



Metropolitan Transportation Authority

July 2019

MTA Board Action Items



MTA Board Meeting
2 Broadway, 20th Floor Board Room
New York, N.Y. 10004
Wednesday, 7/24/2019
9:00 AM - 12:00 PM ET

1. PUBLIC COMMENT PERIOD

2. M9 Update

3. APPROVAL OF MINUTES

MTA Regular Board Minutes - June 26, 2019

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NYCT/MaBSTOA/SIRTOA/MTA Bus Company Regular Board Minutes - June 26, 2019

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MTA Metro-North Railroad Regular Board Minutes - June 26, 2019

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MTA Long Island Rail Road Regular Board Minutes - June 26, 2019

LIRR Regular Minutes - June 26, 2019 - Page 39

Triborough Bridges & Tunnels Regular Board Minutes - June 26, 2019

TBTA Regular Minutes - June 26, 2019 - Page 57

MTA Capital Construction Regular Board Minutes - June 26, 2019

MTACC Regular Minutes - June 26, 2019 - Page 61

4. CFO PRESENTATION TO A JOINT SESSION OF THE BOARD & FINANCE COMMITTEE (Materials Distributed Separately)

2019 Mid-Year Forecast

2020 Preliminary Budget

July Financial Plan 2020-2023

5. PRESENTATIONS

MTA Transformation Report

MTA Transformation Plan Staff Summary - Page 64

Timekeeping Update

6. COMMITTEE ON FINANCE

MTAHQ Procurements Report

MTAHQ Procurement Report - Page 66

i. Non-Competitive

MTAHQ Non-Competitive Procurements - Page 69

ii. Competitive

MTAHQ Competitive Procurement - Page 72

iii. Ratifications (no items)

Real Estate Items

i. Real Estate Agenda and Staff Summaries

Real Estate Agenda and Staff Summaries - Page 76

7. COMMITTEE ON NYCT & BUS

Action Item

i. NYCT Request to Permanently Close Entrance at Broad Street J Z Station

Request to Permanently Close Entrance at Broad Street J Z Station - Page 104

NYCT & Bus Procurements Report

Cover, Staff Summary, and Resolution - Page 108

i. Non-Competitive (no items)

ii. Competitive

NYCT Competitive Actions - Page 113

MTACC Competitive Actions - Page 121

iii. Ratifications

Ratifications - Page 127

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

Action Items

i. Memorandum of Understanding between MNR and City of Newburgh - Ferry Landing/Parking Lease

Memorandum of Understanding between MNR and City of Newburgh - Ferry Landing/Parking Lease - Page 134

ii. MTACC - Pollution Legal Liability Insurance for Penn Station Access Project

Pollution Legal Liability Insurance for Penn Station Access Project - Page 136

MNR Procurements Report

MNR Procurements - Page 139

i. Non-Competitive

MNR Non-Competitive Procurements - Page 142

ii. Competitive

MNR Competitive Procurements - Page 144

iii. Ratification (no items)

LIRR Procurements Report

LIRR Procurement - Page 146

i. Non-Competitive (no items)

ii. Competitive

LIRR Competitive - Page 150

iii. Ratification (no items)

MTACC Procurements Report (no items)

9. COMMITTEE ON MTA BRIDGES & TUNNELS OPERATIONS

B&T Procurements

B&T Procurements - Page 153

i. Non-Competitive (no items)

ii. Competitive

B&T Competitive - Page 156

iii. Ratification (no items)

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

Next Board meeting: Wednesday, September 25, 2019

**Metropolitan Transportation Authority
Minutes of
Regular Board Meeting
2 Broadway
New York, NY 10004
Wednesday, June 26, 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. Linda Lacewell
Hon. Kevin Law
Hon. Robert W. Linn
Hon. David Mack
Hon. Susan Metzger
Hon. Haeda B. Mihaltses
Hon. Robert F. Mujica
Hon. Lawrence Schwartz
Hon. Vincent Tessitore, Jr.
Hon. Veronica Vanterpool
Hon. Neal Zuckerman**

The following alternate non-voting members were also present:

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

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, Rod Brooks, Senior Vice President of Operations, 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, MTA Bus Company, and Lucille Songhai, Assistant Director, Government Affairs, also attended the meeting.

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

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

1. CHAIRMAN FOYE'S REMARKS.

Chairman Foye welcomed everyone to the June Board meeting.

The Chairman commented on World Pride Day, noting that New York City is hosting World Pride for the first time, with events all month. The Chairman stated that this weekend is particularly significant because it marked both the 50th anniversary of the Stonewall uprising and the Pride March on Sunday. Chairman Foye stated that the MTA intends to do everything it can to accommodate the millions of people traveling to celebrate this historic event. The Chairman stated that the MTA has been celebrating in many ways throughout the system, including designing a Pride-specific logo, decorating trains, developing custom MetroCards, and producing new merchandise for the Transit Museum. Chairman Foye stated that 14th Street, the Village, and Chelsea will be particularly busy, and announce that New York City Transit ("NYCT") will be running regular weekend "L" train service through both tunnels for the entire weekend. During the busiest times, NYCT will run an "L" train every four minutes instead of every 20 minutes. Chairman Foye noted that the ability to do something like this for a special historic occasion would simply not be possible under a full shutdown, and is yet another huge benefit of the new "L" Project approach. It also would not be possible if the project were not a month ahead of schedule, thanks to the leadership of Janno Lieber's team. The Chairman stated that NYCT is ready for the increased ridership with additional service on other subway lines near the parade route, there will be extra personnel at key stations along the route, and additional bus dispatchers to help with changing traffic conditions. Chairman Foye stated that the MTA has created a special webpage, www.new.mta.info/pride2019, and will post details about the services being added, along with any service changes, such as scheduled bus route detours due to street closures. The Chairman recommended that customers check the website before heading out to the Pride-related events.

Chairman Foye noted key legislative changes for the MTA, in addition to Central Business District Tolling that was enacted in April. The Chairman stated that the MTA scored a major victory for its bus network and its customers, with the expansion of bus lane camera enforcement, which allows the MTA and New York City Department of Transportation ("DOT") to use cameras to enforce bus lanes twenty four hours a day and lifts the cap on the number of corridors that can be enforced. Chairman Foye stated that importantly the changes also lowers the first fine from \$115 to \$50, easing the burden on drivers who may have entered the bus lanes accidentally. The Chairman thanked DOT Commissioner Polly Trottenberg for her partnership and support. Chairman Foye also thanked Chair Nily Rozic and Senator Liz Krueger for sponsoring the bill and the members of both legislative houses who supported the bill, including Speaker Carl Heastie and Senate Majority Leader Andrea Stewart-Cousins. Chairman Foye commented on another recently passed bill that authorizes New York City to alienate a small parcel of parkland in SoHo so the MTA can install an electric power substation underground. The substation will provide additional power to support CBTC on the 8th Avenue, ultimately allowing NYCT to run more trains per hour and

serve more customers. Chairman Foye thanked Chair Deborah Glick and Senator Brian Kavanaugh for their sponsorship and support of this bill.

Chairman Foye announced that the MTA Small Business Mentoring Program, a national model that provides training, access to capital, bonding assistance, and contracting opportunities for New York State-certified MWBEs, has also been extended for ten years through 2029, and he thanked Assembly Chair Charles Fall and Senator Leroy Comrie for their support of this bill.

Chairman Foye stated that the omnibus bill also included provisions for the draft MTA personnel and reorganization report due by June 30, 2019. The draft report will be presented to the Board for approval by July 30, 2019 and the MTA will appoint a Chief Transformation Officer to implement the report's recommendations. The Chairman stated that the draft report is only the beginning and there will be a financial advisory review, the results of which will be incorporated into a revised reorganization plan by the fall. A forensic audit will also be completed by the end of the calendar year.

Chairman Foye commented on the July Financial Plan and cost reduction efforts. The Chairman noted that MTA CFO Robert Foran's last reported on the Financial Plan in February, at which time the MTA was projected to face operating deficits in the range of \$1 billion dollars in 2022. The Chairman stated that since then MTA has implemented aggressive cost reduction efforts, including:

- Setting ambitious and mandatory savings targets totaling \$500 million dollars for all MTA agencies;
- Establishing a Vacancy Control Committee, to keep a close focus on hiring of non-represented, non-operational employees;
- Pursuing a ten percent reduction of professional, technical, and advisory service contracts; and
- Continuing Cost Containment Task Force efforts to revamp and streamline the construction process, led by Chief Development Officer Janno Lieber.

The Chairman stated that these efforts, in addition to past savings initiatives led by CFO Foran's team since 2010, add up to more than \$2.5 billion dollars in annual recurring savings if fully implemented, which helps the out-year forecast, but it is not enough.

Chairman Foye stated that while Central Business District Tolling was an extraordinary development for the MTA and for the region, those revenues are reserved for capital expenses only, and cannot support operating expenses, where significant deficits for the MTA remain. The Chairman stated that State law requires the MTA to break even each year, and without the implementation of dramatic, expedited changes to the agency's business model, which will be outlined in the draft MTA transformation report, the MTA will be forced to resort to budget balancing measures such as possible service cuts, additional fare and toll increases and reductions in force as a last resort. The Chairman stated that, as always, the agency will seek to avoid service cuts. Chairman Foye further stated that in the meantime, the agency will continue to keep a close watch on daily operations and management, including its

ongoing internal review of overtime usage, and continue to implement and shift the agency towards one modern, biometric timekeeping system.

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.

2. ACKNOWLEDGEMENT/INTRODUCTION OF BOARD MEMBERS

Chairman Foye acknowledge the following outgoing Board Members:

- Fernando Ferrer, who served as Vice Chairman from 2011 to November 2018, and as Acting Chairman on numerous occasions;
- Polly Trottenberg, Commissioner of New York City Department of Transportation ("DOT"), who served on the Board for five years and who will continue to work with the MTA in her role as DOT Commissioner; and
- Michael Lynton, who brought to the Board private- and tech-sector experience and expertise.

Chairman Foye welcomed and introduced the following new Board Members:

- Linda Lacewell, Superintendent of New York State's Department of Financial Services, who previously served as Chief of Staff and Counselor to Governor Cuomo and is also a former federal prosecutor and New York's first Chief Risk Officer;
- Robert Linn, former Director and Commissioner of New York City's Office of Labor Relations, who also previously served as Chief Labor Negotiator under Mayor Ed Loch; and
- Robert Mujica, Budget Director for New York State, and who previously served as Chief of Staff to the Temporary President and Majority Leader of the Senate, and concurrently served as the Secretary to the Senate Finance Committee.

Chairman Foye also recognized the reappointment of Board Members Andrew Albert and Randy Glucksman, MTA's non-voting Board Members and thanked them for their continued time and service.

The Chairman restated the comment he made at the April Board meeting, saying that, with the exception of the Chair and CEO, Board members are citizen volunteers and serve without compensation, and Chairman Foye thanked the Board members for volunteering their time and energy to serve the people of New York.

Board Member Lacewell clarified that she participates on the Board in her personal capacity and was delighted to be a new Board Member. Board Member Linn also stated that he was delighted to be a new Board Member.

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. PUBLIC SPEAKERS SESSION.

Lucille Songhai, Assistant Director, Government Affairs, reviewed the emergency safety procedures protocol, 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 eighteen (18) 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.

Jesse Samberg, private citizen
Johanna Climenko, CIDNY
Rachael Fauss, Reinvent Albany
Maxwell Reinisch, private citizen
Rick Horan, Executive Director, Coalition for QueensRail
Mary Parisen Lavelle, CURES
Jason Pinerio, private citizen
Bradley Brashears, PCAC
Collin Wright, Transit Center
Tyler Wright, Riders Alliance
Analisa Freitas, Riders Alliance
Lisa Daglian, Executive Director, MTA PCAC
Miriam Fisher, private citizen
William Long, Riders Alliance
Leonard Blade, ACTA
Kevin Zeng, private citizen
Liam Blank, Tri State Transportation Campaign
Zachary Borodlein, private citizen

4. MINUTES

Upon motion duly made and seconded, the Board approved the minutes of the Special Board Meeting held on May 10, 2019 and the Regular Board Meeting held on May 22, 2019. Board Members Robert Mujica, Linda Lacewell and Robert Linn abstained from the vote, noting that they were not Board members at the time.

5. COMMITTEE ON FINANCE.

A. Action Items.

1. Increase Existing New Money Transit and Commuter Project Bond.

Board Member Schwartz noted that this item was moved to the full Board without recommendation at the Finance Committee meeting. Board Member Schwartz stated that at the Finance Committee meeting there was significant discussion with

respect to this item and, as Chair of the Finance Committee, he asked staff to provide additional information prior to the issuance of additional debt.

Board Member Schwartz stated that Chief Financial Officer Robert Foran and members of his staff were helpful in providing additional information. Board Member Schwartz stated that one of the issues brought to his attention was that some of the projects in the 2010-2014 and the 2015-2019 Capital Programs were only in the planning stage. Board Member Schwartz stated that he has requested, and received assurances from the Chairman and the CFO, that none of these projects move forward until further review. Board Member Schwartz further stated that he has asked that any funds from this additional borrowing not be allocated to any projects that are either deemed late or over budget until further evaluation of the projects. In addition, Board Member Schwartz asked that the recommendations from the Cost Containment Working Group, and any relevant recommendations made by the Procurement Working Group, and any other working groups' recommendations that are relevant, be factored into the 2020-2024 Capital Program. Board Member Schwartz suggested that the MTA conduct a re-evaluation of the capital program process every two years, as is required at the Port Authority.

Chairman Foye expressed his and the CFO's support with respect Board Members Schwartz' recommendations and comments.

Board Member Vanterpool explained why she intended to vote no on this item, stating that her vote in opposition in no way is a criticism of the work and efforts of CFO Robert Foran or his team, but rather a statement in opposition to the fact that the organization is in a position to continually borrow, in light of the increasing debt service and debt load, when there are still outstanding receipts from the State and the City.

Chairman Foye asked CFO Robert Foran to address Board Member Vanterpool's concerns with respect to the State debt issues.

CFO Robert Foran responded by stating that everyone is aware of the extraordinary extra efforts of both the State and the City in support of the 2015-2019 Capital Program. Mr. Foran stated that the moneys from the State have all been appropriated and he reminded everyone that the business understanding was that the MTA would use its resources first and then use resources from the City and the State on a pro-rata basis. Mr. Foran stated that he is comfortable that the MTA will receive the additional funding from both funding partners, the State and the City, which will come in on a parity basis.

Following Board members' discussions and comments, and upon motion duly made and seconded, the Board approved all 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 the 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 specifics are set forth in the staff summary and documentation filed with the meeting materials. Board member Vanterpool voted in opposition.

Details of the 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 approved the action items listed below. The specifics are set forth in the staff summaries and documentation filed with the meeting materials.

2. MTA and TBTA Reimbursement of Central Business District Tolling Program Capital Costs for Federal Tax Purposes. Adoption of the reimbursement resolution, which is required by Federal tax law to preserve the ability to finance certain capital projects on a tax-exempt basis.
3. Transportation Revenue Anticipation Notes. Approved the necessary documentation and activities to increase the authorization to issue revenue anticipation notes under the Transportation Revenue General Resolution ("RANs") to provide for short-term liquidity.
4. All-Agency General Contract Procurement Guidelines and All-Agency Service Contract Procurement Guidelines. Approved the MTA's revised All-Agency General Contract Procurement Guidelines and revised All-Agency Service Contract Procurement Guidelines.
5. All-Agency Paid Family Leave Program. Approved the MTA Paid Family Leave Program ("PFLP" or Program) for all non-represented employees at the MTA Agencies.
6. 2019 State Public Work Enforcement Fund ("PWEF") Assessment. Approved actions relating to the payment of the State assessment on the MTA and its constituent agencies for the 2019 PWEF.

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

1. Crowe LLP – Capital Program Development – No. 15457. Approved the retention of Crowe LLP to fulfill the statutory mandate of Section 1279-f of the New York Public Authorities Law, which requires the MTA to, among other things, contract with a Certified Public Accounting Firm 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 station, substations, shops, yards and depots. Such audit shall be performed in accordance with Generally Accepted Government Auditing Standards.

2. Various Contractors – On-Call Asbestos Abatement, Environmental Remediation and Disposal Services – No. 42640. Approved the award of indefinite quantities contracts to Pinnacle Environmental Contract and ETS Contracting for on-call asbestos abatement, environmental remediation and disposal services to support NYC Transit and Long Island Railroad for a period of three years plus unilateral MTA option to extend for an additional two years.
3. CB Richard Ellis, Inc. (“CBRE”) – On-Call Real Estate Brokerage Services – No. 11417-0100. Approved the award of a competitively negotiated all-agency miscellaneous contract to CBRE to provide real estate brokerage, advisory, design and project management services to MTA Real Estate for a five-year period with two one-year extensions to be exercised at the MTA’s sole discretion.
4. Eye-Med Vision Care LLC – All-Agency Vision Benefits – No. 15332. Approved the award of a competitively negotiated all-agency personal services contract to Eye-Med Vision Care, LLC, to provide vision care benefits, inclusive of eye testing, glasses and contact lenses for non-represented employees and some represented employees for a period of four and a half years, from July 1, 2019 through December 31, 2021, plus two one-year options.
5. Interface Cable Assemblies and Services Corp. – As-Needed Cabling Services – No. 6000000b0001718, Modification No. 3. Approved the modification of a contract with Interface Cable Assemblies and Services Corp. 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.
6. AlixPartners, LLP – Digital and Technology Strategy Consulting Services – No. TBD. Approved the retention of AlixPartners to provide project management, business process reviews and development of core policies and procedures for MTA’s Time & Attendance Expansion Project.

C. Real Estate Items. Upon motion duly made and seconded the Board approved the real estate items listed below. The specifics are set forth in the staff summaries and documentation filed with the meeting materials. Board Member Kevin Law recused himself from the vote on the railroad transactions, and he restated the recommendation he made at the committee meeting, suggesting that the real estate agenda list the names of the companies that the MTA has contracted, to make sure that there are no conflict of interests. Board Member Vanterpool amended a position taken on a real estate item at Monday’s Finance Committee meeting, wherein she voted against the Lawrence Station lease agreement, which she stated she actually supports, instead of making a statement against not charging rent for three years for the Riverhead lease agreement.

Details of the Board members’ comments are contained in the video recording of the meeting produced by the MTA and maintained in the MTA records.

Long Island Rail Road

1. License agreement with Eagle Scaffolding Services Inc. for parking at Amityville Station, adjacent to 67 Mill Street, Amityville, N.Y.
2. Lease agreement with Trestle Tavern Corp. for master lease of space under the LIRR trestle containing two separate retail spaces for use as a bar and a restaurant located at 149-153 S. Franklin Avenue, Valley Stream, N.Y.
3. License agreement renewal with Marlene Realty Co., LLC, formerly known as Blanrose Realty Corp., for LIRR property to provide an adjacent property owner access and parking for its retail property located at Fresh Pond Road, Ridgewood, Queens, N.Y.
4. License agreement renewal with Giulio Marini 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 located north of Liberty Avenue, Hillside, Queens, N.Y.
5. Lease agreement with Off the Diet, LLC for lease of station building for a restaurant located at the Lawrence Station, Far Rockaway Branch, Nassau County, N.Y.
6. Lease agreement with Cheffield Caffettiera LLC for lease of a station building for a coffee shop at Riverhead Station, Ronkonkoma Branch, Suffolk County, N.Y.
7. License agreement with Bistrian Materials, Inc. for use of vacant land for storage located behind 86 Industrial Road, Montauk, N.Y.
8. Lease modification and extension with One Penn Plaza LLC, an affiliate of Vornado Realty Trust, for reconfiguration, expansion, modification and extension of the lease for Penn Station concourse and track level offices and support areas for MTAPD, LIRR and Metro-North located at 1 Penn Plaza, New York, N.Y.

Metro-North Railroad

9. License agreement with AutoZone Parts, Inc. for access to and use of private property for construction staging and access in connection with reconstruction of Metro-North's retaining wall located at 136-194 South Main Street, adjacent to Metro-North's New Haven Line, Port Chester, N.Y.
10. Lease agreement with Winfield Street Rye LLC for a café and cocktail bar (subject to tenant obtaining a liquor license), with a right to use ancillary space for parking and tables and chairs located at Metro-North's Rye Station Building (New Haven Line), 2 Station Plaza, Rye, N.Y.

New York City Transit Authority

Regular Board Meeting
June 26, 2019

11. Lease between BKLYN Commons, LLC for office space to serve as a swing room for bus operators and dispatchers at 7 Marcus Garvey Blvd., Brooklyn, N.Y.
12. Amendment of the November 1, 1996 sublease with the City of New York, Roosevelt Island Operating Corporation relating to the 53rd Street Tunnel (Manhattan Block 1373, portion of Lot 1), New York, N.Y.
13. Leasehold acquisition with the MTA Staten Island Railway (“SIR”) and the City of New York of an interest in the Leasehold Properties for flood walls located at two City-owned parcels adjacent to SIR’s St. George Ferry Terminal Station (a portion of Richmond County Block 2, Lot 1 and a portion of Richmond County Block 2, Lot 10), Staten Island, N.Y.

6. INTRODUCTION OF NEW MTA INSPECTOR GENERAL/PRESENTATION

Chairman Foye introduced Carolyn Pokorny, the newly appointed MTA Inspector General, and the Chairman invited Ms. Pokorny to discuss her new role as Inspector General and the focus of her recent work at the MTA.

Ms. Pokorny thanked Chairman Foye and her predecessor, former Inspector General Barry Kluger, who she said has devoted his entire career to public service and who has been a tremendous help in the transition process.

Ms. Pokorny provide a summary of her background and career and she proceeded to discuss her role as the MTA Inspector General.

Ms. Pokorny expressed her appreciation for the support she received from MTA leadership, and noted that she had visited numerous facilities and inspected their operations, as well as hearing from management, employees and riders. Ms. Pokorny stated that what she has seen so far is very encouraging in some respects, but that serious questions had also arisen.

Ms. Pokorny stated that she was focusing on the cleaning of subway drains, the subject of a 2006 report from the IG's Office, as well as subway station and car cleaning. She noted that the cleaning of drains, if not done properly, could lead to flooding and service impacts, and that station and car cleaning is not just a quality of life issue, but helps prevent litter from getting onto the tracks and causing track fires.

Ms. Pokorny also stated that she was looking into time and attendance issues, which is vital for the protection of public dollars and to retain public confidence in the MTA. She noted that MTA uses more than a dozen different systems to monitor time and attendance, and that some facilities are better than others. She further noted that some time clocks are outdated, and she was glad to hear about the roll out of biometric clocks. Ms. Pokorny concluded by noting that she had a number of issues to review, including fare evasion and worker safety.

Details of Inspector General Pokorny's comments, presentation and Board Members' discussion and comments are contained in the video recording of the meeting produced by the MTA and maintained in the MTA records.

EXECUTIVE SESSION.

Upon motion duly made and seconded, the Board convene an Executive Session, pursuant to Section 105(1)(e) of the New York State Public Officers Law, to discuss a matter relating to collective bargaining, and pursuant to Section 105(1)(c) of the New York State Public Officers Law to discuss a matter relating to a current or future investigation.

Chairman Foye noted that the Board will vary its past practices and discuss collective bargaining matters in private but vote on the matters in public.

Board Member Tessitore stated that, considering that the rules do not allow labor Board Members' to participate in the executive session as it relates to discussions on collective bargaining matters, he wanted an opportunity to address the Board as a whole before it convenes in the private session. Board Member Tessitore stated that MTA workforce are working harder today than ever before and are doing historic work by rebuilding the subway systems. Board Member Tessitore stated that when the Board meets to discuss matters relative to investigating waste and fraud, it weighs heavily on the employees. Board Member Tessitore stated that while he has trust in the new leadership at the MTA I.G.'s office, he noted the agency's decision to allocate more resources towards more investigations and he implored the Board to be mindful that the workforce is not comfortable and is concerned about the matter. Board Member Tessitore stated that the workforce have nothing to hide or be afraid of, and he stated that the vast majority of the workforce is working hard and doing the right thing. Board Member Tessitore stated that while the organization invest more resources into investigating matters that may or may not need to be investigated, he asked the Board to recognize and commend all the good work that the employees are doing.

Chairman Foye noted that Board Members' and the Inspector General's comments have been about the quality and dedication of the workforce, and the Chairman stated the he hopes that Board Member Tessitore would relay the positive sentiments expressed to his colleagues at the LIRR.

Board Member Brown noted that the Open Meetings Law relieves collective bargaining matters from the public session. However, he stated that if the Board chooses to change this protocol and violate the Open Meetings Law by conducting a vote in public session, his position is that collective bargaining issues are exempt. Additionally, Board Member Brown commented on the issue of trust and the duty of fair representation, and he stated that any investigations conducted should be fair and impartial. Board Member Brown stated that, while he has no reason to believe that the I.G. and other prosecutors would pursue matters in less than a fair and impartial manner, neither should anyone believe that he would conduct himself in any way other than fair and impartial. Board Member Brown stated that his duty of fair representation for his members in no way conflicts with his fiduciary responsibilities as a Board Member. Further, Board Member Brown stated that he felt that an important perspective would be lost if he were not able to join the discussion relating to the investigations.

Chairman Foye noted that when the Board, pursuant to law, met in executive session to discuss his salary he did not participate in the executive session because he believed that it would be an actual or potential conflict. The Chairman stated that he believes that the same rules apply in this instance as well. Chairman Foye stated that the application of this law in this instance does not speak to Board Members Brown's and Tessitore's integrity or honesty. However, the Chairman stated that although Board Members Brown and Tessitore add tremendous value to the conversation, the rules will be applied in this instance.

Board Member Robert Linn stated that he had spent the last five years doing collective bargaining work for the de Blasio administrations and the approach taken was one of respect, understanding and communication with respect to the workforce. Board Member Linn stated that he was excited about joining the MTA Board and to bring his collective bargaining experience to the MTA and have an opportunity to work with organized labor effectively and collaboratively. Board Member Linn stated that the Board needs to focus seriously on labor and find an approach that makes clear that investigating fraud is not a sign of disrespect, but an effort to prevent fraud and solve problems.

Details of the Chairman's and Board Members' comments are contained in the video recording of the meeting produced by the MTA and maintained in the MTA records.

7. **PUBLIC SESSION RESUMES**

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

Chairman Foye announced that while in executive session, the MTA Board discussed a collective bargaining agreement between MTA Bridges & Tunnels (B&T) and the B&T Officers Benevolent Association, representing approximately 412 B&T Officers.

Chairman Foye asked for a motion to approve the collective bargaining agreement amendment.

Upon motion duly made and seconded, the Board approved the amendment to the collective bargaining agreement between MTA B&T and the B&T Officers Benevolent Association.

8. **ADJOURNMENT.** Upon motion duly made and seconded, the Board voted to adjourn the meeting at 12:38 p.m.

The Chairman announced that the next Board meeting is on Wednesday, July 24, 2019

Respectfully submitted,

Victoria Clement
Assistant Secretary

Regular Board Meeting
June 26, 2019

**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 June 26, 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. Linda Lacewell
Hon. Kevin Law
Hon. Robert W. Linn
Hon. David Mack
Hon. Susan Metzger
Hon. Haeda B. Mihaltses
Hon. Robert F. Mujica
Hon. Lawrence Schwartz
Hon. Vincent Tessitore, Jr.
Hon. Veronica Vanterpool
Hon. Neal Zuckerman**

The following alternate non-voting members were also present:

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

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, Rod Brooks, Senior Vice President of Operations, 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, MTA Bus Company, and Lucille Songhai, Assistant Director, Government Affairs, MTA, also attended the meeting.

1. CHAIRMAN FOYE CALLED THE MEETING TO ORDER

MTA Chairman & CEO Patrick Foye called the meeting to order.

2. CHAIRMAN FOYE'S REMARKS

Chairman Foye welcomed everyone to the June Board meeting.

The Chairman commented on World Pride Day, noting that New York City is hosting World Pride for the first time, with events all month. The Chairman stated that this weekend is particularly significant, marking both the 50th anniversary of the Stonewall uprising and with World Pride culminating with the Pride March on Sunday. Chairman Foye stated that the MTA wants to do everything it can to accommodate the millions of people coming to celebrate this historic event. The Chairman stated that the MTA has been celebrating in many ways throughout its system, including, for the first time, designing a Pride-specific logo, decorating the trains, developing custom MetroCards, and producing new merchandise for the Transit Museum. He noted that 14th Street, the Village, and Chelsea will be particularly busy, and that the MTA is pleased to announce that it will be running regular weekend "L" service through both tunnels for the entire weekend. During the busiest times, the MTA will run an "L" train every four minutes instead of every 20 minutes. Chairman Foye noted that the ability to do something like this for a special historic occasion would simply not be possible under a full shutdown, and is yet another huge benefit of the new "L" Project approach. It also would not be possible if the project were not a month ahead of schedule, thanks to the leadership of Janno Lieber's team. The Chairman stated that MTA is ready for the increased ridership with additional service on other subway lines near the parade route, there will be extra personnel at key stations along the route, and additional bus dispatchers to help with changing traffic conditions. The Chairman stated that a special webpage has been created, www.new.mta.info/pride2019, and that the MTA will post more details about the services being added, along with any service changes, such as scheduled bus route detours due to street closures. The Chairman recommended that customers check the website before heading out to the Pride-related events.

Chairman Foye noted that this year's legislative session concluded last week, which included some key changes for the MTA, in addition to the Central Business District Tolling ("CBDT") that was enacted in April. The Chairman stated that the MTA scored a major victory for its bus network and its customers with the expansion of bus lane camera enforcement, which allows the MTA and the NYC Department of Transportation ("DOT") to use cameras to enforce bus lanes 24/7, and lifts the cap on the number of corridors that can be enforced. Chairman Foye stated that, importantly, the changes also lower the first fine from \$115 to \$50, easing the burden on drivers who may have entered accidentally. The Chairman stated that MTA is grateful to DOT Commissioner Polly Trottenberg for her partnership and support on this initiative and support of the bill. Chairman Foye also thanked Chair Nily Rozic and Senator Liz Krueger for sponsoring the bill, and the members in both houses who supported it, including Speaker Carl Heastie and Senate Majority Leader Andrea Stewart-Cousins. Chairman Foye noted another bill that passed which he stated represents a big win for New York City subway riders. The bill authorizes the City to alienate a small parcel of parkland in SoHo, which will enable MTA to install an electric power substation underground, below a basketball court. The substation will provide additional power to support CBDT on the 8th Avenue line, ultimately allowing MTA to run more trains per hour and serve far more customers. Once the construction is complete, the basketball courts will

be completely restored. Chairman Foye thanked Chair Deborah Glick and Senator Brian Kavanaugh for their sponsorship and support of this initiative.

Chairman Foye announced that the MTA's Small Business Mentoring Program, a national model that provides training, access to capital, bonding assistance, and contracting opportunities for New York State-certified MWBEs, has also been extended for ten years through 2029, and he thanked Chair Charles Fall and Senator Leroy Comrie for their support on this bill.

Finally, Chairman Foye stated that the omnibus bill included additional provisions for the draft personnel and reorganization report due by June 30th, which the agency is working on. The draft report will be presented to the Board for approval by July 30, and the MTA will appoint a Chief Transformation Officer to implement the report's recommendations. The Chairman stated that the draft report is only the beginning, and there will be a financial advisory review, the results of which will be incorporated into a revised reorganization plan by the fall.

Chairman Foye stated that the MTA is currently working on the July Financial Plan, noting that Chief Financial Officer Robert Foran's last report on the Financial Plan in February included projected operating deficits in the range of \$1 billion in 2022. Since then the MTA has implemented aggressive cost reduction efforts, including:

- Setting ambitious and mandatory savings targets totaling \$500 million for all MTA agencies.
- Establishing a Vacancy Control Committee, to keep a close focus on hiring of non-represented, non-operational employees.
- Pursuing a 10% reduction of professional, technical and advisory service contracts.
- Continuing MTA Cost Containment Task Force efforts to revamp and streamline the construction process, led by Chief Development Officer Janno Lieber.

The Chairman stated that these efforts, in addition to past savings initiatives led by Mr. Foran's team since 2010, add up to more than \$2.5 billion in annual recurring savings if fully implemented, which helps the out-year forecast, but it is not enough.

Chairman Foye stated that while CBDT was an extraordinary development for the MTA and for the region, those revenues are allocated for capital expenses only, and cannot support operating expenses, wherein significant deficits for the MTA remain. The Chairman stated that State law requires the MTA to break even each year. Without the implementation of dramatic, expedited changes to the agency's business model, which will be outlined in the draft MTA Transformation Report, the agency will be forced to resort to painful measures in order to balance the budget, including possible service reductions, additional fare and toll increases above the existing, scheduled increases, and, as a last resort, reductions in workforce. The Chairman stated that, as always, the agency will seek to avoid service cuts. Chairman Foye stated that in the meantime, the agency will continue to keep a close watch on daily operations and management, including its ongoing internal review of overtime usage, and continue to implement and shift the agency towards one modern, biometric timekeeping system.

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.

3. **CHAIRMAN FOYE’S ACKNOWLEDGEMENT/INTRODUCTION OF BOARD MEMBERS**

Chairman Foye acknowledged the following outgoing Board Members:

- Fernando Ferrer, who served as Vice Chairman from 2011 to November 2018, and as Acting Chairman on numerous occasions;
- Polly Trottenberg, Commissioner of New York City DOT, who served on the Board for five years and who will continue to work with the MTA in her role as DOT Commissioner; and
- Michael Lynton, who brought to the Board private- and tech-sector experience and expertise.

Chairman Foye introduced and welcomed the following new Board Members:

- Linda Lacewell, serving on the Board in her personal capacity. Board Member Lacewell is Superintendent of New York State’s Department of Financial Services, who previously served as Chief of Staff and Counselor to Governor Cuomo and is also a former federal prosecutor and New York’s first Chief Risk Officer;
- Robert Linn, former Director and Commissioner of New York City’s Office of Labor Relations, who also previously served as Chief Labor Negotiator under Mayor Ed Loch; and
- Robert Mujica, Budget Director for New York State, and who previously served as Chief of Staff to the Temporary President and Majority Leader of the Senate, and concurrently served as the Secretary to the Senate Finance Committee.

Chairman Foye also noted the reappointment of Andrew Albert and Randy Glucksman, MTA’s non-voting Board Members.

The Chairman restated the comment he made at the April Board meeting that, with the exception of the Chair and CEO, Board members are volunteers and serve without compensation. Chairman Foye thanked the Board members for volunteering their time and energy to serve the people of New York.

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. **PUBLIC COMMENT PERIOD**

There were eighteen (18) 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.

Jesse Samberg, private citizen
Johanna Climenko, CIDNY
Rachael Fauss, Reinvent Albany
Maxwell Reinisch, private citizen
Rick Horan, Executive Director, Coalition for QueensRail
Jason Pineiro, private citizen

Bradley Brashears, PCAC
Collin Wright, Transit Center
Tyler Wright, Riders Alliance
Analisa Freitas, Riders Alliance
Lisa Daglian, Executive Director, MTA PCAC
Miriam Fisher, private citizen
William Long, Riders Alliance
Leonard Blade, ACTA
Kevin Zeng, private citizen
Liam Blank, Tri State Transportation Campaign
Zachary Borodlein, private citizen

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

5. MINUTES

Upon motion duly made and seconded, the Board approved the minutes of the Special Board Meeting on May 10, 2019 and the Regular Board Meeting on May 22, 2019. Board Members Linda Lacewell and Robert Linn abstained from the vote on the minutes.

6. COMMITTEE ON FINANCE

Action Items:

All-Agency General Contract Procurement Guidelines and All-Agency Service Contract Procurement Guidelines. Upon motion duly made and seconded, the Board approved the MTA's revised All-Agency General Contract Procurement Guidelines and revised All-Agency Service Contract Procurement Guidelines.

All-Agency Paid Family Leave Program: Upon motion duly made and seconded, the Board approved the MTA Paid Family Leave Program for all non-represented employees at the MTA Agencies.

The specifics of the above items are set forth in the staff summaries and documentation filed with the meeting materials. 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.

Real Estate Items:

Upon motion duly made and seconded, the Board approved: (1) a lease between MTA New York City Transit and BKLYN Commons, LLC for office space at 7 Marcus Garvey Blvd., Brooklyn, NY; (2) an amendment of a sublease for the 53rd Street Tunnel to add additional property; and (3) the acquisition by MTA Staten Island Railway ("SIR") of a leasehold interest in two City-owned parcels adjacent to SIR's St. George Ferry Terminal Station for flood walls.

The specifics of the above items are set forth in the staff summaries and documentation filed with the meeting materials. 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.

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

Action Item:

Board Resolution on Criminal Recidivism: Upon motion duly made and seconded, the Board approved a Resolution concerning criminal recidivism in the transit system.

Board Member Jones abstained from the vote on this item.

The full Board Resolution adopted by the Board and further details with respect to this item are included in materials which are on file with the records of the meeting of the Board of MTA NYC Transit /Staten Island Rapid Transit Operating Authority /MTA Bus Company. Details of the 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 majority vote (Schedule L in the Agenda).

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

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

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.

8. INTRODUCTION OF NEW MTA INSPECTOR GENERAL/PRESENTATION

Chairman Foye introduced Carolyn Pokorny, the newly appointed MTA Inspector General, and the Chairman invited Ms. Pokorny to discuss her new role as Inspector General and the focus of her recent work at the MTA.

Ms. Pokorny thanked Chairman Foye and her predecessor, former Inspector General Barry Kluger, who she said has devoted his entire career to public service and who has been a tremendous help in the transition process. Ms. Pokorny stated that she was a career federal prosecutor, having served as Deputy Chief of Staff and Counselor to United States Attorney General Loretta Lynch, and having spent 15 years in the United States Attorney's Office in Brooklyn as a prosecutor pursuing corruption among public officials, dismantling drug cartels, and addressing various types of fraud.

Ms. Pokorny also stated that riders and taxpayers deserved an Inspector General who has a serious attitude about compliance. She expressed appreciation for the support she has received from MTA leadership, and noted that she had visited numerous facilities and inspected their operations, as well as hearing from workers, supervisors, contractors and riders. She indicated that so far, what she saw was very encouraging in some respects, but that serious questions had also arisen.

Ms. Pokorny stated that she was focusing on the cleaning of subway drains, the subject of a 2006 report from the IG's Office, as well as subway station and car cleaning. She noted that the cleaning of drains, if not done properly, could lead to flooding and service impacts, and that station and car cleaning is not just a quality of life issue, but helps prevent litter from getting onto the tracks and causing track fires.

Ms. Pokorny also stated that she was looking into time and attendance issues, which is vital for the protection of public dollars and to retain public confidence in the MTA. She noted that MTA uses more than a dozen different systems to monitor time and attendance, and that some facilities are better than others. She further noted that some time clocks are outdated, and she was glad to hear about the roll out of biometric clocks. Ms. Pokorny concluded by noting that she had a number of issues to review, including fare evasion and worker safety.

Board Member Linda Lacewell noted that the 2006 report from the IG's Office, looking into the issue of keeping subway drains clean, lists several steps to be taken, yet we seem to be having the same issue all over again. She asked how Ms. Pokorny would ensure that her recommendations are implemented.

Ms. Pokorny responded, stating that one thing she intends to do is follow up, whether after 6 months or some other interval, to see how the subject agency is doing. Second, the Board plays a critical role here and she wanted to make sure her reports were available to the Board so that the Board could ask appropriate questions. She stated that she was looking to upload her Office's reports for the past two (2) years, as transparency is helpful.

Board Member Vincent Tessitore, Jr. stated that he appreciated Ms. Pokorny's good words about the direction of the workforce. He noted that she spoke about meeting with managers and asked if she also planned to meet with organized labor and labor leaders. He also asked if

she was aware of the challenges faced by craft workers in getting the job done. Ms. Pokorny responded, stating that she would welcome meeting with organized labor, and she recognized that overtime is at times necessary to get the job done. She stated that her interest was fraud, waste and abuse - the issue of whether overtime is in fact necessary to get the job done.

Board Member Tessitore stated that biometric clocks may pose challenges to certain crafts, and that the IG should identify the additional resources needed. Board Member Jones asked whether, in 2006, there was interaction with the Board, in terms of informing the Board of what was happening. Board Member Sarah Feinberg stated that they have already asked for the IG's reports to be shared with the Board immediately upon completion, and for a briefing by the IG at least quarterly. In addition, she noted that they had asked for the IG's website to be updated. Ms. Pokorny responded, stating that she would be delighted to brief the Board and that she was actively working on updating the website.

Board Member Vanterpool welcomed Ms. Pokorny and stated that she has very valuable expertise. She asked if Ms. Pokorny was independent of the Governor, to which Ms. Pokorny responded that the Governor appointed her and she has a reporting requirement to the Governor, but that she will be exercising her own independent judgment.

Board Member Schwartz welcomed Ms. Pokorny and stated that he had several issues of concern, including clogged drains, overtime, cyber security and training.

Board Member Brown applauded Ms. Pokorny's approach and asked her to work with the Board. Mr. Brown stated that, with respect to timekeeping, no system will replace employing people you trust. Mr. Brown also raised the issue of 38th Street Yard and allegations of sabotage to a biometric clock located there. He stated that there was no sabotage and asked Ms. Pokorny if she had investigated this allegation. Ms. Pokorny responded, stating that it was reported on June 8, 2019 that the clock had been smashed in. The MTA Police and the IG's Office did investigate and spoke with the manager of the facility, and that they were able to narrow down the time frame in which the sabotage occurred to June 7, 2019.

Board Member Mujica thanked Ms. Pokorny for accepting the role of IG. He stated that the 2006 report on drains was somewhat devastating and that we could have avoided the problems we have today; either the recommendations made were not followed or there was fraud. He asked Ms. Pokorny to look at the other reports from the IG's Office and determine if recommendations made had been put into place. He asked Ms. Pokorny to go back and look and advise the Board, to which Ms. Pokorny stated that she would do so.

Board Member Lacewell stated that if supervisors were signing off on work getting done when this was not the case, this is troubling and reveals an issue with the culture of compliance that needs to be addressed for the sake of not only of the public, but of employees as well.

Board Member Rhonda Herman welcomed Ms. Pokorny and expressed her appreciation for Ms. Pokorny looking into station and car cleanliness, a quality of life issue that impacts customer satisfaction and ridership. Chairman Foye asked Ms. Pokorny to let the Board know if she was not getting cooperation from anyone in the organization. Ms. Pokorny thanked the Chair for his support.

Further details of Inspector General Pokorny's comments, presentation and Board Members' discussion and comments are contained in the video recording of the meeting produced by the MTA and maintained in the MTA records.

9. EXECUTIVE SESSION.

Upon motion duly made and seconded, Chairman Foye made a motion to convene into Executive Session pursuant to Section 105(1)(e) of the New York State Public Officers Law ("POL") to discuss matters relating to collective bargaining, and pursuant to Section 105(1)(c) of the POL to discuss matters relating to current or future investigations.

Chairman Foye noted that the Board will vary its past practices with respect to the collective bargaining matter by voting on the item in the public session, although a discussion will be held in the private session.

Board Member Tessitore stated that, considering that the rules do not allow labor Board Members' to participate in the executive session as it relates to discussions on collective bargaining matters, he wanted an opportunity to address the Board as a whole before it convenes in the private session. Board Member Tessitore stated that the MTA workforce is working harder today than ever before and is doing historic work by rebuilding the subway systems. Board Member Tessitore stated that when the Board meets to discuss matters relative to investigating waste and fraud, it weighs heavily on the employees. Board Member Tessitore stated that while he has trust in the new leadership at the MTA I.G.'s office, he noted the agency's decision to allocate more resources towards more investigations and he implored the Board to be mindful that the workforce is not comfortable and is concerned about the matter. Board Member Tessitore stated that the workforce has nothing to hide or be afraid of, and he stated that the vast majority of the workforce is working hard and doing the right thing. Board Member Tessitore stated that while the organization is investing more resources into investigating matters that may or may not need to be investigated, he asked the Board to recognize and commend all the good work that the employees are doing.

Chairman Foye noted that Board Members' and the Inspector General's comments have noted the quality and dedication of the workforce, and the Chairman stated the he hopes that Board Member Tessitore would relay the positive sentiments expressed to his colleagues at the LIRR.

Board Member Brown noted that the Open Meetings Law relieves collective bargaining matters from the public session. However, he stated that if the Board chooses to change this protocol and violate the Open Meetings Law by conducting a vote in public session, his position is that collective bargaining issues are exempt from executive session. Additionally, Board Member Brown commented on the issue of trust and the duty of fair representation, and he stated that any investigations conducted should be fair and impartial. Board Member Brown stated that, while he has no reason to believe that the I.G. and other prosecutors would pursue matters in a less than fair and impartial manner, neither should anyone believe that he would conduct himself in any way other than fair and impartial. Board Member Brown stated that his duty of fair representation for his members in no way conflicts with his fiduciary responsibilities as a Board Member. Further, Board Member Brown stated that he felt that an important perspective would be lost if he were not able to join the discussion relating to the investigations.

Chairman Foye noted that when the Board, pursuant to law, met in executive session to discuss his salary he did not participate in the executive session because he believed that it would be an actual or potential conflict. The Chairman stated that he believes the same rules apply in this instance as well. Chairman Foye stated that the application of this law in this instance does not speak to Board Members Brown's and Tessitore's integrity or honesty. However, the Chairman stated that although Board Members Brown and Tessitore add tremendous value to the conversation, the rules will be applied in this instance.

Board Member Robert Linn stated that he had spent the last five years doing collective bargaining work for the de Blasio administration and the approach taken was one of respect, understanding and communication with respect to the workforce. Board Member Linn stated that he was excited about joining the MTA Board and to bring his collective bargaining experience to the MTA and have an opportunity to work with organized labor effectively and collaboratively. Board Member Linn stated that the Board needs to focus seriously on labor and find an approach that makes clear that investigating fraud is not a sign of disrespect, but an effort to prevent fraud and solve problems.

Upon motion duly made and seconded, the Board convened into executive session.

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

10. PUBLIC SESSION RESUMES

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

11. ADJOURNMENT.

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 12:38 p.m.

The Chairman announced that the next Board meeting is on Wednesday, July 24, 2019.

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, June 26, 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. Linda Lacewell
Hon. Kevin Law
Hon. Robert W. Linn
Hon. David Mack
Hon. Susan Metzger
Hon. Haeda B. Mihaltses
Hon. Robert F. Mujica
Hon. Lawrence Schwartz
Hon. Vincent Tessitore, Jr.
Hon. Veronica Vanterpool
Hon. Neal Zuckerman

The following alternate non-voting members were also present:

Hon. Norman E. Brown
Hon. Randolph Glucksman

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, Rod Brooks, Senior Vice President of Operations, 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, MTA Bus Company, and Lucille Songhai, Assistant Director, Government Affairs, 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. **CHAIRMAN FOYE'S REMARKS:**

Chairman Foye commented that New York City is hosting World Pride for the first time. He stated that the weekend was significant because it marked both the 50th anniversary of the Stonewall uprising and the Pride March on Sunday. Chairman Foye commented that the MTA intends to do everything it can to accommodate the millions of people travelling to celebrate. The MTA has been celebrating in many ways throughout the system, including designing a Pride-specific logo, decorating trains, developing custom MetroCards, and producing new merchandise for the Transit Museum. Chairman Foye stated that 14th Street, the Village, and Chelsea will be particularly busy and announced that New York City Transit ("NYCT") be running regular weekend "L" train service through both tunnels for the entire weekend. He stated that during the busiest times, NYCT will be running an "L" train every four minutes instead of every 20 minutes. Such increased "L" train service would not be possible under a full shutdown and is a benefit of the new "L" train project approach. NYCT is ready for increased ridership with additional service on other subway lines near the parade route. There will also be extra personnel at key stations along the route and additional bus dispatchers to help with changing traffic conditions. Chairman Foye further commented that the MTA has created a special webpage "new.mta.info/pride2019" where details about the added World Pride service will be posted, along with any service changes. He recommended that customers check the website before travelling to Pride-related events.

Chairman Foye also commented on key MTA related legislative changes in addition to Central Business District Tolling enacted in April. He stated that the MTA scored a victory for its bus network and customers with the expansion of bus lane camera enforcement, which allows the MTA and New York City Department of Transportation ("DOT") to use cameras to enforce bus lanes twenty four hours a day and lifts the cap on the number of corridors that can be enforced. Importantly, it also lowers the first fine from \$115 to \$50, easing the burden on drivers who may have entered the bus lanes accidentally. Chairman Foye thanked DOT Commissioner Polly Trottenberg for her partnership and support, Assembly Chair Nily Rozic and Senator Liz Krueger for sponsoring the bill, and the members of both legislative houses who supported the bill, including Speaker Carl Heastie and Senate Majority Leader Andrea Stewart-Cousins.

Chairman Foye commented on another recently passed bill that authorizes New York City to alienate a small parcel of parkland in SoHo so the MTA can install an electric power substation underground. The substation will provide additional power to support CBTC on the 8th Avenue Line, ultimately allowing NYCT to run more trains per hour and serve more customers. Chairman Foye thanked Chair Deborah Glick and Senator Brian Kavanaugh for their sponsorship and support of this bill.

Chairman Foye stated that the MTA's Small Business Mentoring Program, a national model that provides training, access to capital, bonding assistance, and contracting opportunities for New York State-certified MWBEs, has also been extended for ten years, through 2029. He thanked Assembly Chair Charles Fall and Senator Leroy Comrie for their support of this bill.

Chairman Foye stated that the omnibus bill also included provisions for the draft MTA personnel and reorganization report due by June 30, 2019. The draft report will be presented to the Board for approval by July 30, 2019 and the MTA will appoint a Chief Transformation Officer to

implement the report's recommendations. He stated that the draft report is only the beginning and there will remain a financial advisory review, the results of which will be incorporated into a revised reorganization plan by the fall. A forensic audit will also be completed by the end of the calendar year.

Chairman Foye next commented on the July Financial Plan and cost reduction efforts. He stated that the MTA CFO, Robert Foran, last reported on the Financial Plan in February, at which time the MTA was projected to face operating deficits in the range of \$1 billion dollars in 2022. Chairman Foye remarked that the MTA has since implemented aggressive cost reduction efforts, including:

- Setting ambitious and mandatory savings targets totaling \$500 million dollars for all MTA agencies;
- Establishing a Vacancy Control Committee, to keep a close focus on hiring of non-represented, non-operational employees;
- Pursuing a ten percent reduction of professional, technical, and advisory service contracts; and
- Continuing Cost Containment Task Force efforts to revamp and streamline the construction process, led by Chief Development Officer Janno Lieber.

Chairman Foye stated that these efforts, in addition to past savings initiatives led by CFO Foran's team since 2010, add up to more than \$2.5 billion dollars in annual recurring savings if fully implemented. While Central Business District Tolling was an extraordinary development for the MTA and for the region, those revenues are reserved for capital expenses only, and cannot support operating expenses, where significant deficits for the MTA remain.

Chairman Foye commented that State law requires the MTA to break even each year and without the implementation of dramatic, expedited changes to the agency's business model, which will be outlined in the draft MTA transformation report, the MTA will be forced to resort to budget balancing measures such as possible service cuts, additional fare and toll increases, and reductions in force as a last resort. As always, the MTA will seek to avoid service cuts.

Chairman Foye commented further that the MTA is continuing to watch daily operations and management closely, including an ongoing internal review of overtime usage, and continuing to implement and shift the agency towards one modern, biometric timekeeping system.

The video recording of the meeting produced by the MTA and maintained in the MTA records contains a complete record of Chairman Foye's remarks.

2. ACKNOWLEDGEMENT/INTRODUCTION OF BOARD MEMBERS:

Chairman Foye acknowledge the following outgoing Board Members:

- Fernando Ferrer, who served as Vice Chairman from 2011 to November 2018, and as Acting Chairman on numerous occasions;

- Polly Trottenberg, Commissioner of New York City Department of Transportation (“DOT”), who served on the Board for five years and who will continue to work with the MTA in her role as DOT Commissioner; and
- Michael Lynton, who brought private and tech sector experience and expertise to the Board.

Chairman Foye welcomed and introduced the following new Board Members:

- Linda Lacewell, Superintendent of New York State’s Department of Financial Services, who previously served as Chief of Staff and Counselor to Governor Cuomo and is also a former federal prosecutor and New York’s first Chief Risk Officer;
- Robert Linn, former Director and Commissioner of New York City’s Office of Labor Relations, who also previously served as Chief Labor Negotiator under Mayor Ed Loch; and
- Robert Mujica, Budget Director for New York State, and who previously served as Chief of Staff to the Temporary President and Majority Leader of the Senate, and concurrently served as the Secretary to the Senate Finance Committee.

Chairman Foye also recognized the reappointments of Board Members Albert and Glucksman and thanked them for their continued time and service. Chairman Foye restated the comment he made at the April Board meeting, saying that, with the exception of the Chair and CEO, Board members are citizen volunteers and serve without compensation, and Chairman Foye thanked the Board members for volunteering their time and energy to serve the people of New York.

Board Member Lacewell clarified that she participates on the Board in her personal capacity and was delighted to be a new Board Member. Board Member Linn stated that he was also delighted to be a new Board Member.

The video recording of the meeting produced by the MTA and maintained in the MTA records contains a complete record of Chairman Foye’s remarks.

3. **SAFETY PROCEDURES:**

Lucille Songhai, Assistant Director, Government Affairs, reviewed the emergency safety procedures and introduced the public speakers.

4. **PUBLIC SPEAKERS:**

There were 18 registered public speakers. The following speakers spoke on Metro-North related matters:

Jesse Samberg commented on the MTA's reorganization plan. He commented that the MTA's Business Service Center ("BSC") is the most comprehensive, well-managed, shared service organization in the public sector, and that the BSC offers a roadmap to a successful transformation process. He stated that he applauds the MTA's mandate for change and asked that the MTA be thoughtful in the execution.

Rachel Fauss, with Reinvent Albany, commented on a number of areas of concern about the MTA's fiscal health, welfare, and reorganization.

Maxwell Reinisch commented on the bus network redesign. He commented that with the proposed redesign, the BX15 bus would run from Fordham Plaza with connections to Metro-North to the hub at 149th Street and 3rd Avenue. The new route, called the M125, would run from 149th Street and 3rd Avenue to 125th Street and Riverside Drive. Mr. Reinisch proposed that this M125 bus route be added into the select bus service program.

Jason Piniero commented on the need for more diversity on the MTA Board and the problem of fare evasion. He also asked the Board to consider fare alternatives for Metro-North, such as the Long Island Rail Road's Atlantic Ticket. He also commented on the need to freeze fare and toll increases.

Bradley Brashears, with the Permanent Citizens Advisory Committee, commented on the benefits of the Atlantic Ticket fare structure and the need to apply a similar Freedom Ticket fare structure in the Bronx for Metro-North riders.

Collin Wright, with Transit Center, commented on the need for public dialogue and transparency during the MTA reorganization process. He commented that the draft reorganization plan should be posted publicly and that the MTA should engage outside experts and community stakeholders through public hearings.

Lisa Daglian, with the Permanent Citizens Advisory Committee, commented on the need for transparency and public involvement in the MTA reorganization plan. She also commented on the need for transparency with regard to the MTA's new emergency debarment rules.

Liam Blank, with the Tri-State Transportation Campaign, commented on the need for transparency and public involvement in the MTA reorganization plan. Mr. Blank commented that he hopes the reorganization plan will address clear lines of accountability, combine Capital work and Service delivery into one entity, and end the hiring freeze.

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.

5. APPROVAL OF THE MINUTES:

Upon motion duly made and seconded, the Board approved the minutes of the MTA Special Board Meeting on May 10, 2019 and the Metro-North Railroad Regular Board Meeting

on May 22, 2019. Board Members Robert Mujica, Linda Lacewell and Robert Linn abstained from the vote, noting that they were not Board members at the time.

6. **COMMITTEE ON FINANCE:**

Action Items:

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

- Board authorization and approval of the necessary documentation to amend resolutions adopted by the 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. In addition, Board authorization and approval of the necessary documentation to amend the reimbursement resolution adopted by the MTA Board on December 12, 2018, preserving the MTA's ability to finance capital projects in the capital improvement programs on a tax-exempt or tax-advantaged basis.

Board Member Schwartz noted that this action item was moved to the full Board without recommendation by the Finance Committee meeting. Board Member Schwartz stated that at the Finance Committee meeting there was significant discussion about this item and, as Chair of the Finance Committee, he asked staff to provide additional information prior to the issuance of additional debt.

Board Member Schwartz stated that Chief Financial Officer Robert Foran and members of his staff were helpful in providing additional information. Board Member Schwartz stated that one of the issues brought to his attention was that some of the projects in the 2010-2014 and the 2015-2019 Capital Programs were only in the planning stage. Board Member Schwartz stated that he has requested, and received assurances from the Chairman and the CFO, that none of these projects move forward until further review. Board Member Schwartz further stated that he has asked that any funds from this additional borrowing not be allocated to any projects that are either deemed late or over budget until further evaluation of the projects. In addition, Board Member Schwartz asked that the recommendations from the Cost Containment Working Group, and any relevant recommendations made by the Procurement Working Group, and any other working group recommendations that are relevant, be factored into the 2020-2024 Capital Program. Board Member Schwartz suggested that the MTA conduct a re-evaluation of the capital program process every two years, as is required at the Port Authority.

Chairman Foye expressed his and the CFO's support with respect Board Members Schwartz' recommendations and comments.

Board Member Vanterpool explained why she intended to vote no on this action item, stating that her vote in opposition in no way is a criticism of the work and effort of CFO Robert

Foran or his team, but rather a statement in opposition to the fact that the organization is in a position to continually borrow, in light of the increasing debt service and debt load, when there are still outstanding receipts from the State and the City.

Chairman Foye asked CFO Robert Foran to address Board Member Vanterpool's concerns with respect to the State debt issues.

CFO Robert Foran responded by stating that everyone is aware of the extraordinary extra efforts of both the State and the City in support of the 2015-2019 Capital Program. Mr. Foran stated that the moneys from the State have all been appropriated and he reminded everyone that the business understanding was that the MTA would use its resources first and then use resources from the City and the State on a pro-rata basis. Mr. Foran stated that he is comfortable that the MTA will receive the additional funding from both funding partners, the State and the City, which will come in on a parity basis.

Following Board members' discussions and comments, and upon motion duly made and seconded, the Board approved all 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 the 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 details are set forth in the staff summary and documentation filed with the records of this meeting. Board member Vanterpool voted in opposition.

The video recording of the meeting produced by the MTA and maintained in the MTA records contains a complete record of the comments made by Board Members and staff.

Upon motion duly made and seconded, the Board also approved the action items listed below. The details are set forth in the staff summaries and documentation filed with the records of this meeting.

- 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.
- Board approval of the MTA's revised All Agency General Contract Procurement Guidelines and revised All Agency Service Contract Procurement Guidelines.
- Board approval of the MTA Paid Family Leave Program ("PFLP") for all non-represented employees at the MTA Agencies.
- Board authorization for actions related to the payment of the State assessment on the MTA and its constituent agencies for the Public Work Enforcement Fund for calendar year 2019.

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 retain Crowe LLP for a total not-to-exceed amount of \$884,000 to fulfill the statutory mandate of section 1279-f of the New York Public Authorities Law, which requires the MTA to contract with a Certified Public Accounting Firm to conduct an independent, comprehensive forensic audit that will include an examination of an 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.

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 a competitively-negotiated, all-agency miscellaneous procurement contract to CB Richard Ellis, Inc. ("CBRE") to provide real estate brokerage, advisory, design and project management services to MTA Real Estate 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.
- Board approval 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.

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.

Ratifications:

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

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

Upon motion duly made and seconded, the Board approved the foregoing ratification. The details of the approved ratification 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 modify and extend the lease with One Penn Plaza LLC, an affiliate of Vornado Realty Trust, for the lease at 1 Penn Plaza, New York, New York for back of house and station-related operations for MTAPD, Long Island Rail Road, and Metro-North (in connection with Metro-North's Penn Access Project).
- Board authorization to enter into a construction access license agreement with AutoZone Parts, Inc. for construction staging and access in connection with reconstruction of Metro-North's retaining wall in Port Chester, New York
- Board authorization to enter into a lease agreement with Winfield Street Rye LLC for a café and cocktail bar with a right to use ancillary space for parking and tables and chairs at Metro-North's Rye Station.

Upon motion duly made and seconded, the Board approved the foregoing real estate items. Board Member Law recused himself from the vote on all the real estate items and recommended that company names and principals be included on the agendas going forward. The details of the above real estate items are contained in staff summaries and documentation filed with the records of this meeting.

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

Action Item:

One Metro-North action item was presented to the Committee:

- Board approval for Metro-North to increase the per ticket subsidy for the Westchester County Department of Public Works and Transportation Bus Shuttle UniTickets. This action will be effective with the sale of the August 2019 Metro-North monthly tickets. The full year financial impact will be \$10,550, which is included in the operating budget.

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

Other Matters:

Board Member Metzger commented that the Committee approved Board Member Zuckerman's motion to send Kawasaki a letter requesting Kawasaki's attendance at the July Board Meeting. Board Member Metzger also asked Board Member Zuckerman to report what actions the Positive Train Control ("PTC") Working Group will be taking in the coming months to ensure timely PTC implementation.

Board Member Zuckerman noted his approval of recent Board activism and commented on the attendance of Siemens and Bombardier representatives at recent Board meetings. He stated that Board Members Rhonda Herman, Randolph Glucksman, and Kevin Law will accompany him to visit the Siemens and Bombardier facility in Pittsburgh to demonstrate to their contractors that the Board demands progress. Board Member Zuckerman also noted that the President of Siemens was expected to visit the MTA soon.

Board Member Law commented that when Governor Cuomo appointed him to the Board he was asked not to accept the status quo, to ask questions, and to demand results. He further commented on issues Long Island Rail Road is having with Kawasaki. Board Members Brown commented that he did not want Board meetings with company executives to interfere with local company employees performing work and emphasized the importance of understanding clearly what problems exist. He stated that the Kawasaki vehicles are the best performing vehicles and that the Kawasaki problems are not analogous to Bombardier's delay on the PTC project. Chairman Foye and Board Members Zuckerman, Schwartz, Albert, Metzger, and Mujica commented on the importance of proactively holding contractors accountable.

Discussing the Capital Plan, Board Member Metzger stated that she asked Board Member Zuckerman to report on proposed Metro-North capital improvements at the Committee Meeting and asked him to summarize his presentation. Board Member Zuckerman first noted that two operating issues take precedence over capital investments: PTC and the \$1 billion operating deficit facing the MTA in the year 2022. He stated that in the last Capital Plan, the Long Island Rail Road received 238% more in funding than Metro-North and New York City Transit received 528% more than Metro-North. Board Member Zuckerman summarized the following list of capital needs:

- Station upgrades to the Southeast, Garrison, and Brewster Stations;
- Electrification of the Hudson Line between Croton-Harmon and Poughkeepsie and the exploration of access to Penn Station; and
- 125th Street viaduct capacity increases.

The video recording of the meeting produced by the MTA and maintained in the MTA records contains a complete record of the discussions between Board Members.

8. INTRODUCTION OF NEW MTA INSPECTOR GENERAL:

Chairman Foye introduced Carolyn Pokorny, the newly appointed MTA Inspector General, and the Chairman invited Ms. Pokorny to discuss her new role as Inspector General and the focus of her recent work at the MTA.

Ms. Pokorny thanked Chairman Foye and her predecessor, former Inspector General Barry Kluger, who she said has devoted his entire career to public service and who has been a tremendous help in the transition process. Ms. Pokorny provide a summary of her background and career and she proceeded to discuss her role as the MTA Inspector General and the work she has done thus far in her new role.

The video recording of the meeting produced by the MTA and maintained in the MTA records contains a complete record of Inspector General Pokorny's comments, presentation, and Board Members' discussions and comments.

9. EXECUTIVE SESSION:

Upon motion duly made and seconded, the Board convened an executive session pursuant to Section 105(1)(e) of the New York State Public Officers Law, to discuss a matter relating to collective bargaining, and pursuant to Section 105(1)(c) of the New York State Public Officers Law, to discuss a matter relating to a current or future investigation. Chairman Foye commented that the Board will vary its past practices and discuss collective bargaining matters in private but vote on the matters in public.

Prior to executive session, Board Member Tessitore stated that the MTA employees are working harder than ever before and private discussions about alleged fraud and abuse is difficult on the employees. He implored the Board to be mindful that the workforce is aware of these discussions and are concerned. Board Member Brown noted that collective bargaining issues are exempt from the Open Meetings Law, commented on the duty of fair representation, and stated that investigations should be pursued in a fair and impartial way. Board Member Linn commented on the need to respect and focus on the workforce during collective bargaining negotiations.

The video recording of the meeting produced by the MTA and maintained in the MTA records contains a complete record of Board Members' discussions and comments.

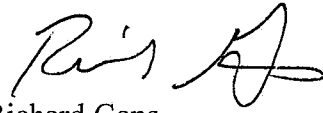
10. RETURN TO PUBLIC SESSION:

Upon motion duly made and seconded, the Board voted to reconvene in public session. In executive session the Board discussed collective bargaining matters unrelated to Metro-North.

11. ADJOURNMENT:

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 12:38PM.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Rich Gans", with a stylized flourish at the end.

Richard Gans
Vice President, General Counsel and
Secretary

June-2019 Board Minutes – FINAL
Legal/Corporate

**Minutes of the Regular Board Meeting
Long Island Rail Road Company
2 Broadway
New York, NY 10004
Wednesday, June 26, 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. Linda Lacewell
Hon. Kevin Law
Hon. Robert W. Linn
Hon. David Mack
Hon. Susan Metzger
Hon. Haeda B. Mihaltses
Hon. Robert F. Mujica
Hon. Lawrence Schwartz
Hon. Vincent Tessitore, Jr.
Hon. Veronica Vanterpool
Hon. Neal Zuckerman

The following alternate non-voting members were also present:

Hon. Norman E. Brown
Hon. Randolph Glucksman

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, Rod Brooks, Senior Vice President of Operations, 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, MTA Bus Company, and Lucille Songhai, Assistant Director, Government Affairs, also attended the meeting.

MTA Chairman & CEO Patrick Foye called the meeting to order.

1. Chairman's Remarks

Chairman Foye noted that New York is honoring World Pride for the first time. This weekend is particularly significant, marking both the 50th anniversary of the Stonewall Uprising, and culminating with the Pride March on Sunday. MTA will be doing everything it can to

accommodate the millions of people coming to celebrate this historic event. 14th Street, the Village and Chelsea will be particularly busy, so MTA is pleased to announce that it will be running regular weekend L train service through both tunnels for the entire weekend.

MTA is ready for increased ridership with additional service on other subway lines near the parade route, extra personnel at key stations along the route, and additional bus dispatchers to help with changing traffic conditions.

Chairman Foye also noted that this year's legislative session, which concluded last week, included some key changes for the MTA. These are in addition to Central Business District ("CBD") Tolling, which was enacted in April.

We scored a major victory for our bus network and our bus customers, with the expansion of bus lane camera enforcement, which allows the MTA and the New York City Department of Transportation ("NYCDOT") to use cameras to enforce bus lanes 24/7, and lifts the cap on the number of corridors that can be enforced. Importantly, it also lowers the first fine from \$115 to \$50, easing the burden on drivers who may have entered bus lanes accidentally.

Chairman Foye expressed his gratitude to NYCDOT Commissioner Polly Trottenberg for her partnership and support on this initiative, and to Chair Nily Rozic and Senator Liz Krueger for sponsoring the bill, and to the members in both houses who supported it, including Speaker Carl Heastie and Senate Majority Leader Andrea Stewart-Cousins.

Another bill that passed was a small legislative change that represents a big win for New York City subway riders. The bill authorizes the City to alienate a small parcel of parkland in SoHo, so we can install an electric power substation underground, below a basketball court. The substation will provide additional power to support Communications Based Train Control ("CBTC") on the 8th Avenue line, ultimately allowing us to run more trains per hour and serve far more customers. And after the construction is complete, the courts will be completely restored.

On this initiative, MTA owes thanks to Chair Deborah Glick and Senator Brian Kavanaugh for their sponsorship and support.

The MTA's Small Business Mentoring Program – a national model that provides training, access to capital, bonding assistance, and contracting opportunities for New York State-certified MWBEs – has also been extended for ten years, through 2029. MTA thanks Chair Charles Fall and Senator Leroy Comrie for their support on this bill.

Finally, the omnibus bill included additional provisions for the draft personnel and reorganization report due by June 30th, which we are working on. The Board will be asked to approve the draft report by July 30, and the MTA will appoint a Chief Transformation Officer, to implement the report's recommendations. The draft report is only the beginning – there will remain a financial advisory review, the results of which will be incorporated into a revised reorganization plan by this fall.

In the meantime, MTA has also been getting ready for the July Financial Plan.

When our Chief Financial Officer (“CFO”), Bob Foran, last reported out on the Financial Plan in February, the MTA was projected to face operating deficits in the range of \$1 billion in 2022. Since then, we’ve implemented aggressive cost reduction efforts, including: setting ambitious and mandatory savings targets totaling \$500 million for all MTA agencies; establishing a Vacancy Control Committee, to keep a close focus on hiring of non-represented, non-operational employees; pursuing a 10 percent reduction of professional, technical, and advisory service contracts; and continuing our Cost Containment Task Force efforts to revamp and streamline the construction process, led by Chief Development Officer Janno Lieber .

These efforts – in addition to past savings initiatives led by Bob’s team since 2010 – add up to more than \$2.5 billion in annual recurring savings if fully implemented. That helps our out-year forecast, but it’s not enough. While CBD Tolling was an extraordinary development for the MTA and for our region, those revenues are lock-boxed for capital expenses only – and cannot support operating expenses, where significant deficits for the MTA remain.

State law requires us to break even each year.

Without the implementation of dramatic, expedited changes to the agency’s business model, which will be outlined in the draft MTA Transformation Report, we will be forced to resort to painful measures in order to balance our budget – including possible service cuts, additional fare and toll increases above the existing, scheduled increases, and – as a last resort – reductions in force. As always, we will seek to avoid service cuts.

In the meantime, we’re continuing to keep a close watch on daily operations and management – including our ongoing internal review of overtime usage, and continuing to implement and shift the agency towards one modern, biometric timekeeping system.

Chairman Foye concluded his remarks by acknowledging and thanking several outgoing members of the Board, and welcoming several new members. He noted that Freddy Ferrer had served as Vice Chairman from 2011 to November 2018, and had repeatedly agreed to serve as Acting Chair, which he did three times. Chairman Foye added that Mr. Ferrer had led this agency through challenging times with a clear and strategic vision, and we’re all the better for having his insights, perspective and guidance during his years here.

Chairman Foye stated that Polly Trottenberg had served on this Board for five years and provided invaluable and irreplaceable judgement, advice, and perspective as NYCDOT Commissioner. He added that she had been a tremendous partner on many priority projects – most recently CBD Tolling and bus lane enforcement – and will be missed on the Board – though we will continue to work with her closely in her day job, as NYCDOT Commissioner.

Chairman Foye stated that Michael Lynton brought to the Board private- and tech-sector experience and expertise.

Chairman Foye then introduced three (3) new, recently approved members of the Board, some of whom joined us on Monday:

Linda Lacewell is the Superintendent of New York State's Department of Financial Services. She previously served as Chief of Staff and Counselor to Governor Cuomo. She is also a former federal prosecutor and New York's first Chief Risk Officer.

Robert Linn is the former Director and Commissioner of New York City's Office of Labor Relations. He previously served as Chief Labor Negotiator under Mayor Ed Koch.

Robert Mujica is the Budget Director for the State of New York. He previously served as Chief of Staff to the Temporary President and Majority Leader of the Senate, and concurrently served as the Secretary to the Senate Finance Committee.

Chairman Foye also noted the reappointments of Andrew Albert and Randy Glucksman, and thanked them both for their continued time and service.

Chairman Foye added that, as he had said at the April Board meeting — with the exception of the Chair and CEO — Board members are citizen volunteers and serve without compensation. He thanked all Board members for volunteering their time and energy to serve the people of New York.

2. Public Speakers

Lucille Songhai, MTA Assistant Director Government Affairs, after reviewing safety procedures for the meeting, stated that there were seventeen (17) public speakers registered to speak at the meeting (a total of eighteen (18) speakers ultimately appeared and addressed the Board). 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.

Three (3) of the public speakers spoke about matters relating to the Long Island Rail Road ("LIRR").

Mary Parisen Lavelle, Chair of Citizens United for Railroad Environmental Solutions ("CURES") stated that in 2013, LIRR conducted a rigged procurement and CURES complained about it. In 2016, CURES was promised that LIRR would procure the cleanest locomotives for use in freight service. In 2018, another rigged procurement was initiated, wherein LIRR's consultant at STV who advised on the design specifications was Mark Sullivan, a former LIRR Chief Mechanical Officer. Last month, Chairman Foye and Board Member John Samuelsen agreed to have the MTA Inspector General investigate this procurement and determine who is responsible for the lack of competition. This investigation must yield the names of those who were involved. Ms. Parisen Lavelle stated that the heads of certain managers should roll: those who sold older locomotives to New York & Atlantic Railway at a fraction of their value; and those in 2018 who effectively entered into a sole-source procurement for OEM parts with Caterpillar. Ms. Parisen Lavelle stated that her community had been harmed by needless air pollution resulting from these actions.

Jason Pineiro stated that the Atlantic Ticket pilot program should be extended and made permanent. He also urged that a similar program be established for Metro-North Commuter Railroad ("Metro-North").

Bradley Brashears, Planning Manager for the Permanent Citizens Advisory Committee to the MTA ("PCAC"), stated that the Atlantic Ticket program provides equitable treatment for areas near the LIRR that are not served by the subways. He noted that the program has increased ridership to Atlantic Terminal, with over 875,000 Atlantic Tickets having been sold. He urged that a similar program be created at Metro-North. He added that once East Side Access is initiated and the East River Tunnels are repaired, the program should be extended to Penn Station.

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.

3. Approval of Minutes

Chairman Foye asked for a motion to approve the minutes of the Regular Board Meeting of May 22, 2019. Upon motion duly made and seconded, the minutes of the Regular Board Meeting of May 22, 2019 were approved.

4. Committee on Finance

Action Items:

The Board was presented with the following five (5) action items from the Committee on Finance, all of which related to the LIRR:

- **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 Increases** – 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 the 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.
- **Transportation Revenue Anticipation Notes** – The MTA Finance Department is seeking MTA Board authorization of the necessary documents and activities to increase 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 up to \$700 Million. The Finance Department is seeking authorization to increase the amount of RANs up 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.

- **All Agency General Contract Procurement Guidelines and All Agency Service Contract Procurement Guidelines** – 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”).
- **All Agency Paid Family Leave Program** – To obtain MTA Board approval of the MTA Paid Family Leave Program (“PFLP” or Program) for all non-represented employees at the MTA agencies.
- **2019 State PWEF Assessment** – To authorize actions related to the payment of the State assessment on the MTA and its constituent agencies for the Public Work Enforcement Fund for calendar 2019.

Board Member and Finance Committee Chair Lawrence Schwartz noted that the first item was moved to the full Board without action by the Finance Committee. This item engendered significant discussion at the Finance Committee.

Mr. Schwartz stated that he had asked staff for additional information and asked that projects in the 2010-2014 and 2015-2019 capital programs that are only in the planning stage be reconsidered and re-evaluated before allocating funding to those projects.

Mr. Schwartz added that many MTA projects are deemed not on time or on budget. Before any funds from this borrowing go to those projects, we need to examine if there are ways to get them back on track. He further added that he received assurances from Chairman Foye that we will get this additional information before any of the notes are sold.

Mr. Schwartz stated that he wanted to make sure that all recommendations from the Cost Containment Working Group are factored into the 2020-2024 capital program so that the reforms embodied in such recommendations are included.

Mr. Schwartz added that MTA needs to do a review of the capital program process, and that Port Authority is required to re-evaluate its capital program every two (2) years. Life evolves, and MTA needs a process with the flexibility to take that into account.

Board Member Veronica Vanterpool stated that she was going to vote no on the first item. She further stated that this was in no way a criticism of MTA CFO Robert Foran or his team and their work.

Ms. Vanterpool stated her opposition to additional borrowing while there was still amounts due to the MTA from the State.

MTA Chief Financial Officer (“CFO”) Robert Foran responded, stating that New York State and New York City have both offered great support to the MTA for the 2015-2019 capital program, and that all such monies are appropriated. MTA feels confident that it will receive all promised funding from both of those parties.

Board Member Andrew Albert asked what is the upshot of Board Member Schwartz’s understanding with Chairman Foye.

Chairman Foye responded, stating that all information requested will be provided; that we are continuing the work of the Cost Containment Working Group; and that further work is needed to internalize the reforms that have been recommended.

Board Member David Jones expressed his concern about the rising levels of MTA debt service, and the fear of what would happen if we ran into a major recession. He stated that debt service could become as much as 19% of our expenses, and asked if we could lose our ability to refinance. He added that he would vote for the first item but expressed worry about falling off of a cliff.

Board Member Robert Mujica stated that MTA should reexamine whether certain projects are still a priority and should remain in the Capital Plan.

Board Member Norman Brown expressed the hope that MTA will do leading-edge work to enable us to do projects on time and on budget. He asked what would trigger a review and if something is off budget, does it get de-funded.

Board Member Schwartz stated that the 2010-2014 and 2015-2019 capital programs list certain projects as not on time and not on budget. He stated that he asked MTA CFO Robert Foran for more information, and that he wants to understand why they are not on time and on budget and whether there are solutions. He noted the Board’s concern about debt service and stated that the best path is to ensure our getting as close as possible to being on time and budget. He added that he was not looking to stop projects under construction; he wants more information so the Board can make intelligent suggestions to improve project performance.

Board Member Linda Lacewell stated that we have to change the culture of being used to projects not being on time or on budget. We need to be asking questions now, and we need to get more engaged in these projects.

Board Member Schwartz stated that with the Governor’s insistence that all major construction projects be design-build, we can avoid many of these problems.

Upon duly motion made and seconded, with Board Member Veronica Vanterpool voted no on the first item, the Board approved the foregoing action items, the details of which are contained in the minutes of the MTA Board meeting held this day, the staff summaries filed with those minutes, and in the video recording of the meeting, produced by the MTA and maintained in MTA records.

Procurement Items

The Board was presented with two (7) procurement items, five (5) of which related to Long Island Rail Road:

Non - Competitive Procurement:

- **Crowe LLP – Capital Program Development – Contract No. 15457 – Non-competitively negotiated – 6 months - Not to Exceed \$884,000** – Board approval is sought to retain Crowe LLP to fulfill the statutory mandate of section 1279-f of the New York Public Authorities Law, which requires the MTA to, among other things, contract with a Certified Public Accounting Firm to conduct an independent, comprehensive forensic audit that will include an examination of and detailed accounting of the authority's capital elements by agency.

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

Competitive Procurements:

- **Various - On-Call Asbestos Abatement, Environmental Remediation and Disposal Services – Contract No. 42640 – Competitively negotiated – 3 proposals – 36 months with 2 one-year options – Not to Exceed \$12,200,000**
 - (a) ETS Contracting, Inc.
 - (b) Pinnacle Environmental Corporation

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 budgets for these contracts is not-to-exceed \$7.2 million for NYC Transit and \$5 million for Long Island Rail Road.

- **Eye-Med Vision Care LLC – All Agency Vision benefits – Contract No. 15332 – Competitively negotiated – 3 proposals – 30 months with 2 one-year options – Not to Exceed \$18,625,500** – 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.

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:

- **AlixPartners, LLP – Digital and Technology Strategy Consulting Services – Contract No. TBD – Non-competitively negotiated – 4 months – Not to Exceed \$1,297,800** – 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 and Attendance Expansion Project for an amount not to exceed \$1,297,800.

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

Real Estate Items

The Board was presented with 13 real estate items, 8 of which related to Long Island Rail Road:

- **License Agreement with Eagle Scaffolding Services Inc. for parking at Amityville Station** – Agency: LIRR; Lessee – 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.
- **License Agreement with Trestle Tavern Corp., for a bar/restaurant at Valley Stream Station** – Agency: 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.
- **License with Marlene Realty Co., LLC for access and parking, Ridgewood, New York** – Agency: LIRR; Licensee – Marlene Realty Co., LLC, 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 east side 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.

- **License with Giulio Marini for storage space and parking, Hillside, New York** – Agency: 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.
- **Lease Agreement with Off the Diet, LLC at 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 – Approval of additional terms; Term – 10 years plus one option to extend for a 5 year extended term; Space – 1,280 square feet; Compensation: \$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 103% of the prior year, and annual 3% increases thereafter.
- **Lease Agreement with Cheffield Caffettiera LLC at Riverhead Station** – Agency: 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.
- **License Agreement with Bistran Materials, Inc. for vacant land at 86 Industrial Road, Montauk, New York** – Agency: 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.

- **Lease Amendment and Extension with One Penn Plaza LLC** – Agency: MTA, on behalf of MTA Long Island Rail Road (“MTA LIRR”), MTA Police (“MTAPD”), and MTA Metro-North Railroad (“MTA MNR”); Landlord – One Penn Plaza LLC, an affiliate of Vornado Realty Trust; Location: 1 Penn Plaza, New York, NY; Use – Back of House and station-related operations for MTA LIRR, MTAPD, and MTA 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.

Board Member Law indicated he was recusing himself from all real estate items under consideration because he did not know the principals of the various entities MTA was dealing with and recommended adding this information going forward to ensure against any conflict because of any relationship of such principals with the MTA.

Board Member Vanterpool indicated that she previously voted against the Lawrence Station Lease Agreement, but that she was now in support of the project.

Upon motion duly made and seconded, and with Board Member Kevin Law recusing himself, 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.

5. Joint Committee Meeting of Committee on Metro-North Railroad and Committee on Long Island Rail Road

Action Item

The Board was presented with one (1) action item for approval, recommended to the Board by the Committee on Metro-North Railroad and relating solely to Metro-North Railroad.

Procurement Items

There were no procurement items by Metro-North Railroad or Long Island Rail Road presented to the Board for approval.

There were (2) procurement items by MTA Capital Construction (“MTACC”) recommended to the Board by the Committee on Long Island Rail Road, both of which related to Long Island Rail Road:

Competitive:

- **WSP USA Inc. – Contract No. PS877 – 42 months – Not to Exceed \$24,488,427** - MTACC seeks Board approval to award a competitively solicited personal service contract to WSP USA Inc. to provide Project Management Consulting Services for administering and overseeing the New York Penn Station Long Island Rail Road Train Hall Renovation Project in the not-to-exceed amount of \$24,488,427 for a period of 42 months.
- **Shanska USA Civil Northeast Inc. – Contract No. CH058A, Modification No. 3 – Not to Exceed \$17,800,000** – MTACC requests that the Board approve a modification to the Contract to commence construction of the portion of the Eastbound Reroute Approach Structure, between Stations RT 66 and RT 73 in the Harold Interlocking.

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.

6. Discussion of M-9 Procurement and PTC Project

Committee on Metro-North Railroad Chair Susan Metzger noted the motion made by Board Member Neal Zuckerman at the Joint Committee meeting, requesting that management of Kawasaki Rail Car, Inc. (“KRC”) attend the July Board meeting to discuss issues associated with KRC’s contract for M-9 rail cars. She also noted that the Positive Train Control (“PTC”) working group continues to monitor the work of the PTC consortium. She asked Board Member Zuckerman to provide a report on what the working group is doing.

Board Member Zuckerman noted that for the first time, we asked the management of a vendor to appear before us, and that management of the PTC consortium appeared in January and February to discuss the PTC contract for the MTA commuter railroads. He added that the working group is planning to visit the consortium’s facility in Pittsburgh, Pennsylvania to see what changes have been made and to show that MTA means business and that we must have progress. He further added that the President of Siemens was coming in for a conversation next week.

Board Member Law noted his statement at the Committee meeting – that when he was appointed to the Board by the Governor, he was told to not accept the status quo, to ask questions, and to demand answers. He stated that the delays on the M-9 contract were unacceptable. He added that budgets matter and schedules matter, and vendors need to know that. He further added that we need to have KRC’s CEO appear and see that the Board is upset and will not accept the current situation.

Board Member Brown stated that he does not want this to come at the expense of our relationship with the vendor's local people. The local people at KRC are competent and KRC is the supplier of the best-performing vehicles each agency now has. Mr. Brown also stated that he believes in the past that KRC has been on time and on budget. He added that he did not feel the situation was analogous to Bombardier being five (5) years behind on its contract.

Board Member Zuckerman stated that we have a tool we should use. We should ensure that the local people allocate the right resources to get the job done. We will not accept mediocre service anymore.

Board Member Albert stated that late vehicles have financial repercussions for us. The R-179 delays have forced us to keep very old cars running, which are harder to maintain.

Chairman Foye stated that in the real world, CEOs come regularly when billions are being spent. One of the characteristics of PTC, CBTC and rolling stock procurements is a duopoly of suppliers. That is no longer going to be the case with respect to the CBTC procurement because of work that Andy Byford and his team have done in identifying suppliers.

Board Member Brown stated that he was concerned about conflating cases. We have an ongoing relationship with KRC managers and we have liquidated damages built into the contract, which we can assess if needed. In the case of PTC, we will pay fines if we are late and do not meet the deadline. The PTC situation is not analogous.

Board Member Schwartz stated that he applauds Board Members Metzger and Zuckerman. We need to ask questions and get answers. Sometimes we have to wield a stick. Mr. Schwartz added that if we did not do what we did, he is not sure we would be in a better place. An aggressive approach sends a message to KRC and the other vendors.

Board Member Metzger stated that Managing Director Veronique Hakim sent a carefully crafted letter to Siemens. We would be glad to help her on a letter to KRC. It is time to be more proactive.

Board Member Zuckerman stated that the two major issues for him were the projected \$1 Billion MTA deficit in 2022, and timely completion of PTC.

Mr. Zuckerman also stated that former Chairman Tom Prendergast said, "the MTA is one system." He further stated that in last August's financial plan, LIRR received 238% more than Metro-North. He added that he wanted to ensure greater equity as between the commuter railroads, including funding for North Hudson Valley station improvements; electrifying the Hudson Line between Croton Harmon and Poughkeepsie; direct access for the Hudson Line into Penn Station; and an increase in capacity of the Park Avenue Viaduct. He further added that we cannot allow one part of the system to go untouched.

Chairman Foye noted that the revenues from CBD tolling were intended to be allocated 80% to New York City Transit and 20% to the MTA commuter railroads.

Board Member Robert Mujica stated that every contractor needs to know we are concerned, and that deadlines and budgets matter. If conduct is not acceptable in the private sector, it is not acceptable to us either.

7. Introduction of New MTA Inspector General

Chairman Foye introduced Carolyn Pokorny, the newly appointed MTA Inspector General, and asked her to introduce herself and talk about her plans as MTA Inspector General (“IG”) going forward.

Ms. Pokorny thanked her predecessor, Barry Kluger, for his many years of public service and the tremendous help he has given her.

Ms. Pokorny stated that she was a career federal prosecutor, having served as Deputy Chief of Staff and Counselor to United States Attorney General Loretta Lynch, and having spent 15 years in the United States Attorney’s Office in Brooklyn as a prosecutor pursuing corruption among public officials, dismantling drug cartels, and addressing various types of fraud.

Ms. Pokorny also stated that riders and taxpayers deserved an Inspector General who has a serious attitude about compliance. She expressed appreciation for the support she has received from MTA leadership, and noted that she had visited numerous facilities and inspected their operations, as well as hearing from workers, supervisors, contractors and riders. She indicated that so far, what she saw was very encouraging in some respects, but that serious questions had also arisen.

Ms. Pokorny stated that she was focusing on the cleaning of subway drains, the subject of a 2006 report from the IG’s Office, as well as subway station and car cleaning. She noted that the cleaning of drains, if not done properly, could lead to flooding and service impacts, and that station and car cleaning is not just a quality of life issue, but helps prevent litter from getting onto the tracks and causing track fires.

Ms. Pokorny also stated that she was looking into time and attendance issues, which is vital for the protection of public dollars, and to retain public confidence in the MTA. She noted that MTA uses more than a dozen different systems to monitor time and attendance, and that some facilities are better than others. She further noted that some time clocks are outdated, and she was glad to hear about the roll out of biometric clocks.

Ms. Pokorny concluded by noting that she had a number of issues to review including fare evasion and worker safety.

Board Member Linda Lacewell noted that the 2006 report from the IG’s Office, looking into the issue of keeping subway drains clean, lists several steps to be taken, yet we seem to be having the same issue all over again. She asked how Ms. Pokorny would ensure that her recommendations are implemented.

Ms. Pokorny responded, stating that one thing she intends to do is follow up, whether after 6 months or some other interval, to see how the subject agency is doing. Second, the Board plays a critical role here and she wanted to make sure her reports were available to the Board so that the Board could ask appropriate questions. She stated that she was looking to upload her Office's reports for the past two (2) years, as transparency is helpful.

Board Member Vincent Tessitore, Jr. stated that he appreciated Ms. Pokorny's good words about the direction of the workforce. He noted that she spoke about meeting with managers and asked if she also planned to meet with organized labor and labor leaders. He also asked if she was aware of the challenges faced by craft workers in getting the job done.

Ms. Pokorny responded, stating that she would welcome meeting with organized labor, and she recognized that overtime is at times necessary to get the job done. She stated that her interest was fraud, waste and abuse – the issue of whether overtime is in fact necessary to get the job done.

Board Member Tessitore stated that biometric clocks may pose challenges to certain crafts, and that the IG should identify the additional resources needed.

Board Member Jones asked whether, in 2006, there was interaction with the Board, in terms of informing the Board of what was happening.

Board Member Sarah Feinberg stated that we have already asked for the IG's reports to be shared with the Board immediately upon completion, and we also asked for a briefing by the IG at least quarterly. In addition, we have asked for the IG's website to be updated.

Ms. Pokorny responded, stating that she would be delighted to brief the Board and that she was actively working on updating the website.

Board Member Jones stated that this is exactly what he was asking about.

Ms. Pokorny responded, stating that she welcomes interest in her reports and in follow-up.

Board Member Vanterpool welcomed Ms. Pokorny and stated that she has very valuable expertise. She asked if Ms. Pokorny was independent of the Governor.

Ms. Pokorny responded, stating that the Governor appointed her and she has a reporting requirement to the Governor, but that she will be exercising her own independent judgment.

Board Member Schwartz welcomed Ms. Pokorny and stated that he had several issues of concern:

- (1) Clogged drains – The Subway Action Plan pointed out that standing water has a great impact on on-time performance. Mr. Schwartz stated that he had heard that supervisors had signed off on drains being cleaned when in fact this was not the

case. If this is true, this is fraud. Mr. Schwartz stated that he would like to know how systemic this problem is, and that we need to figure out the right balance between cleaning being done by MTA workers and by outside contractors.

- (2) Overtime – Mr. Schwartz asked the IG, as she proceeds with her investigation, to make sure that as biometric clocks are rolled out, we are comfortable with the level of redundancy we have, and to assess whether we also need cameras in tandem with the clocks.
- (3) Cyber security - Ms. Schwartz expressed concern about how secure MTA is in terms of privacy issues (protecting customer data), and wanted to make sure this is looked at and that the IG's recommendations are implemented.
- (4) Training – Mr. Schwartz expressed a desire to see the IG's Office function as a training agency --- training MTA leadership on how to avoid fraud, waste and abuse, including internal controls, risk assessments, and audits.

Board Member Brown applauded Ms. Pokorny's approach and asked her to work with the Board. Mr. Brown stated that, with respect to timekeeping, no system will replace employing people you trust.

Ms. Brown also raised the issue of 38th Street Yard and allegations of sabotage to a biometric clock located there. He stated that there was no sabotage and asked Ms. Pokorny if she had investigated this allegation.

Ms. Pokorny responded, stating that it was reported on June 8, 2019 that the clock had been smashed in. The MTA Police and the IG's Office did investigate and spoke with the manager of the facility. We were able to narrow down the time frame in which the sabotage occurred to June 7, 2019.

Board Member Brown stated that the clock was damaged but it was still functioning.

Ms. Pokorny responded, stating that the clock was functioning but it looked like someone had elbowed it and smashed it in.

Board Member Brown stated that this could have been an accident. It was portrayed in the press as sabotage, which paints a picture of workers being untrustworthy. He added that characterizing the incident as sabotage when you don't know that for a fact is like pouring gas on a fire.

Ms. Pokorny responded, stating that she felt the characterization was fair. The investigators who looked at this were very experienced (collectively, over 50 years of experience).

Board Member Mujica thanked Ms. Pokorny for accepting the role of IG. He stated that the 2006 report on drains was somewhat devastating and that we could have avoided the

problems we have today; either the recommendations made were not followed or there was fraud. He asked Ms. Pokorny to look at the other reports from the IG's Office and determine if recommendations made had been put into place. He stated that he believed the answer is "no" and asked Ms. Pokorny to go back and look and advise the Board.

Ms. Pokorny responded, stating that she would do so.

Board Member Lacewell stated that if supervisors were signing off on work getting done when this was not the case, this is troubling and reveals an issue with the culture of compliance that needs to be addressed for the sake of not only of the public, but of employees as well. Employees should understand that they are not required to simply go along with this type of conduct.

Board Member Rhonda Herman welcomed Ms. Pokorny and expressed her appreciation for Ms. Pokorny looking into station and car cleanliness, a quality of life issue that impacts customer satisfaction and ridership.

Chairman Foye asked Ms. Pokorny to let the Board know if she was not getting cooperation from anyone in the organization.

Ms. Pokorny thanked the Chair for his support.

8. Executive Session

Chairman Foye asked for motion to move the meeting into Executive Session, pursuant to Section 105(e)(1) of the Public Officers Law, for the purpose of discussing matters related to collective bargaining, and pursuant to Section 105(1)(c) for the purpose of discussing matters relating to current or future investigations.

Board Member Tessitore stated that last month's meeting was not ideal and that certain things needed to be said: First, with regard to the MTA workforce, they are working harder today than ever before and that our employees are doing historic work. When you meet to discuss waste and fraud, it's weighing on our workers. Mr. Tessitore implored the Board, as more resources are allocated towards more investigations, to be mindful of the fact that our workforce is not comfortable with this. He stated that he has heard numerous times the vast majority of our workforce is doing the right thing. He asked the Board to be mindful of the workforce and to commend them when they do the right thing.

Board Member Brown raised two legal points. First, the Open Meetings Law removes collective bargaining matters from the public session. Second, there is a duty of fair representation. He stated that any investigation should be fair and impartial, and while he has no reason to believe that Ms. Pokorny or the other prosecutor would be anything but fair and impartial, neither should anyone believe that he (Board Member Brown) would in any way be party to a fraud. There is no conflict between fair representation and his fiduciary duty as a member of the Board. As such, he felt an important perspective would be lost if he was not able able to join the discussion of the investigations.

Chairman Foye responded, stating that this was in no way a questioning Mr. Brown's or Mr. Tessitore's integrity, and that he respected their contributions as Board members. However, including them in such discussion might give rise to a conflict. He reminded everyone that when he was nominated as Chairman and CEO, he did not participate in the discussion of his salary because he felt it could give rise to a conflict or an appearance of conflict.

Board Member Robert Linn stated that he had spent the last five (5) years negotiating collective bargaining agreements for the DeBlasio administration and that this was done with respect. He further stated that this was why he was excited to join the MTA Board, to bring that experience here and work with organized labor collaboratively. We need to focus seriously on labor and find an approach that makes clear than investigating fraud is not a sign of disrespect. We all serve the public interest by preventing fraud.

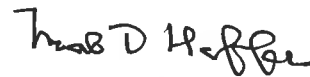
Upon motion duly made and seconded, the Board moved the meeting into Executive Session.

9. Adjournment

Upon returning to the public session of the meeting, Chairman Foye asked for a motion to adjourn the meeting.

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 12:38 p.m.

Respectfully submitted,



Mark D. Hoffer,
Secretary

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

BOARD MINUTES

June 26, 2019

Minutes of the Regular Meeting
Triborough Bridge and Tunnel Authority
June 26, 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 Jones
Hon. Linda Lacewell
Hon. Kevin Law
Hon. Robert W. Linn
Hon. David Mack
Hon. Susan Metzger
Hon. Haeda B. Mihaltses
Hon. Robert F. Mujica
Hon. Lawrence Schwartz
Hon. Vincent Tessitore, Jr.
Hon. Veronica Vanterpool
Hon. Neal Zuckerman

The following alternate non-voting members were also present:

Hon. Norman E. Brown
Hon. Randolph Glucksman

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, Rod Brooks, Senior Vice President of Operations, Long Island Rail Road, Catherine Rinaldi, President, Metro-North Railroad, Daniel F. DeCrescenzo, Jr., Acting President, Triborough Bridge and Tunnel Authority, Craig Cipriano, Executive Vice President, Business Strategies and Operations Support, MTA Bus Company, and Lucille Songhai, 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 Company, the Metro-North Commuter Railroad Company, the MTA Capital Construction Company, the MTA Bus Company, and the First Mutual Transportation Assurance Company.

1. Chairman and Chief Executive Officer Foye's Opening Remarks

Chairman and CEO Foye opened his remarks by stating that New York City is hosting World Pride for the first time, with events all month, and that we had undertaken service initiatives to meet the increased ridership. With the recent conclusion of the legislative session, Chairman and CEO Foye discussed key changes for the MTA in addition to Central Business District (CBD) Tolling, which was enacted in April 2019, including the extension of the MTA's Small Business Mentoring Program until 2029 and the draft personnel and reorganization report due by June 30, 2019 with approval by the Board due by July 30, 2019. He stated that the MTA will appoint a Chief Transformation Officer to implement the report's recommendations and that the results of a financial advisory review will be incorporated into a revised reorganization plan by fall. With regard to the forthcoming July Financial Plan, Chairman and CEO Foye stated that the MTA has implemented aggressive cost reduction efforts including: setting ambitious and mandatory savings targets totaling \$500 million for all MTA agencies; establishing a Vacancy Control Committee to keep a close focus on hiring of non-represented, non-operational employees; pursuing a ten (10) percent reduction of professional, technical and advisory service contracts; and continuing Cost Containment Task Force efforts to revamp and streamline the construction process. These efforts, in addition to past savings initiatives, add up to more than \$2.5 billion in annually recurring savings if fully implemented. He commented that, while CBD Tolling was an extraordinary development for the MTA and for this region, those revenues are lock boxed for capital expenses only and they cannot support operating expenses, where significant deficits for the MTA remain. Chairman and CEO Foye thanked outgoing MTA Board members Fernando Ferrer; Polly Trottenberg; and Michael Lynton and he welcomed three new MTA Board members: Linda Lacewell, Superintendent of New York State's Department of Financial Services; Robert Linn, former Director and Commissioner of New York City's Office of Labor Relations; and Robert Mujica, Budget Director for the State of New York. He acknowledged the reappointments of MTA Board Members Andrew Albert and Randolph Glucksman.

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.

2. Public Speakers

There were eighteen (18) public speakers. Jason Pinero stated that there should be no fare and toll increases until MTA transportation system improvements are made. Miriam Fischer commented regarding deployment of officers for fare evasion.

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.

3. Approval of Minutes of Special Meeting May 10, 2019 and Regular Meeting May 22, 2019

Upon a motion duly made and seconded, the minutes of the Special Board Meeting held on May 10, 2019 and the Regular Board Meeting held on May 22, 2019 were approved.

4. Committee on Finance

Upon a motion duly made and seconded, the Board approved the following recommended to it by the Committee on Finance:

(a) Action Item:

- Authorization to Increase Existing New Money Transit and Commuter Project Bond Authorization from \$3 Billion to \$5 Billion and to Amend Existing Supplemental Resolutions and Reimbursement Resolution to Provide for Such Increase.

- Adoption of the reimbursement resolution for MTA and TBTA Reimbursement of Central Business District Tolling Program Capital Costs for Federal Tax Purposes.
- Authorization for Transportation Revenue Anticipation Notes to provide for short-term liquidity.
- Approval of the All Agency General Contract Procurement Guidelines and All Agency Service Contract Procurement Guidelines.
- Approval of the MTA Paid Family Leave Program for all non-represented employees at the MTA Agencies.
- Authorization for actions relating to the estimated payment of the State assessment on the MTA and its constituent agencies for the Public Work Enforcement Fund for calendar year 2019.

5. **Committee on MTA Bridges and Tunnels Operations**

Commissioner Zuckerman stated that there are no actions to report this month.

6. **MTA Inspector General Carolyn Pokorny Presentation**

Newly appointed MTA Inspector General Carolyn Pokorny gave a presentation about her office, which she stated is independent from the MTA and investigates fraud, waste, abuse and deficiencies.

The details of MTA Inspector General Pokorny's 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.

7. **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 §105(1)(e) to discuss matters relating to a current or future investigation and for matters relating to collective negotiations.

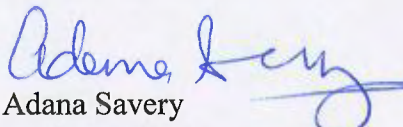
8. **Public Session**

Upon a motion duly made and seconded, the Board unanimously voted to reconvene in Public Session. While in Executive Session, Chairman and CEO Foye stated that the Board discussed a collective bargaining agreement between MTA Bridges and Tunnels and the Bridge and Tunnel Officers Benevolent Association and he then asked for a motion to approve the agreement. Upon a motion duly made and seconded, the Board unanimously voted to approve the collective bargaining agreement.

9. **Adjournment**

Upon a motion duly made and seconded, the Board unanimously voted to adjourn the meeting at 12:38 p.m.

Respectfully submitted,


Adana Savery
Assistant Secretary

Regular Board Meeting
MTA Capital Construction Company
2 Broadway
New York, NY 10004
Wednesday, June 26, 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. Linda Lacewell
Hon. Kevin Law
Hon. Robert W. Linn
Hon. David Mack
Hon. Susan Metzger
Hon. Haeda B. Mihaltses
Hon. Robert F. Mujica
Hon. Lawrence Schwartz
Hon. Vincent Tessitore, Jr.
Hon. Veronica Vanterpool
Hon. Neal Zuckerman

The following alternate non-voting members were also present:

Hon. Norman E. Brown
Hon. Randolph Glucksman

Veronique Hakim, Managing Director, MTA, Janno Lieber, Chief Development Officer, MTA/President, MTA Capital Construction, Helene Fromm, Chief of Staff, MTA, Robert Foran, Chief Financial Officer, MTA, Thomas J. Quigley, General Counsel, MTA, Andrew Byford, President, NYCT, Rod Brooks, Senior Vice President of Operations, 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, MTA Bus Company, Evan Eisland, Executive Vice President, General Counsel and Secretary, MTA Capital Construction,, David Cannon, Vice President, Chief Procurement Officer and Assistant Secretary, MTA Capital Construction, and, Lucille Songhai, Assistant Director, Government Affairs, 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 ("Chairman") Foye called the meeting to order.

Chairman and Chief Executive Officer's Remarks

Chairman Foye's Opening remarks are contained in the minutes of the Regular Meeting of the Metropolitan Transportation Authority of this date

Public Comment Period

There were eighteen 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.

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 May 22, 2019.

Finance Committee

Action Items

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

1. The MTA's revised All Agency General Contract Procurement Guidelines
2. The MTA's revised All Agency Service Contract Procurement Guidelines
3. The MTA's Paid Family Leave Program for all non-represented employees at the MTA Agencies

A copy of 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

Procurement Items

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

1. Award of 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 fixed price of \$7,360,000 will cover brokerage management fees for Grand Central Terminal and East Side Access.
2. Award of a competitive negotiated, all agency personal services contract (15332) to EyeMed Vision Care, LLC to provide vision care benefits for non-represented employees and some represented employees for a 30-month period with two one-year options for an amount not-to-exceed \$18,625,500.

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.

Metro-North and the Long Island Rail Road Joint Committee

Procurements

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

1. Award of a competitively solicited personal service contract (PS877) to WSP USA, Inc. to provide Project Management Consulting Services for administering and overseeing the New York Penn Station Long Island Rail Road Train Hall Renovation Project for the amount not-to-exceed \$24,488,427.
2. A modification to the East Side Access Project's Harold Structures – B/C Approach contract (CH058A) to commence construction of the portion of the Eastbound Reroute Approach Structure, between Stations RT 66 and RT 7 in the Harold Interlocking for the amount of \$17,800,000.

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

INTRODUCTION OF NEW MTA INSPECTOR GENERAL/PRESENTATION

Chairman Foye introduced Carolyn Pokorny, the newly appointed MTA Inspector General, and the Chairman invited Ms. Pokorny to discuss her new role as Inspector General and the focus of her recent work at the MTA.

Details of Inspector General Pokorny's comments, presentation and the Board Members' discussion and comments are filed with the records of the Regular Meeting of the Board of the Metropolitan Transportation Authority of this date.

Executive Session

Upon motion duly made and 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.

Prior to moving into the Executive Session, a discussion was held amongst Chairman Foye and the other Board Members. Details of the Chairman's and Board Members' comments are filed with the records of the Regular Meeting of the Board of the Metropolitan Transportation Authority of this date.

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

Adjournment

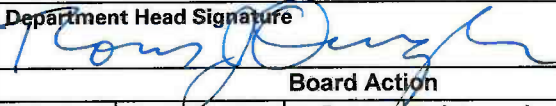



Upon motion duly made and seconded, the Board voted to adjourn the public meeting at 12:38 p.m.

Respectfully submitted,



David K. Cannon
Assistant Secretary

Staff Summary

Subject MTA Transformation Plan						Date July 24, 2019			
Department General Counsel									
Department Head Name Thomas J. Quigley									
Department Head Signature 									
Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
1	Board	7/24/19	X			1	Legal 		
						2	Chief of Staff 		
						3	CFO 		

Purpose:

To obtain Board approval, in accordance with the accompanying resolution, of the MTA Transformation Plan that was prepared for the MTA by AlixPartners, LLP ("Transformation Plan"). As set forth in the Transformation Plan, the recommendations include MTA-wide reorganization activities, changes to the business processes, and other cost reduction opportunities to meet the legislative mandate of New York Public Authorities Law §1279-e, which required the MTA to develop a personnel and reorganization plan by June 30, 2019.

Discussion:

New York Public Authorities Law §1279- e requires the MTA Board to approve the Transformation Plan by July 30, 2019. The Transformation Plan is in the exhibit book for your review.

Alternative:

Not to adopt the Transformation Plan. This alternative is not recommended because adoption is mandated by §1279- e of the New York Public Authorities Law.

Recommendation:

It is recommended that the Board approve the Transformation Plan.

BOARD RESOLUTION

METROPOLITAN TRANSPORTATION AUTHORITY

WHEREAS, pursuant to Public Authorities Law Section 1279-e the MTA was required to develop a personnel and reorganization plan by June 30, 2019; and the MTA Board is required to approve the MTA Transformation Plan by July 30, 2019; and

WHEREAS, the MTA Board approved a contract to retain AlixPartners to fulfill the mandate of section 1279-e by developing a plan that makes recommendations for MTA-wide reorganization activities, changes to the business processes, and other cost reduction opportunities; and

WHEREAS, AlixPartners has delivered its report to the MTA Board (the “MTA Transformation Plan”) and made such recommendations;

NOW, THEREFORE, BE IT RESOLVED, that the Board acting as the Board of the MTA and each subsidiary and affiliated agency of the MTA, approves the MTA Transformation Plan.

Dated: July 24, 2019

PROCUREMENTS

The Procurement Agenda this month includes 7 actions for a proposed expenditure of \$550M.

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
July 13, 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	7/22/2019	X		
2	Board	7/24/2019	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 G: Miscellaneous Service Contracts

Schedule J: Modifications to Miscellaneous Procurement Contracts

	<u># of Actions</u>	<u>\$ Amount</u>
	1	\$ 20,914,752
	1	\$ 20,000,000
SUBTOTAL	2	\$ 40,914,752

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)

	5	\$ 509,019,500
SUBTOTAL	5	\$ 509,019,500
TOTAL	7	\$ 549,934,252

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.

JULY 2019

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

G. Miscellaneous Service Contracts

(Staff Summaries required for all items greater than: \$1M Sole Source; \$1M Other Non-Competitive; \$1M RFP.)

- | | | | |
|----|---|--|--------------------------------------|
| 1. | JP Morgan Chase Bank, N.A.
Comprehensive Commercial
Banking Services
Contract No. 214842
Non-competitively negotiated – 60 months plus 5-year option | \$20,914,752
(not-to-exceed) | <u>Staff Summary Attached</u> |
|----|---|--|--------------------------------------|

Board approval is sought to award an all-agency miscellaneous service contract to JP Morgan Chase Bank, N.A. (Chase) for cash management and deposit services for five years plus an option to extend for an additional five years. The proposed contract provides for coin and currency processing, and customized lockbox services. The estimated contract amount of \$20.9 million includes the option years. Actual expenditures will be lower because fees will be offset by interest.

J. Modifications to Miscellaneous Procurement Contracts

(Staff Summaries required for individual change orders greater than \$1M.)

- | | | | |
|----|---|--|--------------------------------------|
| 2. | Kronos Inc.
Kronos Time & Attendance System
Contract No. 92396, Modification No. 1
Base Amount: \$16,783,066
Current Value: \$16,783,066
Proposed New Contract Value: \$36,783,066 | \$20,000,000
(not-to-exceed) | <u>Staff Summary Attached</u> |
|----|---|--|--------------------------------------|

Board approval is requested to modify a contract with Kronos, Inc. to provide additional hardware, software, and consulting services necessary to support MTA's expansion and full deployment of state-of-the-art Kronos time and attendance systems at MTA locations. The additional deployments will be performed for an amount not to exceed \$20 million.

Staff Summary

Schedule G: Miscellaneous Service Contracts

Page 1 of 1

Item Number: 1

Vendor Name (& Location): JP Morgan Chase Bank, N.A. (Columbus, OH)	Contract Number: 214842	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Description: Comprehensive Commercial Banking Services	Total Amount: \$20,914,752	
Contract Term (including Options, if any): Five years with a five-year option	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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Requesting Dept/Div & Dept/Div Head Name: MTA Treasury/Josiane Codio	
Procurement Type: <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive	Contract Manager: Re-An M. Pasia	
Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:		

PURPOSE:

Board approval is sought to award an all-agency miscellaneous service contract to JP Morgan Chase Bank, N.A. (Chase) for cash management and deposit services for five years plus an option to extend for an additional five years. The proposed contract provides for coin and currency processing, and customized lockbox services. The estimated contract amount of \$20.9 million includes the option years. Actual expenditures will be lower because fees will be offset by interest.

DISCUSSION:

Recognizing that there was a limited pool of banks that could potentially provide the required services, preparation for this procurement went beyond public advertisements and notifying vendors on applicable bidders list. Procurement staff engaged in direct conversations with commercial banks, including the eight largest in the United States. As a result of those conversations, and to encourage competition, changes were made to the RFP, including a decrease to the minimum assets requirement. Despite the changes, other banks declined to propose, citing limitations imposed by their business models, the regulatory environment, limited branch networks and a lack of necessary relationships with service subcontractors. As a result, the sole proposal received was from the incumbent, Chase. Note that the RFP also included custodial securities services, which will be awarded separately as a small purchase.

The Selection Committee consisted of the Cash Manager from MTA HQ, the Chief Officer, Revenue Processing and MetroCard Production from NYCT, the Manager of General Accounting from LIRR, the Deputy Controller, Revenue from MNR and Sr. Director, Revenue Management from B&T. Chase submitted a technical proposal that met all elements of the Scope of Work. The Selection Committee was satisfied with Chase's performance and responsiveness to the MTA's needs on the current contract, its experience working with other large public-sector clients, its extensive branch network, its technology investments, and Chase's commitment to providing the full portfolio of services required for the duration of the contract. Based on the foregoing, the Selection Committee recommended awarding the contract to Chase.

MTA Treasury's estimated contract amount was \$22.1 million based on current pricing and costs of new/additional services. Chase's initial price proposal was \$19.6 million, but it did not include pricing for the full complement of services anticipated for the new contract. Chase then submitted a revised price proposal in the amount of \$20.9 million that included all services. The revised pricing reflects a reduction of 18% when compared to pricing for services under the current contract. Accordingly, pricing was found to be fair and reasonable.

The MTA Department of Diversity & Civil Rights (DDCR) assigned 0% M/WBE/SDVOB participation goals due to the insufficient availability of M/WBE/SDVOB firms in the marketplace.

Following a responsibility review of Chase pursuant to the MTA Headquarters Financial Institution and Energy Supplier Responsibility Guidelines, Chase has been found responsible.

Staff Summary

Schedule J: Modifications to Miscellaneous Procurement Contracts



Item Number: **2**

Page 1 of 1

Vendor Name (& Location): Kronos, Inc. Chelmsford, MA	Contract Number: 900000000002396	AWO/Modification # 1
Description: Kronos Timekeeping System – HW, SW, Training & Consulting	Original Amount: \$16,783,066	
Contract Term (including Options, if any): March 1, 2018 through Feb 28, 2021 plus 2 1-year options	Prior Modifications:	\$ 0
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Prior Budgetary Increases:	\$ 0
Procurement Type: <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive	Current Amount:	\$ 16,783,066
Solicitation Type: <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole Source	This Request:	\$ 20,000,000
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:	120%
Requesting Dept/Div & Dept/Div Head Name: MTA IT / Michael Moran	% of Modifications (including This Request) to Original Amount:	120%

PURPOSE:

Board approval is requested to modify a contract with Kronos, Inc. to provide additional hardware, software, and consulting services necessary to support MTA's expansion and full deployment of state-of-the-art Kronos time and attendance systems at MTA locations. The additional deployments will be performed for an amount not to exceed \$20 million.

DISCUSSION:

In January 2018, the Board approved an all-agency contract with Kronos to manage time and leave details for approximately 26,000 employees. The contract provides for time clocks, software, biometric hardware attachments and Wi-Fi kits, as well as professional services and staff training for all MTA agencies currently using Kronos. The contract also provides for migration of participating agencies' systems to the Kronos Cloud Hosting environment and upgrades to the latest application versions, patches, database management, application monitoring and disaster recovery.

In May 2019, the Chairman instructed that all MTA employees transition to a biometric time and attendance systems, replacing manual/paper based tracking. Full deployment of the Kronos Time & Attendance System throughout the MTA will provide visibility and transparency in timekeeping management, business rules and internal processes, and eliminate opportunities for fraud and abuse. Implementation of a single unified system throughout the MTA will improve work force management and financial accountability.

To comply with the Chairman's mandate of full deployment, this modification provides for the addition of approximately 55,000 employees to the enterprise wide timekeeping system, up to 2,000 biometric clocks, 61,000 additional software licenses, SaaS (cloud) subscriptions throughout the term of the contract, as well as configuration, setup, professional and training services. All MTA employees and potentially consultants will use the new biometric systems.

Contract pricing reflects a 30% discount off commercial list price for all software; these prices are 5% lower than current Federal GSA pricing. A 26% discount has been negotiated off commercial list price for all Kronos hardware; these prices are 6% lower than GSA pricing. Hourly rates for Kronos technical consulting services are 14% lower than GSA rates. Kronos will provide an additional 20% reduction on all biometric clocks, below the current contract price, as a result of this expansion. Kronos has also agreed to extend warranty terms on all clocks, and to provide consulting services as needed for fit gap analysis at no additional cost to the MTA. Based on the foregoing, the prices are deemed fair and reasonable.

A responsibility review of Kronos pursuant to the All Agency Responsibility Guidelines is currently pending. No award will be made until the review is completed and Kronos is deemed responsible.

JULY 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.)

3-7.	Various	\$509,019,500	<u>Staff Summary Attached</u>
	All-Agency Procurement of	(not-to-exceed)	
	Maintenance, Repair and Operating		
	Supplies & Related Products and Services		
	Contract No. 11751		
	Competitively negotiated – 12 proposals – 60 months with 2 one-year options		
	a. Fastenal Company		
	b. 128-13 Rockaway Blvd Corp d/b/a/ Ozone Park Lumber		
	c. WW. Grainger, Inc.		

Board approval is sought to award contracts for five of eleven categories of Maintenance, Repair and Operating Supplies and related products (collectively, “MRO”) pursuant to a competitively negotiated all-Agency request for proposals (RFP) as follows:

- 1) Fastenal Company (Fastenal) in the not-to-exceed amounts of \$83,094,000 for the Electrical category, \$239,470,000 for the Industrial Supplies category, and \$75,460,000 for the Security & Safety category,
- 2) 128-13 Rockaway Blvd Corp. d/b/a Ozone Park Lumber (Ozone) in the not-to-exceed amount of \$24,909,500 for the Plumbing category, and
- 3) WW. Grainger, Inc. (Grainger) in the not-to-exceed amount of \$86,086,000 for the General Tools category.

The contract period for all awards is five years with two one-year options to be exercised at MTA’s sole discretion. The not to exceed amounts are based on seven years and includes 10% contingencies.

Staff Summary

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

Item Number: 3 Dept & Dept Head Name: MTAHQ Procurement - David Ross Division & Division Head Name: BSC – Wael Hibri						SUMMARY INFORMATION <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; padding: 2px;"> Vendor Name: Various </td> <td style="width: 40%; padding: 2px;"> Contract Number: 11751-0500 to 1000 </td> </tr> <tr> <td colspan="2" style="padding: 2px;"> Description: All-Agency Procurement of Maintenance, Repair and Operating (MRO) Supplies & Related Products and Services </td> </tr> <tr> <td colspan="2" style="padding: 2px;"> Total Amount: \$509,019,500 (5 Categories Combined Total) </td> </tr> <tr> <td colspan="2" style="padding: 2px;"> Contract Term (Including Options, if any): 60 months with two (2) 12-month options </td> </tr> <tr> <td colspan="2" style="padding: 2px;"> Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </td> </tr> <tr> <td colspan="2" style="padding: 2px;"> Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td colspan="2" style="padding: 2px;"> Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive </td> </tr> <tr> <td colspan="2" style="padding: 2px;"> Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: </td> </tr> <tr> <td colspan="2" style="padding: 2px;"> Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: </td> </tr> </table>		Vendor Name: Various	Contract Number: 11751-0500 to 1000	Description: All-Agency Procurement of Maintenance, Repair and Operating (MRO) Supplies & Related Products and Services		Total Amount: \$509,019,500 (5 Categories Combined Total)		Contract Term (Including Options, if any): 60 months with two (2) 12-month options		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:	
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Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:																									
Board Reviews																									
Order	To	Date	Approval	Info	Other																				
1	Finance	7/22/2019	X																						
2	Board	7/24/2019	X																						
Internal Approvals																									
Order	Approval	Order	Approval																						
1	Procurement	4	CFO																						
2	DPCR																								
3	Legal																								

Narrative

I. PURPOSE/RECOMMENDATION

Board approval is sought to award contracts for five of eleven categories of Maintenance, Repair and Operating Supplies and related products (collectively, "MRO") pursuant to a competitively negotiated all-Agency request for proposals (RFP) as follows:

- 1) Fastenal Company (Fastenal) in the not-to-exceed amounts of \$83,094,000 for the Electrical category, \$239,470,000 for the Industrial Supplies category, and \$75,460,000 for the Security & Safety category.
- 2) 128-13 Rockaway Blvd Corp. d/b/a Ozone Park Lumber (Ozone) in the not-to-exceed amount of \$24,909,500 for the Plumbing category, and
- 3) WW. Grainger, Inc. (Grainger) in the not-to-exceed amount of \$86,086,000 for the General Tools category.

The contract period for all awards is five years with two one-year options to be exercised at MTA's sole discretion. The not to exceed amounts are based on seven years and includes 10% contingencies. These are the fifth to ninth categories presented for approval pursuant to this RFP. The first and second categories were approved by the Board in December 2018 and March 2019 respectively and the third and fourth in May 2019. The two remaining category awards will be presented to the Board for approval following completion of negotiations.

II. DISCUSSION

The MTA and its agencies have historically purchased MRO through a multitude of contracts. This all-agency RFP combined the volumes of the entire MTA and its agencies to achieve cost effective pricing, reduce administrative and overhead costs through the standardization of some commodities, and through the use of e-commerce best practices for cataloging, ordering and delivery systems.

The RFP was publicly advertised and letters advising potential proposers of its availability were sent to 127 firms including 23 M/WBE companies. Vendors were invited to submit proposals for any number of the following 11 categories: Electrical, Material Handling, Building Supplies, Industrial Supplies, Security & Safety, Hand/Power Tools (subcategories: Hilti Proprietary Items and Snap-On Proprietary Items), Fluid Power, Hardware and Fasteners. Proposers were required to provide all product requirements, either with the same or functionally equivalent items within each category. In all, twelve proposals were received for the 11 categories, with between two to seven proposals in each category. Three to seven proposals were received for the categories that are the subject of this Staff Summary.

A single selection committee was used for all categories and it included representatives from NYCT, LIRR, MTAHQ, MNR, and MTA Bus. The evaluation criteria included: capabilities, experience, cost, and diversity. Proposals from Tanner Bolt and Nut, Inc. were deemed non-responsive due to providing only 6% to 39.7% of the required category items. The committee eventually deemed MSC Industrial Supply (MSC), Shiffman Electrical Supply and Global Packaging Solutions to be out of the competitive range. Pricing for Shiffman and Global was significantly higher than that of other proposals, and both lacked experience with similarly large and complex contracts. MSC did not offer a warehouse in the NY area, could not comply with the required delivery time frames and included relatively restrictive return policies.

Staff Summary

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

Contract No. 11751-0500 to 1000

Proposals deemed responsive and within the competitive range for the five categories are as follows:

- 1) Electrical - Fastenal and Turtles & Hughes;
- 2) Industrial Supplies - Grainger, Fastenal and Turtle & Hughes;
- 3) Safety & Security - Grainger, Fastenal and Turtle & Hughes;
- 4) General Tools - Colonial, Grainger, Fastenal and Turtle & Hughes; and
- 5) Plumbing – Turtle & Hughes and Ozone.

The committee considered the proposals submitted by the firms that remained in the competitive range to be largely similar and, hence, the awardees recommended for all categories offered the lowest overall prices.

MTA has conducted a responsibility review on all three firms and has deemed them to be responsible for award pursuant to the All Agency Responsibility Guidelines.

Each MRO category covers thousands of items. In order to obtain efficient and manageable price schedules for price comparisons, the price schedules were developed with two pricing models; i) line item market basket pricing for purchases with high dollars, high frequency, and market availability, and ii) non-market basket pricing whereby the MTA will receive percentage discounts off catalog prices for items not identified as part of the market basket. The below estimates for pricing comparisons are based on market basket pricing.

The estimate for the Electrical category is \$75,540,000. Through negotiations, Fastenal's original price of \$92,568,145 was reduced to \$74,935,553, for a savings of \$17,632,592 or about 19%. Fastenal's best and final offer is 34.7% or \$39,917,984 less than Turtle & Hughes best and final offer and 0.8% or \$604,447 less than MTA's estimate. Pricing is firm for first 12 months, after which there will be annual adjustments based on the Producer Price Index for remaining 72 months.

The estimate for the Industrial Supply category is \$217,700,000. Through negotiations, Fastenal's original price of \$172,509,732 was reduced to \$135,657,390, for a savings of \$36,852,342 or about 21.3%. Fastenal's best and final offer is 46.4% or \$117,903,954 less than Grainger's (2nd lowest proposal) best and final offer, and 37.6% or \$82,042,610 less than MTA's estimate. Pricing is firm for first 12 months, after which there will be annual adjustments based on the Producer Price Index for remaining 72 months.

The estimate for the Security and Safety category is \$68,600,000. Through negotiations, Fastenal's original price of \$70,179,847 was reduced to \$68,321,429, for a savings of \$1,867,418 or about 2.6%. Fastenal's best and final offer is 12.5% or \$9,801,264 less than Grainger's (2nd lowest proposal) best and final offer, and 0.4% or \$278,571 less than MTA's estimate. Pricing is firm for first 12 months, after which there will be annual adjustments based on the Producer Price Index for remaining 72 months.

The estimate for the Plumbing category is \$22,645,000. Through negotiations, Ozone's original price of \$9,736,263 was reduced to \$7,497,658, for a savings of \$2,238,605 or about 23%. Ozone's best and final offer is 3.5% or \$275,376 less than Turtle & Hughes' best and final offer, and 66% or \$15,147,342 less than MTA's estimate. Pricing is firm for first 12 months, after which there will be annual adjustments based on the Producer Price Index for remaining 72 months.

The estimate for the General Tools category is \$78,260,000. Through negotiations, Grainger's original price of \$55,860,395 was reduced to \$48,302,168, for a savings of \$7,558,227 or about 13.5%. Grainger's best and final offer is 4.1% or \$2,088,535 less than Fastenal's (2nd lowest proposal) best and final offer, and 38% or \$29,957,832 less than MTA's estimate. Pricing is firm for first 24 months, after which there will be annual adjustments based on the Producer Price Index for remaining 60 months.

Based on the above, all negotiated pricing is considered fair and reasonable.

III. D/M/WBE INFORMATION

The Department of Diversity and Civil Rights (DDCR) has established goals of 15% MBE, 15% WBE participation. Fastenal Company, W.W. Grainger, and Ozone Park Lumber have submitted M/WBE utilization plan that are currently under review. Contracts will not be awarded without DDCR approval. Ozone Park Lumber has achieved its previous MWDBE goals on previous MTA contracts. Fastenal and Grainger 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

The total cost for all 5 categories is \$509,019,500 and will be funded by various agencies' operating budgets.

V. ALTERNATIVES

Procure MRO supplies and services on an as-needed basis. This alternative is not recommended as it would result in an opportunity lost for the MTA to improve buying efficiencies and identify potential cost savings.

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

MTA METRO-NORTH RAILROAD

License with Global Java III, Inc. for retail space at the Harrison Station

License with Global Java III, Inc. for retail space at the Larchmont Station

Acquisition of vacant land from SG Chappaqua B, LLC in support of Metro-North's Wayside Energy Storage System Project in New Castle, NY

Lease with Eli's Manhattan Inc. d/b/a E.A.T., in retail space MKT-17B in the Grand Central Market

Lease with 45th Street Park Avenue Shoe Repair Inc. in Spaces NWP-01 and NEP-01 in the Northwest and Northeast Passages in Grand Central Terminal

Grand Central Terminal Event Fee Schedule Modification

MTA LONG ISLAND RAIL ROAD

License with Shiekh & Sons for retail space at Lynbrook Station

License with Muhammad M. Afzal for retail space at Garden City Station

License with Farat Ahmad for retail space at Baldwin Station

License with Newsstation Inc. for retail space at Nassau Boulevard Station

MTA NEW YORK CITY TRANSIT

Acquisition of New York City DOT property in Staten Island for NYCT bus park and ride

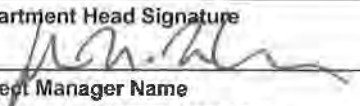
MTA CAPITAL CONSTRUCTION

Construction agreement with JPMorganChase relating to the redevelopment of 270 Park Avenue, New York, New York

Easement agreement with 415 Madison Avenue, LLC for the 48th Street entrance to the ESA LIRR concourse

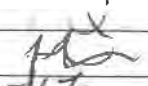
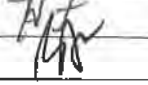
MTA METRO NORTH RAILROAD

Staff Summary

Subject LICENSE AGREEMENT AT HARRISON STATION
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name PAUL M. FITZPATRICK

Date JULY 22, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/22/19	X		
2	Board	7/24/19	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") and MTA Metro-North Railroad ("Metro-North")

LICENSEE: Global Java III Inc. ("Global Java")

LOCATION: Harrison Station retail space on Metro-North's New Haven Line, 452 Halstead Avenue, Harrison, NY

ACTIVITY: License of retail space for the sale of coffee, newspapers and sundry items

ACTION REQUESTED: Authorization to enter into a license agreement

TERM: Five years with a five-year renewal option, subject to termination on 60 days' notice

SPACE: Approximately 177± square feet

COMPENSATION: \$13,200.00 (\$74.57 per square foot) for license year 1, with annual 3% increases through license year 10

COMMENTS:

In response to a recent MTA request for proposals ("RFP") dated April, 2018, for retail space at Metro-North's Harrison Station, three proposals were received:

Proposer Name	Year 1	Year 2	Year 3	Year 4	Year 5	Net Present Value
Keep It Simple Ventures, LLC	\$15,900.00	\$16,337.00	\$16,868.00	\$17,374.00	\$17,896.00	\$68,913.00
Global Java III Inc.	\$13,200.00	\$13,596.00	\$14,003.88	\$14,424.00	\$14,856.72	\$57,240.00
DEBO Food Service	\$12,900.00	\$13,287.00	\$13,687.00	\$14,098.00	\$14,521.00	\$55,943.00

The highest proposal from Keep it Simple Ventures, LLC later withdrew from the RFP process. The next highest proposal was from the incumbent, Sudhir Patel, owner of Global Java III, Inc. This amount exceeds the fair market value as estimated by MTA Real Estate's independent consultant.

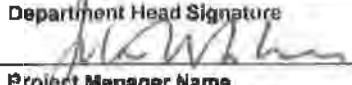
Mr. Patel, currently a tenant in good standing, operates coffee concessions at Metro-North's Bronxville and Larchmont stations, and proposes to continue his operations at Harrison. In addition to a 3-month security deposit, Mr. Patel and his wife will provide a limited personal guaranty of Licensee's obligations under the license agreement.

Staff Summary

FINANCE COMMITTEE MEETING LICENSE AGREEMENT AT HARRISON STATION (Cont'd.)

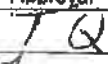
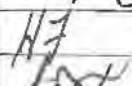
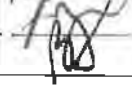
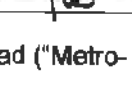
Based on the foregoing, MTA Real Estate requests authorization to enter into a license agreement with Global Java III Inc. on the above-described terms and conditions.

Staff Summary

Subject LICENSE AGREEMENT AT LARCHMONT STATION
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name PAUL M. FITZPATRICK

Date JULY 22, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/22/19	X		
2	Board	7/24/19	X		

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

AGENCY: Metropolitan Transportation Authority ("MTA") and MTA Metro-North Railroad ("Metro-North")

LICENSEE: Global Java III Inc. ("Global Java")

LOCATION: Larchmont Station retail space on Metro-North's New Haven Line, 1 Railroad Way, Larchmont, NY

ACTIVITY: License of retail space for the sale of coffee, newspapers and sundry items

ACTION REQUESTED: Authorization to enter into a license agreement

TERM: Five years with a five-year renewal option, subject to termination on 60 days' notice

SPACE: Approximately 120± square feet

COMPENSATION: \$28,800.00 (\$240.00 per square foot) for license year 1, with annual 3% increases through the term

COMMENTS:

In response to a recent MTA request for proposals ("RFP") dated April 2018, for retail space at Metro-North's Larchmont Station, two Proposals were received:

Proposer Name	Year 1	Year 2	Year 3	Year 4	Year 5	Net Present Value
Global Java III Inc.	\$28,800.00	\$29,664.00	\$30,553.92	\$31,470.54	\$32,414.65	\$124,887.00
Michael di Benedetto	\$13,200.00	\$13,596.00	\$14,000.00	\$14,420.00	\$14,800.00	\$57,193.00

The highest proposal was from the incumbent, Sudhir Patel, owner of Global Java II, Inc. This amount exceeds the fair market value as estimated by MTA Real Estate's independent consultant.

Mr. Patel, currently a tenant in good standing, operates coffee concessions at Metro-North's Bronxville and Harrison stations, and he proposes to continue his operations at Larchmont. In addition to a 3-month security deposit, Mr. Patel and his wife will provide a limited personal guaranty of Licensee's obligations under the license agreement.

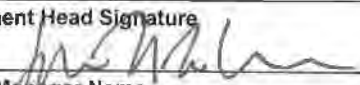
Staff Summary

FINANCE COMMITTEE MEETING LICENSE AGREEMENT AT LARCHMONT STATION (Cont'd.)

During negotiations, Mr. Patel asked to change the name of the current corporate entity from Global Java II Inc, to Global Java III, Inc., which is the same entity holding the Harrison station license agreement.

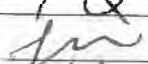

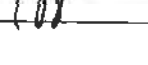
Based on the foregoing, MTA Real Estate requests authorization to enter into a license agreement with Global Java III Inc. on the above-described terms and conditions.

Staff Summary

Subject ACQUISITION OF PROPERTY IN CHAPPAQUA, TOWN OF NEW CASTLE, NY
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name STEPHEN BROWN

Date JULY 22, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	MNR Committee	7/22/19		X	
2	Finance Committee	7/22/19	X		
3	Board	7/24/19	X		

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

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

SELLER: SG Chappaqua B LLC

LOCATION: Roaring Brook Road adjacent to Metro-North's Harlem Line, Town of New Castle, New York

ACTIVITY: Acquisition of fee simple title to the Property

ACTION REQUESTED: Authorization to acquire property

PROPERTY: Approximately 1.983 acres of land located on the southerly side of Roaring Brook Road described on the official Tax Map of New Castle as Section 92.12, Block 2 Lot 1

PURCHASE PRICE: \$500,000

COMMENTS:

Metro-North is seeking to acquire this strategically located subject property to facilitate construction and operation of a new electrical power substation as part of its Harlem and Hudson Power Improvement Project. Also at this site, Metro-North will install and operate a Wayside Energy Storage System ("WESS"), which is included in Metro-North's Way Ahead Initiative, to deploy technology to improve power delivery to trains on the Harlem Line. The Location is vacant and is uniquely situated and suited to support the future substation and WESS Projects as it is contiguous to Metro-North's Harlem Line.

The Purchase Price reflects the fair market value as determined by an independent appraiser engaged by MTA Real Estate.

Currently, Metro-North's Environmental Compliance and Services Department is undertaking an environmental assessment of the site and acquisition of the Property is subject to a satisfactory environmental review.

The main criterion for selection was the need for the additional substation to be located roughly equidistant between two existing substations. Four locations meeting that criterion were examined. Two contained wetlands sufficient enough to disqualify them as viable candidates. Another was an active development site which was not available. That left only the subject property as the viable option.

Staff Summary

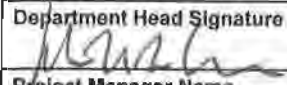
FINANCE COMMITTEE MEETING ACQUISITION OF PROPERTY IN CHAPPAQUA (Cont'd.)



Page 2 of 2

Based on the foregoing, MTA Real Estate requests authorization for Metro-North to enter into a purchase and sale agreement, and other transaction documents deemed necessary to consummate the transaction described above with SG Chappaqua B LLC on the terms and conditions set forth above.

Staff Summary

Subject LEASE AGREEMENT WITH ELI'S MANHATTAN INC. AT GRAND CENTRAL TERMINAL
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name LEAH BASSKNIGHT

Date JULY 22, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/22/19	X		
2	Board	7/24/19	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal		TQ
2	Chief Development Officer		15
3	Chief of Staff		47
4	Chief Financial Officer		48

AGENCY: Metropolitan Transportation Authority ("MTA") and MTA Metro-North Railroad ("Metro-North")

LESSEE: Eli's Manhattan Inc. d/b/a E.A.T.

LOCATION: Retail Space MKT-17B in the Grand Central Market

ACTIVITY: Retail sale of culinary accessories and gifts

ACTION REQUESTED: Authorization to enter into a lease agreement

TERM: 7 Years

SPACE: 345 sq. ft. (±)

COMPENSATION: Annual Base Rent of \$103,000 increasing 3% annually plus 4% of gross sales over a breakpoint of \$700,000 increasing 3% annually.

COMMENTS:

Pursuant to Metro-North and MTA Real Estate's merchandising plan for Grand Central Terminal, a request for proposals ("RFP") was issued in November, 2018 seeking offers for the operation of a tenant prepared food and/or tenant curated culinary accessories shop in the Grand Central Market. In response to the RFP, proposals were received from the incumbent, Eli's Manhattan Inc. d/b/a E.A.T., and Cursive New York, Inc. d/b/a Fete.

Per the Guidelines for Selection of Tenants for Grand Central Terminal approved by the MTA Board in November 2009, as amended, such proposals were independently evaluated by MTA Real Estate's consultants Newmark Knight Frank and JLL, and subsequently evaluated by the Director of GCT Development. When evaluating the proposals, two evaluation criteria were considered. Selection Criterion A, which accounts for 70% of the score, is designed to evaluate the direct economic value of a proposal. Selection Criterion B, which accounts for 30% of the score, is the evaluator's determination of a proposal's indirect economic benefit to the MTA and Metro-North.

As illustrated in the attached chart, E.A.T.'s Unadjusted Guaranteed Rent Amount (i.e. the proposed guaranteed minimum rent, on a present value basis determined using a discount rate of 7%) and its Total Selection Criteria Score were both higher than those for the other proposer; and consequently, a selection committee was not

convened. The rent proposed by E.A.T. is estimated to be at fair market rental value, as determined by an independent appraiser.

Staff Summary

FINANCE COMMITTEE MEETING



Metropolitan Transportation Authority

LEASE AGREEMENT WITH ELI'S MANHATTAN AT GRAND CENTRAL TERMINAL (Cont'd.)

Page 2 of 2

E.A.T., a tenant in good standing, has been in operation at this location since 2016. E.A.T. proposes to install new fixtures and lighting and will continue to sell culinary accessories and food related products. The fun food themed gifts and accessories make it a very popular destination for passengers, residents in the community and tourists.

Based on the foregoing, MTA Real Estate requests authorization for the MTA and Metro-North to enter into a lease agreement with Eli's Manhattan Inc., doing business as E.A.T. on the above-described terms and conditions.

Grand Central Terminal Retail Leasing Evaluation Sheet

Evaluator: Leah Bassknight, Director GCT Development

Space: MKT-17B (currently Eli's Manhattan Inc. d/b/a/ E.A.T.)

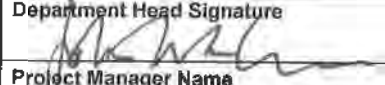
Date: January 31, 2019

	A	B	C	D	E	F	G	H	I	J
PROPOSER	<u>Unadjusted Guaranteed Rent Amount</u>	<u>Guaranteed Rent Adjustment Factor*</u>	<u>Adjusted Guaranteed Rent Amount (A x B)</u>	<u>Unadjusted Percentage Rent Amount</u>	<u>Percentage Rent Adjustment Factor**</u>	<u>Adjusted Percentage Rent Amount (D x E)</u>	<u>Adjusted Total Rent Amount (C + F)</u>	<u>Selection Criterion A Score *** (0-70)</u>	<u>Selection Criterion B Score (0-30)</u>	<u>Total Selection Criterion Score (H + I)</u>
E.A.T.	602,798	1.0	602,798	0	-	0	602,798	70	20	90
Fete	454,293	1.0	454,293	0	-	0	454,293	52.75	27	79.75

* Guaranteed Rent Adjustment Factor: from 1.00 (no uncertainty about A) to as low as 0.50 (great uncertainty about A); however may be as low as 0.00 per guidelines

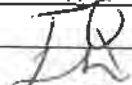

*** Selection Criterion A Score: 70 multiplied by the ratio of the Adjusted Total Rent Amount for the proposer to the highest Adjusted Total Rent Amount (from column G)

Staff Summary

Subject LEASE AGREEMENT WITH 45TH STREET PARK AVENUE SHOE REPAIR INC AT GCT
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name LEAH BASSKNIGHT

Date JULY 22, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/22/19	X		
2	Board	7/24/19	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") and MTA Metro-North Railroad ("Metro-North")

LESSEE: 45th Street Park Avenue Shoe Repair Inc.

LOCATION: Retail spaces NWP-01 in the Northwest Passage and NEP-01 in the Northeast Passage in Grand Central Terminal

ACTIVITY: Shoe shine operation and repair

ACTION REQUESTED: Authorization to enter into a lease agreement

TERM: 5 Years

SPACE: 143 sq. ft. (±) and 96 sq. ft. (±), respectively

COMPENSATION: Annual Base Rent plus 5% of gross sales over Breakpoint as follows:

Annual Base			
Year	Rent	PSF	Breakpoint
1	\$33,600	\$141	\$100,000
2	\$34,608	\$145	\$120,000
3	\$35,646	\$149	\$130,000
4	\$36,716	\$154	\$140,000
5	\$37,817	\$158	\$140,000

COMMENTS:

Pursuant to Metro-North and MTA Real Estate's merchandising plan for Grand Central Terminal, a request for proposals ("RFP") was recently issued seeking offers for the retail operation of a shoe shine and repair store in the Northwest and Northeast passageways in Grand Central Terminal. In response to the RFP, proposals were received from 45th Street Park Avenue Shoe Repair Inc., ("45th Street") and Leather Spa GCT, Inc. ("Leather Spa").

Per the Guidelines for Selection of Tenants for Grand Central Terminal approved, by the MTA Board in November 2009, as amended, such proposals were independently evaluated by MTA Real Estate's consultants Newmark Knight Frank and JLL

Staff Summary

FINANCE COMMITTEE MEETING

LEASE WITH 45th STREET PARK AVENUE SHOE REPAIR INC. IN SPACES NWP-01 AND NEP-01 IN THE NORTHWEST AND NORTHWEST PASSAGES IN GRAND CENTRAL TERMINAL (Cont'd.)

Page 2 of 2

and subsequently evaluated by the Director of GCT Development. When evaluating the proposals, two evaluation criteria were considered. Selection Criterion A, which accounts for 70% of the score, is designed to evaluate the direct economic value of a proposal. Selection Criterion B, which accounts for 30% of the score, is the evaluator's determination of a proposal's indirect economic benefit to the MTA.

As illustrated in the attached chart, 45th Street's Unadjusted Guaranteed Rent Amount (i.e. the proposed guaranteed minimum rent, on a present value basis determined using a discount rate of 7%) and its Total Selection Criteria Score were both higher than those for the other proposer and, consequently, a selection committee was not convened. The rent proposed by 45th Street exceeds the estimated fair market rental value as determined by an independent appraiser.

To preserve this amenity for Metro North passengers, the RFP for the locations in the Northwest and Northeast passages required tenants to operate shoe shine stands. 45th Street currently operates a shoe shine and leather repair shop close by on 45th Street in 230 Park Avenue. They propose to invest \$80,000 in new leather chairs and checkout counter where customers pay for the service. 45th Street is an experienced shoe shine operator in the midtown area with a strong customer base.

Based on the foregoing, MTA Real Estate requests authorization for the MTA and Metro-North to enter into a lease agreement with 45th Street Park Avenue Shoe Repair Inc., on the above-described terms and conditions.

Grand Central Terminal Retail Leasing Evaluation Sheet

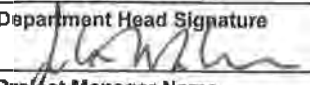
Evaluator: Leah Bassknight, Director GCT Development

Space: NWP-01 and NWP-02 (currently Eddie's Shoe Repair)

Date: December 12, 2018

	A	B	C	D	E	F	G	H	I	J
PROPOSER	<u>Unadjusted Guaranteed Rent Amount</u>	<u>Guaranteed Rent Adjustment Factor*</u>	<u>Adjusted Guaranteed Rent Amount (A x B)</u>	<u>Unadjusted Percentage Rent Amount</u>	<u>Percentage Rent Adjustment Factor**</u>	<u>Adjusted Percentage Rent Amount (D x E)</u>	<u>Adjusted Total Rent Amount (C + F)</u>	<u>Selection Criterion A Score *** (0-70)</u>	<u>Selection Criterion B Score (0-30)</u>	<u>Total Selection Criterion Score (H + I)</u>
45 th Street Shoe Repair Inc.	145,701	1.0	145,701	9634	.50	4817	150,518	70	20	90
Leather Spa Inc.	140,497	1.0	140,497	0	-	0	140,497	65.3	22	87.3
* Guaranteed Rent Adjustment Factor: from 1.00 (no uncertainty about A) to as low as 0.50 (great uncertainty about A); however may be as low as 0.00 per guidelines										
*** Selection Criterion A Score: 70 multiplied by the ratio of the Adjusted Total Rent Amount for the proposer to the highest Adjusted Total Rent Amount (from column G)										

Staff Summary

Subject GRAND CENTRAL TERMINAL EVENT FEE SCHEDULE MODIFICATION
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name LEAH BASSKNIGHT

Date JULY 22, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/22/19	X		
2	Board	7/24/19	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")
LOCATION: Vanderbilt Hall, Grand Central Terminal
ACTIVITY: Licensing Vanderbilt Hall for Events
ACTION REQUESTED: Approval of Event Rate Schedule Modification
SPACE: East Side of Vanderbilt Hall

COMMENTS:

MTA Real Estate is requesting Board approval to amend the Vanderbilt Hall event rate schedule that was approved in the April 2018 Board Meeting. The rate schedule is revised to provide the following additional categories of rates: (1) government agencies; (2) events that are 30+ days. The attached schedule is further amended to clarify the requirement for non-profit documentation submittals from foreign non-profit agencies. If approved, the modified rate schedule will take effect on August 1, 2019.

After an analysis of the 2018 Vanderbilt Hall event revenue and rentals, MTA Real Estate, based on advice from its consultant, Jones Lang LaSalle, has determined that event rentals are an optimal use for the Hall. 2018 resulted in over \$2.1M in revenue and 236 event days. In addition to revenue, Vanderbilt Hall events garner a great deal of press, keeping Grand Central Terminal and its tenants relevant to the public. The events give commuters, locals, and tourists, an additional reason to visit the Terminal, and the press often reaches beyond New York City.

Further inasmuch as rental rates for event venues are susceptible to seasonal fluctuations and other market driven conditions that change from time to time, MTA Real Estate is seeking further approval at this time for Metro-North to have the ability to further adjust such Scheduled Rates for events at Vanderbilt Hall, based on advice from its consultants and consistent with NYC event industry standards and market fees, in order to remain competitive in the market, without need for further Board approval provided that such adjustments will not increase or decrease the Scheduled Rates by more than 20%.

Staff Summary

FINANCE COMMITTEE MEETING

GRAND CENTRAL TERMINAL EVENT FEE SCHEDULE MODIFICATION (Cont'd.)

Page 2 of 2



Metropolitan Transportation Authority

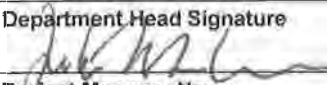
Proposed Vanderbilt Hall Rental Rates

Type of Vanderbilt Hall Duration Rental Fee	Daily Rate	Notes
February through June & September through December		
1+ Day(s)	\$15,000	Full day rate
30+ Days	\$10,000	Daily rate for events that are 30+ days
Existing GCT Tenant Produced Events	\$7,500	Existing GCT tenants have the opportunity to host an event in Vanderbilt Hall at a 50% discount for the first event day. All subsequent days are full rate
Non-Profit rate	\$11,250	Client must submit a 501c3 for domestic non-profits and appropriate documentation for international clients to receive this rate
Government Agency Rate	\$11,250	Client must submit proof of government agency
Load in/Load out Hourly Rate	\$625 per hour	Maximum of 6 hours for load in and load out only Maximum notice of 30 days before the event
January, July, and August		
1 - 6 Days	\$7,500	Daily rate during January, July, and August
7+ Days	\$6,500	Daily rate for events that are 7+ days long
Existing GCT Tenant Produced Events	\$6,000	Daily rate for tenants of Grand Central
Load in/Load out Hourly Rate	\$625 per hour	Maximum of 6 hours for load in and load out only Maximum notice of 30 days before the event
<i>Rates do not include production costs and additional services fees. These rates are strictly room rental fees.</i>		

Based on the foregoing, MTA Real Estate requests authorization to amend the Vanderbilt Hall rate schedule on the above-described terms and conditions.

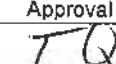
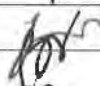
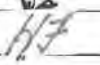

MTA LONG ISLAND RAIL ROAD

Staff Summary

Subject LICENSE AGREEMENT FOR RETAIL SPACE AT THE LYNBROOK STATION
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name ROBERT GOLDBERG

Date JULY 22, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/22/19	X		
2	Board	7/24/19	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: Shiekh & Sons Inc., the principal of which is Muhammad M. Afzal

LOCATION: Lynbrook Station, Lynbrook, New York

ACTIVITY: License of retail space for the sale of coffee, newspapers and sundry items

ACTION REQUESTED: Authorization to enter into a license agreement

TERM: 5 years, subject to termination on 60 days' notice

LICENSED AREA: Concession area at location comprising of approximately 80 square feet

COMPENSATION: \$13,500 for license year 1, with 3% annual increases throughout the term

COMMENTS:

The following proposals were received for the Location pursuant to an RFP in November, 2017:

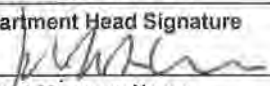
Proposer Name	Year 1	Year 2	Year 3	Year 4	Year 5	Net Present Value
Shiekh & Sons Inc.	\$13,500	\$13,905	\$14,322	\$14,751	\$15,194	\$60,174.29
Abdul Lakhani	\$4,800	\$4,944	\$5,092	\$5,245	\$5,402	\$21,395.01

Shiekh & Sons Inc., offered the highest compensation.

Shiekh & Sons 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 a new counter, trade fixtures and display racks. In addition to a 3-month security deposit, Mr. Afzal will provide a personal guaranty of Licensee's obligations under the license agreement.



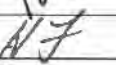

Based on the foregoing, MTA Real Estate requests authorization for LIRR to enter into a license agreement with Shiekh & Sons Inc. on the above-described terms and conditions.

Staff Summary

Subject LICENSE AGREEMENT FOR RETAIL SPACE AT THE GARDEN CITY STATION
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name ROBERT GOLDBERG

Date JULY 22, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/22/19	X		
2	Board	7/24/19	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: Muhammad M. Afzal
 LOCATION: Garden City Station, Garden City, New York
 ACTIVITY: License of retail space for the sale of coffee, newspapers and sundry items
 ACTION REQUESTED: Authorization to enter into a license agreement
 TERM: 5 years, subject to termination on 60 days' notice
 LICENSED AREA: Concession area at location comprising of approximately 65 square feet
 COMPENSATION: \$4,500 for license year 1, with 3% annual increases throughout the term

COMMENTS:

The following proposals were received for the Location pursuant to an RFP offered in February 2019:

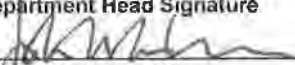
Proposer Name	Year 1	Year 2	Year 3	Year 4	Year 5	Net Present Value
Muhammad M. Afzal	\$4,500	\$4,635	\$4,774.05	\$4,917.27	\$5,064.70	\$19,513.53
Newsstation Inc.	\$3,024	\$3,114	\$3,213	\$3,312	\$3,411	\$13,127.53

Muhammad M. Afzal offered the highest compensation.

Mr. Afzal, at his 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 a new counter, trade fixtures and display racks. In addition to a 3-month security deposit, Mr. Afzal will provide a personal guaranty of Licensee's obligations under the license agreement.

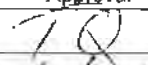

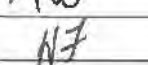

Based on the foregoing, MTA Real Estate requests authorization for LIRR to enter into a license agreement with Muhammad M. Afzal on the above-described terms and conditions.

Staff Summary

Subject LICENSE AGREEMENT FOR A RETAIL SPACE AT THE BALDWIN STATION
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name ROBERT GOLDBERG

Date JULY 22, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/22/19	X		
2	Board	7/24/19	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: Farat Ahmad
 LOCATION: Baldwin Station, Baldwin, New York
 ACTIVITY: License of retail space for the sale of coffee, newspapers and sundry items
 ACTION REQUESTED: Authorization to enter into a license agreement
 TERM: 5 years, subject to termination on 60 days' notice
 LICENSED AREA: Concession area at location comprising of approximately 80 square feet
 COMPENSATION: \$18,900 for license year 1, with 3% annual increases throughout the term

COMMENTS:

The following proposals were received for the Location pursuant to an RFP offered in February 2019:

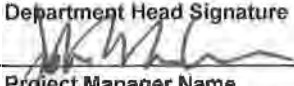
Proposer Name	Year 1	Year 2	Year 3	Year 4	Year 5	Net Present Value
Farat Ahmad	\$18,900	\$19,467	\$20,052	\$20,655	\$21,276	\$81,962.28
Muhammad M. Afzal	\$8,400	\$8,652	\$8,911.56	\$9,178.91	\$9,454.27	\$36,425.26

Farat Ahmad offered the highest compensation.

Farat Ahmad, at her 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 a new counter, trade fixtures and display racks. In addition to a 3-month security deposit, Ms. Ahmad will provide a personal guaranty of Licensee's obligations under the license agreement.

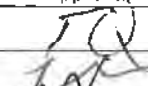
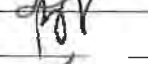
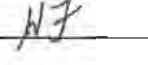

Based on the foregoing, MTA Real Estate requests authorization for LIRR to enter into a license agreement with Farat Ahmad on the above-described terms and conditions.

Staff Summary

Subject LICENSE AGREEMENT FOR RETAIL SPACE AT THE NASSAU BOULEVARD STATION
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name ROBERT GOLDBERG

Date JULY 22, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/22/19	X		
2	Board	7/24/19	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: Newsstation Inc., the principal of which is Iqbal Mozawalla
 LOCATION: Nassau Boulevard Station, Garden City, New York
 ACTIVITY: License of retail space for the sale of coffee, newspapers and sundry items
 ACTION REQUESTED: Authorization to enter into a license agreement
 TERM: 5 years, subject to termination on 60 days' notice
 LICENSED AREA: Concession area at location comprising of approximately 65 square feet
 COMPENSATION: \$6,804 for license year 1, with 3% annual increases throughout the term

COMMENTS:

The following proposals were received for the Location pursuant to an RFP offered in February 2019:

Proposer Name	Year 1	Year 2	Year 3	Year 4	Year 5	Net Present Value
Newsstation Inc.	\$6,804	\$7,011	\$7,227	\$7,443	\$7,668	\$29,527.35
Muhammad M. Afzal	\$4,600	\$4,738	\$4,880.14	\$5,026.54	\$5,117.34	\$19,947.16

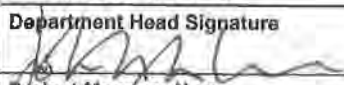
Newsstation Inc., offered the highest compensation.

Newsstation 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 a new counter, trade fixtures and display racks. In addition to a 3-month security deposit, Iqbal Mozawalla will provide a personal guaranty of Licensee's obligations under the license agreement.

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

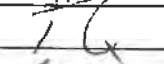

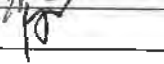

MTA NEW YORK CITY TRANSIT

Staff Summary

Subject ACQUISITION OF PROPERTY IN STATEN ISLAND FOR NYCT BUSES
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name FRANK PHILLIPS

Date JULY 22, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/22/19	X		
2	Board	7/24/19	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")

GRANTOR: NY State Department of Transportation ("NYSDOT")

LOCATION: 2 Wainwright Avenue, Staten Island NY – Near Arthur Kill Road and Richmond Parkway

ACTIVITY: Acquisition of Property

ACTION REQUESTED: Authorization to acquire property

SPACE: Total of 11.988 acres

COMPENSATION: \$1.00 Payment Waived

COMMENTS:

The Staten Island property known as the Eltingville Transit Center (ETC) is a bus facility built by New York State DOT (NYSDOT). This facility is now ready to be transferred from NYSDOT to NYCT Buses. In 2001, NYSDOT informed Buses that it would construct a new park and ride facility on an unused portion of NYSDOT property at Richmond Parkway and Arthur Kill Road. This Park and Ride facility was created as a convenient transfer point between five (5) local bus lines and six (6) express bus routes all converging at ETC. NYCT has managed and operated this 8.027 acre ETC facility under a separate license agreement with NYSDOT since 2001. The construction of a 1,500 sq. ft. passenger facility and parking area was completed in 2003. NYSDOT will surrender management responsibility and daily control of the entire facility to NYCT. Upon approval of this conveyance, NYSDOT will request that the NY State Attorney General's office prepare a deed to surrender ETC to NYCT.

MTA Real Estate recently requested and received additional 3,961 acres of adjacent DOT space to be used as part of this facility. Space along the northwestern side and site along the south of the existing ETC footprint, were added to this conveyance. The addition of 3.961 acres increased the total acreage conveyed to NYCT to 11.988 acres; this was granted to NYCT for \$1 fee waived. The additional space was granted to NYCT to accommodate increased NYCT customer demand.

The additional space along the northwestern side will be leveled, paved and used to accommodate an additional 150-180 parking spaces. Buses will receive fee title control over the entire ETC facility including 440+/- current parking spaces, the

Staff Summary

FINANCE COMMITTEE MEETING



Metropolitan Transportation Authority

ACQUISITION OF PROPERTY IN STATEN ISLAND FOR NYCT BUSES (Cont'd.)

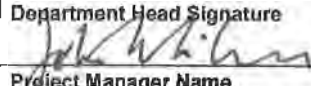
Page 2 of 2

1,500sq. ft. terminal building and waiting area, dispatch area, restrooms and several vending machines. Buses is the sole occupant of the ETC. MTA Legal has reviewed the agreement and Buses has the necessary funds to redesign this facility and to remediate environmental issues, if any.

Based on the foregoing, MTA Real Estate requests authorization for Buses to enter into this acquisition with NYSDOT along with other documents deemed necessary to consummate the transaction described above with NYSDOT upon terms and conditions described above.

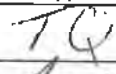
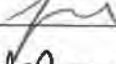
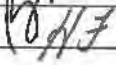
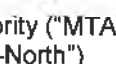
MTA CAPITAL CONSTRUCTION

Staff Summary

Subject ESA CONSTRUCTION AGREEMENT WITH JP MORGAN CHASE RELATED TO REDEVELOPMENT OF 270 PARK AVENUE
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name RANDALL J. FLEISCHER

Date July 22, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	MNR/LIRR Committee	7/22/19		X	
2	Finance Committee	7/22/19	X		
3	Board	7/24/19	X		

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

AGENCIES and MTA Capital Construction ("MTACC"), the Metropolitan Transportation Authority ("MTA"), MTA Long Island Rail Road ("LIRR") and MTA Metro-North Railroad ("Metro-North")

COUNTERPARTY: JP Morgan Chase ("JPMC")

LOCATION: A portion of the Metro-North Express Level and a portion of the ESA LIRR concourse level, below the footprint of JPMC's headquarters building at 270 Park Avenue, New York, New York

ACTION REQUESTED: Authorization to enter into a Construction Agreement and related agreements described herein with JPMC

Purpose:

To obtain Board authorization to enter into a Construction Agreement with JPMorgan Chase Bank, N.A. ("JPMC") relating to the redevelopment by JPMC of its global headquarters at 270 Park Avenue (the "JPMC Project"), and the mitigation of JPMC Project impacts on Metro-North and East Side Access ("ESA") facilities in and around Grand Central Terminal ("GCT"). Approval is also sought for a project and the necessary funding (not to exceed \$189M) to repair structural elements supporting the Metro-North Train Shed beneath the JPMC Project site, to address a critical infrastructure need in the most cost-effective manner and avoiding future impacts to the site (the "Metro-North Project").

Comments:

As previously reported to the Board in March 2019, in connection with the Board's approval of a Memorandum of Understanding with JPMC (the "MOU"), the JPMC Project will involve the demolition of an existing 50-story, 1,350,000 square foot commercial office building and the construction of a new 1,400-foot tall building, totaling approximately 2,400,000 square feet. A portion of the 270 Park Avenue basement, foundation walls and structural support facilities (all of which will require enhanced fortification as part of the JPMC Project) are within the Metro-North Express Level and a portion of the ESA LIRR concourse level, which is currently under construction.

As explained in the Staff Summary submitted in support of the MOU, JPMC holds an easement granting it the right to locate structural support facilities for its existing building within the Metro-North and ESA spaces. In addition, the easement granted

ESA CONSTRUCTION AGREEMENT WITH JPMORGANCHASE (Cont'd)

Page 2 of 3

JPMC the right to relocate and/or construct new structural support facilities, subject to the requirement that JPMC obtain the reasonable approval of the MTA for critical aspects of demolition and construction activities affecting the MTA and pay all costs and expenses of the MTA directly attributable to such activities.

Accordingly, to compensate MTA for (i) the extensive intrusion into the Metro-North Express Level (GCT Trainshed) and the ESA concourse construction and testing activities that the JPMC Project will impose, and (ii) the enlarged volume of the structural support facilities and other structural and systems elements required for the JPMC Project requiring approval under the easement, JPMC has agreed to contribute to the cost and implementation of certain improvements to MTA and Metro-North facilities and a new ESA/LIRR entrance in the vicinity of 48th Street and Madison Avenue.

As contemplated by the MOU, the parties have now finalized negotiations of a definitive and binding Construction Agreement detailing precisely how the general terms agreed to in the MOU will be carried out, including provisions for mitigating impacts on both Metro-North operations and the construction and systems testing of the ESA LIRR concourse. The Construction Agreement explicitly limits the disruption of Metro-North service and prohibits the JPMC Project from adversely impacting the MTA's commitment to open the ESA project on time for revenue service in 2022. The Construction Agreement will include the following details:

1. MTA Review and Approval of Plans and Specifications: JPMC will design and construct shear walls and footings required for the JPMC Project, which run through portions of the ESA project and the Metro-North trainshed. This will require deconstruction of certain ESA project improvements, re-design of portions of the ESA Project, and re-construction by JPMC of the ESA concourse to operational readiness. The JPMC Project will also require alteration or replacement of certain Metro-North operational elements which may require JPMC to provide temporary or replacement measures in order to maintain certain functions. All work is to be performed by contractors engaged and/or paid for by JPMC. All JPMC designs, contractor submittals, means and methods, protection plans, security and safety plans, project schedules, insurance, etc., are subject to MTA and/or Metro-North review and approval prior to JPMC Project construction start.
2. Construction Schedule: JPMC is obligated to coordinate with Metro-North and other ESA ongoing work and complete all of the JPMC Project work within the MTA spaces, including the ESA and Metro-North components, by June 30, 2021, in order not to interfere with the opening of the ESA Project in 2022 and without interfering with Metro-North service.
3. ESA Project Integration:
 - MTA will monitor JPMC performance of work and will have continuous on-site access to inspect work as it progresses and, if milestones are not met, to direct acceleration or trigger a contingency plan which will allow for ESA's on time opening in 2022.
 - JPMC must comply with MTA safety and security protocols, protect MTA facilities and operational functions, and maintain compliance with all government requirements, including NYS Building Code, and those of the Federal Transit Administration and Federal Railroad Administration.
 - MTA will modify its CM014B contract to delete remaining work impacted by the JPMC Project which will be completed by JPMC. In accounting for JPMC's obligation to pay for work, MTA will give JPMC "credit" equal to the net savings realized by any deletion of scope from the CM014B contract.
4. Special Provisions related to Metro-North facilities: JPMC is required to repair, replace or otherwise maintain Metro-North functional elements such as ventilation shafts, the 48th Street emergency egress and drainage fixtures, sidewalk vaults and utility connections to maintain their function throughout JPMC Project construction. In addition, JPMC will design and construct sidewalk improvements and structural slab/supporting element repairs within the block bound by 47th and 48th Street and Park and Madison Avenues.

The Metro-North Project:

The work to be progressed by JPMC creates a unique opportunity to address the substantial deterioration of structural steel in the area of the JPMC Project that remains a Metro-North responsibility. The completion of this work is a priority project for Metro-North and it expects to include this project in the MTA 2020-2024 Capital Plan, at a total estimated cost of \$214M. JPMC has agreed to provide a \$25 million contribution towards this structural repair work which includes reconstruction of portions of the viaduct and train shed, and has agreed to manage the design and construction services

ESA CONSTRUCTION AGREEMENT WITH JPMORGANCHASE (Cont'd)

Page 3 of 3

for this work. JPMC's work on its Project and for ESA will expose the areas of deterioration, and JPMC will have construction contractors mobilized at this location. This will result in efficiencies and costs savings to the benefit of Metro-North. Failure to address this deterioration as part of the overall JPMC Project would require Metro-North to demolish JPMC Project work at a later date, incurring additional costs and negatively impacting the JPMC site. JPMC's contribution of \$25M is in part based upon the ability to complete all of the work under the new building before its opening. Accordingly, Metro-North seeks Board approval of this project as part of this action.

Funding:

Pursuant to the existing expense reimbursement agreement and as contemplated by the Construction Agreement, the JPMC funded project will be cost neutral to the MTA. Authorization for the funding of the Metro-North Project, and for the Chairman, the Managing Director, the Chair of the Finance Committee, the Vice Chairman, the Chief Financial Officer or the Director, Finance to enter into the necessary documentation to secure such funding not to exceed \$189M is being sought. Additionally, the Construction Agreement will provide the option of obtaining financing for the Metro-North work from JPMC at commercially reasonable rates if in the determination of the CFO such approach is economically advantageous.

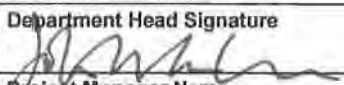
MTA may finance portions of the Metro-North Project from its own funds, and reimburse such expenditures with proceeds of tax-exempt or tax-advantaged debt, if permitted. The expenditures incurred in connection with the Metro-North Project to be reimbursed will have been incurred and paid after the date that is 60 days prior to the date hereof. The MTA reasonably expects that such expenditures and the principal amount of such bonds will be approximately \$189 million. These statements are intended to be statements of official intent as required by Treasury Regulation Section 1.150-2(e).

Recommendation:

The JPMC Project is the very sort of expansion and positive economic activity that was envisioned by the rezoning of the Midtown East business district and the ESA project. Although engaging in an integrated construction project adds to the complexity of the overall ESA construction project, to engage in such efforts at a later date, and to defer the Metro-North structural work, would cause even greater impact and disruption to rail service operations, passenger benefit, resource coordination, logistics and schedule.

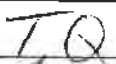
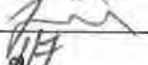

Based on the foregoing, MTA, MTACC, Metro-North, and LIRR request approval to enter into the Construction Agreement and associated documents necessary to facilitate the transactions contemplated by the same on the terms and conditions described above.

Staff Summary

Subject EASEMENT AND AGREEMENTS FOR ESA ENTRANCE AT 48TH STREET
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature 
Project Manager Name RANDALL J. FLEISCHER

Date July 22, 2019
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	MNR/LIRR Committee	7/22/19		X	
	Finance Committee	7/22/19	X		
2	Board	7/24/19	X		

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

AGENCIES: MTA Capital Construction ("MTACC") and the Metropolitan Transportation Authority ("MTA")

GRANTOR: 415 Madison Avenue LLC ("415 LLC")

LOCATION: East 48th Street, located just east of Madison Avenue on the northern side of the street, including ground and below-grade areas that will create a direct connection to the East Side Access ("ESA") LIRR Concourse for the purpose of creating a pedestrian entrance.

ACTION REQUESTED: Authorization to enter into a Master Acquisition Agreement, an Easement Agreement, a Design and Construction Agreement and related agreements described herein with 415 LLC, an affiliate of Rudin Management Co., Inc. ("Rudin Management"), relating to 415 Madison Avenue and providing for the design and construction of an ESA street level entrance at 48th Street.

COMMENTS:

The ESA design includes a street level entrance in the vicinity of 48th Street and Madison Avenue (the "48th Street Entrance"). As previously reported to the Board in March 2019, in connection with the Board's approval of a Memorandum of Understanding with JPMorgan Chase Bank, N.A. ("JPMC") relating to the redevelopment by JPMC of its global headquarters at 270 Park Avenue, JPMC agreed to assist MTA in identifying a location for the 48th Street Entrance, and to contribute to the acquisition and construction costs of such entrance. JPMC was able to facilitate negotiations with Rudin Management and 415 LLC for an entrance in its building at 415 Madison Avenue. Those negotiations have now been finalized through a series of agreements detailing the terms under which the necessary property rights will be transferred to the MTA and the 48th Street Entrance will be constructed. Rudin Management/415 LLC expects to demolish its existing building and construct a new building at 415 Madison Avenue and will in all events construct the 48th Street Entrance for the MTA on the site of its existing building. The MTA and MTACC are seeking authorization for the MTA to enter into the Master Acquisition Agreement, Easement Agreement, Design and Construction Agreement and related agreements and for MTACC to join in the same where it is a party, and to take such further action as is customary and necessary to acquire the easement real property interests and to accomplish this arrangement.

The Master Acquisition Agreement among MTA, 415 LLC and JPMC provides for 415 LLC to grant MTA a perpetual easement within portions of the 415 Madison Avenue footprint for the 48th Street Entrance and makes provision for the

Staff Summary

FINANCE COMMITTEE MEETING



Metropolitan Transportation Authority

ACQUISITION OF AN EASEMENT FOR AN ESA ENTRANCE AT 48TH STREET (CONT'D)

Page 2 of 2

payment for the easement by JPMC (subject to reimbursement by MTA pursuant to a separate Expense Agreement among the MTA, MTACC and JPMC).

Pursuant to the Design and Construction Agreement, the MTA will provide previously designed 48th Street Entrance plans to 415 LLC, to be incorporated into 415 LLC's new building plans. 415 LLC shall perform the design and construction of the core and shell work of the 48th Street Entrance (the "Base Work") at its cost and expense. The MTA will engage 415 LLC to serve as development manager to oversee the design and construction of the fit out of the 48th Street Entrance on behalf of the MTA (the "Fit Out"). The Fit Out work will be performed at the MTA's cost and expense as between 415 LLC and the MTA (but will be partially reimbursed by JPMC as provided below). The MTA will have broad design review and approval rights and construction oversight and inspection rights with regard to the Fit Out work. Pursuant to the Design and Construction Agreement, the 48th Street Entrance is scheduled to be completed by June 2023. This entrance is not required to open ESA to the public and will not interfere with the ESA scheduled opening in 2022. The FTA has approved the deferred opening of this entrance based, in part, on additional egress capacity added at 47th Street with JPMC's cooperation.

In addition, the parties will execute an Easement Agreement which will transfer the necessary property rights and interests for the 48 Street Entrance to the MTA.

Pursuant to these agreements, JPMC will pay 415 LLC \$35 million, and transfer certain valuable air rights, obtained by JPMC at its cost, to 415 LLC, for the easement for the 48th Street Entrance (as improved with the Base Work), which payment will be made in installments at the initial closing, as demolition progresses and as the Base Work progresses. The MTA will reimburse JPMC in the amount of \$45 million for the payments and the air rights, in three equal installments of \$15 million, with the first payment made on the later of January 30, 2022 or 60 days after the completion of the Base Work; the second payment to be made nine months later; and the final payment to be made 18 months after the first payment. JPMC and the MTA will split evenly costs for the Fit Out work up to \$25 million, with the MTA responsible for all costs in excess of \$25 million. 415 LLC will also dismiss its pending lawsuit against the MTA with prejudice. In that lawsuit, 415 LLC alleged damages for, among other things, lost rent and monies allegedly owed under a utility relocation funding agreement.

FUNDING:

Funding for these transactions is available in the Capital Program for the ESA project.

RECOMMENDATION:

Based on the foregoing, the MTA and MTACC request approval to enter into the Master Acquisition Agreement, the Design and Construction Agreement, the Easement Agreement and associated documents necessary to facilitate the transactions contemplated thereby on the terms and conditions described above.



Service Changes: Request to Permanently Close Entrance at Broad Street J Z Station

Judy McClain, Acting Chief, Operations Planning

Service Issue

Two subway station street stairs on the southwest corner of Broad and Wall Streets are immediately adjacent to the New York Stock Exchange (NYSE). One of the stairs has been closed since 2002 and the other since 2012 at the recommendation of the NYPD as part of the security perimeter of the Stock Exchange. The Stock Exchange, at their expense, would like to slab over the street stairs at sidewalk level as part of a streetscape improvement plan.

Recommendation

Stairs S5 and S7 are not critical for either peak period passenger flow or for emergency egress. A CFD analysis of air flow shows no adverse effect from permanently closing the stairs. Stair S7 has been closed for 17 years, and stair S5 for the past seven years. It is recommended that the Board approve the permanent closure of these two sidewalk stairs. No comments opposing this closure have been received from either the public or elected representatives.

Budget Impact

This action will have a nominal reduction in cost as the entrance stairs will not require maintenance. However, as these have been closed for years, most of the reduction in maintenance has already been captured.

Proposed Implementation Date

The NYSE intends to execute a streetscape improvement plan this summer. If the Board approves the permanent stair closure, the sidewalk stairs would be slabbed over and the railings removed as part of their streetscape plan.

Staff Summary

Subject	Request to Permanently Close Two Street Stairs at Broad Street JZ Station
Department	Operations Planning
Department Head Name	Judy McClain
Department Head Signature	
Project Manager Name	Lisa Schreibman

Date	June 11, 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
1	President		X		
2	NYCT Comm		X		
3	MTA Board		X		

Internal Approvers			
Title	Approved	Title	Approved
President	X	VP GC Law	X
Executive VP	X	Dir. OMB	X
SVP Subways	X	Acting VP GCR	X
Chief Cust. Officer	X	Acting Chief OP	X

Purpose

The purpose of this staff summary is to request MTA Board approval of the permanent closure of two street stairs at the Board Street JZ station in lower Manhattan. (See Attachment 1 for diagram of station.) New York State Public Authorities Law, as well as the MTA Board approved service change process, requires MTA Board approval of any proposed permanent closure of a subway station entrance. Approval is to be considered only after a formal public hearing, which was held on April 3, 2017. No comments in opposition to the stair closure were received at the hearing or by mail/email.

Discussion

After the 2001 attack on the World Trade Center, the NYPD set up a security zone around the New York Stock Exchange. Within this zone are two sidewalk stairs serving the Broad Street JZ station. These stairs, S5 and S7, are closed using portable steel barricades. The New York Stock Exchange would like the closed stairs slabbed over to improve the streetscape around its building.

Four stairs, S4, S5, S6, S7 lead from the street to a mezzanine. From the mezzanine both the northbound and southbound platforms can be reached. Stairs S5 and S7 on the southwest corner of Wall and Broad are not critical for subway passenger flow. Passengers have been using sidewalk stairs S4 and S6 at the southeast corner of Broad and Wall Streets for multiple years to enter and exit the station and there is virtually no congestion; nor is any anticipated since de-training surges from southbound J and Z trains are metered by platform stairs before reaching the street stairs. Passengers bound for points west of Broad Street do have an additional walk of 125 feet, since they need to use street stairs on the eastside of Broad Street and then cross back westerly at street level.

Stairs S5 and S7 are not critical for emergency evacuation, as the station meets evacuation guidelines without the stairs in service. An analysis of air flow at the station showed no adverse impact from the proposed closure.

Staff Summary

With this proposal, instead of temporary metal barricades, stairs S5 and S7 would be slabbed over at sidewalk level and walled off at subway mezzanine level. If the NYSE security zone were to be eliminated in the future, the stairs could be returned to service after refurbishment.

Recommendation

A formal public hearing was held on April 3, 2017 to allow the public and elected representatives to comment on the closure of the stairs. There were no comments opposing the closure and several comments in support of the closure, including support from the Downtown Alliance. It is recommended that the Board approve the permanent closure of stairs S5 and S7 at the Broad Street JZ subway station.

Alternatives

Keep the two stairs closed off with barricades at street and mezzanine level. Another alternative is to re-open the stairs. However, in 2017 NYPD re-evaluated NYSE hardening measures and determined that S5 and S7 should remain closed.

Budget Impact

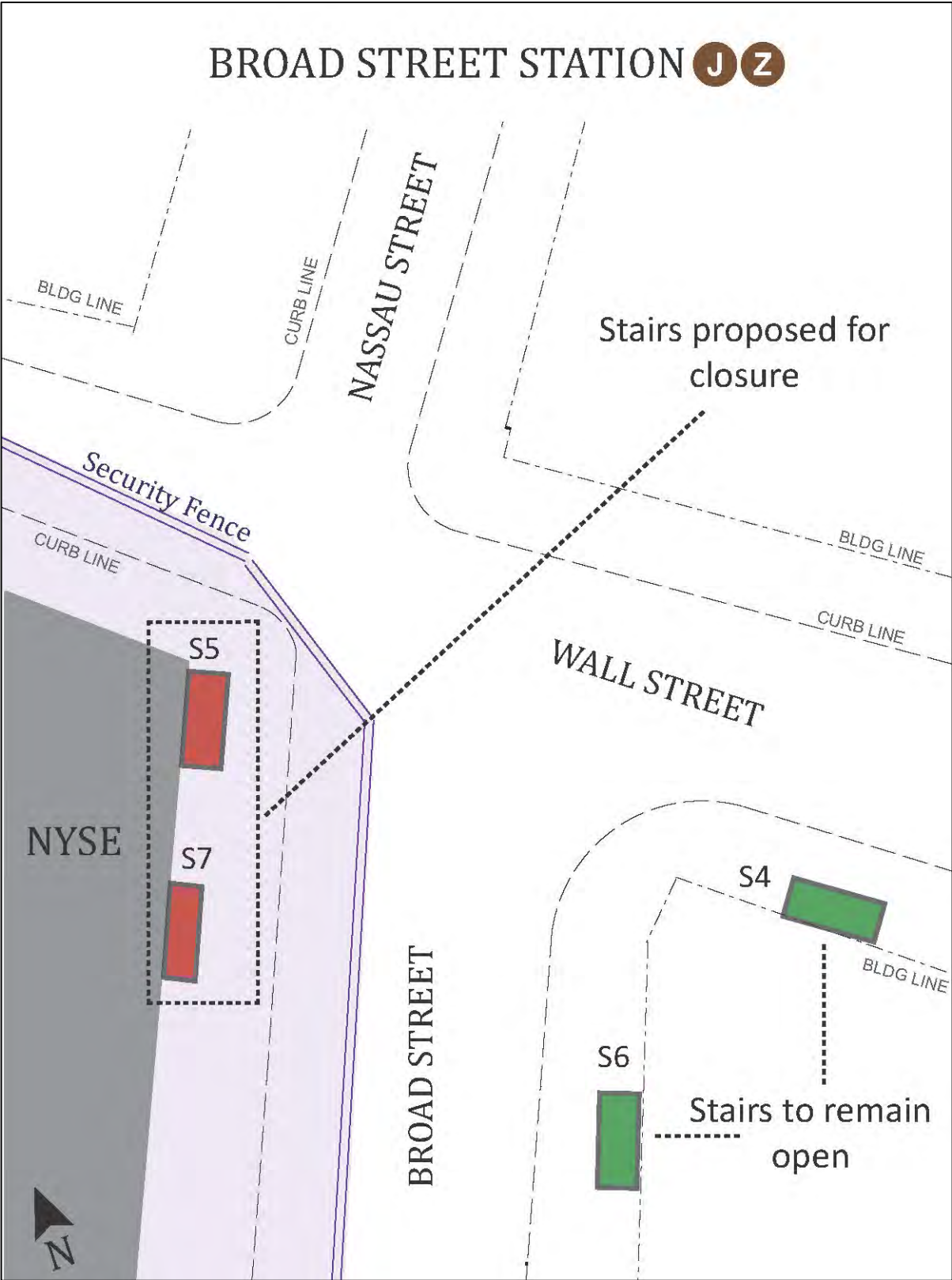
This action will have a nominal reduction in cost as the entrance stairs will not require maintenance. However, as these stairs have been closed for years, most of the reduction in maintenance has already been captured.

Implementation Date

The NYSE intends to execute a streetscape improvement plan this summer. If the Board approves the permanent stair closure, the sidewalk stairs would be slabbed over and the railings removed as part of their streetscape plan.

Staff Summary

Attachment 1



Procurement

Steve Plochochi, Senior Vice President

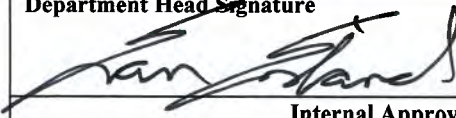





Above are before and after photos of the 7th Avenue entrance to the 8 Av station on the Sea Beach N line in Brooklyn. The entrance was reopened as a part of a contract with TAP Electrical to restore the 7th Avenue Control House, for which contract a modification is on this month's agenda. This is one of three contracts awarded for the renewal of nine consecutive stations on the line from 8 Av to 86 St. The restoration, which provides increased access to 8 Av station, was a project supported by the surrounding community.

PROCUREMENTS

The Procurement Agenda this month includes 17 actions for a proposed expenditure of \$53.6M.

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	7/22/19			
2	Board	7/24/19			
Internal Approvals (cont.)					
Order	Approval	Order	Approval	Order	Approval

July 15, 2019			
Department			
Department Head Name Evan Eisland			
Department Head Signature 			
Internal Approvals			
	Approval		Approval
	President NYCT		President, MTACC
	SVP Operations Support	X	Pres. MTA Bus/SVP DOB
X	Capital Prog. Management	X	Subways
X	Law	X	Diversity/Civil Rights
Internal Approvals (cont.)			
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: NONE

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 F: Personal Service Contracts	1	\$ 1.2 M
Schedule H: Modifications to Personal Service and Miscellaneous Service Contracts	1	\$ 3.5 M
Schedule I: Modifications to Purchase and Public Work Contracts	6	\$ 10.0 M
SUBTOTAL	9	\$ 14.7 M

MTA Capital Construction proposes to award Competitive procurements in the following categories:Schedules Requiring Majority Vote:

Schedule I: Modifications to Purchase and Public Work Contracts	3	\$ 32.0 M
SUBTOTAL	3	\$ 32.0 M

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:**Schedules Requiring Majority Vote:

Schedule K: Ratification of Completed Procurement Actions	5	\$ 6.9 M
SUBTOTAL	5	\$ 6.9 M
TOTAL	17	\$ 53.6 M

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

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

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

BOARD RESOLUTION

WHEREAS, in accordance with 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.

JULY 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 \$1,000,000.)

- | | | | |
|----|------------------------------------|------------------------------|--------------------------------------|
| 1. | Contractor To Be Determined | Cost To Be Determined | <u>Staff Summary Attached</u> |
| | Five-year contract | | |
| | Contract# TBD | | |

RFP Authorizing Resolution for the purchase and delivery of Ultra Low Sulfur Diesel Fuel for revenue bus service.

Procurements Requiring Majority Vote:

F. Personal Service Contracts

(Staff Summaries required for all items greater than \$1,000,000.)

- | | | | |
|----|--|--------------------|--------------------------------------|
| 2. | Rail Safety Consulting – | \$1,175,489 | <u>Staff Summary Attached</u> |
| | TUV Rheinland | | |
| | Three Proposals – 65-month contract | | |
| | Contract# CM-1078 | | |

Indefinite Quantity consultant service contract to provide Independent Safety Assessor services for the 207th Street Yard Solid State Interlocking project and Staten Island Railway R211 Cab Signaling.

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

(Approvals/Staff Summaries required for change orders greater than \$1,000,000.)

- | | | | |
|----|----------------------------------|--------------------|--------------------------------------|
| 3. | HNTB New York Engineering | \$3,464,504 | <u>Staff Summary Attached</u> |
| | and Architecture, PC | | |
| | Contract# CM-6072R.3 | | |

Modification to the contract for Consultant Construction Management (CCM) Services for the Construction of Nine Stations Renewals and Rehabilitation of the Retaining Walls on the Sea Beach Line, in order to provide additional CCM services for the rehabilitation of all existing station elements to achieve a State of Good Repair of the Seventh Avenue Control House and to extend the contract term by seven months.

JULY 2019

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote cont'd:

I. Modifications to Purchase and Public Work Contracts

(Staff Summaries required for individual change orders greater than \$1,000,000.)

ETS Contracting, Inc.

\$10 Million (Aggregate)

Staff Summary Attached

PAL Environmental Services

Pinnacle Environmental Corp.

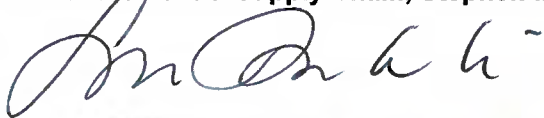

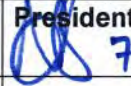



4-9. Contract#’s: C-31693.1, C-31694.1 and C-31695.1 (Federally Funded)

Contract#’s: C-31696.1, C-31697.1 and C-31698.1 (State Funded)

Modification to the contracts for Indefinite quantity service contracts for Asbestos Abatement and Other Environmental Remediation Services, in order to extend three state-funded and three federally funded contracts by 12 months.

Staff Summary

Item Number 1			
Department, Department Head Name: SVP Procurement & Supply Chain, Stephen M. Plochochi			
			
Internal Approvals			
Order	Approval	Order	Approval
1	Materiel  7/9/19	6	President  7/11/19.
2 X	Law		
3 X	CFO		
4 X	Buses		
5	OPS  7/11/19		

SUMMARY INFORMATION	
RFP Authorizing Resolution	Contract No. TBD
Description: Purchase and Delivery of ULSD #2 Fuel for Revenue Bus Service	
Total Amount: TBD	
Contract Term (including Options, if any) Five Years	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	
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:	

Purpose

To request that the Board declare competitive bidding impractical or inappropriate for the purchase and delivery of Ultra Low Sulfur Diesel #2 fuel ("ULSD") for revenue bus operations at 28 locations for both NYC Transit and MTA Bus Company, 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(f).

Discussion

The Public Authorities Law, Section 1209, subdivision 9(f) 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 as quality, cost, delivery schedule, and financing of such proposals against stated selection criteria. NYC Transit is desirous of utilizing such a procedure with respect to the procurement of ULSD for revenue bus operations for both NYC Transit and MTA Bus Company.

By utilizing the RFP process, NYC Transit and MTA Bus Company will have greater freedom to negotiate and structure a contract that best meets their needs, including having the ability to (1) provide qualitative and quantitative product consistency; (2) maintain a satisfactory supply chain with suitable inventory levels; (3) compare price incentives based on appropriate product price index selection, volume, and payable discounts; (4) select between variables such as single versus multiple contract awards; and (5) assess supplier ability to meet all or part of the demand.

The combined diesel fuel requirement for buses for NYC Transit and MTA Bus Company is approximately 46 million gallons annually. Bus fuel represents one of the most critical commodities procured whose quality and availability cannot be compromised. The fuel must conform to strict requirements from the bus engine manufacturers, whose warranties mandate fuel specification elements such as cetane level, fluidity, stability and lubricity. Also, additional chemical additives, for cold weather operability, must be blended with the fuel at specific rates which vary by the season and temperature. Fuel used in buses is subject to rigorous sampling and testing procedures to ensure consistency in meeting the technical specifications. Failure to meet these exacting specifications can impact operability of bus engines as well as depot on-site fuel tanks and filtration systems. The fuel supplier is required to remotely monitor depot fuel inventory and ensure that adequate replenishment deliveries are made on a timely basis.

NYC Transit seeks to award one or more contracts for a five-year term to qualified vendor(s) who will be invited to propose system-wide or on a borough-by-borough basis, including Yonkers. The RFP will provide the best method of awarding contract(s) for this work so that critical factors other than price can be evaluated.

Alternative

Issue a competitive Invitation for Bid. Not recommended given the complexity of this procurement and the advantages offered by the RFP process.

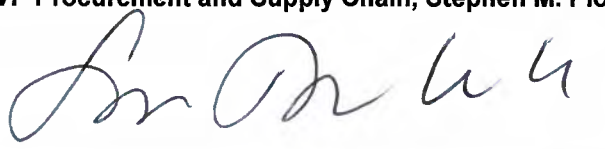
Impact on Funding

Revenue bus fuel for NYC Transit is funded under Account No. 706202 and Location No. 3433; revenue bus fuel for MTA Bus Company is funded under Account No. 706202, Location No. 5223.

Recommendation

It is recommended that the Board declare competitive bidding impractical or inappropriate for the purchase and delivery of ULSD for revenue bus operations at 28 locations for both NYC Transit and MTA Bus Company, 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(f).

Staff Summary

Item Number 2			
Department, Department Head Name: SVP Procurement and Supply Chain, Stephen M. Plochochi			
			
Internal Approvals			
Order	Approval	Order	Approval
1	Materiel	6 X	Subways
2 X	Law	7	OPS
3 X	CFO	8	President
4 X	DDCR	9	
5 X	CPM		

SUMMARY INFORMATION	
Vendor Name: Rail Safety Consulting – A Division of TUV Rheinland Mobility, Inc.	Contract No. CM-1078
Description Independent Safety Assessor (ISA) for the 207th Street Yard Solid State Interlocking (SSI) Project (Contract C-34838) and Staten Island Railway R211 Cab Signaling	
Total Amount: \$1,175,489	
Contract Term (including Options, if any) 65 Months	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

Purpose

To obtain Board approval to award a competitively negotiated consultant contract for an Independent Safety Assessor (“ISA”) for the 207th Street Yard Solid State Interlocking (“SSI”) Project (Contract C-34838), and the Staten Island Railway (“SIR”) R211 Cab Signaling project to Rail Safety Consulting – A Division of TUV Rheinland Mobility, Inc. (“RSC/TUV”) in the estimated amount of \$1,175,489 with a term of 65 months.

Discussion

This contract requires the services of an ISA consultant to provide an independent review of the system safety analysis and activities during the design, development, manufacture, integration factory testing, installation, field testing, and commissioning of the 207th Street Yard SSI Project and the R211 Cab Signaling project for SIR. These reviews will provide verification that all applicable safety requirements have been met.

The 207th Street Yard SSI project is a segment of the 207th Street Yard Superstorm Sandy resiliency construction project (C-34838). Re-signaling the yard territory with SSI is part of the NYC Transit signal modernization program, wherein conventional relay-based technology is being replaced with state-of-the-art SSI technology. SSI is a processor-based interlocking system that replaces electro-mechanical relays. SSI uses the same operational rules and equations (logic) that govern the design of an interlocking system built with electro-mechanical relays. The benefits of SSI in comparison with electro-mechanical relays include reduced space requirements, less cabling, and less maintenance. The ISA will provide independent evaluation of the SSI manufacturer’s utilization of safety design practices to ensure safe revenue-service deployment of the SSI system.

The SIR cab signaling project is part of the larger project that will deliver R211 trains to the NYC Transit B-Division as well as to the SIR transit system. The SIR trains (R211S) will only operate on SIR; the remaining R211 trains will only operate on the NYC Transit B-Division lines. The ISA will provide an independent evaluation of the R211S carbuilder’s utilization of the safety design practices applied during the development of the new On-Board Cab Signaling System to ensure its fail-safe functionality and safe interface with the existing SIR wayside Signaling System.

Selection was determined via a one-step qualifications-based procurement process established by the federal Brooks Act. Under the federal Brooks Act, contracts for architecture and engineering, and other federally defined services are negotiated with the firm that is determined to be the most technically preferred by the Selection Committee (“SC”), after evaluation of qualifications and technical proposals against established evaluation criteria. Price is not a consideration in the selection or ranking of the firms.

Cost proposals remain sealed until the conclusion of the technical evaluations; only the cost proposal for the most preferred proposer is opened and considered for negotiations. Since only one award is planned under this Request for Proposal (“RFP”), negotiations were conducted with the most technically preferred firm.

Three firms submitted proposals in response to the RFP: Battelle Memorial Institute (“Battelle”); RSC/TUV; and SYSTRA Engineering, Inc. (“SYSTRA”). Each proposal included a Qualification Package, Technical Proposal, and a Cost Proposal. The SC first reviewed and evaluated the Qualification Packages, which consisted of a Letter of Interest, SF-330 Forms, Schedule J (Responsibility Questionnaire), and Qualification Statement. As a result of this evaluation, the SC recommended to review all Technical Proposals submitted.

The SC reviewed and evaluated the written technical proposals of the three selected firms and subsequently invited all for oral presentations. Based on their evaluation, the SC determined RSC/TUV to be the most technically preferred firm and, as such, unanimously recommended them for negotiations. RSC/TUV provided the most comprehensive plan of approach in both its technical proposal and oral presentation. The other two firms, while capable of performing the work, provided technical proposals that were not as thorough and/or did not clearly elaborate on how they would perform the required tasks related to this project.

After being selected and approved for negotiations, RSC/TUV’s cost proposal was opened and evaluated. The initial cost proposal was \$2,248,308. The in-house estimate was \$1,674,302. Negotiations were held with RSC/TUV that focused mainly on direct labor rates and proposed number of hours for several titles. Overhead costs were also reviewed by MTA Audit.

Upon completion of negotiations, a Best and Final Offer (“BAFO”) was requested and received in the amount of \$1,175,489. Based on the competitive nature of the RFP and the cost analysis performed, and in comparison to the in-house estimate, RSC/TUV’S BAFO was determined to be fair and reasonable.

RSC/TUV’s past experience includes performing similar ISA services for NYC Transit under contracts CM-1112, in joint venture with Systra, for Signal System Modernization at West 4th and 34th Street SSI and CM-1542.2, Signal System Modernization at Kings Highway SSI.

M/W/DBE Information

The MTA Department of Diversity and Civil Rights (“DDCR”) has assigned goals of 5 percent DBE due the proprietary specialized work on this contract. RSC/TUV submitted a utilization plan that is currently under review by DDCR. RSC/TUV has not completed any MTA contracts; therefore, no assessment of the firm’s MWDBE performance can be determined.

Impact on Funding

This contract is FTA funded. The contract will not be awarded until a WAR Certificate is received.

Alternatives

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

Capital Program Reporting

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

Recommendation

It is recommended that the Board approve the award of a competitively negotiated consultant contract for the ISA for the 207th Street Yard SSI Project (Contract C-34838), and SIR R211 Cab Signaling to RSC/TUV in the estimated amount of \$1,175,489 with a term of 65 months.

Item Number: **3**

Vendor Name (Location) HNTB New York Engineering and Architecture, PC (New York, New York)	
Description CCM Services for the Construction of Nine Station Renewals and Rehabilitation of the Retaining Walls on the Sea Beach Line (BMT), Borough of Brooklyn	
Contract Term (including Options, if any) May 27, 2015–November 26, 2019	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a	
Procurement Type	<input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive
Solicitation Type	<input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept./Div., Dept./Div. Head Name: Capital Program Management, Alok Saha	

Contract Number CM-6072R	AWO/Mod. # 3
Original Amount:	\$ 22,317,684
Prior Modifications:	\$ 1,225,388
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 23,543,072
This Request:	\$ 3,464,504
% of This Request to Current Amount:	14.7%
% of Modifications (including This Request) to Original Amount:	21.0%

Discussion:

This modification is to provide additional Consultant Construction Management (“CCM”) services for the Construction of Nine Station Renewals, Rehabilitation of the Retaining Walls, and the rehabilitation of the Seventh Avenue Control House at the Eighth Avenue station on the Sea Beach Line (BMT) in Brooklyn, and to extend the contract seven months from November 26, 2019, to June 26, 2020.

Work on the Sea Beach line is being performed under three separate construction contracts. Contract A-36090 is for the renewal of six stations including Eighth Avenue, Fort Hamilton Parkway, New Utrecht Avenue, 18th Avenue, 20th Avenue, and Bay Parkway. Contract A-36094 is for the renewal of three stations, including Kings Highway, Avenue U, and 86th Street. Contract A-37673 is for refurbishing and reopening of the Seventh Avenue Control House of the Eighth Avenue station.

Base contract CM-6072R is for CCM services in support of the above station renewal contracts. CCM services for the refurbishing and reopening of the Seventh Avenue Control House of the Eighth Avenue station were added via Modification 1 to this contract.

Under this contract, the CCM consultant supports the NYC Transit Construction Manager’s office in the performance of a broad range of construction inspection and closeout services, including coordination with the design consultant, overseeing the performance of the construction contractors throughout the duration of the project and managing coordinated efforts with other agencies and utility companies.

This modification is required to provide additional CCM services in support of contracts A-36090, A-36094, and A-37673 due to unanticipated change orders under these construction contracts and extended contract durations. Additional services required for the Eighth Avenue station are in support of: (1) priority repair to the Long Island Rail Road overpass, (2) installation of two additional Americans with Disabilities Act elevators, and (3) the widening of a staircase on the southbound platform. Additional services are also required in support of a revised water remediation program for several stations and closeout of the construction contracts including: (1) review of as-built drawings, (2) coordination of training associated with operations and maintenance manuals, (3) review and processing of contractor payment packages, (4) monitoring and inspection of punch-list items, and (5) maintaining and providing access to all records for testing, inspections, and acceptances.

HNTB’s initial proposal was in the amount of \$3,687,687. The revised in-house estimate was \$3,499,198. Negotiations resulted in a Best and Final Offer (“BAFO”) of \$3,464,504, utilizing base contract rates, which was 6 percent lower than the initial proposal. HNTB’s BAFO of \$3,464,504 is considered fair and reasonable and represents a savings of \$223,183.

Item Number: 4–9

Vendor Name (Location) ETS Contracting, Inc. (Brooklyn, New York) PAL Environmental Services (Long Island City, New York) Pinnacle Environmental Corp. (Carlstadt, New Jersey)
Description Indefinite Quantity Asbestos Abatement and Other Environmental Remediation Services
Contract Term (including Options, if any) August 24, 2016–August 23, 2019
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:
Requesting Dept./Div., Dept./Div. Head Name: Capital Program Management, Alok Saha

Contract Number(s)	AWO/Mod. #s
C-31693/C-31696	Mod. 1
C-31694/C-31697	Mod. 1
C-31695/C-31698	Mod. 1
Original Amount:	\$ 30,000,000
Prior Modifications:	\$ 0
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 30,000,000
This Request	\$ 10,000,000
% of This Request to Current Amount:	33.3%
% of Modifications (including This Request) to Original Amount:	33.3%

Discussion:

These modifications will extend three state-funded and three federally funded Indefinite Quantity (“IQ”) service contracts for asbestos abatement and other environmental remediation services by 12 months and increase the aggregate funding across these contracts by \$10 million (from \$30,000,000 to \$40,000,000) for NYC Transit Department of Capital Program Management’s (“CPM”) abatement and remediation needs.

In July 2016, the Board approved the award of six competitively negotiated IQ contracts to provide asbestos abatement and other environmental remediation services at NYC Transit facilities on an as-needed basis for a period of 36 months and a total estimated aggregate budget of \$30M. Each firm was awarded one state-funded and one federally funded contract: ETS Contracting, Inc. (C-31693/C-13696); PAL Environmental Services (C-31694/C-31697); and Pinnacle Environmental Corp. (C-31695/C-31698).

Asbestos and other hazardous contamination in NYC Transit facilities represent a risk to the health and safety of the general public as well as NYC Transit employees. In order to minimize that risk, CPM has had qualified contractors on call for abatement and disposal of asbestos and other hazards when found at NYC Transit sites. Under these contracts, the firms are awarded task orders to provide services involving asbestos abatement, lead disturbance, battery removal, mercury-containing bulb removal, PCB-containing fluorescent light fixture ballast removal, and other environmental remediation services. Generally, task orders are awarded based on the lowest cost using the negotiated price schedules in the contracts. However, some task orders may be assigned based on consultant availability and workload.

The funding for these contracts has been depleted more quickly than anticipated due to several unexpected initiatives and emergency projects including station improvements, Emergency Signal Power Upgrades under the Subway Action Plan, and Special Inspection of Elevated Structures. These modifications will allow time to solicit, negotiate, and award replacement contracts anticipated in the second quarter 2020. The additional \$10M across the six contracts will provide the funding capacity necessary to support the required abatement and other environmental remediation services through the extension period and allow for a seamless transition to the replacement contracts.

JULY 2019

LIST OF COMPETITIVE FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

I. Modifications to Purchase and Public Work Contracts
(Staff Summaries required for change orders greater than \$1,000,000.)

- | | | |
|---|---------------------|--------------------------------------|
| 1. Comstock/Skanska JV
Contract# C-26009.284 | \$8,500,000 | <u>Staff Summary Attached</u> |
| <p>Modification to the contract for Second Avenue Subway – Track, Signal, Traction Power and Communications Systems in the Borough of Manhattan, in order to address resolution of claims for delays and associated with impact costs.</p> | | |
| 2. E.E. Cruz/Tully Construction JV
Contract# C-26010.311 | \$14,000,000 | <u>Staff Summary Attached</u> |
| <p>Modification to the contract for Second Avenue Subway – 96th Street Station Finishes, Mechanical, Electrical and Plumbing Systems, Ancillary Buildings and Entrances in the Borough of Manhattan, in order to address resolution of claims for delays and associated impact costs.</p> | | |
| 3. Judlau Contracting, Inc.
Contract# C-26011.395 | \$9,470,000 | <u>Staff Summary Attached</u> |
| <p>Modification to the contract for Second Avenue Subway – 72nd Street Station Finishes, Mechanical, Electrical and Plumbing Systems, Ancillary Buildings and Entrances in the Borough of Manhattan, in order to address resolution of claims associated with impact costs.</p> | | |

Item Number: 1

Vendor Name (Location) Comstock-Skanska, JV (New York, New York)
Description Second Avenue Subway – Track, Signals, Traction Power and Communication Systems in the Borough of Manhattan
Contract Term (including Options, if any) January 18, 2012–December 30, 2016
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:
Requesting Dept./Div., Dept./Div. Head Name: MTA Capital Construction, Janno Lieber

Contract Number	AWO/Mod. #
C-26009	284
Original Amount:	\$ 261,900,000
Prior Modifications:	\$ 66,007,091
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 327,907,091
This Request:	\$ 8,500,000
% of This Request to Current Amount:	2.6%
% of Modifications (including This Request) to Original Amount:	28.5%

Discussion:

This modification will extend the Substantial Completion Date of the base contract to July 12, 2018, and resolve claims asserted by the contractor, including all claims for delay and associated impact costs.

Work under the base contract covers the areas between 63rd Street/Lexington Avenue and 105th Street/Second Avenue, and consists of the supply and installation of systems including track, train signals, communications, and traction power. The work also includes the modification of existing facilities and systems to interface with the Second Avenue Subway systems. The contract was awarded with a duration of 55 months and a Substantial Completion Date of August 18, 2016. A revised Substantial Completion Date of December 30, 2016, was established by the Acceleration Agreement dated April 20, 2016. Substantial Completion was declared on July 12, 2018.

The contractor has asserted that many unforeseen and unexpected circumstances beyond its control impacted the schedule, including changed work initiated by the MTA. The contractor submitted a claim for impact costs associated with the extended duration of the contract, totaling \$17,967,820, and arising from, among other things, claimed extended field office and work site expenses, increased wages, and increased costs for the purchase and storage of materials. In addition, the contractor claimed entitlement for direct costs arising out of the work in the amount of \$1,500,000. The contractor's claims were comprehensively reviewed by MTA Capital Construction's ("MTACC") estimators, schedulers and consultants. Based on that review, MTACC determined which claimed delays were compensable, verified impact costs incurred, and the reasonable likelihood of success of the contractor's other claims. MTACC then negotiated with the contractor and the parties agreed, subject to Board approval, to settle the contractor's claims with a revised Substantial Completion date of July 12, 2018 (which the contractor has achieved), and at a total cost of \$8,500,000, which is deemed to be fair and reasonable. Funding is available in Program Reserve as approved by the Board in October 2017.

Approval of this resolution of the contractor's Impact Cost claims is advantageous to the MTA as it will eliminate MTA's exposure to significantly higher claims and will facilitate close out of the contract. The alternative would be to permit the contractor to proceed with its claims under the contract's dispute resolution process, which would be time consuming and could result in a less favorable result.

In connection with a previous contract awarded to L.K. Comstock & Company Inc. ("Comstock"), Comstock was found to be responsible notwithstanding significant adverse information ("SAI") pursuant to the All-Agency Responsibility Guidelines, and such responsibility finding was approved by the MTA Chairman and Chief Executive Officer in consultation with the MTA General Counsel in February 2016. No new SAI has been found relating to Comstock and Comstock has been found to be responsible.

In connection with a previous contract awarded to Skanska USA Civil Northeast Inc. (“Skanska”), Skanska was found to be responsible notwithstanding significant adverse information (“SAI”) pursuant to the All-Agency Responsibility Guidelines, and such responsibility finding was approved by the MTA Chairman and Chief Executive Officer in consultation with the MTA General Counsel in November 2014. No new SAI has been found relating to Skanska and Skanska has been found to be responsible.

Item Number: 2

Vendor Name (Location) E.E. Cruz and Tully Construction Company, JV (New York, New York)
Description Second Avenue Subway – 96th Street Station Finishes in the Borough of Manhattan
Contract Term (including Options, if any) June 22, 2012–October 5, 2016
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:
Requesting Dept./Div., Dept./Div. Head Name: MTA Capital Construction, Janno Lieber

Contract Number	AWO/Mod. #
C-26010	311
Original Amount:	\$ 324,600,000
Prior Modifications:	\$ 72,541,618
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 397,141,618
This Request:	\$14,000,000
% of This Request to Current Amount:	3.5%
% of Modifications (including This Request) to Original Amount:	26.7%

Discussion:

This modification will extend the Substantial Completion Date of the contract to August 7, 2017, and resolve all claims asserted by the contractor, including claims for delay and associated impact costs.

The base contract is for Construction of Part of the Second Avenue Subway, 96th Street Station Finishes, Mechanical, Electrical and Plumbing Systems, Ancillary Buildings and Entrances in the Borough of Manhattan. Work under this contract includes (1) rehabilitation and retrofit of the existing 99th–105th Street tunnel; (2) construction of the invert slab and benches in the newly constructed 87th–92nd Street tunnels, and in the northern section of the 97th–99th Street tunnel; (3) furnishing and installing elevators, escalators; heating, ventilation, and air-conditioning systems; tunnel ventilation, fire protection, plumbing, electrical power and lighting, instrumentation and controls, signal systems, communication systems, and (4) restoration of the surface of Second Avenue and adjacent streets impacted by construction of the 96th Street station. The contract was awarded with a duration of 42 months and a Substantial Completion Date of December 21, 2015. A revised Substantial Completion Date of October 5, 2016, was established by the Acceleration Agreement dated April 7, 2016. Substantial Completion was declared on August 7, 2017.

The contractor has asserted that many unforeseen and unexpected circumstances beyond its control impacted the schedule, including changed work initiated by the MTA. The contractor submitted a claim for impact costs associated with the extended duration of the contract, and arising from, among other things, claimed extended field office and work site expenses, increased wages, and increased costs for the purchase and storage of materials. In addition, the contractor claimed entitlement for additional direct costs arising out of the work. In total, the contractor's claims for impact costs and other direct costs was \$80,252,470.

The contractor's claims were comprehensively reviewed by MTA Capital Construction ("MTACC"), involving the MTACC legal department, estimators, schedulers, and consultants. Based on that analysis, MTACC determined which claims had a reasonable likelihood of success, and MTA's exposure with respect to such claims. MTACC then met with the contractor to negotiate a resolution and the parties agreed, subject to Board approval, to settle these claims with a revised Substantial Completion date of August 7, 2017 (which the contractor has achieved), at a total cost of \$14,000,000, which MTACC deems to be fair and reasonable. Funding is available in Program Reserve as approved by the Board in October 2017.

Approval of this resolution of the contractor's impact cost claims is advantageous to the MTA as it will eliminate MTA's exposure to significantly higher claims and facilitate close out of the contract. The alternative would be to permit the contractor to proceed with its claims under the contract's dispute resolution process, which would be time consuming and could result in a less favorable result.

In connection with a previous contract awarded to E.E. Cruz & Company Inc. (“E. E. Cruz”), E.E. Cruz was found to be responsible notwithstanding significant adverse information (“SAI”) pursuant to the All-Agency Responsibility Guidelines, and such responsibility finding was approved by the MTA Managing Director in consultation with the MTA General Counsel in December 2018. No new SAI has been found relating to E.E. Cruz and E.E. Cruz has been found to be responsible.

Item Number: 3

Vendor Name (Location) Judlau Contracting, Inc. (College Point, New York)	
Description Second Avenue Subway – 72nd Street Station Finishes, Mechanical, Electrical and Plumbing Systems, Ancillary Buildings and Entrances	
Contract Term (including Options, if any) February 14, 2013–August 3, 2017	
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"/> Noncompetitive	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept./Div., Dept./Div. Head Name: MTA Capital Construction, Janno Lieber	

Contract Number	AWO/Mod. #
C-26011	395
Original Amount:	\$ 247,048,405
Option 1:	\$ 3,934,595
Option 2:	\$ 1,270,000
Option 3:	\$ 6,100,000
Total Amount:	\$ 258,353,000
Prior Modifications:	\$ 79,755,001
Prior Budgetary Increases:	\$ 83,052,820
Current Amount:	\$ 338,108,001
This Request:	\$ 9,470,000
% of This Request to Current Amount:	2.8%
% of Modifications (including This Request) to Total Amount:	34.5%

Discussion:

This modification addresses impact costs associated with excusable and compensable time extensions granted by Modification 388 under Contract C-26011.

The base contract is for Construction of Part of the Second Avenue Subway, 72nd Street Station Finishes, Mechanical, Electrical, and Plumbing Systems, Ancillary Building and Entrances in the Borough of Manhattan. Work under this contract includes (1) furnishing and installing elevators, escalators; heating, ventilation, and air-conditioning systems; (2) tunnel ventilation, fire protection, plumbing, electrical power and lighting, (3) instrumentation and controls, signal systems, communication systems, and (4) restoration of the surface of Second Avenue and adjacent streets impacted by construction of the 72nd Street station for the Second Avenue Subway.

The declared Substantial Completion Date of August 3, 2017, was established with the approval of Modification 388, which granted a time extension, of which, 275 days were determined to be compensable. These delays are attributed to the redesign of Entrance 1 and redesign of the north and south electrical facility power substations for the new 72nd Street station. Compensable delays under the contract provide for the recovery of costs associated with extended field office and work site expenses, increased wages, and increased costs for the purchase or storage of materials.

The contractor submitted an impact cost proposal of \$28,017,834. MTA Capital Construction's ("MTACC") revised estimate was \$9,665,879. The contractor's proposal was comprehensively reviewed and negotiated, resulting in an agreed-upon lump-sum price of \$9,470,000, which MTACC deems fair and reasonable. Savings of \$18,547,834 were achieved. Funding is available in Program Reserve as approved by the Board in October 2017.

In connection with previous contracts awarded to Judlau Contracting, Inc. ("Judlau"), Judlau was found to be responsible notwithstanding Significant Adverse Information ("SAI") pursuant to all All-Agency Responsibility Guidelines, and such responsibility findings were approved by the MTA Interim Executive Director in consultation with the MTA General Counsel in March 2017. No new SAI has been found relating to Judlau, and Judlau has been found to be responsible.

JULY 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 greater than \$1,000,000.)

- | | | | |
|----|--|--|---|
| 1. | Advanced Rail Management
Contract# 6%24193
Immediate operating need for consultant services for the development and implementation of NYC Transit's Rail-Grinding Program. | \$2,678,952

 | <u>Staff Summary Attached</u> |
| 2. | Excel Elevator and Escalator Corp.
Contract# 6%23524 | \$3,070,457 (Aggregate)
\$1,138,937 | <u>Staff Summary Attached</u>
↓ |
| 3. | Slade Industries
Contract# 6%18367 | \$934,000 | ↓ |
| 4. | Boca Group East LLC
Contract# 6%23835
Immediate Operating need for System-Wide Escalator Safety Checks and Inspection contracts. | \$997,520 | ↓ |
| 5. | TAP Electrical Contracting
Contract# A-37673.13
Modification to the contract the renewal of the 8th Avenue Station, 7th Avenue Control House – Sea Beach Line; in order to strengthen the existing steel structure to support a widened stair and its canopy on the southbound platform. | \$1,190,000 | <u>Staff Summary Attached</u> |

Item Number: 1

Vendor Name (Location) Advanced Rail Management, Corp. (Indialantic, Florida)	Contract Number 6%24193	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Description Development and Implementation of NYC Transit's Rail-Grinding Program	Total Amount: \$2,678,952	
Contract Term (including Options, if any) Three Years	Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Option(s) included in Total amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a	Requesting Dept./Div., Dept./Div. Head Name: Department of Subways, Sally Librera	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive		
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:		

Discussion:

It is requested that the Board ratify the contract award made pursuant to the declaration of an Immediate Operating Need ("ION") requested by the Department of Subways ("DOS") and approved by the SVP, Procurement & Supply Chain for consultant support in the amount of \$2,678,952 to Advanced Rail Management, Corp. for the development and implementation of NYC Transit's Rail-Grinding Program.

One of the goals of the Subway Action Plan was to accelerate repairs of track issues. Integral to achieving this goal was the need to institute an effective Rail-Grinding Program ("Program") which, among other things, promotes optimal rail surface conditions by restoring rail head profile and removing running rail surface/gauge anomalies. NYC Transit therefore designed a Program to include the rail-grinding services of Loram Maintenance of Way, Inc. ("Loram"), and the assistance of third-party consultant expertise for continual improvement in (1) rail-grinding program development and implementation; and (2) logistics and scheduling of the rail grinders to maximize efficiencies (this is being achieved pursuant to a Task Order on an existing contract with Network Rail Consulting).

In order to develop and implement an effective Program, it is necessary to analyze existing rail conditions and adopt a systematic approach to efficiently grinding the rails to ensure comprehensive restoration of the rails as expeditiously as possible. NYC Transit has contracted with Advanced Rail Management Corp. ("ARM") to provide the following: (1) an analysis and classification of defects; (2) the development of a five-year plan to programmatically bring the system from a corrective to a preventive grinding state; (3) technical support in connection with the implementation of the plan; and (4) facilitation of improvements to NYC Transit's rail lubrication practices as it relates to rail and wheel contact. Additionally, the consultant has been tasked with assessing the benefits of rail grinding versus rail milling (a new technology for mitigating rail-surface anomalies), and performing a business case analysis for the possible use of rail milling.

To expedite the solicitation and ensure adequate competition, Procurement reached out to consultants within the vendor community that have relevant experience not only with NYC Transit but also various transit agencies nationwide. Ultimately, three firms were solicited: Advanced Rail Management, Inc. ("ARM"); Transportation Technology Center, Inc. ("TTCI"); and Network Rail Consulting ("Network Rail"). A pre-proposal teleconference provided a forum for NYC Transit to review the Scope of Work with the consultants and submission of the proposals was due shortly thereafter.

Following the pre-proposal teleconference, Network Rail advised Procurement that it did not have the requisite expertise to perform the entirety of the work. The two remaining firms, ARM and TTCI, submitted proposals. Subsequent oral presentations provided each consultant the opportunity to present its proposal and respond to questions from Maintenance of Way ("MOW") Engineering.

Following oral presentations, MOW Engineering concluded that TTCI's proposal did not adequately address the Scope of Work and was therefore ineligible for award. MOW Engineering further concluded that ARM's proposal fully addressed all of MOW Engineering's requirements. Furthermore, ARM is well respected nationally for its expertise in this field and has successfully assisted other large metro transit organizations with their respective rail grinding programs, such as Bay Area Rapid Transit, Massachusetts Bay Transportation Authority, and the TransLink Vancouver SkyTrain.

ARM's proposal for the finalized Scope of Work was in the amount of \$2,779,767. MOW's revised in-house estimate was in the amount of \$2,748,600. Following negotiations with Procurement and NYC Transit's Cost Price Analysis Unit ("Cost/Price"), ARM submitted its final proposal in the amount of \$2,678,952. Procurement concluded that ARM's overall proposal is fair and reasonable and Cost/Price concurs with this determination.

Capital Accounting performed a financial analysis and determined that there is reasonable assurance that ARM is financially qualified to perform this contract.

Item Number: 2-4

Vendor Names (Locations) Excel Elevator and Escalator (Staten Island, New York) Slade Industries (Mountainside, New Jersey) Boca Group East LLC (New York, New York)	Contract Numbers 6%23524 6%18367 6%23835	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Description System-Wide Escalator Safety Checks and Inspections	Total Amount: Excel: \$1,138,937 \$3,070,457 Slade: \$934,000 Boca: \$997,520	
Contract Terms (including Options, if any) Various	Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a	Requesting Dept./Div., Dept./Div. Head Name: Department of Subways, Sally Librera	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification		

Discussion:

It is requested that the Board ratify multiple contract actions in the total estimated amount of \$3,070,457 for system-wide escalator safety checks and inspections pursuant to an Immediate Operating Need (“ION”) and requested by the Department of Subways (“DOS”) and approved by the Vice President, Materiel. These actions are comprised of contract awards to Excel Elevator and Escalator (“Excel”) and Boca Group East LLC (“Boca”) in the total amounts of \$1,138,937 and \$997,520 respectively, and several modifications to an existing contract with Slade Industries totaling \$934,000.

As part of the Subway Action Plan, NYC Transit analyzed its maintenance and inspection practices and introduced new tools. NYC Transit undertook immediate system-wide escalator inspections utilizing these new means and methods. To ensure the work was comprehensive and progressed as quickly as possible, it was necessary to on-board several contractors.

The work was conducted in two phases: Phase I constituted a preliminary safety check by escalator mechanics of specific features of the escalators such as handrail and skirt monitor functionality. The subsequently scheduled Phase II work constituted a comprehensive American Society of Mechanical Engineers Category I Inspection (“Inspection”). These Inspections require participation by two separate entities – one an escalator mechanic and the other a witnessing inspector. During the course of the Inspection, the equipment is tested by escalator mechanics to ensure that the features and safety functions are performing properly; this testing is simultaneously witnessed and verified by either an independent third-party Qualified Elevator Inspector (“QEI”) or an inspector licensed by the NYC Department of Buildings.

In order to support both Phase I and Phase II, Procurement solicited two distinct vendor groups – escalator mechanics to perform the testing, and witnessing inspectors to verify the proper performance of the testing. In connection with the escalator mechanic contracts, Procurement reached out to a total of 34 service providers to ascertain their ability to immediately provide sufficient teams to perform this work on both daytime and nighttime shifts. The majority indicated that they were operating at capacity, and did not have the necessary resources available on an expedited basis. Only two firms, Slade and Excel, indicated that they could support NYC Transit’s requirement for immediate performance.

In connection with the Phase II Inspector service providers (a smaller vendor community), Procurement reached out to eight potential service providers. Again, the majority indicated that they were operating at capacity. Only one firm, Boca, was able to provide the requisite number of inspectors to support NYC Transit’s needs within the immediate time frame.

To facilitate prompt commencement of Phase I work, Procurement awarded a new contract to Excel in the initial amount of \$228,937 and modified NYC Transit’s existing contract with Slade for Second Avenue Subway Elevator and Escalator Maintenance and Repair to add system-wide Phase I inspection work, adding commensurate funds in the amount of \$175,000.

Following the completion of Phase I, and assessment of the results thereof, NYC Transit elected to initiate Phase II and perform a full Category I inspection. In order to support this undertaking, Procurement modified both the Excel and Slade Contracts to add Category I Inspections to the Scopes of Work, and commensurate funding in the total amounts of \$910,000 and \$759,000 respectively.

Concurrent with these actions to support the Phase II work, Procurement solicited a contract for the required witnessing of the Category I inspections, and awarded same to Boca in the estimated amount of \$997,520.

With respect to the existing contract with Slade, the vendor agreed to hold its pricing from the competitively bid base contract. With respect to the newly awarded contracts, Excel agreed to an overall 23.2 percent reduction from its originally quoted rates for the daytime and nighttime shifts. Similarly, Boca agreed to a 21 percent reduction from its originally quoted nighttime rate and a 5.4 percent reduction from its originally quoted daytime rate. Since most of the work was scheduled during the evening and night hours to minimize the impact on ridership, this represents a significant savings over the course of the Phase II inspections. Procurement concluded that the pricing for all procurement actions was fair and reasonable.

Item Number: **5**

Vendor Name (Location) TAP Electrical Contracting (Holbrook, New York)
Description Renewal of 8th Avenue Station, 7th Avenue Control House, Sea Beach Line, Borough of Brooklyn
Contract Term (including Options, if any) December 29, 2017–February 25, 2019
Option(s) included in Total Amt? <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 Number	AWO/Mod. #
A-37673	13
Original Amount:	\$ 7,363,000
Prior Modifications:	\$ 276,600
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 7,639,600
This Request:	\$ 1,190,000
% of This Request to Current Amt.:	15.5%
% of Modifications (including This Request) to Original Amount:	19.9%

Discussion:

This retroactive modification is for strengthening the existing steel structure to support a widened stairway and its canopy on the southbound platform at the Eighth Avenue station on the Sea Beach line in Brooklyn.

Work on the Sea Beach line is being performed under three separate construction contracts: Contract A-36090 is for the renewal of six stations including Eighth Avenue, Fort Hamilton Parkway, New Utrecht Avenue, 18th Avenue, 20th Avenue, and Bay Parkway. Contract A-36094 is for the renewal of three stations, including Kings Highway, Avenue U, and 86th Street. Contract A-37673 is for refurbishing and reopening of the Seventh Avenue Control House of the Eighth Avenue station.

Base contract A-37673 provides for refurbishing and reopening the Seventh Avenue Control House of the Eighth Avenue station. The work includes (1) demolition and restoration of parapet walls, roofing system, concrete landing pads, masonry, tilework; (2) exterior and interior finishes, repair of terracotta motifs on exterior walls, ceiling finishes throughout the mezzanine; (3) structural steel repairs of the passageway; and (4) installation of Automated Fare Collection ("AFC") system equipment, security cameras, and lighting.

The Seventh Avenue Control House was previously closed to customer access and converted into office space for NYC Transit's AFC unit. The control house is connected to the southbound platform at the Eighth Avenue station via an overhead passageway and stairway down to the platform. Station renewal contract A-36090 called for the in-kind replacement of the southbound platform stairway which, along with the Seventh Avenue Control House, was to remain closed to customer access. However, NYC Transit determined to reopen the Seventh Avenue Control House via the subject contract due to the growing population in the surrounding area and overwhelming community support. In conjunction with this decision, a full customer capacity assessment was conducted for the Eighth Avenue station which recommended widening the southbound platform stairway from 5 feet to 7 feet (addressed by modification to Contract A-36090). It was also determined that the existing steel structure needed to be strengthened as it could not support the weight of the wider stairway and its canopy.

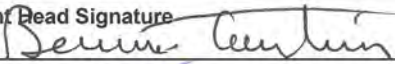

This modification provides for strengthening of the existing steel structure to support a wider stairway and its canopy. The work includes (1) chopping existing concrete encasements to allow for new structural steel connections; (2) strengthening existing steel column #18 to support a larger capacity girder below the stairway; (3) removing and replacing an existing steel girder with a larger capacity girder; and (4) furnishing and installing additional structural steel beams, concrete encasements for new and replaced structural steel, and new steel moment frame to support the wider canopy for stairway.

This is one of several modifications that will provide increased passenger capacity on the northbound and southbound platforms of the Eighth Avenue station. Additional modifications, initiated under contract A-36090 and resulting from the capacity assessment included: New stairs at the Seventh Avenue Control House to the northbound platform; reconfigured stairs at the Eighth Avenue Control House on the northbound and southbound platforms; and elevators in lieu of ramps on the northbound and southbound platforms (southbound platform elevator to be installed under future contract).

It was necessary for the work under this modification to commence immediately in order to support the reopening of the southbound platforms. The SVP, Capital Program Management approved a retroactive waiver and the VP, Materiel authorized payment up to the agreed amount of \$1,190,000. The contractor completed the work on April 13, 2019.



The contractor's revised proposal was \$1,615,119. NYC Transit's estimate was \$1,238,346. Negotiations resulted in the agreed-upon lump-sum price of \$1,190,000, which is considered fair and reasonable. Savings of \$425,119 were achieved. This modification also includes a negotiated time extension to the contract Substantial Completion date from February 25, 2019, to April 30, 2019.




Staff Summary

Subject Fifth Memorandum of Understanding (MOU) between MNR and City of Newburgh for Reimbursement of Ferry Landing/ Parking Lease
Department Operations Planning and Analysis
Department Head Name Ben Cornelius
Department Head Signature 
Project Manager Name Scott Ornstein 

Date July 1, 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
	M-N Comm. Mtg.	7/22/19	X		
	MTA Board Mtg.	7/24/19	X		

Internal Approvals			
Order	Approval	Order	Approval
1 	President		Budget
	VP Operations		VP Capital Programs
3 	VP Financial Admin		Engr/Const
	Controller		Project Reporting

Internal Approvals (cont.)					
Order	Approval	Order	Approval	Order	Approval
1	VP Planning 		Government Relations		2  General Counsel
	Press		VP Human Resources		4  Executive Vice-President

PURPOSE: To obtain MTA Board approval for Metro-North to enter into a Fifth Memorandum of Understanding (Fifth MOU) with the City of Newburgh, New York (the City) for Metro-North to reimburse the City for lease payments for the parking and ferry landing facilities used by the Newburgh-Beacon ferry for the period July 1, 2019 through December 31, 2020.

DISCUSSION: In August 2004, Metro-North and the City entered into an agreement concerning the mooring, docking, and use of facilities in Newburgh to be used for the Newburgh-Beacon Ferry. Under that agreement, the City would lease from a private landowner the land and facilities to create a ferry dock and 250-space parking facility for ferry riders. At the same time, the City and the New York State Department of Transportation (NYSDOT) entered into a contract by which NYSDOT reimbursed the City for the rent payments under the lease; that contract has expired and will not be renewed by NYSDOT. NYSDOT reimbursed the City for the lease payments through April 2015. Under an MOU dated May 26, 2015, between Metro-North and the City previously approved by the MTA Board, Metro-North reimbursed the City for lease payments from May through December 2015, at the monthly rate of \$21,278. A second MOU dated January 26, 2016 extended this agreement under the same terms, as did a third MOU, dated January 5, 2017. In October, 2017, the property on which the Newburgh Ferry Dock and Parking Facility is located was sold for the second time in little more than a year, and a fourth MOU dated January 2, 2019, extended the lease again under the existing terms through June 30, 2019.

The City has negotiated a lease extension with the new owner of this property through December 31, 2020, which provides for a one-time 3% increase in rental payments compared to the current lease, and the first increase in rent since 2013. Under the proposed Fifth MOU, Metro-North will reimburse the City for the same period of time as the lease extension (July 1, 2019 – December 31, 2020). The Fifth MOU also provides that the City and Metro-North will continue to work together in a diligent, cooperative and time sensitive manner to identify and make available alternative locations for the Ferry Service and parking facility, should the current site not be available in the future, as well as work together to identify possible other sources of funding. The Fifth MOU has been authorized and executed by the City.

The City does not have the resources to shoulder the expense of the ferry facility property lease. If Metro-North does not reimburse the City for the expense of leasing the ferry facility lands, the lease will terminate and the Newburgh-Beacon Ferry service will be interrupted.

NYSDOT has committed to provide Metro-North with Congestion Mitigation/Air Quality (“CMAQ”) funds, which may be used as reimbursement for assistance payments made to the City by Metro-North to fund the lease extension through December 31, 2020. The MTA Board approved Metro-North’s acceptance of these funds for various connecting services-related projects, including the Newburgh-Beacon Ferry. Of the CMAQ funds, \$262,992 will be used annually to fund the reimbursement to the City upon proof of payment of the monthly lease cost.

BUDGET IMPACT: Metro-North applies for reimbursement from NYSDOT as the payments are made to the City of Newburgh. There is a zero net impact on the operating budget.

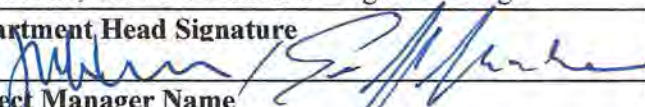
ALTERNATIVE: If Metro-North does not enter into this Fifth MOU, then the City would terminate the lease agreement for the Newburgh-Beacon Ferry landing, parking facility, and mooring rights. The likely impact of this action would be interruption of the ferry service while a new site is identified, procured, and any required improvements are constructed.

RECOMMENDATION: That the MTA Board grant approval for MNR to enter into a Fifth Memorandum of Understanding with the City of Newburgh regarding reimbursement of lease expenses paid by the City for land used for the Newburgh-Beacon ferry landing and parking facility for the period July 1, 2019 through December 31, 2020.

**MTA Capital Construction
Action Item**

July 2019

Staff Summary**Action Item**


Subject Pollution Legal Liability Insurance for Penn Station Access Project
Department MTA Capital Construction
Department Head Name Eve Michel, Vice President and Program Manager
Department Head Signature 
Project Manager Name P. Rachmuth/MTA Risk & Insurance Management

Date July 16, 2019
Vendor Name Marsh USA, Inc.
Contract Number 16365
Contract Manager Name N/A
Table of Contents Ref # N/A

Board Action

Order	To	Date	Approval	Info	Other
1	MNR and LIRR Joint Committee	7/22/19	X		
2	Board	7/24/19	X		

Internal Approvals

Order	Approval	Order	Approval
1	Vice President and Chief Financial Officer <i>AR</i>	2	Executive Vice President and General Counsel 
3	President <i>JH</i>		

Purpose:

To obtain Board approval to purchase a Pollution Legal Liability Insurance Policy ("PLL Policy") to insure MTA's risk of losses arising out of government-mandated remediation of, and third-party claims for damages arising from, environmental contamination at, on or migrating from Amtrak's right-of-way that MTA uncovers while performing work on the Penn Station Access Project (the "Project") for a Not-To-Exceed Amount of \$400,000.

Background:

MTA reported to the Board in January that it had entered into a Memorandum of Understanding ("MOU") with Amtrak relating to the operation of new commuter service by Metro-North Commuter Railroad on the existing Amtrak corridor between New Rochelle, NY and Penn Station, NY, known as the Hell Gate Line ("HGL"). Metro-North's future commuter trains will serve four stations that will be constructed along the HGL in the East Bronx at Hunts Point, Parkchester/Van Nest, Morris Park and Co-Op City. Further, in January, the Board approved the award of a contract to HNTB New York Engineering and Architecture, P.C. (the "GEC") for General Engineering Consulting Services for the Project.

MTA is presently negotiating a Preliminary Design Phase Agreement ("DPA") with Amtrak pursuant to which MTA and its GEC will obtain access to Amtrak's right-of-way to complete preliminary design and engineering for the Project. Upon consummating the DPA, MTA anticipates negotiating a Design-Build Phase Agreement ("DBPA") with Amtrak to establish terms and conditions for the remaining design and construction of the Project. The DPA requires that MTA assume responsibility, at its sole cost, for government-mandated investigations and remediation of environmental contamination at, on or migrating from Amtrak's right-of-way that MTA uncovers while performing work on the Project, and that MTA indemnify Amtrak for any third-party claims for damages arising out of such environmental contamination, regardless of whether such contamination was pre-existing or whether any act or omission of MTA caused or contributed to the contamination. MTA anticipates that the DBPA will have the same requirements.

Discussion:

MTA Risk and Insurance Management ("RIM") engaged MTA's master insurance broker, Marsh USA, Inc. ("Marsh") to work with Greenberg Traurig LLP ("Greenberg"), MTA's environmental counsel for the Project, to explore pollution legal liability insurance coverage for the Project. Working collaboratively, Marsh and Greenberg prepared an underwriting submission memorandum and engaged in discussions with the following seven (7) environmental insurers that provide the coverage sought for the Project: Beazley, Great American, Sirius, Ironshore, XL, AWAC, and Tokio Marine.

Action Item**Pollution Legal Liability Insurance**

Page 2 of 2

Of the seven (7) insurers solicited, two (2), Beazley and Great American, provided quotes for coverage consistent with the requested specifications and Project requirements. Beazley's pricing and policy enhancements were superior to that of the Great American proposal, and Beazley was recommended as the primary insurer. Beazley is only able to provide up to \$25,000,000 in coverage for a seven-year term. However, Great American has offered an additional \$25,000,000 in coverage excess of the Beazley policy for a total limit of \$50,000,000. The total expected cost for the PLL is expected not to exceed \$400,000.

RIM, Marsh, and Greenberg reviewed and discussed a number of policy terms, durations, and self-insured retentions and recommend procuring the PLL option for a seven-year policy period with \$50,000,000 limits of liability per incident and in the aggregate and a \$500,000 self-insured retention. The PLL Policy premium is due in full within 30 days of binding the PLL Policy.

Recommendation:

It is recommended that the Board authorize MTA RIM to purchase the PLL Policy for the Penn Station Access Project to mitigate the risk of losses arising out of government-mandated remediation of, and third-party claims for damages arising from, environmental contamination at, on or migrating from Amtrak's right-of-way that MTA uncovers while performing work on the Penn Station Access Project.

Alternatives:

The only alternative would be to proceed with the Project without insuring the risks mitigated by the PLL Policy.

Impact on Funding

The full financial impact is expected not to exceed \$400,000, which is included in the Capital budget for the Project.



Subject	Request for Authorization to Award Various Procurements
Department	Procurement and Material Management
Department Head Name	Anthony Gardner, Acting Sr Director <i>AG</i>
Department Head Signature	
Project Manager Name	

Date	July 12, 2019
Vendor Name	Various
Contract Number	Various
Contract Manager Name	Various
Table of Contents Ref #	

Board Action					
Order	To	Date	Approval	Info	Other
1	MNR Comm. Mtg.	7-22-19	X		
2	MTA Board Mtg.	7-24-19	X		

Internal Approvals			
Approval		Approval	
X <i>AG</i>	President	X <i>SW</i>	Executive Director Management & Budget
X <i>AG</i>	Executive Vice President	X <i>AG</i>	V.P. Capital Programs
X <i>AG</i>	Sr. V.P. Operations		
X <i>AG</i>	V.P. & General Counsel		

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

PURPOSE:

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

DISCUSSION:

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

	# of Actions	\$ Amount
<u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u>	NONE	
<u>Schedules Requiring Majority Vote</u>		
Schedule H: Modifications to Persona/Miscellaneous Service Contracts	1	\$3,400,149
• Dayton T. Brown, Inc. \$3,400,149		
SUB TOTAL:		
	1	\$3,400,149

MNR proposes to award competitive procurements in the following categories:

	<u># of Actions</u>	<u>\$ Amount</u>
<u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u>	<u>NONE</u>	
<u>Schedules Requiring Majority Vote</u>		
Schedule H: Modifications to Personal/Miscellaneous Service Contracts	1	\$4,500,000
• Port Imperial Ferry d/b/a NY Waterway \$4,500,000		
SUB TOTAL:	1	\$4,500,000

MNR presents the following procurement actions for Ratification:

<u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u>	<u>NONE</u>	
<u>Schedules Requiring Majority Vote</u>	<u>NONE</u>	
SUB TOTAL:		
TOTAL:	2	\$7,900,149

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

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

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

METROPOLITAN TRANSPORTATION AUTHORITY

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

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

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

NOW, the Board resolves as follows:

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

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

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

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

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

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

JULY 2019

METRO-NORTH RAILROAD

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedules Requiring Majority Vote:

H. Modifications to Personal /Miscellaneous Service Contracts

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

1. Dayton T. Brown, Inc. \$3,400,149 (not-to-exceed) Staff Summary Attached
Contract modification for Engineering Support Services for Positive Train Control (PTC)

Approval is requested for a contract modification for additional funding provided to Metro-North via an FRA grant in the not-to-exceed amount of \$3,400,149 to the firm, Dayton T. Brown, Inc. (DTB), for laboratory testing of Positive Train Control (PTC) communication systems and components. The approved FRA grant funding will be added to the existing contract with DTB to perform additional / necessary communications system testing in a lab based environment, which is significantly more economical than testing in the field on live track.

DTB's testing lab will be outfitted with communications hardware, simulation systems, and test equipment and will allow the testing of actual PTC message communications. This lab in conjunction with MNR's "on-track test bed" will be the premier method for testing PTC radios, and all aspects of PTC communications at the system, subsystem, software, and component level. Simulated PTC testing can be accomplished at 88 percent less than the cost of rail testing in the field and in half the time compared to on-site rail testing which is disruptive and relies on track outages.

MNR has received the benefit of DTB pricing established by the US Defense Contract Audit Agency (DCAA). This contract modification for additional funds is to be provided by an approved federally funded FRA PTC grant.

Schedule H: Modifications to Personal Service and Miscellaneous Service Contracts

Item Number: H

Vendor Name (& Location) Dayton T. Brown, Inc. Bohemia, NY 11716-5014	Contract Number 88157	AWO/Modification # 03
Description Contract modification for Engineering Support Services for Positive Train Control (PTC)	Original Amount: \$ 500,000	
Contract Term (including Options, if any) November 22, 2017 – May 21, 2021	Prior Modifications: \$ 3,412,000	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Prior Budgetary Increases: \$	
Procurement <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive	Current Amount: \$ 3,912,000	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole Source	This Request: \$3,400,149 (not-to-exceed)	
Funding Source <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	% of This Request to Current Amount: 87%	
Requesting Dept./Div. & Dept./Div. Head Name: Procurement & Material Management, Anthony Gardner, Acting Sr. Director	% of Modifications (including This Request) to Original Amount: 1.360%	

Discussion:

Approval is requested for a contract modification for additional funding provided to Metro-North via an FRA grant in the not-to-exceed amount of \$3,400,149 to the firm, Dayton T. Brown, Inc. (DTB), for laboratory testing of Positive Train Control (PTC) communication systems and components. The approved FRA grant funding will be added to the existing contract with DTB to perform additional / necessary communications system testing in a lab based environment, which is significantly more economical than testing in the field on live track.

DTB's testing lab will be outfitted with communications hardware, simulation systems, and test equipment and will allow the testing of actual PTC message communications. This lab in conjunction with MNR's "on-track test bed" will be the premier method for testing PTC radios, and all aspects of PTC communications at the system, subsystem, software, and component level. Simulated PTC testing can be accomplished at 88 percent less than the cost of rail testing in the field and in half the time compared to on-site rail testing which is disruptive and relies on track outages. The controlled laboratory environment also makes it easier to isolate and diagnose issues and allows for rapid testing and implementation of solutions. Additionally, interoperability with other North-East Corridor (NEC) Railroads is a key component of the testing which under real world loading conditions would include coordination and significant cost impact to their operations.

As indicated in the original non-competitive award to DTB approved by the Board in November 2017, DTB has the necessary experience in providing engineering support in both heavy rail and transit environments. They are the only qualified firm in the North-East region with available resources to immediately support this vital effort.

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

MNR has received the benefit of DTB pricing established by the US Defense Contract Audit Agency (DCAA). This contract modification for additional funds is to be provided by an approved federally funded FRA PTC grant.

JULY 2019

METRO-NORTH RAILROAD

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedules Requiring Majority Vote:

H. Modifications to Personal/Miscellaneous Service Contracts

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

1. Port Imperial Ferry Corporation \$4,500,000 (not-to-exceed) Staff Summary Attached
d/b/a NY Waterway

Ferry and Ancillary Services – Renewal Option Funding

Approval is requested for a contract modification for additional funding in the not-to-exceed amount of \$4,500,000 to a previously Board-approved competitively solicited contract with the firm Port Imperial Ferry Corporation d/b/a NY Waterway (NY Waterway). This modification is to exercise the first of three two-year contract renewal options which is funded by New York State Department of Transportation (NYSDOT) and MTA grants using state and federal funds. All other terms, conditions and pricing remain the same.

The ferry services are to be funded by the New York State Department of Transportation (NYSDOT) and MTA grants using state and federal funds.

Schedule H: Modifications to Personal Service and Miscellaneous Service Contracts

Item Number: H

Vendor Name (& Location) Port Imperial Ferry Corporation d/b/a NY Waterway Weehawken, NJ 07086		Contract Number 1000044225	AWO/Modification # 4
Description Contract Renewal Option for Ferry and Ancillary Services		Original Amount: \$16,000,000	
Contract Term (including Options, if any) Four Years with Three 2-Year Renewal Options		Prior Modifications: \$1,202,982	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Prior Budgetary Increases: \$0	
Procurement <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive		Current Amount: \$17,202,982	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:		This Request: \$4,500,000 (not-to-exceed)	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:		% of This Request to Current Amount: 26.15%	
Requesting Dept./Div. & Dept./Div. Head Name: Procurement & Material Management, Anthony Gardner, Acting Sr. Director		% of Modifications (including This Request) to Original Amount: 35.64%	

Discussion:

Approval is requested for a contract modification for additional funding in the not-to-exceed amount of \$4,500,000 to a previously Board-approved competitively solicited contract with the firm Port Imperial Ferry Corporation d/b/a NY Waterway (NY Waterway). This modification is to exercise the first of three two-year contract renewal options which is funded by New York State Department of Transportation (NYSDOT) and MTA grants using state and federal funds. All other terms, conditions and pricing remain the same.

In 2014, a Board approved contract was awarded to the NY Waterway for a four year with three (2) year options for ferry services. The NY Waterway continues to provide service for two routes Haverstraw-Ossining and Newburgh-Beacon Ferry Service. The ferry services for both routes provides regularly-scheduled commuter ferry service Monday through Friday during AM and PM peak times, and on certain holidays designated by Metro-North. Ancillary services provided by NY Waterway include daily maintenance of the parking facilities; trash removal; snow removal; ferry repairs; and, management of substitute bus services when the ferry is unable to operate.

Funding for the contract modification is based on the NYSDOT Memorandum of Understanding with Metro-North for both ferry services. Based on the NY Region CPI, the adjusted rates for 2019 were increased by 1.91%. This increase is .06 less than the 2018 CPI increase of 1.97%.

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

The ferry services are to be funded by NYSDOT and MTA grants using state and federal funds.

LONG ISLAND RAIL ROAD

PROCUREMENTS

FOR

BOARD ACTION

July 24, 2019

Staff Summary



Long Island Rail Road

Subject: Request for Authorization to Award Various Procurements						Date <div style="text-align: center;">July 24, 2019</div>																																																					
Department Procurement and Logistics																																																											
Department Head Name Dennis L. Mahon, Chief Procurement and Logistics Officer																																																											
Department Head Signature																																																											
<div style="text-align: center;">Board Action</div> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;">Order</th> <th style="width: 15%;">To</th> <th style="width: 10%;">Date</th> <th style="width: 10%;">Approval</th> <th style="width: 10%;">Info</th> <th style="width: 10%;">Other</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>LI Committee</td> <td style="text-align: center;">7.22.19</td> <td></td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">2</td> <td>MTA Board</td> <td style="text-align: center;">7.24.19</td> <td></td> <td></td> <td></td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>						Order	To	Date	Approval	Info	Other	1	LI Committee	7.22.19				2	MTA Board	7.24.19																<div style="text-align: center;">Internal Approvals</div> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;">Order</th> <th style="width: 15%;">Approval</th> <th style="width: 10%;">Order</th> <th style="width: 10%;">Approval</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">X</td> <td>President</td> <td></td> <td></td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>				Order	Approval	Order	Approval	X	President														
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Order	Approval	Order	Approval																																																								
X	President																																																										

PURPOSE:

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

DISCUSSION:

<p>LIRR proposes to award Non-Competitive Procurements in the following</p> <p>LIRR proposes to award Competitive Procurements in the following</p> <p>Schedule B: Competitive Requests for Proposals</p>	<p><u># of Actions</u></p> <p><u># of Actions</u></p>	<p><u>\$ Amount</u></p> <p><u>\$ Amount</u></p>
	None	
	1	\$TBD
SUBTOTAL:	1	\$TBD

<p>LIRR proposes to award Ratifications in the following categories:</p>	<p><u># of Actions</u></p> <p><u># of Actions</u></p>	<p><u>\$ Amount</u></p> <p><u>\$ Amount</u></p>
	None	
TOTAL:	1	\$TBD

BUDGET IMPACT:

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

RECOMMENDATION:

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

METROPOLITAN TRANSPORTATION AUTHORITY

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

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

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

NOW, the Board resolves as follows:

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

JULY 2019

MTA LONG ISLAND RAIL ROAD

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote

Schedule B: Competitive Requests for Proposals (Solicitation of Purchase and Public Works Contracts)

(Staff Summaries required for all items estimated to be greater than \$1M)

- | | | | |
|-----------|---|--------------|--------------------------------------|
| 2. | TBD
Competitive RFP
Contract No. TBD | \$TBD | <i><u>Staff Summary Attached</u></i> |
|-----------|---|--------------|--------------------------------------|

LIRR requests MTA Board approval to adopt a resolution declaring that competitive bidding is impractical or inappropriate and that it is therefore in the public interest to use the competitive Request for Proposal (RFP) procurement method pursuant to Section 1265-a of the Public Authorities Law to award a contract for the design, manufacture, test and delivery of Train Simulator Systems for each of its M7/M9, Dual Mode (DM) Locomotive and C3 fleets. These three simulators will support increased training requirements for (i) train crews required in advance of operating equipment within East Side Access (ESA) territory to Grand Central Terminal (GCT), (ii) Positive Train Control (PTC), and (iii) new equipment familiarization i.e. M9. These simulators will also support potential remedial training, emergency situations, equipment failures, physical characteristics, and numerous operating scenarios.

Staff Summary



Item Number: 2					
Dept & Dept Head Name: Procurement & Logistics, Dennis Mahon					
Division & Division Head Name: Executive Dir--ESA/Special Projects, Neville Perkins <i>Neville Perkins</i>					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	LI Committee	7.22.19			
2	MTA Board	7.24.19			
Internal Approvals					
Order	Approval	Order	Approval		
5	President <i>OK</i>	2	Sr. VP/Operations <i>OK</i>		
4	VP/Gen'l Counsel & Sec'y <i>OK</i>	1	Sr. VP/Administration <i>OK</i>		
3	VP/CFO <i>OK</i>				

SUMMARY INFORMATION	
Vendor Name TBD	Contract Number TBD
Description Purchase M7/M9, DM Locomotive, C3 Train Simulator System	
Total Amount \$TBD	
Contract Term (including Options, if any) TBD	
Options(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 type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

Narrative:

I. PURPOSE/RECOMMENDATION:

LIRR requests MTA Board approval to adopt a resolution declaring that competitive bidding is impractical or inappropriate and that it is therefore in the public interest to use the competitive Request for Proposal (RFP) procurement method pursuant to Section 1265-a of the Public Authorities Law to award a contract for the design, manufacture, test and delivery of Train Simulator Systems for each of its M7/M9, Dual Mode (DM) Locomotive and C3 fleets. These three simulators will support increased training requirements for (i) train crews required in advance of operating equipment within East Side Access (ESA) territory to Grand Central Terminal (GCT), (ii) Positive Train Control (PTC), and (iii) new equipment familiarization i.e. M9. These simulators will also support potential remedial training, emergency situations, equipment failures, physical characteristics, and numerous operating scenarios.

II. DISCUSSION:

LIRR seeks to move forward with the M7/M9, DM Locomotive and C3 Train Simulator procurement that supports agency-wide initiatives associated with securing the success for East Side Access Opening Day.

The opening of the ESA/GCT will generate a significant increase in train service, which will directly affect the need to hire additional train and engine service employees. A fully developed hiring and staffing plan has been prepared anticipating the ramp-up of new work forces. Adherence to required Federal Railroad Administration training and qualification rules necessitates the need to skillfully expedite the process to meet specific readiness milestones.

The Simulators shall model all modes of operation of the M7/M9, DM locomotive and C3 cab car equipment that is currently in operations and future use on the LIRR. Train configurations shall allow for operation of a train consisting of between six and twelve electric multiple unit cars. The simulation will be developed

Staff Summary



Page 2 of 2

primarily for the instruction and qualification of train and engine crews on the Metropolitan Transportation Authority's – Long Island Rail Road's new East Side Access territory, but should allow for future inclusion of other Long Island Rail Road electrified routes and branches using M7/M9, DM locomotive and C3 cab car equipment.

Critical operational and public-safety issues demand that the LIRR Engineer Locomotive Training Program produce Locomotive Engineers qualified to operate trains safely and efficiently. Moreover, they require programs designed to maintain these skills at the highest possible level. The work consists of the design, manufacture, assembly, test and delivery of a new Train Cab Simulator System.

The LIRR is requesting to use the competitive Request for Proposal (RFP) procurement method that will allow the LIRR to negotiate with and evaluate contractors and proposal criteria rather than on price alone - based on technical capability, development, qualifications, work experience, cost of total solution and overall responsiveness.

III. D/M/WBE INFORMATION:

Goals for this Contract are to be determined by the MTA Department of Diversity and Civil Rights.

IV. IMPACT ON FUNDING:

This contract will be funded with the MTA Capital Construction East Side Access Federal Funds, which is included in the MTA's 2015-2019 Capital Program.

V. ALTERNATIVES:

The alternative is to use the Invitation-for-Bid (IFB) procurement method. The IFB method limits the Railroad's ability to have pre-award discussions with manufacturers prior to selection of a Contractor in order for LIRR to consider other factors such as technical expertise, qualification, capability, and quality in addition to cost against stated selection criteria.



Bridges and Tunnels

Procurements July 2019

Staff Summary

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

Date	07/10/2019
Vendor Name	
Contract Number	
Contract Manager Name	
Table of Contents Ref #	

Board Action					
Order	To	Date	Approval	Info	Other
1	President	07/10/2019			
2	MTA B&T Committee	07/22/2019			
3	MTA Board	07/24/2019			

Internal Approvals			
Order	Approval	Order	Approval
<i>PT</i>	President	<i>BB</i>	VP & Chief Financial Officer
<i>BB</i>	VP & Chief of Staff		VP Operations
	SVP & General Counsel		VP & Chief Engineer
		<i>BB</i>	VP & Chief Procurement Officer

Internal Approvals (cont.)							
Order	Approval	Order	Approval	Order	Approval	Order	Approval
<i>BB</i>	Chief Financial Officer		Chief Technology Officer		Chief Health & Safety Officer		Chief EEO Officer
	Chief Security Officer		Chief Maintenance Officer		MTA Office of Civil Rights		

PURPOSE:

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

DISCUSSION:

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

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

Schedules Requiring Two-Thirds Vote:

Schedule B: Request to use RFP for Procurement of Purchase & Public Work (in Lieu of Sealed Bid)

of Actions

1

\$ Amount

\$ TBD

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

1

\$20.000M

Schedule Requiring Majority Vote:

Schedule F: Personal Service Contracts

1

\$ 2.094M

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

3

\$ 19.275M

SUBTOTAL

6

\$41.368M

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

TOTAL

6

\$41.368M

BUDGET IMPACT:

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

RECOMMENDATION:

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

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

MTA BRIDGES & TUNNELS
TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

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

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

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

NOW, the Board resolves as follows:

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

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL
JULY 2019

MTA BRIDGES & TUNNELS

Procurements Requiring Two-Thirds Vote:

B: Request to Use RFP for Procurement of Purchase & Public Works in lieu of Sealed Bid
(Staff Summaries only required for items estimated to be greater than \$1 million)

- | | | |
|--|------------------------------|--------------------------------------|
| 1. Contractors to be Determined | Cost to be Determined | <u>Staff Summary Attached</u> |
| Contract No. GFM-534 | | |

4 years – Competitive RFP

B&T is seeking Board approval under the All-Agency Procurement Guidelines to declare competitive bidding to be impractical and/or inappropriate and authorize B&T to enter into a competitive Request for Proposal (RFP) process for Contract GFM-534 to obtain Miscellaneous Electrical Construction Services on an As-Needed Basis at Various Authority Facilities. The budget for these as yet defined projects is \$20,000,000. The duration will be four years.

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

- | | | |
|------------------------------|-------------------------|--------------------------------------|
| 1. Various | \$ 20,000,000.00 | <u>Staff Summary Attached</u> |
| Contract No. GFM-525X | | |

4 years – Competitive RFP

B&T is seeking Board approval under the All-Agency Procurement Guidelines to award public work contracts via the competitive RFP process for Miscellaneous Cleaning & Painting on an As-Needed Basis at Various Authority Facilities.

Procurements Requiring Majority Vote:

F: Personal Service Contracts
(Staff Summaries required for items requiring Board approval)

- | | | |
|---------------------------------|------------------------|--------------------------------------|
| 1. Parsons-HNTB JV | \$ 2,093,614.00 | <u>Staff Summary Attached</u> |
| Contract No. PSC-18-3019 | | |

1 year, 3 months – Competitive RFP

B&T is seeking Board approval under the All-Agency Service Contract Procurement Guidelines to award a personal service contract for the Design Services for Project AW-X3, Structural Health Monitoring Plan and Weigh-in-Motion System for MTA Bridges & Tunnels to Parsons-HNTB JV.

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL
JULY 2019

H: Modifications to Personal Service Contracts and Miscellaneous Service Contracts
(Staff Summaries required for items requiring Board approval)

- | | | |
|--|-------------------------|--------------------------------------|
| 1. Conduent State and Local Solutions | \$ 15,100,000.00 | <u>Staff Summary Attached</u> |
| Contract No. PSC-05-2741 | | |

13 years –Competitive RFP

B&T is seeking Board approval under the All-Agency Service Contract Procurement Guidelines to amend personal service Contract No. PSC-05-2741 with Conduent State & Local Solutions to support the Central Business District Tolling Program.

- | | | |
|--|------------------------|--------------------------------------|
| 2. Ammann & Whitney and WSP, JV | \$ 2,299,178.00 | <u>Staff Summary Attached</u> |
| Contract No. PSC-16-2996 | | |

2 years, 3 months – Competitive RFP

B&T is seeking Board approval in accordance with the All Agency Service Contract Procurement Guidelines to amend personal service Contract No PSC-16-2996 with Amman & Whitney and WSP JV (A&W and WSP) for Construction Support Services.

- | | | |
|-----------------------------------|------------------------|--------------------------------------|
| 3. WSP/URS a Joint Venture | \$ 1,875,382.00 | <u>Staff Summary Attached</u> |
| Contract No. PSC-12-2906 | | |

7 years, 6 months – Competitive RFP

B&T is seeking Board approval under the All-Agency Service Contract Procurement Guidelines to amend Contract PSC-12-2906, Design Services for Reconstruction of the Upper and Lower Level Toll Plazas and Southbound Approach at the Henry Hudson Bridge (HHB) with WSP/URS a Joint Venture (W/U) for additional construction support services (CSS) for Project HH-88B/HH-13A, Reconstruction of Upper and Lower Level Toll Plazas and Southbound Approach at Henry Hudson Bridge and Lighting Replacement at Northbound/Southbound Henry Hudson Parkways.

Staff Summary

Page 1 of 2

Item Number: 1 (Final)					
Dept & Dept Head Name: Engineering and Construction, Joe Keane, P.E.					
Division & Division Head Name: Engineering and Construction, Aris Stathopoulos, P.E. 					
Board Reviews					
Order	To		Approval	Info	Other
1	President				
2	MTA B&T Committee	7/22/19			
3	MTA Board	7/24/19			
Internal Approvals					
Order	Approval	Order	Approval		
1	Chief Financial Officer	4	Chief of Staff		
2	General Counsel	5	President		
3	Chief Procurement Officer				

SUMMARY INFORMATION	
Vendor Name N/A	Contract Number GFM-534
Description Miscellaneous Electrical Construction on an As-Needed Basis at Various B&T Facilities	
Total Amount \$20,000,000 (estimated)	
Contract Term (including Options, if any) Four (4) 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"/> 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:	

I. PURPOSE/RECOMMENDATION

B&T is seeking Board approval under the All-Agency Procurement Guidelines to declare competitive bidding to be impractical and/or inappropriate and authorize B&T to enter into a competitive Request for Proposal (RFP) process for Contract GFM-534 to obtain Miscellaneous Electrical Construction Services on an As-Needed Basis at Various Authority Facilities.

II. DISCUSSION

In accordance with the All-Agency Procurement Guidelines, B&T is requesting that the Board declare competitive bidding to be impractical for this solicitation and authorize B&T to enter into a competitive RFP process to award contracts for Miscellaneous Electrical Construction Services. These contracts will be awarded to multiple contractors who could provide competitive bids for various electrical construction projects. B&T has successfully utilized this type of as-needed contract since 2000 to meet certain general construction requirements on an expedited basis. The budget for these as yet undefined electrical construction projects is \$20,000,000. The duration of these contracts will be four (4) years.

The selected contractors will be invited to bid on specific electrical construction projects throughout Authority facilities which are awarded to the lowest bidders. Funds from the aggregate amount are allocated to individual contracts to pay contractors for the work they perform. Projected requirements under these contracts include but may not be limited to (i) removal, construction and maintenance of overhead and underground electrical power transmission and distribution lines; (ii) installation and removal of transformer, switchboard, panelboard, disconnect switches, conduits and associated materials; (iii) maintenance, calibration and commissioning of electrical equipment; (iv) construction of indoor/outdoor electrical and lighting and maintenance of roadway lighting, traffic signals and intelligent transportation systems; (v) installation and maintenance of fiber optic network; (vi) systems integration and troubleshooting; (vii) critical response and storm restoration services; (vii) removal of lead paint, cleaning, painting and miscellaneous repairs incidental to electrical works.

Staff Summary

Page 2 of 2

The scopes of these miscellaneous as-needed electrical construction projects cannot be readily determined at this time. During the contract term, the scope of work for each miscellaneous work order will be identified. Each of the contracted firms will then be given the scope of work for the prospective work order. Subsequent to a site tour, bids will be submitted. The contractor submitting the lowest responsive bid price shall be awarded that specific work order.

This competitive RFP method of selection is in the public's interest and provides the Authority with the following benefits:

- i) Immediate response and resolution to potential emergency and other unforeseen situations with a responsible contractor performing the work;
- ii) Price competition between selected contractors for each work order;
- iii) Reduces the need for and is an alternative to amendments to existing construction contracts.
- iv) It is impractical and inefficient to procure electrical construction services discussed herein through a separate competitive contract bidding process.

Therefore, B&T deems it to be in the public's interest to request that the Board adopt a resolution to declare competitive bidding impractical in favor of contract award by means of a competitive request for proposal process.

III. D/M/WBE INFORMATION

MTA DDCR will assign applicable goals prior to issuance of the Request for Proposal.

IV. IMPACT ON FUNDING

Funding under Contract GFM-534 will be provided from the Operating Budgets in the amount of \$20,000,000.

V. ALTERNATIVES

Utilize a standard competitive bidding process to award each as-needed electrical construction project. This process is impractical due to potential delays in obtaining electrical construction services from responsible firms for immediate or unanticipated/emergency needs and would not be in the best interest of B&T.

Staff Summary

Page 1 of 2

Item Number: 2 (Final)					
Dept & Dept Head Name: Engineering and Construction, Joseph Keane, P.E. <i>Joseph Keane</i>					
Division & Division Head Name: Engineering and Construction, Aris Stathopoulos, P.E. <i>Aris Stathopoulos</i>					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	President	7/10/19			
2	MTA B&T Committee	7/22/19			
3	MTA Board	7/24/19			
Internal Approvals					
Order	Approval	Order	Approval		
1	Chief Financial Officer <i>OW</i>	4	Executive Vice President		
2	General Counsel <i>MMT</i>	5	President <i>JK</i>		
3	Chief Procurement Officer <i>BB</i>				

SUMMARY INFORMATION	
Vendor Name Various	Contract Number GFM-525X
Description Miscellaneous Cleaning & Painting on an As-Needed Basis at Various Authority Facilities	
Total Amount Aggregate Total: GFM-525X \$20,000,000	
Contract Term (including Options, if any) Four (4) 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"/> 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: Funding Source to be allocated by Work Order.	

Narrative

I. PURPOSE/RECOMMENDATION

B&T is seeking Board approval under the All-Agency Procurement Guidelines to award public work contracts via the competitive RFP process for Miscellaneous Cleaning & Painting on an As-Needed Basis at Various Authority Facilities to the five firms listed below for the aggregate amount of \$20,000,000 for a duration of four years.

Contract GFM-525X - Five (5) firms selected:

- Ahern Painting Contractors, Inc.
- Champion Painting Specialty Services Corp.
- Kiska Construction, Inc.
- L&L Painting Co., Inc.
- NUCO Painting Corp.

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II. DISCUSSION

On October 24, 2018, the Board authorized the use of the competitive Request for Proposal (RFP) process in order to procure miscellaneous cleaning & painting on an as-needed basis. The requirements were publicly advertised. A RFP was issued and the committee selection process was conducted.

The Authority, in operating and maintaining its facilities, will need to conduct cleaning and painting, and incidental work on an as-needed basis at the various facilities, which includes structures of various types; tunnels, bridges, and their associated facilities. Categories of work under these contracts include but may not be limited to cleaning and painting of structural members, lead paint removal and disposal and miscellaneous repairs incidental to painting work. Contractors performing coating, cleaning and paint removal activities are required to have and maintain SSPC-QP1 and QP2 certifications for the life of the Contract.

During the contract term, as a Scope of Work for each miscellaneous painting work order is identified, the contracted firms will be provided with the scope, a site tour will be conducted and bids shall be submitted. The contractor submitting the lowest bid shall be awarded that specific work order. Since most of the painting projects are small-scale and/or involve urgently needed repairs, it would be inefficient, time-consuming and not meet the agency's expedited needs at times to conduct separate competitively bid solicitations for each project.

The selection of contractors to be awarded these as-needed contracts was accomplished by a one-step RFP process. The firms were evaluated against established criteria including proposer's record of performance, qualifications of firm's specific personnel proposed, safety record and quality assurance program. Six proposals were received on April 17, 2019. One proposal was rejected due to being non-responsive.

Based on the established criteria, B&T's Selection Committee chose five firms (Ahern, Champion, NUCO, Kiska and L&L Painting). All of the selected firms were determined to be responsive and responsible contractors with extensive backgrounds of prior and current public agency work.

It is recommended that the Board authorize B&T to enter into contracts with the above selected firms.

III. D/M/WBE INFORMATION

MTA Department of Diversity and Civil Rights has assigned goals of 0% MBE, 0% WBE and 0% SDVOB for these contracts to establish prime awards to MWBE/SDVOB firms. Two of the selected firms (Champion and NUCO) are MBE certified. Ahern, Kiska, L&L Painting and NUCO have achieved their MWDBE/SDVOB goals on previously completed MTA contracts. Champion has not completed any MTA contracts with MWDBE/SDVOB goals, therefore; no assessment of their MWDBE/SDVOB performance can be determined at this time.

IV. IMPACT ON FUNDING

Funding under contract GFM-525X will be provided from the operating budget, GL 711101, in the amount of \$20,000,000 for the period of 4 (four) years.

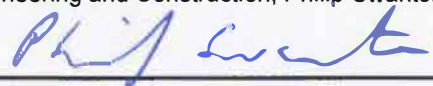



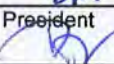

V. ALTERNATIVES

There are no recommended alternatives. The Authority does not have the resources to perform this work with in-house forces.

(rev. 1/22/14)

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Item Number: 3 (Final)					
Dept & Dept Head Name: Engineering and Construction, Joe Keane, P.E. 					
Division & Division Head Name: Engineering and Construction, Philip Swanton, P.E. 					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	President	6/28/19			
2	MTA B&T Committee	7/22/19			
3	MTA Board	7/24/19			
Internal Approvals					
Order	Approval	Order	Approval		
1	Chief Financial Officer 	4	VP & Chief of Staff 		
2	General Counsel 	5	President 		
3	Chief Procurement Officer 				

SUMMARY INFORMATION	
Vendor Name Parsons-HNTB JV	Contract No. PSC-18-3019
Description Design Services for Project AW-X3, Structural Health Monitoring Plan and Weigh-in-Motion System for MTA Bridges & Tunnels	
Total Amount \$2,093,614.00	
Contract Term (including Options, if any) Fifteen (15) months	
Option(s) included in Total Amount?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Renewal?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

Narrative

I. PURPOSE/RECOMMENDATION

B&T is seeking Board approval under the All Agency Service Contract Procurement Guidelines to award a personal service contract for the Design Services for Project AW-X3, Structural Health Monitoring Plan and Weigh-in-Motion System for MTA Bridges & Tunnels (Contract PSC-18-3019) to Parsons-HNTB JV. The negotiated contract amount is \$2,093,614.00 for a duration of fifteen (15) months.

II DISCUSSION

B&T requires the services of a consultant firm to provide design services for Project AW-X3, Structural Health Monitoring Plan and Weigh-in-Motion System for MTA Bridges & Tunnels.

The scope of work requires professional engineering services and expertise to assist B&T in developing strategic Structural Health Monitoring (SHM) plans for its bridges and tunnels and Weigh-in-Motion (WIM) systems for B&T's bridges. The objectives of this program are to: 1.) provide greater situational awareness of structural conditions in real time to develop expedited inspection and repair strategies; 2.) provide enhanced awareness of structural conditions during extreme events to supplement hands-on inspections; 3.) reduce inspection costs and provide supplemental inspection data; and 4.) monitor vulnerable structural elements based on analyzed risk.

This study will be used to identify structural elements to be monitored, recommend the appropriate SHM and WIM systems and identify the potential for integrating the proposed systems with existing similar monitoring systems. Initially, the Consultant shall confirm and review existing SHM and WIM system technologies, investigate and recommend appropriate

Staff Summary

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SHM and WIM systems to achieve the program's objectives and develop strategies and designs for implementation at each facility. These strategies are intended to provide direction for asset management and assist in prioritizing B&T's future capital programs and long term investment strategies.

Requirements for these services were publicly advertised. Seven (7) firms submitted qualification information for review and evaluation by the selection committee. Four (4) firms were selected to receive the RFP based on a review of those qualifications and all four submitted proposals: AECOM USA, Inc. (AECOM) (\$1,638,667.36); BTMI Engineering d/b/a COWI (COWI) (\$1,885,345.00); Parsons-HNTB JV (Parsons-HNTB) (\$2,370,363.00); and Pennoni Engineering & Surveying of New York, P.C. (Pennoni) (\$1,195,168.00).

The proposals were evaluated against established criteria set forth in the RFP, including consultants' understanding of the technical requirements, relevant experience, expertise of proposed personnel, oral presentations and cost. The Selection Committee unanimously recommended that B&T enter into negotiations with Parsons-HNTB JV.

Parsons-HNTB demonstrated a thorough understanding of the complexity of implementing integrated WIM/SHM systems on existing complex infrastructure facilities, similar to those of B&T. They discussed the need for risk-based assessments for vulnerability in order to determine locations to maximize SHM system effectiveness and how WIM data must be tied to SHM data for accurate and complete data interpretation. The Parsons-HNTB team demonstrated proven experience in the design and implementation of integrated WIM/SHM systems on other complex structures around the world. They also exhibited a thorough understanding of the requirement to design effective systems that monitor structural reaction to wind loads and other events, integrate with existing B&T security and operating systems to leverage available video data and allow for expansion and future monitoring technological enhancements. The other firms provided responsive proposals, which were viewed as technically acceptable but did not exhibit the level of expertise and detail demonstrated by the Parsons-HNTB team.

Parsons-HNTB submitted a cost proposal in the amount of \$2,370,363.00. The Engineer's estimate is \$2,063,801.00. Negotiations resulted in B&T and Parsons-HNTB agreeing to the negotiated amount totaling \$2,093,614.00, which is 1.4% above the Engineer's estimate and is fair and reasonable. Parsons-HNTB's proposal is deemed most advantageous to B&T. Parsons-HNTB is a joint venture of Parsons Transportation Group of NY, Inc. (PTGNY) and HNTB New York Engineering and Architecture, P.C. (HNTB). PTGNY, HNTB and Parsons-HNTB are deemed responsible consultants pursuant to the All-Agency Responsibility Guidelines.

III. DBE/MBE/WBE/SDVOB INFORMATION

The MTA Department of Diversity and Civil Rights has established goals of 15% MBE, 15% WBE and 6% SDVOB for this contract. Parsons Transportation Group of NY and HNTB (Parsons-HNTB) has submitted an MWBE/SDVOB utilization plan currently under review by DDCR. Parsons Transportation Group of NY and HNTB have achieved their M/W/DBE and SDVOB goals on previously completed MTA contracts.

IV. IMPACT ON FUNDING

Funding in the amount of \$2,093,614.00 is available in the 2015-2019 Capital Program under Project D704AWX3, Task D03530.

V. ALTERNATIVES

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

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

Item Number: 4 (Final)

Vendor Name (& Location) Conduent State and Local Solutions		Contract Number PSC-05-2741	AWO/Modification
Description E-ZPass New York Customer Service Center Services		Original Amount:	\$184,000,000
Contract Term (including Options, if any) October 5, 2007 – October 4, 2020		Prior Modifications:	\$310,475,167
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Prior Budgetary Increases:	\$0.00
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive		Current Amount:	\$494,475,167
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:		This Request:	\$15,100,000
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:		% of This Request to Current Amount:	3.05%
Requesting Dept/Div & Dept/Div Head Name: Revenue Management, SVP, Allison C. de Cerreno		% of Modifications (including This Request) to Original Amount:	177%

PURPOSE

MTA Bridges and Tunnels (Authority) is seeking Board approval under the All-Agency Service Contract Procurement Guidelines to amend personal service Contract No. PSC-05-2741 with Conduent State & Local Solutions to add funding in the amount of \$15.1 million to support the Central Business District Tolling Program. This contract was competitively awarded to Conduent in October 2007 in the amount of \$184,000,000 for a duration of 10 years to provide customer service center services for E-ZPass customers. In May 2016, the Board approved a three-year renewal option to extend the contract through October 2020.

DISCUSSION

Pursuant to a competitively procured joint solicitation, the Authority, the New York State Thruway Authority and the Port Authority of New York and New Jersey (together the NYCSC agencies) each executed contracts with Conduent in October 2007 to operate a single E-ZPass New York Customer Service Center (NYCSC) that would provide services to customers of all the NYCSC agencies. The Contract was for an initial period of ten (10) years with one three-year option to renew. Today, the NYCSC manages over 6.4 million active E-ZPass accounts with over 11 million active tags, processes over 900 million toll transactions, collects over 55 million payments, handles nearly 15 million telephone calls and processes over one million pieces of correspondence on an annual basis for all three agencies. The Authority accounts for approximately 60% of the volume in all of these categories. Since the Board approved the original contract, 14 amendments have been issued including amendments to add open road Cashless Tolling to the contract and to exercise an option to extend the contract for a duration of 3 years. This amendment is to add services to support the Central Business District Tolling Program (CBDTP).

In April 2019, the New York State Legislature authorized the Authority to establish the CBDTP with the purpose of imposing variable tolls for entering into or remaining in the Manhattan Central Business District (CBD), generally defined as the geographical area south of and inclusive of 60th street, excluding movements along the West Side Highway/9A and FDR Drive. The CBDTP has an accelerated implementation schedule, with the goal of going live immediately after December 31, 2020. To meet this schedule, using the existing NYCSC back office to support the CBDTP was found to be the least risky and least complex among the alternatives considered by the Authority and it leverages access to and the use of existing customer accounts. The projected volume of 250 million annual transactions in the CBD will require the NYCSC to expand its physical space to accommodate the handling of an estimated 2.5 million customer calls annually, and the associated correspondence processing and account management activities. In addition to this expansion of customer service operations, the NYCSC back office system (Vector) will require modifications to support new functionality required by the CBDTP.

The NYCSC expansion will include the build-out of contiguous office space at the NYCSC location in Endicott, NY, including all construction-related work and materials, furniture and fixtures, computers, telephony, networking equipment, and servers. System modifications include software design and development, hardware, new reports, system documentation, system testing, and staff training. The capital cost will also include re-designing and consolidating the E-ZPass and Tolls by Mail websites, and the development and rollout of the New York Tolling mobile application.

Conduent submitted a cost proposal in the amount of \$14.1 million. The Authority found the proposal to be acceptable based on reasonable manhours and rates. The capital funding needed for the expansion of the NYCSC and software modifications will not exceed \$15.1 million (\$3.1 million for the NYCSC buildout and infrastructure, \$2.6 million for software design and development; \$2.3 million for all phases of testing; \$3.5 million for consolidated website and mobile application; \$1.6 million for project management; \$1.0 million for reports/training; and the Authority deemed it prudent to include an allowance for \$1

million to address unforeseen events/conditions). It is noted that this amendment is for capital costs only and does not include any operating and maintenance costs. Operations and Maintenance services and costs will be addressed in a separate amendment.

IMPACT ON FUNDING

The total estimated amount of this change order is \$15.1 million. Funding is available in the Central Business District Tolling Program Capital Budget.

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

Item Number: 5 (Final)

Vendor Name (& Location) Ammann & Whitney and WSP JV, New York, NY		Contract Number: PSC-16-2996	AWO/Modification #
Description: Design and Construction Support Services for Project RK-19/RK-70 Wind Retrofits and Miscellaneous Structural Repairs at the Robert F. Kennedy Bridge		Original Amount: \$3,427,162	
Contract Term (including Options, if any) July 20, 2017 – October 19, 2019		Prior Modifications: \$4,910,090	
Option(s) included in Total amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Prior Budgetary Increases: \$ 0.00	
Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive		Current Amount: \$8,337,252	
Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:		This Request: \$2,299,178	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:		% of This Request to Current Amount: 27.58%	
Requesting Dept./Div. & Dept./Div. Head Name: Engineering & Construction, Joe Keane, P.E.		% of Modifications (including This Request) to Original Amount: 210.36%	

Discussion:

B&T is seeking Board approval in accordance with the All Agency Service Contract Procurement Guidelines to amend personal service Contract No PSC-16-2996 with Amman & Whitney and WSP JV (A&W and WSP) for additional funding in the amount of \$2,299,178.

On July 20, 2017, the Contract was awarded to A&W and WSP JV in the agreed amount of \$3,427,162.00 pursuant to Board approval for a duration of two (2) years and three (3) months to develop a design brief to assist B&T in a comprehensive program of structural repairs and upgrades for all spans at the RFK. Part of the scope of work under the design brief was to identify the most cost effective and feasible sequence of work for Projects RK-19 and RK-70, with design and construction support services to be phased dependent on the structural repair program developed during the design brief phase. At the time of award the Contract did not contain funding for the future design and construction support services, since the overall construction scope for Projects RK-19 and RK-70 had not yet been determined and thus the actual level of effort not known. Previously, and with Board approval in May 2018, the Contract was amended for the consultant to perform complete final design services for Phase 1A – Queens Approach and Viaduct, Randall's Island Viaduct, Bronx Kills Truss Span, Bronx Approach, and the Harlem River Lift Span structures. Now that the Phase 1A design is complete, B&T is requesting funding and a two (2) year time extension for design support services for Phase 1A construction.

The additional services include developing construction schedules and cost estimates, performing shop drawing reviews, preparing responses to requests for information, reviewing contractor scope proposals, and preparing as-built drawings. B&T is also including an allowance for unanticipated designs during construction, to address conditions discovered during construction, in the amount of \$350,000.

A&W and WSP submitted a proposal in the amount of \$2,299,178. The Engineer's estimate is \$2,642,000. The Consultant's proposal is 15.6% below the Engineer's estimate and is considered fair and reasonable.

Funding is available in the 2015-2019 Capital Program under Project RK-19 (Task D03600, \$1,132,231), Project RK-70 (Task D03665, \$1,055,889) and Project RK-70 Paint (Task D03673, \$111,058).

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, A&W and WSP. WSP and A&W have no SAI except that stemming from A&W's integration with LBG forming Louis Berger U.S. and WSP's acquisition of LBG. WSP and A&W have been found to be responsible.

¹ On 7/2/16 LBG and A&W integrated to form Louis Berger U.S. and LBG was acquired by WSP in December 2018 and that acquisition carries with it LBG's SAI

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

Item Number: 6 (Final)

Vendor Name (& Location) WSP/URS a Joint Venture, Briarcliff Manor, NY		Contract Number PSC-12-2906	AWO/Modification# 11
Description Design Services for Reconstruction of the Upper and Lower Level Toll Plazas and Southbound Approach at the Henry Hudson Bridge			
Contract Term (including Options, if any) January 4, 2013 – July 3, 2020		Original Amount: \$7,193,724.52	
Option(s) included in Total Amount <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Prior Modifications: \$6,214,298.99	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive		Prior Budgetary Increases:	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:		Current Amount: \$13,408,023.51	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:		This Request: \$1,875,382.00	
Requesting Dept/Div & Dept/Div Head Name: Engineering & Construction, Joe Keane, P.E.		% of This Request to Current Amount: 14.0%	
		% of Modifications (including This Request) to Original Amount: 112.5%	

Discussion:

B&T is seeking Board approval under the All-Agency Service Contract Procurement Guidelines to amend Contract PSC-12-2906, Design Services for Reconstruction of the Upper and Lower Level Toll Plazas and Southbound Approach at the Henry Hudson Bridge (HHB) with WSP/URS a Joint Venture (W/U) for additional construction support services (CSS) for Project HH-88B/HH-13A, Reconstruction of Upper and Lower Level Toll Plazas and Southbound Approach at Henry Hudson Bridge and Lighting Replacement at Northbound/Southbound Henry Hudson Parkways, in the amount of \$1,875,382 for a period not to exceed 15 months.

Contract PSC-12-2906 was awarded pursuant Board approval in December 2012 and design services during construction were approved by the Board in March 2017 in the amount of \$2,957,064.66. During the course of the work, the level of effort for construction support services (CSS) has been much greater than previously estimated due to higher than expected number of submittals, resolution of unforeseen field conditions, evaluation of alternate work sequences allowed by contract, and structural submittals that were more complex than originally anticipated. The unforeseen field conditions resulted in changes to the construction contract and additional design efforts for: i) redesign of light pole foundations, ii) introduction of new foundation types, iii) evaluation of interference with existing water main, iv) Abutment # 1 backfill and tieback re-design, and v) design of protection of the Administration Building during Lower Level Stage 1. W/U submitted a proposal totaling \$1,989,784.49. The negotiated amount of \$1,875,382 is 3.75% above the Engineer's estimate of \$1,807,540.31 and is deemed fair and reasonable. Funding is available in the 2015-2019 Capital Program under Projects HH-88B CSS (Task D03794 \$1,790,000) and HH-13A CSS (Task D03781 \$85,382).

On July 11th, 2014, URS Corporation was acquired by AECOM, USA, Inc. In connection with a previous contract awarded to the Consultant, URS Corporation, now AECOM, USA, 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 Chairman and Chief Executive Officer in consultation with the MTA General Counsel on May 25, 2016. No new SAI has been found relating to the consultant and URS Corporation has been found to be responsible.

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.

¹ LBG was acquired by WSP in December 2018 and that acquisition carries with it LBG's SAI.