



Metropolitan Transportation Authority

August 2025

MTA Board Action Items



MTA Special Board Meeting
Adam Clayton Powell Jr Office Building
163 West 125th Street
New York, NY 10027
Monday, 8/18/2025
9:00 - 11:30 AM ET

1. PUBLIC COMMENT PERIOD

2. PRESENTATION

3. SECOND AVENUE SUBWAY PHASE II CONTRACTS

C&D Procurement - Page 3

SAS Phase 2 Insurance Broker Services - Page 11

Contracts Department

Evan Eisland, Executive Vice President and General Counsel

PROCUREMENT PACKAGE AUGUST 2025

PROCUREMENTS

The Procurement Agenda this month includes 1 action for a proposed expenditure of \$ 1.97B.

Staff Summary

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Subject Request Authorization for Several Procurement Actions					
Contracts Department Evan Eisland, Executive Vice President and General Counsel					
Board Action					
Order	To	Date	Approval	Info	Other
1	Board	08/18/25	X		

Date: August 15, 2025			
Internal Approvals			
	Approval		Approval
X	Deputy Chief Development Officer, Delivery	X	President
X	Deputy Chief Development Officer, Development	X	Executive Vice President & General Counsel

Purpose

To obtain the approval of the Board to award several procurement actions and to inform the Capital Program Committee of these procurement actions.

Discussion

MTA Construction & Development proposes to award a Competitive Procurement in the following category:

<u>Schedule Requiring Two-Thirds Vote</u>	<u># of Actions</u>	<u>\$</u>	<u>Amount</u>
C. Competitive Requests For Proposals (Award of Purchase and Public Work Contracts)	1	\$	1,971,968,227
SUBTOTAL	1	\$	1,971,968,227
TOTAL	1	\$	1,971,968,227

Budget Impact

The approval of these procurement actions will obligate capital funds in the amount listed. Funds are available in the capital program budget for this purpose.

Recommendation

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

MTA Construction & Development

BOARD RESOLUTION

WHEREAS, in accordance with Sections 559, 2879, 1209 and 1265-a of the Public Authorities Law and the All Agency General Contract 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 Service Contract Procurement Guidelines and the All Agency General Contract 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; and

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

NOW, the Board resolves as follows:

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

August 2025

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurement Requiring Two-Thirds Vote:

C. Competitive Request for Proposals (Award of Purchase and Public Work Contracts)

(Staff Summaries required for all items greater than \$1M.)

- | | | | |
|----|--|------------------------|--------------------------------------|
| 1. | Connect Plus Partners
Contract No. C26202 | \$1,971,968,227 | <u>Staff Summary Attached</u> |
|----|--|------------------------|--------------------------------------|

MTA Construction & Development requests Board approval to award a publicly advertised and competitively solicited contract for Design-Build Services for the tunneling and structural shells for Phase 2 of the Second Avenue Subway program.

Staff Summary

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

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Item Number 1					
Department, Department Head Name: Delivery, Saqib Rizwan, SVP - Program Executive					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	Board	8/18/25	X		
Internal Approvals					
Order	Approval	Order	Approval		
X	Deputy Chief, Development	X	Executive Vice President & General Counsel		
X	Deputy Chief, Delivery	X	President		

SUMMARY INFORMATION	
Vendor Name	Contract Number
Connect Plus Partners	C26202
Description	
Design-Build Services for Second Avenue Subway, Phase 2 – Tunneling and Structural Shell	
Total Amount	
1. Design Build Contract	\$1,971,968,227
2. Stipend	\$4,000,000
Contract Term (including Options, if any)	
1,471 Calendar Days	
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"/> 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:	

ACTION REQUESTED

MTA Construction & Development (“C&D”) requests Board approval to award to Connect Plus Partners (“CPP”), a joint venture between Halmar International LLC (“Halmar”) and FCC Construction Inc. (“FCC”), a publicly advertised and competitively solicited contract for Design-Build Services for the tunneling and structural shells for Phase 2 of the Second Avenue Subway program (the “Contract”). The Contract is in the amount of \$1,971,968,227 and for a duration of 1,471 Calendar Days. In accordance with MTA policy regarding the use of design-build contracts, and to enhance competition and defray proposal costs, this solicitation includes a stipend of \$4,000,000 to be paid to the unsuccessful proposer.

DISCUSSION

This Contract is the second of four contracts implementing Phase 2 of the Second Avenue Subway program (the “Program”). Phase 2 will extend Q Line subway service from 96th Street and Second Avenue to 125th Street and Lexington Avenue. This Contract provides for: the construction of two bored tunnels and associated cross passages from 120th Street and Second Avenue to 125th Street west of Park Avenue; the rehabilitation of existing tunnels located on Second Avenue between 106th Street and 120th Street to accommodate the new subway service and the new 116th Street Station box; the excavation and construction of seven shafts for the future ancillary buildings and station entrances; and the construction of the structural shells for the 116th Street and 125th Street Stations.

A two-step procurement process was conducted for this Contract. In Step 1, a Request for Qualifications was advertised, resulting in the receipt from two proposers of Statements of Qualifications which were then evaluated against pre-established Threshold Criteria (addressing completeness, timeliness, capacity, responsibility, and financial capability) and Substantive Evaluation Criteria (addressing team, key personnel and organization, understanding of the work, prior design-build experience, past performance and diversity compliance). Based on these criteria, in Step 2, both firms were issued a Request for Proposal (“RFP”) on December 24, 2024. The proposing firms consisted of:

- Connect Plus Partners (“CPP”), a Joint Venture between Halmar and FCC and,
- Skanska Walsh Traylor SAS-2 JV (“SWT JV”) a joint venture among Skanska USA Civil Northeast, Inc., Walsh Construction Company II, LLC and Traylor Bros., Inc.

During the RFP process, MTA C&D representatives met separately with representatives from CPP and SWT JV on multiple occasions to address questions and concerns about the Contract requirements and to monitor the proposers’ progress in developing their proposals. In addition, MTA C&D solicited from each of the proposers suggested changes to the contract documents, referred to as Alternative Technical Concepts (“ATCs”), that might reduce costs, shorten the project schedule, and/or mitigate risks. To encourage creativity, ATCs are kept confidential between the MTA and the submitting proposer. Both proposers submitted multiple ATCs suggesting revisions to both technical requirements and commercial terms and meetings were held with each proposer to discuss their respective ATCs. Thereafter, MTA evaluated the ATCs, considering the cost and/or schedule savings and the added or reduced risks involved and either approved, approved with conditions, or rejected each of the ATCs. In all, over 30 ATCs were approved or approved with conditions. CPP and SWT JV then submitted technical and price proposals which incorporated their approved or conditionally approved ATCs.

The selection committee, consisting of representatives from C&D Delivery, Development, and Contracts and NYC Transit Department of Subways – Division of Stations, evaluated the technical proposals from the two proposers using the following preestablished selection criteria: design and construction, schedule, management plan, experience, record of performance, safety, security and quality, diversity practices, and other relevant matters. After evaluating technical proposals, the selection committee opened the price proposals which were as follows: CPP: \$2,049,525,525; SWT JV: \$2,224,000,000.

The selection committee then invited both proposers to participate in negotiations. Negotiations with CPP and SWT JV included detailed discussions of each proposer’s price and proposed schedule, ATCs, and proposed contract exceptions, focusing on elements that might provide for additional cost or schedule savings. Thereafter, each proposer was requested to submit a revised price proposal, identifying the proposed savings for certain of the items discussed during negotiations. The revised price proposals were as follows: CPP: \$2,032,376,313; and SWT JV: \$2,177,089,000.

Following receipt of revised price proposals, additional negotiations identified further potential cost savings opportunities and agreement on certain Contract revisions. At the conclusion of these meetings, the two proposers were asked to submit Best and Final Offers (“BAFOs”). The BAFOs submitted by the Proposers were as follows: CPP: \$1,998,968,227 and a duration of 1,471 days; and SWT JV: \$2,046,750,000 and a duration of 1,527 days.

The selection committee concluded that SWT offered an excellent proposal, a qualified team and ATC’s that offered substantial value to the project. Nevertheless, the selection committee unanimously recommended CPP for award of the Contract. In addition to offering the lower price and the shortest schedule both in total duration and for important interim milestones, the selection committee determined that CPP’s proposal offered the best value to the MTA. CPP demonstrated a thorough understanding of the Contract requirements and included a comprehensive preliminary design with its proposal. CPP’s proposal included several ATCs that offer significant value to the project and reduced risk to the MTA. Furthermore, CPP’s proposal offered a well-organized project team with extensive experience performing tunneling work worldwide and on civil construction projects of a similar size and complexity.

After the Selection Committee recommended CPP for award, an executive level discussion with CPP identified additional areas for cost savings and agreement was reached on certain additional Contract revisions. CPP was asked to submit an updated BAFO to reflect those revisions which resulted in a BAFO in the amount of \$1,971,968,227, reflecting a savings of an additional \$27,000,000. CPP’s BAFO is deemed to be fair and reasonable.

No Significant Adverse Information (SAI) was discovered on CPP or the member firm Halmar. However, there is previous SAI regarding the joint venture partner FCC. In connection with the review of FCC’s responsibility pursuant to the All-Agency Responsibility Guidelines, FCC was found to be responsible notwithstanding Significant Adverse Information and such responsibility finding was approved by the MTA Chief Administrative Officer and MTA C&D President in consultation with the MTA General Counsels in June 2025.

DBE/MBE/WBE/SDVOB/Local Hiring Information

The MTA Department of Diversity and Civil Rights has established a DBE goal of 5% for the Contract. This Contract also includes a 20% local hiring goal, requiring CPP to make best efforts to hire workers from the surrounding zip codes and economically disadvantaged areas. CPP is committed to meeting the goals requirements. CPP and its members Halmar and FCC have achieved their DBE/MBE/WBE/SDVOB goals on recently completed MTA contracts.

IMPACT ON FUNDING

Funding for the Contract and the stipend for the unsuccessful proposer is included in the MTA's 2015-2019 and 2020-2024 Capital Programs.

ALTERNATIVES

None recommended. MTA lacks available in-house technical personnel to perform the scope of work associated with this Contract.

Staff Summary

Schedule F: Personal Service Contracts

Item 1–3					
Department, Department Head Name: Finance, Jaibala Patel					
Division, Division Head Name: Risk and Insurance Management					
Board Reviews					
Order	To	Date	Ap	Info	Other
1	Board	08/18/2025	x		
Internal Approvals					
Order	Approval	Order	Approval		
1	Procurement	4	Legal		
2	Risk and Insurance Mgmt.	5	Chief of Staff		
3	CAO				

SUMMARY INFORMATION	
Vendor Names: Alliant Insurance Service Inc.	Contract Numbers: 15625-0100
Description: Owner Controlled Insurance Program III – Second Avenue Subway Phase II – Contract 2	
Total Amount: \$105,000,000.00	
Contract Term (including Options, if any): Eight Years	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	
Solicitation Type: <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other:	
Funding Source: <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

Purpose:

To obtain MTA Board approval to select an insurance broker for the placement of an Owner Controlled Insurance Program (OCIP) for Second Avenue Subway Phase II. And to establish a not-to-exceed budget of \$105 million for Contract 2, and to execute the following items necessary to finalize the procurement:

- Placement of the primary OCIP (GL & WC) insurance policies and the Excess Liability policies with a consortium of underwriters from London, Bermuda, and domestic markets (\$40 million).
- Authorization to place the OCIP's Builder's Risk policy (\$21 million).
- Entry by First Mutual Transportation Assurance Company (FMTAC) (MTA's captive insurance company subsidiary) into an agreement with the insurer establishing a non-working collateral trust that secures MTA obligations to pay the self-insured retentions of Workers' Compensation and General Liability claims (\$27 million).
- Establishment of separate deductible reimbursement policies within FMTAC for payment of the self-insured retentions of Workers' Compensation, General Liability, and Builder's Risk claims, and allow FMTAC to manage the claims and administrative expenses of the OCIP (\$12 million).
- Provide professional services to exercise an option to administer an Alternative Dispute Resolution Program (ADR) on behalf of the MTA (\$8 to \$11 million) - not included in the above budget.

Staff Summary

Schedule F: Personal Service Contracts

- Execution of a Brokerage agreement with Alliant Insurance Services including broker fees, marketing fees, safety consultant pass-through fees, and OCIP administration fees (\$5 million).

Summary:

To place this insurance, MTA solicited proposals from a panel of brokers under contract (Alliant Insurance Services, Inc., 15625-0100, Marsh USA, Inc., 15625-0200, Willis Towers Watson Northeast, Inc., 15625-0300), which was approved by the MTA Board in December 2021. Out of the three brokers, Alliant and Willis have responded to the issued mini-RFP in July 2025. Alliant Insurance Services, Inc., was selected as the preferred broker for this OCIP program three (3) contracts. The not-to-exceed (NTE) budget for Contract 2 is \$105 million. The OCIP insurance program is approximately 7% of construction value, which is lower compared to 9-11% range when contractors supply the insurance. The MTA's utilization of OCIP and its project-specific approach to insurance marketing represents approximately \$29 million of lower insurance costs to the MTA. This cost reflects the noted efforts made to put in place an insurance program that provides the best value to the MTA.

Discussion:

Over the past 25 years, the MTA has successfully utilized the Owner Controlled Insurance Program concept on its capital projects. The Owner (MTA) purchases the insurance for each contractor and subcontractor of every tier working on the projects with uniform Workers' Compensation, Commercial General Liability, Excess Liability, Railroad Protective Liability, Builder's Risk policies, and receives a discount through the economy of scale in the overall insurance price. The contractors are required to remove their insurance soft cost from their bid.

Due to the uncertainty in the capital program funding as a result of the pandemic in June of 2021, the MTA decided to conduct an RFP for a panel of brokers that would respond to specific mini-RFPs based on OCIP packages for insurance broker services; along with an insurance study to address the rising cost of construction insurance in the New York area.

In December of 2021, the Board approved the award of three competitively negotiated personal services as-needed contracts for Broker Services on specific OCIP packages. In 2023, the Board approved the award of OCIP II, which included the 2020–2024 Capital Program and like-kind Related Projects for a period of six years at a not-to-exceed cost of \$385.1 million. The contract was awarded to Alliant Insurance Services, Inc.

In April of 2025, MTA RIM commenced SAS Phase II Mini RFP OCIP III with similar RFP procurement insurance language to achieve below industry cost, with the following recommendations:

- To incorporate an optional Alternative Dispute Resolution (ADR) in the OCIP.

Staff Summary

Schedule F: Personal Service Contracts

- Enrollment of three contracts, where the highest risk profile is Contract 2 for tunneling work with dedicated excess limits, while Contracts 3 and 4, systems and station's fit out contracts, will be combined.
- Increase FMTAC's participation in the insurance program by adjusting the Self-Insured Retention limits (This is covered in the insurance marketing section of the Staff Summary).

In August 2025, based on the overall submitted costs and fee, Alliant Insurance Service, Inc. was selected as MTA's Broker of Records for OCIP package III Second Avenue Subway Phase II.

The coverage proposed will be for the three contracts and the entire term of the OCIP, estimated to be eight (8) years, and will be non-cancelable by the insurers except for non-payment of premium. However, the first approval is for Contract 2 only. The OCIP primary coverage (Workers' Compensation/General Liability) will provide MTA and the contractors with limits up to \$200 million subject to self-insured retentions.

For the OCIP III Program, based on a thorough review of the scope of the three contracts to be included, the safety controls to be put in place, and discussions with the insurance broker, MTA RIM expects to negotiate a lower insurance rate than NTE of 7%. The program is subject to an audit premium to evaluate any increase in construction value and payroll.

As part of the insurance program with insurers, FMTAC will be required to enter into a trust agreement with the insurance company whereby FMTAC will hold a non-working collateral of approximately \$27 million to secure the insurance company against exposure to the self-insured layer of Workers' Compensation and General Liability claims. FMTAC will hold and invest the funds, with any interest earned being retained by FMTAC, and the non-working collateral to be returned to MTA upon closure of all claims, subject to terms and conditions of the trust agreement. This transaction eliminates the need for a letter of credit or the posting of other security that would otherwise be required in order to place the policy.

It is also recommended that FMTAC be authorized to manage the OCIP's claims, safety and administrative expenses, as has been done with past OCIPs. Claims Management Services will be selected upon placement of the program to manage claims. A loss fund of \$12 million will be established to pay losses and related claim costs within the self-insured retentions.

Additionally, Builder's Risk coverage will be purchased to protect MTA's interests in the property being constructed. The not-to-exceed premium of this policy is approximately \$21 million.

The option for administration of an ADR, which includes the hiring of an Injured Worker Advocate, Medical On-Site Provider, contracting with Medical Management (PPO Network), and includes Broker ADR Claims Oversight and analytic reporting, will be approximately \$8 to \$11 million.

D/M/WBE Information:

N/A

Staff Summary

Schedule F: Personal Service Contracts

Impact on Funding:

This work is to be funded from the 2020-2024 Capital Program.

Alternatives:

Do not utilize OCIP Coverage. The alternative to an OCIP would be to require each construction contractor to purchase insurance coverage and provide the MTA with evidence of that insurance. Costs for insurance would be included in construction contract bids. Based on MTA's prior experience, ensuring the program utilizes this method in lieu of an OCIP could cost an additional 2 to 4 percent in insurance premiums. OCIPs also provide for greater control over job site safety and assure that all contractors will have the proper insurance coverage in place for the term of the program. Should an OCIP not be purchased, these assurances and benefits will be lost.

Perform service in-house. This alternative is neither feasible nor cost-effective. The MTA does not have the staff nor has the ability to enter the insurance marketplace without an insurance broker.