA Real Estate when seeking authorization to proceed with a transaction.

A responsibility review of CBRE conducted pursuant to the All-Agency Responsibility Guidelines revealed no significant adverse information and CBRE has been found to be responsible.

III. D/M/WBE INFORMATION

The MTA Department of Diversity and Civil Rights assigned goals of 0% MBE and 0% WBE to this contract, with the justification being that requirement is effectively a single trade and does not allow for subcontracting opportunities given the MTA's unique requirements. CBRE 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

This contract will be funded through Operating Funds.

V. ALTERNATIVES

Perform the Services In-House. This is not a feasible alternative. The MTA does not have the resources or the trained personnel to adequately perform the required work with its own forces.

Staff Summary

Schedule F: Personal Service Contracts

Item Number: 5					
Dept & Dept Head Name: Human Resources					
Division & Division Head Name: HR & Retirement Systems, Margaret Connor, Sr. Director					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	Finance	6/24/19	X		
2	Board	6/26/19	X		
Internal Approvals					
Order	Approval	Order	Approval		
1	Procurement	4	CFO		
2	Legal				
3	DDCR				

SUMMARY INFORMATION	
Vendor Name: EyeMed Vision Care, LLC	Contract Number: 15332
Description: Vision Benefits	
Total Amount: \$18,625,500 (not to exceed)	
Contract Term (including Options, if any): July 1, 2019 – December 31, 2023	
Option(s) included in Total Amount?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Renewal?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other	

Narrative

I. PURPOSE

Board approval is sought to award a competitively negotiated, all agency personal services contract to EyeMed Vision Care, LLC, to provide vision care benefits, inclusive of eye testing, glasses and contact lenses for non-represented employees and some represented employees. The period of performance is four and a half years, from July 1, 2019 through December 31, 2021, plus two one-year options for a total not-to-exceed amount of \$18,625,500 including options.

II. DISCUSSION

MTA offers vision benefits plans to all non-represented employees and retirees, and certain represented employees and retirees. There are currently more than 40,000 subscribers who participate in multiple plans provided by EyeMed, United Health Care (UHC) and CPS, for a total participating membership of approximately 130,000 including dependents. The aforementioned providers offer a total of 19 different plan designs, of which 15 are multi-agency plans and four (4) are for the NYCT Subway Surface Supervisors Association (SSSA) and the Transit Supervisors Organization (TSO). Under the new contract, EyeMed will administer all plans, including the 15 MTA all agency plans and a consolidated single plan for SSSA and TSO.

A two-step Request for Proposal process was used, starting with a prequalification step to identify firms that met the MTA's minimum requirements for a contract award of Employee Vision Benefits in both or either, fully insured and/or self-insured plans. The prequalified firms then received the detailed RFP package in Step 2.

The prequalification requirements included a) meeting all minimum New York State regulatory jurisdiction and approval requirements and insurance net worth and reserve requirements, b) demonstrating a network of providers within the tri-state area, Pennsylvania, Florida, North Carolina and South Carolina c) offerings of both fully and self-insured PPO, d) currently contracts for services to a minimum of three employers with at least 20,000 covered, e) current membership of one million participants and f) an insurance A.M Best or Standard & Poor's rate of no less than A-. Eight (8) firms submitted responses, of which five qualified and moved onto step 2: Avesis/GVS (partnered), Empire BCBS, EyeMed, MetLife and UHC.

The evaluation criteria were: i) Quality of RFP Proposal with the ability to match requested plan designs; ii) Account Management; iii) Support service: resources; people, technology, call center, custom web, and mobile applications; iv) Implementation resources, proposed to meet a speedy go live timeline, and willingness to work and cooperate with MTA; v) Other Proposal Considerations (Non-Financial)(contract terms, reporting capabilities, and additional services); vi) Proposer's Network inclusive of network access and provider disruption; vii) Financial ; viii) Proposer's Diversity Practices.

MTA used Mercer Health & Benefits LLC, a benefits consulting firm, to assist in the RFP process. Mercer assisted with the preparation of solicitation documents, provided financial modeling and pricing analysis, as well as other support services.

The selection committee consisted of: MTALIRR Director of Employee Services, MTAHQ Assistant Deputy Director of Employee Benefits, a second Assistant Deputy Director of Employee Benefits. Following the evaluation of the technical proposals, the competitive range was reduced to Eye Med and Empire BCBS based on their ability to meet plan design requirements and least disruption to employees (inclusion of currently utilized providers in the proposed network) as well as strong access results (geographic accessibility of the proposed network to current members). Both vendors were invited for oral presentations. Following oral presentations and further review of their technical proposals, the committee determined that EyeMed and Empire were generally comparable. Accordingly, the selection committee recommended EyeMed for award based on its lower pricing.

EyeMed's original proposal for fully-insured plans of \$4,255,000 per annum was negotiated to \$4,139,000 for a total 4.5-year contract cost of \$18,625,500, about \$2.8 million less than Empire's final offer. The contract also provides the option for MTA to convert to a self-insured plan. Under that scenario, EyeMed's estimated price would be about \$4.1 million or about \$100k lower than Empire's self-insured plan offer. The proposed rates in the contract are firm for the term inclusive of options.

The MTA is proceeding with fully insured benefits with EyeMed for at least one year while retaining the ability to change to self-insurance after evaluating the members' participation in the plan. Because plan members from other providers are being consolidated into one plan, it is less risky for the MTA to be fully insured due to initial unpredictable claims volumes and utilization. Once benefits participation become predictable, the MTA can re-evaluate and switch, if appropriate, from fully to self-insured benefits and pricing.

Based on the above, pricing is deemed to be fair and reasonable.

A responsibility review of EyeMed Vision Care, LLC, conducted pursuant to the All-Agency Responsibility Guidelines revealed no significant adverse information and EyeMed has been found to be responsible.

III. D/M/WBE INFORMATION

The MTA Department of Diversity and Civil Rights (DDCR) has established 0% MWBE/SDVOB goals on this contract because the participant data and benefit contract provisions are considered highly sensitive and confidential in nature. Subcontracting to third parties would increase the risk and exposure of confidential information.

IV. IMPACT ON FUNDING

The contract is funded by each agency from its operating budget.

V. ALTERNATIVES

1. Perform all services in-house. This alternative is not feasible since performing these functions in house would require the hiring of additional full and part-time employees, including associated overhead costs, which would not be cost effective.
2. Do not approve award of the contract. This alternative is not recommended because these are benefits that MTAHQ must provide its employees.

Staff Summary

Schedule I: Modifications to Purchase and Public Work Contracts

Item Number: **6**

Page 1 of 1

Vendor Name (& Location): Interface Cable Assemblies and Services Corp (ICAS)	Contract Number: 600000000017718	AWO/Modification # 3
Description: System Wide Telecommunications Cabling Contract	Original Amount:	\$4,460,300
Contract Term (including Options, if any): N/A	Prior Modifications:	\$ 737,825
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Prior Budgetary Increases:	\$ 0
Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	Current Amount:	\$5,198,125
Solicitation Type: <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	This Request:	\$2,750,000
Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	% of This Request to Current Amount:	47%
Requesting Dept/Div & Dept/Div Head Name: MTA IT/ Michael Moran	% of Modifications (including This Request) to Original Amount:	78%

DISCUSSION:

Board approval is requested to modify a contract with Interface Cable Assemblies and Services Corp. (ICAS) to provide cabling installation services to support MTA’s expansion and full deployment of state-of-the-art Kronos time and attendance systems at approximately 1,100 NYCT locations. The proposed work will be performed for an amount not to exceed \$2,750,000.

In April 2017, a three-year public work contract was awarded to ICAS to provide as-needed installation of telecommunications cabling throughout the NYCT system. ICAS provides pickup, transportation & delivery of cable and supplies, site assessments and all labor, materials, and equipment necessary for cable installation services in the contract amount of \$4,460,300. Two previous modification were issued for additional site surveys and cabling services in support of the MTA’s Enterprise Asset Management Project totaling \$737,825.

In May 2019, the Chairman announced the need for all MTA agencies to be transitioned to a biometric time and attendance system that will replace manual/paper based tracking and modernize the MTA’s recordkeeping. Full deployment of the Kronos Time & Attendance System will provide full visibility and transparency on MTA’s existing timekeeping management, business rules and internal processes while eliminating potential opportunities for fraud and abuse. This implementation of one unified system throughout the MTA will improve work force management and financial accountability.

ICAS has previously installed cabling for Kronos clocks at multiple NYCT locations under the same agreement and will eventually retrofit approximately 487 existing Kronos clocks with the biometric feature and install approximately 854 new Kronos clocks at NYCT stations, rail yards and other NYCT facilities. Upon completion, there will be 1100 NYCT sites with biometric clocks.

ICAS provided a 5% reduction below the current contract pricing on materials. All hourly rates are based on the current prevailing wages and as negotiated in the base agreement. Final pricing will be subject to actual work performed and exact number of Kronos clocks installed. All pricing and terms for this Modification No. 3 are deemed fair and reasonable.

A background search and review of documents submitted by ICAS disclosed no “significant adverse information” within the meaning of the All-Agency Responsibility Guidelines.

JUNE 2019

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.)

- | | | | |
|----|---|---------------------------------------|--------------------------------------|
| 7. | AlixPartners, LLP
Digital and Technology Strategy
Consulting Services
Contract No. TBD
Non-competitively negotiated – 4 months | \$1,297,800
(not-to-exceed) | <u>Staff Summary Attached</u> |
|----|---|---------------------------------------|--------------------------------------|

Board approval is sought to retain AlixPartners to provide project management, business process reviews and development of core policies and procedures for MTA’s Time & Attendance Expansion Project for an amount not to exceed \$1,297,800. Pursuant to Article II of the All-Agency Service Contract Procurement Guidelines, the Chairman and CEO authorized a declaration of critical need to forgo formal advertising requirements and award this non-competitive contract in order to update an important internal control system across the MTA. The need for the declaration and immediate procurement derived from New York State legislation that required the MTA to complete and submit a restructuring plan by June 30, 2019. This additional engagement will add another component to AlixPartners’ work in order to provide advice and oversight of the rollout of additional and new biometric timekeeping systems throughout the MTA. AlixPartners will support the Time & Attendance Expansion Project, providing full visibility and transparency on MTA’s existing timekeeping management, business rules and internal processes. As a result of negotiations conducted in connection with this procurement, AlixPartners provided a discount of 10% from its standard fees. Accordingly, AlixPartners’ final pricing has been found to be fair and reasonable. A responsibility review of AlixPartners conducted pursuant to the All-Agency Responsibility Guidelines revealed no significant adverse information and AlixPartners has been found to be responsible.

Staff Summary

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

Item Number: 7

Vendor Name (& Location): AlixPartners, LLP	Contract Number: TBD	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Description: Consulting Services for Expansion and Full Deployment of MTA's Time and Attendance System	Total Amount: \$1,297,800 NTE	
Contract Term (including Options, if any): Four (4) 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 checked="" type="checkbox"/> No	Requesting Dept/Div & Dept/Div Head Name: Shared Services, Wael Hibri	
Procurement Type: <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive	Contract Manager: R. Matela	
Solicitation Type: <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Declaration of Critical Need		

DISCUSSION:

Board approval is sought to retain AlixPartners to provide project management, business process reviews and development of core policies and procedures for MTA's Time & Attendance Expansion Project for an amount not to exceed \$1,297,800

Pursuant to Article II of the All-Agency Service Contract Procurement Guidelines, the Chairman and CEO authorized a declaration of critical need to forgo formal advertising requirements and award this non-competitive contract in order to update an important internal control system across the MTA. The need for the declaration and immediate procurement derived from New York State legislation that required the MTA to complete and submit a restructuring plan by June 30, 2019. This additional engagement will add another component to AlixPartners' work in order to provide advice and oversight of the rollout of additional and new biometric timekeeping systems throughout the MTA. AlixPartners will support the Time & Attendance Expansion Project, providing full visibility and transparency on MTA's existing timekeeping management, business rules and internal processes.

AlixPartners is best suited to perform this work in light of the organizational knowledge it has acquired from its forensic review and analysis of the MTA performed under another engagement. The activities under this engagement are a logical extension of the services AlixPartners is currently performing because MTA's current timekeeping systems were identified as an integral transparency and cost control measure requiring reformation.

Supporting the Time & Attendance Expansion Project, AlixPartners will perform 2 major tasks as follows:

- I. Project Management & Oversight
 - provide independent advisory of project activities, assess existing site security, work force management and financial accountability,
 - develop detailed plans for deployment of biometric timekeeping systems at all of the MTA agencies
 - provide best practice strategies and tools for time management and risk mitigation.

- II. Policies & Procedures
 - gather and assess the policies in use today
 - assess unique business needs for each agency and MTA as a whole
 - develop core policies and procedures consistent with the business needs, equipment operation, and the exceptions than can be expected within the MTA.

AlixPartners will provide up to five consultants (two full time) to support the first project management task over a 16-week period for a total fixed cost of \$900K. In addition, \$84K has been allocated for out-of-pocket expenses conforming to the current NYS travel and incidentals reimbursable guidelines. Additionally, AlixPartners will provide one full time and one part-time consultant for the development of policies & procedures over an 8-week period at a cost not-to-exceed \$313,800. The cost of this second task also includes travel and incidentals that are similarly capped.

As a result of negotiations conducted in connection with this procurement, AlixPartners provided the MTA a discount of 10% from its standard fees. Accordingly, AlixPartners' pricing has been found to be fair and reasonable.

A responsibility review of AlixPartners conducted pursuant to the All-Agency Responsibility Guidelines revealed no significant adverse information and AlixPartners has been found to be responsible.

III. D/M/WBE INFORMATION

The MTA Department of Diversity and Civil Rights has established no MWBE goals on this contract due to the declaration of critical need associated to this procurement. AlixPartners, LLP has not completed any MTA contracts; therefore, no assessment of the firm's MWDBE performance can be determined at this time.

IV. IMPACT ON FUNDING

Funding is included in the MTA HQ Operating Budget.

V. ALTERNATIVES

None recommended.

JUNE 2019
MTA REAL ESTATE
LIST OF REAL ESTATE ACTION ITEMS FOR
BOARD APPROVAL

MTA LONG ISLAND RAIL ROAD

License agreement with Eagle Scaffolding Services Inc. for parking at Amityville Station

Lease agreement with Trestle Tavern Corp. for a bar/restaurant at Valley Stream Station

License with Marlene Realty Co., LLC for access and parking, Ridgewood, New York

License with Giulio Marini for storage of building materials and parking, Hillside, New York

Lease agreement with Off the Diet, LLC at Lawrence Station

Lease agreement with Cheffield Caffettiera LLC at Riverhead Station

License Agreement with Bistran Materials, Inc. for vacant land at 86 Industrial Road, Montauk, New York

Lease modification and extension with One Penn Plaza LLC for the lease at 1 Penn Plaza, New York, New York

MTA METRO NORTH RAILROAD

License with AutoZone Parts, Inc. for staging and access at Port Chester, New York

Lease agreement with Winfield Street Rye LLC at Rye station

MTA NEW YORK CITY TRANSIT

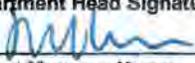
Lease between BKLYN Commons, LLC and New York Transit for office space at 7 Marcus Garvey Blvd., Brooklyn, New York

Amendment of Sublease for 53rd Street Tunnel

Leasehold Acquisition of City of New York Property in Staten Island

MTA LONG ISLAND RAIL ROAD

Staff Summary

Subject LICENSE AGREEMENT FOR PARKING, AMITYVILLE, NEW YORK
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name ROBERT GOLDBERG

Date JUNE 24, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	6/24/19	X		
2	Board	6/26/19	X		

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

AGENCY: MTA Long Island Rail Road ("LIRR")
 LICENSEE: Eagle Scaffolding Services Inc.
 LOCATION: Adjacent to 67 Mill Street, Amityville, New York
 ACTIVITY: License of property for parking
 ACTION REQUESTED: Authorization to enter into a license agreement
 TERM: 5 years, terminable at will by LIRR on 60 days' notice, at no cost
 LICENSED AREA: Approximately 5,625 square feet of space of LIRR property located on the Babylon Branch in Amityville, New York
 COMPENSATION: \$18,125.00 for lease year 1, with 3% annual increases throughout the term

COMMENTS:

The following proposal was received for the Location pursuant to an RFP offered in October 2018:

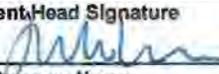
Proposer Name	Year 1	Year 2	Year 3	Year 4	Year 5	Net Present Value
Eagle Scaffolding Services Inc.	\$18,125.00	\$18,668.75	\$19,228.82	\$19,805.69	\$20,399.87	\$78,596.20

The incumbent, Eagle Scaffolding Services Inc., was the only respondent.

Eagle Scaffolding Services Inc., at its sole cost and expense, will be responsible for improving, operating and maintaining the Licensed Area, as well as providing liability and insurance coverage. Renovations will include repairing the parking lot, repairing / painting the fencing and cleaning and cutting back the vegetation. The principal, Michael Paladino, will provide a limited personal guaranty of Licensee's obligations under the license agreement, in addition to a customary security deposit.

Based on the foregoing, MTA Real Estate requests authorization for LIRR to enter into a license agreement with Eagle Scaffolding Services Inc. on the above-described terms and conditions.

Staff Summary

Subject LEASE AGREEMENT FOR A BAR and RESTAURANT, VALLEY STREAM, NEW YORK
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name ROBERT GOLDBERG

Date JUNE 24, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	6/24/19	X		
2	Board	6/26/19	X		

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

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

LESSEE: Trestle Tavern Corp.

LOCATION: 149-153 S. Franklin Avenue, Valley Stream, New York

ACTIVITY: Master Lease of space under the LIRR trestle containing two separate retail spaces for use as a bar and a restaurant

ACTION REQUESTED: Authorization to enter into a master lease agreement

TERM: 10 years, with an option for one 5-year renewal term

PREMISES: 2 retail stores, comprising approximately 3,205 total square feet of space

COMPENSATION: \$52,500 for year 1, with 3% annual increases throughout the term including the extension option

COMMENTS:

The incumbent occupant of the Location, Trestle Tavern Corp., was the only proposer to offer a proposal in response to a Request for Proposals (the "RFP") offered in October 2018. The pertinent financial terms of the proposal are as follows:

Proposer Name	Year 1	Year 2	Year 3	Year 4	Year 5	
Trestle Tavern Corp.	\$52,500.00	\$54,075.00	\$55,697.25	\$57,368.16	\$59,089.20	
Trestle Tavern Corp.	Year 6	Year 7	Year 8	Year 9	Year 10	Net Present Value
	\$60,861.88	\$62,687.73	\$64,568.36	\$66,505.41	\$68,500.57	\$415,827.58

The proposed rents are higher than the estimation of fair market rental value as determined by an appraisal prepared by an independent appraiser. Trestle Tavern Corp. proposes to master lease the entire building. It will occupy and operate the bar in the building for its own use, and will sublease the restaurant in the building to a third party. Trestle Tavern Corp., at its sole cost and expense, will be responsible for renovating, operating and maintaining the Premises, as well as providing liability and insurance coverage. Renovations will include new kitchen equipment, counters, cabinets, ceiling and ceiling light fixtures, as the Premises will continue to be used as a bar and a separate restaurant. The principal of

Staff Summary

FINANCE COMMITTEE MEETING

LEASE AGREEMENT FOR A BAR / RESTAURANT, VALLEY STREAM, NEW YORK (Cont'd.) Page 2 of 2

Trestle Tavern Corp., William Faas, will provide a personal limited guaranty of Lessee's obligations under the lease agreement in addition to the Lessee's customary security deposit

Based on the foregoing, MTA Real Estate requests authorization for LIRR to enter into a lease agreement with Trestle Tavern Corp. on the above-described terms and conditions.

Staff Summary

Subject LICENSE AGREEMENT FOR ACCESS AND PARKING IN RIDGEWOOD, QUEENS
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature
Project Manager Name ANDREW GREENBERG

Date JUNE 24, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	6/24/19	X		
2	Board	6/26/19	X		

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

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

LICENSEE: Marlene Realty Co., LLC ("Marlene"), formerly known as Blanrose Realty Corp.

LOCATION: Fresh Pond Road, Ridgewood, Queens, New York

ACTIVITY: License renewal for LIRR property to provide an adjacent property owner access and parking for its retail property

ACTION REQUESTED: Authorization to enter into a license agreement

TERM: 10 years, terminable at will by LIRR on 60 days' notice, at no cost

LICENSED AREA: Approximately 10,893 square feet of LIRR property located on the eastside of Fresh Pond Road, south side of Montauk Branch Right of Way at Fresh Pond Road, Ridgewood, Queens, NY

COMPENSATION: \$2.25 per square foot for year one, with 3% annual increases.

Year	Annual Rent	Monthly Rent
1	\$24,509.25	\$2,042.44
2	\$25,244.53	\$2,103.71
3	\$26,001.86	\$2,166.82
4	\$26,781.92	\$2,231.83
5	\$27,585.38	\$2,298.78
6	\$28,412.94	\$2,367.74
7	\$29,265.33	\$2,438.78
8	\$30,143.29	\$2,511.94
9	\$31,047.58	\$2,587.30
10	\$31,979.01	\$2,664.92

Rent above includes 3% annual rent increases.

COMMENTS:

The License Area is approximately 10,893 square feet to the rear of the Licensee's retail stores. Marlene, formerly known as Blanrose Realty Corp. will be responsible for performing any and all necessary improvement work, operation and

Staff Summary

FINANCE COMMITTEE MEETING

LICENSE AGREEMENT FOR ACCESS AND PARKING IN RIDGEWOOD, QUEENS (Cont'd.) Page 2 of 2

maintenance of the site, as well as providing liability and insurance coverage, at its sole cost and expense. The Licensee will resurface the parking lot at its sole cost and expense.

The existing Licensee is in occupancy as a holdover tenant. The compensation represents a 69% increase to the existing compensation. MTA Real Estate ordered a Broker's Opinion of Value (the "BOV") of the location. The BOV concluded that, based upon comparable parking in the vicinity, an annual compensation of \$24,509.25 (\$2.25 psf) represents a fair and reasonable value.

The MTA Real Estate Department Policies and Procedures for the Licensing of Real Property allows for the licensing of property without the need for competitive bidding through a Request for Proposals (an "RFP") under the following circumstances, among others, when an RFP would not otherwise generate competition: (a) when there have been no inquiries on a property within the past 12 months (Circumstance #1); and, (b) when a property is located such that only a single adjacent owner can make use of such property (Circumstance #3). The property was approved for this use by the LIRR.

Based on the foregoing, MTA Real Estate requests authorization for the LIRR to enter into a license agreement with Marlene Realty Co., LLC based upon the above described terms and conditions.

Staff Summary

Subject LICENSE FOR STORAGE SPACE AND PARKING IN HILLSIDE, QUEENS
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature
Project Manager Name ANDREW GREENBERG

Date JUNE 24, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	6/24/19	X		
2	Board	6/26/19	X		

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

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

LICENSEE: Giulio Marini

LOCATION: Under LIRR Viaduct, north of Liberty Avenue, Hillside, Queens, New York

ACTIVITY: License renewal to provide an adjacent property owner use of two separate parcels of LIRR's property under the LIRR viaduct for storage of building materials and parking of trucks

ACTION REQUESTED: Authorization to enter into a license agreement

TERM: 10 years, terminable at will by LIRR on 60 days' notice, at no cost

LICENSED AREA: Two parcels totaling approximately 23,230 square feet of land located under the LIRR viaduct, between 177th and 180th Streets, on the north side Liberty Avenue, in Queens, New York

COMPENSATION: \$3.00 per square foot for year one, with 3% annual increases.

Year	Annual	Monthly
1	\$69,690.00	\$5,807.50
2	\$71,780.70	\$5,981.73
3	\$73,934.12	\$6,161.18
4	\$76,152.14	\$6,346.01
5	\$78,436.71	\$6,536.39
6	\$80,789.81	\$6,732.48
7	\$83,213.50	\$6,934.46
8	\$85,709.91	\$7,142.49
9	\$88,281.21	\$7,356.77
10	\$90,929.64	\$7,577.47

(amounts above reflect 3% annual escalations)

Staff Summary

FINANCE COMMITTEE MEETING

LICENSE FOR STORAGE SPACE AND PARKING IN HILLSIDE, QUEENS (Cont'd.)

COMMENTS:

MTA Real Estate is seeking authorization to renew an existing license agreement with Mr. Giulio Marini. The Licensed Area is comprised of two parcels of land totaling approximately 23,230 square feet of LIRR property to be used by Mr. Marini for storage of building materials and truck parking in conjunction with his business located on the adjacent property. Mr. Marini will be responsible for operating and maintaining the Licensed Area, and must provide the required liability and insurance coverage, at his sole cost and expense. Currently Mr. Marini occupies the Licensed Area on a holdover basis with LIRR's permission. The proposed compensation represents an 85% increase over the existing compensation and is consistent with the estimation of market value for the Location as determined by a Broker's Opinion of Value obtained by MTARE for the Location.

The MTA Real Estate Department Policies and Procedures for the Licensing of Real Property allows for the licensing of property without the need for competitive bidding through a Request for Proposals (an "RFP") when, as is the case here, an RFP would not otherwise generate competition because the property is located such that only a single adjacent owner can make use of such property. LIRR has approved the proposed use.

Based on the foregoing, MTA Real Estate requests authorization for the LIRR to enter into a license agreement on the above described terms and conditions.

Staff Summary

Subject LEASE AGREEMENT FOR THE LAWRENCE STATION
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature
Project Manager Name RAYMOND SMYTH

Date June 24, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	6/24/19	X		
2	Board	6/26/19	X		

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

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

LESSEE: Off the Diet, LLC

LOCATION: Lawrence Station, Far Rockaway Branch, Nassau County

ACTIVITY: Lease of station building for a restaurant

ACTION REQUESTED: Approval of additional terms

TERM: 10 years plus one option to extend for a 5 year extended term

SPACE: 1,280± square feet

RENT: \$21,600 for lease year 1 with 3% annual increases through lease year 10, with the base rent for the five-year option term to be reset to the fair market value but not less than 10% of the prior year, and annual 3% increases thereafter

COMMENTS:

In May 2019, the Board approved the terms of a lease agreement for the LIRR Lawrence station building to be entered into by the LIRR pursuant to the attached Staff Summary. The Staff Summary did not include approval to grant the tenant an option to extend the 10-year lease term for an additional 5-year term, which the tenant now desires to have included in the lease agreement consistent with the Request for Proposals ("RFP"). The RFP seeking a lease for the Lawrence station building offered respondents a 10-year term plus an additional 5-year renewal option if the proposer desired. If the option to extend is exercised, Lessee will pay as base rent for the first year of the 5-year extension term the fair market value of the premises as determined by an independent appraisal process for the first year of the renewal term or 103% of the base rent payable under the lease for Lease Year 10, whichever is greater, with 3% annual increases for the remaining 4 years of the extension term.

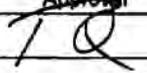
Based on the foregoing, MTA Real Estate requests approval for LIRR to enter into a lease agreement for a 10-year term with an option for lessee to extend for an additional 5-year term on the terms set forth above and otherwise on the terms and conditions approved in the May 2019 Staff Summary.

Staff Summary

Subject LEASE AGREEMENT FOR LAWRENCE STATION
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name RAYMOND SMYTH

Date MAY 20, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	5/20/19	X		
2	Board	5/22/19	X		

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

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

LESSEE: Off the Diet LLC

LOCATION: Lawrence Station, Far Rockaway Branch, Nassau County

ACTIVITY: Lease of station building for a restaurant

ACTION REQUESTED: Authorization to enter into lease agreement

TERM: Ten years

SPACE: 1,280± square feet

COMPENSATION: \$21,600 for lease year 1 with 3% annual increases through lease year 10

COMMENTS:

On July 27th, 2018, a Request for Proposals (RFP) was issued for the leasing of LIRR station buildings in Woodmere, Riverhead, Douglaston, and Lawrence. The RFP solicited interested parties seeking to re-purpose the station buildings into retail use. Respondents could submit proposals on one, multiple, or all the locations.

One proposal was received for the Lawrence Station building. Off the Diet LLC proposed a base term of 10 years with starting rent of \$21,600 (\$16.88 per square foot) with 3% annual increases. At a 7% discount rate, the net present value of the rent proposed by Off the Diet LLC is \$171,081. In addition, Off the Diet LLC has proposed to make capital improvements costing \$433,000 to the station building. While the fair market rental value estimated by an independent appraisal for the entire station building was higher than the base rent proposed by Off the Diet LLC, the MTARED has determined that the proposed transaction will yield to LIRR the fair market value, which takes into account the immediate and continuing value to LIRR of certain permanent improvements, including upgrades to the utility systems and the renovation of the current waiting room that the tenant will pay for.

Baruch Tanami, the co-owner of Off the Diet, LLC, owns and operates Tanami's Falafel located in downtown Lawrence. He plans to relocate his restaurant to the Lawrence station building. Mr. Tanami has a strong local following and a substantial catering clientele. Irving Langer, Mr. Tanami's business partner in the venture, will provide a limited guaranty of tenant's obligations under the lease.

Mr. Tanami and Mr. Langer propose to re-purpose the station building into a full-service restaurant serving breakfast, lunch, and dinner. Menu items include shawarma, falafel, and schnitzel. Minimum hours of operation will be 6am-4pm

Staff Summary

FINANCE COMMITTEE MEETING

 Metropolitan Transportation Authority

LEASE AGREEMENT FOR LAWRENCE STATION BUILDING (Cont'd.)

Page 2 of 2

from Sunday through Thursday although the tenant expects to extend its hours of operation until 10pm on those days. The tenant will not be required to operate on Fridays or Saturdays. The proposed capital investment includes full renovation of the current waiting room and installation of kosher kitchens within the building. Off the Diet LLC will be responsible for maintaining a waiting room for LIRR customers within the building during weekdays. In addition to the rent, the tenant will have maintenance responsibilities within the building.

Based on the foregoing, MTA Real Estate requests authorization for LIRR to enter into a lease agreement with Off the Diet LLC on the above-described terms and conditions.

FOR REFERENCE PURPOSES ONLY

Staff Summary

Subject LEASE AGREEMENT FOR THE RIVERHEAD STATION
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature
Project Manager Name RAYMOND SMYTH

Date June 24, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	6/24/19	X		
2	Board	6/26/19	X		

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

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

LESSEE: Cheffield Caffettiera LLC

LOCATION: Riverhead Station, Ronkonkoma Branch, Suffolk County

ACTIVITY: Lease of the station building for a coffee shop

ACTION REQUESTED: Authorization to enter into lease agreement

TERM: 10 years plus one option to extend for additional 5-year term

SPACE: 1,500± square feet

COMPENSATION: Base Rent waived for Lease Years 1-3 in consideration of substantial investment in improvements to the station building. \$19,500 for Lease Year 4 with 3% annual increases through Lease Year 10

COMMENTS:

On May 2nd, 2019, a Request for Proposals (RFP) was issued for the leasing of the Riverhead station building, which has been vacant and closed to the public for several years. The RFP solicited interested parties seeking to re-purpose the station building into retail use. One proposal was received from Cheffield Caffetteria LLC ("Cheffield").

Cheffield is owned by Robert Pollifrone who also owns Buoy One Restaurants in Riverhead, Westhampton, and Manhattan. In addition, Mr. Pollifrone also owns multiple Hampton Coffee Company franchises. Cheffield proposed to repurpose the station building into a full-service Hampton Coffee Co. franchise. The use will be a coffee shop that will also serve breakfast and lunch items. The menu will include, but not be limited to, small-batch hand-roasted craft coffee, freshly baked homemade muffins and sandwiches, soup, and espresso beverages. Cheffield proposes to invest \$400,000 of improvements into the station building, which includes a conversion from dry to wet use. Mr. Pollifrone will be expected to provide a personal guaranty of completion of the improvements or other security acceptable to MTA Real Estate in addition to the customary tenant security deposit.

Cheffield proposed free rent for the first three Lease Years. It expects the nearby area to improve with impending retail and residential development that mirrors the success of the downtown district across Route 25. Beginning in Lease Year 4, Cheffield proposes to pay \$19,500 (\$13 per square foot) with 3% annual increases through Lease Year 10. At a 7% discount rate, the rental stream yields a net present value of \$93,157. If the extension option is exercised, Cheffield will pay as base

Staff Summary

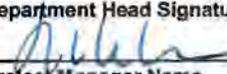
FINANCE COMMITTEE MEETING LEASE AGREEMENT FOR RIVERHEAD STATION (Cont'd.)

rate, the rental stream yields a net present value of \$93,157. If the extension option is exercised, Cheffield will pay as base rent for the first year of the extended term the fair market value of the premises as determined by an independent appraisal process or 103% of the base rent payable under the lease for Lease Year 10, whichever is greater, with 3% annual increases for the remaining 4 years of the extension term. Although the fair market rental value estimated by an independent appraisal for the entire station building was higher than the base rent proposed by Cheffield, MTA Real Estate has determined that the proposed transaction will yield to the LIRR the fair market value, which takes into account the immediate and continuing value to the LIRR of certain permanent improvements, including upgrades to the utility systems, installation of a kitchen, and a full renovation of the interior of the station building all at Cheffield's cost.

MTA Real Estate believes this lease will bring value to the MTA and the surrounding community. Hampton Coffee Company is one of the most well-known homegrown brands on the East End of Long Island with four locations, as well as a significant wholesale and mobile presence. The conversion of the station building to food use will benefit the MTA beyond the term. Interior maintenance of the closed building, which is currently the responsibility of LIRR, will now be the responsibility of the Cheffield.

Based on the foregoing, MTA Real Estate requests authorization for the LIRR to enter into a lease agreement with Cheffield Caffettiera LLC on the above-described terms and conditions.

Staff Summary

Subject LICENSE AGREEMENT FOR VACANT LAND 86 INDUSTRIAL ROAD, MONTAUK, NEW YORK
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name ROBERT GOLDBERG

Date JUNE 24, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	6/24/19	X		
2	Board	6/26/19	X		

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

AGENCY: MTA Long Island Rail Road ("LIRR")
LICENSEE: Bistran Materials, Inc.
LOCATION: Vacant land behind 86 Industrial Road, Montauk, New York
ACTIVITY: License of property for storage
ACTION REQUESTED: Authorization to enter into a license agreement
TERM: 10 years, terminable at will by LIRR on 60 days' notice, at no cost
PREMISES: 29,573 square feet of unimproved property
COMPENSATION: \$30,000 first License Year, with 3% annual increases

COMMENTS:

The following proposal was received for the Premises pursuant to an RFP issued October 2018:

Proposer Name	Year 1	Year 2	Year 3	Year 4	Year 5	Net Present Value
Bistran Materials, Inc.	\$30,000.00	\$30,900.00	\$31,827.00	\$32,781.81	\$33,765.26	
	Year 6	Year 7	Year 8	Year 9	Year 10	
	\$34,778.21	\$35,821.55	\$36,898.19	\$38,005.07	\$39,145.22	\$237,619.02

Bistran Materials, Inc. ("Bistran") currently uses, and will continue to use, the Premises for the storage of sand, top soil, stone and other masonry materials. Bistran will be responsible for performing any and all necessary improvement work, operating and maintaining the Premises, as well as providing liability and insurance coverage, at its sole cost and expense. The principal, Patrick Bistran III, will provide a personal limited guaranty of Licensee's obligations under the license agreement in addition to a customary security deposit.

Based on the foregoing, MTA Real Estate requests authorization for LIRR to enter into a license agreement with the Licensee on the above-described terms and conditions.

Staff Summary

Subject LEASE AMENDMENT AND EXTENSION WITH ONE PENN PLAZA LLC
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature
Project Manager Name ANDREW GREENBERG

Date JUNE 24, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	6/24/19	X		
2	Board	6/26/19	X		

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

AGENCY: Metropolitan Transportation Authority ("MTA") (on behalf of MTA Long Island Rail Road ("LIRR"), MTA Police ("MTAPD") and MTA Metro-North Railroad ("Metro-North"))

LANDLORD: One Penn Plaza LLC, an affiliate of Vornado Realty Trust

LOCATION: 1 Penn Plaza, New York, NY (the "Building")

USE: Back of House and station-related operations for MTAPD, LIRR and Metro-North

ACTIVITY: Reconfiguration, expansion, modification and extension of the lease for Penn Station concourse and track level offices and support areas

ACTION REQUESTED: Authorization to amend and extend a lease

TERM: Approximately 15 years commencing on substantial completion of Landlord's Work (no sooner than January 1, 2020) through August 31, 2036

SPACE: Total of 59,363 Rentable Square Feet ("RSF") as follows:

Existing & Reconfigured Premises

Lower Level 2 (Concourse) – 20,515 Rentable Square Feet ("RSF"), based on a 27% loss factor is comprised of 10,765 RSF of MTA's Existing Premises and 9,750 RSF of Add-On Space. The MTA is surrendering 11,519 RSF ("Recapture Premises").

Expansion Premises

Lower Level 3 (Track Level) – 38,848 RSF, based on a 27% loss factor is comprised of 19,705 RSF of Kmart's premises and 19,143 RSF of existing parking garage premises.

FINANCE COMMITTEE MEETING

LEASE AMENDMENT AND EXTENSION WITH ONE PENN PLAZA LLC (Cont'd)

RENT:	Existing & Reconfigured Premises Rent (20,515 RSF)	
	Years 1-5:	\$69.50 per RSF \$1,425,792.50 per annum
	Years 6-10:	\$76.50 per RSF \$1,569,397.50 per annum
	Years 11-EXP.:	\$83.50 per RSF \$1,713,002.50 per annum
	Expansion Premises Rent (38,848 RSF)	
	Years 1-5:	\$34.75 per RSF \$1,349,968.00 per annum
	Years 6-10:	\$38.25 per RSF \$1,485,936.00 per annum
	Years 11-EXP.:	\$41.75 per RSF \$1,621,904.00 per annum
	Blended Rent (For Total Premises at 59,363 RSF)	
		<u>Approx. \$/RSF</u> <u>Combined Rent per annum</u>
	Years 1-5:	\$46.76 per RSF \$2,775,760.50 per annum
	Years 6-10:	\$51.47 per RSF \$3,055,333.50 per annum
	Years 11-EXP.:	\$56.18 per RSF \$3,334,906.50 per annum

LEASE COMMENCEMENT: Existing & Reconfigured Premises
Upon substantial completion of Landlord's Work, but no sooner than January 1, 2020.

Expansion Premises
Upon the date the MTA gains actual possession of the Kmart premises, parking garage premises, with Landlord's Work substantially completed.

Landlord will provide approximately 4,000 RSF of "swing space" at 1 Penn Plaza to the MTA at \$60.00 per RSF for the duration of the MTA's work within the Expansion Premises.

RENT COMMENCEMENT: Four (4) months following the respective Lease Commencement Dates for the Existing & Reconfigured Premises and the Expansion Premises.

RENEWAL OPTIONS: Three (3) five (5) year terms provided (i) the MTA occupies all of the Premises at that time, (ii) the MTA is not in monetary or material non-monetary default under the lease and (iii) the MTA shall furnish Landlord no less than eighteen (18) months prior written notice, the MTA shall have the right to renew the term of the Lease covering the Premises. The renewal rate for each such term shall be 100% of Fair Market Value ("FMV") as office space.

EXPANSION OPTIONS: None

REAL PROPERTY TAX ESCALATION: The MTA shall be responsible for its proportionate share of the increases in Real Estate Taxes over a 2020 Calendar Base Year. There shall be no increase due prior to the date which is twelve (12) months from the Lease Commencement Date.

OPERATING EXPENSE ESCALATION: The MTA shall be responsible for its proportionate share of actual operating expense increases over a 2020 Calendar Base Year. There shall be no increase due prior to the date which is twelve (12) months from the Lease Commencement Date.

UTILITIES: Electric shall be sub-metered at 102%. The MTA may, at its option, elect to provide its own electricity from Penn Station.

FINANCE COMMITTEE MEETING

LEASE AMENDMENT AND EXTENSION WITH ONE PENN PLAZA LLC (Cont'd)

SERVICES: As per the existing Lease, including, without limitation, any charges set forth in the Lease.

LANDLORD'S WORK:

Landlord, at Landlord's expense, shall perform the following Pre-Commencement Work to both the Existing and Reconfigured Premises and the Expansion Premises, including the MTA's Existing Premises on Lower Level 2 (Concourse):

- Demolish and demise the Premises.
- All Building systems brought to the Premises and fully operational in accordance with agreed upon specifications.
- All exposed structural steel shall be fireproofed.
- Deliver to the MTA a Form ACP-5. If hazardous materials containing asbestos are found in the Premises during Landlord demolition or the MTA construction, Landlord shall manage such hazardous substances as required by law.
- Provide heat, ventilation and air-conditioning ("HVAC") service in season during building hours, currently 8am – 8pm Monday – Friday and from 9am – 1pm on Saturday. Landlord shall maintain the Building HVAC systems and the MTA shall be responsible for all maintenance and repair of the distribution portions of the HVAC systems within the Premises. Condenser water is available for the MTA's supplemental HVAC at a rate of \$450 per ton, per annum. Landlord will waive its tap-in fee related thereto. The MTA reserves the option to provide its own HVAC to service the Premises, including the right to utilize systems from Penn Station.
- The Building shall have a full Class "E" fire system capable of tying in all the MTA's devices. Landlord shall provide MTA with sufficient points for MTA to tie into.
- Provide a temporary sprinkler loop.
- At MTA's option, as part of Landlord's Post- Commencement Work, Landlord shall install a stairwell and elevator connecting Lower Level 2 (Concourse) and Lower Level 3 (Track Level).

TENANT IMPROVEMENT ALLOWANCE:

Landlord shall provide the MTA with a Tenant Improvement Allowance of \$50.00 per RSF for the performance of permanent alterations in the Entire Premises following the submission of paid invoices and lien waivers. The MTA shall be permitted to utilize up to 15% of the Tenant Improvement Allowance for "soft costs" related to the MTA's alterations. Landlord and the MTA will determine during lease negotiations which party shall be responsible for the construction of the Premises.

TENANT'S ADDITIONAL WORK:

Any of the MTA's plumbing work (i.e. restrooms, showers, etc.) shall be located on the northwest portion (or other location if available based upon the MTA's requirements) of Lower Level 3 (Track Level). Details to be coordinated.

MAINTENANCE AND REPAIRS:

Per the existing Lease. Landlord, at its sole cost and expense, shall be responsible for the maintenance and repair of the Building systems and all structural components of the Building. The MTA shall be responsible for all repairs of the distribution portions of the Building systems within and repairs of the Premises. If the MTA shall elect, Landlord shall

FINANCE COMMITTEE MEETING

LEASE AMENDMENT AND EXTENSION WITH ONE PENN PLAZA LLC (Cont'd)

perform such repair at the MTA's expense.

RESTORATION:

No restoration will be required at the end of the lease term for all initial alterations and improvements to the Premises.

SUBORDINATION AND NON-DISTURBANCE:

Currently, there is no recorded financing associated with the Building. Landlord will obtain a SNDA from the fee owner and or future lenders

SECURITY DEPOSIT:

None

COMMENTS:

In February, March and May the Board authorized MTACC and LIRR to enter into a Memorandum of Understanding (the "MOU") with Landlord that will provide for, among other things, widening of and improvements to the Concourse and a new entrance from street level into the Concourse on 33rd Street. This program will renovate and improve LIRR's facilities on the Concourse, improve emergency egress, addresses pedestrian overcrowding and the aging and obsolescence of the operational systems and architectural finishes.

The LIRR's current Concourse Level lease commenced January 1, 2007 and expires on December 31, 2019. The space is currently utilized by: (1) MTAPD for detectives and canine units, (2) LIRR for essential operational staff who must be located within Penn Station, and (3) LIRR train crews. Metro-North train crews (in connection with Metro-North's Penn Access Project) and operational staff will also be incorporated into the space.

The MTA and Landlord, as part of the Concourse Improvement Project, have agreed that the space will be split between the Concourse Level, where it is currently located, and the Track Level. As a result, the MTA will be surrendering approximately 11,519 rsf of Concourse level space keeping only essential operations on that level with the remainder of the space as expanded (approximately 38,848 rsf) to be located on the Track Level. The Track Level space will consist of space to be surrendered by K-Mart and space from Landlord's parking garage that will be combined. Occupancy will be achieved on a staged basis but no sooner than January 1, 2020. During the construction staging period, occupancy of the existing space will continue on a holdover basis with no increase in rent. Although there is no comparable space within the marketplace, the blended rent for the Existing and Expansion space is approximately 33% less than the renewal rent MTA BSC will be paying at 333 West 34th Street.

Based on the foregoing MTA Real Estate requests authorization to amend and extend the existing lease on the terms and conditions referenced above.

MTA METRO NORTH RAILROAD

Staff Summary

Subject LICENSE FOR STAGING AND ACCESS IN PORT CHESTER, NY
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name STEPHEN BROWN

Date JUNE 24, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	6/24/19	X		
2	Board	6/26/19	X		

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

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

LICENSOR: AutoZone Parts, Inc. ("AutoZone")

LOCATION: 136-194 South Main Street, Port Chester, NY adjacent to Metro-North's New Haven Line

ACTIVITY: License to access and use private property for construction staging and access in connection with reconstruction of Metro-North's retaining wall

ACTION REQUESTED: Authorization to enter into a construction access license agreement

TERM: 3 months

SPACE: Portion of Licensor's property and parking lot, including 3 parking spaces (approximately 1,792 square feet total)

COMPENSATION: \$12,956

COMMENTS:

As part of an important bridge replacement project impacting two bridges located on its New Haven Line, Metro-North is replacing a retaining wall that supports its tracks and structures adjacent to an AutoZone retail site in Port Chester. In order to undertake the improvements to the retaining wall, Metro-North requires a license from AutoZone for three months for partial use of its parking lot for contractor staging and access.

It is crucial that the license with AutoZone is obtained now as it will enable Metro-North's work to commence in 2020 when track outages will be available to accommodate replacing the two overloaded and deteriorated bridges and the retaining wall supporting the right of way. The estimated cost to repair the two bridges and the retaining wall is \$21.5M.

After extensive negotiation, AutoZone consented to the license and initially proposed a fee of \$59,200 for the three-month term. AutoZone's staff calculated its fee citing (i) the offsetting of the costs of its ground lease rent; (ii) the Metro-North project's disturbance to its business and (iii) additional administrative and legal expenses. Real Estate responded to AutoZone offering \$3,500 for the term (\$7.81 PSF). Upon further negotiation, MTA Real Estate and AutoZone agreed to a fee of \$12,956, inclusive of all fees and expenses.

If Metro-North is not able to access the wall via the AutoZone site, it will be forced to make repairs from the track side (inside the right of way), at an estimated additional cost of \$1.2M, a cost that is considerably higher than the negotiated

Staff Summary

FINANCE COMMITTEE MEETING

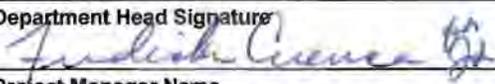
LICENSE FOR STAGING AND ACCESS IN PORT CHESTER, NY (Cont'd.)

cost of the license. Considering the potential scheduling risks and excess fees for the project, Metro-North has requested MTA Real Estate to proceed with obtaining the license at the above negotiated cost of \$12,956.

Real Estate Policy #11 as amended and adopted by the MTA Board in November of 2013 allows MTARE to negotiate access rights required by MTA operating agencies for capital projects or maintenance or repairs of operating facilities without Board approval provided the consideration paid for the access rights does not exceed \$2,000 per month. In this case, the negotiated cost of the access rights for the three months required by Metro-North to rebuild the retaining wall is \$12,956. As the negotiated cost of the access rights exceeds the maximum amount permitted to be paid by under Real Estate Policy #11, Board approval is required.

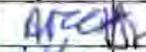
Based on the forgoing, MTA Real Estate requests authorization for Metro-North to enter into a license agreement with AutoZone pursuant to the above-described terms and conditions.

Staff Summary

Subject LEASE AGREEMENT FOR RYE STATION
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name PAUL M. FITZPATRICK

Date JUNE 24, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	MNR Committee	6/24/19		X	
2	Finance Committee	6/24/19	X		
3	Board	6/26/19	X		

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

AGENCY: Metropolitan Transportation Authority ("MTA") and MTA Metro-North Railroad ("Metro-North")

LESSEE: Winfield Street Rye LLC ("Winfield")

LOCATION: Metro-North's Rye Station Building (New Haven Line), 2 Station Plaza, Rye, NY

ACTIVITY: Lease for a café and cocktail bar (the latter use is subject to tenant obtaining a liquor license), with a right to use ancillary space for parking and tables and chairs.

ACTION REQUESTED: Authorization to enter into a lease agreement

TERM: 10 years

SPACE: Approximately 2,615 square feet of space in a one-story, Station Building, with ancillary use of 10 dedicated parking spaces and approximately 150 square feet of the common outdoor area adjacent to the southeast side of the Station Building for tables and chairs.

COMPENSATION: \$24,000 (\$9.18 per square foot) for the first lease year, with annual 3% increases through lease year 10

COMMENTS:

Pursuant to MTA Real Estate's station leasing program, a revised request for proposals ("RFP") was issued in March 2019 seeking proposals to utilize and maintain the Rye Station Building (the "Station"), consisting of a waiting room, mechanical room, ticket agent's office and bathrooms.

One proposal was received in response to the RFP. Winfield proposed an early morning coffee service, daytime café, and in the evenings, a cocktail bar. The proposed rent is equivalent to a present value of \$104,072, using a 7% discount rate. An independent appraisal estimated an annual market rent of \$40,532 per year or \$15.50 per square foot.

The difference between the appraisal and the bid received may be explained by the following factors: This site has specific challenges, including its location across the railroad tracks from downtown Rye, and the amount of work required to provide utilities and transform the space into an attractive and competitive retail space. In order to accomplish this goal, Winfield expects to invest approximately \$290,000.00 in order to open the café and cocktail bar, which includes \$110,000.00 in estimated construction expenses alone. The remaining balance would cover the costs of professional and permitting fees, equipment, lighting, product inventory, and other expenses for items customary for this use.

Staff Summary

FINANCE COMMITTEE MEETING LEASE AGREEMENT FOR RYE STATION (Cont'd.)

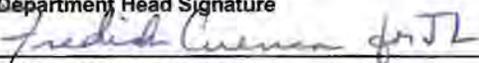
Winfield intends to renovate and utilize the existing former ticket agent's office to provide for a kitchen to operate the café and cocktail bar, and service customers in the Station's public areas, which will be furnished with new tables and chairs. The use of the Station's public areas, including bathrooms, will be non-exclusive to Winfield, allowing the Station to continue to serve as a waiting area for Metro-North passengers, during Winfield's business hours.

Winfield will maintain the interior of the Station, including the plumbing, at its costs, and be responsible for the cost of heat and interior electrical power.

Based on the foregoing, MTA Real Estate requests authorization for MTA and Metro-North to enter into a lease agreement with Winfield Street Rye LLC.

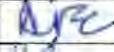
MTA NEW YORK CITY TRANSIT

Staff Summary

Subject LEASE FOR DOB SWING ROOM IN BROOKLYN
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name MICHAEL DANIELS

Date JUNE 24, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	6/24/19	X		
2	Board	6/26/19	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal	15	
2	Chief Development Officer		
3	Chief of Staff		
4	Chief Financial Officer		

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

LESSOR: BKLYN Commons, LLC

LOCATION: 7 Marcus Garvey Blvd., Brooklyn, NY

ACTIVITY: Lease of an office to serve as a swing room for bus operators and dispatchers

ACTION REQUESTED: Authorization to enter into a lease

TERM: 5 years, with an option for one 5-year renewal term

SPACE: Office #206 on the 2nd floor- approximately 300 sq. ft.

BASE RENT::

- 1st year \$27,000.00 per annum
- 2nd year \$27,810.00 per annum
- 3rd year \$28,644.30 per annum
- 4th year \$29,503.63 per annum
- 5th year \$30,388.74 per annum

RENEWAL OPTION: 5 year renewal option term at a renewal term market rent to be mutually agreed upon based upon a Broker's Opinion of Value (BOV) conducted for both parties.

TAX ESCALATION: None

OPERATING EXPENSES: None

WATER & SEWER: Provided by Lessor at its sole cost and expense (rent included basis)

HOURS OF OPERATION: NYCT will have access to the space 24 hours per day, 7 days per week, 365 days per year.

Lessor will cooperate with NYCT to install at the Location's main entrance a swipe or combination access system. If the add-on swipe or combination access device system is in addition to the Location's current system, then the installation cost of the same will be subject to approval and reimbursement by NYCT.

Staff Summary

FINANCE COMMITTEE MEETING

LEASE FOR DOB SWING ROOM IN BROOKLYN (Cont'd)

SHARED KITCHEN AND RESTROOM:	NYCT has 24/7 access to both a shared kitchen and restroom at no additional expense. Provided by Lessor at its sole cost and expense (rent included basis)
CLEANING OF THE OFFICE:	Provided by Lessor at its sole cost and expense (rent included basis)
HEAT & AIR CONDITIONING:	Provided by Lessor at its sole cost and expense (rent included basis)
ALTERATIONS:	At NYCT's sole cost and expense within the office with the Lessor's prior written approval. If Lessor is providing the contractor/vendor, then NYCT needs to give Lessor prior written approval of the costs before the work commences. NYCT will pay the Lessor directly for the work of the Lessor's contractor/vendor, without any mark-up to Lessor. NYCT may make alterations within the premises that are non-structural and do not affect the building systems, unless prior approvals are given by the Lessor after review of NYCT's scope of work and plans.
REPAIRS AND MAINTENANCE:	NYCT will be responsible for all repairs and maintenance costs within the space. Lessor will be responsible for all building systems and structural repairs and maintenance. NYCT will be permitted to have its own refrigerator and microwave within the premises.

COMMENTS:

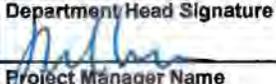
NYCT Department of Buses requested, as outlined in the current Collective Bargaining Agreement (CBA), a swing room at this Location. This swing room will service the operators and dispatchers on the B47 and B15 Bus Lines from the East New York and Grand Avenue Depots as a comfort/relief location at the end of the route. Operators must have a very short walk from the bus termination to the comfort/relief location which makes this Location ideal.

Currently, bus operators and dispatchers have no designed comfort or relief area at the ends of these routes. This space will be utilized 7 days per week, 365/6 days per year. Approximately 100 bus operators and dispatchers will be using this space daily.

The Department of Buses canvassed the area and determined there are no other suitable, alternative spaces in the immediate vicinity. MTA Real Estate performed a search of comparable suitable locations as part of its due diligence (Costar survey) however all of such alternative spaces were much larger than required, and the landlords of those spaces were unwilling to sub-divide the spaces to accommodate the NYCT Department of Buses' needs. Therefore, this Location was the only suitable option. MTA Real Estate's due diligence has determined the negotiated rent of this Location to be within market range for this type of space.

Based on the foregoing MTA Real Estate requests authorization for NYCT to enter into a lease on above described terms and conditions.

Staff Summary

Subject AMENDMENT OF SUBLEASE FOR 53rd STREET TUNNEL
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name ANGELA SZU

Date JUNE 24, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	6/24/19	X		
2	Board	6/26/19	X		

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

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

LESSOR: The City of New York ("NYC")

SUBLESSOR: Roosevelt Island Operating Corporation ("RIOC")

LOCATION: Manhattan Block 1373, portion of Lot 1

ACTIVITY: Amendment of November 1, 1996 sublease ("Original Sublease") to add additional property

ACTION REQUESTED: Authorization to amend the Original Sublease

TERM: Coterminal with RIOC's master lease with NYC, currently set to expire on December 22, 2068, or such later date if the NYC master lease is extended or terminated earlier

SPACE: ± 716.92 SF above ground addition

COMPENSATION: None

COMMENTS:

NYC has leased substantially all of Roosevelt Island to RIOC, as assignee of the New York State Urban Development Corporation under a lease dated December 23, 1969, as amended. RIOC's master lease requires it to develop, operate, and maintain certain facilities and infrastructure on Roosevelt Island, including the Strecker Laboratory, a historic landmark listed on the National and State Registers of Historic Places and a New York City designated landmark, located in the south portion of Roosevelt Island. NYCT's 53rd Street IND line operates under and around the Strecker Laboratory.

On November 1, 1996, RIOC and NYCT entered into a sublease agreement for a substation and other improvements for NYCT's 53rd Street IND line, which were built in and around the Strecker Laboratory. At the time, NYCT restored the exterior of the Strecker Laboratory and landscaped its immediate surroundings.

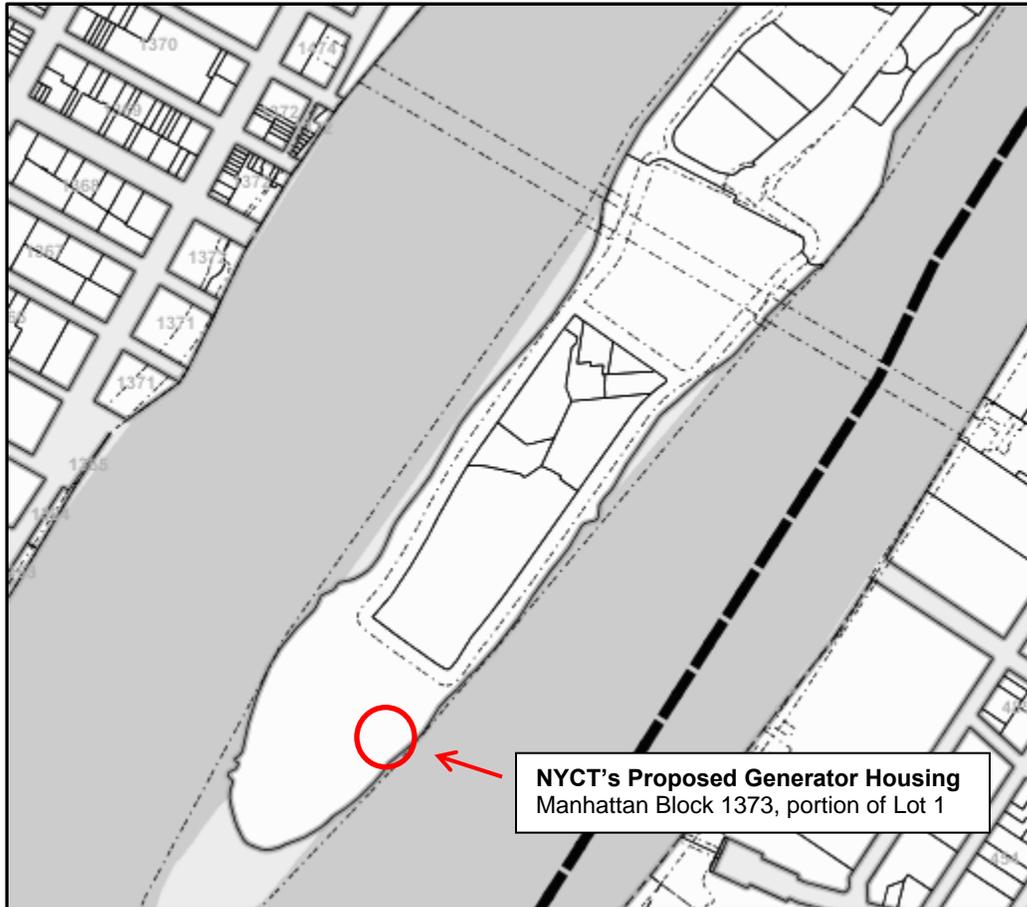
NYCT is now proposing to add approximately 716.92 SF around the Strecker Laboratory to the area subleased under the Original Sublease for flood mitigation improvements for the 53rd Street IND line. In particular, it plans to construct platforms on which emergency generators will be housed temporarily in advance and during a Category 2 storm to provide an additional source of power in the event of flooding. The emergency generators will be removed immediately after each storm. The generator housing facility will result in a vertical extension of NYCT's subsurface fan plant, resulting in an above ground addition which measures approximately 716.92 SF. NYCT has also agreed to add trees as landscaping buffers near the proposed generator housing.

Staff Summary

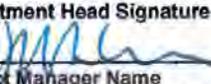
FINANCE COMMITTEE MEETING

AMENDMENT SUBLEASE – ROOSEVELT ISLAND OPERATING CORPORATION (Cont'd.)

Based on the foregoing, MTA Real Estate requests authorization for the NYCT to amend the Original Sublease to incorporate NYCT's property requirements on the above-described terms and conditions.



Staff Summary

Subject LEASEHOLD ACQUISITION OF CITY OF NEW YORK PROPERTY IN STATEN ISLAND
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name CHRISTOPHER NESTERCZUK

Date JUNE 24, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	6/24/19	X		
2	Board	6/26/19	X		

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

AGENCY: MTA Staten Island Railway ("SIR")

LESSOR: The City of New York (the "City")

LOCATIONS: Two City-owned parcels adjacent to SIR's St. George Ferry Terminal Station (the "Station"), Staten Island: A portion of Richmond County Block 2, Lot 1 and a portion of Richmond County Block 2, Lot 10 (collectively, the "Leasehold Properties")

ACTIVITY: Acquisition by SIR of a leasehold interest in the Leasehold Properties for flood walls

ACTION REQUESTED: Authorization to add the Leasehold Properties to the SIR Lease and Operating Agreement with the City (the "SIR Lease")

TERM: For the duration of the term of the SIR Lease

COMPENSATION: N/A

COMMENTS:

SIR operates from the St. George Ferry Terminal to Tottenville by way of Clifton Junction pursuant to the SIR Lease dated as of July 20, 1970, as amended October 14, 1972 and July 13, 1975, and as extended June 12, 1981).

In order to protect the Station from flood waters during a major storm, SIR requires the Leasehold Properties, which are under the jurisdiction of the New York City Department of Transportation, in order to construct, operate and maintain a series of flood walls. The Leasehold Properties are small areas within the above-described lots:

The City has agreed to add these Leasehold Properties to the SIR Lease and has prepared and executed an indenture.

Based on the foregoing, MTA Real Estate requests approval for SIR to add the Leasehold Properties to the SIR Lease.

Procurement

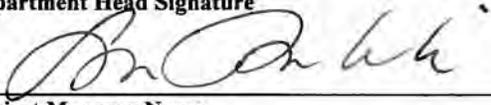
Steve Plochochi, Senior Vice President



Pictured above is one four Track Geometry Cars, self-propelled diesel railcars capable of measuring rail, track and tunnel geometry under dynamic loading conditions. The cars have a series of onboard measuring and analyzing systems, as well as propulsion, braking and power generation units that enable them to perform their measuring and inspection tasks at allowable train speeds. These cars measure and confirm important components of track safety.

PROCUREMENTS

The Procurement Agenda this month includes 11 actions for a proposed expenditure of \$108.0M.

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	6/24/19			
2	Board	6/26/19			

June 12, 2019			
Department			
Department Head Name			
Department Head Signature			
Internal Approvals			
	Approval		Approval
	President NYCT	X	Pres. MTA Bus/SVP DOB
	SVP Operations Support	X	Subways
X	Capital Prog. Management	X	Diversity/Civil Rights
X	Law		

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:

Procurements Requiring Majority Vote:	# of Actions	\$ Amount
Schedule L: Budget Adjustments to Estimated Quantity Contracts	1	\$ 0.5 M
• Network Rail Consulting, Inc. \$ 0.5 M		
SUBTOTAL	1	\$ 0.5 M

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

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

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

<u>Procurements Requiring Two-Thirds Vote:</u>	<u># of Actions</u>	<u>\$ Amount</u>
Schedule B: Competitive Requests for Proposals (Solicitation of Purchase and Public Work Contracts)	1	\$ TBD M
<u>Schedules Requiring Majority Vote:</u>		
Schedule L: Budget Adjustments to Estimated Quantity Contracts	8	\$ 100.0 M
SUBTOTAL	9	\$ 100.0 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 Capital Construction proposes to award Ratifications in the following categories: NONE

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

NYC Transit proposes to award Ratifications in the following categories:

<u>Schedules Requiring Majority Vote:</u>		
Schedule K: Ratification of Completed Procurement Actions	1	\$ 7.5 M
SUBTOTAL	1	\$ 7.5 M
TOTAL	11	\$ 108.0 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.

JUNE 2019

LIST OF NONCOMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

L. Budget Adjustments to Estimated Quantity Contracts

(Expenditures which are anticipated to exceed the lesser of \$750,000 or \$50,000 in the event such expenditures exceed 15% of the adjusted contract budget, including any contract modifications.)

- | | | |
|--|-------------------------|--------------------------------------|
| 1. Network Rail Consulting, Inc.
Contract# 20019
Noncompetitive | \$519,000 (Est.) | <u>Staff Summary Attached</u> |
|--|-------------------------|--------------------------------------|

Consultant contract for NYC Transit Subway Action Plan Improvement Assessment.

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.	Network Rail Consulting, Inc.	Original Amount:	\$	2,700,000
	Contract# 20019	Prior Modifications:	\$	0
	February 7, 2018 – September 30, 2019	Prior Budgetary Increases:	\$	250,000
		Current Amount:	\$	2,950,000
		This Request:	\$	519,000
		% of This Request to Current Amount:		17.6%
		% of Mods/Budget Adjustments (including This Request) to Original Amount:		28.5%

Discussion:

NYC Transit is requesting approval from the Board to issue Budget Adjustment No. 2 to Contract 20019, Consultant Services for NYC Transit Subway Action Plan Improvement Assessment, to Network Rail Consulting (“NRC”) in the total estimated value of \$519,000.

On February 7, 2018, pursuant to the New York State Governor’s Executive Order No. 168 issued on June 29, 2017, Procurement awarded a Task Order Consulting Services contract to NRC to provide consulting services to the Department of Subways (“Subways”) for NYC Transit Subway Action Plan Improvement Assessment.

To date, there have been six task orders and a budget adjustment issued under this contract to NRC in the total value of \$2,950,000. In April 2018, the Board ratified the original contract value of \$2,700,000.

Subways requested this Budget Adjustment to provide NRC’s continued support for scheduling of mobile wash units to improve the efficiency of the station cleaning program. Subways also anticipates utilizing the expertise of NRC to provide a near-term diagnostic analysis of current practices relating to the tracking of rail conditions, in order to achieve maximum efficiencies and accuracy and to facilitate rollout of a new rail conditions tracking system.

NRC’s pricing is based on previously agreed-upon hourly labor rates for specific labor titles as well as negotiated travel and expense costs. NRC’s labor rates compared favorably to the rates charged by other consultants. As a result, NRC’s pricing was found to be fair and reasonable.

NRC is uniquely qualified to provide these consulting services based on a combination of its international rapid transit industry experience (NRC is a consulting arm of Network Rail, the owner and operator Great Britain’s main railway infrastructure with comparable operating environment and challenges to NYC Transit), proven track record of operational efficiencies achieved by NYC Transit as a result of work performed by NRC under this contract, expertise in strategic planning, systems analysis, and management of service maintenance outages to minimize the impact on the riding public.

It is recommended that the Board approve the issuance of Budget Adjustment No. 2 to Contract 20019, Consultant Services for NYC Transit Subway Action Plan Improvement Assessment, to NRC in the total estimated value of \$519,000.

JUNE 2019

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

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

- | | | |
|---|-------------------------------------|---|
| <p>1. Contractor To Be Determined
 Contract Term To Be Determined
 Contract# B-40676</p> | <p>Cost To Be Determined</p> | <p><u>Staff Summary Attached</u></p> |
| <p>RFP Authorizing Resolution for the purchase of 45 low-floor 40-foot all-electric buses for NYC Transit.</p> | | |

Procurements Requiring Majority Vote:

L. Budget Adjustments to Estimated Quantity Contracts
 (Expenditures which are anticipated to exceed the lesser of \$750,000 or \$50,000 in the event such expenditures exceed 15% of the adjusted contract budget, including any contract modifications.)

- | | | |
|---|--|---|
| <p>2. AECOM USA, Inc.
 3. Stantec Consulting Services, Inc.
 4. Henningson Durham & Richardson
 Architecture and Engineering, P.C.
 5. HNTB New York Engineering and Architecture PC
 6. Jacobs Civil Consultants, Inc.
 7. WSP USA, Inc.
 8. Parsons Transportation Group of New York, Inc.
 9. Urbahn Architects PLLC
 Contracts# CM-1544 - CM-1551</p> | <p>\$100,000,000 (Est. Aggregate)</p> | <p><u>Staff Summary Attached</u></p> <p>↓</p> <p>↓</p> <p>↓</p> <p>↓</p> <p>↓</p> <p>↓</p> <p>↓</p> <p>↓</p> |
| <p>State-funded Indefinite Quantity consultant contracts for architectural/engineering design services on miscellaneous MTA-funded construction projects.</p> | | |

Item Number 1				SUMMARY INFORMATION	
Department, Department Head Name SVP Procurement & Supply Chain, Stephen M. Plochochi				Vendor Name RFP Authorizing Resolution	
				Contract No. B-40676	
Internal Approvals				Description	
Order	Approval	Order	Approval	Purchase of 45 low-floor 40-foot all-electric buses for NYC Transit	
1	Materiel	6	President	Total Amount TBD	
2	X Law			Contract Term (including Options, if any) TBD	
3	X CFO			Option(s) included in Total Amt? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
4	X Buses			Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
5	OPS			Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	
				Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
				Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

Purpose

To request that the Board declare competitive bidding impractical or inappropriate for the federally funded procurement of 45 low-floor 40-foot all-electric buses for NYC Transit, and that it is in the public interest to issue a competitive Request for Proposals (“RFP”) pursuant to New York State Public Authorities Law, Section 1209, subdivision 9(g).

Discussion

The Public Authorities Law, Section 1209, subdivision 9(g) permits NYC Transit to use the competitive RFP process in lieu of competitive bidding to award contracts based on a formal evaluation of characteristics such quality, delivery, and cost against stated selection criteria. NYC Transit is desirous of utilizing such a procedure with respect to the procurement of 45 low-floor 40-foot all-electric buses.

Utilizing the RFP process will allow NYC Transit to select the proposal that offers the best overall value through negotiations and evaluation based on criteria that reflect the critical needs of the Authority. By utilizing the RFP process, NYC Transit will be able to (1) weigh factors such as overall project price, overall quality of proposer and product including delivery; (2) negotiate specific contract terms, such as warranty and payment; (3) negotiate technical matters as deemed appropriate; and (4) include any other factors that NYC Transit deems relevant to its operation.

These buses will augment NYC Transit’s growing fleet of all-electric vehicles. Findings from this project will further shape NYC Transit’s strategy for future competitive all-electric bus procurements, and provide the Department of Buses with additional operational experience, which will be crucial in allowing NYC Transit to effectively purchase, own, and operate larger fleets of all-electric buses in the next Capital Plan. These 45 all-electric buses, will be strategically deployed on routes in Brooklyn, Queens, and the Bronx to maximize NYC Transit’s experience with these vehicles across multiple duty cycles.

All of these buses will be outfitted with new features including all-electric accessories (e.g., heating, ventilation, and air-conditioning; doors), improved driver visibility, pedestrian turn warning, Wi-Fi, USB charging ports, automatic passenger counters, digital information screens, and new branding.

Alternative

Issue competitive Invitations for Bid. Not recommended given the complexity of this procurement and the advantages offered by the RFP process.

Impact on Funding

The procurement of 45 low-floor 40-foot all-electric buses is funded under SF02-8129 as part of the approved 2015–2019 Capital Program. This project will be federally funded.

Recommendation

It is recommended that the Board declare competitive bidding impractical or inappropriate for the federally funded procurement of 45 low-floor 40-foot all-electric buses and that it is in the public interest to issue a competitive RFP pursuant to New York State Public Authorities Law, Section 1209, subdivision 9(g) for NYC Transit.

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.)

2-9	AECOM USA, Inc.; Stantec Consulting Services, Inc.; Henningson, Durham & Richardson Architecture and Engineering, P.C.; HNTB New York Engineering and Architecture, PC; Jacobs Civil Consultants, Inc.; WSP USA, Inc.; Parsons Transportation Group of New York, Inc.; Urbahn Architects, PLLC	Original Amount: (including options)	\$	100,000,000
		Prior Modifications:	\$	0
		Prior Budgetary Increases:	\$	0
		Current Amount:	\$	100,000,000
		This Request:	\$	100,000,000
		Contracts CM-1544–CM-1551	% of This Request to Current Amount:	
October 9, 2015–October 8, 2020	% of Mods/Budget Adjustments (including This Request) to Original Amount:		100.0%	

Discussion:

NYC Transit is requesting approval from the Board to issue Budget Adjustment No. 1 to eight state-funded Indefinite Quantity (“IQ”) consultant contracts for Architectural/Engineering (“A/E”) Design Services on miscellaneous MTA-funded construction projects in the total estimated aggregate value of \$100 million.

On September 24, 2015, the Board approved the award of eight competitively negotiated IQ contracts to provide A/E design services for miscellaneous MTA-funded construction projects on an as-needed basis for a period of 60 months with a total estimated aggregate cost of \$100 million. The eight awardees were: AECOM USA, Inc. (“AECOM”) (CM-1544); Stantec Consulting Services, Inc. (formerly Fay, Spofford & Thorndike of New York, Inc.)¹ (CM-1545); Henningson, Durham & Richardson Architecture and Engineering, P.C. (CM-1546); HNTB New York Engineering and Architecture, PC (CM-1547); Jacobs Civil Consultants, Inc. (CM-1548); WSP USA, Inc. (formerly Parsons Brinkerhoff, Inc.) (CM-1549); Parsons Transportation Group of New York, Inc. (CM-1550); and Urbahn Architects, PLLC (CM-1551).

These contracts form a pool of eight pre-qualified design teams through which task orders are competed to provide the required architectural and engineering design services, which may include disciplines such as architectural, electrical, communications engineering, specification development, cost estimating, and scheduling for various projects. Additionally, consultants provide support during construction and closeout services. To date, 119 task orders have been issued with a total expenditure in excess of \$99 million. This pool concept allows for competitive awards to be made on an expedited basis.

This budget adjustment will cover the additional capacity needed due to unprecedented demands for IQ A/E design services in response to several high-profile projects under the Fast Forward Program such as Americans with Disabilities Act task orders for systemwide accessibility analyses, feasibility studies, preparation of design/build RFP documents; and CBTC-related task orders related to traction power evaluation, as well as other critical initiatives not anticipated when the base contracts were awarded. The additional \$100 million across the eight contracts will provide the capacity necessary to permit the continued use of these contracts until their expiration, which is in October 2020. All future work issued under these contracts will be performed at the current competitively negotiated contract prices. Award of the replacement contracts for A/E design services is anticipated in third quarter 2020 in order to make a seamless transition to the replacement contracts. This budget adjustment will allow time to solicit, negotiate, and award the replacement contracts.

It is recommended that the Board approve the issuance of Budget Adjustment No. 1 to eight state-funded IQ consultant contracts for A/E design services on miscellaneous MTA-funded construction projects in the total estimated aggregate value of \$100 million.

¹Stantec Consulting Services, Inc. acquired the assets and liabilities of Fay, Spofford & Thorndike LLC in October 2015. Fay, Spofford & Thorndike LLC was dissolved effective November 2015. Contract CM-1545 was originally awarded to Fay, Spofford & Thorndike of New York, Inc.

In connection with previous contracts awarded to AECOM, AECOM 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 in November 2017. No new SAI has been found relating to AECOM and AECOM has been found to be responsible. A Contractor Compliance Program was put in place for AECOM in September 2018.

In connection with a previous contract awarded to Jacobs, Jacobs was found to be responsible notwithstanding 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 in October 2018. No new SAI has been found relating to Jacobs and Jacobs has been found to be responsible.²

In connection with a previous contract awarded to The Louis Berger Group, Inc. (“LBG”)³, LBG was found to be responsible notwithstanding SAI pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by MTA Chairman and Chief Executive Officer in consultation with the MTA General Counsel in November 2015. No new SAI has been found relating to LBG or WSP. WSP has no SAI except that stemming from its acquisition of LBG. WSP has been found to be responsible.

²While Jacobs has no direct SAI, its acquisition of CH2M Hill Companies Ltd. (“CH2M”) in December 2017 mandates reporting of CH2M’s SAI. CH2M, notwithstanding its SAI, was found responsible by the MTA Chairman in December 2013; this approval may be relied upon by Jacobs.

³LBG was acquired by WSP in December 2018 and that acquisition carries with it LBG’s SAI.

JUNE 2019

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. Systra Engineering, Inc. | \$7,480,944 | <u>Staff Summary Attached</u> |
| Contract# CM-1539.2 | | |

Modification to the contract for consultant services to support the construction of Communications-Based Train Control (CBTC) and Auxiliary Wayside Signal (AWS) signal systems for the Queens Boulevard Line (QBL) West; pursuant to an Immediate Operating Need for additional consultant services and to extend the contract term by 23 months.

Schedule K: Ratification of Completed Procurement Action



Item Number: 1

Vendor Name (Location) Systra Engineering, Inc. (New York, New York)
Description Consultant Services to Support Construction of the Communications-Based Train Control (CBTC) and Auxiliary Wayside Signal (AWS) Signal Systems for the Queens Boulevard Line (QBL) West
Contract Term (including Options, if any) December 15, 2014–January 15, 2021
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:
Requesting Dept./Div., Dept./Div. Head Name: Capital Program Management, Alok Saha

Contract Numbers	AWO/Mod. #
CM-1539	2
Original Amount:	\$ 12,555,698
Prior Modifications:	\$ 0
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 12,555,698
This Request:	\$ 7,480,944
% of This Request to Current Amount:	59.6%
% of Modifications (including This Request) to Original Amount:	59.6%

Discussion:

It is requested that the Board ratify this modification, which was awarded on March 26, 2019, to Systra Engineering, Inc. (“Systra”) pursuant to the declaration of an Immediate Operating Need (“ION”) requested by NYC Transit Capital Program Management (“CPM”) and approved by the Vice President, Materiel Division. This modification is for consultant services for the design, procurement, and construction support for Communications-Based Train Control (“CBTC”) and Auxiliary Wayside Signaling (“AWS”) signal systems for Queens Boulevard Line (“QBL”) East for a duration of 45 months. This modification will extend the contract for an additional 23 months, from January 15, 2021, through December 31, 2022.

CBTC is a train control system that uses equipment installed along the wayside and on the subway cars that provides improved safety and shorter headways between trains, allowing for increased passenger capacity through a more efficient use of the track and car fleet. There are currently two qualified CBTC suppliers: Siemens Mobility, Inc (“Siemens”) and Thales Transport and Security, Inc. (“Thales”). Both companies have successfully demonstrated interoperability between their CBTC systems under the Culver Test Track project. As a result, Siemens and Thales were each awarded a contract to provide CBTC carborne and wayside equipment for the QBL Signal System Modernization project from south of Union Turnpike to north of 47-50 Street on the Sixth Avenue line and south of 50 Street on the Eighth Avenue line (“QBL West”). The carborne equipment is installed by NYC Transit in-house labor and a contract for the installation of wayside equipment was awarded to L.K. Comstock & Co. Inc. in December 2016 with substantial completion anticipated in July 2022. When completed, QBL West will support an interoperable CBTC/AWS signal system.

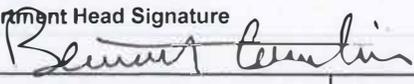
In December 2014, Systra was awarded a competitively solicited contract to provide consultant services to support the construction of the CBTC/AWS signal system for QBL West. Systra was unanimously recommended for this award and their performance on the project has been marked by a strong project team with a high level of expertise in the areas of management, engineering, signaling and CBTC design.

The declaration of an ION was made on January 30, 2019, as a result of the request by the VP, Network and Resignaling, CPM. The ION was needed to support the Fast Forward Plan of improving on-time performance and increasing reliability. Under this initiative, Systra will have the final conceptual design completed by July 2019 for inclusion in the design-build RFP documents for QBL East. Considering their knowledge gained on the QBL West project including lessons learned, the fact that QBL East is a continuation of the CBTC territory developed under QBL West, their familiarity with NYC Transit’s unique design utilizing Interoperability Interface Specifications, and their strong performance in supporting QBL West; it was determined that Systra was strategically positioned to provide the most advantageous and cost-effective design to meet the aggressive schedule for QBL East. Accordingly, CPM recommended that the conceptual design, procurement, and construction support of QBL East be handled as a modification to Systra’s QBL West contract as opposed to a new competitive procurement.

Under this modification, Systra will provide the conceptual design, procurement and construction support during the installation, testing, and commissioning of the CBTC system from north of Union Turnpike to 179 Street on the QBL and to Parsons-Archer on the Archer Avenue Line. Services also include tasks related to development of functional and system requirements, modifying specifications, witnessing of equipment factory and field testing, approval of plans and drawings, cost estimating, resolving technical issues and monitoring schedule compliance.

In response to NYC Transit's comments to their initial proposal, Systra submitted its price proposal of \$7,480,944 and 39,158 labor hours, which is \$811,322 below the revised in-house estimate of \$8,292,266 and is based on the previously negotiated Terms and Conditions, labor rates, overhead and fee of the base contract. After evaluation, Procurement determined that Systra's proposal was fair and reasonable. CPM concurred with this determination and recommended award of this modification to Systra.

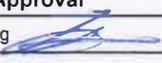
Staff Summary

Subject Westchester County Department of Public Works & Transportation	
Department Operations Planning and Analysis	
Department Head Name Ben Cornelius	
Department Head Signature 	
Project Manager Name Frank Lennon	Program Manager Name

Date June 26, 2019
Vendor Name N/A
Contract Number N/A
Contract Manager Name N/A
Table of Contents Ref#

Board Action					
Order	To	Date	Approval	Info	Other
1	M-N Comm. Mtg.	6/26/19	X		
2	MTA Finance Mtg	6/26/19	X		
3	MTA Board Mtg.	6/26/19	X		

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

Internal Approvals (cont.)							
Order	Approval	Order	Approval	Order	Approval	Order	Approval
1	VP Planning 		Government Relations		Labor Relations		General Counsel
	Press				Personnel		Other

NARRATIVE

I. Purpose and Recommendation:

To obtain MTA Board approval for Metro-North to increase the per ticket subsidy for the Westchester County Department of Public Works and Transportation (WCDPW&T) Bus Shuttle UniTickets. This action is effective with the sale of the August 2019 MNR monthly tickets.

II. Discussion:

WCDPW&T bus service provides connecting bus service to/from Metro-North train stations throughout Westchester County. This includes both regular bus service and dedicated shuttle service. The proposed increases are consistent with the existing contractual arrangement between WCDPW&T and Metro-North. The UniTicket subsidy increase will take effect at the same time as the UniTicket price increase in August. The UniTicket fare increases are consistent with similar increases being instituted with respect to other Metro-North UniTicket arrangements (that is, \$2.00 per monthly UniTicket).

Following are the pricing and subsidy changes:

	Regular UniTicket (Monthly)		Employer-Based Shuttle UniTicket (Monthly)		Route – 39 UniTicket (Monthly)	
	Current	New	Current	New	Current	New
Customer Cost UniTicket (Beeline)	\$59.75	\$61.75	\$40.25	\$42.25	\$51.50	\$53.50
MNR Subsidy	\$30.63	\$32.63	\$80.75	\$84.75	\$34.75	\$36.75
WCDPW&T Subsidy	\$30.62	\$32.62	N/A	N/A	\$34.75	\$36.75
Monthly Metro-Card Value	\$121.00	\$127.00	\$121.00	\$127.00	\$121.00	\$127.00

Staff Summary

Alternatives:

This recommendation is in line with existing agreements and current formulas. No alternative is proposed.

III. Budget Impact:

The full year financial impact will be \$10,550, which is included in the Operating Budget.

IV. Recommendation:

That the MTA Board approve Metro-North's request to increase the per ticket subsidy for the WCDPW&T UniTicket and Shuttle UniTicket. The action is effective with the sale of August 2019 monthly tickets.

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

PROCUREMENT PACKAGE
June 2019

PROCUREMENTS

The Procurement Agenda this month includes two actions for a proposed expenditure of \$42,288,427

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	Joint LIRR and Metro-North Committee	6/24/19	X		
2	Board	6/26/19	X		

Date: June 18, 2019			
Vendor Name Various			
Contract Number Various			
Contract Manager Name Various			
Internal Approvals			
	Approval		Approval
2 	Vice President & Chief Financial Officer	4 	President
1	Vice President, Program Controls	3 	Executive Vice President & General Counsel

PURPOSE

To obtain the approval of the Board to award one contract and one contract modification and, to inform the Joint Long Island Rail Road and Metro-North Committee of these procurement actions.

DISCUSSION

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

<u>Schedules Requiring Majority Vote</u>	<u># of Actions</u>	<u>\$ Amount</u>
Schedule F Personal Service Contracts	1	\$24,488,427
Schedule I Modifications to Purchase and Public Work Contracts	1	\$17,800,000
TOTAL	2	\$42,288,427

Budget Impact:

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

Recommendation:

That the contract and modification 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.

June 2019

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

Schedule F. Personal Service Contracts

(Staff Summaries required for all items greater than: \$100K Sole Source; \$750K other Non-Competitive; \$1M Competitive)

- | | | | |
|-----------|--|---------------------|--------------------------------------|
| 1. | WSP USA Inc.
Contract No. PS877
42 Months | \$24,488,427 | <u>Staff Summary Attached</u> |
|-----------|--|---------------------|--------------------------------------|

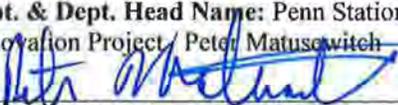
Pursuant to Article X of the MTA All-Agency Service Contract Procurement Guidelines, MTACC seeks Board approval to award a competitively solicited personal service contract to provide Project Management Consulting Services for administering and overseeing the New York Penn Station Long Island Rail Road ("LIRR") Train Hall Renovation Project

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)

- | | | | |
|-----------|--|---------------------|--------------------------------------|
| 2. | Skanska USA Civil Northeast Inc.
Contract No. CH058A
Modification No. 3 | \$17,800,000 | <u>Staff Summary Attached</u> |
|-----------|--|---------------------|--------------------------------------|

In accordance with Article VIII of the All Agency General Contract Procurement Guidelines, MTACC requests that the Board approve a modification to the Contract to commence construction of the portion of the Eastbound Reroute ("EBRR") Approach Structure, between Stations RT 66 and RT 73 in the Harold Interlocking

Dept. & Dept. Head Name: Penn Station LIRR Train Hall Renovation Project / Peter Matuszewich 					
Division & Division Head Name:					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	Joint LIRR and MNR Committee	6/24/19	X		
2	Board	6/26/19	X		
Internal Approvals					
Order	Approval	Order	Approval		
3	Vice President, Program Controls		President		
2 	VP & Chief Financial Officer	4 	Executive Vice President & General Counsel		
	VP & Chief Procurement Officer				

SUMMARY INFORMATION	
Vendor Name	Contract Number
WSP USA Inc.	PS877
Description Project Management Consulting Services for the New York Penn Station LIRR Train Hall Renovation Project	
Total Amount Not-To-Exceed \$24,488,427	
Contract Term 42 Months	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
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:

Pursuant to Article X of the MTA All-Agency Service Contract Procurement Guidelines, MTACC seeks Board approval to award a competitively solicited personal service contract (the "Contract") to WSP USA Inc. The Contract is for Project Management Consulting Services for administering and overseeing the New York Penn Station Long Island Rail Road ("LIRR") Train Hall Renovation Project (the "Project") in the not-to exceed amount of \$24,488,427 for a period of 42 Months.

II. DISCUSSION:

As previously reported to the Board, this Project includes two major improvements to the Train Hall to address congestion and improve egress: (1) adding a new entrance from 33rd Street west of 7th Avenue directly down to the 33rd Street Concourse; and (2) widening two key Concourses. In addition, other improvements will address the aging and obsolescence of the physical plant and systems. The Project will be procured and constructed through development agreements with One Penn Plaza LLC ("Vornado") in a design-build format. Vornado controls much of the real estate in and around the Concourse.

The scope of work for the Project will be delivered in two overlapping phases. Phase 1 will include the construction of the new entrance and Phase 2 will include the widening of the 33rd Street Concourse, increasing the ceiling height, and other improvements including new lighting, refreshed floor, wall and ceiling finishes, new wayfinding signage, rehabilitated and expanded electrical and HVAC systems and greatly expanded back-of-house facilities in One Penn Plaza for LIRR and for Metro North Railroad's use in the future. The Board authorized MTACC to execute the Development Agreement with Vornado for Phase 1 of the Project in May 2019. MTACC intends to bring the Development Agreement for Phase 2 to the Board for approval upon completion of the preliminary design and negotiation of the Agreement. This Contract will cover Project Management Consultant services to be provided for both Phases and through closeout of the Project.

Under this Contract, WSP USA Inc. will serve as the Project Management Consultant ("PMC"), working as part of an integrated Project Management Team with MTACC, LIRR and other consultants to manage the Project. The PMC will provide services and resources including commercial and project management, design and construction compliance oversight, quality, safety and security oversight and other support services as needed.

The Request for Proposal (“RFP”) was advertised on April 15, 2019 and the advertisement appeared in the New York State Contract Reporter, the New York Post, Engineering News-Record, Minority Commerce Weekly and on the MTA Website. Sixteen (16) firms requested the RFP document and proposals were submitted by the following entities:

1. HNTB New York Engineering and Architecture, P.C.
2. STV Construction, Inc.
3. WSP USA Inc. (“WSP”)

The Selection Committee for this Contract consisted of representatives from MTACC and LIRR. Based upon an initial review of the technical proposals, the Selection Committee invited the proposers to supplement their proposals with oral presentations and interviews. Each proposer gave an oral presentation to, and answered questions from, the Selection Committee. Thereafter, the Selection Committee evaluated the technical proposals in accordance with the Source Selection Plan and the established scoring criteria in each of the categories listed below:

- RFP quality and completeness.
- Compliance with, and acceptance of, the terms and conditions.
- Project understanding and proposed technical approach.
- Proposed management approach.
- Capability and effective use of resources to meet Project schedule.
- Diversity Practices.
- Past performance on MTA or other contracts.
- Other relevant matters.

Following the evaluation of the technical proposals, the Selection Committee opened and scored the cost proposals. The technical and cost scores were then combined to provide the overall final scores from which the Selection Committee unanimously determined that the proposal submitted by WSP provides the MTA with the overall best value and that the other proposers were not in the competitive range. Accordingly, the Selection Committee recommended that MTACC enter into negotiations with WSP.

WSP’s cost proposal for the work under this Contract was \$19,337,291, based on a fixed fee of 8%. After negotiations, WSP submitted a Best and Final Offer for the not-to-exceed amount of \$18,952,049, based upon a 6% fee, which the Selection Committee considers to be fair and reasonable. The negotiations concluded with concessions from WSP on staffing levels and disciplines required over the course of the Project and on an incentive/disincentive program providing for performance-based adjustments to the fixed fee. Under the incentive/disincentive program, WSP agreed to the reduced base fee of 6%, subject to increase of up to 3% (\$536,378) or reduction of up to 4% (\$715,172) based on WSP’s performance, which the Project Management Team will evaluate periodically based on established performance criteria.

In addition, MTACC has included in this Contract a Task Order allowance in the amount of \$5,000,000 for additional services and for the retention of additional professionals with specific expertise that may be required as determined by MTACC in its discretion. Task Orders will be issued for these services as deemed necessary and each Task Order will be separately negotiated and contain a specific scope of work, budget and schedule.

In connection with a previous contract awarded to The Louis Berger Group, Inc. (LBG)^[1], LBG was found to be responsible notwithstanding significant adverse information (SAI”) pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by MTA Chairman and Chief Executive Officer in consultation with the MTA General Counsel in November 2015. No new SAI has been found relating to LBG or WSP. WSP has no SAI except that stemming from its acquisition of LBG. WSP has been found to be responsible.

III. MBE/WBE/SDVOB INFORMATION:

The MTA’s Department of Diversity and Civil Rights (“DDCR”) reviewed the requirements of the Contract and after undertaking a thorough analysis established goals of 15% MBE, 15% WBE and 6% SDVOB based on the nature of the work and the availability of MBEs, WBEs and SDVOBs capable of performing the work. WSP has committed to meeting these goals and has submitted a utilization plan that is under review by DDCR.

In connection with past experience meeting D/M/WBE/SDVOB goals, WSP has met their goals on prior contracts.

^[1] LBG was acquired by WSP in December 2018 and that acquisition carries with it LBG’s SAI.

V. IMPACT ON FUNDING

LIRR has \$170 Million available for this Project in the 2015 - 2019 Capital Program. The balance will be funded by the State of New York.

VI. ALTERNATIVES

The alternative would be for MTACC and LIRR to self-perform the services to be provided under this Contract; however, neither MTACC nor LIRR have the in-house resources to provide the required services.

Item Number 2

Vendor Name (& Location) Skanska USA Civil Northeast Inc.	
Description Harold Structures - B/C Approach	
Contract Term (including Options, if any) 831 Days	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input 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, SVP & Sr. Program Executive	

Contract Number	AWO/Modification #
CH058A	3
Original Amount:	\$ 60,168,000
Prior Modifications:	\$ 450,000
Options:	\$ 2,200,000
Current Amount:	\$ 62,818,000
This Request	\$ 17,800,000
% of This Request to Current Amount:	28%
% of Modifications (including This Request) to Original Amount:	31%

Discussion:

This Contract is for the construction of the Tunnel B/C Approach Structure and catenary poles and ductbanks, and the installation of track and special track work. In accordance with Article VIII of the All Agency General Contract Procurement Guidelines, MTACC requests that the Board approve a modification to the Contract to commence construction of the portion of the Eastbound Reroute (“EBRR”) Approach Structure, between Stations RT 66 and RT 73 in the Harold Interlocking.

The EBRR, which is one of the regional improvements being undertaken in connection with the East Side Access (“ESA”) Project, will allow eastbound Amtrak trains to travel through Harold Interlocking without interfering with LIRR train traffic. The EBRR will also provide much needed operational flexibility during the East River tunnel rehabilitation work that is scheduled to be performed in the coming years. The EBRR, while not a component of the ESA Project required for revenue service, has been repeatedly delayed by Amtrak’s inability to provide the force account personnel required to perform this work and currently, construction is not anticipated to begin until October 2020 as part of future contract CH058B.

Having this work performed by the CH058A Contractor now will reduce the CH058B Contractor’s future demands for railroad resources and thus the risk of future delays to the EBRR. The CH058A Contractor is currently on site, with the resources and capacity to perform a portion of the EBRR work early and it appears that Amtrak can support this work now. Accordingly, proceeding with this work now under the CH058A Contract is optimal and, therefore, MTACC requests Board approval of this Modification. MTACC will not execute the Modification, however, without confirmation of an appropriate cost sharing arrangement from Amtrak for the necessary force account support.

The Contractor submitted a cost proposal of \$19,202,839 for the aforementioned work. After negotiations the parties agreed to a cost of \$17,800,000, which is considered fair and reasonable. The funds for this work are available from the 2015-2019 Capital Program’s Regional Investment budget.

In connection with previous contracts awarded, the Skanska USA Civil Northeast Inc. was found to be responsible, notwithstanding significant adverse information pursuant to the All-Agency Responsibility Guidelines, and such responsibility findings were approved by the MTA Chairman/CEO in consultation with the MTA General Counsel in November 2014. No new significant adverse information has been found relating to Skanska USA Civil Northeast Inc. Therefore, Skanska USA Civil Northeast Inc. has been determined to be responsible.