

Staff Summary

Schedule F: Personal Service Contracts

Item 1–3						SUMMARY INFORMATION	
Department, Department Head Name:						Vendor Names:	
Finance, Jaibala Patel						Alliant Insurance Service Inc.	
Division, Division Head Name:						Contract Numbers:	
Risk and Insurance Management						15625-0100	
Board Reviews						Description:	
						Alternative Dispute Resolution (ADR) – Second Avenue Subway Phase II – Contract 2	
Board Reviews						Total Amount:	
						\$4,355,815.32	
Order	To	Date	Ap	Info	Other	Contract Term (including Options, if any):	
1	Board	12/15/2025	x			Four 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	
Internal Approvals						Procurement Type:	
Order	Approval	Order	Approval	<input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive			
1	Procurement	4	Legal	Solicitation Type:			
2	Risk and Insurance Mgmt.	5	Chief of Staff	<input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other:			
3	CAO			Funding Source:			
				<input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:			

Purpose:

To obtain MTA Board approval to add Alternative Dispute Resolution (ADR) services to a competitively negotiated insurance broker agreement awarded to Alliant Insurance Services (Alliant) for the placement of the Owner Controlled Insurance Program (OCIP) for Second Avenue Subway Phase II (OCIP III), Contract 2, in the amount of \$4,355,815.32 and to add as options pass-through retainage of a Builder's Risk Third-Party Administrator (TPA) in the amount of not-to-exceed \$96,250 and a Property Claims Consulting in the amount of not-to-exceed \$75,000.

The alternative dispute resolution (ADR) program is an alternative method for managing workers' compensation claims for union workers. The main goals of the program are to ultimately lower the MTA's overall insurance costs, reduce the cost of claims by getting injured workers to receive prompt treatment and return to work quickly. This program will include on-site medical care to evaluate and triage any injuries that arise during construction for Contract 2, as well as provision of a qualified network of medical providers for injured workers to access. Based on previous experiences implementing ADR programs on MTA and other projects, Alliant estimates savings of approximately \$20 million (\$16 million in net savings). The program also enhances the workers' compensation process for injured construction workers and improves relationships with the New York City construction unions.

In August 2025, the MTA Board approved OCIP III, a six to eight-year contract for Second Avenue Subway Phase II, awarded to Alliant with a period of performance from 2025 to a maximum of 2033. The August Board

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approval awarded funding for the OCIP covering Second Avenue Subway Phase II, Contract 2 (OCIP III Contract 2) for an estimated four-year term.

The award to Alliant included an option to administer ADR on behalf of MTA with different options for ADR administration, one including NFP (subcontractor) as the administrator, and one without NFP. The option for ADR including NFP administration had a not-to-exceed value of \$5,513,476.10 for OCIP III Contract 2 per Alliant's proposal. Budget for this option was not included in the August 2025 board meeting.

The MTA negotiated an ADR agreement with relevant labor unions participating in Contract 2. These discussions resulted in the selection of NFP as the ADR administrator.

On November 2, 2025, Risk Management and Alliant negotiated a reduced cost of the proposed ADR administration for Contract 2 with NFP for \$4,355,815.32, a cost reduction of \$1,157,60.78 or 21%.

The ADR Administration includes:

- Magna-Care Preferred Provider Organization (PPO) Networks
- Specialized Claim Dispute Process, Return to Work Programs
- Creation of a Labor Management Committee
- Injured Worker Advocate
- First Care Medical On-Site Provider
- Third Party Administrator (TPA)
- Broker ADR Claims Oversight and Analytic Reporting

D/M/WBE Information:

N/A

Impact on Funding:

This work is to be funded from the MTA Capital Program. The implementation of the program is expected to generate approximately \$20 million in savings as a result of faster injury resolution and reduced claims.

Alternatives:

Perform service in-house. This alternative is neither feasible nor cost-effective. The MTA does not have the staff nor has the ability to perform an ADR service in-house.