



Metropolitan Transportation Authority

July 2021

MTA Board Action Items



MTA Board Meeting

**2 Broadway
20th Floor Board Room
New York, NY 10004**

**Wednesday, 7/21/2021
10:00 AM - 5:00 PM ET**

1. PUBLIC COMMENT PERIOD

2. APPROVAL OF MINUTES

MTA and MTA Agencies Committee & Regular Meeting Joint Minutes - June 23, 2021

MTAHQ

NYCT/MaBSTOA/SIRTOA/MTA Bus Company

MTA Metro-North Railroad

MTA Long Island Rail Road

MTA B&T

MTA Construction & Development

MTA and MTA Agency Joint Committee and Regular Minutes - June 23, 2021 - Page 5

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

2021 Mid-Year Forecast

2022 Preliminary Budget

July Financial Plan 2022-2025

4. MTA OTHER BUSINESS

Action Items

i. Incorporation of Elmont and Belmont Park Stations into the LIRR's Passenger Tariff and Fare Zone Structure

Incorporation of Elmont and Belmont Park Stations into the LIRR Passenger Tariff and Fare Zone Structure - Staff Summary - Page 34

ii. MTA Pension Plan Amendments

MTA Pension Plan Amendments - Page 42

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

LIRR Procurements Report (no items)

MNR Procurements Report (no items)

MTA C&D Procurements Report

MTA C&D Procurements - Page 54

i. Non-Competitive (no items)

ii. Competitive

MTA C&D Competitive - Page 58

iii. Ratifications (no items)

6. COMMITTEE ON NYCT & BUS

NYCT Procurements Report

Procurement Package Cover, Staff Summary, and Resolution - Page 68

i. Non-Competitive

Noncompetitive - Page 73

ii. Competitive

Competitive - Page 76

iii. Ratifications (no items)

C&D Procurements

C&D Procurement Package - Page 82

7. COMMITTEE ON MTA BRIDGES & TUNNELS OPERATIONS

B&T Procurements Report (no items)

C&D Procurements

MTA C&D Procurement - Page 89

i. Non-Competitive (no items)

ii. Competitive

MTA C&D Competitive - Page 93

iii. Ratifications (no items)

8. COMMITTEE ON FINANCE

Action Items

i. Authorize Refinancing the Empire State Development (ESD)'s TIFIA Loan in Connection with Phase 2 of the Moynihan Train Hall Project

Authorization Regarding Refinancing of the Empire State Development (ESD)'s TIFIA Loan in Connection with Phase 2 of the Moynihan Train Hall Project - Page 95

ii. TBTA Sales Tax Revenue Obligation Resolution (TBTA Capital Lockbox - City Sales Tax) for Submission to the Capital Program Review Board

TBTA Sales Tax Revenue Obligation Resoluton - Page 98

MTAHQ Procurements Report

MTAHQ Procurement Report - Page 187

i. Non-Competitive (no items)

ii. Competitive

MTAHQ Competitive Procurements - Page 190

iii. Ratifications (no items)

Real Estate Items

i. Real Estate Agenda and Staff Summaries

Real Estate Agenda and Staff Summaries - Page 201

9. COMMITTEE ON SAFETY

Action Item

i. NYCT Subways and NYCT DOB / MTA Bus Agency Safety Plans Staff Summary (Safety Plans available in the Safety Committee Exhibit book and MTA.Info)

Staff Summary - Page 220

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

**Joint Committee and Board Meeting of the Metropolitan Transportation Authority,
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,
MTA Construction & Development, the MTA Bus Company and
the First Mutual Transportation Assurance Company**

Minutes

2 Broadway

New York, NY 10004

Wednesday, June 23, 2021

10:00 a.m.

The following Board Members were present in person or by videoconference:

Hon. Patrick Foye, Chairman & CEO

Hon. Jamey Barbas

Hon. Frank Borelli

Hon. Victor Calise

Hon. Lorraine Cortés-Vázquez

Hon. Michael Fleischer

Hon. Randolph Glucksman

Hon. Rhonda Herman

Hon. David Jones

Hon. Linda Lacewell

Hon. Kevin Law

Hon. Robert W. Linn

Hon. David Mack

Hon. Haeda B. Mihaltses

Hon. Robert F. Mujica

Hon. Harold Porr, III

Hon. Lawrence Schwartz

Hon. Vincent Tessitore, Jr.

Hon. Neal Zuckerman

The following alternate non-voting members were present by videoconference:

Hon. Andrew Albert

Hon. Gerard Bringmann

Hon. Norman Brown

Hon. John Samuelson

The following staff members attended in person or by videoconference:

Thomas J. Quigley, General Counsel, Robert Foran, MTA Chief Financial Officer, Paul Fama, MTA Chief People Officer, Anthony McCord, MTA Chief Transformation Officer, Patrick Warren, Chief Safety Officer, Sarah E. Feinberg, Interim President, NYCT, Craig Cipriano, Acting President, MTA Bus/Senior Vice President, NYCT Department of Buses, Janno Lieber, MTA Chief Development Officer, MTA Construction & Development, Mark Dowd, MTA Chief Innovation Officer, Phillip Eng, President, Long Island Rail Road, Catherine Rinaldi, President, Metro-North Railroad, Daniel DeCrescenzo, Acting President, TBTA, Acting Chief Joseph McGrann, MTAPD, Chief Kathleen O'Reilly, NYPD Chief of Transit, Mark Young, Vice President, Management and Finance and Chief Financial Officer, LIRR, Patrick McCoy, Director of Finance, David Keller, Senior Deputy Director, Financial Management and Budget, Phyllis Rachmuth, Director, Risk and Insurance Management, Kuvershen Ayer, Chief Procurement Officer, David Florio, Director, R.E. Operations, Leasing & Acquisitions, Monica Murray, Chief Administrative Officer, NYCT President's Office, and Quemuel Arroyo, MTA Chief Accessibility Officer.

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 Company, the Metro-North Commuter Railroad Company, MTA Construction & Development, the MTA Bus Company, and the First Mutual Transportation Assurance Company.

Unless noted otherwise, votes reflected in these minutes are those of each Committee and that of the MTA Board.

1. CHAIRMAN FOYE'S OPENING REMARKS.

Chairman Foye called the meeting to order, stating that the MTA regular Board meeting is being held jointly with the Joint Metro-North Railroad and Long Island Rail Road Committee, the New York City Transit Committee, the Bridges and Tunnels Committee, Finance Committee, Diversity Committee and the Capital Program Oversight Committee.

Chairman Foye stated that portions of the meeting are being conducted remotely via videoconference, pursuant to Governor Cuomo's Executive Order 202.1, which has been extended, suspending the Open Meetings Law requirements; accordingly any requirements in the MTA By-Laws that meetings are open to in-person attendance by the public and that Board members may participate only in person are also suspended.

Thomas Quigley, MTA General Counsel, conducted the roll-call and confirmed the presence of a quorum.

Chairman Foye stated that later in the meeting, Agency Presidents and staff will submit their agency reports, procurements and actions for a vote. The Board members' participation in the meeting but silence at the time of a vote will be considered an affirmative vote for the record.

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The Chairman advised Board members that if any member would like to vote in opposition or abstain from any action, that Board member should state their name and indicate their vote.

Chairman Foye stated that speakers for the public comment period were able to register on Monday, June 21, 2021 and send in their video or voice comments. The Chairman noted that the first 30 minutes of speakers' comments will be delivered at today's meeting and comments made by other speakers will be published on the MTA website.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for the details of Chairman Foye's opening remarks.

2. PUBLIC SPEAKERS SESSION.

The MTA Moderator announced that there are 18 registered public speakers. The first 30 minutes of speakers' comments will be delivered at today's meeting and comments made by other speakers will be published to the MTA website. The MTA Moderator reminded public speakers to adhere to the MTA's rules of conduct and decorum. Public speakers were also reminded of the two-minute speaking limit and that speakers will be alerted when 30 seconds remain to conclude their remarks.

The following 14 speakers commented by videoconference during the public speakers' session. Refer to the video recording of the meeting produced by the MTA and maintained in MTA records for the content of the public speakers' statements, and to MTA.info for comments made by other public speakers.

Aleta Dupree, private citizen
CN, private citizen
Andy Pollack, Passengers United
Tashia Lerebours, Center for the Independence of the Disabled, New York
Charlton D'Souza, President, Passengers United
Eman Rimawi, NYLPI
Ruth Lowenkron, AARRG/NYLPI
Brian Burke, NYCTA
Miriam Fisher, private citizen
Murray Bodin, Concerned Grandparents
Lisa Daglian, PCAC
Joseph Rappaport, Executive Director, BCID
H.P. Schroer, UMEWE
Valerie Joseph, BCID

3. CHAIRMAN FOYE'S REMARKS.

Chairman Foye thanked everyone for joining today's monthly Board meeting. The Chairman noted that this is the first Board meeting since February 2020 where some members of the Board, staff and the media are joining the meeting in-person at 2 Broadway, while others are still attending virtually. Chairman Foye stated that he is delighted to begin to welcome colleagues back after more than one year of meeting on Zoom, which is a testament to how far we have come now that we can safely gather in person.

The Chairman stated that last week Governor Cuomo eased New York State COVID-19 restrictions after the State reached an important vaccination milestone—namely, 70% of New Yorkers have now received at least their first dose of the COVID-19 vaccine, which is amazing news and he stated that he hopes to see these numbers climb even higher. Chairman Foye stated that it is believed that well over 60% of the MTA's workforce has been vaccinated as well, and the organization continues to encourage everyone who has not yet been vaccinated to do so to protect themselves, their families, friends, and colleagues.

Chairman Foye welcomed two new Board members, Commissioners Harold Porr, III and Gerard Bringmann, who are joining today's meeting after their recent State Senate confirmation.

Commissioner Porr was recommended to the Board by Orange County Executive Steve Neuhaus and formally nominated by Governor Cuomo. Commissioner Porr has a long history of public service for city and county government and currently serves as Deputy County Executive for Orange County. The Commissioner previously served as Orange County's Director of Operations, and prior to this role he served as the Village Administrator for Bronxville.

Commissioner Bringmann was recommended to the Board by the Long Island Rail Road Commuter Council, which he currently Chairs. Commissioner Bringmann is also an executive committee member for the Permanent Citizens Advisory Commission to the MTA, in addition to serving as a project manager and superintendent for O+D Builders.

Chairman Foye thanked Commissioners Porr and Bringmann for their commitment to serving the region, especially at this critical time in the history of the agency and the state. The Chairman stated that the Commissioners are joining the Board at a key moment, as the MTA works to lead the region's economic recovery from the pandemic, and the Board looks forward to their contributions.

Chairman Foye stated that while we hope that the worst of the pandemic is behind us, the reality is we are still suffering greatly from its effects. The Chairman stated that, as we have had to do far too often over the last year, we will acknowledge the service and memory of members of the MTA family who have passed with the reading of their names and a moment of silence to honor their memory.

Interim NYCT President Sarah Feinberg read the names of the following NYCT employees:

- Christopher Van Putten
- Harold Wolfert

Catherine Rinaldi, President, Metro-North Railroad, read the name of the following MNR employee:

- Sean Vecchio

Following the reading of the names, Chairman Foye asked everyone to join him in a moment of silence in honor of these employees.

Chairman Foye stated that it is important that we continue to honor our fallen colleagues as we move into the recovery stage of the pandemic. Their service and sacrifice will never be forgotten.

Chairman Foye, recognizing some executive leadership changes set to take effect next month, stated that as announced a few weeks ago he plans to leave the MTA next month to lead the Empire State Development Corporation. The Chairman stated that it has been an extreme honor to lead the MTA and serve the region over the last four years—especially during the last 15-16 months as we navigated this unprecedented public health crisis. Chairman Foye thanked the Governor for the opportunity to serve and stated that he will never forget the heroic actions of his colleagues across the entire agency during the pandemic, and he will remember forever those lost to COVID-19.

The Chairman stated that the Governor has introduced legislation to formally split the Chairman and CEO position into two separate roles. Interim President Sarah Feinberg and Chief Development Officer (CDO) Janno Lieber have been nominated to serve as Chair and CEO, respectively. Chairman Foye stated that both have been key leaders in the MTA's response to the pandemic and have led New York City Transit and MTA Construction and Development, respectively, with dignity, dedication, and great skill and to great effect. The Chairman stated that Interim President Feinberg and CDO Lieber are well-equipped to continue leading this agency as the MTA and the region recover from this unprecedented, once-in-a-century crisis, and we hope the New York State Senate acts quickly to give final passage to the legislation that allows for their appointments so they can be confirmed in those positions as soon as possible.

Chairman Foye stated that these leadership changes will have no impact on the MTA's core mission to deliver safe, reliable, and efficient service for New York and the region, and as always safety remains the top priority.

Chairman Foye stated that following the latest updates from the CDC and the Governor's announcement about easing COVID restrictions the MTA has amended its mask policy. Masks are no longer required to be worn at outdoor platforms and bus stops. Masks are still mandatory at all indoor stations and while riding the train, bus, and the paratransit service.

Masks continue to be available at all station booths and on-board some buses for passengers who forget their face covering at home.

Chairman Foye stated that the MTA Mask Force, which just celebrated one year of service last week, is also going strong and still in the system to distribute masks for anyone who might need one. The Chairman recognized the extraordinary work of Chief Customer Officer Sarah Meyer and her team for all they have done in the last year to lead this initiative, which has been adopted by multiple transit systems across the country.

The Chairman stated that, beyond wearing a mask, the single best thing New Yorkers can do is to get the vaccine. Governor Cuomo extended the wildly popular public vaccination program through at least June 26th at Grand Central Terminal and Penn Station. The MTA is incredibly proud that it has been instrumental in helping more than 22,000 people get their shots. Chairman Foye stated that thousands of people who likely would not have gotten a vaccine otherwise are taking advantage of the convenience of the program to protect themselves, their families, and their neighbors.

Chairman Foye stated that it is vital that we all keep doing our part as more and more customers return to public transportation. The MTA has been setting new pandemic-era ridership records—what seems like every few days, including on three consecutive days last week. Last Friday ridership on the subways hit a high of 2.57 million customers, while the LIRR surpassed 122 thousand customers and Metro-North carried more than 104 thousand. The Chairman stated that the system is a mirror of the city and the region, and to see this level of recovered ridership bodes well for the region's wider recovery.

Chairman Foye stated that there is still a long way to go to hit the MTA's pre-pandemic normal of 5.5 million daily riders on the subways, but things are going in the right direction and the agency is optimistic that as more and more people return to work, socializing in the city and go to concerts and ballgames, those numbers will continue to climb.

Chairman Foye stated that every single one of the MTA agencies is seeing impressive gains, particularly on the weekends for Long Island Rail Road and Metro-North, as we move into the summer months. The MTA service region has so much to offer for recreation and leisure and is proud to carry passengers everywhere they want to go—from the Tarrytown Riverwalk to the beaches of Montauk and from the Cloisters to Rockaway Beach.

To coincide with the start of the season, this week Metro-North implemented its first comprehensive service increase since schedules were modified due to the pandemic more than a year ago. Another more significant increase is planned for August, which will bring Metro-North to 83% of weekday pre-COVID service levels just in time for Labor Day. The Chairman stated that the MTA has been continually monitoring ridership at all agencies with an eye toward increasing service when the time is right.

Chairman Foye stated that the MTA continues to aggressively promote its "Take the Train" campaign. The MTA's ads were featured at the Tribeca Film Festival, which ended this past Sunday. The MTA is also running a partnership with the Immersive Van Gogh Exhibit that

provides Metro-North and LIRR customers with discounted tickets, details can be found on the MTA’s discounts web page.

Chairman Foye stated that perhaps nothing in the system is more evocative of New York’s ongoing recovery than the return of the MTA’s Music Under New York Program. After 14 months of silence, performers are once again bringing joy and music to commuters underground. The Chairman commended Sandra Bloodworth, Director, MTA Arts and Design, for leading the charge to bring music back. Chairman Foye stated that public art and music are such a vital part of the city’s cultural landscape, and everyone has felt its absence since performances were stopped due to the pandemic.

Chairman Foye recognized the work of former Chief Communications Officer Abbey Collins, who left the MTA earlier this month for the private sector. The Chairman stated that Ms. Collins did a tremendous job leading the communications team through the most difficult chapter of the agency’s history—helping to craft and fine-tune information and messaging for customers and employees during a once-in-100-year crisis. Chairman Foye stated that Ms. Collins was also the driving force behind the “Take the Train” and “Take the Bus” campaigns. The Chairman thanked Ms. Collins for her visionary leadership, and he wished her all the best going forward.

Additionally, Chairman Foye extended congratulations to former MTA Chief Operating Officer Nuria Fernandez, who was recently confirmed by the U.S. Senate this month to serve as Administrator of the Federal Transit Administration (“FTA”). The Chairman stated that Ms. Fernandez is perfectly suited for the role, having most recently served as the agency’s Deputy Administrator, and beyond that, Ms. Fernandez has a wide range of experience running large systems that informs her expertise. Chairman Foye stated that FTA is lucky to have her at the helm during this critical moment.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for the details of Chairman Foye’s remarks.

4. CHIEF SAFETY OFFICER’S PRESENTATION.

- A. Safety and Security Report. Patrick Warren, MTA Chief Safety Officer, provided an update on COVID-19 and security.
- B. MTAPD Crime Report. Acting Chief Joseph McGrann, MTAPD, presented the crime report.
- C. NYPD Transit Bureau Report. Chief Kathleen O’Reilly presented the NYPD Transit crime report.

Interim President Sarah Feinberg thanked Acting Chief McGrann for his ongoing service and support, and Chief O’Reilly for her communications, assistance and partnership, particularly over the last several weeks. Interim President Feinberg stated that at the last Board meeting it was expressed that it would be helpful if the agency had more information on the number of Police Officers deployed in the system, and since that discussion Chief O’Reilly has been

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helpful in providing this information. Interim President Feinberg stated that she and Chief O'Reilly have had telephone discussions since the last Board meeting and, as Chief O'Reilly reported, there has been a decrease in the crime numbers over the last three weeks. Interim President Feinberg stated that at the meetings, the Board looks back at the previous months' data, which is between three and seven weeks old, and the more recent data is really looking better. Interim President Feinberg stated that she is grateful to Chief O'Reilly for her support and for the support of the Police Officers deployed in the system.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for the details of Mr. Warren's presentation, Acting Chief McGrann's and Chief O'Reilly's crime reports, Interim President Feinberg's comments and Board members' comments and discussion.

5. CHIEF FINANCIAL OFFICER'S PRESENTATION.

Chief Financial Officer Robert Foran provided an update on MTA finances.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for the details of Mr. Foran's report and Board Members' comments and discussion.

6. APPROVAL OF MINUTES.

Upon motion duly made and seconded, the Board approved the Minutes of the Joint Committee and Board meeting of the MTA and MTA Agencies held on May 26, 2021.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records for the details.

7. NEW YORK CITY TRANSIT AUTHORITY ("NYCTA") COMMITTEE.

A. NYCTA Interim President Sarah Feinberg's Report:

Interim President Feinberg reported that there has been a slow but steady uptick in ridership, with new post-pandemic records occurring relatively regularly. Interim President Feinberg attributed this uptick to the weather and the city's bars and restaurants opening up as well as the improving weather. She predicted that NYCT would continue this slow but steady pace with a big uptick occurring in September as schools re-open and companies bring more employees back to the office. Interim President Feinberg expressed a huge thanks to Abbey Collins and Sarah Meyer for the Take the Bus Take the Train campaign, which she said has helped significantly as well. Interim President Feinberg noted that NYCT is continuing to clean and disinfect the system and continuing to require masks and send out the Mask Force.

Interim President Feinberg reported that there was also an uptick in service issues and challenges in May and June. Interim President Feinberg stated that comparisons that are being made between service issues this year and during 2020 are imperfect. Interim President Feinberg said that it was not surprising that lower ridership resulted in fewer service issues including, for example, less dwell times on platforms. She said that

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comparisons to 2019 are not perfect either but more appropriate. Interim President Feinberg said NYCT continues to be in better shape than in 2019 and on-time performance continues to be better, but said she recognizes some of the challenges that occurred in May. She explained that one of the reasons for these issues was major incidents, which tie up a really large number of trains. Interim President Feinberg said that for incidents that are within our control or are preventable on our side, such as maintenance issues, NYCT does everything possible to prevent such issues and to promptly address whatever maintenance issues do arise. Interim President Feinberg also explained that some incidents are not within our control, such as last month when a person experienced a crisis on the Manhattan Bridge which required personnel on the tracks and prevented NYCT from running trains in either direction for some time. Interim President Feinberg noted that during this morning's commute, riders also experienced a pretty rough rush hour. She thanked people on the subways for their patience. Interim President Feinberg mentioned another incident that she said was outside of our control in which a vandal cut power at the 96th station which shut down A, B, C and D service and caused a significant crowding issue on the 7 train. She said that these kinds of incidents are particularly frustrating, and that NYCT was in the process of pulling camera footage to determine how it happened.

Interim President Feinberg discussed another contributing factor which she said many people are aware of which is staffing and crew shortage issues. She said that every transit agency in history faces these issues while experiencing a hiring freeze for whatever reason which is difficult to recover and dig out from, in NYCT's case, from the pandemic and long-standing financial crisis. Interim President Feinberg noted that the airlines are experiencing such shortages, including significant pilot shortages, resulting in part from having to hire and train new pilots and retrain furloughed pilots. She said this issue is not specific to the MTA but is certainly an issue the MTA is concerned about and feeling the impact from. She further explained that this was a predictable result of the hiring freeze, the MTA has been hiring as quickly as possible, and operational hires started before the hiring freeze lifted from the rest of the agency. Interim President Feinberg said that NYCT will be helped significantly by the lifting of pandemic restrictions, which will allow for larger training classes and more flexibility. She said these shortages are an issue across the board in the agency, including among those who operate work trains, do inspections, and also throughout the HR Department, which is the engine that keeps the hiring going. Interim President Feinberg said she wanted to set expectations that this is not going to be something that NYCT can dig out of quickly but that everyone is doing all they can to make sure the agency is hiring and training as quickly as possible to address shortages and get people back on board. Interim President Feinberg assured that while NYCT is trying to make the hiring process as efficient as possible, we will never cut corners on training or safety.

Interim President Feinberg addressed issues with crime and referred to her comments thanking Chief O'Reilly for her collaboration and support earlier in the meeting. She reported that there has been a significant improvement in crime numbers over the last few weeks, which have not yet been shared publicly. She said the significant increase in police presence seems to be helping a great deal along with the uptick in ridership, noting that the numbers will continue to get better as ridership increases and the city opens up. Interim President Feinberg expressed continued concerns about those experiencing mental health

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crises in the system and said NYCT has been having ongoing productive conversations with the city on these issues and is grateful for all the great work on the 311 front and for the city's efforts.

Interim President Feinberg provided an update on cameras, reporting the great progress that has been made on installing cameras across the system. She said she could not say enough about the stations and maintenance teams, who are ensuring cameras are being placed and installed in the right stations. Interim President Feinberg reported on the update she received that morning about cameras and relayed that more than 150 cameras were installed just this month. She again offered huge kudos to the teams and expressed confidence in her continued goal to have cameras in every station by the end of summer.

Interim President Feinberg reported that ridership is up significantly on Paratransit, reaching 80% of pre-COVID ridership levels. Interim President Feinberg said that Paratransit has not yet resumed shared rides, since the Taxi & Limousine Commission's order that TLC licensed vehicles not do shared rides remains in place. She noted that while other agencies have reinstated shared rides, NYCT will continue to work with TLC on a decision about resuming shared rides. Interim President Feinberg then provided an update to last month's report concerning the procurement for Paratransit car broker services, and explained that the MTA is somewhat limited in what can be said given the fact that there is ongoing litigation and a temporary restraining order that continues to be in place. Interim President Feinberg said that NYCT is eager for the judge to render a decision but since the TRO remains in place NYCT is limited in its ability to act. She noted that MTA has communicated to the Judge the need for the MTA to be able to move forward as quickly as possible.

Interim President Feinberg then referred to Sarah Meyer, MTA Chief Customer Officer, for an exciting announcement. Sarah Meyer said she was thrilled to announce that this morning the MTA together with our friends and partners at *Work & Company* won the Gold Lion award at the Cannes Lions Festival for the live digital subway map that is available at www.map.mta.info. Meyer said the Cannes Lions Festival was basically akin to the Oscars but for web applications and customer communications. She emphasized what a big achievement this was and offered her thanks to Work & Company, which donated this product to the MTA, and to the Transit Innovation Partnership. She specifically thanked Kathy Wylde, Rachel Haot, and the team at NYCT including Josh Gee and a lot of people who have been making the data work better for modern applications.

The video recording of the meeting produced by the MTA and maintained in MTA records contains a complete record of Interim President Feinberg's report.

8. MTA C & D OPERATIONS PROCUREMENT ITEMS.

MTA Chief Development Officer ("CDO") and MTA Construction and Development ("C&D") President Janno Lieber presented this month's procurement package and he was assisted by MTA Chief Innovation Officer ("CIO") Mark Dowd.

New York City Transit and Bus Committee.

CDO Lieber reported that C&D procurement package this month consisted of five procurement actions totaling \$30.6M being brought through the New York City Transit and Bus Committee for approval this month.

The CDO reported that there are three ratification items. The first requests Board ratification of a modification to a contract for the replacement of fiber optic signal cables on the Jamaica and Myrtle Avenue lines with E. J. Electric. The mod is for replacement of approximately 6400 feet of cable trays at 12 stations on the Jamaica Avenue Line. The CDO noted while performing pre-construction investigations, the contractor and the Project Team discovered the condition of the existing cable trays had deteriorated to the point where they could no longer be relied upon to carry the intended new fiberoptic signal cables, and therefore needed to be replaced. CDO Lieber further noted that cost of the modification is \$2.9M.

CDO Lieber reported the next request was for the Board to ratify two modifications for a long standing contract for technical construction oversight support for the Communications-based train control (“CBTC”)/Auxiliary Wayside System (“AWS”) signal system contract for the Queens Boulevard Line (“QBL”). The mod is to allow for additional technical support and construction oversight services for the amount of approximately \$4.8M. The CDO further reported this action will also extend the term of this contract by an additional four months. The CDO noted the technical expertise and support it provided by the consultant, Systra, in connection with the CBTC system integration and expansion to the entire B Division of the subway system and in support for the Train Operators Simulator were critical to the ability of the pre-existing New York City Transit (“NYCT”) Capital Program Management (“CPM”) Department; team’s ability to support these major initiatives. For this reason, the CDO noted, Systra was directed by staff from the NYCT’s CPM Signals and Train Control team to begin working on all these initiatives without the benefit of a modification to the Contract for this work. The CDO further noted that a modification to the contract should have been done as this was extra work to the contract, was in excess of the original contract amount and was not timely processed which was a screw-up as action was not promptly taken. C&D is now correcting this with this procurement action. He further noted that the work has been performed effectively in support QBL CBTC/AWS project which was taken over last year by C&D. The Signals Program has been reinstructed on the importance of the timely processing and approval of contract modifications.

CDO Lieber reported that the final two procurement actions were in the competitive section and requests the Board's approval to modify the two Ultra-Wideband (“UWB”) proof of concept contracts to establish interoperability between the two UWB train communication systems. The CDO introduced CIO Mark Dowd who provided a briefing on the two UWB Contracts and the modifications being presented today.

CIO Dowd stated that he was excited to introduce a new technology this is a part of these procurement actions.

CIO Dowd reported that rail signaling is a system used to direct rail traffic and keep trains clear of each other. Communications based control or CBTC is a rail signaling system that makes use of telecommunications between the train and track equipment. CBTC provides the exact positioning of the train more accurately than traditional signaling systems. This results in a more efficient and safe way to manage rail traffic. The CIO reported that all CBTC suppliers are required to be interoperable with each other.

The CIO reported that the new technology, commonly referred to as UWB or Ultra-Wideband, is a wireless protocol communication system that functions using radio waves. The CIO further reported at its most basic, it can be used to transmit messages between devices, making it somewhat analogous to bluetooth or wi-fi. CIO Dowd reported the main feature is it enables highly accurate location tracking with UWB devices able to identify distances and even the location of other hardware relative to itself within a few inches. He noted that an example is that UWB chips are now mainstream technology in their use in Apple phones and other devices.

CIO Dowd reported the MTA is the first transit agency in the world to use UWB for positioning and navigation for CBTC signaling. As a result of the Signaling Challenge, UWB was piloted by two startup technology companies in our system on the Flushing Line and the Canarsie Line. These two startups – Humatics out of the Massachusetts Institute of Technology (“M.I.T.”) and Piper out of California – piloted UWB with two established CBTC suppliers – Siemens and Thales. In March 2020, the pilot was successful in establishing the effectiveness of UWB as part of CBTC signaling for positioning and navigation.

The CIO further reported consistent with the requirements of CBTC interoperability, MTA is now requiring Humatics and Piper to work together to design UWB radios based on a single chip that is commercially available to any UWB suppliers. CIO Dowd reported the MTA is modifying the two pilot contracts to require the UWB and the CBTC suppliers under the Pilot, work together to produce interoperable UWB radios based on a standard microchip produced by Qorvo that can be integrated into the CBTC system. The CIO reported the MTA expects this work to be completed in no more than 14 1/2 months allowing interoperability of UWB technology to be used for train positions and navigation and future CBTC projects. The Qorvo microchip The Qorvo microchip was selected as the standard chip for MTA’s UWB because of its wide commercial availability.

CIO Dowd reported C&D is bringing two procurement actions this month for the Board's approval which will modify the Ultra-Wideband Pilot contracts with Siemens/Humatics and Thales/Piper. These modifications to the Siemens/Humatics contract requires Siemens/Humatics to redesign, manufacture and test its UWB radio incorporating the Qorvo chip. The modification to the Thales/Piper contract requires Thales/Piper to actively support Siemens/Humatics in the development of the redesigned Humatics UWB radio, and further, to work with Siemens/Humatics to finalize a common UWB communication protocol, establishing full UWB interoperability between the two UWB systems. The cost of the modification for Siemens is \$14.1M and \$8.7M for Thales. The costs are consistent with the relative amount of work the contractors are expected to perform under these modifications.

The CIO reported that as part of our due diligence, we uncovered that subcontractor Piper has been cited by the New York State Workers Compensation Board for noncompliance. The CIO

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further noted that Piper was unaware of this infraction and subsequent debarment until the MTA advised them of the issue. The CIO noted that while the MTA understands that Piper successfully disputed this finding and was notified by the Workers Compensation Board that the debarment will be lifted by the end of the week. C&D will not award either of these modifications unless and until the Piper debarment has been lifted.

As a final note, CIO Dowd noted we are excited to enter into the next phase of this project where we'll be leading the world in bringing new technologies that will make it safer and more efficient for our customers to ride the subway.

CDO Lieber thanked CIO Dowd for all of his work which has been long-standing on this UWB initiative and commented that it has made a huge difference.

Board Member Law inquired whether this technology has anything related to Positive Train Control ("PTC") that we've just been dealing with over the last few years with the railroads, as PTC was supposed to enhance communications with trains, or is this totally different technology and a different purpose,

CIO Dowd responded that it's a part of the technology suite. He noted that there's a suite of technologies that go into CBTC, and that UWB is positioning and location. The CIO further stated that we're trying it out there because there is a potential application to other places, which is one of the reasons why we really like UWB, whether it's worker safety, PTC or other places, but the first place we're going to try to work through it is as part of a safety certified CBTC system.

Board Member Law thanked CIO Dowd for his response.

Board Member Albert stated that he has seen the technology demonstrated and it's amazing. Board Member Albert noted that the technology knows when you're too close to the next train or when there's a person or a rat on the tracks. Mr. Albert further stated that it can be incorporated at a fraction of the cost of CBTC and it works along with CBTC. Board Member Albert concluded that we are going to be very much in a better place once we install this.

CIO Dowd thanked Board Member Albert.

CDO Lieber commented that he has enlisted his colleague Mr. Albert on the location positioning element of the effort and thanked him.

Upon a motion duly made and seconded, the Board:

1. Approved the award of modifications to the Ultra-Wideband Proof of Concept contracts W-81199-1 (Modification No. 1) to Siemens Mobility Inc. and W-81199-2 (Modification No. 3) to Thales Transportation and Security Inc., to establish interoperability between the two Ultra-Wideband train communication systems for the amounts of \$14,123,881.00 and \$8,741,222.04 respectively.

2. Ratified two modifications (Numbers 4 & 6) to the Consultant Services for Support of the Construction of the CBTC/AWS Signal System for the Queens Boulevard Line contract (CM-1539) with Systra Engineering, Inc. to provide additional technical support and construction oversight support services in the total not-to-exceed amount of \$4,830,106; \$2,372,305 for Modification No. 4 and \$2,457,801 for Modification No. 6 and; an extension to the contract term by an additional four (4) month period (December 31, 2022 to April 30, 2023).
3. Ratified a modification (Number 1) to the Life Cycle Replacement of Code Systems – Phase I on the Jamaica and Myrtle Avenue Lines in Brooklyn and Queens contract (S33932) with E-J Electric Installation Corp. for the replacement of approximately 6,440 feet of cable trays at twelve (12) stations on the Jamaica Avenue line.

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

9. CHIEF DEVELOPMENT OFFICER'S PRESENTATION.

A. Report on MTA C&D Operations and Capital Program Oversight Committee ("CPOC"):

CDO Lieber reported this month's focus for CPOC is on rolling stock and OMNY. CDO Lieber reported that neither of these topics are C&D initiatives per se, but both are critically important and there are materials related to these two initiatives in this month's CPOC Board book.

The CDO reported that rolling stock is especially important as part of the capital program as the Board is aware. New vehicles improve service reliability. The CDO further reported the train cars we purchased in the last 20 years are two and a half times more reliable than our older fleet, and they also include enhanced accessibility features, hugely important to this broader initiative we're all pushing forward on.

CDO Lieber stated the MTA reported to the Board in January on our overall rolling stock strategy for the year, which is really being shaped by the need to support ridership return as well as by funding realities. The CDO reported this month's CPOC book contains reports on existing rolling stock procurements for bus, subway and rail, and, of course, the MTA's Independent Engineering Consultant) is available to answer any questions that you have.

CDO Lieber reminded the Board that he mentioned to you last month real progress has been made on the East Side Access ("ESA") project and the facility was looking like a proper railroad terminal. The CDO reported that late last month, Governor Cuomo announced the completion of major civil construction and C&D had the opportunity to take the Governor long with the press on a tour to see the progress that has been made. A few members of the Board were able to join the tour, including Board Members Mujica and Glucksman. CDO Lieber announced that C&D has organized two more tour dates on July 2nd and July 23rd for the other members of the Board as we'd very much like all of the Board members to see ESA. The CDO reported that important work remains on the ESA project,

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notably the testing and commissioning of major systems; training and activation work by Long Island Rail Road (“LIRR”), but we’re still driving to complete this project by the end of next year. CDO Lieber also reported that the MTA is working with our partners in labor to figure out how the station will be operated day-to-day with more information to come soon on that.

CDO Lieber further reported as part of the Third Track LIRR Expansion Project (“3rd Track”), the Floral Park station has been improved with the installation of three new elevators, making the station fully ADA accessible and an event was held in April to mark the occasion. The CDO reported this part of the project cost 10 million as the elevators were built not within the station, or within the complex structure like we face in the subway, but outside it as can be seen in the presentation photo along with the fact there were really no utilities to be relocated. CDO Lieber thanked the MTA’s Chief Accessibility Officer (“CAO”) Quemuel Arroyo for his presence at the event and for visiting several stations and grade crossings along the main line to review the accessibility elements of the 3rd track project that day.

The CDO noted this weekend there will be a double track outage to push a tunnel under the Oyster Bay branch tracks in Mineola and then in July, there will be a similar tunnel push in Mineola, this time under the tracks leading to the Port Jefferson and Ronkonkoma branches so that's a note in terms of ridership impact. CDO Lieber reported after recent double track outages, we got feedback from our friends at Passengers United who comment frequently during the Public Comment period before the Board Meeting, and from others requesting overnight bus options be made available where the LIRR service is out. That was done and, it seems to have worked and made a difference. The CDO further reported this would continue and the usage will be monitored.

CDO Lieber reported three new elevators at the 57th street Subway station on the N, Q, R and W lines were opened making it fully ADA accessible. The CDO thanked Board Member Victor Calise and CAO Arroyo for attending the opening. CDO Lieber noted this was a very different project from the Floral Park one as it was much more complicated because of the street level traffic implications, the structural proximity to Carnegie Hall which is obviously a big issue, but perhaps most significant, was the utility work which included relocating and upgrading:

- 500 Feet of 135-year-old Con-Edison gas lines;
- 72 empire city conduits;
- 100 feet of 12-inch water main;
- 100 feet of Con-Edison steam line;
- Reconstructing three or four Con-Edison Manholes

CDO Lieber stated he mentions this because it highlights the difference between doing elevator installation and ADA projects in our existing physically antiquated subway system versus what was shown and presented earlier at Floral Park where we were able attach to it an existing elevated railroad structure and is obviously something we need to bear in mind as we manage the cost implications of the ADA program.

The CDO reported that the East End Gateway project, which is the improvement, the widening and expansion and refinishing of the major LIRR Concourse at Penn Station between 7th and 8th Avenue, continues to progress with some unglamorous but incredibly important and complicated utility relocation work under 7th Avenue as shown in the presentation. The CDO reported the project involves raising the ceiling of that incredibly important LIRR Concourse up to a more uniform 18-foot height. Part of the process to achieve that height is by right-sizing two huge utility boxes which were under 33rd Street. One of utility boxes contained only two active water and gas lines. The CDO noted that C&D is taking back 100,000 cubic feet of underused space that's going to allow C&D to create a much better customer environment down below 33rd Street in Penn Station with a higher ceiling.

CDO Lieber reported these are just some of the milestones we've achieved this month, and there are more. He noted that, as Lisa Daglian (Permanent Citizens Advisory Committee or "PCAC") mentioned in her testimony during the public comment period, we had the Penn Access Public meeting after the Federal Government gave the MTA the Environmental go ahead to proceed. The CDO further reported public comments are still being collected at this time however to date the comments have been almost uniformly extremely supportive of the project, so that is significant progress for a project we all care a lot about.

CDO Lieber reported the zoning for accessibility proposal that the MTA has been advancing in tandem with the City's Department City Planning of is also moving forward, in fact, City Planning is having hearing on it this very month. CDO Lieber acknowledged and thanked Board Member Calise and CAO Arroyo for their leadership and support on this initiative.

The CDO further reported C&D is working closely with MTA Chief Financial Officer ("CFO") Bob Foran and we've upped our goal of awarding \$6.2 billion of projects this year by at least a billion dollars. The CDO stated that although there are strong head winds, which he has spoken to some Board members individually, some of which has to do with staffing issues and that in some ways are not dissimilar to what New York City Transit ("NYCT") Interim President Sarah Feinberg spoke about earlier regarding NYCT, but the supply chain for both equipment and materials along with the cost structure of materials, continues to be impacted by COVID, so we're working in a market that is still recovering from this very, very difficult year. The CDO continued that C&D is actually increasing its goal for this year and acknowledged and thanked CFO Foran and his team's support for the Capital Program, putting Humpty Dumpty back together again and really juicing the Capital Program.

CDO Lieber reported by reporting and acknowledging the C&D team which has now come back to the office on a 50% full A and B scheme which equates to 50% of the staff is in the office every weekday and that began on June 7th. The CDO reported the C&D team is almost 80% vaccinated and the team has been working intensely during COVID but were ready to get back together to do the planning and the management of the jobs face-to-face,

and the CDO stated he wanted to acknowledge their tremendous work and commitment, which continues right through their return to work.

Board Member Calise commented that CDO Lieber always ties some good stuff together as we build an environment of accessibility, so he's always on his good side here, and thanked him for the acknowledgement of the work we do to make things accessible and thanked the crews making accessibility happen. Board Member Calise further commented that he was very excited to see Floral Park and he has a hockey buddy in Floral Park who's an Islander Fan while he is a Ranger fan, and now they can go back and forth and see games together. He noted that is really important. Board Member Calise also commented that you can see the stark comparison of putting elevators in at 57th street and putting them in at Floral Park. Board Member Calise continued by saying that they are totally two different environments, so zoning for Accessibility needs to pass and he is encouraging people and advocates to support that initiative.

Board Member Calise stated the CFO Foran mentioned something earlier that we didn't need any more funding for congestion pricing but inquired how much more funding do we need for the 2020-24 Capital Program Plan to commit to the funding for the 70 ADA stations.

CFO Foran responded that the MTA is committed to the full \$54.5B Capital Program, including Bridges and Tunnels. He noted that the risk element of this is the fact that MTA is to provide \$9.8B of funding from our own resources at the end of the capital program. The Capital Program will be funded first with lockbox monies, which we do have and we're going to make that available. Then it's going to be the congestion pricing money. There's also going to be contributions from the State and the City of a total of \$6 billion, but the back end of the plan funding is the \$9.8 billion from the MTA. The CFO continued he considers that is a risk and we don't know what the future holds. We are looking at significant deficits in the out years and we have to address them. The CFO further stated the MTA has a plan to try to get there and move forward with the funding, but again, that's at the back end of the Capital Program and we have time to address it.

Board Member Calise inquired whether the MTA is committed to funding for 70 ADA stations.

CFO Foran responded that he would defer to CDO Lieber for responses on the commitments of individual elements, but in terms of funding the total 2020-24 Capital Program, that's the goal and that's the objective.

Board Member Calise thanked CFO Foran.

CDO Lieber responded that the MTA continuous to press forward with ADA projects aggressively, even in the financially constrained environment, even when we were totally dependent on federal funding, we continued to advance ADA projects. He noted that the MTA is moving forward, although there is uncertainty at the back end as CFO Foran has articulated, both with respect to when congestion pricing will show up and that last roughly \$10 billion of MTA bonds, but we're continuing to press forward.

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Board Member Calise stated he was here to support that any way he could.

Chairman Foye commented to Board Member Calise that his Islander friend gets to see hockey in the month of June.

Board Member Gerard Bringmann inquired that, with the Board of the Port Authority now pausing the LaGuardia Air Train, if there were any possibility that the MTA can move forward with making the Willets Point station ADA accessible at this time.

Chairman Foye responded the Port Authority has not paused that project, and noted that there's additional review underway at the Federal Aviation Administration, which is the lead agency responsible for that and the MTA is working closely with the Port Authority on all these issues.

CDO Lieber responded the station that's being designed by C&D was being designed in tandem with the Port Authority, is the Willets Point/LIRR station and was to be fully ADA accessible.

Board Member Bringmann stated that he is new to the Board, but noted that it's sort of an embarrassment that we live in the greatest city in the world, and where we have Citi Field and the National Tennis Center and we have a station there that is not ADA accessible. Board Member Bringmann stated that he brought this topic up as the Commuter Council Chairman between 2006 and 2010 and the attitude was like, "Yeah, we'll get to it" and here we are 11, 12 years later, and it still is not ADA accessible. Board Member Bringmann continued that it seems like there's one excuse after the other, so any way we can push the Port Authority or at least get their plans on how they're developing it so we can but some elevators in there. Board Member Bringmann concluded that it's just something he thinks is way, way overdue.

In response, Chairman Foye stated the Port Authority and the MTA agree and key component as CDO Lieber mentioned of the Air Train at LaGuardia is accessibility at the Mets Willets Point Station, which is desperately needed.

Board Member Neal Zuckerman stated that he will really miss Chairman Foye's sense of humor and as COVID is subsiding and that he sees the light at the end of the tunnel, he is getting funnier and funnier in every meeting, and he applauded that. Board Member Zuckerman stated that his comment is a relatively narrow one and unfortunately, given our structure now, this is the only place to really raise these issues, but it's not even an issue. The Board Member commented he just wanted to note that he was thrilled about CFO Foran report on the funding of the Capital Program, but in his relatively small County of Putnam, they have some very small but important items related to Putnam in that Capital Plan, including the Southeast station and the Garrison station which is crumbling each day as he walks by it. Board Member Zuckerman further stated that he would love to speak to the CDO, in both his current position and his new one, and know specifically when those two projects are coming to fruition, whether or not those projects are coming in the early or later stage of the Capital Program and if they are part of CFO Foran's early funding or

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his future less than clear funding. Board Member Zuckerman further congratulated the CDO on his nomination and noted that he hopes the nomination sails through swimmingly through the Senate and that he's sure it will.

CDO Lieber responded he would be happy to speak to Board Member Zuckerman and that responding broadly as he does, he does not have the specifics in front of him, but he would get back to him.

A copy of CDO Lieber's presentation is filed with the records of the Regular Board Meeting of the MTA of this date.

10. LIRR AND METRO-NORTH RAILROAD JOINT COMMITTEE.

A. Metro-North President Catherine Rinaldi's Report:

President Rinaldi reported that on June 21, 2021, Metro-North added 24 new peak trains on the Hudson, Harlem, and New Haven Lines, bringing service to 67% of pre-pandemic levels. This service increase comes as the region continues its reopening and Metro-North continues to welcome more riders back to the system. Last Friday, June 18, 2021, Metro-North set a pandemic ridership record with approximately 104,304 trips taken; the first time Metro-North has surpassed 100,000 riders since the start of the pandemic. Metro-North has increased service to meet the increased demand and could not be happier to be welcoming so many customers back. A more significant service change, which will increase service to 83% of pre-pandemic levels during the week and 70% of pre-pandemic levels on the weekends, will take place on August 29, 2021, just in time for Labor Day.

President Rinaldi stated that Metro-North is now seeing between 36% and 40% of pre-pandemic ridership during the week and very strong ridership on the weekends. As ridership has steadily risen over the course of this spring and summer, service delivery has continued to be strong. Year-to-date on-time-performance ("OTP") by line is as follows:

- 98.7% on the Hudson Line;
- 98.7% on the Harlem Line; and
- 97% on the New Haven Line.

System-wide OTP is at 97%. West of Hudson Service also operated above goal at 95.9% with year-to-date OTP standing at 94.0%.

Addressing recent service-delivery issues on the Harlem and New Haven Lines, President Rinaldi reported that throughout the pandemic, Metro-North crews have advanced critical infrastructure work while trains are operating at a reduced schedule. Metro-North crews are currently working on the Harlem Line to replace track switches north of Hartsdale Station. To support the project, train service between Scarsdale and North White Plains is reduced to one track in both directions. As more work can be done on weekdays, both the amount of nighttime work and the duration of the project is decreased. At the same time,

Metro-North is performing tie-replacement work between North White Plains and Pleasantville, which is expected to continue for much of the summer.

With respect to New Haven Line service, in last month's update on Positive Train Control ("PTC"), President Rinaldi reported that PTC maintenance continues as Metro-North monitors reliability and safety and implements system software updates to make operational improvements and correct variances. Metro-North expects a software release for deployment on the M8 fleet over the summer. President Rinaldi acknowledged that the Harlem Line infrastructure improvements and New Haven Line PTC upgrades have had an impact on service delivery. Once both are completed, Metro-North expects to see an improvement in the reliability of train service.

President Rinaldi reported on the deployment of Metro-North's first "Summer Saturdays" Program. To recognize monthly ticket holders and encourage more ridership this summer, Metro-North will be joining Long Island Rail Road in bringing back the program, which was first launched by the Long Island Rail Road in 2018. Metro-North will be honoring monthly tickets for travel to and from all Metro-North stations, regardless of what stations are printed on the ticket. As President Eng will mention in his report, monthly ticket holders traveling Saturdays between July 3rd and August 28th will be able to bring up to four additional travelers for only \$1 per person each way. This program offers a great way for customers to explore the Hudson Valley and New York City with family and friends as the region reopens.

Metro-North has also resumed its "Station Talks" program so customers have an opportunity to meet district managers and provide feedback. So far, district managers have met with customers at White Plains, Fordham, and West Haven Stations and received positive feedback on the cleanliness of stations and trains.

Additionally, Metro-North has introduced the capacity tracker on the New Haven Line M8 fleet. New Haven Line customers can now see the seating capacity available on each car of an approaching train by looking at digital signs on platforms five minutes before a train arrives or by using Metro-North's Train Time application at any time. Last November, this technology was launched on the M7 fleet serving the Hudson and Harlem Lines. President Rinaldi stated that she is excited many more Metro-North customers are now able to use this technology, which makes it easier for customers to plan their rides. President Rinaldi thanked the hardworking Metro-North and MTA IT employees for their efforts on this transformative project.

Providing an update on Metro-North's Way Ahead Strategic Plan, President Rinaldi reported that Metro-North launched its Way Ahead Strategic Plan in the fall of 2018 with a focus on three priorities: Our Customers, Our People, and Our Infrastructure. Over the past two years, Metro-North has accomplished a great deal and has provided the Metro-North Committee Members with regular updates on progress. President Rinaldi announced a comprehensive update to Metro-North's strategic plan called "Way Ahead – Moving Forward." As the region begins to re-open, Metro-North has taken a hard look at what it will take to recover and to help the region recover. Metro-North has updated its strategies in each of its priority areas to respond to new challenges and is ready to adapt to whatever

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the “new normal” becomes. Metro-North is focusing on the changing needs of the railroad and region as they recover from the pandemic and adjust to structural shifts in work and transportation patterns. President Rinaldi stated that after today’s meeting she will be sending the Metro-North and Long Island Rail Road Committee Members an electronic copy of Metro-North’s updated plan and a link to the updated website. She will be happy to discuss in more detail at future Committee meetings and answer any questions they may have.

Reporting on recent personnel changes, President Rinaldi announced the retirement of Susan Doering, Metro-North’s Executive Vice President. Ms. Doering was a graduate of the MTA’s Future Managers Program in 1989, and from there, she steadily rose through the ranks at Metro-North. She first served as a trainmaster, assistant conductor, and locomotive engineer. She then went on to become District Superintendent of the North White Plains and Brewster Districts, Line Superintendent of the Hudson and Harlem/Beacon Lines, and then Deputy Chief of Operations before moving over to the Customer Service and Stations Department, where she was Vice President for five years. In 2018 she was made Executive Vice President. Throughout her career, Ms. Doering has used her knowledge of operations and customer service to bring multiple departments together to achieve common goals. Her knowledge of the railroad is unparalleled, and she has brought drive, dedication, creativity, and enthusiasm to all of her work. President Rinaldi asked Board Members and staff to please join her and the Metro-North family in wishing Ms. Doering the very best in her retirement.

President Rinaldi also announced the recent promotion of Jim Heimbuecher to the position of Vice President Maintenance of Equipment. Mr. Heimbuecher began his career with Metro-North in 1990 as an electrician. He quickly rose through the ranks holding several operational positions and most recently served as Chief Mechanical Officer since 2019. Mr. Heimbuecher has over 30 years of experience in rolling stock maintenance practices and federal regulations as well as strong leadership and team building skills. Mr. Heimbuecher will now be responsible for providing leadership and direction to Metro-North’s Mechanical Department. President Rinaldi asked Board Members and staff to please join her in congratulating Mr. Heimbuecher on his promotion and wishing him continued success at Metro-North.

In closing, President Rinaldi expressed how proud she is of how the railroad employees pulled together during one of the darkest times in our nation’s history and how they remained focused on the basics of providing safe and reliable train service to customers. She expressed her gratitude for the work that Metro-North’s front-line employees did to keep essential workers moving during the pandemic. She stated that she is grateful for how Metro-North’s employees have been adapting as the railroad has changed during the pandemic, and how they have been welcoming customers back.

The video recording of the meeting produced by the MTA and maintained in MTA records contains a complete record of President Rinaldi’s report. Additionally, the details of the following Metro-North Committee items are contained in reports filed with the records of this meeting:

B. Metro-North Information Item:

- Progress on Way Ahead Strategic Plan

C. Other Metro-North Committee Items:

- Minutes of the Joint Metro-North and Long Island Rail Road Committee Meeting held May 26, 2021
- Metro-North 2021 Work Plan
- Metro-North Safety Report
- MTA Police Report – Metro-North
- Metro-North Operations, Performance Metrics, Finance, Ridership, and Capital Program Reports

A. LIRR President Phillip Eng’s Report:

President Eng stated that that last year, we broke several records when it came to On-Time Performance (“OTP”) as well as our maintenance and State-of-Good-Repair (“SOGR”) accomplishments. This year, our workforce continues to step up and deliver for our customers. As we successfully complete projects, we have new projects beginning, concurrently delivering vital train service throughout the entirety of the pandemic, a true testament to the dedication of our workforce and our managers.

President Eng stated that the Lynbrook and Rockville Centre viaduct repairs are great examples of recently completed work vital to restoring and ensuring long term stability of those two structures that carry trains on the Babylon Branch. Not only did we address the viaducts below, we tackled the root cause of the deterioration, addressing drainage and water runoff above. President Eng stated that he is proud we delivered on these commitments given they fulfill our goals to improve safety and reliability and will result in minimizing the operating costs associated with demand maintenance and response. This work was accomplished utilizing three small business mentor contractors including Zion, a local Lynbrook contractor. President Eng stated that all worked collaboratively alongside LIRR forces to successfully deliver these projects.

President Eng reported that this weekend, June 26-27, Main Line service will be suspended for the Willis Avenue grade crossing elimination work. He is also happy to report that the contractor will again support this outage and provide overnight bus service along the Main Line. Also, this coming weekend on the Port Washington Branch, to prep for another section of critical concrete tie installations, we’ll be going from half-hourly to hourly. This project will run from July 5-August 29. President Eng stated that we have been successfully accomplishing concrete tie installations across the system at a faster, more efficient, and more cost-effective pace in recent years, utilizing a continuous track outage. He observed that this one is special because when this last phase of work is complete, the Port Washington Branch will be fully reconstructed and be the LIRR’s first all-concrete tie branch. President Eng stated that this is huge for us and our riders as it delivers both safety and long-term reliability. During this work, there will be no changes to peak service; however, off-peak service will be reduced from half-hourly to

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hourly. President Eng stated that it is critically important that we finish this work sooner rather than later as we see ridership continue to grow, and we anticipate even stronger ridership post-Labor Day.

Lastly regarding upcoming work, President Eng reported that on the weekend of July 17-18, for a 12-hour period, one of two tracks from Freeport to Wantagh will be out of service while we perform SOGR work. Montauk Branch customers will see some service adjustments. Additional information is in the Committee Book.

President Eng stated that all this work continues to fulfill our commitment to providing reliable and safe service. In May, LIRR trains operated on-time at 95.8%, exceeding our goal of 94%. This takes into account the fire in Westbury that forced a Main Line shutdown, reducing our OTP by 1.1%. This demonstrates that our approach of proactively tackling those issues we can control, and mitigating things out of our control, is resulting in improved service for our customers.

President Eng reported that so far for the year, we continue to outperform last year which was our highest performance in modern day history. Our on-time metrics year-to-date is 96.13%. President Eng stated that he is proud of our team, constantly pushing day in and day out to provide better and better service for the public we serve. OTP is up and costs associated with unplanned incidents are down. A win-win.

President Eng stated that the railroad has never been safer and more reliable than it is today, and that goes hand in hand with returning ridership. On Memorial Day weekend, despite the wet and cold weather, people took the train to reach many recently re-opened destinations. It confirmed the importance of public transit: rain or shine, people are riding the rails. President Eng stated that on June 5, we proudly and successfully supported service to and from the Belmont Stakes. Discretionary ridership remains strong and we continue to see more and more people choose to take the train.

President Eng stated that throughout the pandemic, we carried many essential workers and many of them are Monthly ticket holders. As an extra way to say thank you to them for their efforts and for continuing to ride the rails helping us beat the pandemic, as Cathy noted, we are relaunching our Summer Saturday Program, starting July 3. This is our way of adding value to the Monthly ticket, making it easier for folks to take the train this summer and visit all that Long Island and NYC have to offer as destinations reopen. Here's how it works: if you have an LIRR Monthly ticket, you can bring up to four companions of any age on board any LIRR train systemwide, and each of your guests only pays \$1 each way. This will run through and including Saturday, August 28. The only exception we have is like prior summers, this will not be valid on Montauk trains because of capacity concerns. But there are still many great destinations that folks can get to with this offer, and we're excited to be able to bring it back.

Concluding his remarks, President Eng stated that he is also excited to announce that the Meet the Managers program is being restored. This was a very successful program running continuously prior to the pandemic allowing our customers to engage with managers and

staff across the system, allowing them to provide input and answer any questions they may have. That's particularly important now, with weekday ridership consistently hovering over the 40% mark of pre-pandemic levels, hitting 43% this past Monday, and weekend stopping 68%. More and more customers can experience first-hand all the improvements we have made.

The video recording of the meeting produced by the MTA and maintained in MTA records contains a complete record of President Eng's report. Additionally, the details of the following LIRR Committee items are contained in reports filed with the records of this meeting.

B. LIRR Information Items:

- Summer Trackwork Programs

C. LIRR Procurement

- Non-Competitive

President Eng requested, on behalf of LIRR, Metro-North Railroad (the Railroads) and New York City Transit (NYCT) approval for a five-year rolling stock Original Equipment Manufacturer (OEM) purchase, for critical parts, components and assemblies for major rail car systems such as HVAC and air brakes, that enable the Railroads and NYCT to fulfill their maintenance programs, improving safety and reliability, to Knorr Brake Company, Merak and New York Air Brake, estimated at \$161.9 million, of which \$137.2 million has fixed pricing. President Eng stated that this represents the first fully consolidated pricing agreement incorporating the needs, as required, of the three agencies.

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

D. Other LIRR Committee Items:

- Minutes of the Joint Metro-North and Long Island Rail Road Committee Meeting held May 26, 2021
- LIRR 2021 Work Plan
- LIRR Safety Report
- MTA Police Report – LIRR
- LIRR Operations, Performance Metrics, Finance, Ridership, and Capital Program Reports

11. MTA BRIDGES AND TUNNELS (“MTA B&T”) OPERATIONS COMMITTEE

A. MTA B&T President Daniel DeCrescenzo’s Report:

Mr. DeCrescenzo stated that total TBTA paid traffic in April was 24.9 million vehicles, an increase of 156% as compared to April 2020, which had the lowest TBTA traffic levels in decades due to the COVID-19 pandemic. While April results are 9% lower in April 2021, as compared to April 2019, they are higher than projected.

Based on preliminary figures, total TBTA paid traffic for May 2021 was 8% lower, as compared to May 2019, and 80% higher than in May 2020. Mr. DeCrescenzo remarked that last week new paid traffic pandemic highs were reached on consecutive days with over 973,000 vehicles on Thursday, June 17, and 989,000 vehicles on Friday, June 18, equating to 96.4% of comparable pre-pandemic traffic figures.

Mr. DeCrescenzo stated that as traffic recovers, TBTA continues to focus on customer safety. Given the dramatic reduction in traffic levels in April 2020, safety performance is now most appropriately evaluated by comparing it to pre-pandemic levels. TBTA recorded some of its best customer safety performance metrics ever in April 2020 with two total collisions per million vehicles and a remarkable zero collisions with injuries. While the collision rates were higher in April 2021, they were significantly better than April 2019, with 3.4 total collisions and 0.56 collisions with injuries per million vehicles, or 38% and 26% better, respectively, than the pre-pandemic performance of April 2019.

Mr. DeCrescenzo acknowledged the retirement of Anthony Mattia, President of the DC 37 Local 1931 Maintenance Union and a Level 3 Bridge and Tunnel Maintainer. In his 39-year TBTA career, Mr. Mattia worked tirelessly to improve job safety. His ability to forge mutually beneficial agreements with TBTA helped his membership and the traveling public and he was an important element of TBTA’s COVID-19 mitigation efforts. He thanked Mr. Mattia for his service and wished him a happy and healthy retirement.

Procurements

Mr. DeCrescenzo stated that there are no procurements.

The details of Mr. DeCrescenzo’s presentation are contained in the video recording of this meeting, produced by the MTA and maintained in MTA records.

12. MTA COMMITTEE ON FINANCE.

A. Budget Watch.

David Keller, MTA Senior Deputy Budget Director, presented the Budget Watch report.

The details of Mr. Keller’s presentation are contained in the video recording of this meeting, produced by the MTA and maintained in the MTA records. The Budget Watch report is available in the Finance Committee Book, the Board Exhibit book and MTA.Info.

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June 23, 2021

B. Finance Watch.

The Finance Watch report is available in the Finance Committee book. Patrick McCoy, Director of Finance, was available to address questions.

C. Action Items.

David Keller, Senior Deputy Director, Financial Management and Budget, presented a summary of the following action items for Board approval.

1. Owner Controlled Insurance (“OCIP”) Additional Insurance – Willis of New York. Upon motion duly made and seconded, the Board approved the procurement of additional insurance coverage under the MTA’s 2015-2109 OCIP to include a portion of the 2020-2024 Capital Plan and extend the contract term by two years. The specifics are set forth in the staff summary and documentation filed with the meeting materials. Phyllis Rachmuth, Director, Risk and Insurance Management, was available to address questions.
2. 2021 State Public Works Enforcement Fund (“PWEF”) Assessment. Upon motion duly made and seconded, the Board authorized actions relating to the payment of the State assessment on the MTA and its constituent agencies for the PWEF for calendar year 2021. The specifics are set forth in the staff summary and documentation filed with the meeting materials.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for details of Mr. Keller’s summary of these action items.

D. Procurement Items.

Kuvershen Ayer, MTA Chief Procurement Officer, presented a summary of the following procurement items for Board approval.

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

1. Trapeze Software Group, Inc. – Crew Dispatching Management System – No. 900000000003838. Approved the award of a competitively negotiated miscellaneous service contract with Trapeze Software Group, Inc. to deliver and implement a new Crew Dispatching and Management System to support the picking, crew management/dispatching, and time reporting process for Metro-North Railroad (MNR), with an option to implement same for Long Island Rail Road (LIRR).
2. Various Contractors – As-Needed Temporary Medical Staffing – No. 15333, Modification No 3. Approved adding additional funding to increase the contract value to a not-to-exceed amount for competitively negotiated personal services contracts with

MTA and Agencies’ Joint Committee and Regular Board Meeting
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Jennifer Temps, Medical Search International, New Wave People, Inc., Penda Aiken, Inc., White Glove Placement and Winston Support Services, to allow these firms to continue to provide temporary medical staffing for the MTA Office of Health Services (OHS) for 11 months of the second one-year extension of the contract from July 8, 2021 through June 7, 2022.

- E. Real Estate Items: David Florio, Director, R.E. Operations, Leasing & Acquisitions, presented a summary of the following real estate items for Board approval.

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

Long Island Rail Road

1. License agreement with Twin Forks Chapter of the National Railway Historical Society for storage of rail cars, Riverhead, N.Y.
2. License agreement with Quality Automotive Services Inc. for parking on LIRR property adjacent to 122-26 Farmers Blvd. in Springfield Gardens, Queens, N.Y.

Metropolitan Transportation Authority

3. Amendment to Real Estate Department Policy #11 on Construction Access Agreements to increase fees payable by MTA agencies for permits and licenses needed from adjacent property owners to facilitate construction projects.
4. Approved the Determination and Findings under the New York Eminent Domain Procedures Law with respect to the acquisition of fee interest and permanent and temporary easements in properties for Contract 2 of Phase 2 of the Second Avenue Subway Project.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for details of Mr. Florio's summary of the real estate items.

13. EXECUTIVE SESSION.

Upon motion duly made and seconded, the Board voted to convene an Executive Session, in accordance with Section 105(1)(e) to discuss matters relating to collective bargaining.

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

14. PUBLIC SESSION RESUME.

Chairman Foye announced that upon motion duly made and seconded, the Board approved the following collective bargaining agreements:

1. Collective bargaining agreement between MTA Long Island Rail Road and the Brotherhood of Rail Signalmen Local 56 (BRS Local 56), representing Signalmen and Communication Employees;
2. Collective bargaining agreement between MTA Long Island Rail Road and the Brotherhood of Rail Signalmen Local 56 9BRS Local 241), representing Professional Engineers, Load Dispatchers, Staff Managers, Assistant Staff Managers and Fire Marshalls;
3. Collective bargaining agreement between MTA Longs Island Rail Road and the International Association of Machinists and Aerospace Workers (IAM);
4. Collective bargaining agreement between MTA Long Island Rail Road and the International Brotherhood of Electrical Workers (IBEW);
5. Collective bargaining agreement between MTA Long Island Rail Road and the International Railway Supervisors Association (IRSA);
6. Collective bargaining agreement between MTA Long Island Rail Road and the National Conference of Firemen and Oilers (NCFO);
7. Collective bargaining agreement between MTA Long Island Rail Road and the Sheet Metal, Air, Rail and Transportation Workers (SMART), representing Sheet Metal Workers and Plumbers;
8. Collective bargaining agreement between MTA Long Island Rail Road and the Sheet Metal, Air, Rail and Transportation Works – Transportation Division (SMART), representing Train Service Employees, Carmen, Maintenance of Way Employees, and Maintenance of Way Supervisors;
9. Collective bargaining agreement between MTA Long Island Rail Road and the Sheet Metal, Air, Rail and Transportation Workers – Yardmasters (SMART-Y);
10. Collective bargaining agreement between MTA Longs Island Rail Road and the Transportation and Communications Union (TCU), representing clerical employees, Exception 5 employees, Tower employees, and Train Dispatchers;
11. Collective bargaining agreement between MTA Metro-North Railroad and the American Railway and Airway Supervisor Association (ARSA MoW), representing Supervisors and Assistance Supervisors in the Maintenance of Way Department;
12. Collective bargaining agreement between MTA Metro-North Railroad and the International Brotherhood of Teamsters Local 808 9IBT Local 808), representing Building, Bridge and Track Department Employees;
13. Collective bargaining agreement between MTA Metro-North Railroad and the National Conference of Firemen and Oilers (NCFO);
14. Collective bargaining agreement between MTA Metro-North Railroad and the Sheet Metal Workers International Association 9SMWIA), representing Sheet Metal Workers and Plumbers;
15. Collective bargaining agreement between MTA Metro-North Railroad and the Transportation Communications Union (TCU), representing clerical employees, GCT Custodians, Ticket Sellers and Attendants;

16. Collective bargaining agreement between MTA Metro-North Railroad and the Transportation Communications Union (TCU Procurement), representing Procurement Specialists and Analysts;
17. Collective bargaining agreement between MTA Metro-North Railroad and the Association of Commuter Railroad Employees Division 166 (ACRE 166), representing Signalmen and Signal Maintainers;
18. Collective bargaining agreement between New York City Transit (NYCT) and the Special Inspector Supervisor Employees Association (SISEA); and
19. Collective bargaining agreements between New York City Transit (NYCTA) and the Transit Supervisors Organization (TSO), Local 106 Operating and Coin Retriever Unit, Queens Supervisory Unit, and MTA Bus Unit.

15. ADJOURNMENT.

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 12:41 p.m.

Respectfully submitted,

Susan Sarch
Vice President,
General Counsel and Secretary
Metro-North Railroad

Paige Graves
Vice President,
General Counsel and Secretary
Long Island Rail Road Company

Mariel A. Thompson
Assistant Secretary
NYCTA

David K. Cannon
Assistant Secretary
MTA C&D

Julia R. Christ
General Counsel and
Corporate Secretary
TBTA

Victoria Clement
Assistant Secretary
MTAHQ

Staff Summary

Subject Incorporation of Elmont and Belmont Park Stations into the Passenger Tariff and Fare Zone Structure
Department MTA – Office of Management and Budget
Department Head Name Mark Young, MTA Finance
Department Head Signature <i>Mark Young</i>
Project Manager/Division Head Michael Reilly, LIRR Controller

Date July 9, 2021
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

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

Internal Approvals			
Order	Approval	Order	Approval
1	Finance		
2	Legal		

Purpose:

To obtain approval of the annexed Resolution which will authorize the incorporation of the new Elmont Station and the existing Belmont Park Station into the LIRR’s passenger tariff and fare zone structure.

Discussion:

Elmont Station

Eastbound special events service to the LIRR’s new Elmont Station to support the upcoming opening of UBS Arena complex is scheduled to be launched in October 2021. With its opening, the Elmont Station needs to be incorporated into the LIRR’s existing passenger tariff and fare zone structure. It is located approximately at the midpoint between the Queens Village (New York City) and Bellerose (Nassau County) stations) and is situated just east of the Cross Island Parkway and within Nassau County. Currently, all Nassau County LIRR stations just east of the Queens County/Nassau County border are included in Fare Zone 4.

Per this action item, Elmont Station would be incorporated into the fare structure as part of Zone 4 just like all other similarly situated stations located in Nassau County.

Belmont Park Station

The existing Belmont Park Station is currently considered a “special events station” because the LIRR only provides service for NYRA horse racing events including the Belmont Stakes. For that reason, it is not included in the fare zone structure and customers must purchase special event package tickets to board dedicated trains. The Belmont Park Station is located within Nassau County.

With the opening of the Arena and introduction of service to Elmont, it is anticipated that customers will choose to attend events from both Elmont and Belmont Park. The LIRR has committed to providing two shuttle trains from Jamaica to Belmont Park prior to and after each special event.

In addition, many customers are expected to utilize one station for arrival and the other station for departure. Establishing Belmont Park as a “non-special events station” and assigning it to the same fare zone as Elmont would promote consistency, equity, customer convenience and travel flexibility.

Per this action item, Belmont Station would be incorporated into the fare structure as part of Zone 4.

Under the current tariff, sample fares to Elmont and Belmont Park would be as follows:

To/From Zone 1

Ticket Type	Fare
Monthly	\$270.00
Weekly	\$86.50
Peak Ten-Trip	\$125.00
Off-Peak Ten-Trip	\$78.75
Peak One-Way	\$12.50
Off-Peak One-Way	\$9.25
Senior Citizen/Disabled/Medicare One-Way	\$6.25
On-Board Peak One-Way	\$19.00
On-Board Off-Peak One-Way	\$15.00

To/From Zone 9

Ticket Type	Fare
Monthly	\$166.00
Weekly	\$51.25
Peak Ten-Trip	n/a
Off-Peak Ten-Trip	n/a
Peak One-Way	\$6.00
Off-Peak One-Way	\$6.00
Senior Citizen/Disabled/Medicare One-Way	\$3.00
On-Board Peak One-Way	\$12.00
On-Board Off-Peak One-Way	\$12.00

These actions represent a fare change, requiring MTA Board approval. Thus, as required by the Public Authorities Law, they were included in the public notice on fare changes that was approved by the MTA Board in November 2020.

Impact on Funding

Based on current fares and anticipated ridership once full service is provided to Elmont and Belmont Park, it is expected that the LIRR would generate \$7.3 million in Arena events revenue annually if Elmont and Belmont Park are designated as Zone 4 stations. Approximately \$2 million annually would be generated for non-Arena events travel to and from Elmont by existing LIRR customers.

Recommendation

That the MTA and LIRR Boards adopt and approve the attached Resolution authorizing the incorporation of the Elmont and Belmont Park stations into the passenger tariff and structure as Zone 4 stations.



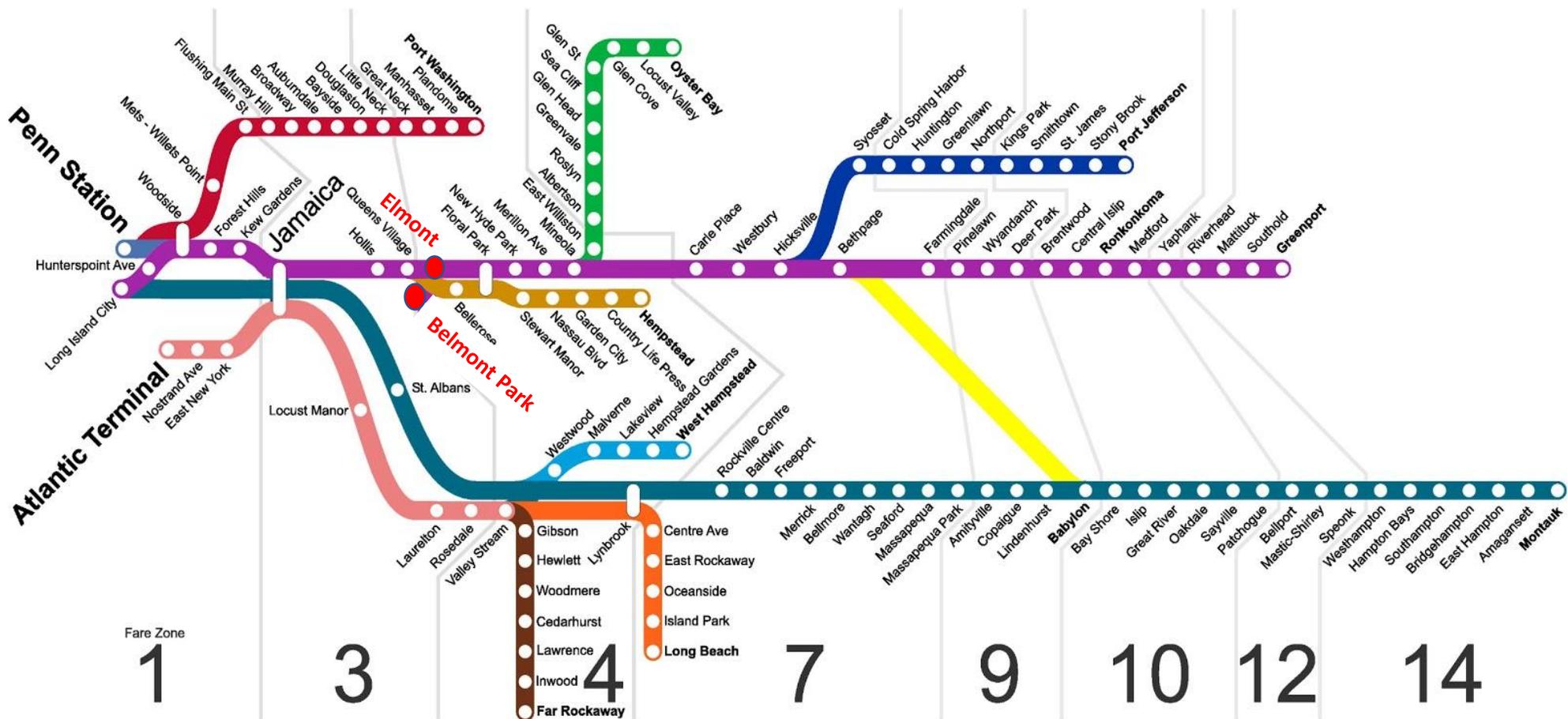
Long Island Rail Road

Key

- Full Time rail station
- Part Time rail station
- Major Transit Hub
- Accessible station

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RESOLUTION

INCORPORATION OF ELMONT AND BELMONT PARK STATIONS INTO THE PASSENGER TARIFF AND FARE ZONE STRUCTURE

PERTAINING TO MTA and LIRR

WHEREAS, the 2021-2024 Financial Plan adopted by the Metropolitan Transportation Authority (“MTA”) Board on December 16, 2020, contemplates implementation of fare and toll changes in 2021 in furtherance of achieving a balanced budget in 2021; and

WHEREAS, on November 18, 2020, the MTA Board authorized agency staff to take necessary steps in connection with the consideration of fare and toll changes, including publishing any required notices and conducting any required public hearings, for submission to the MTA Board; and

WHEREAS, notices of public hearing on proposed changes in fares and crossing charges were prepared and posted by the MTA, New York City Transit Authority (“NYCTA”); the Manhattan and Bronx Surface Transit Operating Authority (“MaBSTOA”); Staten Island Rapid Transit Operating Authority (“SIRTOA”); MTA Bus Company (“MTA Bus”), Metro-North Commuter Railroad Company (“Metro-North”), and The Long Island Rail Road Company (“LIRR”) (collectively, the “MTA Agencies”) at agency transportation facilities; and advertisements of said public hearings were contemporaneously published by the MTA Agencies, appearing in the *Daily News*; on November 23, 2020 in *amNewYork/Metro*, *Newsday*, *Poughkeepsie Journal*, and *Daily Challenge*; on November 24, 2020 in *El Diario*, *Chinese World Journal*, and *Korea Central Daily*; on November 25, 2020 in *Journal News*, *Der Yid weekly*, and *Haiti Observateur*; on November 27, 2020 in *Russkaya Reklama*; and on November 28, 2020 in *Weekly Bangalee*; and

WHEREAS, eastbound special events service to the LIRR’s new Elmont Station to support the upcoming opening of UBS Arena complex is scheduled to be launched in October 2021; and

WHEREAS, with its opening, the Elmont Station needs to be incorporated into the LIRR’s existing passenger tariff and fare zone structure; and

WHEREAS, the Elmont Station is located approximately at the midpoint between the Queens Village (New York City) and Bellerose stations (Nassau County) and is situated just east of the Cross Island Parkway and within Nassau County; and

WHEREAS, currently, all Nassau County LIRR stations just east of the Queens County/Nassau County border are included in Fare Zone 4; and

WHEREAS, the existing Belmont Park Station is currently considered a “special events station” because the LIRR only provides service for NYRA horse racing events including the Belmont Stakes; and

WHEREAS, since the Belmont Park Station is currently considered a “special events station”, it is not included in the fare zone structure and customers must purchase special event package tickets to board dedicated trains; and

WHEREAS, the Belmont Park Station is also located within Nassau County; and

WHEREAS, with the opening of the UBS Arena and introduction of service to Elmont, it is anticipated that customers will choose to attend events from both Elmont and Belmont Park; and

WHEREAS, the LIRR has committed to providing two shuttle trains from Jamaica to the Belmont Park Station prior to and after each special event; and

WHEREAS, many customers are expected to utilize one station for arrival and the other station for departure, establishing Belmont Park as a “non-special events station” and assigning it to the same fare zone as Elmont would promote consistency, equity, customer convenience and travel flexibility; and

WHEREAS, Elmont Station and Belmont Park Station would be incorporated into Zone 4 of the MTA LIRR Passenger Tariff and Fare Zone Structure; and

WHEREAS, incorporation of Elmont and Belmont Park Stations into Zone 4 of the MTA LIRR Passenger Tariff and Fare Zone represents a fare change, requiring MTA Board approval; and

WHEREAS, hearings at which members of the public were invited to comment on the incorporation of Elmont and Belmont Park Stations into Zone 4 of the MTA LIRR Passenger Tariff and Fare Zone Structure were conducted as virtual public meetings, because of safety concerns related to the global COVID-19 pandemic, on December 1, 2020; on December 3, 2020; on December 7, 2020; on December 9, 2020; on December 14, 2020; and on December 21, 2020; and

WHEREAS, the public was offered the opportunity to record videotaped comments at virtual satellite sessions on December 2, 2020; and on December 8, 2020; and the public was invited to submit written comments via the MTA’s website and through the mail; and

WHEREAS, transcripts of the public hearing proceedings and copies of the written and videotaped comments which were received from members of the public have been previously distributed to members of the MTA and LIRR Boards (“Boards”); and

WHEREAS, the Boards considered the testimony of the public at the public hearings and written and videotaped comments submitted to the MTA; and

WHEREAS, the Boards have considered all of the above.

NOW, THEREFORE, upon motion duly made and seconded, the following resolution is adopted by the Boards of MTA and LIRR:

RESOLVED, that in accordance with the requirements of section 1266 of the Public Authorities Law, the Boards of MTA and LIRR hereby approve the incorporation of Elmont and Belmont Park stations into Zone 4 of the MTA LIRR Passenger Tariff and Fare Zone Structure, and the Chairman of the MTA and President of LIRR, and their designees, are hereby authorized and directed to take such steps as may be necessary or desirable to implement such incorporation.

New York, New York
July 21, 2021

Subject MTA Pension Plan Amendments
Department Human Resources
Department Head Name Margaret M. Connor
Department Head Signature
Project Manager Name

Date July 21, 2021
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
	Board	7/21/21	X		

Internal Approvals			
Order	Approval	Order	Approval
		1	Legal
3	Chief Financial Officer	2	Labor Relations

I. PURPOSE

To obtain Board approval of the attached resolutions providing for:

- A.** An amendment to the Metropolitan Transportation Authority (“MTA”) Defined Benefit Pension Plan (the “MTA DB Plan”) Twenty-Year Police Program (“Police Program”) to extend the COVID-19 Accidental Death Benefit;
- B.** An amendment to the Manhattan and Bronx Surface Transit Operating Authority (“MaBSTOA”) Pension Plan (“MaBSTOA Pension Plan”) to extend the COVID-19 Accidental Death Benefit;
- C.** Amendments to the MTA DB Plan to extend the COVID-19 Accidental Death Benefit for members in articles covering the commuter rails, Long Island Bus, the Staten Island Rapid Transit Operating Authority (“SIRTOA”), MTA Bus and the Long Island Rail Road Company Pension Plan; and
- D.** An amendment to the Long Island Rail Road Company Plan for Additional Pensions to extend the COVID-19 Accidental Death Benefit.

II. DISCUSSION

Legislation

Chapter 89 of the Laws of 2020 (“Chapter 89”) was passed by the Legislature, and signed by the Governor, on May 30, 2020. Chapter 89 provided a special line-of-duty Accidental Death Benefit to eligible active members and retirees of the New York State Police and Fire Retirement System (“PFRS”), the New York State and Local Employees’ Retirement System (“NYSLERS”) and the New York City Employees’ Retirement System (“NYCERS”). The law provided that a death from COVID-19 is considered to constitute an “accident.” An Accidental Death Benefit is payable under such circumstances and paid as a pension. At the election by the surviving beneficiary, the pension would be in lieu of an ordinary death benefit, which is a lump sum multiple of final salary. (This is an additional benefit that may be payable separately from the MTA Family COVID-19 Death Benefit.)

Chapter 89 provided that the member's death must have occurred on or before December 31, 2020. On July 22, 2020, the MTA Board adopted amendments incorporated the Chapter 89 COVID-19 Accidental Death Benefits into the MTA DB Plan (including all constituent programs), the MaBSTOA Pension Plan and the LIRR Additional Plan. This benefit expired on December 31, 2020.

Governor's Executive Orders 202.87, issued on December 30, 2020, 202.92, issued on January 27, 2021, and 202.95, issued on February 22, 2021, extended eligibility for the Chapter 89 benefits in the public plans, through March 24, 2021. The Executive Orders applied to the MaBSTOA Pension Plan (through collective bargaining) and the Twenty-Year Police Program.

Subsequently, the Legislature passed Chapter 78 of the Laws of 2021 ("Chapter 78") which was signed by the Governor on March 12, 2021, adopting these extensions, and further extending the expiration date until December 31, 2022. Chapter 78 replaced Chapter 89 with new Sections 361-b, 509-a and 607-i of the Retirement and Social Security Law ("RSSL") and Section 13-149.1 of the New York City Administrative Code. Now the employee must have worked on or after March 1, 2020, contracted COVID-19 within 45 days after reporting for work, and die on or before December 31, 2022. The death must have been caused by COVID-19 or COVID-19 contributed to such employee's death. Amounts payable are reduced by the payment of any ordinary death benefit. Chapter 78 was effective as of March 1, 2020. The law will expire on December 31, 2022.

Most MTA New York City Transit and MTA Bridges and Tunnels employees participate in NYCERS and are eligible for the special benefit. The MaBSTOA Plan is designed to provide benefits similar to the benefits provided by NYCERS to similarly situated New York City Transit employees.

Chapter 78 also amended the Public Authorities Law, adding new subdivision 1266-h(8), requiring the MTA to extend the temporary COVID-19 line-of-duty Accidental Death Benefit to eligible members of the MTA DB Plan's Police Program, until December 31, 2022.

The MTA DB Twenty-Year Police Program

Section 1266-h of the Public Authorities Law ("PAL") created the MTA Police, and authorized the MTA to adopt the Twenty-Year Police Program. Chapter 78 amended the PAL to provide the same Accidental Death Benefit required in Chapter 89, in Section 1266-h(8). An Accidental Death Benefit may be payable to a member's statutory beneficiary, unless such beneficiary elects to receive an ordinary death benefit, when:

- (i) a member reported in person to his/her usual place of employment at the direction of such member's employer or to any alternate worksite (other than home or residence), on or after March 1, 2020;
- (ii) such member contracted COVID-19 within 45 days after reporting to work, as confirmed by a positive laboratory test or as diagnosed before or after such member's death by a licensed, certified, registered or authorized physician, nurse practitioner, or physician's assistant currently in good standing in any state or the District of Columbia, or a physician, nurse practitioner, or physician's assistant authorized to practice in New York by executive order during the declared COVID-19 state of emergency; and
- (iii) such member died on or before December 31, 2022, and COVID-19 caused or contributed to such death, as documented on the death certificate, or as certified by a physician, nurse practitioner, or physician's assistant who determines with a reasonable degree of medical certainty that COVID-19 caused or contributed to the death,

If a member retired on or after March 1, 2020, and before July 1, 2020; and satisfied the above criteria, such beneficiary shall receive an Accidental Death Benefit if they elect conversion of the member's service or disability retirement benefit.

This benefit will be paid in the same manner as the Accidental Death Benefit under the Police Program – a pension of one-half (50%) of the member’s final average salary. Alternatively, the beneficiary may elect an ordinary death benefit of a lump sum of three times final salary.

The MaBSTOA Pension Plan

Similarly, Chapter 78 adds Retirement and Social Security Law §§ 509-a, 607-i and Administrative Code of the City of New York § 13-149.1, providing similar benefits to participants in NYCERS. Collective bargaining obligations require MaBSTOA to follow suit. The benefit will be paid in the same manner as the Accidental Death benefit in the MaBSTOA Pension Plan.

Certain Articles of the MTA DB Plan and the Long Island Rail Road Company Plan for Additional Pensions

The extended COVID-19 Accidental Death Benefit also shall be provided to members of the MTA DB Plan in articles covering the commuter rails, Long Island Bus, SIRTOA, MTA Bus articles other than 13 and 14 and the Long Island Rail Road Company Pension Plan. The Long Island Rail Road Company Plan for Additional Pensions provides an integrated benefit with the Long Island Rail Road Company Pension Plan, and must be amended to make corresponding changes. The COVID-19 Accidental Death benefit will be paid in the same manner as the accidental death benefit in those programs.

MTA Bus employees represented by TWU 100, ATU 1181, ATU 1179, and TSO 106 participate in Article 14 of the MTA DB. Unlike other Articles of the Plan, and unlike NYCERS and NYSLRS, Article 14 provides a monthly survivor benefit (a Qualified Preretirement Survivor Annuity [QPSA]) to the spouse of an employee who dies while in active service. The MTA Bus COVID-19 Accidental Death Benefit follows the current benefit structure and enhances the existing QPSA benefit. The COVID-19 enhancement increases the base QPSA benefit, accelerates the QPSA benefit payments, applies additional service where the participant had not yet attained 20 years of service, and eliminates joint and survivor option factors. The MTA Board approved this arrangement, subject to collective bargaining, on July 22, 2020. The benefit would be extended for active employees until December 31, 2022.

The attached Resolutions A, B, C and D would incorporate these changes into the Twenty-Year Police Program, the MTA DB Plan, the MaBSTOA Pension Plan, and the Long Island Rail Road Company Plan for Additional Pensions. The temporary benefits authorized by these Resolutions shall be effective immediately, and shall be deemed to have been in full force and effect on or after March 1, 2020. These benefits expire on December 31, 2022, or if Chapter 78 is extended or replaced, upon the extension of Chapter 78 or expiration of its replacement

III. IMPACT ON FUNDING

The impact on funding caused by the COVID-19 Accidental Death Benefits cannot be readily determined. It is impossible to predict how many eligible members will pass away from COVID-19 through December 31, 2022. As of May 31, 2021, 17 MaBSTOA Pension Plan members died of COVID-19; 10 members of the MTA DB and 11 members of MTA Bus articles of the MTA DB Plan are presumed to have died of COVID-19. Future costs will depend on the age of the member and wages or final average salary on the date of death.

IV. RECOMMENDATION

The Board approve the amendments in accordance with the attached resolutions. State law and collective bargaining obligations require adoption of the benefits for the MaBSTOA Plan and the Police Program. The COVID-19 Accidental Death Benefits should be extended to members of the MTA DB Plan in articles covering the commuter rails, Long Island Bus, SIRTOA, certain MTA Bus programs and the Long Island Rail Road Company Pension Plan, and to the Long Island Rail Road Company Plan for Additional Pensions. The COVID-19 Accidental Death Benefit in the MTA Bus articles of the MTA DB recognizes the sacrifice of MTA Bus employees and aligns their benefits with all of the MTA and New York State.

ATTACHMENT A

**MTA BOARD RESOLUTION
TO AMEND THE
METROPOLITAN TRANSPORTATION AUTHORITY
DEFINED BENEFIT PENSION PLAN TWENTY-YEAR POLICE PROGRAM**

WHEREAS, pursuant to Section 9.04 of the Metropolitan Transportation Authority (“MTA”) Defined Benefit Pension Plan (the “Plan”), the MTA reserves the right to amend the Plan; and

WHEREAS, on July 22, 2020, the MTA amended the Plan to provide the Accidental Death Benefit consistent with Chapter 89 of the Laws of 2020 (“Chapter 89”); and

WHEREAS, the MTA desires to amend the Plan to provide the Accidental Death Benefit consistent with Chapter 78 of the Laws of 2021 (“Chapter 78”); and

WHEREAS, Chapter 78 restated and extended Chapter 89 until December 31, 2022;

WHEREAS, this amendment would apply retired members of the Twenty-Year Police Program who died between March 1, 2020 and December 31, 2020 and active members of the Twenty-Year Police Program who die(d) between March 1, 2020 until December 31, 2022;

NOW, THEREFORE, after due consideration be it:

RESOLVED, that the Twenty-Year Police Program of the Metropolitan Transportation Authority Defined Benefit Pension Plan shall be amended, consistent with Sections 7, 12 and 14 of Chapter 78; and

RESOLVED, the Plan is authorized to promulgate rules and regulations to administer this benefit including, but not limited to, requiring a statement to be filed confirming the member contracted COVID-19 and the dates and locations of such member's employment; and be it

FURTHER RESOLVED, this amendment shall be effective immediately, and shall be deemed to have been in full force and effect on or after March 1, 2020; provided this amendment shall expire and be deemed repealed on December 31, 2022, or if Chapter 78 is extended upon the expiration of Chapter 78.

ATTACHMENT B

**MTA BOARD RESOLUTION
TO AMEND THE
MANHATTAN AND BRONX SURFACE TRANSIT OPERATING AUTHORITY
PENSION PLAN**

WHEREAS, pursuant to Section 12.08 of the Manhattan and Bronx Surface Transit Operating Authority (“MaBSTOA”) Pension Plan (“MaBSTOA Plan”), MaBSTOA reserves the right to amend the MaBSTOA Plan; and

WHEREAS, on July 22, 2020, the MTA amended the Plan to provide the Accidental Death Benefit consistent with Chapter 89 of the Laws of 2020 (“Chapter 89”); and

WHEREAS, the Metropolitan Transportation Authority Board, sitting as the MaBSTOA Board, desires to amend the Plan to provide the Accidental Death Benefit consistent with Chapter 78 of the Laws of 2021 (“Chapter 78”); and

WHEREAS, Chapter 78 restated and extended Chapter 89 until December 31, 2022;

WHEREAS, the amendment would apply only to retired members of the MaBSTOA Plan who died between March 1, 2020 and December 31, 2020 and active members of the MaBSTOA Plan who die(d) between March 1, 2020 until December 31, 2022; and

WHEREAS, MaBSTOA members, pursuant to the terms of the MaBSTOA Plan and the applicable collective bargaining agreements, receive the same benefits as those afforded to similarly situated New York City Transit Authority employees who are members of NYCERS; and

NOW, THEREFORE, after due consideration, be it:

RESOLVED, that the MaBSTOA Pension Plan shall be amended consistent with Sections 3, 4, 8, 12 and 14 of Chapter 78; and

RESOLVED, the Plan is authorized to promulgate rules and regulations to administer this benefit including, but not limited to, requiring a statement to be filed confirming the member contracted COVID-19 and the dates and locations of such member's employment; and be it

FURTHER RESOLVED, that the COVID-19 Accidental Death Benefit amendment shall be effective immediately, and shall be deemed to have been in full force and effect on or after March 1, 2020; provided this amendment shall expire and be deemed repealed on December 31, 2022, or if Chapter 78 is extended upon the expiration of Chapter 78.

ATTACHMENT C

**MTA BOARD RESOLUTION
TO AMEND THE
METROPOLITAN TRANSPORTATION AUTHORITY
DEFINED BENEFIT PENSION PLAN**

WHEREAS, pursuant to Section 9.04 of the Metropolitan Transportation Authority (“MTA”) Defined Benefit Pension Plan (the “Plan”), the MTA reserves the right to amend the Plan; and

WHEREAS, on July 22, 2020, the MTA amended the Plan to provide Accidental Death Benefits consistent with Chapter 89 of the Laws of 2020 (“Chapter 89”); and

WHEREAS, the MTA desires to amend the Plan to provide the Accidental Death Benefit consistent with Chapter 78 of the Laws of 2021 (“Chapter 78”); and

WHEREAS, Chapter 78 restated and extended Chapter 89 until December 31, 2022;

WHEREAS, the MTA desires to amend the articles of the Plan covering members of the commuter rails, Long Island Bus, SIRTOA, MTA Bus programs other than Articles 13 and 14, and the Long Island Rail Road Company Pension Plan to provide Accidental Death Benefits consistent with Chapter 78; and

WHEREAS, Article 14 provides a monthly survivor benefit (a Qualified Preretirement Survivor Annuity [“QPSA”]), to the spouse of an employee who dies while in active service; and

WHEREAS, on July 22, 2020, the MTA amended the Plan to provide an Article 14 COVID-19 Accidental Death Benefit; and

WHEREAS, the MTA desires to amend Article 14 to extend eligibility for the Article 14 COVID-19 Accidental Death Benefit for active members of Article 14 in order to recognize the sacrifice of MTA Bus employees and aligns their benefits with all of the MTA and New York State; and

WHEREAS, the amendments would apply only to retired members of the Plan dying between March 1, 2020 and December 31, 2020 and active members of the Plan who die(d) between March 1, 2020 until December 31, 2022;

NOW, THEREFORE, after due consideration, be it:

RESOLVED, that the articles of the Plan covering the commuter rails, Long Island Bus, SIRTOA, MTA Bus programs other than Articles 13 and 14, and the Long Island Rail Road Company Pension Plan shall be amended consistent with Sections 4, 12 and 14 of Chapter 78; and

RESOLVED, that Article 14 be amended provide a COVID-19 Accidental Death Benefit and to use the non-COVID-19 benefit structure and enhance the existing QPSA benefit, increase the base QPSA benefit, accelerate the QPSA benefit payments, apply additional service where the participant had not yet attained 20 years of service, and eliminate joint and survivor option factors; and

RESOLVED, the Plan is authorized to promulgate rules and regulations to administer these benefits including, but not limited to, requiring a statement to be filed confirming the member contracted COVID-19 and the dates and locations of such member's employment; and be it

FURTHER RESOLVED, this amendment shall be effective immediately, and shall be deemed to have been in full force and effect on or after March 1, 2020; provided this amendment shall expire and be deemed repealed on December 31, 2022, or if Chapter 78 is extended upon the expiration of Chapter 78.

ATTACHMENT D

**AMENDMENT TO
THE LONG ISLAND RAIL ROAD COMPANY
PLAN FOR ADDITIONAL PENSIONS**

WHEREAS, pursuant to Article VII, Section I of the Long Island Rail Road Company Plan for Additional Pensions (the “LIRR Additional Plan”), the Long Island Rail Road Company (“LIRR”) has the right to amend the LIRR Additional Plan; and

WHEREAS, on July 22, 2020, the MTA amended the Plan to provide the Accidental Death Benefit consistent with Chapter 89 of the Laws of 2020 (“Chapter 89”); and

WHEREAS, the MTA Board, sitting as the LIRR Board, desires to amend the articles of the LIRR Additional Plan to provide the Accidental Death Benefit consistent with Chapter 78 of the Laws of 2021 (“Chapter 78”); and

WHEREAS, Chapter 78 restated and extended Chapter 89 until December 31, 2022;

WHEREAS, the amendment would apply only to retired members of the LIRR Additional Plan who died between March 1, 2020 and December 31, 2020 , and active members of the Plan who die(d) between March 1, 2020 until December 31, 2022;

NOW, THEREFORE, after due consideration, be it:

RESOLVED, that the articles of the LIRR Additional Plan shall be amended consistent with Sections 4, 12 and 14 of Chapter 78; and

RESOLVED, the Plan is authorized to promulgate rules and regulations to administer this benefit including, but not limited to, requiring a statement to be filed confirming the member contracted COVID-19 and the dates and locations of such member's employment; and be it

FURTHER RESOLVED, this amendment shall be effective immediately, and shall be deemed to have been in full force and effect on or after March 1, 2020; provided this amendment shall expire and be deemed repealed on December 31, 2022, or if Chapter 78 is extended upon the expiration of Chapter 78.

**PROCUREMENT PACKAGE
July 2021**



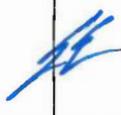
The above depicts 45th Street node of the Grand Central Terminal Madison Concourse that was constructed as part of the East Side Access Project. This month's agenda includes a procurement action for work in the Concourse and Caverns.

PROCUREMENTS

The Procurement Agenda this month includes four procurement actions for a proposed expenditure of \$187.9M

Staff Summary

Subject Request for Authorization to Award Various Procurement Actions					
Department Contracts					
Department Head Name & Title Steve Plochochi, Sr. Vice President					
Department Head Signature 					
Board Action					
Order	To	Date	Approval	Info	Other
1	MNR & LIRR Joint Committee	7/19/21	X		
2	Board	7/21/21	X		

Date: July 12, 2021			
Internal Approvals			
	Approval		Approval
	Deputy Chief Development Officer, Delivery		President
	Deputy Chief Development Officer, Development		Executive Vice President & General Counsel

PURPOSE

To obtain the approval of the Board to adopt a resolution/declaration and to award various procurement actions and, to inform the Metro-North and Long Island Rail Road Committees of these procurement actions.

DISCUSSION

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

	<u># of Actions</u>	<u>\$ Amount</u>
<u>Schedules Requiring Two-Thirds Vote</u>		
B. Competitive Request for Proposals (Solicitation of Purchase/Public Work Contracts)	1	\$ TBD
C. Competitive Request for Proposals (Award of Purchase/Public Work Contracts)	<u>2</u>	<u>\$ 179,486,000</u>
SUBTOTAL	3	\$ 179,486,000
<u>Schedules Requiring Majority Vote</u>		
I. Modifications to Purchase and Public Work Contracts	<u>1</u>	<u>\$ 8,408,807</u>
SUBTOTAL	1	\$ 8,408,807
TOTAL	4	\$187,894,807

Budget Impact:

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

Recommendation:

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

MTA Construction & Development

BOARD RESOLUTION

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

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

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

NOW, the Board resolves as follows:

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

JULY 2021

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

**Schedule B. Competitive Requests for Proposals (Solicitation of a Purchase/Public Work Contracts)
(Staff Summaries required for items estimated to be greater than \$1M)**

- | | | | |
|-----------|---|---------------------------------|--------------------------------------|
| 1. | To Be Determined
Contract No. 133778 | \$ Cost To Be Determined | <u>Staff Summary Attached</u> |
|-----------|---|---------------------------------|--------------------------------------|

MTA Construction and Development requests that the Board adopt a resolution declaring that pursuant to Public Authorities Law Section 1265-a and Article IIIB (6) of the All Agency General Procurement Guidelines it is in the public interest to utilize the competitive Request for Proposal (“RFP”) process, rather than a competitive bid process, for the upgrade and replacement of the Metro-North Railroad digital audio call recording system for phones and radios located at fifteen sites.

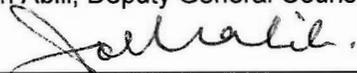
**Schedule C. Competitive Requests for Proposals (Award of Purchase/Public Work Contracts)
(Staff Summaries required for all items greater than \$1M)**

- | | | | |
|-----------|--|----------------------|--------------------------------------|
| 2. | Railroad-Michels Joint Venture, LLC
Contract No. CH058B
Thirty Months | \$148,499,000 | <u>Staff Summary Attached</u> |
|-----------|--|----------------------|--------------------------------------|

MTA Construction and Development request Board approval to award a competitively solicited and negotiated design-build contract for the construction of a new grade-separated crossing and associated approach structures in support of the Harold Interlocking program for the East Side Access project.

- | | | | |
|-----------|---|----------------------|--------------------------------------|
| 3. | Paul J. Scariano, Inc.
Contract No. CM030
Seventeen Months | \$ 30,987,000 | <u>Staff Summary Attached</u> |
|-----------|---|----------------------|--------------------------------------|

MTA Construction and Development requests Board approval to award a competitively solicited and negotiated design-build contract for passenger experience enhancements and finish detailing of the Grand Central Terminal Concourse and Caverns for the East Side Access project.

Dept & Dept Head David K. Cannon, VP and Chief Procurement Officer 						SUMMARY INFORMATION																									
Div & Div Head John Abili, Deputy General Counsel 						Vendor Name RFP Authorizing Resolution	Contract Number 133778																								
Board Reviews						Description Furnish, Deliver and Install Digital Audio Call Recording Systems Connected to Private Branch Exchange (PBX)																									
<table border="1"> <thead> <tr> <th>Order</th> <th>To</th> <th>Date</th> <th>Approval</th> <th>Info</th> <th>Other</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>MNR & LIRR Joint Committee</td> <td>7/19/21</td> <td>X</td> <td></td> <td></td> </tr> <tr> <td>2</td> <td>Board</td> <td>7/21/21</td> <td>X</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	MNR & LIRR Joint Committee	7/19/21	X			2	Board	7/21/21	X									Total Amount To Be Determined	
Order	To	Date	Approval	Info	Other																										
1	MNR & LIRR Joint Committee	7/19/21	X																												
2	Board	7/21/21	X																												
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	Approval		Approval																												
	Executive Vice President & General Counsel		President																												
						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:																									

PURPOSE/RECOMMENDATION

MTA Construction & Development (“C&D”) requests that the Board adopt a resolution declaring that pursuant to Public Authorities Law Section 1265-a and Article IIIB (6) of the All Agency General Procurement Guidelines it is in the public interest to utilize the competitive Request for Proposal (“RFP”) process, rather than a competitive bid process, for the upgrade and replacement of the Metro-North Railroad (“Metro-North”) digital audio call recording system for phones and radios located at fifteen (15) sites throughout the Railroad territory.

DISCUSSION

The purpose of this procurement is to upgrade and replace Metro-North’s digital audio call recording system. The existing system is obsolete and utilizes software that is not compatible with current operating systems. Accurate monitoring and recording of services calls is a critical element of Metro-North’s quality assurance, safety and training procedures. Metro-North records and monitors all service calls, including safety-critical calls, between the Rail Traffic Controller (“RTC”) and employees working on and around tracks to assess the quality and safety of operations and to identify skill gaps, process lapses and employee training needs. Recorded voice data is also used for liability protection. The manufacturer has stopped supporting the existing call recorders.

The new system must be compatible with the existing infrastructure and communicate with Metro-North’s existing analog and digital telephone services. In addition, the integration of the new system requires the selected vendor to work within the existing system’s protocols without the replacement of phones and interface devices to ensure uninterrupted and continued network interoperability, reliability and communication between the analog and digital components that comprise the PBX System.

The Metro-North digital audio call recording system consists of recorders, primary and secondary search and replay servers, administrative workstations, and Network Attached Storage (NAS). The recorders are integrated into the Private Branch Exchange (“PBX”) system at fifteen (15) Metro-North sites located across the Hudson, Harlem and New Haven lines and in Grand Central Terminal.

The RFP process will require interested firms to submit a technical proposal, which will include their technical approach, qualifications, experience and schedule. The technical proposals will be evaluated against C&D's established criteria and negotiations on technical and commercial issues will be held with those firms considered to be in a competitive range. Upon completion of the negotiations, those firms within a competitive range will have their cost proposals opened. After negotiations, award will be made to the responsible firm whose best and final offer provides the best value to the MTA.

While cost will remain an important criterion in awarding this Contract, given the complex nature of ensuring the new system is compatible with the existing system and the need to integrate the new system without causing disruption or affecting the reliability of the existing system, it is in the best interest of the MTA to utilize the RFP process to award the Contract, rather than a competitive bid process, as it will give the MTA more flexibility to consider factors such as technical approach to the work, technical qualifications and experience as a systems integrator in order to determine which proposal best fits Metro-North's operational needs and offers the best overall value. In addition, the RFP process will allow the MTA to better negotiate alternative approaches to the work or schedule that, in light of the specific requirements of this Contract, could potentially result in a lower overall cost than the competitive bid process would achieve.

D/M/WBE/SDVOB

At this time, the D/M/WBE/SDVOB goals for this contract have not yet been established.

IMPACT ON FUNDING

Funding for this Contract will be from the 2020-2024 Capital Program.

ALTERNATIVES

The use of a sealed bid process in which factors other than cost cannot be considered is not recommended as it does not provide a means to evaluate different technical matters or to consider or negotiate alternative proposals to achieve the overall best value to the MTA.

Dept & Dept Head East Side Access, Rob Troup, SVP and Sr. Program Executive <i>RT</i>					
Contracts Department David K. Cannon, VP and Chief Procurement Officer <i>David K Cannon</i>					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	MNR & LIRR Joint Committee	7/19/21	X		
2	Board	7/21/21	X		
Internal Approvals					
	Approval		Approval		
<i>(P)</i>	Deputy Chief, Development	<i>SKL</i>	President		
<i>MZ</i>	Deputy Chief, Delivery	<i>SK</i>	Executive Vice President & General Counsel		

SUMMARY INFORMATION	
Vendor Name Railroad-Michels Joint Venture, LLC	Contract Number CH058B
Description Design-Build Services for East Bound Re-Route Construction for the East Side Access Project	
Total Amount \$148,499,000 - Award; \$300,000 - Stipends	
Contract Term Thirty Months	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

PURPOSE/RECOMMENDATION

MTA Construction and Development ("C&D") requests that the Board approve the award of a competitively solicited and negotiated design-build contract for the construction of a new grade-separated crossing and associated approach structures in support of the Harold Interlocking program for the East Side Access ("ESA") Project to Railroad-Michels Joint Venture, LLC in the amount of \$148,499,000 and a duration of thirty (30) months. The solicitation of this Contract included stipends in the amount of \$150,000 to be paid to each unsuccessful proposer whose proposal met defined proposal standards. Accordingly, C&D requests that the Board also approve the payment of stipends to each of the two unsuccessful proposers that met the criteria for the payment of a stipend, for a total payment to both proposers in the amount of \$300,000.

DISCUSSION

Contract CH058B is a design-build contract for the final design and construction of a new grade-separated crossing and associated approach structures, including track underdrain and sewer relocation, dewatering, modification of the support for the existing Honeywell Street bridge, and associated security and communications work. The Work will also require the demolition of existing track and traction power elements and the installation of new track and traction power elements.

A two-step Request for Proposal ("RFP") was used to solicit this Contract. In response to Step I, Request for Qualifications, the MTA received Statements of Qualification from the following three firms all of which were determined to be qualified to perform the Work:

- Railroad-Michels Joint Venture, LLC ("RMJV")
- Skanska USA Civil Northeast, Inc. ("Skanska")
- Tutor Perini Corporation ("TPC")

In Step II MTA issued an RFP to the three firms. Proposals were received from all three firms.

The proposals were evaluated and scored by a Selection Committee consisting of representatives from C&D, the LIRR and Amtrak utilizing a pre-established selection criterion considering the following factors: Management Plan, Design Approach, Construction Approach, Schedule, Safety and Quality, Preparedness for Performing the Work, Financial Qualification and Overall Cost. A Technical Working Group, consisting of LIRR, Amtrak and ESA Design and Construction Management Consultants, supported the Selection Committee. Upon completion of the evaluation and the scoring of the technical proposals, the cost proposals were opened and reflected the following (lowest to highest):

- RMJV \$173,100,000
- Skanska \$204,500,000
- TPC \$325,700,000

After evaluating the technical and cost proposals, the Selection Committee determined that proposals submitted by RMJV and Skanska were both technically qualified and their combined technical and cost scores were in a competitive range to move on to negotiations. The proposal provided by TPC was deemed out of competitive range based on their combined technical and costs scores and not recommended for negotiations.

Negotiations were held with each proposer individually focusing on discussions of the project schedule, with special emphasis on the Long-Term Outages and overall cost, including pricing, design and management cost and scope clarifications. At the conclusion of negotiations, RMJV and Skanska were requested to submit their best and final offers (“BAFOs”). The BAFOs were as follows:

- RMJV \$148,499,000
- Skanska \$161,800,000

After the review of the BAFOs, the Selection Committee unanimously determined that the proposal submitted by RMJV is the most advantageous to the MTA and provides the best value. RMJV’s BAFO is \$13,301,000 (9%) less than Skanska’s BAFO and is considered to be fair and reasonable.

RMJV has been found to be responsible.

DBE
The MTA Department of Diversity and Civil Rights established a goal of 20% DBE. Although this is a design-build contract with some undefined scope of work, RMJV is projecting to meet the required 20% DBE Goal. Railroad Construction Company and Michels Corporation have achieved the assigned D/M/WBE goals on previous completed MTA contracts.

IMPACT ON FUNDING
Funding for this Contract comes from Regional Investment capital projects and resides in the 2020 -24 Capital Program.

ALTERNATIVES
Perform the work using in-house personnel. Currently, MTA lacks available in-house personnel to perform the scope of work associated with this Design/Build Contract.

Dept & Dept Head East Side Access, Rob Troup, SVP and Sr. Program Executive <i>RT</i>					
Contracts Department David K. Cannon, VP and Chief Procurement Officer <i>David K. Cannon</i>					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	MNR & LIRR Joint Committee	7/19/21	X		
2	Board	7/21/21	X		
Internal Approvals					
	Approval		Approval		
<i>(C)</i>	Deputy Chief, Development	<i>[Signature]</i>	President		
<i>MR</i>	Deputy Chief, Delivery	<i>[Signature]</i>	Executive Vice President & General Counsel		

SUMMARY INFORMATION	
Vendor Name Paul J. Scariano Group	Contract Number CM030
Description Design/Build Services for Passenger Experience Enhancements for the East Side Access Project	
Total Amount \$30,987,000	
Contract Term Seventeen Months	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

PURPOSE/RECOMMENDATION
 MTA Construction and Development ("C&D") requests Board approval to award a competitively solicited and negotiated design-build contract for passenger experience enhancements and finish detailing of the Grand Central Terminal ("GCT") Concourse and Caverns for the East Side Access ("ESA") project, to Paul J. Scariano Group ("PJS") in the amount of \$30,987,000 and a duration of seventeen months.

DISCUSSION
 Contract CM030 is a design-build contract for the final design and construction of fit-out elements within the new ESA terminal at GCT.
 An independent, experienced terminal design consultant was contracted by the MTA to assess the present ESA concourse and terminal design and develop an overarching schematic terminal design throughout all public areas. The design consultant's focus was on modernizing and repurposing the facilities and amenities provided to passengers in light of new technologies and services that have become available since the original design and to create a world-class civic space.

To implement this plan, this Contract provides for the design and implementation of LED lighting modifications, improved and revised retail pre-tenant fit-out and utility upgrades, the conversion of existing ticketing areas and public telephone facilities that are no longer needed to customer service and retail spaces, the installation of support structures for digital advertising and MTA customer information screens, security crowd control gates, architectural graphics and wayfinding signage, and the integration and testing of the newly installed fit-out elements with the existing ESA Project systems. In addition, based on lessons learned from the Second Avenue Subway Project, this contract will also address contingencies that inevitably arise during the final fit out and preparation of the terminal for passenger service.

Staff Summary

Item No. 3

Page 2 of 2

A One-Step Request for Proposal (“RFP”) was used for this Contract. In response to the RFP, ESA received proposals from:

- Citnalta-E-J Electric a Joint Venture (“Citnalta/EJ”) – a joint venture consisting of Citnalta Construction Corporation and E-J Electric Installation Corporation
- Forte-Tap Joint Venture (“Forte/Tap”) – a joint venture consisting of Forte Construction Corporation and Tap Electric Contracting Services, Incorporated
- MLJ-TC Electric Joint Venture (“MLJ/TC”) - joint venture consisting of MLJ Contracting Corporation and TC Electric LLC
- Paul J. Scariano Group (“PJS”)
- WDF, Incorporated

The proposals were evaluated and scored by a Selection Committee consisting of representatives from C&D utilizing the following pre-established selection criterion: Management Plan, Design Approach, Construction Approach, Schedule, Safety and Quality, Preparedness for Performing the Work and Cost. A Technical Committee, comprising members of the RFP Design Team, Construction Management Team and ESA Consultants supported the Selection Committee. Upon completion of the evaluation of the technical proposals, the cost proposals were opened and reflected the following (lowest to highest):

- Forte/Tap \$27,950,000
- PJS \$29,834,504
- MLJ/TC \$48,200,000
- WDF \$50,673,400
- Citnalta/EJ \$51,489,877

After scoring of the technical and cost proposals, the Selection Committee determined that the proposals submitted by Citnalta/EJ, Forte/Tap, MLJ/TC and PJS were all technically qualified and their combined technical and cost scores were in a competitive range to move on to negotiations. The proposal submitted by WDF was deemed to be out of the competitive range based on their combined technical and costs scores and, therefore not recommended for negotiations.

Negotiations were held with each of the remaining proposers individually focusing on the project schedule and overall cost, including pricing assumptions, management costs and scope clarifications. At the conclusion of negotiations, Citnalta/EJ, Forte/Tap, MLJ/TC, and PJS were requested to submit their best and final offers (“BAFOs”). The BAFOs were as follows:

- PJS \$30,987,000
- Forte/Tap \$35,900,000
- MLJ/TC \$38,678,500
- Citnalta/EJ \$45,312,147

After review of the BAFOs, the Selection Committee unanimously determined that the proposal submitted by PJS is the most advantageous to the MTA and provides the best value. PJS’s BAFO is \$4,913,000 (16%) below the next lowest BAFO and is considered to be fair and reasonable.

In connection with a previous contract awarded to PJS, PJS 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 January 2016. No new SAI has been found relating to PJS and PJS has been found to be responsible.

DBE

The MTA Department of Diversity and Civil Rights has established a goal of 22.5% DBE. Although this is a design/build contract with some undefined scope of work, PJS is projecting to meet the required 22.5% DBE goal. PJS has achieved the assigned D/M/WBE goals on previous completed MTA contracts.

IMPACT ON FUNDING

Funding from this Contract comes from the 2020-2024 capital program.

ALTERNATIVES

Perform the work using in-house personnel. Currently, MTA lacks available in-house personnel to perform this work.

JULY 2021

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

Schedule I. Modifications to Purchase and Public Work Contracts

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

- | | | | |
|----|--|---------------------|--------------------------------------|
| 4. | L3Harris Technologies, Inc
Contract No. 6155.13 | \$ 8,408,807 | <u>Staff Summary Attached</u> |
|----|--|---------------------|--------------------------------------|

MTA Construction & Development is requesting Board approval to provide for additional and enhanced software and equipment and the relocation of some existing equipment.

Vendor Name (Location) L3Harris Technologies, Inc. (Rochester, NY)	Contract Number 6155	AWO/Mod. #s 13
Description Design, Build and Maintain Services for the Metropolitan Transportation Authority Police Department (MTAPD) Metropolitan Regional Radio System Upgrade	Original Amount:	\$ 70,688,209
Contract Term (including Options, if any) July 2015 – July 2022	Prior Modifications:	\$ 1,335,151
Option(s) included in Total Amt? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a	Current Amount:	\$ 72,023,360
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	This Request:	\$ 8,408,807
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	% of This Request to Current Amt.:	11.7 %
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	% of Modifications (including This Request) to Original Amount:	13.8 %
Requesting Dept./Div., Dept./Div. Head Name: Delivery/Mark Roche		

DISCUSSION

This contract provides for the upgrade and enhancement of the Metropolitan Transportation Authority Police Department (“MTAPD”) radio system and associated infrastructure. MTA Construction & Development (“C&D”) is requesting Board approval to provide for additional and enhanced software and equipment and the relocation of some existing equipment for the total not-to-exceed amount of \$8,408,807.

This contract is for the upgrading and enhancement of the MTAPD’s radio system and infrastructure through strategic partnerships with local and state agencies and the installation of up to date equipment and technologies throughout the fourteen counties served by the MTAPD. The MTAPD, through its work with the US Cybersecurity and Infrastructure Security Agency has determined that there is a need to enhance cybersecurity controls to the Metropolitan Regional Radio System Upgrade (“MRRS”) to address increased cyber threats from foreign actors and criminal elements. As part of the original contract, the Contractor provided firewalls and other protective measures to the MRRS to identify and block outside threats to the systems. However, advances in cyber threats requires further reinforcement and protection of the system. In addition, to improve reliability and resiliency over the entire MTAPD coverage area, further revisions and upgrades to the system, deploying new technology and equipment not available when the Contract was developed, is needed. The Added Work covered by this modification consists of the following:

Cybersecurity Upgrades

- Reinforce the protection of the MRRS;
- Provide more robust active monitoring capabilities for the MRRS;
- Provide for a continuous update of all MRRS firmware and software;
- Install a software to establish and maintain MRRS network infrastructure components/devices and update security configurations;
- Provide software for Sessions Auditing of Systems Management and the Radio System Terminals;
- Install a SYSLOG Server to the MRRS Radio System controller as the centralized log manager;
- Rebuild the SOLARWINDS server, disabled due to a worldwide cyber breach of the Solarwinds operating software;
- Install larger capacity routers at the MRRS Radio System Controller for cybersecurity; and
- Provide Security Tools Training for MTAPD Personnel to monitor and scan for internal and external threats.

System Upgrades:

- Install Long Term Evolution/Wi-Fi (“LTE/Wi-Fi”) software to provide seamless connectivity in areas for which MRRS radio coverage is not feasible, including allowing MTAPD personnel to use cell phones to communicate anywhere LTE/Wi-Fi is available;
- Install STATUS AWARE, a GPS tracking solution for portable/mobile radio equipment visible at the dispatch console;

- Install DEVICE MANAGEMENT software that will provide mass radio updates/programming using LTE/Wi-Fi;
- Install Inter Sub-System Interface Interoperability software/license to interconnect partnering agency systems including Orange, Rockland, Suffolk and the Port Authority;
- Install an MCM Radio System Management System to provide for a centralized database for inventory, programming, software and maintenance of the MRRS and associated systems;
- Provide Digital Telephone Line capacity on the Eventide Logging Recorder for critical MTAPD HQ phone lines;
- Provide Warranty and Service Support for additional MRRS equipment software;
- Provide Primary Staff support for the implementation of the System Upgrades.

System Optimization:

- Relocate the cancelled New Hamburg Site distributed control point (DCP) to an alternate site at Fishkill;
- Relocate the Southampton Radio Transmitter Site to a Suffolk County Police radio transmitter site which will provide improved coverage;
- Complete the integration of the Moynihan Train Hall head-end into the MRRS;
- Relocate the antenna at the Guymard Radio Transmitter Site to mitigate interference from cell carriers;
- Relocate the antenna at the Scarsdale Site to improve coverage south of Scarsdale/Hartsdale;
- Integrate the GCT and Jamaica Station into the MRRS;
- Add “low fuel” alarming at all radio transmitter sites to automatically notify MTAPD for refueling of the emergency generators;
- Relocate the emergency generator exhaust at Suffolk County Police Department’s 5th Precinct;
- Identify and develop new radio transmitter sites to improve coverage and performance of the MRRS (including site surveys and evaluations, intermodulation studies, construction drawing packages for permitting, and coverage testing) at 10 sites (5 in NYC and 5 in downstate counties).

The Contractor submitted a proposal in the amount of \$8,593,029. Negotiations resulted in an agreed not-to-exceed amount of \$8,408,807 which is considered fair and reasonable.

Procurement & Supply Chain

Louis A. Montanti, MTA Deputy Chief Procurement



Pictured above is a Wheel Truing Machine used for cutting the treads and flanges of train wheels to restore the profile and uniformity of the wheels per AAR (Association of American Railroads) specifications, a process called truing. The truing process can occur with the train riding on rails above the machine as shown in the above picture or with the wheelset removed from the train. Wheel Truing Machine maintenance and repair, along with other similar maintenance, is the subject of a contract recommendation of award in this month's Board package.

PROCUREMENTS

The Procurement Agenda this month includes 3 actions for a proposed expenditure of \$685.3M.

Subject	Request for Authorization to Award Various Procurements				
Department	Procurement & Supply Chain – NYCT				
Department Head Name	Louis A. Montanti				
Department Head Signature	<i>Louis A. Montanti</i>				
Project Manager Name	Rose Davis				
Board Action					
Order	To	Date	Approval	Info	Other
1	Committee				
2	Board				

July 13, 2021		
Department		
Department Head Name		
Department Head Signature		
Internal Approvals		
	Approval	Approval
<i>MM for SF</i>	President NYCT	X Pres. MTA Bus/SVP DOB
<i>STW</i>	Acting COO, NYCT	X Subways
X	Capital Prog. Management	X Diversity/Civil Rights
X	Law	

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

PURPOSE

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

DISCUSSION

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

Schedule G: Miscellaneous Service Contracts	1	\$	5.8 M
SUBTOTAL	1	\$	5.8 M

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

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

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

<u>Schedules Requiring Two-Thirds Votes:</u>	<u># of Actions</u>	<u>\$ Amount</u>
Schedule C: Competitive Requests for Proposals (Award of Purchase and Public Work Contracts)	1	\$ 23.9 M
<u>Schedules Requiring Majority Vote:</u>		
Schedule G: Miscellaneous Service Contracts	1	655.6 M
SUBTOTAL	2	\$ 679.5 M

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

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

NYC Transit proposes to award Ratifications in the following categories: NONE

TOTAL 3 \$ 685.3 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

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 2021

LIST OF NONCOMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

G. Miscellaneous Service Contracts

(Staff Summaries required for items estimated to be greater than \$1,000,000.)

- | | | |
|-------------------------------------|--------------------|--------------------------------------|
| 1. Simmons Machine Tool Corp | \$5,754,262 | <u>Staff Summary Attached</u> |
| Contract term: 5 years | | |
| Contract# TBD | | |

Award of a five-year, estimated quantity, multi-agency miscellaneous service contract for the inspection, maintenance, and service of wheel truing machines, wheel boring machines, axle lathes, wheel lathes, shunters, and a wheel press for various locations.

Item Number: 1

Vendor Name (Location) Simmons Machine Tool Corp. (Albany, New York)	Contract Number SSE 349558	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Description Maintenance of Wheel Truing Machines, Wheel Boring Mills, Wheel Lathes, Axle Lathes, Shunters, and a Wheel Press, for various NYC Transit, Metro-North Railroad and Long Island Rail Road Locations	Total Amount (including options): \$5,754,262	
Contract Term (including Options, if any) Five 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 checked="" type="checkbox"/> No <input type="checkbox"/> n/a	Requesting Dept./Div., Dept./Div. Head Name Office of MTA Deputy Chief Procurement, Louis A. Montanti	
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Noncompetitive		
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other		

Discussion:

It is requested that the Board declare, pursuant to the All-Agency Service Contract Procurement Guidelines, that a competitive selection process is inappropriate due to the existence of a single responsible source and approve the award of a five-year, estimated quantity, multi-agency miscellaneous service contract to Simmons Machine Tool (“Simmons”) for the inspection, maintenance, and service of wheel truing machines (“WTMs”), wheel boring machines (“WBM”), axle lathes, wheel lathes, shunters, and a wheel press for various NYC Transit, Metro-North Railroad (“MNR”), and Long Island Rail Road (“LIRR”) locations. These machines play integral roles in maintaining the performance of each agency’s rail car fleets within the tolerances set by the Association of American Railroads.

NYC Transit, MNR, and LIRR have combined their individual service needs under one agreement to achieve increased economies of scale and improved pricing. Simmons is the original equipment manufacturer of the WTMs, WBMs, axle lathes, wheel lathes, and wheel press under this contract and holds the proprietary rights to the equipment software. Although the shunters are manufactured by NiteQ, Simmons is the sole authorized distributor and servicer of NiteQ in the United States. In an effort to solicit competition, NYC Transit placed advertisement in the New York State Contract Reporter and the *Daily News* seeking other qualified companies to provide the contract services. No responses were received.

The WTMs are used for cutting the treads and flanges of train wheels to maintain uniformity of the wheels per specification, a process called truing. Similar to the WTM in function, a wheel lathe can machine two-wheel sets (four wheels) in tandem while on the car. A WBM is used to bore holes in the wheels to obtain a proper fit on the axle; an axle lathe is used to cut the axle to match the bore of the wheel. Shunters are used to move rail cars, while the wheel press is used to mount and dismount rail car wheels to axles.

This contract includes provisions for preventative maintenance and inspections, additional repairs when needed, as well as the purchase of parts. The services provided under this contract are performed by Simmons’ trained personnel. The inspections include preventative maintenance checks and also require Simmons to validate that the equipment is operating within specified tolerances. Additional repairs are required when major equipment components fail and/or when repairs require software diagnostics. Availability of qualified in-house personnel and the location and usage of the equipment are driving factors for the differences in each agency’s preventative maintenance, inspection requirements, additional repairs, and purchase of parts under this contract.

Simmons submitted a price in the total amount of \$5,754,262 which is comprised of \$1,393,689 for NYC Transit, \$1,117,122 for MNR and \$3,243,451 for LIRR. Simmons' total price is \$5,754,262 or 11 percent lower than the total estimate of \$6,457,593. Simmons advised that it could not offer any further price reduction since it has held its pricing firm with no escalation for the past seven years and will continue to hold those rates for an additional five years (the term of this new agreement). As a result of Simmons having agreed to hold the pricing from seven years ago, despite cost pressures, the Cost Price Analysis Unit considers Simmons' price of \$5,754,262 to be fair and reasonable.

The contract resulting from this procurement has been evaluated to determine the necessity and appropriate scope, if any, of cybersecurity requirements, including any requirements under federal, state and local law and regulations. The Authority is working with the vendor to include applicable cybersecurity requirements prior to issuance of the notice of award.

Based on past performance, all three agencies, with Procurement's concurrence, have determined that Simmons is technically and professionally qualified to perform the work. A review of the financial statements from Simmons by NYC Transit's Office of the Controller indicates that there is reasonable assurance that Simmons is financially qualified to perform on this contract.

JULY 2021

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 estimated to be greater than \$1,000,000.)

- | | |
|--|---|
| <p>1. Brookville Equipment Corporation \$23,878,834</p> <p>Contract term: 5 years
 Contract# R32443</p> <p>Contract award for the conversion and upgrade of four R110A cars to two pump and two generator cars.</p> | <p><u>Staff Summary Attached</u></p> |
|--|---|

Procurements Requiring Majority Vote:

G. Miscellaneous Service Contracts

(Staff Summaries required for items estimated to be greater than \$1,000,000.)

- | | |
|--|--|
| <p>2. Arro, Inc. \$158,411,532</p> <p>3. Corporate Transportation Group \$160,806,656</p> <p>4. Sentry Management Solutions \$162,360,366</p> <p>5. Greenpoint Transit LLC \$174,042,434</p> <p>Three years with an option to extend up to two years
 Contract #s TBD</p> <p>Award of four, 3-year estimated quantity miscellaneous service contracts for the provision of Broker Car Service for Paratransit Access-A-Ride customers.</p> | <p><u>Staff Summary Attached</u></p> <p>↓</p> <p>↓</p> <p>↓</p> |
|--|--|

Staff Summary

Item Number: 1			
Department, Department Head Name: Office of MTA Deputy Chief Procurement, Louis A. Montanti <i>Louis A. Montanti</i>			
Internal Approvals			
Order	Approval	Order	Approval
1 X	Matériel	6 <i>[Signature]</i>	Acting COO, NYCT
2 X	Law	7 <i>[Signature]</i>	President, NYCT
3 X	CFO		
4 X	DDCR		
5 X	Subways		

SUMMARY INFORMATION	
Vendor Name Brookville Equipment Corporation	Contract No. R32443
Description Conversion of Four R110A Cars to Two Pump and Two Generator Cars	
Total Amount:	\$23,878,834
(Base contract of \$22,578,666 plus option for extended warranty of \$1,300,168)	
Contract Term (including Options, if any) Nine years (Five years for base plus four years for option of extended warranty)	
Option(s) included in Total Amount?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Renewal?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

Purpose

It is requested that the Board approve the award of contract R32443 to Brookville Equipment Corporation (“BEC”) for the conversion and upgrade of four R110A cars to two pump and two generator cars at the total price of \$23,878,834. This includes an option to exercise an extended warranty at the total price of \$1,300,168 at a future date.

Discussion

An Authorizing Resolution requesting the use of a competitive Request for Proposal (“RFP”) procurement process was previously approved by the Board to award a contract for the conversion of four R110A cars to two pump and two generator cars. This contract calls for upgrading and converting four NYC Transit R110A cars with gensets (a combination of an engine and an alternator) and pumps to complement three existing hose-and-reach cars. This pump train will be deployed primarily to remove water from the subway tunnels when flooding occurs. The pump train acquisition is part of NYC Transit’s storm preparedness effort after Superstorm Sandy.

NYC Transit issued an RFP inviting firms to submit proposals for the award of a contract to convert existing cars to pump and generator cars for inclusion in two pump trains. NYC Transit requested that the proposers provide their most aggressive yet achievable delivery schedule to ensure an accelerated delivery. In compliance with Public Authorities Law, Section 1209, the RFP was advertised in the New York State Contract Reporter and the *New York Post*, posted on the MTA website, and placed in industry trade magazines. NYC Transit conducted an extensive, worldwide industry outreach to optimize participation and competition.

Following a pre-proposal conference, two of the four attending firms submitted proposals: BEC and Harsco Metro Rail LLC (“Harsco”). Technical proposals were evaluated by the Selection Committee (“SC”) in accordance with the evaluation criteria. The criteria included experience in relevant areas such as (1) converting and repurposing existing rail work equipment, installation of pumping and generator equipment; (2) delivery schedule; (3) product maintainability and operation of equipment; (4) management approach, quality assurance program, providing quality drawings and manuals; (5) overall project cost and value to NYC Transit; and other relevant matters such as (6) compliance with, and acceptance or willingness to, negotiate NYC Transit’s terms and conditions; and (7) the overall quality of the written proposal.

Following the initial review of the technical proposals and subsequent oral presentations given by both proposers, the SC determined that Harsco's proposal did not meet certain salient technical requirements for pump design to operate in the NYC Transit environment. As a result, the SC unanimously recommended that Harsco's proposal be eliminated from further consideration. NYC Transit then proceeded to negotiations with BEC.

NYC Transit's negotiation team worked with BEC from a technical, commercial, and pricing perspective in an effort to obtain the most competitive, technically acceptable proposal. Technical negotiations centered on structural, genset, and piping design, as well as project schedule. All aspects of the proposed pricing were thoroughly examined and discussed. As a result of these discussions, it was determined that BEC's proposal provided the best overall value for NYC Transit.

The final negotiated price of the base contract excluding the warranty option is \$22,578,666. Procurement and Cost Price performed a line-by-line analysis of the pricing, conducted market surveys, and completed a cashflow analysis that were all used during the negotiations. In addition, the pricing compares favorably to the engineer's estimate of \$21,653,226. Based on the foregoing, the pricing has been found to be fair and reasonable.

This contract will also include an option to exercise, with the concurrence from Department of Subways, Divisions of Car Equipment, a commercial alternative for extended warranties for certain systems/components of the pump and generator cars. The purpose of having these extended warranties priced as an option is to allow NYC Transit additional time to analyze the influence of the low anticipated usage of these pump and generator cars and to gauge the necessity of the extended warranty.

Founded in 1918, BEC is an American manufacturer and restorer of rail vehicles based in Brookville, Pennsylvania. BEC has previously done business with other MTA agencies and has performed successfully on prior contracts. The work, including the upgrade and conversion of the R110A cars and manufacturing assembly, will be performed in Brookville. The delivery schedule for the first set of pump and generator cars is 28 months after notice of award, with the delivery of the second set of pump and generator cars five months later.

A review of BEC's financial documents by the NYC Transit Controller's Office found that BEC is financially qualified to perform work under this contract.

BEC will comply with the newly revised Federal Transit Administration ("FTA") Buy America requirement of 70 percent, the current requirement for rebuilt equipment.

The contract resulting from this procurement has been evaluated to determine the necessity and appropriate scope, if any, of cybersecurity requirements, including any requirements under federal, state and local law and regulations. The Authority is working with the vendor to include applicable cybersecurity requirements prior to issuance of the notice of award.

M/W/DBE Information

The MTA Department of Diversity and Civil Rights has established a zero percent DBE goal due to the lack of DBE firms in the marketplace. Brookville Equipment Corporation has not completed any MTA contracts with goals, therefore no assessment of their MWDBE/SDVOB performance can be determined at this time.

Impact on Funding

This contract will be funded with Federal Transit Administration Emergency Relief Funding grant funds (NY-2018-019).

Alternatives

None recommended. There is no reason to believe that conducting another solicitation will result in a better outcome.

Recommendation

It is recommended that the Board approve the award of Contract R32443 to Brookville Equipment Corporation at the total price of \$23,878,834 for the conversion and upgrade of four R110A cars to two pump and two generator cars, and related non-car items such as spare parts, special tools, technical documentation and training, including the option to exercise an extended warranty at the total price of \$1,300,168 at a future date.

Schedule G: Miscellaneous Service Contracts



Item Numbers: 2-5

Vendor Names (Locations) ARRO Inc. (New York, NY) Corporate Transportation Group Ltd. (Brooklyn, NY) Fejost LLC d/b/a Sentry Management Solutions (Bronx, NY) Greenpoint Transit LLC (Wilmington, Delaware)	Contract Number(s) TBD TBD TBD TBD	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No								
Description Broker Car Service for Paratransit	Total Estimated Amount: \$655,620,988									
Contract Term (including Options, if any): Three years with an option to extend up to two years	<table border="0"> <tr> <td>ARRO Inc.</td> <td>\$ 158,411,532</td> </tr> <tr> <td>Corporate Transportation Group</td> <td>\$ 160,806,656</td> </tr> <tr> <td>Sentry Management Solutions</td> <td>\$ 162,360,366</td> </tr> <tr> <td>Greenpoint Transit LLC</td> <td>\$ 174,042,434</td> </tr> </table>		ARRO Inc.	\$ 158,411,532	Corporate Transportation Group	\$ 160,806,656	Sentry Management Solutions	\$ 162,360,366	Greenpoint Transit LLC	\$ 174,042,434
ARRO Inc.	\$ 158,411,532									
Corporate Transportation Group	\$ 160,806,656									
Sentry Management Solutions	\$ 162,360,366									
Greenpoint Transit LLC	\$ 174,042,434									
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a	Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:									
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	Requesting Dept./Div., Dept./Div. Head Name: Department of Buses, Craig Cipriano									
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: Negotiation										

Discussion:

NYC Transit is seeking Board approval to a ward four, 3-year estimated quantity miscellaneous service contracts for the provision of Broker Car Service for Paratransit Access-A-Ride (“AAR”) customers to ARRO Inc (“ARRO”); Corporate Transportation Group Ltd. (“CTG”); Fejost, LLC d/b/a Sentry Management Solutions (“Sentry”); and Greenpoint Transit LLC (“Greenpoint”) in the estimated amounts of \$158,411,532; \$160,806,656; \$162,360,366; and \$174,042,434 respectively. Each contractor will receive 25 percent of the estimated trip volume for all boroughs. The base term of each contract is three years with each containing an option to extend the term for up to an additional two years. Board approval will be sought if NYC Transit wishes to exercise its option(s).

This procurement is a re-solicitation of four contracts awarded in October 2020 that were terminated in December 2020, to further support NYS efforts to ensure inclusion of NYS certified M/WBEs and SDVOBs when awarding contracts. For this procurement, a quantitative factor was added for vendors proposing as prime contractors who are NYS certified M/WBE or SDVOBs to be taken into account in their evaluation. In addition, the use of M/WBE firms as subcontractors in the respective amounts of 15 percent MBE and 15 percent WBE was added to the contract terms. All other aspects of the contract requirements remained unchanged from the previous solicitation.

AAR service is provided through two different approaches: dedicated service and non-dedicated service. Dedicated service providers are known as Primary Carriers whose only business is to transport NYC Transit AAR customers using NYC Transit-owned vehicles. Non-dedicated service providers, such as Broker Car Service and E-Hail Service (on-demand), perform AAR service in concert with their existing operations. The use of non-dedicated service provides cost and operational benefits to NYC Transit in that Paratransit does not directly bear the total responsibility for maintenance and operating costs, as is the case with dedicated service. Non-dedicated service providers offer access to a larger vehicle fleet to perform a high volume of trips. The Broker model is a fully Americans with Disabilities Act-compliant mode of paratransit transportation that utilizes contractor(s) to schedule and dispatch prearranged trips for AAR customers through a non-dedicated subcontractor network of taxi, livery, and black car service providers.

Over the past 10 years, demand for Paratransit trips has significantly increased from approximately 20,000 per day in 2008, to over 30,000 currently (pre-COVID). Considering the MTA's fiscal situation, innovative changes to the Paratransit operation were needed to reduce program costs and improve the customer experience. Paratransit, working collaboratively with the Office of Management and Budget, Strategic Initiatives, Systemwide Accessibility, and Procurement, has implemented numerous cost reduction strategies. On the forefront is the strategy to shift the bulk of trips previously assigned to dedicated carriers to non-dedicated carriers (principally to Broker Car Service), as it is the least expensive mode of AAR transportation. Pre-COVID, the allocation of AAR trips was approximately 30 percent dedicated and 70 percent non-dedicated. As part of the continued effort to shift trips to Broker service, it is Paratransit's aspiration to allocate up to 75 percent of trips to non-dedicated service over the next three years.

The four previously mentioned terminated contracts that NYC Transit awarded (resulting from RFP 310504) sought to expand Broker trip capacity by increasing the number of contractors from two to four, while also increasing the use of shared rides and adding the use of power lift-equipped vehicles so that AAR customers who utilize scooters and oversized or motorized wheelchairs could also use the Broker program. The expansion of trip capacity, increasing the use of shared rides and use of power lift-equipped vehicles are also priorities for the contracts recommended for award from this RFP. This RFP also anticipated four awards, as three may be too few (in the event one Broker drops out) and five may be too many (a smaller allocation of trip assignments would impact the Brokers ability to share rides due to a smaller pool of potential shared trip combinations).

The evaluation criteria for this RFP, listed in descending order of importance, are as follows: Proposer's Overall Technical Qualifications regarding relevant experience and demonstrated ability to perform the work, a approach and methodology to satisfy performance requirements under the Scope of Work, which included the aforementioned quantitative factor assigned to M/WBE and SDVOBs proposers proposing as a prime contractor (as noted above), Overall Price, and Other Relevant Matters. Selection Committee ("SC") members were drawn from Paratransit, the Department of Buses, the Department of Diversity and Civil Rights, the Department of the Chief Financial Officer, and Procurement.

NYC Transit aggressively reconvened the marketplace for potential new contractors and subcontractors, including M/WBEs and SDVOBs, to expand the competitive environment. Twenty-six firms requested the RFP package, of which 13 submitted proposals.

Following the SC's review of written proposals, five of the 13 proposals were eliminated as the proposers failed to demonstrate their experience and ability to perform the work and/or did not comply with the submission requirements. The remaining eight were invited for oral presentations. After oral presentations, three were eliminated as each of these Proposers failed to illustrate a clear understanding of the work and responsibilities of the Broker. The SC determined that the remaining five companies, ARRO, CTG, Curb Mobility LLC ("Curb"), Greenpoint, and Sentry were technically qualified and were invited to participate in negotiations.

Negotiations focused on the proposers' demonstrated ability to perform the work including experience, trip capacity, project management team, and overall price. The price proposal was structured to provide rates based on zone to zone combinations, defined by intra-borough and interborough zip codes throughout the five boroughs. Pricing for the base three years is fixed, however, proposers had the opportunity to provide different pricing for the option period. Proposers were asked to submit pricing for three award scenarios: 33 percent, 25 percent, and 20 percent of the total award volume. Not only does this strategy allow NYC Transit to consider different award scenarios with respect to the number of initial awards to make, it also gives NYC Transit the flexibility to switch between the three different volume-based price schedules during the course of the contract if for any reason the number of Brokers performing under the program decreases or increases based on need.

Best and Final Offers ("BAFOs") were received on April 8, 2021, and presented to the SC for consideration on May 7, 2021. During this meeting and prior to making its recommendations for award, the SC was notified that, on May 4, 2021, the Authority made a determination of Non-Responsible relating to Curb and Curb was no longer eligible for consideration of award.

Upon receiving this information, the SC deliberated and determined during this meeting that four remains the optimal number of awards needed to ensure Paratransit has sufficient Broker capacity to meet demand. The SC evaluated the BAFOs in accordance with the evaluation criteria, including the pricing for the option years and unanimously voted to recommend ARRO, CTG, Sentry, and Greenpoint for award, as this combination provides the overall best value.

The fully loaded Weighted Average Cost Per Trip ("WACPT") for each proposer is listed below. The overall average WACPT of the four recommended awards are in bold.

BAFO PRICING FOR BASE AND OPTION YEARS:

Proposer	Base Years 1–3 Gross Sum Award Amount	WACPT	Option Years 4 and 5 Gross Sum Award	WACPT
ARRO	\$158,411,532	\$30.49	\$122,165,169	\$30.39
CTG	\$160,806,656	\$30.95	\$122,967,442	\$30.59
Sentry	\$162,360,366	\$31.25	\$125,637,228	\$31.25
Greenpoint	\$174,042,434	\$33.50	\$134,677,012	\$33.50
Gross Sum and overall WACPT	\$655,620,988	\$31.55	\$505,446,851	\$31.43

ARRO has experience with providing AAR service through its previous work with CTG as a Broker affiliate, as well as performing work under the AAR e-hail pilot. CTG is a three-time Broker incumbent bringing experience, stability, and capacity to the Broker program. Sentry is new to NYC Transit, but has experience in performing non-emergency medical transportation across NYC and boasts the largest fleet of black cars of all these Proposers. Greenpoint is also new to NYC Transit AAR work, but has paratransit experience elsewhere and is a global leader in ride sharing alongside its parent company, VIA Transportation.

This combination of awardees will support Paratransit’s aspiration of having 75 percent of all AAR trips be performed by non-dedicated providers through access to almost 48 thousand vehicles of which, approximately: nine thousand are yellow and green taxis, 35 thousand are black car and livery supporting the outer boroughs, 4.6 thousand are wheelchair-accessible taxis, and three thousand are motorized lift-equipped vehicles with the ability to now provide service to AAR customers who utilize oversized and motorized wheelchairs and scooters, and have historically been required to utilize the more costly dedicated primary carrier service for such accommodations.

An award to Sentry in the amount of \$162.3 million will be the first prime contract awarded to a NYS Certified MBE Broker service provider. Additionally, all proposers provided M/WBE goal utilization plans that have been approved by the Department of Diversity and Civil Rights (“DDCR”), and all have committed to meet the 15 percent Minority and 15 percent Women-owned goals assigned. Additionally, proposers have collectively identified an additional 16 potential M/WBEs who are currently in the process of applying for NYS M/WBE certification. These firms may be utilized in the future as the program expands. DDCR is currently working with NYS to expedite these certifications. If the estimated value of all four contracts is realized, then it is anticipated that a cumulative amount of approximately \$172.3 million will be paid to M/WBE subcontractors during the base years.

Through negotiations and the competitive nature of this procurement, final pricing from ARRO, CTG, Sentry, and Greenpoint is considered fair and reasonable.

The NYC Transit Controller’s Office performed a financial review of all proposers and based on the criteria used found CTG and Sentry to be financially qualified to perform the work of the contract. With respect to ARRO and Greenpoint, there is reasonable assurance that these firms are financially qualified to perform the work of the contract because acceptable letters of guarantee have been furnished by both companies.

The current WACPT for Broker Car Service is \$34.04. The new WACPT resulting from this RFP is \$31.55, a savings of \$2.49 per trip. This represents a total estimated savings of \$44.7 million for the three base years. Additional savings are anticipated program wide as Paratransit continues to aspire toward 75 percent non-dedicated trips. If the 75 percent is fully realized over the base term of this contract, it is anticipated that additional savings in excess of \$40 million will be achieved.

Contracts

Stephen Plochochi, Senior Vice President, Contracts



The above rendering depicts a new enclosed connector from the Times Square Shuttle's abandoned Track 3 Right of Way from the east end of the Times Square Shuttle platform to the Bryant Park Station. The procurement action required for this work is included in this month's procurement package.

PROCUREMENTS

The Procurement Agenda this month includes two procurement actions for a proposed expenditure of \$7.7M.

Staff Summary

Subject Request for Authorization to Award Procurement Actions					
Department Contracts					
Department Head Name & Title David K. Cannon, Vice President, Contracts					
Department Head Signature 					
Board Action					
Order	To	Date	Approval	Info	Other
1	NYCT & Bus Committee	7/19/21	X		
2	Board	7/21/21	X		

Date: July 12, 2021			
Internal Approvals			
	Approval		Approval
	Deputy Chief Development Officer, Delivery		President
	Deputy Chief Development Officer, Development		Executive Vice President & General Counsel

PURPOSE

To obtain the approval of the Board for various procurement actions and, to inform the New York City Transit Committee of these procurement actions.

DISCUSSION

MTA Construction & Development requests Ratifications in the following category:

<u>Schedules Requiring Majority Vote</u>	<u># of Actions</u>	<u>\$ Amount</u>
Schedule K: Ratification of Completed Procurement Actions	2	\$7,736,900
TOTAL	<u>2</u>	<u>\$7,736,900</u>

Budget Impact:

These procurement actions will obligate capital funds in the amount listed. Funds are available in the capital budget for this purpose.

Recommendation:

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

MTA Construction & Development

BOARD RESOLUTION

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

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

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

NOW, the Board resolves as follows:

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

JULY 2021

LIST OF RATIFICATIONS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

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

(Staff Summaries required for items requiring Board Approval)

- | | | | |
|----|--|---------------------|--------------------------------------|
| 1. | MLJ Contracting Corp.
Contract No. A35302/A37116.30 | \$ 5,150,000 | <u>Staff Summary Attached</u> |
|----|--|---------------------|--------------------------------------|

MTA Construction and Development requests the Board ratify a modification to the contract for the design and construction of the 6th Avenue Connector and deletion of the Durst Underpass.

- | | | | |
|----|--|---------------------|--------------------------------------|
| 2. | Tully Construction Co. Inc.
Contract No. C-34836.81 | \$ 2,586,900 | <u>Staff Summary Attached</u> |
|----|--|---------------------|--------------------------------------|

MTA Construction and Development requests the Board ratify a modification to the contract for the rehabilitation of four Circuit Breaker Houses located at the Coney Island Yard Complex including replacing or repairing the existing roofs, repairing interior and exterior walls, furnishing new battery switches and negative test boxes, providing new DC lighting and heaters and new AC power feeds.

Schedule K - Ratification of Completed Procurement Actions
Item No. 1

Vendor Name (Location) MLJ Contracting Corp. (Great Neck, NY)	Contract Number A-35302/A-37116	AWO/Mod. #s 30
Description Station Reconstruction & ADA Accessibility at the Times Square & Grand Central Stations	Original Amount:	\$ 131,195,000
Contract Term (including Options, if any) March 7, 2019 – March 6, 2022	Prior Modifications:	\$ 13,038,400
Option(s) included in Total Amt? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a	Prior Budgetary Increases:	\$ 0
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	Current Amount:	\$ 144,233,400
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	This Request:	\$ 5,150,000
Funding Source <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	% of This Request to Current Amt.:	3.6%
Requesting Dept./Div., Dept./Div. Head Name: Delivery/Mark Roche	% of Modifications (including This Request) to Original Amount:	13.9%

Discussion:

This contract is for station reconstruction and ADA Accessibility at the Times Square and Grand Central Shuttle stations. The scope of this contract consists of converting the existing three-track 42nd Street Shuttle operation to a two-track operation and modifying and extending the station platforms to comply with ADA requirements. MTA Construction & Development (“C&D”) requests the Board ratify modification No. 30 for the design and construction of the 6th Avenue Connector and deletion of the Durst Underpass.

The contract calls for the construction of an underpass under Track 4 (the “Durst Underpass”), which provides a required alternate means of egress from the Times Square shuttle platform through the Durst Building to 42nd Street. However, construction of the Durst Underpass presented construction challenges that created risks to shuttle service and to the schedule for completion of the project. For those reasons, MTA C&D sought an easier to build solution that would minimize impacts to customer service.

The identified solution is an alternative to the Durst Underpass, and provides an alternate means of egress through the Bryant Park Station on the IND 6th Avenue Line. This solution has the advantages of allowing two track service to continue during construction, provides a free transfer to the 6th Avenue Line and lessens the risk of impact to the project schedule. In addition, because the owner of the Durst Building had an obligation to fit out the Durst Underpass, it was willing to pay MTA \$7.56 million to be relieved of its obligations for performing its work.

The changed work in this Modification consists principally of the deletion of the Durst Underpass and the design and construction of approximately 300 LF of enclosed connector in the Shuttle’s abandoned Track 3 Right of Way from the south end of the Times Square Shuttle platform to the Bryant Park Station, The work also includes the construction of a ramp down to the connector and two separate stairways constructed from the connector (Shuttle Level) to the Bryant Park Station uptown and downtown platforms.

The contractor submitted a net cost proposal of \$9,677.515. Negotiations resulted in the agreed net lump sum price of \$5,150,000 which is considered to be fair and reasonable and is, in fact, less than the payment received by the MTA for deleting the Durst Underpass.

In order to mitigate any impacts to the Substantial Completion date or the restoration of full shuttle service, permission to process this modification on a retractive basis was obtained from the Deputy Chief Development Officer, MTA C&D Delivery and the Contractor was directed to proceed with the work on January 22, 2021 up to a not-to-exceed amount of \$3,000,000.

**Schedule K - Ratification of Completed Procurement Actions
Item No. 2**

Vendor Name (Location) Tully Construction Co. Inc. (Flushing, New York)	Contract Number C-34836	AWO/Mod. #s 81
Description Coney Island Yard Complex Long-Term Flood Mitigation in the Borough of Brooklyn	Original Amount:	\$ 309,750,000
Contract Term (including Options, if any) March 30, 2018 – September 30, 2022	Prior Modifications:	\$ 5,418,874
Option(s) included in Total Amt? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	Prior Budgetary Increases:	\$ 0
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	Current Amount:	\$ 315,688,874
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	This Request:	\$ 2,586,900
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	% of This Request to Current Amt.:	0.8%
Requesting Dept./Div., Dept./Div. Head Name: Delivery/Mark Roche	% of Modifications (including This Request) to Original Amount:	2.6%

Discussion:

The contract provides for flood mitigation at the Coney Island Yard Complex in Brooklyn. The Work consists of fortifying against future flooding by constructing perimeter flood wall protections; installing new pump stations; improving the drainage system; replacing damaged track; installing flood barriers and debris shields at the Sea Beach and West End line creek bridges; and constructing a power and communications cable bridge across the Complex. MTA Construction & Development requests that the Board ratify Modification No. 81 to the Contract to provide for the rehabilitation of four Circuit Breaker Houses (“CBH”) located at the Coney Island Yard Complex (CBHs 128, 139, 591 and 594), including replacing or repairing the existing roofs, repairing interior and exterior walls, furnishing new battery switches and negative test boxes and providing new lighting and heaters and new AC power feeds.

The exterior of the four CBHs are in poor condition with spalling bricks and leaking roofs. Water intrusion from the walls and roofs has damaged electrical and mechanical equipment within to an extent that makeshift fiberglass shields have been installed for protection against water leaking onto the equipment. The repair of the CBHs was planned for a future project, however, due to their deteriorated condition, it is necessary to address the situation immediately.

Performing this work as a modification to this contract allows for optimal work sequencing, minimized disruptions to yard operations and for the CBH work to be completed approximately one year earlier than it would be completed through a standalone contract and during a period of lower ridership. In addition, estimates indicate that approximately \$3.85 million will be saved by adding this work to contract C-34836 by modification as opposed to awarding it by means of a standalone contract. These savings are primarily due to reductions in general conditions and mobilization costs associated with an award to a new contractor, as well as internal project support costs.

Tully Construction Co. Inc. submitted a proposal in the amount of \$3,406,068. Negotiations resulted in the agreed upon lump sum price of \$2,586,900 which is considered to be fair and reasonable. A budget modification will be processed to provide additional funding for this modification.

Agreement was also reached on an extension of time for 92 excusable and non-impactable calendar days to the Contract Substantial Completion date which will be extended to December 31, 2022. In order to mitigate any further schedule impact, permission was obtained from the President of C&D to process this modification on a retroactive basis and the Contractor was directed to proceed with the work on June 25, 2021 up to a not-to-exceed amount of \$750,000.

**PROCUREMENT PACKAGE
July 2021**



The above depicts work being performed on the Verrazzano-Narrows Bridge under Contract VN-32/VN-49X. This month's agenda includes a procurement action for additional work under this Contract.

PROCUREMENT

The Procurement Agenda this month includes one procurement action for a proposed expenditure of \$7.5M.

Staff Summary

Subject		Request for Authorization to Award a Procurement Action			
Department		Contracts			
Department Head Name Steve Plochochi, Senior Vice President, Contracts					
Department Head Signature 					
Board Action					
Order	To	Date	Approval	Info	Other
1	B&T Committee	7/19/21	X		
2	Board	7/21/21	X		

Date: July 12, 2021			
Internal Approvals			
	Approval		Approval
<i>MR.</i>	Deputy Chief Development Officer, Delivery		President
	Deputy Chief Development Officer, Development		Executive Vice President & General Counsel

PURPOSE:

To obtain the approval of the Board to award one procurement action and to inform the Bridges and Tunnels Committee of the procurement action.

DISCUSSION:

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

<u>Schedules Requiring Majority Vote</u>	<u># of Actions</u>	<u>\$ Amount</u>
I. Modifications to Purchase and Public Work Contracts	1	\$7,500,000
TOTAL	1	\$7,500,000

Budget Impact:

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

Recommendation:

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

MTA Construction & Development

BOARD RESOLUTION

WHEREAS, in accordance with Sections 559, 2879 and 1265-a of the Public Authorities Law and the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive purchase and public works contracts, and the solicitation and award of request for proposals in regard to purchase and public work contracts; and

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

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

NOW, the Board resolves as follows:

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

JULY 2021

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

Schedule I. Modifications to Purchase and Public Work Contracts
(Staff Summaries required for all items greater than \$1M)

- | | | | |
|----|--|--------------------|--------------------------------------|
| 1. | Ahern Painting Contractors, Inc.
Contract No. VN-32/VN49X.5 | \$7,500,000 | <u>Staff Summary Attached</u> |
|----|--|--------------------|--------------------------------------|

MTA Construction and Development requests the Board approve a modification to the Contract for additional structural steel quantities and fire standpipe repairs on the main span of the Verrazzano-Narrows Bridge.

Item No. 1

Vendor Name (Location) Ahern Painting Contractors, Inc. (Port Washington, N.Y.)
Description Structural Steel Repairs and Painting at the Verrazzano-Narrows Bridge
Contract Term (including Options, if any) July 17, 2019 – April 30, 2022 (2 years, 9 ½ months)
Option(s) included in Total Amount <input type="checkbox"/> Yes <input checked="" 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 checked="" 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:
Requesting Dept./Div., Dept./Div. Head Name: Delivery, Mark Roche

Contract Number VN-32/VN-49X	AWO/Mod. #s 5
Original Amount:	\$ 73,267,248
Prior Modifications:	\$ 20,453,514
Prior Budgetary Increases:	\$ N/A
Current Amount:	\$ 93,720,762
This Request:	\$ 7,500,000
% of This Request to Current Amt.:	8.0%
% of Modifications (including This Request) to Original Amount:	38.2%

Discussion:

This Contract is for structural steel repairs and painting the Verrazzano-Narrows Bridge (“VNB”). MTA Construction & Development (“C&D”) is requesting that the Board approve a modification to the Contract for additional structural steel quantities and fire standpipe repairs on the main span of the VNB for the total not-to-exceed amount of \$7,500,000.

During the 2020 biennial bridge inspection and subsequent detailed inspections performed from the temporary access work platform installed under this project, the structural steel and fire standpipe repairs that are the subject of this Modification were identified for reasons of safety and state of good repair. The Work for this Contract already involves the installation of a full access under roadway work platform that is needed to perform the Added Work. Therefore, performing the Added Work under this Contract, rather than deferring it to the future will allow the work to be performed timely and cost effectively, and will allow the state of good repair of the VNB to be maintained, without the added time and cost of requiring a future access platform installation.

The Work added by this proposed modification will consist principally of the fabrication and installation of steel members inclusive of stringer stiffeners; subfloor beams; sidewalk channel stringers; traveler rails as well as fire standpipe system repairs.

Ahern submitted a proposal in the amount of \$8,257,479 for the work. The work includes existing unit price quantity increases, new steel repair type unit price items and additional related lump sum items. Negotiations resulted in the agreed upon price of \$7,500,000, which is considered fair and reasonable. Ahern agreed to complete the work within the current contract completion date of April 30, 2022. Funding for this amendment is available in the 2015-2019 Capital Program.

In connection with a previous contract awarded to Ahern, Ahern 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 Deputy Chief Operating Officer in consultation with the MTA General Counsel in May 2021. No new SAI has been found relating to Ahern and Ahern has been found to be responsible.

Staff Summary

Subject Approval of MTA Financial Support for Refinancing of ESD TIFIA Loan for Moynihan Station Development Project in Replacement for MTA Financial Support on Prior ESD TIFIA Loan
Department Finance
Department Head Name Robert E. Foran, Chief Financial Officer
Department Head Signature
Project Manager Name Patrick J. McCoy, Deputy Chief, Financial Services

Date July 21, 2021
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	7/19/21	X		
2	Board	7/21/21	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal		

PURPOSE:

To obtain MTA Board approval to enter into various agreements necessary to support the refinancing of an existing loan (the “Existing TIFIA Loan”) up to an amount not to exceed \$633 million between New York State Urban Development Corporation d/b/a Empire State Development (“ESD”) and the United States Department of Transportation, acting by and through the Executive Director of the Build America Bureau (the “TIFIA Lender”), entered into to effectuate Phase 2 of the Moynihan Station Development Project (the “Project”), which included a new Train Hall shared by Amtrak, Long Island Rail Road and Metro-North Commuter Railroad.

BACKGROUND:

In 2017, MTA Board approved the execution and delivery of, among other things, (1) a Joint Services Agreement (the “Existing JSA”), among ESD, MTA, the TIFIA Lender and a trustee, which provides for the replenishment by MTA of debt service reserve fund (“DSRF”) withdrawals in the event the payment-in-lieu-of-taxes and certain other payments by the private developers of the Project and its retail and commercial subtenants were not sufficient to pay debt service on the Existing TIFIA Loan, and (2) an Interagency Agreement (the “Existing Interagency Agreement”), among MTA and the MTA operating agencies relating to reimbursements of amounts expended under the Existing JSA. MTA’s participation was requested by ESD to achieve an investment grade rating on the Existing TIFIA Loan as required by federal law.

If MTA is called upon to make any DSRF replenishment payments under the Existing JSA, MTA is entitled to reimbursement through guaranties by the developer’s corporate parents (the “Guarantors”), pursuant to “good guy guaranties” designed to ensure that the Guarantors will in fact make the required payments unless they are prepared to walk away from their substantial investment in the commercial units. The guaranties are subject to termination and/or replacement as provided therein. MTA will also have recourse to any excess monies derived from a re-letting of the commercial units by ESD to a new entity, and to any future excess PILOT payments. To date, MTA has not made any DSRF replenishment payments.

Staff Summary

In connection with the Existing TIFIA Loan, a Stabilization Reserve Account was funded using \$20 million of MTA's \$100 million capital contribution to the Project. This fund is available to reimburse MTA for any DSRF replenishment payments and/or to provide a direct source of DSRF replenishment.

The amounts available to MTA to make payments under the Existing JSA will be the revenues that are available to pay operating expenses of the transit and commuter agencies after the payment of debt service on MTA's bonds. MTA, LIRR, Metro-North, MTA Bus, NYCT, and MaBSTOA entered into an interagency agreement similar to a previous interagency agreement supporting MTA Transportation Revenue Bonds, so that MTA operating agencies whose revenues may be used to make payments under the Existing JSA will be appropriately reimbursed from other available moneys when received.

On June 12, 2017, a Memorandum of Understanding (MOU) was entered into by and among MTA, ESD and the New York State Division of the Budget (Division) pursuant to which the Division will agree to consider waiving New York State-related expenses levied against the MTA in consideration of any support provided by the MTA in connection with the ESD Financing that is not reimbursed through any of the above mechanisms. This MOU is expected to be updated to reflect the refinancing.

SUMMARY OF PROPOSAL:

ESD is in the process of renegotiating the Existing TIFIA Loan in order to lower the interest rate and fund approximately \$64.03 million of additional TIFIA Eligible Project costs. ESD is requesting that MTA provide substantially the same financial support as provided to the Existing TIFIA Loan pursuant to the Existing JSA and the Existing Interagency Agreement, under substantially the same terms and conditions. It is expected that MTA will be secured in substantially the same way as the Existing JSA, including access to certain guaranties and the Stabilization Reserve Account and excess PILOT payments and other developer and subtenant payments.

BOARD ACTION:

The MTA Board is requested to approve the execution and delivery of a new joint services agreement and interagency agreement in substantially the forms of the Existing JSA and the Existing Interagency Agreement and such other agreements as may be necessary to support the new TIFIA loan to be entered into between ESD and the TIFIA Lender, and to authorize the officers of MTA and the MTA agencies that are party to the new interagency agreement to take such other actions and execute and deliver such other agreements and certificates as are necessary, desirable or convenient to effectuate the foregoing transaction.

ALTERNATIVES:

There are no viable alternatives.

RECOMMENDATION:

It is recommended that the MTA Board approve the following resolution.

BE IT RESOLVED by the MTA Board:

1. The Authorized Officers of MTA are hereby authorized to execute and deliver a joint services agreement in substantially the form of the Existing JSA and an interagency agreement in substantially the form of the Existing Interagency Agreement. Each Authorized Officer is hereby authorized to execute and deliver by and on behalf of the signatory agency each of such agreements with such changes, omissions, insertions and revisions as may be approved by the officer executing such agreement, said execution being conclusive evidence of the approval and concurrence of the Board in the determinations made by such Authorized Officer. Each such Authorized Officer may exercise any authority delegated under this Resolution from time to time following, or in connection with, the execution and delivery of each of such agreements, as appropriate for any purposes, including, without limitation, the execution and delivery of such additional agreements and related closing certificates as the Authorized Officer determines is necessary to effectuate the transactions authorized hereby, and in order to exercise rights or remedies under any of the agreements.

2. Each Authorized Officer is hereby further authorized and directed to take such further actions as may be necessary or desirable to implement the purposes and intent of this Resolution. For purposes of this Resolution,

Staff Summary

an Authorized Officer shall mean the Chairman, the Chief Executive Officer, the President of each agency that is a party to any of the agreements, the Chair of the Finance Committee, the Vice Chairman, the Chief Financial Officer, the Deputy Chief, Financial Services, the Secretary or any Assistant Secretary, and any other person authorized by the Chairman or the Chief Financial Officer to perform the act or sign the document in question.

Staff Summary

Subject TBTA Sales Tax Revenue Obligation Resolution (TBTA Capital Lockbox – City Sales Tax) for Submission to the Capital Program Review Board	Date July 21, 2021
Department Finance	Vendor Name
Department Head Name Robert E. Foran, Chief Financial Officer	Contract Number
Department Head Signature	Contract Manager Name
Project Manager/Division Head Patrick J. McCoy, Deputy Chief, Financial Services	Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance	7/19/21			
2	Board	7/21/21			

Internal Approvals			
Order	Approval	Order	Approval
2	Chairman	1	Legal

Purpose:

To obtain Finance Committee and TBTA Board approval of the annexed resolution authorizing the submission of the draft of the proposed Special Obligation Resolution Authorizing Sales Tax Revenue Obligations (TBTA Capital Lockbox - City Sales Tax) and Standard Resolution Provisions (collectively, the “City Sales Tax Obligation Resolution”) to the Metropolitan Transportation Authority Capital Program Review Board (“CPRB”) for approval. Upon approval by the CPRB, a complete and final set of City Sales Tax Obligation Resolution documents will be resubmitted to the Finance Committee and the TBTA Board for formal adoption, as required by the TBTA Act.

Discussion and Background:

In April 2019, legislation was enacted in New York State providing additional sources of revenues to address the financial needs of the MTA, including portions of the citywide sales and compensating use taxes. The legislation, among other things, provided that certain taxes be made available for deposit into the Central Business District Capital Lockbox Fund to be applied to the payment of operating, administration and other necessary expenses allocable to the central business district tolling program, including the planning, designing, constructing, installing or maintaining thereof, and the costs of any transit and commuter capital projects included within the 2020 to 2024 MTA Capital Program or any successor programs approved by the CPRB, including the Citywide sales and compensating use taxes in an amount equal to (a) \$127.5 million for State Fiscal Year 2019-2020, (b) \$170 million for State Fiscal Year 2020-2021, and (c) 101% of the preceding State Fiscal Year’s amount for each State Fiscal Year thereafter (the “City Sales Tax Receipts”).

MTA Finance staff, working with external Bond Counsel and its Financial Advisors, have drafted the annexed Special Obligation Resolution Authorizing Sales Tax Revenue Obligations (TBTA Capital Lockbox - City Sales Tax) and Standard Resolution Provisions, which comprise the fundamental legal documents for the establishment of a new bond credit pledging the City Sales Tax Receipts.

In order to finance transit and commuter projects in an approved MTA Capital Program, TBTA is required by Section 553(20) of the Public Authorities Law to submit such documentation to the CPRB for review and approval prior to the additional formal adoption thereafter by the TBTA Board.

Sales Tax Credit Highlights:

- Senior Lien Revenue Pledge: Citywide Sales Taxes (does not include the 3/8ths of 1% regional sales tax, which is pledged to other bond credits).
- Additional Bonds Test: Statutory Allocations in each State Fiscal Year sufficient to pay principal and interest on Senior Lien Obligations in each Bond Year.
- City Sales Tax Obligation Resolution authorizes bonds issued solely for central business district tolling program operating and maintenance expenses and capital needs and approved Capital Program Transit and Commuter Projects for 2020 to 2024 and subsequent programs.
- Ability to issue Subordinate Indebtedness in the future.
- Non-impairment covenant of the State in TBTA Act.

Alternatives:

Among financing alternatives currently available to MTA to use the TBTA CBDT Lockbox moneys to finance 2020-2024 transit and commuter projects, the introduction of this new credit allows MTA to fully leverage the City Sales Tax Receipts (1 times coverage), creating a strong credit at low financing costs.

Recommendation:

It is recommended that the TBTA Board approve the annexed resolution authorizing submission of the Special Obligation Resolution Authorizing Sales Tax Revenue Obligations (TBTA Capital Lockbox - City Sales Tax) and Standard Resolution Provisions documents to the CPRB for review and approval. Upon approval by the CPRB, MTA Finance staff will seek final TBTA Board adoption of the City Sales Tax Obligation Resolution documents incorporating any requested changes from the CPRB.

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

**SPECIAL OBLIGATION RESOLUTION
AUTHORIZING
SALES TAX REVENUE OBLIGATIONS
(TBTA CAPITAL LOCKBOX – CITY SALES TAX)**

Adopted _____, 2021
as approved by the
Metropolitan Transportation Authority
Capital Program Review Board
on _____, 20__

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**SPECIAL OBLIGATION RESOLUTION
AUTHORIZING
SALES TAX REVENUE OBLIGATIONS
(TBTA CAPITAL LOCKBOX – CITY SALES TAX)**

BE IT RESOLVED by the Board of the Triborough Bridge and Tunnel Authority as follows:

ARTICLE I

STANDARD RESOLUTION PROVISIONS; DEFINITIONS

Section 101. Standard Resolution Provisions. Except as otherwise specifically provided herein or by Supplemental Resolution, the Standard Resolution Provisions appended hereto as **Annex A** constitute an integral part of the Resolution and have the same force and effect as if set forth in the forepart of the Resolution.

Section 102. Definitions. Except as the context shall otherwise require, capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Standard Resolution Provisions. In addition, to the extent that the State, by law and consistent with Section 604, changes any funds and accounts defined herein, such definitions shall be deemed to include any successor provisions. The following terms shall, for all purposes of the Resolution, have the following meanings:

Annual Debt Service shall mean the amount of Debt Service payable during each Bond Year. For purposes of the calculation of the Statutory Annual Deposit Amount for any State Fiscal Year as it applies to Annual Debt Service for any Bond Year, such as the calculations required by Sections 203 and 204 hereunder, or the deposit of Sales Tax Receipts for the payment of Annual Debt Service for any Bond Year, such as the deposits required by Section 503, Annual Debt Service shall be calculated for the Bond Year for which the calculation is being made and Sales Tax Receipts shall be associated with the Statutory Annual Deposit Amount of the most recently concluded State Fiscal Year prior to the end of such Bond Year, irrespective of when the Trustee receives the Sales Tax Receipts for such State Fiscal Year.

Annual Net Debt Service shall mean Annual Debt Service less the amount, if any, set aside in any account within the Senior Lien Debt Service Fund or the Obligations Proceeds Fund or otherwise in trust for the payment of Debt Service on Obligations or Parity Debt in the applicable Bond Year.

Bond Year shall mean the 12-month period beginning on May 16 through the following May 15 and a Bond Year shall correspond to the State Fiscal Year ending immediately prior to each May 15.

Capital Cost Obligations shall mean Obligations authenticated and delivered on original issuance pursuant to Section 203.

Capital Costs shall mean (i) the costs of the Issuer or any other Related Entity for the planning, design, acquisition, construction, reconstruction, rehabilitation or improvement of all or

any part of the Central Business District Tolling Program or the TBTA Transit and Commuter Project, as appropriate, including costs of acquisition of real or personal property or any interests therein, legal, administrative, engineering, planning, design, studies, insurance, financing costs (including Costs of Issuance), including the costs of the Issuer or any other Related Entity owed for such purposes to other entities, and initial working capital required for the commencement of operation of any such program or project and any capital contributions, whether or not represented by equity or debt securities or other evidences of indebtedness, made by the Issuer or any other Related Entity to any Person participating in Central Business District Tolling Program or the TBTA Transit and Commuter Project for the purpose of funding any costs described in this clause (i); (ii) amounts paid into any Fund or Account upon the issuance of any Obligations; and (iii) payment when due (whether at the maturity of principal or on the due date of interest or upon redemption or when otherwise due, including by purchase or through tender or exchange) on any indebtedness or obligation of the Issuer or any other Related Entity which was issued or incurred to finance costs that could at the time of such payment be funded directly hereunder, including Obligations, Obligation Anticipation Notes, Parity Debt, Subordinated Contract Obligations, including obligation anticipation notes issued on a subordinated basis, and Subordinated Indebtedness, any termination or other payments for financial or other hedging arrangements, or any such indebtedness or obligation issued or incurred by the Issuer or any Related Entity in connection with the Central Business District Tolling Program or the TBTA Transit and Commuter Project, as appropriate.

Central Business District shall mean the area described in Section 1704 of the New York Vehicle and Traffic Law where tolls may be charged for a vehicle's entry into or remaining in such district, as amended or supplemented from time to time.

Central Business District Toll shall mean a toll charged for entry into or remaining in the Central Business District as described in Section 1704 of the New York Vehicle and Traffic Law.

Central Business District Tolling Capital Lockbox Fund shall mean the fund established pursuant to Section 553-j of the New York Public Authorities Law and entitled the "Central Business District Tolling Capital Lockbox Fund," or any successor fund or account provided by law. For certain purposes, the Central Business District Tolling Capital Lockbox Fund may alternatively be referred to herein as the "TBTA Capital Lockbox."

Central Business District Tolling Program shall mean the program for charging tolls for vehicles that enter or remain in the Central Business District and includes (i) the electronic system of collecting tolls or other charges using electronic data and/or images that the Issuer will plan, design, install, construct and operate, (ii) the devices and structures, including but not limited to gantries, clear signage delineating entry into the Central Business District and toll amounts, and power and communication lines that the Issuer will plan, design, construct, and use, (iii) the customer contact and back-office system and operation services for the collection of Central Business District Tolls and enforcement of Central Business District Toll violations that the Issuer will plan, design, implement and operate.

Excess Revenues Fund shall mean the Fund by that name established in Section 502.

Issuer shall mean TBTA.

Obligations shall mean any bonds, notes, commercial paper or other forms of indebtedness of the Issuer payable from the Senior Lien Debt Service Fund, authorized by Section 201 and delivered pursuant to Section 202 or authorized pursuant to Section A-203, *but excluding* Obligation Anticipation Notes to the extent payable from, and expected by an Authorized Officer to be paid from, the proceeds of Obligations or other Obligation Anticipation Notes.

Obligations COI Account shall mean the Account by that name established in the Obligations Proceeds Fund pursuant to Section 502.

Obligations Events of Default shall mean the events defined as such in Section 701.

Obligations Proceeds Fund shall mean the Fund by that name established in Section 502.

Obligations Trust Estate shall mean, collectively, but subject to the terms and provisions of Section 501, all right, title and interest of the Issuer in:

- (i) the proceeds of the sale of the Obligations;
- (ii) the Revenue Fund, any money on deposit therein and any money received and held by the Issuer which is required to be deposited therein, including the Sales Tax Receipts;
- (iii) the Obligations Proceeds Fund, the Senior Lien Debt Service Fund and all other Funds and Accounts and subaccounts established by Supplemental Resolution for the benefit of the Owners of the Obligations (other than funds, and any accounts and subaccounts therein, established pursuant to a Supplemental Resolution in connection with Parity Debt, Subordinated Indebtedness or Subordinated Contract Obligations; *provided, however, that* such funds, accounts and subaccounts are specifically excepted from the Obligations Trust Estate by the Supplemental Resolution authorizing such Subordinated Indebtedness or Subordinated Contract Obligations), including the investments, if any, thereof); and
- (iv) all funds, moneys and securities and any and all other rights and interests in property, whether tangible or intangible, from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Obligations by the Issuer, or by anyone on its behalf, or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times, and to hold and apply the same subject to the terms hereof.

Refunding Obligations shall mean all Obligations authenticated and delivered on original issuance pursuant to Section 204.

Resolution shall mean this Special Obligation Resolution Authorizing Sales Tax Revenue Obligations (TBTA Capital Lockbox - City Sales Tax), as from time to time amended or supplemented by Supplemental Resolutions in accordance with the terms hereof.

Revenue Fund shall mean the Fund by that name established in Section 502.

Sales Tax Receipts shall mean all amounts transferred by the New York State Comptroller (from City-imposed sales and use taxes collected by the State on behalf of the City) to the Issuer for deposit into the Central Business District Tolling Capital Lockbox Fund pursuant to Section 1261(c)(5)(ii) of the New York Tax Law, as amended from time to time, for application in accordance with the provisions of Section 553-j of the New York Public Authorities Law, as amended from time to time.

Second Lien Obligations shall mean any bonds, notes, commercial paper or other forms of indebtedness of the Issuer which shall constitute Subordinated Indebtedness for purposes of the Standard Resolution Provisions, provided that any lien on and pledge of any portion of the Sales Tax Receipts securing such Second Lien Obligations shall be junior and inferior to the lien on and a pledge of the Obligations Trust Estate herein created for the payment of the Obligations and Parity Debt.

Second Lien Obligation Anticipation Notes shall mean any such notes issued and delivered in anticipation of the issuance of a series of Second Lien Obligations, in a principal amount not exceeding the principal amount of the Second Lien Obligations of such series so authorized payable only from any or all of the following items designated by the Issuer at or prior to issuance of any such series of Second Lien Obligation Anticipation Notes: (i) the proceeds of any renewals of such Second Lien Obligation Anticipation Notes issued to repay such Second Lien Obligation Anticipation Notes, (ii) the proceeds of the sale of the series of Second Lien Obligations in anticipation of which such Second Lien Obligation Anticipation Notes are issued, (iii) amounts available to pay Subordinated Obligations, or (iv) any other money available therefor and not pledged under the Supplemental Resolution securing the issuance of Second Lien Obligations.

Senior Lien Debt Service Fund shall mean the Fund by that name established in Section 502.

Senior Lien Debt Service Fund Balance Requirement shall mean the remaining Annual Net Debt Service payable through the end of the Bond Year corresponding to the State Fiscal Year at the time of calculation, which shall include any Annual Net Debt Service yet unpaid in the current Bond Year.

Standard Resolution Provisions shall mean the Standard Resolution Provisions appended hereto as **Annex A**.

State Fiscal Year shall mean the 12-month period beginning on April 1 and ending on the following March 31.

Statutory Annual Deposit Amount shall mean, (i) initially, for State Fiscal Year 2019 – 2020, \$127,500,000 of Sales Tax Receipts; (ii) for State Fiscal Year 2020 – 2021, \$170,000,000 of Sales Tax Receipts, and (iii) for State Fiscal Year 2021 – 2022 and every succeeding Fiscal Year thereafter, 101% of the Sales Tax Receipts in the immediately preceding State Fiscal Year, respectively, as such amounts may be amended from time to time. For State Fiscal Year 2021-2022, the Statutory Annual Deposit Amount is \$171,700,000.

Subordinated Obligations shall mean any payment obligation (other than a payment obligation constituting Subordinated Contract Obligations) arising under any other contract,

agreement or other obligation of the Issuer designated as “Subordinated Obligations” in a certificate of an Authorized Officer of the Issuer payable from amounts available to be transferred pursuant to clause (c) of subsection 2 of Section 503 of the Resolution and shall include, without limitation, termination or other fees, expenses, indemnification or other such obligations, and Reimbursement Obligations not constituting Parity Reimbursement Obligations. Second Lien Obligations are Subordinated Indebtedness and Subordinated Obligations for the purposes of this Resolution to the extent provided herein.

TBTA Capital Lockbox shall mean the Central Business District Tolling Capital Lockbox Fund.

TBTA Transit and Commuter Project shall mean any Transportation District Project that may be financed with obligations issued by the Issuer in accordance with the provisions of Section 553-j of the New York Public Authorities Law for the benefit of any transit system or commuter system.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF OBLIGATIONS

Section 201. Authorization of the Obligations. (1) The Resolution hereby authorizes Obligations of the Issuer designated as “Sales Tax Revenue Bonds (TBTA Capital Lockbox – City Sales Tax)”, which Obligations, if and when authorized by the Issuer pursuant to one or more Supplemental Resolutions, to be issued as Tax-Exempt Obligations, as Taxable Obligations, as obligations which convert on a particular date or dates from Taxable Obligations to Tax-Exempt Obligations, or as Taxable Obligations which are mandatorily exchangeable on a particular date or dates for Tax-Exempt Obligations, or otherwise as determined by Supplemental Resolution and not contrary to the Resolution as then in effect. The Obligations shall be special obligations of the Issuer payable solely from the Obligations Trust Estate pledged to the payment thereof pursuant to subsection 1 of Section 501. The aggregate principal amount of the Obligations which may be executed, authenticated and delivered under the Resolution is not limited except as provided in the Resolution or as may from time to time be limited by law.

(2) The Obligations may, if and when authorized by the Issuer pursuant to one or more Supplemental Resolutions, be issued in one or more Series or subseries, and the designations thereof, in addition to the name “Sales Tax Revenue Bonds (TBTA Capital Lockbox – City Sales Tax)”, shall include such further or different designations in such title for the Obligations of any particular Series or subseries as the Issuer may determine. Each Obligation shall bear upon its face the designation so determined for the Series or subseries to which it belongs.

(3) Nothing in the Resolution shall be deemed to prevent the consolidation into a single Series or subseries for purposes of issuance and sale of Obligations otherwise permitted by the Resolution to be issued at the same time in two or more separate Series or subseries. In the event that separate Series or subseries are combined for purposes of issuance and sale, they may be issued under a single Supplemental Resolution notwithstanding any other provision of the Resolution. Nothing in the Resolution (except to the extent required by Supplemental Resolution) shall be deemed to prevent the separation into separate Series or subseries for purposes of issuance and sale Obligations otherwise permitted by the Resolution to be issued in one Series or subseries.

(4) Obligations may be issued for any of the purposes set forth in Sections 203 and 204.

(5) All Obligations authorized to be issued under this Resolution shall be issued as fixed interest rate Obligations.

Section 202. General Provisions for Issuance of Obligations. Obligations may be issued pursuant to a Supplemental Resolution upon satisfaction of the provisions of Section A-201, except that the Opinion of Bond Counsel required by Section A-201.2(a)(iii) shall be to the effect that the Obligations are valid, binding, *special obligations* of the Issuer, enforceable in accordance with their terms and the terms of the Resolution and entitled to the benefits of the Issuer Act and the Resolution as amended to the date of such Opinion of Bond Counsel.

Section 203. Special Provisions for Capital Cost Obligations. (1) The Obligations of one or more Series may at any time, or from time to time, be authenticated and delivered upon original issuance pursuant to this Section 203 to pay, or to provide for the payment of, all or part of the Capital Costs relating to the Central Business District Tolling Program or the TBTA Transit and Commuter Project, in each case only upon receipt by the Trustee (in addition to the items required by Section 202 and subsection 2 of this Section 203) of the following:

(a) A certificate of an Authorized Officer setting forth the following for the then current and each future Bond Year during which the Obligations to be authenticated and delivered will remain Outstanding:

(i) the aggregate principal amount of all Obligations and Parity Debt of all Series to be Outstanding;

(ii) the Annual Debt Service for such Obligations and Parity Debt for each Bond Year; and

(iii) the Statutory Annual Deposit Amount corresponding to each Bond Year that the Obligations and Parity Debt being issued will be Outstanding.

In the case of (i) and (ii) above, amounts attributable to the proposed Capital Cost Obligations and any proposed Refunding Obligations being treated as Capital Cost Obligations for purposes of clause (ii) of paragraph (e) of subsection 2 of Section 204 hereof shall be included, but the calculation shall exclude any Obligations or Parity Debt to be refunded with the proceeds of such Refunding Obligations.

(b) A certificate of an Authorized Officer stating that, for the then current and each future Bond Year during which the Obligations to be authenticated and delivered will remain Outstanding, the corresponding Statutory Annual Deposit Amount set forth in (a)(iii) above (plus the amounts, if any, funded from the proceeds of Obligations to be issued or other available moneys of the Issuer that will be applied to the payment of Annual Debt Service) are equal to or greater than the corresponding Annual Debt Service for such Obligations and Parity Debt set forth in (a)(ii) above.

(c) A certificate of an Authorized Officer stating that the expected timing of Sales Tax Receipts required to be transferred to the Trustee shall, if received in amounts and on the dates required by the applicable statute, be sufficient to provide for the timely payment of Debt Service on each date in which Interest and Principal Installments are payable.

(2) Regardless of the type of Capital Costs being financed, the Obligations of each Series delivered pursuant to subsection (1) of this Section 203 shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the items required by Section 202) of a certificate of an Authorized Officer to the effect that the Issuer then is, and upon the authentication and delivery of the Obligations of such Series shall be, in compliance with all applicable provisions of the Issuer Act relating to the issuance, sale and delivery of such Obligations.

Section 204. Refunding Obligations. (1) In addition to Capital Cost Obligations and refundings permitted under Section 203, one or more Series of Refunding Obligations (in an aggregate principal amount which will provide funds, together with other money available therefor, to accomplish such refunding) may be authenticated and delivered upon original issuance to refund (including by redemption, payment at maturity or in connection with exchanges or tenders) all or any portion of any Outstanding Obligations or Parity Debt.

(2) In addition to the requirements of Section 202, the Refunding Obligations of each such Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee of the following:

(a) If the Obligations or Parity Debt to be refunded are to be redeemed, instructions to the Trustee and/or trustee for the Parity Debt, satisfactory to it, to give due notice of redemption of all the Obligations or Parity Debt to be refunded on the redemption date or dates specified in such instructions;

(b) If the Obligations or Parity Debt to be refunded are to be deemed paid within the meaning of the second sentence of subsection 2 of Section A-1101 or similar provision with respect to Parity Debt, irrevocable instructions to the Trustee and/or the trustee for the Parity Debt, satisfactory to it, to provide notice in the manner provided in the second sentence of subsection 2 of Section A-1101 or similar provision with respect to Parity Debt with respect to the payment of such Obligations or Parity Debt pursuant to such Section or provision;

(c) If the Obligations or Parity Debt to be refunded are to be deemed paid within the meaning of the second sentence of subsection 2 of Section A-1101 or similar provision with respect to Parity Debt, either (i) money and/or (ii) Defeasance Securities as shall be necessary to comply with the provisions of the second sentence of subsection 2 of Section A-1101 or defeasance securities as shall be necessary to comply with any similar provision with respect to Parity Debt, which money and Defeasance Securities (or defeasance securities) shall be held in trust and used only as provided in said subsection 2 of Section A-1101 or similar provision with respect to Parity Debt;

(d) If the proceeds of such Series of Refunding Obligations are to be utilized by the Issuer to purchase (in connection with a tender for or redemption of Obligations or Parity Debt, or otherwise) Obligations or Parity Debt to be delivered to the Trustee in satisfaction of a Sinking Fund Installment in accordance with subsection 3 of Section A-502 or similar provision with respect to Parity Debt, a certificate of an Authorized Officer specifying the matters required thereby; and

(e) Either

(i) a certificate of an Authorized Officer (A) setting forth for the then current and each future Bond Year (1) the Annual Debt Service on the Obligations and Parity Debt (*including* the Refunding Obligations then proposed to be issued *but not including* the Obligations and Parity Debt to be refunded) and (2) the Annual Debt Service on the Obligations and Parity Debt as calculated immediately

prior to the issuance of the Refunding Obligations (*including* the Obligations and Parity Debt to be refunded *but not including* the Refunding Obligations) and (B) stating that for the then current and each future Bond Year the Annual Debt Service set forth pursuant to (1) above is not greater than the Annual Debt Service set forth pursuant to (2) above; or

(ii) upon satisfaction of the requirements of Section 203 with respect to such Series of Refunding Obligations, considering for all purposes of any certificate delivered pursuant to subsection 2 of Section 203 that (A) such Series of Refunding Obligations is a Series of Capital Cost Obligations and (B) the Refunding Obligations then proposed to be issued will be Outstanding but the Obligations or Parity Debt to be refunded will no longer be Outstanding.

The proceeds, including accrued interest, of the Refunding Obligations of each such Series shall be applied simultaneously with the delivery of such Obligations in the manner provided in the Supplemental Resolution authorizing such Obligations.

ARTICLE III

FORM OF OBLIGATIONS

Section 301. Form of Obligations. Subject to the provisions of the Resolution and except as otherwise provided pursuant to a Supplemental Resolution, each Series of Obligations shall be issued as fully registered securities in substantially the form provided in **Exhibit One** appended hereto. Any Authorized Officer executing and delivering any such Obligations may make such changes in the form thereof as deemed necessary or convenient by such Authorized Officer, including changes to conform with (i) the terms of sale, (ii) the provisions of the related Supplemental Resolution, (iii) the requirements of the related Securities Depository, provider of a Credit Facility or Rating Agency, (iv) industry practice or (v) federal, State or City regulatory requirements, and the execution (whether manual or by facsimile), and delivery of, any such obligations shall be conclusive evidence of the approval of all terms thereof by such Authorized Officer.

ARTICLE IV

REDEMPTION AT DEMAND OF THE STATE OR THE CITY

Section 401. Redemption at Demand of the State or the City. Except as otherwise provided pursuant to a Supplemental Resolution, either the State or the City may, upon furnishing sufficient funds therefor, require the Issuer to redeem all or any portion of the Obligations as provided in the Issuer Act as in effect on the date any such Obligations were issued.

ARTICLE V

MAINTENANCE AND ESTABLISHMENT OF FUNDS AND ACCOUNTS AND APPLICATION THEREOF

Section 501. The Pledge Effected by the Resolution.

(1) There are hereby pledged for the payment of the principal and Redemption Price of, and interest on, and Sinking Fund Installments for, the Obligations and, on a parity basis, Parity Debt, in accordance with their terms and the provisions of the Resolution, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution, all right, title and interest of the Issuer in the Obligations Trust Estate.

(2) The pledge created by subsection 1 of this Section 501 shall in all respects secure on a *pari passu* basis all of the Obligations and Parity Debt and, except as expressly so provided, nothing contained in the Resolution shall be deemed to confer on the Owners of any Obligations or Parity Debt any rights in the Obligations Trust Estate superior or inferior to the Owners of any other Obligations or Parity Debt.

(3) The pledge created by subsection 1 of this Section 501 shall be valid and binding from and after the date of issuance and delivery of the first Obligations, and the Obligations Trust Estate shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer irrespective of whether such parties have notice thereof.

(4) Subject to the provisions of subsection 1 of this Section 501, the Obligations Trust Estate is and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the Resolution, and all corporate action on the part of the Issuer to that end has been duly and validly taken.

(5) Nothing contained in this Section 501 shall be construed as limiting any authority granted to the Issuer elsewhere in the Resolution to issue or incur Obligation Anticipation Notes, Subordinated Indebtedness or Subordinated Contract Obligations or shall be deemed a limitation upon the authority of the Issuer to issue any other bonds, notes or other obligations under the Issuer Act secured by any income and funds other than the Obligations Trust Estate.

Section 502. Establishment of Funds and Accounts.

(1) The following funds are hereby established:

- (a) Revenue Fund, which shall be held and administered by the Trustee;
- (b) Senior Lien Debt Service Fund, which shall be held and administered by the Trustee;

- (c) Obligations Proceeds Fund, which shall be held and administered by the Issuer; and
- (d) Excess Revenues Fund, which shall be held and administered by the Trustee.

(2) There is hereby established in the Obligations Proceeds Fund, the Obligations COI Account.

(3) Amounts held at any time by the Issuer or the Trustee in any of the Funds or Accounts established pursuant to this Section shall be held in trust separate and apart from all other funds. Additional funds, accounts or subaccounts may be established by the Issuer in its discretion pursuant to this Section upon the delivery of a certificate to the Trustee or by Supplemental Resolution.

(4) Except as otherwise provided herein or in a Supplemental Resolution, all investment income earned on amounts on deposit in the Funds, Accounts or Subaccounts established under the Resolution shall remain on deposit in such Funds, Accounts or Subaccounts and applied in accordance with the provisions applicable to such Funds, Accounts or Subaccounts.

Section 503. Revenue Fund.

(1) Beginning on April 1 of each State Fiscal Year, the Issuer shall, promptly after receipt of the Sales Tax Receipts, transfer, or cause to be transferred, from the Central Business District Tolling Capital Lockbox Fund to the Trustee, the full amount of such Sales Tax Receipts for deposit into the Revenue Fund; *provided, however*, the Issuer is required to transfer to the Trustee for deposit in the Revenue Fund only until the amount on deposit therein, together with the amount on deposit in the Senior Lien Debt Service Fund is equal to the sum of (i) the Senior Lien Debt Service Fund Balance Requirement and (ii) the amount sufficient to meet any other requirements pursuant to Section 503(2)(b) below. Any Sales Tax Receipts on deposit in the Central Business District Tolling Capital Lockbox Fund in excess of the amount required to be transferred by the Issuer to the Trustee for deposit in the Revenue Fund as required by the preceding sentences of this Section 503(1) shall no longer be part of the Obligations Trust Estate and may be applied by the Issuer to any authorized purpose of the Central Business District Tolling Capital Lockbox Fund.

(2) Amounts in the Revenue Fund, when received by the Trustee, constituting Sales Tax Receipts shall be promptly transferred for the following purposes and in the following order of priority:

(a) transfer to the Senior Lien Debt Service Fund the amount, if any, required so that the amount on deposit in said Fund shall equal the Senior Lien Debt Service Fund Balance Requirement;

(b) transfer, free and clear of any lien, pledge or claim of the Resolution securing Obligations or Parity Debt, to another Person in accordance with any Supplemental Resolution or other authorizing document creating Obligation Anticipation Notes, Subordinated Indebtedness or Subordinated Contract Obligations the amount, if

any, required for payment of or accrual for payment of principal of and interest on any Obligation Anticipation Notes, Subordinated Indebtedness or for payment of amounts due under any Subordinated Contract Obligation; and

(c) after the transfers made in clauses (a) and (b) above, transfer all moneys to the Excess Revenues Fund, which moneys shall be released from the lien of this Resolution.

(3) Amounts in the Revenue Fund shall, at the direction of the Issuer, be invested in Authorized Investments. Earnings on money and investments in the Revenue Fund shall be retained in the Revenue Fund. The Issuer may direct the Trustee to sell any such Authorized Investments at any time and the proceeds of such sale and of all payments of principal or interest received at maturity or upon redemption or otherwise of such Authorized Investments shall be deposited in the Revenue Fund.

Section 504. Obligations Proceeds Fund. (1) The Issuer shall pay into the Obligations Proceeds Fund (and any designated Account or subaccount thereof) the amounts required to be so paid by the provisions of the Resolution or any Supplemental Resolution authorizing the issuance of any Series of Obligations for the purpose of financing Capital Costs relating to the Central Business District Tolling Program and the TBTA Transit and Commuter Project. The portion of any such amount determined by Supplemental Resolution to be used for the payment of Costs of Issuance shall be paid into and disbursed from the Obligations COI Account.

(2) Unless otherwise provided in a Supplemental Resolution or in a resolution authorizing Obligation Anticipation Notes, amounts in the Obligations Proceeds Fund shall be applied solely to pay Capital Costs relating to the Central Business District Tolling Program and the TBTA Transit and Commuter Project, as applicable. Any amounts in the Obligations Proceeds Fund which are in excess of the amounts required to pay for such costs may at the direction of an Authorized Officer be transferred to the Revenue Fund or the Senior Lien Debt Service Fund. Upon the direction of an Authorized Officer, amounts in the Obligations Proceeds Fund shall be invested in Authorized Investments. Except to the extent that a certificate of an Authorized Officer or a Supplemental Resolution provides that earnings on money and investments in the Obligations Proceeds Fund shall be deposited in the Revenue Fund or the Senior Lien Debt Service Fund, such earnings shall be retained in the Obligations Proceeds Fund. Upon the direction of an Authorized Officer, the Issuer may, and to the extent required for payments from the Obligations Proceeds Fund shall, sell any such obligations at any time, and the proceeds of such sale, and of all payments of principal or interest received at maturity or upon redemption or otherwise of such obligations shall be deposited in the Obligations Proceeds Fund.

(3) When amounts are deposited in the Obligations Proceeds Fund to pay the capitalized cost of interest on Obligations of the Issuer, the Issuer shall pay from the Obligations Proceeds Fund to the Paying Agent, on or before the date or dates on which interest on such Obligations becomes due and payable, an amount equal to such interest.

(4) Notwithstanding the above provisions of this Section but subject to any priority for Obligation Anticipation Notes, amounts in such Obligations Proceeds Fund must be applied to the

payment of principal and Redemption Price of and interest on the Obligations and the payment of Parity Debt, on a parity basis, when due at any time that other money is not available therefor.

Section 505. Senior Lien Debt Service Fund. (1) The Trustee shall pay out of the Senior Lien Debt Service Fund to the respective Paying Agents (i) on or before each interest payment date for any of the Obligations or Parity Debt the amount required for the interest payable on such date unless such interest is paid pursuant to subsection 3 of Section 504, (ii) on or before each principal payment due date for any of the Obligations or Parity Debt the amount required for the principal amount (including the portion thereof payable in respect of a Parity Reimbursement Obligation) payable on such date, and (iii) on or before any redemption date for the Obligations or Parity Debt the amount required for the payment of the Redemption Price of and interest on the Obligations or Parity Debt then to be redeemed.

(2) In the event of the refunding (including in connection with any payment at maturity, redemption, purchase, tender or exchange) of any Obligations, the Trustee may withdraw from the Senior Lien Debt Service Fund all or any portion of the amounts accumulated therein with respect to the Debt Service on the Obligations being refunded and (a) deposit such amounts, free and clear of any lien, pledge or claim of the Resolution, with itself or an escrow agent to be held in trust solely for the purchase, exchange or payment of the principal or Redemption Price, if applicable, of and interest on the Obligations being refunded, (b) apply such amounts to pay the Costs of Issuance of the Refunding Obligations, or (c) deposit such amounts in any Fund or Account established hereunder; *provided, however, that* no such withdrawal or deposit shall be made unless (i) upon such refunding, the Obligations being refunded shall be deemed to have been paid within the meaning and with the effect provided in Section A-1101 and (ii) at the time of and giving effect to such withdrawal and refunding, there shall exist no deficiency in any Fund or Account established under the Resolution.

Section 506. Subordinated Indebtedness; Subordinated Contract Obligations.

(1) The Issuer may, at any time, or from time to time, issue Subordinated Indebtedness or incur Subordinated Contract Obligations payable out of, and which may be secured by a pledge of and lien on, such amounts as may from time to time be available for transfer pursuant to clause (c) of subsection 2 of Section 503, as specified with respect to any such Subordinated Indebtedness or Subordinated Contract Obligations by Supplemental Resolution or an Authorized Officer; *provided, however, that* (a) such pledge shall be, and shall be expressed to be, subordinate in all respects to the pledge created by the Resolution as security for the Obligations and Parity Debt and (b) to the extent provided by Supplemental Resolution, any amounts so transferred shall thereafter be free and clear of any lien, pledge or claim of the Resolution. The Issuer may establish such priorities of payment and security among Subordinated Indebtedness and Subordinated Contract Obligations as it deems appropriate.

(2) The Issuer shall have the right to covenant with Persons to whom Subordinated Contract Obligations run and with the holders from time to time of Subordinated Indebtedness in order to add to the conditions, limitations and restrictions under which any additional Capital Cost Obligations or Refunding Obligations may be issued or Parity Debt incurred; *provided, however, that* the Supplemental Resolution or indenture or other agreement providing for the issuance of such Subordinated Indebtedness or the incurrence of such Subordinated Contract Obligations shall

not permit the holders of such obligations to declare the same, nor to instruct such holders' trustee to declare the same, to be immediately due and payable prior to any time that all Obligations and Parity Debt have become due and payable.

Section 507. Excess Revenues Fund.

(1) Moneys in the Excess Revenues Fund shall be used for the purposes directed in writing by an Authorized Officer for any lawful purpose.

(2) Amounts in the Excess Revenues Fund shall, at the direction of the Issuer, be invested in Authorized Investments. Earnings on money and investments in the Excess Revenues Fund shall be retained in the Excess Revenues Fund. The Issuer may, at the direction of the Issuer, sell any such Authorized Investments at any time and the proceeds of such sale and of all payments of principal or interest received at maturity or upon redemption or otherwise of such Authorized Investments shall be deposited in the Excess Revenues Fund.

ARTICLE VI

PARTICULAR COVENANTS OF THE ISSUER

The Issuer covenants and agrees as follows:

Section 601. Power to Issue Obligations and Effect Pledge of Obligations Trust Estate. The Issuer is duly authorized under all applicable laws to create and issue the Obligations, adopt the Resolution and pledge the Obligations Trust Estate in the manner and to the extent provided in the Resolution. The Obligations Trust Estate, except to the extent provided in Sections 501 and 602, is and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the Resolution, and all corporate action on the part of the Issuer to that end has been and will be duly and validly taken. The Obligations and the provisions of the Resolution are and will be the legally valid and binding special obligations of the Issuer enforceable in accordance with their terms and the terms of the Resolution. The Issuer shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Obligations Trust Estate and all the rights of the Owners of Obligations under the Resolution against all claims and demands of all Persons whomsoever.

Section 602. Creation of Liens, Issuance of Subordinated Indebtedness, Subordinated Contract Obligations and Other Debt. The Issuer shall not issue any bonds or other evidences of indebtedness, other than the Obligations and Parity Debt as provided herein, secured by a pledge of the Obligations Trust Estate, respectively, and shall not create or cause to be created any lien or charge on the Obligations Trust Estate, except to the extent provided in Section 501; *provided, however, that* the Issuer may, at any time, or from time to time, incur Subordinated Indebtedness or enter into Subordinated Contract Obligations payable out of and which may be secured by a pledge of, such amounts as may from time to time be available for the purpose of the payment thereof in accordance with clause (c) of subsection 2 of Section 503 and such pledge shall be, and shall be expressed to be, subordinate in all respects to the pledge created by the Resolution as security for payment of the Obligations and Parity Debt; and *provided further that* nothing contained in the Resolution shall prevent the Issuer from issuing (i) bonds, notes, or other obligations or evidences of indebtedness under another and separate resolution to finance Subordinated Obligations, or (ii) other bonds, notes, or other obligations or evidences of indebtedness under another and separate resolution payable from, among other sources, money released from the lien of this Resolution pursuant to clause (c) of subsection 2 of Section 503.

Section 603. Agreement of the State; Limited Waiver by Owners. The Issuer does hereby incorporate herein the pledges, covenants and agreements of the State with the Owners of the Obligations and Parity Debt set forth in §§563 and 566-a of the TBTA Act as though set forth in full herein. Notwithstanding the provisions of the agreement of the State contained in subdivisions 2 and 3 of §563 of the TBTA Act, all Owners, by their acceptance and holding of the Obligations and Parity Debt, consent to the construction and operation by the Issuer (or to the construction by Persons other than the Issuer if the Issuer shall have assumed the operation thereof), and waive any and all rights under said subdivisions of said §563 with respect to such construction and operation, of any vehicular toll bridge or toll tunnel crossing the East River in the City of New York.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 701. Obligations Events of Default. Each of the following events is defined as and shall constitute an “Obligations Event of Default” in respect of Obligations and Parity Debt under the Resolution:

(1) if default shall be made in the due and punctual payment of the principal or Redemption Price of, or interest on, any Obligation when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise and such default shall continue for a period of 30 days, or

(2) if default shall be made by the Issuer in the performance or observance on its part of any other of the covenants, agreements or conditions contained in the Resolution or in the Obligations, and such default shall continue for a period of 60 days after written notice thereof to the Issuer by the Trustee or to the Issuer and to the Trustee by the Owners of a majority in principal amount of the Obligations Outstanding; provided, however, that if such default shall be such that it cannot be corrected within such 60 day period, it shall not constitute an Obligations Event of Default if corrective action is instituted within such period and diligently pursued until the failure is corrected.

Section 702. Powers of Trustee.

(1) In the event that any Obligations Event of Default specified in Section 701 shall occur and be continuing, the Trustee may, and, upon written request of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding, shall, in its name:

- (a) by suit, action or proceeding in accordance with the civil practice law and rules, enforce all rights of the Owners of Obligations;
- (b) bring suit upon the Obligations against the Issuer;
- (c) by action or suit, require the Issuer to account as if it were the trustee of an express trust for the Owners of the Obligations; or
- (d) by action or suit, enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Obligations;

provided, however, under no circumstances may the Trustee or any Owner or Owners declare the principal of all the Obligations then Outstanding, and the interest accrued thereon, to be due and payable immediately.

(2) Subject to the provisions of Sections 701 and A-1001 and the foregoing provisions of this Section 702, the remedies conferred upon or reserved to the Trustee in respect of any Obligations Event of Default are not intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or now or hereafter existing at law or in equity or by

statute. No delay or omission to exercise any right or power accruing upon any Obligations Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than notice as may be expressly required herein.

(3) The Trustee shall, in addition to the foregoing power, have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incidental to the general representation of Owners of Obligations in the enforcement and protection of their rights.

(4) The Issuer covenants that if an Obligations Event of Default shall have happened and shall not have been remedied, the books of record and account of the Issuer and all other records relating to the Obligations Trust Estate shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys and, upon demand of the Trustee, the Issuer will account, as if it were the trustee of an express trust, for the Obligations Trust Estate for such period as shall be stated in such demand.

(5) The right of the Trustee to the appointment of a receiver as provided in Section 567 of the TBTA Act is hereby abrogated.

Section 703. Priority of Payments After Default on Obligations.

(1) In the event that the amounts held by the Fiduciaries shall be insufficient for the payment of interest and principal or Redemption Price then due on the Obligations and for payments then due with respect to Parity Debt, such funds (excluding funds held for the payment or redemption of particular Obligations which have theretofore become due at maturity or by call for redemption and funds which at the time of their deposit into any fund or account under the Resolution have been designated to be applied solely to the payment of the principal of and premium, if any, and interest on any series of Obligation Anticipation Notes) and any other money received or collected by the Fiduciaries, or the Trustee, after making provision for the payment of any expenses necessary in the opinion of the Trustee to preserve the continuity of the amounts to be received under the Resolution or otherwise to protect the interest of the Owners of the Obligations, and for the payment of the charges and expenses and liabilities incurred and advances made by the Fiduciaries in the performance of their duties under the Resolution, shall be applied as follows:

(a) Unless the principal of all of the Obligations shall have become due and payable:

First: To the payment to the Persons entitled thereto of all installments of interest then due with respect to Obligations and the interest components of Parity Debt in the order of the maturity of such installments and interest components, and, if the amount available shall not be sufficient to pay in full any installments and interest components due on the same date, then to the payment thereof ratably, according to the amounts due on such installments and interest components, to the Persons entitled thereto, without any discrimination or preference, except as to the

difference in the respective rates of interest specified in such Obligations and Parity Debt; and

Second: To the payment to the Persons entitled thereto of the unpaid principal or Redemption Price of any Obligations and the principal component of Parity Debt which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amount available shall not be sufficient to pay in full all the Obligations and Parity Debt due on any date, then to the payment thereof ratably, according to the amounts of principal and Redemption Price and principal component due on such date, to the Persons entitled thereto, without any discrimination or preference.

(b) If the principal of all of the Obligations and the principal component of Parity Debt shall have become due and payable, to the payment of the principal and interest then due and unpaid upon the Obligations and Parity Debt without preference or priority of principal or principal component over interest or interest component or of interest or interest component over principal or principal component, or of any installment of interest or interest component over any other installment of interest or interest component, or of any Obligation or Parity Debt over any other Obligation or Parity Debt, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Obligations and Parity Debt.

(2) The provisions of this Section 703 are in all respects subject to the provisions of Section A-602.

ARTICLE VIII

SUPPLEMENTAL RESOLUTIONS

Section 801. Supplemental Resolutions Effective Upon Filing With the Trustee. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, without the consent of or notice to any Owner which, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer, or, if adopted prior to the appointment of a Trustee pursuant to Section A-701, upon its adoption, shall be fully effective in accordance with its terms:

(a) To add to the covenants and agreements of the Issuer in the Resolution, other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with the Resolution as theretofore in effect;

(b) To surrender any right, power or privilege reserved to or conferred upon the Issuer by the Resolution;

(c) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Resolution of any additional security other than that granted or pledged under the Resolution;

(d) To add to the Resolution any provisions required to preserve the exclusion from gross income for Federal income tax purposes of interest received on Tax-Exempt Obligations then Outstanding or to be issued or the exemption of interest received on any Obligations from State income taxation or the right to receive subsidies relating to Taxable Obligations then Outstanding or to be issued;

(e) To modify, amend or supplement the Resolution in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar Federal statute hereafter in effect or to permit the qualification of the Obligations for sale under the securities laws of any of the states of the United States of America, and, if the Issuer so determines, to add hereto such other terms, conditions and provisions as may be required by said Trust Indenture Act of 1939 or similar Federal statute;

(f) At any time prior to the first authentication and delivery of any Obligations under the Resolution or at any other time when no Obligations or Subordinated Obligations are Outstanding under the Resolution, to modify the provisions of the Resolution in such manner as the Issuer deems necessary or appropriate;

(g) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution;

(h) To insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable and are not contrary to or inconsistent with the Resolution as theretofore in effect, including, in the event the Issuer Act is amended or other legislation is enacted to so provide, the substitution of an alternate or different legal

name for the current name of the Issuer or any other Related Entity in the Resolution or the form of Obligations or Subordinated Obligations;

(i) To make any other modification or amendment of the Resolution which the Issuer shall in its sole discretion determine will not have a material adverse effect on the interests of the Owners of Outstanding Obligations and owners of Other Subordinated Obligations;

(j) To authorize Obligations of a Series and, in connection therewith, (a) specify and determine the matters and things referred to in the provisions of the Resolution authorizing issuance of Obligations, and also any other matters and things relative to such Obligations which are not contrary to or inconsistent with the Resolution as theretofore in effect, (b) set forth provisions governing the administration of any Credit Facility and provisions providing for the issuance of Reimbursement Obligations or the conversion of other Obligations to Reimbursement Obligations (and in connection with such conversion to change the interest rates, sinking fund provisions or maturity date on such Obligations) to secure or reimburse the provider of such Credit Facility, (c) in the case of either Taxable Obligations or Tax-Exempt Obligations, set forth defeasance provisions with respect thereto (including the manner of attaining such defeasance and the effect thereof), and (d) make such additional changes herein, not materially adverse to the rights of the Owners of the Obligations previously issued, as are necessary or appropriate; or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first issuance and delivery of such Obligations;

(k) To authorize the issuance of Subordinated Indebtedness, including Second Lien Obligations, and Second Lien Obligation Anticipation Notes, or incur Subordinated Contract Obligations without any additional approvals or consents required by Section 553(20) of the Issuer Act or any successor provision, and in connection therewith, (a) specify and determine the matters and things referred to in the provisions of the Resolution authorizing issuance of Subordinated Indebtedness, including Second Lien Obligations, Second Lien Obligation Anticipation Notes, and Subordinated Contract Obligations, and also any other matters and things relative to such Subordinated Indebtedness, including Second Lien Obligations, Second Lien Obligation Anticipation Notes, and Subordinated Contract Obligations, including provisions relating to additional bonds tests, the pledge of and lien on additional security and/or revenues for the benefit of such Subordinated Indebtedness, including Second Lien Obligations, Second Lien Obligation Anticipation Notes, and Subordinated Contract Obligations, and (b) make such additional changes herein, not materially adverse to the rights of the Owners of Obligations and Parity Debt previously issued, as are necessary or appropriate to reflect the establishment of the trust estate for such Subordinated Indebtedness, including Second Lien Obligations, Second Lien Obligation Anticipation Notes, and Subordinated Contract Obligations and issuance or incurrence of such Subordinated Indebtedness, including Second Lien Obligations, Second Lien Obligation Anticipation Notes, and Subordinated Contract Obligations and to amend, modify or rescind any such authorization, specification or determination at any time prior to the first issuance or incurrence and delivery of such Subordinated Indebtedness, including Second Lien Obligations, Second Lien Obligation Anticipation Notes, and Subordinated Contract Obligations, which are not contrary to or inconsistent

with the Resolution as theretofore in effect so long as the Issuer determines that such Supplemental Resolution authorizing such Subordinated Indebtedness, including Second Lien Obligations, Second Lien Obligation Anticipation Notes, and Subordinated Contract Obligations does not materially adversely affect the right, security and interest of the Owners of Outstanding Obligations;

(l) To authorize Obligation Anticipation Notes in accordance with Section A-203 and, in connection therewith, specify and determine the matters and things referred to in Section A-203, and also any other matters and things relative to such Obligation Anticipation Notes, which are not contrary to or inconsistent with the Resolution as theretofore in effect;

(m) To (a) establish for any one or more Series of Obligations a separate debt service reserve fund which shall be permitted to be applied solely to the payment of specified Obligations, provided that (i) the specified Obligations shall have no claim or lien on nor be payable from any amounts in any other such debt service reserve fund, (ii) the specified Obligations shall be excluded from the calculation of any applicable debt service reserve fund requirement for any other Outstanding Obligations, and (iii) the amount required to be on deposit in such debt service reserve funds shall be specified in the Supplemental Resolutions authorizing the specified Obligations, but in no event shall such amount, after giving effect to any surety bond, insurance policy, letter of credit or similar obligation deposited in any such separate debt service reserve fund pursuant to the Resolution, be in excess of the amount that would otherwise be the debt service reserve fund requirement for such specified Obligations assuming that such Obligations were the only Obligations under the Resolution; and (b) make such other amendments, changes or modifications to the Resolution as may be deemed necessary or desirable by the Issuer to insure that such debt service reserve funds function in the manner contemplated in this subsection;

(n) To authorize Parity Debt and, in connection therewith, specify and determine (or provide procedures for an Authorized Officer to specify or determine) the matters and things referred to in paragraphs (4) and (6) of Section A-202, and also any other matters and things relative to such Parity Debt which are not contrary to or inconsistent with the Resolution as then in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first issuance or entering into of such Parity Debt, and at any time to rescind or limit any authorization for any such Parity Debt theretofore authorized but not issued or entered into; in connection with the authorization of Parity Reimbursement Obligations, any such Supplemental Resolution may include provisions for the availability, transferability, use or application of the Funds, Accounts and subaccounts established pursuant to Section 502 of the Resolution for the benefit of such Parity Reimbursement Obligations; and may grant to the Owners of such Parity Debt the same rights granted to Owners of Obligations in Section 802 and Article A-IX herein;

(o) To authorize Subordinated Obligations and, in connection therewith, specify and determine (or provide procedures for an Authorized Officer to specify or determine) the matters and things required or permitted by Article V of the Resolution in

connection therewith, and also any other matters and things relative to such Subordinated Obligations which are not contrary to or inconsistent with the Resolution as then in effect, or at any time to amend, rescind or limit any authorization for any such Subordinated Obligations thereto be authorized but not issued or entered into; and in connection with the authorization of Subordinated Obligations, any such Supplemental Resolution may include provisions for the availability, transferability, use or application of amounts available to pay Subordinated Obligations and any other funds, accounts or subaccounts created for the benefit of such Subordinated Obligations;

(p) To modify any of the provisions of the Resolution in any respect whatsoever, provided that (i) such modification shall be, and be expressed to be, effective only after all Obligations affected thereby and Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding and (ii) such Supplemental Resolution shall be specifically referred to in the text of all Obligations delivered on original issuance after the date of the adoption of such Supplemental Resolution and of the Obligations issued in exchange therefor or in place thereof;

(q) To modify, amend or supplement the Resolution in any manner, not already provided for in or pursuant to the Supplemental Resolution authorizing the related Series of Obligations in order to provide for a Credit Facility or other similar arrangement with respect to any Series of Obligations, under the Resolution, so long as the Issuer determines that such Supplemental Resolution does not materially adversely affect the right, security and interest of the Owners of Outstanding Obligations;

(r) To amend or modify any Supplemental Resolution authorizing Obligations of a Series of a Series to reflect the substitution of a new Credit Facility for the Credit Facility then in effect;

(s) To close the Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Resolution on, the issuance and delivery of the Obligations, or the issuance or entering into of other evidences of indebtedness;

(t) To modify, amend or supplement the Resolution, consistent with the agreement of the State set forth in Section 604 of this Resolution, to reflect or change the nature and/or manner in which the State or the City transfers or deposits amounts to the Central Business District Tolling Capital Lockbox Fund or the Central Business District Trust Fund,

In making any determination under paragraph (i) of this Section 801, the Issuer may conclusively rely upon an Opinion of Counsel or opinions of other experts or professionals.

Section 802. Supplemental Resolutions Effective With Consent of Owners of Obligations Owners. At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by Owners of Obligations in accordance with and subject to the provisions of Article A-IX, which Supplemental Resolution, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Issuer and upon compliance with the

provisions of said Article A-IX, shall become fully effective in accordance with its terms as provided in said Article A-IX.

FORM OF OBLIGATIONS

THE BONDS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR THE CITY OF NEW YORK AND NEITHER THE STATE NOR THE CITY SHALL BE LIABLE THEREON.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Resolution referred to herein, until the termination of the system of book-entry-only transfers through DTC and notwithstanding any other provision of the Resolution to the contrary, a portion of the principal amount of this Bond may be paid or redeemed without surrender hereof to the Paying Agent. DTC or a nominee, transferee or assignee of DTC of this Bond may not rely upon the principal amount indicated hereon as the principal amount hereof outstanding and unpaid. The principal amount hereof outstanding and unpaid shall for all purposes be the amount determined in the manner provided in the Resolution.

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY
SALES TAX REVENUE BOND,
SERIES _____
(TBTA CAPITAL LOCKBOX – CITY SALES TAX)

REGISTERED NO. DOLLARS \$

INTEREST RATE MATURITY DATE DATED DATE CUSIP

Registered Owner:

Principal Sum:

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY (herein called "TBTA"), a body corporate and politic constituting a public benefit corporation, organized and existing under and by virtue of the laws of the State of New York, acknowledges itself indebted to, and for value received hereby promises to pay to the Registered Owner stated above, or registered assigns, on the Maturity Date set forth above, but solely from the Obligations Trust Estate defined below, upon presentation and surrender of this Bond at the office or agency of TBTA designated for such payment in the Borough of Manhattan, City and State of New York; or, at the option of the

Registered Owner hereof, at any other office or agency of TBTA designated by TBTA for such payment, the Principal Sum set forth above in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay to the Registered Owner hereof interest on such Principal Sum, such payment to be made by _____, as Paying Agent, from the Dated Date set forth above or such later date to which interest has been paid, at the Interest Rate per annum set forth above, payable on the first days of _____ and _____ in each year, commencing ____ 1, 20__, until TBTA's obligation with respect to the payment of such Principal Sum shall be discharged. Interest on the Series ____ Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest will be paid by check mailed on the interest payment date by the Paying Agent to the Registered Owner at his address as it appears on the registration records or, at the option of any Owner of at least one million dollars (\$1,000,000) in principal amount of the Series ____ Bonds, by wire transfer in immediately available funds on each interest payment date to such Owner, provided such Owner has notified the Trustee (as hereinafter defined) in writing of such Owner's wire transfer address (which shall be in the continental United States) at least 15 days prior to the relevant payment date. *In the event that any payment date is not a business day, payment will be made on the next business day with the same force and effect as if made on the nominal date provided in the Resolution and no interest shall accrue during the intervening period with respect to any payment so deferred.*

This Bond is one of a duly authorized issue of obligations of TBTA designated as its "Sales Tax Revenue Obligations Bonds (TBTA Capital Lockbox – City Sales Tax)" (herein called the "Bonds") issued under and pursuant to the Triborough Bridge and Tunnel Authority Act, Title 3 of Article 3 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended (herein called the "TBTA Act"), and under and pursuant to a resolution of TBTA adopted on _____, 2020, entitled "Special Obligation Resolution Authorizing Sales Tax Revenue Obligations Bonds (TBTA Capital Lockbox – City Sales Tax)", as supplemented. Said resolution, as supplemented and amended, is herein called the "Resolution". This Bond is one of a series of Bonds designated as "Sales Tax Revenue Bonds, Series ____ (TBTA Capital Lockbox – City Sales Tax)" (herein called the "Series ____ Bonds"), issued in the aggregate principal amount of \$____ under said Resolution. All capitalized terms used but not otherwise defined have the respective meanings ascribed by the Resolution.

Copies of the Resolution are on file at the office of TBTA and at the principal corporate trust office of _____, New York, New York as Trustee under the Resolution, or its successor as Trustee (herein called the "Trustee"), in the Borough of Manhattan, City and State of New York, and reference to the Resolution and any and all supplements thereto and modifications and amendments thereof and to the TBTA Act is hereby made for a complete description of the pledge and covenants securing the Series ____ Bonds, the nature, extent and manner of enforcement of and limitations with respect to, such pledge, the rights and remedies of the registered owners of the Series ____ Bonds with respect thereto, and the terms and conditions upon which the Bonds are issued and may be issued thereunder.

This Bond is a direct and special obligation of TBTA, secured by a pledge, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution, of all right, title and interest of TBTA in the "Obligations Trust Estate", being (i) the proceeds of the sale of the Bonds, (ii) the Revenue Fund, any money on deposit therein and any money received and held by TBTA which is required to be

deposited therein, including the Sales Tax Receipts, (iii) certain Funds, Accounts and subaccounts established by the Resolution including the investments, if any, thereof, and (iv) certain funds, moneys and securities and any all other rights and interests in property, whether tangible or intangible, from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security for the Bonds as provided in the Resolution.

To the extent provided in the Resolution, the Bonds may be issued from time to time pursuant to Supplemental Resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Resolution. The aggregate principal amount of Bonds which may be issued under the Resolution is not limited except as provided in the Resolution, and all Senior Lien Bonds issued and to be issued under the Resolution are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Resolution. The Bondholders, by their acceptance and holding of the Bonds, waive, to the extent provided in the Resolution, all rights under subdivisions 2 and 3 of Section 563 of the TBTA Act with respect to certain competitive connections for vehicular traffic across the East River in The City of New York.

The events specified in the Resolution as such shall constitute Obligations Events of Default and the Trustee and the Owners shall have the rights and remedies provided by the Resolution. The principal of the Bonds may not be declared due and payable before maturity thereof.

To the extent provided in the Resolution, Parity Debt, secured on a parity with the Bonds with respect to all right, title and interest of TBTA in the Obligations Trust Estate may be issued or entered into by TBTA. The aggregate principal amount of Parity Debt which may be issued or entered into under the Resolution is not limited except as provided in the Resolution.

To the extent and in the manner permitted by the terms of the Resolution, modification or amendment of the Resolution and of the rights and obligations of TBTA and of the Owners of the Bonds may be made by a Supplemental Resolution, in certain instances without the written consent of the Owners, of the Bonds. Reference is made to the Resolution for the terms and provisions thereof relating to amendments and supplements.

The Series _____ Bonds are issued by means of a book-entry-only system, with no physical distribution of bond certificates to be made except as provided in the Resolution. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. TBTA and the Trustee will recognize the Securities Depository Nominee, while the Registered Owner of this Bond, as the owner of this Bond for all purposes, including payments of principal of and Redemption Price and interest on this Bond, notices and voting. In the event the Series _____ Bonds are no longer held in book-entry-only form, the Series _____ Bonds would be issuable in the form of fully registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof.

The Series _____ Bonds are subject to redemption as provided in the Certificate of Determination relating to the Series _____ Bonds.

[Provisions relating to conditional redemption or mandatory tender in lieu of optional redemption to be added if applicable.]

[Notice of redemption shall be given not less than twenty (20) days before the redemption date, to the Registered Owners of any Series _____ Bonds or portions of Series _____ Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registry records of TBTA, and otherwise, all in the manner, and upon the terms and conditions set forth in the Resolution. If notice of redemption shall have been given as aforesaid, then the Series _____ Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid up to but not including the redemption date, and, upon presentation and surrender thereof at the office specified in such notice, such Series _____ Bonds or portions thereof shall be paid at the Redemption Price plus interest accrued and unpaid up to but not including the redemption date, and, from and after the redemption date interest on such Series _____ Bonds or portions thereof so called for redemption shall cease to accrue and be payable. Any redemption notice or other notices required by the Resolution shall be sent only to the Securities Depository Nominee, initially Cede & Co., as nominee of DTC, and will not be published so long as the Series _____ Bonds are held in book-entry-only form.]

The TBTA Act provides that neither the members of TBTA nor any person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed and that the issue of the Series _____ Bonds, together with all other indebtedness of TBTA, is within every debt and other limit prescribed by the laws of the State of New York.

This Bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate of Authentication hereon.

IN WITNESS WHEREOF, TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its Authorized Officer as of the Dated Date.

**TRIBOROUGH BRIDGE AND TUNNEL
AUTHORITY**

BY: _____
[Authorized Officer]

[FORM OF CERTIFICATE OF AUTHENTICATION]
TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Resolution.

Date of Authentication: _____, 20__

_____, as Trustee

BY: _____
Authorized Signatory

[Form of Assignment]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

[PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE]

[PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE]

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof with full power of substitution in the premises.

Date: _____

In the Presence of:

NOTICE: The signature must be guaranteed by an "eligible guarantor Institution" meeting the requirements of membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

NOTE: The signature to this assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

STANDARD RESOLUTION PROVISIONS

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STANDARD RESOLUTION PROVISIONS

ARTICLE A-I

DEFINITIONS AND STATUTORY AUTHORITY

Section A-101. Definitions. Capitalized terms used but not otherwise defined in this Annex A shall have the meanings set forth in the Resolution to which this Annex A is appended. The following terms shall, for all purposes herein and (except as the context may otherwise require) in the Resolution to which this Annex A is appended, have the following meanings:

Account or **Accounts** shall mean each account or all of the accounts established in Article V of the Resolution.

Accreted Value shall mean with respect to any Capital Appreciation Obligations (i) as of any Valuation Date, the amount set forth for such date in the Supplemental Resolution authorizing such Capital Appreciation Obligations and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date and (2) the difference between the Accreted Values for such Valuation Dates. For purposes of this definition, the number of days having elapsed from the preceding Valuation Date and the number of days from the preceding Valuation Date to the next succeeding Valuation Date shall be calculated on the basis of a 360-day year of 12 30-day months, unless otherwise provided pursuant to a Supplemental Resolution.

Accrued Debt Service shall mean, as of any date of calculation, an amount equal to the sum of the amounts of accrued and unpaid Debt Service with respect to all Obligations and Parity Debt, calculating the accrued Debt Service with respect to each obligation at an amount equal to the sum of (i) as estimated by an Authorized Officer, interest on the Obligations and interest components of Parity Debt accrued and unpaid and to accrue to the end of the then current calendar month, and (ii) Principal Installments due and unpaid and that portion of the Principal Installment for such Obligations and Parity Debt next due which would have accrued (if deemed to accrue in the manner set forth in the definition of “Debt Service”) to the end of such calendar month. For purposes of calculating Senior Debt Service Fund deposits, Principal Installments shall not include amounts that an Authorized Officer has notified the Trustee are to be paid from sources other than Sales Tax Receipts, nor shall Accrued Debt Service include any amounts that, as certified by an Authorized Officer, have been set aside hereunder or otherwise in trust for the payment thereof.

Amortized Value, when used with respect to Authorized Investments purchased at a premium above or a discount below par, shall mean the value of such Authorized Investments computed by using an industry standard constant yield method selected by an Authorized Officer of the Issuer.

Appreciated Value shall mean with respect to any Deferred Income Obligations (i) as of any Valuation Date, the amount set forth for such date in the Supplemental Resolution authorizing such Deferred Income Obligations, (ii) as of any date prior to the Interest Commencement Date

other than a Valuation Date, the sum of (a) the Appreciated Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date and (2) the difference between the Appreciated Values for such Valuation Dates, and (iii) as of any date on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date. For purposes of this definition, the number of days having elapsed from the preceding Valuation Date and the number of days from the preceding Valuation Date to the next succeeding Valuation Date shall be calculated on the basis of a 360-day year of 12 30-day months, unless otherwise provided pursuant to a Supplemental Resolution.

Authorized Investments shall mean and include any of the following, to the extent the same are legal for investment of the Issuer's funds:

- (i) obligations of the State or the United States government;
- (ii) obligations the timely payment of the principal and interest on which are unconditionally guaranteed by the State or the United States government;
- (iii) certificates of deposit of banks or trust companies in the State, secured, if the Issuer shall so require, by obligations of the United States or of the State of a market value equal at all times to the amount of the deposit;
- (iv) banker's acceptances with a maturity of 90 days or less which are eligible for purchase by the federal reserve banks and whose rating at the time of purchase is in the highest Rating Category of each of the Rating Agencies that then rates such banker's acceptances;
- (v) obligations of any bank or corporation created under the laws of either the United States or any state of the United States maturing within 270 days, provided that such obligations are rated in the highest Rating Category of each of the Rating Agencies that then rates such obligations;
- (vi) notes, bonds, debentures, mortgages and other evidences of indebtedness, issued or guaranteed at the time of the investment by the United States Postal Service, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Student Loan Marketing Association, the Federal Farm Credit System, or any other United States government sponsored agency, provided that at the time of the investment such agency or its obligations are rated and the agency receives, or its obligations receive, ratings in the highest Rating Category of each of the Rating Agencies that then rates such agency or its obligations;
- (vii) (A) general obligation bonds and notes of any state other than the State, provided that such bonds and notes are rated in the highest Rating Category of each of the Rating Agencies that then rates such bonds and notes, and (B) bonds and notes of any county, town, city, village, fire district or school district of the State, provided that such bonds and notes are rated in either of the 2 highest Rating Categories of each of the Rating Agencies that then rates such bonds and notes;

- (viii) mutual funds registered with the United States Securities and Exchange Commission, whose investments are limited to obligations of the State described in clause (i) above, obligations the principal and interest of which are guaranteed by the State as described in clause (ii) above, and those securities described in clause (vii) above, and that are rated in the highest Rating Category of each of the Rating Agencies that then rates such funds;
- (ix) repurchase agreements with any dealer or bank, which agreement is secured by any one or more of the securities described in clauses (i), (ii) or (vi) above, which securities shall (A) at all times have a market value of not less than the full amount held or invested pursuant to the agreement and (B) be delivered to a Bank as defined in clause (i) or (ii) of the definition thereof, as custodian, that is independent from the dealer or bank with whom the repurchase agreement is executed; and
- (x) any other investment in which the Issuer is authorized from time to time to invest under applicable law with respect to which an Authorized Officer has, on or before the date thereof, delivered to the Trustee (A) a certificate to the Trustee designating the additional investment as an Authorized Investment and (B) Rating Confirmation.

In addition to the foregoing, in the case of any money held in reserve and sinking funds “Authorized Investments” shall include any other securities in which the trustee or trustees of any public retirement system or pension fund has the power to invest the money thereof pursuant to Article four-a of the Retirement and Social Security Law of the State, each such reserve and sinking fund being treated as a separate fund for the purposes of Article four-a of the Retirement and Social Security Law of the State.

Any investment in any of the foregoing obligations may be made in the form of an entry made on the records of the issuer of the particular obligations or of a recognized securities depository.

Authorized Officer shall mean (i) the Chairman and the Vice Chairman, (ii) the Executive Director, the Comptroller, the Chief Financial Officer, the Secretary and any Assistant Secretary of the Issuer, (iii) the Chief Financial Officer, the Director of Finance, and the Director of Budget and Financial Management of the MTA, and (iv) any other Person authorized by the Issuer to perform the act or sign the document in question.

Balloon Obligations shall mean Obligations which have been identified in a Certificate of Determination as a Balloon Obligation. Such Certificate of Determination shall set forth the expected refinancing, including the expected ultimate final maturity and amortization schedule of the refinancing or refinancings of such Balloon Obligation (including successor Balloon Obligations) and the Estimated Average Interest Rate for purposes of determining Calculated Debt Service of such Balloon Obligation.

Bank shall mean any (i) bank or trust company organized under the laws of any state of the United States of America, (ii) national banking association, (iii) savings bank or savings and

loan association chartered or organized under the laws of any state of the United States of America, or (iv) federal branch or agency pursuant to the International Banking Act of 1978 or any successor provisions of law, or domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America.

Business Day shall mean any day of the year other than (i) Saturday or Sunday, (ii) any day on which Banks located in New York, New York or the city in which the Principal Office of the Trustee is located are required or authorized by law to remain closed, or (iii) any day on which the New York Stock Exchange is closed.

Calculated Debt Service for any period shall mean, as of any date of calculation and with respect to any Series of Obligations or any Parity Debt, the sum of Debt Service for such period determined by the Issuer based on the following adjustments:

(1) Interest on Variable Interest Rate Obligations shall be based on the Estimated Average Interest Rate applicable thereto.

(2) Interest on any Obligation or Parity Debt in respect of which the Issuer has entered into a Qualified Swap shall be based on:

(a) the fixed rate or rates of the Qualified Swap if the Issuer has entered into what is generally referred to as a “floating-to-fixed” Qualified Swap (where the Issuer pays a fixed rate and receives a floating rate); or

(b) the lower of (i) the Estimated Average Interest Rate and (ii) the effective capped rate of any Obligation or Parity Debt if the Issuer has entered into a Qualified Swap that is generally referred to as an “interest rate cap” (where the Issuer receives a payment if a variable rate exceeds a certain amount); or

(c) the Estimated Average Interest Rate of the Qualified Swap if the Issuer has entered into either what is generally referred to as a “fixed-to-floating” Qualified Swap (where the Issuer pays a variable rate and receives a fixed rate) or a “floating-to-floating” Qualified Swap (where the Issuer pays a variable rate and receives a different variable rate).

(3) With respect to Put Obligations and Balloon Obligations of a Series (i) Principal Installments shall be deemed to amortize over a 30-year period from their date of issuance based on substantially level debt service as estimated by the Issuer, and (ii) interest shall be based on the actual interest rate or the Estimated Average Interest Rate, as applicable, or for both (i) and (ii) above, as otherwise set forth in a Supplemental Resolution or Certificate of Determination with respect to the issuance of such Obligations.

(4) If the Issuer has irrevocably deposited Authorized Investments or money with the Trustee (or otherwise in trust) for the payment of any portion of Debt Service, the expected future cash flow from such Authorized Investments and money shall be deducted from Debt Service.

(5) If the Issuer has, at any time, irrevocably called for redemption one or more Series of Obligations, including pursuant to a covenant to apply any portion of the Obligations Trust Estate to redeem Obligations or Parity Debt (which particular Obligations or Parity Debt need not be specifically identified in advance, except as to interest rate and maturity), the Issuer shall take into account such redemption for purposes of determining Calculated Debt Service.

(6) With respect to Parity Reimbursement Obligations, accelerated payments of principal shall only be taken into account if, at the time of calculation, such amounts are payable due to a draw under a credit or liquidity facility.

Capital Appreciation Obligations shall mean any Obligations denominated as such and issued as to which interest is payable only at the maturity or prior redemption of such Obligations. Except as otherwise provided by Supplemental Resolution, for the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Obligation is redeemed prior to maturity, (ii) computing the principal amount of Obligations held by the registered owner of a Capital Appreciation Obligation in giving to the Issuer or the Trustee any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever or (iii) computing Debt Service, the principal amount of a Capital Appreciation Obligation shall be deemed to be its Accreted Value (which in the case of clause (ii) may be the Accreted Value as of the immediately preceding Valuation Date).

Certificate of Determination shall mean a certificate of an Authorized Officer of the Issuer fixing terms, conditions and other details of Obligations, Parity Debt, Credit Facilities, Subordinated Indebtedness or Subordinated Contract Obligations in accordance with the delegation of power to do so under a Supplemental Resolution.

City shall mean The City of New York.

Costs of Issuance shall mean the costs of the authorization, sale and issuance of a Series of Obligations, Obligation Anticipation Notes, Subordinated Indebtedness, Parity Debt, Subordinated Contract Obligations or other obligations authorized under the Resolution, including with respect to any party to a transaction State bond issuance charges, document printing and reproduction costs, filing and recording fees, costs of credit ratings, fees and charges of the Trustee and other Fiduciaries and agents, legal fees and charges, professional consultants' fees, underwriting fees, fees and charges for execution, transportation and safekeeping of Obligations, premiums, fees and charges in order to obtain, renew, extend or terminate Credit Facilities and Qualified Swaps and other financial arrangements, costs and expenses of refunding such Obligations, Obligation Anticipation Notes, Subordinated Indebtedness, Parity Debt, Subordinated Contract Obligations or other obligations authorized under this Resolution, and other costs, charges and fees, including those of the Issuer and any other Related Entities, in connection with the foregoing.

Counsel's Opinion or Opinion of Counsel or Opinion shall mean an opinion signed by an attorney or firm of attorneys of recognized standing (who may be counsel to the Issuer) selected by the Issuer.

Credit Facility shall mean any letter of credit, standby bond purchase agreement, line of credit, policy of bond insurance, surety bond, guarantee or similar instrument, or any agreement relating to the reimbursement of any payment thereunder (or any combination of the foregoing), which is obtained by the Issuer and is issued by a financial institution, insurance provider or other Person and which provides security or liquidity in respect of any Outstanding Obligations, Parity Debt or Obligation Anticipation Notes.

Debt Service for any period shall mean, as of any date of calculation and with respect to any Series of Obligations or any Parity Debt outstanding, the sum of (i) interest on the Obligations of such Series and the interest components of Parity Debt accruing during such period and (ii) that portion of each Principal Installment for such Obligations and Parity Debt that would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the preceding Principal Installment payment date on Outstanding Obligations and Parity Debt; *provided, however, that*, unless otherwise set forth in a Supplemental Resolution, no Principal Installment shall be deemed to begin accruing until *the later of* one year prior to such Principal Installment's due date and the date of issuance or incurrence of the related Obligation or Parity Debt.

Debt Service Payment Date shall mean, with respect to any portion of Debt Service, the date on which the Debt Service shall be payable.

Defeasance Security shall mean

(a) an Authorized Investment as specified in clause (i) of the definition thereof (other than an obligation of the State), which is not redeemable at the option of the issuer thereof,

(b) an Authorized Investment as specified in clause (i) (which is an obligation of the State), (ii), (iii), (vi) or (vii) of the definition thereof, which is not redeemable at the option of the issuer thereof and which shall be rated at the time of the investment in the highest long-term Rating Category by each Rating Agency,

(c) any depositary receipt issued by a Bank as custodian with respect to any Defeasance Security which is specified in clause (a) above and held by such Bank for the account of the holder of such depositary receipt, or with respect to any specific payment of principal or interest on any such Defeasance Security which is so specified and held, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the Defeasance Security or the specific payment of principal or interest evidenced by such depositary receipt,

(d) any certificate of deposit specified in clause (iii) of the definition of Authorized Investments in Section A-101, including certificates of deposit issued by the Trustee or by a Paying Agent, secured by obligations specified in clause (a) above of a market value equal at all times to the amount of the deposit, which shall be rated at the time of the investment in the highest long-term Rating Category by each Rating Agency, or

(e) any other Authorized Investment designated in a Supplemental Resolution as a Defeasance Security for purposes of defeasing the Obligations authorized by such Supplemental Resolution, which is not redeemable at the option of the issuer thereof and which shall be rated at the time of the investment in the highest long-term Rating Category by each Rating Agency.

Deferred Income Obligation shall mean any Obligation (A) as to which interest accruing thereon prior to the Interest Commencement Date of such Obligation is (i) compounded on each Valuation Date for such Deferred Income Obligation and (ii) payable only at the maturity or prior redemption of such Obligations and (B) as to which interest accruing after the Interest Commencement Date is payable on the first interest payment date succeeding the Interest Commencement Date and periodically thereafter on the dates specified in or determined by Supplemental Resolution. Except as otherwise provided by Supplemental Resolution, for the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Obligation is redeemed prior to maturity, (ii) computing the principal amount of Obligations held by the registered owner of a Deferred Income Obligation in giving to the Issuer or the Trustee any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever or (iii) computing Debt Service, the principal amount of a Deferred Income Obligation shall be deemed to be its Appreciated Value (which in the case of clause (ii) may be the Appreciated Value as of the immediately preceding Valuation Date).

Estimated Average Interest Rate shall mean, as to any Variable Interest Rate Obligations or Qualified Swap and as of any date of calculation, the average interest rate or rates anticipated to be borne by such Obligations or Qualified Swap, or by the combination of such arrangements, over the period or periods for which such rate or rates are anticipated to be in effect, all as estimated by an Authorized Officer.

Fiduciary or Fiduciaries shall mean the Trustee, any Registrar, any Paying Agent, any tender agent or any or all of them, as may be appropriate, or any Person appointed to act as a Fiduciary as provided in the Resolution.

Final Judgment shall mean any judgment or order of any court of competent jurisdiction, or of any arbitrator or panel of arbitrators, as to which all appeals have been exhausted.

Fund or Funds shall mean each fund or all of the funds established in or pursuant to Article V of the Resolution.

Interest Commencement Date shall mean, with respect to any particular Deferred Income Obligation, the date determined by Supplemental Resolution after which interest accruing on such Obligation shall be payable on the first interest payment date succeeding such Interest Commencement Date and periodically thereafter on the dates determined pursuant to such Supplemental Resolution.

Issuer Act shall mean the MTA Act in the event that the MTA is defined in the Resolution as the Issuer or the TBTA Act in the event that the TBTA is defined in the Resolution as the Issuer, together with any other applicable law of the State authorizing the issuance of the related

Obligations by the Issuer or expressly limiting the issuance thereof or governing the security therefor.

LIRR shall mean The Long Island Rail Road Company and any successor thereto.

MaBSTOA shall mean the Manhattan and Bronx Surface Transit Operating Authority and any successor thereto.

MNCRC shall mean the Metro-North Commuter Railroad Company and any successor thereto.

MTA shall mean the Metropolitan Transportation Authority, the corporation organized and existing under the MTA Act, and any successor thereto.

MTA Act shall mean the Metropolitan Transportation Authority Act, being Title 11 of Article 5 of the New York Public Authorities Law, as from time to time amended.

MTA Bus shall mean MTA Bus Company and any successor thereto.

Obligation Anticipation Notes shall mean any such notes issued and delivered pursuant to Section A-203, except to the extent (but only to the extent) that all or any portion of such notes either are not payable, or are anticipated by the Issuer not to be paid, from the proceeds of the Obligations in anticipation of which such notes are being issued.

Opinion of Bond Counsel shall mean an opinion signed by Nixon Peabody LLP, D. Seaton and Associates, P.A., P.C., Orrick, Herrington & Sutcliffe LLP, and Bryant Rabbino LLP, or any other attorney or firm of attorneys of nationally recognized standing in the field of law relating to the issuance of obligations by state and municipal entities, selected by the Issuer.

Outstanding, when used with reference to Obligations or Obligations of a Series, shall mean, as of any date, Obligations or Obligations of such Series theretofore or thereupon to be delivered under the Resolution except:

- (i) Any Obligations canceled at or prior to such date;
- (ii) Obligations the principal and Redemption Price, if any, of and interest on which have been paid in accordance with the terms thereof;
- (iii) Obligations in lieu of or in substitution for which other Obligations shall have been delivered pursuant to Article A-III or Section A-406 or Section A-905;
- (iv) Obligations deemed to have been paid as provided in subsection 2 of Section A-1101;
- (v) Put Obligations tendered or deemed tendered in accordance with the provisions of the Supplemental Resolution authorizing such Obligations on the applicable tender date, if the Purchase Price thereof and interest thereon

shall have been paid or amounts are available and set aside for such payment as provided in such Supplemental Resolution, except to the extent such tendered Put Obligations thereafter may be resold pursuant to the terms thereof and of such Supplemental Resolution; and

- (vi) For the purpose of any consent to be given or other action to be taken by or upon the direction of Owners of a specified portion of Obligations Outstanding, Obligations excluded pursuant to Section A-1111.

The principal component of any Parity Debt shall be deemed to be Outstanding in a principal amount equal to the principal amount of the obligation then owed by the Issuer thereunder in lieu of the related Obligation, regardless of the authorized amount of the principal component of such Parity Debt or the related Obligation and provided that, unless otherwise required pursuant to the related Supplemental Resolution, the principal component of such Parity Debt shall not by itself increase the Outstanding principal amount of Obligations.

Owner, or any similar terms, shall mean the registered owner of any Obligation as shown on the books for the registration and transfer of Obligations maintained in accordance with Section A-305.

Parity Debt shall mean any Parity Reimbursement Obligation, any Parity Swap Obligation or any other contract, agreement or other obligation of the Issuer designated as constituting “Parity Debt” in a certificate of an Authorized Officer delivered to the Trustee; *provided, however, that* any such Parity Reimbursement Obligation, Parity Swap Obligation, or other contract, agreement or other obligation shall not constitute Parity Debt solely to the extent of any obligations to pay termination or other fees, expenses, indemnification or other similar payments to the counterparty to such arrangement; *provided further that* Parity Reimbursement Obligations may include accelerated principal amortization provisions to the extent permitted by subsection 4 of Section A-202.

Parity Reimbursement Obligation has the meaning provided in subsection 4 of Section A-202.

Parity Swap Obligation has the meaning provided in subsection 6 of Section A-202.

Paying Agent shall mean any paying agent for the Obligations of any Series and its successor or successors and any other Person which may at any time be substituted in its place pursuant to the Resolution.

Person shall mean any individual, corporation, firm, partnership, joint venture, association, joint-stock company, trust, unincorporated association, limited liability company or other legal entity or group of entities, including any public benefit corporation, public instrumentality, quasi-governmental or governmental entity or any agency or subdivision thereof.

Principal Installments shall mean, as of any date of calculation and with respect to any Series of Obligations or any Parity Debt, as applicable, (a) the principal amount of Outstanding Obligations of such Series, due on the dates and in the amounts specified by Supplemental

Resolution, reduced by the principal amount of such Obligations which would be retired by reason of the payment when due and application in accordance with the Resolution of Sinking Fund Installments payable before such dates, plus the unsatisfied balance (determined as provided in Section A-502 of the Resolution) of any Sinking Fund Installments due on any certain future date for Obligations of such Series, together with such redemption premiums, if any, applicable on any such future date, and (b) with respect to any Parity Debt, the amount due thereunder on the dates and in the amounts established in accordance with Section A-202 as a principal component of such Parity Debt payable on a parity with the Obligations.

Principal Office of the Trustee shall mean the designated corporate trust office of the Trustee.

Purchase Price shall mean, with respect to any Obligation, 100% of the principal amount thereof plus accrued interest, if any, plus in the case of an Obligation subject to mandatory tender for purchase on a date when such Obligation is also subject to optional redemption at a premium, an amount equal to the premium that would be payable on such Obligation if redeemed on such date.

Put Obligations shall mean Obligations which by their terms may be tendered at the option of the Owner thereof, or are subject to a mandatory tender other than at the election of the Issuer or a Related Entity, for payment or purchase prior to the stated maturity or redemption date thereof.

Qualified Swap shall mean, to the extent from time to time permitted by law, with respect to Obligations, any financial arrangement (i) which is entered into by the Issuer with an entity that is a Qualified Swap Provider at the time the arrangement is entered into, (ii) which is a cap, floor or collar; forward rate; future rate; swap (such swap may be based on an amount equal either to the principal amount of such Obligations of the Issuer as may be designated or a notional principal amount relating to all or a portion of the principal amount of such Obligations); asset, index, price or market-linked transaction or agreement; other exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof; or any option with respect thereto, in each case executed by the Issuer for the purpose of moderating interest rate fluctuations, reducing debt service costs or creating either fixed interest rate Obligations or Variable Interest Rate Obligations on a synthetic basis or otherwise, and (iii) which has been designated in writing to the Trustee by an Authorized Officer as a Qualified Swap with respect to such Obligations.

Qualified Swap Provider shall mean an entity whose senior long term obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, or whose payment obligations under an interest rate exchange agreement are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, are rated either at least as high as (i) the third highest Rating Category of each Rating Agency then maintaining a rating for the Qualified Swap Provider or (ii) any such lower Rating Categories which each such Rating Agency indicates in writing to the Issuer and the Trustee will not, by itself, result in a reduction or withdrawal of its rating on the Outstanding Obligations subject to such Qualified Swap that is in effect prior to entering into such Qualified Swap.

Rating Agency shall mean each nationally recognized statistical rating organization then maintaining a rating on the Obligations at the request of the Issuer.

Rating Category shall mean one of the generic rating categories of any Rating Agency without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

Rating Confirmation shall mean evidence that no rating then in effect from a Rating Agency will be withdrawn or reduced solely as the result of an action to be taken hereunder; *provided, however, that* no action requiring Rating Confirmation shall be undertaken unless at least one Rating Agency at that time maintains a rating on Obligations.

Record Date, except as otherwise provided by Supplemental Resolution or a certificate of an Authorized Officer, shall mean the last Business Day preceding a payment date or other date on which an action is to be taken.

Redemption Price shall mean, with respect to any Obligation, 100% of the principal amount thereof plus the applicable premium, if any, payable upon the redemption thereof pursuant to the Resolution.

Registrar shall mean any registrar for the Obligations of any Series and its successor or successors and any other Person which may at any time be substituted in its place pursuant to the Resolution.

Reimbursement Obligation has the meaning provided in subsection 4 of Section A-202.

Related Entity shall mean any of the MTA, TBTA, MaBSTOA, the Transit Authority, MNCRC, LIRR, SIRTOA, MTA Bus and any affiliate or subsidiary of any of the foregoing now or hereafter established and designated as a Related Entity by an Authorized Officer.

Responsible Officer shall mean any officer assigned to the corporate trust office of the Trustee, or any other officer of the Trustee customarily performing functions similar to those performed by any of such officers and who has direct responsibility for the administration of the Resolution, and also, with respect to a particular matter, any other officer, to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

Securities Depository shall mean a recognized securities depository selected by the Issuer to maintain a book-entry system in respect to all or any portion of a Series of Obligations (including, as appropriate, any nominee thereof), and shall include any substitute for or successor to the Securities Depository initially acting as Securities Depository.

Series shall mean all of the Obligations delivered on original issuance pursuant to a single Supplemental Resolution and denominated therein a single series, and any Obligations thereafter delivered in lieu of or in substitution therefor pursuant to Article A-III or Section A-406 or Section A-906, regardless of variations in maturity, interest rate, or other provisions.

Sinking Fund Installment shall mean, as of a particular date, any Sinking Fund Installment established pursuant to paragraph (m) of subsection 1 of Section A-201.

SIRTOA shall mean the Staten Island Rapid Transit Operating Authority and any successor thereto.

State shall mean the State of New York.

Subordinated Contract Obligation shall mean any payment obligation (other than a payment obligation constituting Parity Debt or Subordinated Indebtedness) arising under (a) any Credit Facility which has been designated as constituting a “Subordinated Contract Obligation” in a certificate of an Authorized Officer delivered to the Trustee, (b) any Qualified Swap or portion thereof which has been designated as constituting a “Subordinated Contract Obligation” in a certificate of an Authorized Officer delivered to the Trustee, and (c) any other contract, agreement or other obligation of the Issuer designated as constituting a “Subordinated Contract Obligation” in a certificate of an Authorized Officer delivered to the Trustee. Each Subordinated Contract Obligation shall be payable and secured in a manner permitted by Article V, and any lien on and pledge of any portion of the Obligations Trust Estate securing Subordinated Contract Obligations shall be junior and inferior to the lien on and pledge of the Obligations Trust Estate herein created for the payment of the Obligations and Parity Debt.

Subordinated Indebtedness shall mean any bond, note or other indebtedness authorized by Supplemental Resolution or other resolution of the Issuer and designated as constituting “Subordinated Indebtedness” in a certificate of an Authorized Officer delivered to the Trustee, which shall be payable and secured in a manner permitted by Article V of the Resolution, and any lien on and pledge of any portion of the Obligations Trust Estate securing Subordinated Indebtedness shall be junior and inferior to the lien on and pledge of the Obligations Trust Estate herein created for the payment of the Obligations and Parity Debt.

Supplemental Resolution shall mean any resolution supplemental to or amendatory of the Resolution adopted by the Issuer in accordance with the Resolution and, except as the context may otherwise require, including any related Certificate of Determination.

TA Act shall mean the New York City Transit Authority Act being Title 9 of Article 5 of the New York Public Authorities law, as amended from time to time.

Taxable Obligations shall mean any Obligations which are not Tax-Exempt Obligations.

Tax-Exempt Obligations shall mean any Obligations the interest on which is intended by the Issuer to be generally excluded from gross income for federal income tax purposes and which are designated as Tax-Exempt Obligations in the Supplemental Resolution authorizing such obligations.

TBTA shall mean the Triborough Bridge and Tunnel Authority, the corporation organized and existing under the TBTA Act, and any successor thereto.

TBTA Act shall mean the Triborough Bridge and Tunnel Authority Act, being Title 3 of Article 3 of the New York Public Authorities Law, as amended from time to time.

Transit Authority shall mean the New York City Transit Authority, the corporation organized and existing under the TA Act, and any successor thereto.

Transportation District shall mean the Metropolitan Commuter Transportation District created by Section 1262 of the MTA Act.

Transportation District Project shall mean any project, program or facility that the Issuer or any other Related Entity (in either case, by itself or with any other Person) is authorized from time to time by law to plan, design, acquire, establish, construct, effectuate, operate, maintain, renovate, improve, extend, rehabilitate or repair within, or for the benefit of, the Transportation District.

Trustee shall mean the trustee appointed by the Issuer pursuant to Section A-701, and its successor or successors and any other Person which may at any time be substituted in its place pursuant to the Resolution.

Valuation Date shall mean (i) with respect to any Capital Appreciation Obligations the date or dates set forth in the Supplemental Resolution authorizing such Obligations on which specific Accreted Values are assigned to the Capital Appreciation Obligations and (ii) with respect to any Deferred Income Obligations, the date or dates on or prior to the Interest Commencement Date set forth in the Supplemental Resolution authorizing such Obligations on which specific Appreciated Values are assigned to the Deferred Income Obligations.

Variable Interest Rate shall mean a variable interest rate to be borne by any Obligation. The method of computing such variable interest rate shall be specified in the Supplemental Resolution authorizing such Series of Obligations.

Variable Interest Rate Obligations shall mean Obligations which bear a Variable Interest Rate.

Section A-102. Rules of Construction.

1. Words of one gender shall be deemed and construed to include correlative words of any other gender. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations.

2. Except as otherwise specified herein, all references in the Resolution (including this Annex A) to Articles, Sections, and other subdivisions are to the corresponding Articles, Sections or subdivisions of the Resolution (including this Annex A), and the words herein, hereof, hereunder and other words of similar import refer to the Resolution as a whole (including this Annex A) and not to any particular Article, Section or subdivision of the Resolution or of this Annex A. References in the Resolution to Articles or Sections with "A-" preceding the number of an Article or Section are to such Article or Section of this Annex A.

3. This Annex A constitutes an integral part of the Resolution and, except to the extent provided in the next 2 sentences, has the same force and effect as if set forth in the forepart of the Resolution. To the extent expressly provided in the Resolution (not including this Annex A), the Issuer may negate, amend or modify any provision of this Annex A. In the event of any conflict between this Annex A and the forepart of the Resolution, the forepart of the Resolution shall control.

4. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof (including any table of contents in the Resolution), shall be solely for convenience of reference and shall not limit or otherwise affect the meaning, construction or effect of the Resolution (including this Annex A) or describe the scope or intent of any provisions hereof.

5. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with applicable generally accepted accounting principles as in effect from time to time.

6. All references herein to resolutions, contracts or other agreements shall be deemed to include any amendments to such documents that are approved in accordance with the terms thereof and hereof.

7. Every “request,” “order,” “demand,” “application,” “appointment,” “notice,” “statement,” “certificate,” “consent,” or similar action hereunder by any party shall, unless the form thereof is specifically provided, be in writing signed by a duly authorized representative of such party with a duly authorized signature, which may be delivered and “signed” pursuant to facsimile or other electronic-mail transmission in accordance with applicable law and practice.

8. The word “or” is not exclusive.

9. The word “including” means including without limitation.

Section A-103. Authority for the Resolution. The Resolution is adopted pursuant to the Issuer Act.

Section A-104. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Obligations and Parity Debt authorized to be issued hereunder by those who are Owners of the Obligations and Parity Debt from time to time, the Resolution shall be deemed to be and shall constitute a contract between the Issuer and the Owners from time to time of the Obligations and Parity Debt; and the pledge made in the Resolution and the covenants and agreements therein set forth to be performed on behalf of the Issuer shall be for the equal benefit, protection and security of the Owners of any and all of the Obligations and Parity Debt, all of which, regardless of the time or times of their authentication, issuance and delivery, or maturity, shall be of equal rank without preference, priority or distinction of any of the Obligations or Parity Debt over any other Obligations or Parity Debt, except as expressly provided in or permitted by the Resolution.

ARTICLE A-II

GENERAL PROVISIONS FOR ISSUANCE OR INCURRENCE OF OBLIGATIONS, PARITY DEBT AND OBLIGATION ANTICIPATION NOTES

Section A-201. General Provisions for Issuance of Obligations. 1. Obligations may be issued pursuant to a Supplemental Resolution in such principal amount or amounts for each Series or subseries as may be specified in such Supplemental Resolution. Obligations of any Series or subseries shall be authorized by a Supplemental Resolution which shall specify, among other things, the following matters (or the manner of determining such matters):

(a) The authorized principal amount, designation and Series of such Obligations;

(b) The purpose or purposes for which such Obligations are being issued which shall be one or more of the purposes set forth in Section 201;

(c) The dates and the maturity dates of the Obligations of such Series;

(d) If the Obligations of such Series are interest bearing Obligations, the interest rates of the Obligations of such Series and the interest payment dates therefor;

(e) If Obligations of such Series are Capital Appreciation Obligations, the Valuation Dates for such Obligations and the Accreted Value on each such Valuation Date;

(f) If Obligations of such Series are Deferred Income Obligations, the Interest Commencement Date for such Obligations, the Valuation Dates prior to the Interest Commencement Date for such Obligations and the Appreciated Value on each such Valuation Date;

(g) If Obligations of such Series are Capital Appreciation Obligations or Deferred Income Obligations, the manner in which and the period during which principal and interest shall be deemed to accrue on such Obligations;

(h) If Obligations of such Series are Variable Interest Rate Obligations, the maximum interest rate, if any, or the method of calculating such maximum rate for such Obligations, and the provisions, if any, as to the calculation or change of Variable Interest Rates;

(i) If Obligations of such Series are Put Obligations, provisions regarding tender for purchase or redemption thereof and payment of the purchase or Redemption Price thereof;

(j) The denominations of and the manner of dating, numbering and lettering, the Obligations of such Series;

(k) The Paying Agents, if any, and the places of payment of the principal and Redemption Price, if any, of, and interest on, the Obligations of such Series;

(l) The Redemption Prices, if any, and the redemption terms, if any, for the Obligations of such Series, provided that Obligations of any maturity for which Sinking Fund Installments shall be established pursuant to paragraph (m) of this subsection 1 shall in any event be redeemable, or payable at maturity, by application of the Sinking Fund Installments for such Obligations on the due dates of such Sinking Fund Installments;

(m) The amount and due date of each Sinking Fund Installment, if any, for Obligations of like maturity of such Series;

(n) Provisions necessary to authorize, in compliance with all applicable law, Obligations of such Series to be issued in the form of Obligations issued and held in book-entry form on the books of the Issuer or any Fiduciary appointed for that purpose by the Issuer and, in connection therewith, make such additional changes in the Resolution, not adverse to the rights of the Owners of the Obligations, as are necessary or appropriate to accomplish or recognize such book-entry form Obligations and specify and determine the matters and things relative to the issuance of such book-entry form Obligations as are appropriate or necessary;

(o) To the extent applicable, the provisions relating to (a) any Credit Facility, Qualified Swap or other financial arrangement entered into in connection with the issuance of the Obligations of such Series and (b) the obligations payable thereunder;

(p) The amount, if any, to be deposited in the Obligations Proceeds Fund or any Account therein;

(q) If so determined by the Issuer, provisions for the application of any money available therefor to the purchase, exchange or redemption of Obligations of such Series and for the order of purchase, exchange or redemption of such Obligations;

(r) If so determined by the Issuer, provisions for the sale of the Obligations of such Series;

(s) The forms of the Obligations of such Series and of the Trustee's certificate of authentication if other than as provided in Section 301; and

(t) Such other matters, not contrary to or inconsistent with the Resolution, as the Issuer may deem advisable or necessary in connection with the authorization, issuance, sale, or delivery of such Series of Obligations.

An Authorized Officer to whom a Supplemental Resolution has delegated the power to determine any of the foregoing shall execute a Certificate of Determination evidencing such determinations or other actions taken pursuant to the delegation under such Supplemental Resolution, and such Certificate of Determination shall be conclusive evidence of the determinations or actions of such Authorized Officer as to the matters stated therein. The matters set forth in any such Certificate of Determination shall have the same effect as if set forth in the related Supplemental Resolution.

2. The Obligations may be sold in one or more Series or subseries (each of which shall contain a designation distinguishing it from other Series or subseries), and shall be delivered by the Issuer under the Resolution but only upon receipt by the Trustee of:

(a) An Opinion of Bond Counsel in customary form to the effect that (i) the Issuer has the right and power under the Issuer Act to adopt the Resolution, and the Resolution has been duly and lawfully adopted by the Issuer, is in full force and effect, and is valid and binding upon the Issuer, and enforceable in accordance with its terms, and no other authorization for the Resolution is required as of the date thereof; (ii) the Resolution creates the valid pledge which it purports to create of the Obligations Trust Estate in the manner and to the extent provided in Section 501; and (iii) the Obligations are valid and binding obligations of the Issuer, enforceable in accordance with their terms and the terms of the Resolution and entitled to the benefits of the Issuer Act as amended to the date of such Opinion of Bond Counsel, and (iv) such Obligations have been duly and validly authorized and issued in accordance with law and the Resolution;

(b) A copy of the Supplemental Resolution authorizing such Obligations, certified by an Authorized Officer;

(c) A written order of the Issuer as to the delivery of the Obligations, signed by an Authorized Officer;

(d) A certificate of an Authorized Officer to the effect that, upon the delivery of the Obligations of such Series (i) no event which constitutes a default under the Resolution or any of the Obligations shall have occurred and be continuing or, if such an event is continuing, upon issuance of the Obligations such default shall be cured, and (ii) no such event would result from the authentication and delivery of the Obligations of such Series;

(e) If any Obligations are Variable Interest Rate Obligations or a Qualified Swap is being entered into that will result in a variable interest rate obligation of the Issuer, a determination by an Authorized Officer of the Estimated Average Interest Rate;

(f) If any Obligations of such Series are Put Obligations, a determination by an Authorized Officer of the method or methods to be employed to provide for the purchase or redemption of all Put Obligations of such Series if the Owners thereof elected to tender for purchase or redemption the entire aggregate Outstanding principal amount of the Put Obligations of such Series; and

(g) Such further documents and money as are required by the provisions of Article II, this Article A-II or Article A-VIII.

3. If Obligations are to be listed on a domestic or foreign stock exchange, the Authorized Officers are hereby authorized to take all such actions as they deem necessary or appropriate to comply with the listing requirements of such exchange, including the appointment of a member of such exchange as listing agent, the publication where required by such exchange of all redemption notices, the appointment of a special clearing agent and paying agent, and the execution of an undertaking letter with such exchange.

4. The Obligations shall not be a debt of the State or the City and neither the State nor the City shall be liable thereon, nor shall Obligations be payable out of any funds other than those of the Issuer as provided in the Resolution.

Section A-202. Credit Facilities; Qualified Swaps and Other Similar Arrangements; Parity Debt. 1. The Issuer may include such provisions in a Supplemental Resolution authorizing the issuance of a Series of Obligations secured by a Credit Facility as the Issuer deems appropriate, and no such provisions shall be deemed to constitute an amendment to the Resolution requiring action under Article A-VIII or Article A-IX, including:

(a) So long as the Credit Facility is in full force and effect and payment on the Credit Facility is not in default, then (i) the issuer of the Credit Facility shall be deemed to be the sole Owner of the Outstanding Obligations the payment of which such Credit Facility secures or (ii) in the alternative or with respect to particular matters, the approval, consent or action of the issuer of the Credit Facility shall be required in addition to the approval, consent or action of the applicable percentage of the Owners of the Outstanding Obligations, in either case when the approval, consent or action of the Owners for such Obligations is required or may be exercised under the Resolution including Section A-802 hereof and following an Event of Default hereunder; *provided, however, that* no issuer of a Credit Facility shall be deemed to be the sole Owner of Outstanding Obligations pursuant to this provision in the event that the Credit Facility or Credit Facilities securing such Obligations provide only liquidity support.

(b) In the event that the principal, Sinking Fund Installments, if any, and Redemption Price, if applicable, and interest due on any Outstanding Obligations (or Purchase Price of any Outstanding Obligations to the extent the issuer of the Credit Facility has not been reimbursed) shall be paid under the provisions of the Credit Facility, all covenants, agreements and other obligations of the Issuer to the Owners of such Obligations shall continue to exist and such issuer of the Credit Facility shall be subrogated to the rights of such Owners in accordance with the terms of such Credit Facility.

2. In addition, such Supplemental Resolution may establish such provisions as are necessary (i) to comply with the provisions of each such Credit Facility, (ii) to provide relevant information to the issuer of the Credit Facility, (iii) to provide a mechanism for paying Principal Installments and interest on Obligations secured by the Credit Facility, and (iv) to make provision for any events of default or for additional or improved security required by the issuer of a Credit Facility.

3. The Issuer may enter into such agreements with the issuer of such Credit Facility providing for, *inter alia*: (i) the payment of fees and expenses to such issuer for the issuance of such Credit Facility, (ii) the terms and conditions of such Credit Facility and the Obligations affected thereby, and (iii) the security, if any, to be provided for the issuance of such Credit Facility.

4. The Issuer may secure such Credit Facility by an agreement providing for the purchase of the Obligations secured thereby with such adjustments to the rate of interest, method of determining interest, maturity, or redemption provisions as specified by the Issuer in the

applicable Supplemental Resolution. The Issuer may also in an agreement with the issuer of such Credit Facility agree to directly reimburse such issuer for amounts paid under the terms of such Credit Facility (together with interest thereon, the “**Reimbursement Obligation**”); *provided, however, that* no amounts shall be payable by the Issuer under a Reimbursement Obligation for purposes of the Resolution, until amounts are paid under such Credit Facility by the issuer thereof. As determined by Supplemental Resolution, any such Reimbursement Obligation, which may include interest calculated at a rate higher than the interest rate on the related Obligation and accelerated principal amortization, (i) may be secured by a pledge of, and a lien on, the Obligations Trust Estate on a parity with the lien created by Section 501 of the Resolution to secure the Obligations (a “**Parity Reimbursement Obligation**”), but only to the extent that (prior to any acceleration of all Obligations, if permitted) any principal amortization requirements are *either* (A) commensurate with the amortization requirements for such related Obligations, without acceleration or (B) accelerated to no greater extent than to require repayment in equal principal installments over 5 or more years, or (ii) may constitute a Subordinated Contract Obligation, as determined by the Issuer. Parity Reimbursement Obligations shall not include any payments (other than interest calculated at a higher rate pursuant to a Credit Facility) (i) of any fees or expenses, (ii) pursuant to any indemnification provisions or (iii) pursuant to term-loan or other principal amortization requirements in reimbursement of any such advance that are more accelerated than permitted by clauses (A) and (B) of the preceding sentence, and any such payments of the items specified in clauses (i), (ii) or (iii) shall constitute Subordinated Contract Obligations.

5. Any such Credit Facility shall be for the benefit of and secure such Obligations or portion thereof as specified in any applicable Supplemental Resolution.

6. In connection with the issuance of any Obligations or at any time thereafter so long as Obligations remain Outstanding, the Issuer may, to the extent permitted pursuant to law, from time to time enter into Qualified Swaps. The Issuer’s obligation to pay any amount under *any* Qualified Swap may be secured by a pledge of, and a lien on, the Obligations Trust Estate on a parity with the lien created by Section 501 of the Resolution to secure the Obligations (a “**Parity Swap Obligation**”), or may constitute a Subordinated Contract Obligation, as determined by the Issuer. Parity Swap Obligations shall not include any payments of any termination or other fees, expenses, indemnification or other obligations to a counterparty to a Qualified Swap, which payments shall be Subordinated Contract Obligations.

7. Parity Debt shall not be a debt of the State or the City and neither the State nor the City shall be liable thereon, nor shall Parity Debt be payable out of any funds other than those of the Issuer pledged therefor pursuant to the Resolution.

8. Except to the extent that an Authorized Officer directs that such amounts be deposited in any other Fund or Account pledged to the payment of Obligations, any amounts paid to the Issuer under a Qualified Swap shall be deposited in the Senior Debt Service Fund.

9. To the extent applicable and not readily apparent with respect any Parity Debt, either the terms of such Parity Debt shall specify (or an Authorized Officer shall specify in writing) the interest and principal components of, or the scheduled payments corresponding to principal and interest under, such Parity Debt or the manner of determining the foregoing.

Section A-203. Obligation Anticipation Notes. Whenever the Issuer shall have, by Supplemental Resolution, authorized the issuance of a Series of Obligations, the Issuer may by resolution authorize the issuance of Obligation Anticipation Notes in anticipation of the issuance of such authorized Series of Obligations, in a principal amount not exceeding the principal amount of the Obligations of such Series so authorized. The principal of and premium, if any, and interest on such Obligation Anticipation Notes and any renewals of such Obligation Anticipation Notes shall be payable only from any or all of the following items designated by the Issuer at or prior to issuance of any such series of Obligation Anticipation Notes (i) the proceeds of any renewals of such Obligation Anticipation Notes issued to repay such Obligation Anticipation Notes, (ii) the proceeds of the sale of the Series of Obligations in anticipation of which such Obligation Anticipation Notes are issued, (iii) amounts available to pay Subordinated Indebtedness, or (iv) any other money available therefor and not pledged under the Resolution. Such proceeds and other amounts set forth in clauses (i), (ii), (iii) and (iv) may be pledged for the payment of the principal of and premium, if any, and interest on such Obligation Anticipation Notes, and any such pledge of the items set forth in clauses (i) and (ii) shall have priority over any other pledge created by the Resolution, including Section 501. In any case, such Obligation Anticipation Notes shall be retired or provision shall be made for their retirement not later than the date of authentication and delivery of the Series of Obligations in anticipation of which they are issued. The proceeds of the sale of Obligation Anticipation Notes other than renewals thereof shall be applied to the purposes for which the Obligations in anticipation of which such Obligation Anticipation Notes are authorized and shall be deposited in the appropriate Fund or Account established by the Resolution for such purposes or, if so provided in the resolution authorizing renewals of Obligation Anticipation Notes issued to pay outstanding Obligation Anticipation Notes, applied directly to such payment. Investment earnings from any amounts on deposit in any Fund or Account under the Resolution representing the proceeds of any Obligation Anticipation Notes shall be applied in the manner set forth in the resolution authorizing such Obligation Anticipation Notes.

ARTICLE A-III

GENERAL TERMS AND PROVISIONS OF OBLIGATIONS

Except as otherwise provided by Supplemental Resolution, the Obligations shall be subject to the terms and provisions of these Standard Resolution Provisions.

Section A-301. Medium of Payment; Form and Date.

1. The Obligations and Parity Debt shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts (or to the extent permitted by law, in any other coin or currency authorized pursuant to a Supplemental Resolution for related Obligations and Parity Debt).

2. Obligations shall be issued in the form of fully registered Obligations without coupons. Obligations, the certificate of authentication, if any, and the form of assignment shall be in substantially the form provided for in Exhibit One with such appropriate variations, omissions, substitutions and insertions as are permitted or required hereby or thereby or are required by law, and may have such letters, numbers or other marks of identification and such legends and endorsements placed thereon as may be required to comply with any applicable laws or rules or regulations, or as may, consistent herewith, be determined by the officers executing such Obligations, as evidenced by their execution of the Obligations. Any portion of the text of any Obligation may be set forth on the reverse thereof, with an appropriate reference thereto on the face of such Obligation, or as multiple pages (with or without such a reference). Obligations may be typewritten, printed, engraved, lithographed or otherwise produced.

3. Obligations shall be dated, and shall bear or not bear interest, as provided in the Supplemental Resolution authorizing such Obligations.

Section A-302. Legends. Obligations may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of the Resolution as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, or otherwise, as may be determined by the Issuer.

Section A-303. Execution and Authentication.

1. The Obligations shall be executed in the name of the Issuer by the manual or facsimile signature of an Authorized Officer or in such other manner as may be required by law or specified in a Supplemental Resolution. In case any of the officers who shall have signed any of the Obligations shall cease to be such officer before the Obligations so signed shall have been actually delivered, such Obligations may, nevertheless, be delivered as herein provided, and may be issued as if the Persons who signed such Obligations had not ceased to hold such offices. Any Obligation may be signed on behalf of the Issuer by such Persons as at the actual time of the execution of such Obligation shall be duly authorized or hold the proper office in the Issuer, although at the date of the Obligations such Persons may not have been so authorized or have held such office.

2. Obligations of each Series shall bear thereon a certificate of authentication, executed manually by the Trustee. Only such Obligations as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under the Resolution and no Obligation shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Obligation executed on behalf of the Issuer shall be conclusive evidence that the Obligation so authenticated has been duly authenticated and delivered under the Resolution and that the Owner thereof is entitled to the benefits of the Resolution.

Section A-304. Interchangeability of Obligations. Obligations, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Owner or his duly authorized attorney, may, at the option of such Owner, be exchanged for an equal aggregate principal amount of Obligations of the same Series, maturity and interest rate of any other authorized denomination.

Section A-305. Negotiability, Transfer and Registry. All the Obligations issued under the Resolution shall be negotiable, subject to the provisions for registration and registration of transfer contained in the Resolution and in the Obligations. So long as any of the Obligations shall remain Outstanding, the Issuer shall maintain and keep, at the office of the Registrar, books for the registration and registration of transfer of Obligations; and, upon presentation thereof for such purpose at said office and under such reasonable regulations as it or the Registrar may prescribe, the Issuer shall register or cause to be registered therein, and permit to be transferred thereon, the registration of any Obligation entitled to registration or registration of transfer. So long as any of the Obligations remain Outstanding, the Issuer shall make all necessary provision to permit the exchange of Obligations at the office of the Registrar.

Section A-306. Transfer of Obligations.

1. The transfer of each Obligation shall be registerable only upon the books of the Issuer, which shall be kept by the Registrar, by the Owner thereof in person or by his attorney authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar executed by the Owner or his authorized attorney. Upon the registration of transfer of any such Obligation, the Issuer shall issue in the name of the transferee a new Obligation of the same aggregate principal amount, Series, maturity and interest rate as the surrendered Obligation.

2. The Issuer and each Fiduciary may deem and treat the Person in whose name any Outstanding Obligation shall be registered upon the books of the Issuer as the absolute owner of such Obligation, whether such Obligation shall be overdue or not, for the purpose of receiving payment of or on account of, the principal and Redemption Price, if any, of and interest on such Obligation and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Obligation to the extent of the sum or sums so paid, and neither the Issuer nor any Fiduciary shall be affected by any notice to the contrary. The Issuer agrees to indemnify and save each Fiduciary harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, unless acting in bad faith or with negligence under the Resolution, in so treating such registered owner.

Section A-307. Regulations With Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Obligations or registering the transfer of Obligations is exercised, the Issuer shall execute and the Registrar shall deliver Obligations in accordance with the provisions of the Resolution. All Obligations surrendered in any such exchanges or registrations of transfer shall forthwith be canceled by the Registrar. For every such exchange or registration of transfer of Obligations, whether temporary or definitive, the Issuer or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

Section A-308. Obligations Mutilated, Destroyed, Stolen or Lost. In case any Obligation shall become mutilated or be destroyed, stolen or lost, the Issuer shall execute, and thereupon the Trustee and Registrar shall deliver, a new Obligation of like tenor, Series, maturity, interest rate and principal amount as the Obligation so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Obligation, upon surrender and cancellation of such mutilated Obligation, or in lieu of and substitution for the Obligation destroyed, stolen or lost, upon filing with the Trustee and Registrar evidence satisfactory to the Issuer and the Trustee and Registrar that such Obligation has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Issuer and the Trustee and Registrar with indemnity satisfactory to them and complying with such other reasonable regulations as the Issuer and the Trustee and Registrar may prescribe and paying such expenses as the Issuer and Trustee and Registrar may incur. All Obligations so surrendered to the Registrar shall be canceled by it. If any such Obligation shall have matured, or if such Obligation shall have been called for redemption or a redemption date pertaining thereto shall have passed, instead of issuing a new Obligation the Issuer may cause the same to be paid without surrender thereof upon indemnity satisfactory to the Issuer and the Trustee. Any such new Obligations issued pursuant to this Section in substitution for Obligations alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Issuer, whether or not the Obligations so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Obligations issued under the Resolution, in any money or securities held by the Issuer or the Fiduciary for the benefit of the Owners of Obligations.

Section A-309. Book-Entry-Only System. The Issuer may employ a book-entry-only system of registration with respect to any Obligations and may utilize the procedures regarding such registration set forth in this Section A-309, as such procedures may be modified or superseded pursuant to the Supplemental Resolution authorizing such Obligations. Any provisions of the Resolution inconsistent with book-entry-only Obligations shall not be applicable to such book-entry-only Obligations.

Any Authorized Officer is hereby authorized to take all actions required for each Series of Obligations to be eligible under the rules and regulations of The Depository Trust Company (“DTC”), 55 Water Street, New York, New York, for investment and trading as uncertificated securities. DTC is hereby appointed as the initial Securities Depository for the Obligations, with Cede & Co., a nominee thereof, being the initial registered owner of the Obligations. In the event that any Securities Depository resigns or is removed, any Authorized Officer may select a substitute Securities Depository. The Issuer and any Fiduciary, and any agent of the Issuer or any Fiduciary, may treat any Securities Depository in whose name any Obligations is registered as the owner of such Obligation for all purposes under the Resolution. For so long as the Securities

Depository is the registered owner of the Obligations, procedures with respect to the transmission of notices and the transfer of ownership of, redemption of and payment of principal or Redemption Price, if any, of and interest on such Obligations so held shall be in accordance with arrangements among the Trustee, the Issuer and the Securities Depository.

So long as the Obligations are registered in the name of the Securities Depository, the Issuer and the Trustee shall have no responsibility or obligation to any Securities Depository participant, indirect participant or beneficial owner of the Obligations. Without limiting the immediately preceding sentence, the Issuer and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of any Securities Depository or any Securities Depository participant or indirect participant with respect to any beneficial ownership interest in the Obligations, (ii) the delivery to any Securities Depository participant, indirect participant, beneficial owner or any other person, other than the Securities Depository, of any notice with respect to the Obligations, including any notice of redemption or tender, or (iii) the payment to any Securities Depository participant, indirect participant, beneficial owner or any other person, other than the Securities Depository, of any amount with respect to the principal of or Redemption Price or interest on the Obligations.

The Issuer, in its sole discretion and without the consent of any other person, may terminate the services of any Securities Depository with respect to any Series of Obligations. Notice of such termination shall be given by the Issuer to the Trustee prior to or simultaneously with such termination. In the event the book-entry only system is discontinued with respect to the Obligations, principal and Redemption Price of and interest on the Obligations shall be paid as provided in the Resolution.

Consistent with DTC book-entry provisions, one or more typewritten certificates shall be prepared for each maturity of the Obligations of a Series and registered in the name of the Securities Depository. There shall be no physical distribution of bond or other certificates to beneficial owners of such Obligations. In the event that the Obligations do not qualify to be held by the Securities Depository or that either the Issuer determines to discontinue the book-entry only system or DTC determines to discontinue providing its service with respect to the Obligations and there is no successor Securities Depository, the bond or other certificates shall be delivered in the form required by the Resolution.

Unless otherwise directed by an Authorized Officer, "CUSIP" identification numbers will be imprinted on the Obligations, but such numbers shall not constitute a part of the contract evidenced by the Obligations and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the Obligations. As a convenience to the Owners of the Obligations, the Issuer and the Trustee may use such CUSIP numbers in any notices to the Owners of the Obligations, including any notices of redemption of the Obligations. Failure on the part of the Issuer or the Trustee to use such CUSIP numbers in any notice to Owners of the Obligations shall not constitute an Event of Default or any similar violation of the Issuer's contract with such Owners. The Issuer will promptly notify the Trustee of any change in the CUSIP numbers.

ARTICLE A-IV

REDEMPTION AND TENDER OF OBLIGATIONS

Section A-401. Privilege of Redemption and Redemption Price. Except as otherwise provided in the Resolution or a Supplemental Resolution, Obligations subject to redemption pursuant to a Supplemental Resolution shall be subject to redemption only in accordance with this Article A-IV.

Obligations subject to redemption prior to maturity pursuant to a Supplemental Resolution shall be redeemable, upon written notice as provided in this Article A-IV, at such times, at such Redemption Prices and upon such terms as may be specified in the Supplemental Resolution authorizing such Obligations.

Section A-402. Redemption at the Election of the Issuer; Tender to Related Entities. In the case of any redemption of Obligations at the election of the Issuer, the Issuer shall give written notice to the Trustee of its election so to redeem, of the redemption date, of the Series, of the principal amounts of the Obligations of each maturity and interest rate of such Series to be redeemed (which Series, maturities, interest rates and principal amounts thereof to be redeemed shall be determined by the Issuer in its sole discretion, subject to any limitations with respect thereto contained in any Supplemental Resolution). Such notice shall be given at least 45 days prior to the redemption date or such shorter period as may be provided in the Supplemental Resolution or as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as in Section A-405 provided but subject to the second paragraph of Section A-405, the Issuer shall on or prior to the redemption date cause to be paid out to the appropriate Paying Agent or Paying Agents out of money available therefor an amount in cash which, in addition to other money, if any, available therefor held by such Paying Agent or Paying Agents, will be sufficient to redeem on the redemption date at the Redemption Price thereof, all of the Obligations to be redeemed.

The Issuer may, in its sole discretion, purchase or grant to any Related Entity the option to purchase, at any time and from time to time, any Obligations which are redeemable at the election of the Issuer at a purchase price equal to the redemption price therefor. To exercise any such option, the Issuer or the Related Entity shall give the Trustee a written request exercising such option within the time periods specified in the related Supplemental Resolution as though such written request were a written request of the related Issuer for redemption, and the Trustee shall thereupon give the Owners of the Obligations to be purchased notice of such purchase in the manner specified in the related Supplemental Resolution as though such purchase were a redemption. On the date fixed for purchase pursuant to any exercise of such an option, the Issuer or the Related Entity shall pay the purchase price of the Obligations then being purchased to the Trustee in immediately available funds, and the Trustee shall pay the same to the sellers of such Obligations against delivery thereof. Following such purchase, the Trustee shall cause such Obligations to be registered in the name of the Issuer or the Related Entity or its nominee and shall deliver them to the Issuer, the Related Entity or its nominee. Except to the extent otherwise directed by an Authorized Officer, no purchase of Obligations pursuant to such an option shall operate to extinguish the indebtedness of the Issuer evidenced thereby. Any such option to purchase by a Related Entity either shall be conditioned on the provision of sufficient money

therefor by the Related Entity or shall be an obligation of the Issuer in the event that the Related Entity does not provide sufficient money therefor.

Section A-403. Redemption Otherwise Than at the Issuer's Election. Whenever by the terms of the Resolution Obligations are required to be redeemed otherwise than at the election of the Issuer, the Trustee shall select the Obligations to be redeemed, give the notice of redemption and pay out of money available therefor the Redemption Price to the appropriate Paying Agents in accordance with the terms of this Article A-IV. The Trustee shall have no liability in making such selection.

Section A-404. Selection of Obligations to Be Redeemed. In the event of redemption of less than all the Outstanding Obligations of like tenor, Series, maturity and interest rate, the Trustee shall select, as directed by the Issuer (as to the timing of such selection, manner of such selection or otherwise) or otherwise in such manner as the Trustee in its discretion shall deem appropriate and fair, the numbers of the Obligations to be redeemed and portions of any thereof to be redeemed in part. Obligations of denominations equal or less than the minimum authorized denomination thereof may be redeemed only as a whole. Obligations of denominations of more than the minimum authorized denomination thereof may be redeemed either as a whole or in part (which, if redeemed in part, must assure that the portion of the Obligation which is not redeemed is an authorized denomination). For the purposes of this Section A-404, Obligations, or portions thereof, which have theretofore been selected for redemption shall not be deemed Outstanding.

Section A-405. Notice of Redemption. When the Trustee shall receive notice from the Issuer of its election to redeem Obligations pursuant to Section A-402, and when redemption of Obligations is required by the Resolution pursuant to Section A-403, the Trustee shall give notice, in the name of the Issuer, of the redemption of such Obligations, which notice shall specify the Series (including CUSIP numbers), maturities and, if any maturity shall include Obligations bearing different interest rates and all Obligations of such maturity are not being redeemed, the interest rate of the Obligations to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Obligations of any like tenor, Series, maturity and interest rate are to be redeemed, the letters and numbers or other distinguishing marks of such Obligations so to be redeemed, and, in the case of Obligations to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed, and, if applicable, that such notice is conditional and the conditions that must be satisfied. Such notice shall further state that on such date there shall become due and payable upon each Obligation to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Obligations to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be given not less than 20 days nor more than 45 days, or for such other period as may be specified in a Supplemental Resolution authorizing a particular Series, before the redemption date, to the Owners of any Obligations or portions of Obligations which are to be redeemed. Failure so to give any such notice to any particular Owner shall not affect the validity of the proceedings for the redemption of Obligations not owned by such Owner and failure of any Owner to receive such notice shall not affect the validity of the proposed redemption of Obligations. The Issuer may provide notices of redemption at such additional times as it may determine necessary or appropriate.

Any notice of optional redemption given pursuant to this Section may state that it is conditional upon receipt by the Trustee of money sufficient to pay the Redemption Price of such Obligations or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such Redemption Price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission shall be given by the Trustee to affected Owners of Obligations as promptly as practicable upon the failure of such condition or the occurrence of such other event.

Unless otherwise provided by Supplemental Resolution, notices of redemption shall be sent by first class mail, postage prepaid.

Notice of redemption of any Series of Obligations shall also be sent by the Trustee to such additional Persons as may be specified in the Supplemental Resolution authorizing such Series.

Section A-406. Payment of Redeemed Obligations. Notice having been given in the manner provided in Section A-405, the Obligations or portions thereof so called for redemption shall, subject to the second paragraph of Section A-405, become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the office specified in such notice, such Obligations, or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date. If there shall be called for redemption less than all of an Obligation, the Issuer shall execute and cause to be delivered, upon the surrender of such Obligation, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Obligation so surrendered, at the option of the owner thereof, Obligations of like tenor, Series, maturity and interest rate in any of the authorized denominations. If, on the redemption date, money for the redemption of all the Obligations or portions thereof of any like tenor, Series, maturity and interest rate to be redeemed, together with interest to the redemption date, shall be held by the Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Obligations or portions thereof of such Series, maturity and interest rate so called for redemption shall cease to accrue. If said money shall not be so available on the redemption date, such Obligations or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

ARTICLE A-V

INVESTMENT OF FUNDS; SINKING FUND INSTALLMENTS; CANCELLATION AND DISPOSITION OF OBLIGATIONS

Section A-501. Investment of Funds.

1. Subject to the provisions of Section A-1104, amounts in the Funds and Accounts established by Section 502 of the Resolution may be invested only in Authorized Investments and only when and as specifically directed in writing by an Authorized Officer.

2. The Trustee or the Issuer shall sell any Authorized Investments held in any Fund, Account or subaccount to the extent required for payments from such Fund, Account or subaccount. The proceeds of such sales, and of all payments at maturity or upon redemption of such investments, shall be held in the applicable Fund, Account or subaccount to the extent required to meet the requirements of such Fund, Account or subaccount. Except as provided by Supplemental Resolution, in computing the amount of such Funds, Accounts and subaccounts, investments shall be valued at par, or if purchased at other than par, shall be valued at Amortized Value. Accrued interest received upon the sale of any Authorized Investment to the extent such amount exceeds any accrued interest paid on the purchase of such Authorized Investment shall be treated as interest earned on such Authorized Investment for purposes of this Section.

3. Nothing in the Resolution shall prevent any Authorized Investments acquired as investments of or security for any Fund, Account or subaccount held under the Resolution from being held in book-entry form.

4. In making any investment in any Authorized Investments with money in any Fund or Account established under the Resolution, the Trustee or the Issuer may combine such money with money in any other Fund or Account held by it, but solely for purposes of making such investment in such Authorized Investments.

Section A-502. Satisfaction of Sinking Fund Installments.

1. Any amount accumulated in the Senior Debt Service Fund in respect of and up to the unsatisfied balance of each Sinking Fund Installment shall be applied by the Trustee to either (a) or (b) below as directed by the Issuer (together with amounts accumulated in the Senior Debt Service Fund with respect to interest on the Series of Obligations for which such Sinking Fund Installment was established) if so directed by an Authorized Officer prior to the 45th day preceding the due date of such Sinking Fund Installment as follows:

(a) to the purchase of Obligations for which such Sinking Fund Installment was established, at prices (including any brokerage and other charges) not exceeding the principal amount of such Obligations plus unpaid interest accrued to the date of purchase, such purchases to be made in such manner as the Issuer shall direct; or

(b) to the redemption of Obligations for which such Sinking Fund Installment was established, if then redeemable by their terms at the prices referred to in clause (a) of this subsection 1 of this Section A-502.

All Obligations so purchased or redeemed shall be canceled by the Trustee prior to the 45th day preceding the due date of such Sinking Fund Installment.

2. Upon the purchase or redemption of any Obligation pursuant to subsection 1 of this Section, an amount equal to the principal amount of the Obligations so purchased or redeemed shall be credited toward the next Sinking Fund Installment thereafter to become due with respect to the Obligations of such maturity and the amount of any excess of the amounts so credited over the amount of such Sinking Fund Installment shall be credited by the Trustee against future Sinking Fund Installments for such Series as specified by an Authorized Officer. Prior to the purchase or redemption of such Obligations, the Issuer shall deliver to the Paying Agent and to the Trustee a certificate of an Authorized Officer specifying (i) the principal amount, Series, maturity, interest rate and numbers of the Obligations so to be purchased or redeemed, (ii) the date and Series of the Sinking Fund Installment in satisfaction of which such Obligations are so to be purchased or redeemed, (iii) the aggregate principal amount of the Obligations so to be purchased or redeemed, and (iv) the unsatisfied balance of each such Sinking Fund Installment after giving effect to the delivery of such Obligations.

3. In satisfaction, in whole or in part, of any Sinking Fund Installment, the Issuer may deliver to the Trustee at least 45 days prior to the date of such Sinking Fund Installment, for cancellation, Obligations acquired by purchase or redemption, except Obligations acquired by purchase or redemption pursuant to the provisions of subsection 1 of this Section, of the maturity and interest rate entitled to such Sinking Fund Installment. All Obligations so delivered to the Trustee in satisfaction of a Sinking Fund Installment shall reduce the amount thereof by the amount of the aggregate principal amount of such Obligations. Concurrently with such delivery of such Obligations the Issuer shall deliver to the Paying Agent and to the Trustee a certificate of an Authorized Officer, specifying (i) the principal amount, Series, maturity, interest rate and numbers of the Obligations so delivered, (ii) the date and Series of the Sinking Fund Installment in satisfaction of which such Obligations are so delivered, (iii) the aggregate principal amount of the Obligations so delivered, and (iv) the unsatisfied balance of each such Sinking Fund Installment after giving effect to the delivery of such Obligations.

4. The Trustee shall, upon receipt of the notice and in the manner required by the Resolution, call for redemption, on the date of each Sinking Fund Installment falling due prior to maturity, such principal amount of Obligations of the Series, interest rate and maturity entitled to such Sinking Fund Installment as is required to exhaust the unsatisfied balance of such Sinking Fund Installment.

Section A-503. Cancellation and Disposition of Obligations. All Obligations that have been paid (whether at maturity or by acceleration, call for redemption, purchase by the Issuer and presentation for cancellation, or otherwise) or delivered to the Trustee for cancellation shall be canceled and not reissued, except as otherwise provided in a Supplemental Resolution with respect to Put Obligations. Unless otherwise directed by the Issuer, the Trustee shall treat canceled Obligations in accordance with its document retention policies. Notwithstanding any other

provision of the Resolution, the Issuer may in its sole discretion purchase any obligations of the Issuer or any Related Entity for investment purposes and any such obligations shall remain outstanding unless and until presented for cancellation.

ARTICLE A-VI

PARTICULAR COVENANTS OF THE ISSUER

The Issuer covenants and agrees with the Trustee and the Owners of Obligations as follows:

Section A-601. Payment of Obligations and Parity Debt. The Issuer shall duly and punctually pay or cause to be paid from the Obligations Trust Estate as provided in the Resolution the principal or Redemption Price, if any, of every Obligation and the interest thereon and all Parity Debt, at the dates and places, and in the manner provided in the Obligations and Parity Debt, according to the true intent and meaning thereof.

Section A-602. Extension of Payment of Obligations. The Issuer shall not directly or indirectly extend or assent to the extension of the maturity of any of the Obligations or the time of payments of any claims for interest by the purchase or funding of such Obligations or claims for interest or by any other arrangement and in case the maturity of any of the Obligations or the time for payment of such claims for interest shall be extended, such Obligations or claims for interest shall not be entitled, in case of any Event of Default, to the benefit of the Resolution or to any payment out of the Obligations Trust Estate, except subject to the prior payment of the principal of all Obligations Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Obligations as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Issuer (i) to issue refunding obligations as provided in the Resolution and such issuance shall not be deemed to constitute an extension of maturity of the Obligations, (ii) to issue Put Obligations and neither such issuance nor the operation of the provisions of such Put Obligations shall be deemed to constitute an extension of maturity of the Obligations, (iii) to apply any amount in any Fund held under the Resolution for such purpose to the purchase or redemption of Obligations or (iv) to issue securities having a maturity date, including any extension of maturity contemplated at the time of issuance, of no more than 270 days from the issue date.

Section A-603. Offices for Servicing Obligations. Except as otherwise provided in the Resolution, the Issuer shall at all times maintain one or more offices or agencies in the City and State of New York where Obligations may be presented for payment, registration, transfer or exchange, and where notices, demands and other documents may be served upon the Issuer in respect of the Obligations or of the Resolution. The Issuer may appoint the Trustee or any other Fiduciary as its agent to maintain such office or agency for the payment, redemption, registration, transfer or exchange of Obligations and for the service upon the Issuer of such notices, demands and other documents. The Issuer may also maintain one or more offices or agencies outside of the City or State for the same purposes.

Section A-604. Further Assurance. To the extent permitted by law, the Issuer from time to time shall make, do, execute, adopt, acknowledge and deliver, and take all and every such further acts, deeds, conveyances, assignments, resolutions, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights and interests in the Obligations Trust Estate or assigned, or intended so to be, or which the Issuer may become bound to pledge or assign.

Section A-605. Accounts and Reports.

1. The Issuer shall keep proper books of record and account of its operations. Such books of account are to be audited at least annually by independent certified public accountants experienced in governmental accounting selected by the Issuer. A copy of each audit report, annual balance sheet and income and expense statement shall be filed with the Trustee and sent to any Owner filing with the Issuer a written request therefor.

2. The Issuer shall annually, within 6 months after the close of each fiscal year or at such other time required under applicable law or a subsequent contract with all or certain Owners (or, if not available by such date, when and if available), file with the Trustee, and otherwise as provided by law, a copy of an annual report for such year, accompanied by the opinion of the accountants specified in subsection 1 of this Section.

Section A-606. General.

1. The Issuer shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Issuer under the provisions of the Resolution and, to the extent material to the interests of Owners, the Issuer Act.

2. Upon the date of authentication and delivery of any of the Obligations, all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in connection with the issuance of such Obligations (and any related Parity Debt then being incurred) shall exist, shall have happened and shall have been performed and the issuance of such Obligations (and any related Parity Debt then being incurred), together with all other indebtedness of the Issuer, shall be within every debt and other limit prescribed by the laws of the State, as applicable.

ARTICLE A-VII

CONCERNING THE TRUSTEE, PAYING AGENTS AND THE REGISTRAR

Section A-701. Trustee; Appointment and Acceptance of Duties. On or prior to the delivery of any Obligations, the Issuer shall appoint a Trustee. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing and delivering to the Issuer a written acceptance thereof.

Section A-702. Duties, Liabilities and Rights of the Trustee.

(a) Prior to the occurrence of an Event of Default of which a Responsible Officer of the Trustee has written notice or actual knowledge, and after the curing or waiver of any Event of Default which may have occurred:

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Resolution, and no implied covenants or obligations shall be read into the Resolution against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of the Resolution; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee is under a duty to examine same to determine whether or not they conform to the requirements of the Resolution.

(b) In case an Event of Default of which a Responsible Officer of the Trustee has written notice or actual knowledge has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by the Resolution, and use the same degree of care and skill in their exercise, as a prudent Person would exercise or use in the conduct of such Person's own affairs.

(c) No provision of the Resolution shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this subsection (c) shall not be construed to limit the effect of subsection (a) of this Section A-702;

(2) the Trustee is not and shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Trustee, unless it is proven that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee is not and shall not be liable with respect to any action taken or omitted to be taken by it in good faith (i) in accordance with the direction of the Owners of the applicable percentage of Obligations then Outstanding relating to the time, method

and place of conducting any proceeding for any remedy available to the Trustee, or (ii) which it believes to be authorized or within its rights or powers under the Resolution;

(4) no provision of the Resolution shall require the Trustee to expend or risk its own funds or otherwise incur any personal or financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, for which it has not received a satisfactory indemnity;

(5) the Trustee may rely on any document believed by it to be genuine and to have been signed or presented by the proper Person and shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit;

(6) the Trustee shall not be charged with knowledge of an Event of Default unless a Responsible Officer of the Trustee shall have received written notice from an Owner or the Issuer or have actual knowledge; provided that the Trustee shall be deemed to have actual knowledge of any failure to pay principal or Redemption Price of or interest on Obligations when due;

(7) the Trustee shall not be under any obligation to take any action that is discretionary hereunder;

(8) neither the Trustee nor any of its directors, officers, employees or agents shall be personally liable for any action taken, suffered or omitted by the Trustee in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon the Trustee by the Resolution;

(9) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians, or nominees and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent, attorney, custodians or nominees appointed with due care by it hereunder; and

(10) the Trustee may request that the Issuer deliver a certificate of an Authorized Officer setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant hereto, which certificate may be signed by any Person authorized to sign such a certificate, including any Person specified as so authorized in any such certificate previously delivered and not superseded.

(d) Whether or not expressly so provided, every provision of the Resolution relating to the conduct or affecting the liability of or affording protection to the Trustee is subject to the provisions of this Section A-702.

(e) In the event that the Trustee is also acting as Paying Agent or Registrar hereunder, the rights and protections afforded to the Trustee pursuant to this Article A-VII shall also be afforded to the Paying Agent and Registrar.

Section A-703. Paying Agents and Registrars; Appointment and Acceptance of Duties.

1. The Trustee is hereby appointed the Registrar and a Paying Agent with respect to the Obligations. The Issuer may at any time or from time to time appoint one or more other Paying Agents and Registrars in the manner and subject to the conditions set forth in Section A-713 for the appointment of a successor Paying Agent or Registrar. The Issuer may be appointed a Paying Agent or Registrar.

2. Each Paying Agent and Registrar other than the Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing and delivering to the Issuer and to the Trustee a written acceptance thereof.

Section A-704. Responsibilities of Fiduciaries. The recitals of fact contained in the Resolution and in the Obligations shall be taken as the statements of the Issuer and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the Resolution or of any Obligations issued thereunder or in respect of the security afforded by the Resolution, and no Fiduciary shall incur any liability in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to the issuance of the Obligations for value or the application of the proceeds thereof or the application of any money paid to the Issuer. No Fiduciary shall be under any responsibility or duty with respect to the application of any money paid to any other Fiduciary. No Fiduciary shall be liable in connection with the performance of its duties under the Resolution, or for any losses, fees, taxes or other charges incurred upon the purchase or sale or redemption of any securities purchased for or held in any Fund under the Resolution, including any losses incurred by reason of having to sell securities prior to their maturity date, except in each case for its own willful misconduct, negligent action or negligent failure to act.

Section A-705. Evidence on Which Fiduciaries May Act.

1. Each Fiduciary shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel of its selection, who may or may not be counsel to the Issuer, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, omitted to be taken or suffered by it under the Resolution in good faith and in accordance therewith.

2. Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of the

Resolution; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

3. Except as otherwise expressly provided in the Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the Issuer to any Fiduciary shall be sufficiently executed if executed in the name of the Issuer by an Authorized Officer.

Section A-706. Compensation. The Issuer shall pay to each Fiduciary from time to time such compensation as shall be agreed to in writing between the Fiduciary and the Issuer for all services rendered under the Resolution (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under the Resolution. To the extent permitted by law, the Issuer further agrees to indemnify and save each Fiduciary and its officers, directors, agents, and employees harmless against any and all liabilities, losses, damages, claims or expenses which it may incur in the acceptance, exercise and performance of its powers and duties hereunder and which are not due to its willful misconduct, negligence or bad faith. The obligations of this Section A-706 shall survive the discharge of the Resolution. No obligation of the Issuer to make any payment to any Fiduciary shall have the benefit of any lien on or pledge or assignment of the Obligations Trust Estate.

A Fiduciary shall notify the Issuer promptly of any claim for which it may seek indemnity. The Issuer shall defend the claim and the Trustee shall cooperate in the defense. The Fiduciary may have separate counsel and the Issuer shall pay the reasonable fees and expenses of such counsel.

Section A-707. Certain Permitted Acts. Any Fiduciary may become the owner of any Obligations or any other obligations of the Issuer, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law and pursuant to the Resolution, any Fiduciary may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Obligations or the holders of any other obligations of the Issuer or to effect or aid in any reorganization growing out of the enforcement of the Obligations or any other obligations of the Issuer or the Resolution, whether or not any such committee shall represent the Owners of a majority in principal amount of the Obligations then Outstanding.

Section A-708. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by the Resolution by giving not less than 60 days' written notice to the Issuer and mailing notice thereof to the Owners of the Obligations, specifying the date when such resignation shall take effect, at least 45 days prior to the effective date, provided that such resignation shall take effect upon *the later of* (i) the day specified in such notice and (ii) the day a successor shall have been appointed by the Issuer or the Owners of Obligations as provided in Section A-710 and shall have qualified therefor.

Section A-709. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Owners

of a majority in principal amount of the Obligations then Outstanding or their attorneys-in-fact duly authorized, excluding any Obligations held by or for the account of the Issuer or any Related Entity. In addition, so long as no Event of Default shall have occurred and be continuing hereunder and the Trustee is not pursuing any right or remedy available to it pursuant to the Resolution, the Trustee may be removed by the Issuer at any time for failure to provide reasonably acceptable services, failure to charge reasonably acceptable fees or any other reasonable cause, all as determined by a certificate of an Authorized Officer filed with the Trustee. Any such removal shall not be effective until a successor shall have been appointed by the Issuer or the Owners of Obligations as provided in Section A-710 and shall have qualified therefor.

Section A-710. Appointment of Successor Trustee.

1. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the Owners of a majority in principal amount of the Obligations then Outstanding, excluding any Obligations held by or for the account of the Issuer, by an instrument or concurrent instruments in writing signed and acknowledged by such Owners of Obligations or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the Issuer and the predecessor Trustee; *provided, nevertheless, that* unless a successor Trustee shall have been appointed by the Owners of Obligations as aforesaid, the Issuer by a duly executed written instrument signed by an Authorized Officer of the Issuer shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by the Owners of Obligations as authorized in this Section A-710. The Issuer shall mail notice of any such appointment made by it to all Owners within 20 days after such appointment. Any successor Trustee appointed by the Issuer shall, immediately and without further act, be superseded by a Trustee appointed by the Owners of Obligations.

2. If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 45 days after the Trustee shall have given to the Issuer written notice as provided in Section A-708 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Owner of any Obligation may, at the expense of the Issuer, apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

3. Any Trustee appointed under the provisions of this Section A-710 in succession to the Trustee shall be a Bank that is organized under the laws of the State, or, if organized under the laws of another state, authorized to do business in the State of New York, or is a national banking association organized under the laws of the United States of America, doing business and having a corporate trust office in The City of New York, and which at the time of selection meets all thresholds for being well capitalized or adequately capitalized under the prompt corrective action framework applicable to insured depository institutions under Section 38 of the Federal Deposit Insurance Act as in effect from time to time or all thresholds for substantially equivalent categories in any successor legislation, if there be such a Bank willing and able to accept the office on

reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

Section A-711. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under the resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Issuer, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all money, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Issuer, or of the successor Trustee, and, upon the payment of all of its charges hereunder, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under the Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Issuer be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Issuer. Any successor Trustee shall promptly notify the Registrar and the Paying Agents of its appointment as Trustee.

Section A-712. Merger or Consolidation. Any Person into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its municipal corporate trust business, provided such Person shall be a Bank that is organized under the laws of the State, or, if organized under the laws of another state, authorized to do business in the State of New York, or is a national banking association organized under the laws of the United States of America, doing business and having a corporate trust office in The City of New York, and which at the time of selection meets all thresholds for being well capitalized or adequately capitalized under the prompt corrective action framework applicable to insured depository institutions under Section 38 of the Federal Deposit Insurance Act as in effect from time to time or all thresholds for substantially equivalent categories in any successor legislation, if there be such a Bank willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution, and shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

Section A-713. Resignation or Removal of Paying Agent or Registrar and Appointment of Successor. 1. Any Paying Agent or Registrar may at any time resign and be discharged of the duties and obligations created by the Resolution by giving at least 60 days' written notice to the Issuer, the Trustee, and the other Paying Agents or Registrar, as the case may be. Any Paying Agent or Registrar may be removed at any time by an instrument filed with such Paying Agent or Registrar and the Trustee and signed by the Issuer. Any successor Paying Agent or Registrar shall be appointed by the Issuer, with the approval of the Trustee, and (subject to the requirements of Section A-603) shall be a Bank that is organized under the laws of the State, or, if organized under the laws of another state, authorized to do business in the State of New York, or

is a national banking association organized under the laws of the United States of America, doing business and having a corporate trust office in The City of New York, and which at the time of selection meets all thresholds for being well capitalized or adequately capitalized under the prompt corrective action framework applicable to insured depository institutions under Section 38 of the Federal Deposit Insurance Act as in effect from time to time or all thresholds for substantially equivalent categories in any successor legislation, if there be such a Bank willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

2. In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any money held by it as Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

3. In the event of the resignation or removal of any Registrar, such Registrar shall transfer and deliver all records, certificates and documents held by it as Registrar to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Registrar, the Trustee shall act as such Registrar.

Section A-714. Adoption of Authentication. In case any of the Obligations contemplated to be issued under the Resolution shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Obligations and deliver the Obligations so authenticated; and in case any of such Obligations shall not have been authenticated, any successor Trustee may authenticate such Obligations in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Obligations or in the Resolution provided that the certificate of the Trustee shall have.

Section A-715. Continuing Disclosure Agreements. The Trustee shall be entitled to the same rights and the same degree of indemnification in its execution and performance of each continuing disclosure agreement entered into pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 as amended, as it is under the Resolution.

ARTICLE A-VIII

SUPPLEMENTAL RESOLUTIONS

Section A-801. General Provisions.

1. The Resolution shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article VIII of the Resolution, this Article A-VIII and Article A-IX hereof. Nothing contained in Article VIII of the Resolution, this Article or in Article A-IX shall affect or limit the right or obligation of the Issuer to execute and deliver to any Fiduciary any instrument which elsewhere in the Resolution it is provided shall be delivered to said Fiduciary.

2. Any Supplemental Resolution referred to and permitted or authorized by Section 801 of the Resolution may be adopted by the Issuer without the consent of any of the Owners, but shall become effective only on the conditions, to the extent and at the time provided in said Section. The copy of every Supplemental Resolution when filed with the Trustee shall be accompanied by a Counsel's Opinion stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Issuer and enforceable in accordance with its terms; *provided, however, that* the concurrent delivery of an Opinion of Bond Counsel required by Section A-201.2(a) shall satisfy this requirement.

3. No Supplemental Resolution shall change or modify any of the rights or obligations of any Fiduciary without its written consent.

ARTICLE A-IX

AMENDMENTS

Section A-901. Mailing. Any provision in this Article for the mailing of a notice or other paper to Owners shall be fully complied with if it is mailed postage prepaid to each Owner of any affected Obligation then Outstanding at such Owner's address, if any, appearing upon the registry books of the Issuer, and (ii) to the Trustee; or, in each case, to such parties by facsimile or other means to the extent permitted by applicable law and arrangements.

Section A-902. Powers of Amendment. Any modification or amendment of the Resolution and of the rights and obligations of the Issuer and of the Owners, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in Section A-903, (i) of the Owners of a majority in principal amount of the Obligations Outstanding at the time such consent is given, and (ii) in case less than all of the Obligations then Outstanding are affected by the modification or amendment, of the Owners of a majority in principal amount of the Obligations so affected and Outstanding at the time such consent is given; *provided, however, that* if such modification or amendment will, by its terms, not take effect so long as particular Obligations remain Outstanding, the consent of the Owners of such Obligations shall not be required and such Obligations shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Obligations under this Section. No such modification or amendment shall (a) permit a change in the terms of redemption or maturity of the principal of any Outstanding Obligation or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Owner of such Obligation, (b) reduce the percentages or otherwise affect the classes of Obligations the consent of the Owners of which is required to waive an Event of Default or otherwise effect any such modification or amendment, (c) create a preference or priority of any Obligation or Obligations over any other Obligation or Obligations, without the consent of the Owners of all such Obligations, (d) create a lien prior to or on parity with the lien of the Resolution securing Obligations, without the consent of the Owners of all of the Obligations then Outstanding, or (e) change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For the purposes of this Section, an Obligation shall be deemed to be affected by a modification or amendment of the Resolution if the same materially and adversely affects the rights of the Owner of such Obligation. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment particular Obligations would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on the Issuer and all Owners of Obligations. The Trustee may request and receive an opinion of counsel, including a Counsel's Opinion, as conclusive evidence as to whether particular Obligations would be so affected by any such modification or amendment of the Resolution and the Trustee shall have no duty or obligation to take any action hereunder unless and until it has received such opinion. Notwithstanding anything in this Section or the Resolution to the contrary, the consent of Owners of any Series of additional Obligations to be issued hereunder to any modification or amendment of the Resolution, which modification or amendment, as well as such consent, is disclosed in the official statement or other offering document prepared in connection with the primary offering of such Series of additional Obligations, shall be deemed given and irrevocable and no other evidence of such consent shall be required.

Section A-903. Consent of Owners of Obligations. The Issuer at any time may adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section A-902 to take effect when and as provided in this Section. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Owners for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Issuer to the Owners (but failure to mail such copy and request shall not affect the validity of the Supplemental Resolution when consented to as in this Section provided). Such Supplemental Resolution shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consents of Owners of the percentages of Outstanding Obligations specified in Section A-902 and (b) a Counsel's Opinion stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Issuer in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Issuer and enforceable in accordance with its terms, and (ii) a notice shall have been mailed to Owners as hereinafter in this Section A-903 provided. Any such consent, including any consent provided pursuant to the last sentence of Section A-902, shall be irrevocable and binding upon the Owner of the Obligations giving such consent and, anything in Section A-1102 to the contrary notwithstanding, upon any subsequent Owner of such Obligations and of any Obligations issued in exchange therefor (whether or not such subsequent Owner thereof has notice thereof). At any time after the Owners of the required percentages of Obligations shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Issuer and the Trustee a written statement that the Owners of such required percentages of Obligations have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter, notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Issuer on a stated date, a copy of which is on file with the Trustee) has been consented to by the Owners of the required percentages of Obligations and will be effective as provided in this Section A-903, may be given to Owners of Obligations by the Issuer by mailing such notice to Owners of Obligations (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section A-903 provided). The Issuer shall file with the Trustee proof of the mailing of such notice. A record, consisting of the papers required or permitted by this Section A-903 to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Issuer, the Fiduciaries and the Owners of all Obligations at the expiration of 40 days after the filing with the Trustee of the proof of the mailing of such last-mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such 40-day period; *provided, however, that* any Fiduciary and the Issuer during such 40-day period and any such further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

Section A-904. Modifications by Unanimous Consent. The terms and provisions of the Resolution and the rights and obligations of the Issuer and of the Owners of Obligations may be modified or amended in any respect upon the adoption and filing by the Issuer of a Supplemental Resolution and the consent of the Owners of all of the Obligations then Outstanding, such consent to be given as provided in Section A-903 except that no notice to Owners of Obligations shall be required; *provided, however, that* no such modification or amendment shall change or modify any

of the rights or obligations of any Fiduciary without the filing with the Trustee of the written consent thereto of such Fiduciary in addition to the consent of the Owners of Obligations.

Section A-905. Notation on Obligations. Obligations issued and delivered after the effective date of any action taken as in Article A-VIII or this Article provided may, and, if the Trustee so determines, shall, bear a notation by endorsement or otherwise in form approved by the Issuer and the Trustee as to such action, and in that case upon demand of the Owner of any Obligation Outstanding at such effective date and presentation of its Obligation for the purpose at the corporate trust office of the Trustee, suitable notation shall be made on such Obligation by the Trustee as to any such action. If the Issuer or the Trustee shall so determine, new Obligations so modified as in the opinion of the Trustee and the Issuer to conform to such action shall be prepared, authenticated and delivered. Upon demand of the Owner of any Obligations then Outstanding and the surrender of such Obligations, there shall be authenticated and exchanged therefor, new Obligations having the same terms, other than the noted modification, as the Obligations surrendered.

ARTICLE A-X

DEFAULT AND REMEDIES

Section A-1001. Abrogation of Right to Appoint Statutory Trustee; Preservation of Statutory Rights and Remedies. Any right of the Owners of Obligations to appoint a trustee under the Issuer Act is hereby abrogated. Subject to the foregoing sentence of this Section A-1001 and the provisions of Section 701 of the Resolution, the Owners of Obligations and the Trustee acting on behalf of the Owners of Obligations shall be entitled to all of the rights and remedies provided or permitted by law.

ARTICLE A-XI

MISCELLANEOUS

Section A-1101. Defeasance. 1. If the Issuer shall pay or cause to be paid to the Owners of all Obligations then Outstanding the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the Resolution, then, at the option of the Issuer, expressed in an instrument in writing signed by an Authorized Officer and delivered to the Trustee, the covenants, agreements and other obligations of the Issuer to the Owners of Obligations shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Issuer, execute and deliver to the Issuer all such instruments as may be desirable to evidence such discharge and satisfaction and the Fiduciaries shall pay over or deliver to the Issuer all money, securities and funds held by them pursuant to the Resolution which are not required for the payment or redemption of Obligations not theretofore surrendered for such payment or redemption.

2. Outstanding Obligations or any portions thereof for the payment or redemption of which money shall have been set aside and shall be held in trust by the Paying Agents shall at the respective maturity or redemption dates thereof be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section A-1101. Outstanding Obligations or any portions thereof shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section either (A) with respect to the defeasance of Taxable Obligations, Tax-Exempt Obligations or otherwise, as provided in the Supplemental Resolution authorizing their issuance or (B) if (a) in case any of said Obligations are to be redeemed on any date prior to their maturity, the Issuer shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail as provided in Article A-IV notice of redemption on said date of such Obligations, (b) there shall have been irrevocably deposited with the Trustee either money in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, to pay when due, the principal or Redemption Price, if applicable, and interest due and to become due on such Obligations or such portions thereof on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event such Obligations are not by their terms maturing or are not subject to redemption within the next succeeding 60 days, the Issuer shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, as soon as practicable, a notice to the Owners of such Obligations that the deposit required by (b) above has been made with the Trustee and that said Obligations are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which money is to be available for the payment of the principal or Redemption Price, if applicable, on such Obligations. Neither Defeasance Securities nor money deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Obligations; *provided, however, that* any money on deposit with the Trustee, (i) to the extent such money will not be required at any time for such purpose, shall be paid over to the Issuer as received by the Trustee, free and clear of any trust, lien or pledge securing said Obligations or otherwise existing under the Resolution, and (ii) to the extent such

money will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient, together with any money available to the Trustee for such purpose, to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Obligations on and prior to such redemption date or maturity date thereof, as the case may be. Notwithstanding any other provision hereof, the Issuer may at the time of defeasance elect to retain the right to redeem or require the tender of any obligations deemed paid pursuant to subsection 2 of Section A-1101. The Trustee shall, at the direction of the Issuer, select the Obligations or portions thereof that are deemed to have been paid in advance of the redemption of such Obligations.

3. Anything in the Resolution to the contrary notwithstanding, any money held by a Fiduciary in trust for the payment and discharge of the principal or Redemption Price of or interest on any of the Obligations which remains unclaimed for 2 years after the date when such principal, Redemption Price or interest, respectively, has become due and payable, either at stated maturity dates or by call for earlier redemption, if such money was held by the Fiduciary at such date, or for 2 years after the date of deposit of such money if deposited with the Fiduciary after the date when such principal, Redemption Price, or interest, respectively, became due and payable, shall, at the written request of the Issuer, be repaid by the Fiduciary to the Issuer, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Owners of Obligations shall look only to the Issuer for the payment of such principal, Redemption Price, or interest, respectively. Notwithstanding the foregoing or anything in the Resolution to the contrary, any money held by a Fiduciary in trust for the payment and discharge of any Obligations which remains unclaimed after such money was to be applied to the payment of such Obligations in accordance with the Resolution may be applied in accordance with the provisions of the Abandoned Property Law of the State, being Chapter 1 of the Consolidated Laws of the State or any successor provision thereto, and upon such application, the Fiduciary shall thereupon be released and discharged with respect thereto and the Owners of Obligations shall look only to the Issuer or the Comptroller of the State for the payment of such Obligations. Before being required to make any such payment to the Issuer or to apply such money in accordance with the Abandoned Property Law of the State, the Fiduciary shall, at the expense of the Issuer, cause to be mailed to the Owners entitled to receive such money a notice that said money remains unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the mailing, the balance of such money then unclaimed will be returned to the Issuer or applied in accordance with the Abandoned Property Law of the State, as the case may be.

Section A-1102. Evidence of Signatures of Owners of Obligations and Ownership of Obligations. 1. Any request, consent, revocation of consent or other instrument which the Resolution may require or permit to be signed and executed by the Owners of Obligations may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners of Obligations in Person or by their attorneys-in-fact appointed in writing or by such electronic or other means as may be recognized pursuant to applicable law. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any Person of the Obligations shall be sufficient for any purpose of the Resolution (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(a) The fact and date of the execution by any Owner or his attorney-in-fact of such instrument may be proved by the certificate of a signature guarantor, or of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership such certificate or affidavit shall also constitute sufficient proof of his authority;

(b) The ownership of Obligations and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books.

2. Any request or consent by the Owner of any Obligation shall bind all future Owners of such Obligation in respect of anything done or suffered to be done by the Issuer or any Fiduciary in accordance therewith.

Section A-1103. Money Held for Particular Obligations. The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Obligations shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of Obligations entitled thereto.

Section A-1104. General Regulations as to Money and Funds. 1. Each of the Funds and Accounts established by the Resolution shall be a trust fund for the purposes thereof.

2. All amounts of the Issuer held or set aside under the Resolution shall, until paid over to the Fiduciaries or otherwise invested or applied as provided in the Resolution, be deposited by the Issuer in its name, on demand or time deposit, in such Banks as shall be selected by the Issuer. Any amounts held by any Fiduciary under the Resolution shall be deposited in such Banks as the Issuer may select. Any such deposit may be made in the commercial banking department of any Fiduciary which may honor checks on such deposit with the same force and effect as if it were not such Fiduciary, and without any duty to inquire into whether any withdrawals of such funds are in accordance with or might violate any of the provisions of the Resolution. Such deposits shall be continuously secured by the obligations of the United States of America or of the State, which obligations shall have a market value (exclusive of accrued interest) at all times at least equal to the amount of such deposits, which obligations shall be segregated in trust for the account of the Issuer, or shall be otherwise held as the Issuer and the depository may agree. Securities deposited with the Federal Reserve Bank to secure all trust accounts of a depository shall be deemed to comply with the foregoing requirement.

3. Unless otherwise specified in a Supplemental Resolution authorizing the issuance of Obligations, all money held by any Fiduciary, as such, may be deposited by such Fiduciary in its banking department on demand or, if and to the extent directed by the Issuer and acceptable to such Fiduciary, on time deposit, and all such deposits shall be continuously secured by the obligations of the United States of America or of the State which obligations shall have a market value (exclusive of accrued interest) at all times at least equal to the amount of such deposits. Securities deposited with the Federal Reserve Bank to secure all trust accounts of the Fiduciary shall be deemed to comply with the foregoing requirement. Such Fiduciary shall allow and credit

on such money such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

Section A-1105. Preservation and Inspection of Documents. All documents received by a Fiduciary under the provisions of the Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Issuer, any other Fiduciary, and any Owners of at least 5% aggregate principal amount of Obligations and their agents and their representatives, any of whom may make copies thereof.

Section A-1106. Parties Interest Herein. Nothing in the Resolution expressed or implied is intended or shall be construed to confer upon, or to give to any Person, other than the Issuer, the Fiduciaries, the Owners of Obligations and the holders of Parity Debt, any right, remedy or claim under or by reason of the Resolution or any covenant, condition or stipulation thereof, and all the covenants, stipulations, promises and agreements in the Resolution contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Fiduciaries, the Owners of Obligations and the holders of Parity Debt.

Section A-1107. No Recourse on the Obligations. No recourse shall be had for the payment of the principal or Redemption Price of or interest on the Obligations or Parity Debt or for any claim based thereon or on the Resolution against any member, officer, or employee of the Issuer or any Person executing the Obligations.

Section A-1108. Successors and Assigns. Whenever in the Resolution the Issuer is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in the Resolution contained by or on behalf of the Issuer shall bind and ensure to the benefit of its successors and assigns whether so expressed or not.

Section A-1109. Business Days. Except as otherwise provided pursuant to a Supplemental Resolution, if the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in the Resolution, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if made or done on the nominal date provided in the Resolution and no interest shall accrue during the intervening period with respect to any payment so deferred.

Section A-1110. Severability of Invalid Provisions. If any term or provision of this Annex A or the Resolution shall be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever, and such term and provision shall be valid and enforced to the fullest extent permitted by law.

The invalidity of any one or more phrases, sentences, clauses or Sections of the Resolution shall not affect the remaining portions of the Resolution, or any part hereof, including any part of this Annex A.

Section A-1111. Exclusion of Obligations. Obligations owned or held by or for the account of the Issuer or any Related Entity shall not be deemed Outstanding for the purpose of any consent to be given or other action to be taken by or upon the direction of Owners of a specified portion of Obligations Outstanding, and the Issuer or any Related Entity shall not be entitled with respect to such Obligations to give any such consent or to take, or direct the taking of, any such action. At the time of any such consent or action, the Issuer shall furnish to the Trustee a certificate of an Authorized Officer, upon which the Trustee may conclusively rely, describing all Obligations so to be excluded.

Section A-1112. Governing Law. The Resolution, including this Annex A, shall be governed by and interpreted in accordance with internal laws of the State, without regard to conflict of law principles thereof.

Staff Summary

Subject Request for Authorization to Award Various Procurements
Department MTA Procurement
Department Head Name Kuvershen Ayer
Department Head Signature
Division Head Name

Date July 13, 2021
Vendor Name Various
Contract Number Various
Contract Manager Name Various
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance	07/19/21	X		
2	Board	07/21/21	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 Competitive procurements in the following categories:

Schedules Requiring Majority Vote:

	<u># of</u>	<u>\$</u>	<u>Amount</u>
	<u>Actions</u>		
Schedule C: Competitive Requests For Proposal	1	\$	131,244,005
Schedule F: Personal Services and Miscellaneous Services Contracts	2	\$	10,232,215
Schedule H: Modifications to Personal Services and Miscellaneous Service Contracts	1	\$	11,700,000
SUBTOTAL	<u>4</u>	<u>\$</u>	<u>153,176,220</u>
TOTAL	<u>4</u>	<u>\$</u>	<u>153,176,220</u>

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.

PROCUREMENTS

The Procurement Agenda this month includes 4 actions for a proposed expenditure of \$ 153.2 M.

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 2021

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.)

- | | | | |
|----|---|-------------------------------------|--------------------------------------|
| 1. | Ozone Park Lumber
All Agency Supply and Delivery of Building
And Construction Supplies
Contract No. 15622
Competitively negotiated – 3 proposals – 60 months plus 2 one-year options | \$131,244,005
(estimated) | <u>Staff Summary Attached</u> |
|----|---|-------------------------------------|--------------------------------------|

Board approval is sought to award an estimated quantity purchase contract for the Building & Construction Supplies category of Maintenance, Repair and Operating Supplies (“MRO”) to Ozone Park Lumber in the amount of \$131,244,005.

Procurements Requiring Majority Vote:

F. Personal Service Contracts
(Staff Summaries required for all items greater than \$1M.)

- | | | | |
|----|---|---------------------------------------|--------------------------------------|
| 2. | Miller Advertising Agency
All Agency Classified, Legal and
Recruitment Services
Contract No. 15626-0100
Competitively negotiated – 5 proposals – 36 months plus 2 one-year options | \$4,000,000
(not-to-exceed) | <u>Staff Summary Attached</u> |
|----|---|---------------------------------------|--------------------------------------|

Board approval is sought to award a competitively negotiated, all-agency personal services contract to Miller Advertising Agency, Inc. to provide classified, legal and recruitment advertising services

- | | | | |
|----|---|---------------------------------------|--------------------------------------|
| 3. | Various
As-Needed Environmental and Industrial
Hygiene Consulting Services
Contract No. 260188
Competitively negotiated – 22 proposals – 60 months | \$6,232,215
(not-to-exceed) | <u>Staff Summary Attached</u> |
| | a. D&B Engineers and Architects, DPC (Class 1)
b. Gallagher Bassett Services, Inc. (Class 2)
c. Day Engineering, PC (Class 3) | | |

Board approval is sought to award three Classes of competitively negotiated, personal service contracts for environmental and industrial hygiene consulting services on an as-needed basis for a combined not-to-exceed amount of \$6,217,668.

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

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

- | | | |
|---|---------------------|--------------------------------------|
| 4. Bias Corporation | \$11,700,000 | <u>Staff Summary Attached</u> |
| Upgrade to MTA PeopleSoft ERP System | (not-to-exceed) | |
| Contract No. 90000000003813, Modification No. 1 | | |
| Base Amount = \$55,912,969 | | |
| Current Contract Value = \$55,912,969 | | |
| Proposed New Contract Value = \$67,612,969 | | |

Board approval is sought to amend a competitively solicited, miscellaneous services contract with Bias Corporation to add funding in the amount not-to-exceed \$11.7M.

Procurement negotiated with both vendors as directed by the Selection Committee by confirming the breadth of the catalog and with focus on reductions in market basket unit pricing, an increase to discounts offered for non-market basket items, and reduced markups on custom/fabricated items. Ozone Park's market basket unit pricing will remain firm for the first year of the contract term. Price adjustments for outer years are tied to the Bureau of Labor Statistics' Producer Price Index (PPI) bi-annually. Following negotiations, Ozone Park proposed market basket pricing that amounts to a 7-year savings of \$381,874, or 0.98% as compared to the pricing under the current contract, adjusted using PPI for building supplies. Ozone Park has also proposed a discount of 20% off documented manufacturer's list price for non-market basket items. The MTA was receiving a discount of 15% under the current contract. This additional 5% discount over 7-years results in savings of \$5.07M. Procurement further negotiated potential increases of the non-market basket discount to a 25% maximum, contingent on order size. Ozone Park has also proposed a 10% markup on custom/fabricated items. The current contract markup is 12%. The 2% lower markup over 7-years results in savings of \$210,000. Both the discount percentage on non-market basket items and the markup percentage for custom and fabricated items remains fixed for the contract term.

Ozone Park's Best and Final Offer (BAFO) is \$131,244,005. Ozone Park's BAFO represents savings of \$3,014,925 or 2.25% compared to Mensch Mill Lumber, and \$5,670,626 or 4.14% from Project Management's PPI-adjusted estimate of \$136,914,630 based on historical and anticipated usage for a full 7-year term.

Ozone Park has been an MTA partner for twenty years with three warehouse locations within New York City and is the incumbent vendor on the existing contract for these supplies. Ozone Park also holds building supply contracts with various governmental agencies, including the Port Authority of New York/New Jersey and the New York State Department of Corrections.

Based on the foregoing, Ozone Park's BAFO is considered fair and reasonable.

The contract resulting from this procurement has been evaluated to determine the necessity and appropriate scope, if any, of cybersecurity requirements, including any requirements under federal, state and local law and regulations. The Authority is working with the vendor(s) to include applicable cybersecurity requirements prior to issuance of the notice of award.

III. D/M/WBE INFORMATION

The MTA Department of Diversity and Civil Rights (DDCR) has established a 22.5% DBE goals for the building and construction supplies contract. Ozone Park's Utilization Plan is currently pending review. This contract will not be awarded without DDCR approval. Ozone Park has not completed any MTA contracts with MBE/WBE/SDVOB goals; therefore, no assessment of the firm's performance on goals can be determined at this time. Ozone Park has an active MRO contract with M/WBE subcontracting goals and has demonstrated good faith efforts towards meeting those requirements.

IV. IMPACT ON FUNDING

The total cost of the awarded contract inclusive of the two options is \$131,244,005 and will be funded by the participating agencies' operating budgets, with portions of the LIRR quantities being funded via federal grant.

V. ALTERNATIVES

Purchase Building & Construction Supplies 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 achieved by volume.

Staff Summary

Schedule F: Personal Service Contracts

Item Number: 2					
Dept & Dept Head Name: Corporate & Internal Communications/Tim Minton					
Division & Division Head Name: Marketing & Communications/Mark Heavey					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	Finance	7/19/21	X		
2	Board	7/21/21	X		
Internal Approvals					
Order	Approval	Order	Approval		
1	Procurement	4	CFO		
2	Law	5			
3	DDCR	6			

SUMMARY INFORMATION	
Vendor Name: Miller Advertising Agency, Inc.	Contract Number: 15626-0100
Description: All Agency Classified, Legal and Recruitment Services	
Total Amount: \$4,000,000	
Contract Term (including Options, if any): Three years with two one-year options	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
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:	

<p>Narrative</p> <p><u>I. PURPOSE/RECOMMENDATION</u></p> <p>Board approval is sought to award a competitively negotiated, all-agency personal services contract to Miller Advertising Agency, Inc. to provide classified, legal and recruitment advertising services for a period of up to five years (three years plus two one-year options), in the not-to-exceed amount of \$4,000,000.</p> <p><u>II. DISCUSSION</u></p> <p>Various departments at MTA and its operating agencies place classified/legal/recruitment advertisements on an ongoing basis. These advertisements are placed either due to legally mandated requirements or a business necessity, such as:</p> <ul style="list-style-type: none"> i) to announce the solicitation of bids or proposals for competitively awarded contracts for construction, goods, and services; ii) to publicize job openings; iii) to announce public hearings; iv) to post notices required by federal or state law; and, v) to announce the solicitation of proposals to rent or otherwise use MTA agency real estate. <p>The current contract for classified, legal and recruitment advertising services will expire on October 31, 2021. To continue the services, a Request for Proposals (RFP) was publicly advertised and email communications advising potential proposers of the RFP's availability were sent to 231 vendors. Five proposals were received from Miller Advertising (the incumbent), Graystone Group Advertising, JobElephant, Solution Driven and True North. The evaluation criteria for the RFP were: i) proposer's ability to meet the MTA's Scope of Work requirements for classified/legal advertising services and recruitment advertising services; ii) proposer's relevant experience in recruitment strategy development, creative and media execution; iii) qualification of proposer's personnel; iv) assessment of MWBE/SDVOB Status as a Quantitative Scoring Factor; and iv) cost. All the firms that provided proposals gave virtual (online) oral presentations and were invited to submit best and final offers (BAFOs). The Selection Committee consisted of representatives from MTA Corporate Communications, New York City Transit, Long Island Rail Road, Metro-North Railroad and Bridges and Tunnels. The Selection Committee recommended the award be made to Miller Advertising based on the quality of its proposal and pricing and determined Miller to be the highest ranked proposer for services required with all evaluation criteria taken into consideration. The Selection Committee found Miller provided the most complete technical approach to the work and best response to the mock assignment posed during the RFP process. Miller's proposal showed an immediate availability of staffing and ability to handle classified ads, recruitment and demonstrated a greater understanding of MTA's needs, which include experience of the proposed staff, cost of services, recruitment strategy, creative and branding capabilities.</p>
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As a result of negotiations, MTA will receive a discount for all media (e.g., newspaper publications) equal to 9.30% of the 15% commission (industry standard rate which is not typically shared). This discount is 0.05% greater than the discount under the current contract. Although Miller was not the lowest cost proposer, the Selection Committee determined that Miller's proposal provided the best value to the MTA and rated the Miller proposal the highest overall in accordance with the evaluation criteria. Based on a projected four-year media expenditure of \$4,000,000, the 9.30% discount MTA will receive represents a savings of \$372,000. Based on the above, the negotiated discount of 9.30% is considered fair and reasonable.

The contract resulting from this procurement has been evaluated to determine the necessity and appropriate scope, if any, of cybersecurity requirements, including any requirements under federal, state and local law and regulations. The Authority is working with the vendor(s) to include applicable cybersecurity requirements prior to issuance of the notice of award.

III. D/M/WBE INFORMATION

MTA Department of Diversity and Civil Rights has established subcontracting goals of 15% MBE, 15% WBE, and 6% SDVOB participation. Miller Advertising's Utilization Plan is currently under review. This contract will not be awarded until DDCR is satisfied that Miller Advertising has demonstrated sufficient good faith and approves the Utilization Plan. Miller Advertising is a New York City certified WBE and is pending State certification approval. Miller Advertising has not performed on 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

The actual expenditures for classified, legal and recruitment advertising are dependent on the actual need for the advertisements and will be funded from each Agency's operating budget. Funding is not to exceed \$4,000,000.00.

V. ALTERNATIVES

1. Contract directly with Media. This alternative is neither cost-effective nor practical. If MTA and the agencies deal directly with the media, there would be no cost savings and the individual agencies would incur additional administrative costs associated with placing advertisements directly with the media.

2. Do not approve placement of legal and recruitment advertising. This is not a feasible alternative since these advertisements are placed because they are mandated by statute.

Staff Summary

Schedule F: Personal Service Contracts

Item Number: 3					
Dept & Dept Head Name: MTA HQ Environmental Sustainability & Compliance/Porie Saikia-Eapen; LIRR Corporate Safety/ Loretta Ebbighausen; MNR Office of System Safety/Clyde Armstrong					
Division & Division Head Name: MTA HQ Environmental Policy & Compliance/William Keenan; MNR Risk Reduction/Akosua Bonsu					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	Finance	07/19/21	X		
2	Board	07/21/21	X		
Internal Approvals					
Order	Approval	Order	Approval		
1	Procurement	3	CFO		
2	DDCR	4	Legal		

SUMMARY INFORMATION	
Vendor Name: Various	Contract Number: RFP 260188
Description: As-needed Environmental and Industrial Hygiene Consulting Services	
Total Amount: NTE \$6,232,215	
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

Narrative

I. PURPOSE/RECOMMENDATION

Board approval is sought to award three Classes of competitively negotiated, personal service contracts for environmental and industrial hygiene consulting services on an as-needed basis for a combined not-to-exceed amount of \$6,217,668, as follows:

- i.) Class 1: D&B Engineers and Architects, D.P.C. (D&B) in the not-to-exceed amount of \$1,934,465;
- ii.) Class 2: Gallagher Bassett Services, Inc., Technical Services Division (Gallagher) in the not-to-exceed amount of \$640,547;
- iii.) Class 3: Day Engineering, P.C. (Day) in the not-to-exceed amount of \$3,657,203.

The contract period for all awarded contracts will be five years (no options).

II. DISCUSSION

MTA HQ Environmental Sustainability & Compliance, LIRR Occupational & Environmental Safety and MNR Environmental Compliance and Services require consultants to perform various environmental and industrial hygiene consulting services. Specifically, the MTA agencies require consultants to perform the following services on an as-need basis:

- i.) Class 1 - **environmental consulting services**, including investigation and evaluation of environmental contaminants; site assessments; and, review of technical literature and regulations relating to the management of environmental issues for MTAHQ and other MTA agencies;
- ii.) Class 2 - **industrial hygiene consulting and laboratory services to LIRR**, including risk assessments, exposure monitoring, hazard analysis, site inspections and audits; provision of work plans and specifications to correct, minimize or eliminate a condition or hazard that may be present within the workplace;
- iii.) Class 3 - **integrated environmental and occupational health and safety compliance consulting services for MNR**, including engineering and training services, and equipment, for the timely identification and notification to MNR of proposed, new and revised environmental and health and safety laws, regulations, interpretations and enforcement initiatives which may affect MNR; and other similar services.

Note that multiple Classes were solicited and are being awarded due to the technical experience and staffing qualification requirements (including certain certifications necessary to perform the work) of the railroads that not all companies are able to satisfy.

A Request for Proposal (RFP) was publicly advertised and letters advising potential proposers of its availability were issued to 98 firms. The Selection Committee consisted of MNR's Deputy Director - Environmental & Compliance Services, LIRR's Deputy Chief Safety Officer - OES and NYCT's System Safety Specialist - Environmental Protection.

Staff Summary

The RFP's evaluation criteria were as follows: 1) Proposed Staffing. Relevant experience, expertise and availability of the Environmental Project Manager and other key personnel; 2) Demonstrated competence in successful management and completion of environmentally sensitive projects of a similar nature, size and complexity. Proposer's prior record of performance with MTA or others government agencies; 3) Responsiveness to the RFP and the completeness of proposal in relation to information requested in the Technical Proposal sections of the RFP and the Scope of Work. Understanding of the MTA's technical requirements of the Environmental Consulting Work and its ability to meet MTA's requirements in a professional timely manner; 4) Cost; and 5) Proposer's Diversity Practices.

On August 13, 2020, a total of 22 Proposals were received for the three Classes solicited under this RFP, among which ten, five and seven Proposals were received for Class 1, Class 2, and Class 3, respectively. Following a review of technical proposals in accordance with the evaluation criteria, the Selection Committee invited the following proposers for oral presentations and negotiations: D&B, STV Incorporated, TRC Engineers, Inc. and Day for Class 1; PHASE Associates, LLC and Gallagher for Class 2; and Henningson, Durham & Richardson Architecture and Engineering, P.C. (HDR) and Day for Class 3. All companies that were invited for oral presentations were also subsequently invited to participate in negotiations and submit Best and Final Offers (BAFOs). These shortlisted firms demonstrated good understanding of the RFP by providing examples of successfully completed projects similar to those required to be performed in the Scopes of Work, having highly experienced and qualified staff with previous experience working with the MTA and other public sector clients, and offering suites of services aligned with the respective Scopes of Work.

Negotiations with the shortlisted firms focused on proposed hourly labor rates, laboratory testing rates and equipment rental rates. Following negotiations, the BAFOs received ranged from \$1,899,638 to \$1,934,465, for Class 1; \$621,597 to \$640,547 for Class 2; \$3,657,203 to \$4,590,963 for Class 3.

In accordance with the evaluation criteria, the Selection Committee evaluated the BAFOs and recommended awarding Class 1 to D&B, Class 2 to Gallagher and Class 3 to Day. Day is the incumbent for Class 3. Based on negotiations and price competition, the BAFO prices submitted by D&B, Gallagher and Day are deemed fair and reasonable.

In its evaluation of the proposals submitted for Class 1 and the subsequent recommendation to award this Class to D&B, the Selection Committee's noted that D&B demonstrated a detailed and comprehensive understanding of the work, has a highly qualified project management team and a large number of experienced staff with a history of successfully completing similar work.

With respect to Class 2, the Selection Committee recommended awarding this Class to Gallagher due to its project management team's deep experience working with the MTA, other railroads and government/state agencies, in addition to Gallagher's coverage of the LIRR service area.

It is noted that although both D&B and Gallagher were not the lowest cost proposers for Class 1 and Class 2, D&B and Gallagher were rated highest overall with all evaluation criteria taken into consideration and were, therefore, deemed as providing the best value to the MTA for their respective Classes.

For Class 3, although HDR ranked higher than Day with respect to technical criteria, HDR's BAFO pricing was not only substantially higher than Day's, it was also outside the fair and reasonable range. Therefore, the Selection Committee voted to award Class 3 to Day.

The contract resulting from this procurement has been evaluated to determine the necessity and appropriate scope, if any, of cybersecurity requirements, including any requirements under federal, state and local law and regulations. The Authority is working with the vendor(s) to include applicable cybersecurity requirements prior to issuance of the notice of award.

In connection with the review of the Contractor's responsibility pursuant to the All-Agency Responsibility Guidelines, D&B was found to be responsible notwithstanding significant adverse information and such responsibility finding was approved on July 7, 2021 by the Deputy Chief Operating Officer in consultation with the MTA General Counsel.

III. D/M/WBE INFORMATION

The Department of Diversity and Civil Rights (DDCR) established goals of 15% MBE, 15% WBE and 6% SDVOB for this RFP. The submitted utilization plans meet the MBE/WBE/SDVOB goal requirements. D&B have achieved MBE/WBE/SDVOB goals on previous MTA contracts. Day has not achieved its MBE/WBE/SDVOB goals on previous MTA contracts but has demonstrated good faith effort towards meeting those goals. Gallagher has not completed any MTA contracts with MBE/WBE/SDVOB goals; therefore, no assessment of the firm's performance on goals can be determined at this time.

IV. IMPACT ON FUNDING

The three contracts will be funded by the participating agencies' operating budgets.

V. ALTERNATIVES

None. In-house staff lack the expertise and equipment to perform all aspects of the Scopes of Work.

Staff Summary

Schedule H: Modifications to Personal Service & Miscellaneous Service Contracts

Item Number: 4

Page 1 of 1

Vendor Name (& Location): Bias Corporation	Contract Number: 900000000003813	AWO/Modification # 1
Description: Upgrade to MTA PeopleSoft ERP System	Original Amount:	\$ 55,912,968.61
Contract Term (including Options, if any): August 1, 2021 through July 31, 2023 for this modification	Prior Modifications:	\$ 0.00
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:	\$ 55,912,968.61
Solicitation Type: <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	This Request:	\$ 11,700,000
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:	21%
Requesting Dept/Div & Dept/Div Head Name: HR Operations & Analytics, Paul Fama – Chief People Officer	% of Modifications (including This Request) to Original Amount:	21%

I. PURPOSE/RECOMMENDATION

Board approval is sought to amend a competitively solicited, miscellaneous service contract with Bias Corporation to support upgrading MTA's PeopleSoft ERP System which includes upgrade to People data, digital transformation, and functional enhancements, in the amount not-to-exceed (NTE) \$11.7M. This is a critical part of the MTA Transformation Plan which was approved by the MTA Board in June 2019 to make the MTA more efficient, cost-effective, and modern. This project is expected to be completed within 24 months and will run from August 1, 2021 through July 31, 2023.

II. DISCUSSION:

The MTA and its Agencies have purchased a variety of Oracle products which are major components of the core infrastructure of the MTA's enterprise information technology. Oracle's PeopleSoft ERP system has been extensively used to address MTA's enterprise-wide and individual business unit requirements that are essential for planning, budgeting, funding, project management, scheduling, A/R functions and support for the publishing of Federal, NY State, and NY City reporting mandates.

The PeopleSoft system modules include but are not limited to the Human Capital Management (HCM); Financials and Supply Chain Management (FSCM), Enterprise Learning Management (ELM), PeopleSoft Interaction Hub (PIH), Enterprise Performance Management (EPM); and the Oracle Database which is the underlying data repository for critical applications and are actively used by all MTA agencies.

An essential component of the MTA Transformation Plan is the consolidation of functions and activities performed by many support groups across the MTA. As consolidation materializes, it is critical to align the re-engineered business processes within the MTA PeopleSoft ERP system to modernize and enable new functionality to support each consolidated function.

This PeopleSoft upgrade is urgently required to address the following:

- Enable new system capabilities to prevent disruptions to current routine business activities
- Provide the latest functionalities to support consolidation in the People Department.
- Reduce possible susceptibility to data security breaches.
- Improve maintenance efficiencies thereby eliminating customized workarounds to achieve automation and keep the system sustainable.
- Maximize utilization of existing PeopleSoft functionality.

Other benefits of upgrading our People data and digital transformation include:

- Technology automation which allows for improved position management, digitize recruitment, electronic forms, mobile enablement, and enhanced security access
- Significant reduction of manual work and errors.
- More robust data security and better alignment with best practices around employee records protection
- Eliminate the need for multiple sources of workforce and labor data in various output forms
- Implementation of an all-Agency Executive workforce dashboard to deliver Workforce Insight reports.

A competitively solicited bid resulted in a contract awarded to Bias Corporation for \$55.9M established an All-Agency Enterprise Licenses Agreement covering all Oracle products licenses, maintenance, support, and upgrade services for all of MTA through August 2023 with an additional 3-year optional years through August 2026. Bias Corporation is the authorized service provider for all of Oracle products and services under this agreement. Actual labor for this project is being performed by Oracle America as the lead sub-contractor for Bias Corporation. The work covered by this Modification is consistent with the scope and purpose of the original award, namely to upgrade, maintain and support Oracle products and licenses.

This Modification No. 1 for NTE \$11.7M will provide PeopleSoft upgrades within a two-year period in multiple phases as follows:

Phase 1: Peoplesoft Technology stack upgrade/patching and associated Enabling Technologies (ET)/systems. The estimated completion is 6 months + 2 months post production support (8 months total). This phase includes:

- All upgrades to the latest compatible releases as applicable for FSCM, HCM, ELM, EPM, Portal Interaction Hub and associated ET stack. This work is estimated to be \$4.879M.
- ET stack assumes up to five (5) lifecycle environments per ET software component (DEV/SIT/Stage/Prod and DR). This work is estimated to be \$1.619M.

Phase 2: Functional implementation of new modules/features/capabilities as listed below. The estimated completion is 12 months + 3 months post production support (15 months total). This phase is estimated to be \$5.202M and includes:

- Fit gap analysis, design, testing, business process documentation and integration of the following new functionality:
 1. Position Management
 1. During fit/gap sessions Full Position Management Pros and Cons will be discussed and recommendations for next steps documented.
 2. Talent Management:
 1. Profile Management Implementation
 2. Succession Planning Implementation
 3. Career Management Implementation
 4. Performance Implementation
 5. Compensation Management Implementation

Bias/Oracle provided in their proposal the team with the most realistic timeframe for implementation, taking into consideration the complex environment in which MTA's technical and business ecosystems operate in. They specifically provided technical support for PeopleSoft security as part of implementation of all the new functionality. Bias/Oracle will also provide infrastructure recommendations for security or architecture changes to support the upgrade.

The not-to-exceed negotiated cost of \$11.7M reflects a \$5.8M reduction (or 33%) from the initial proposal of \$17.5M. Hourly rates were negotiated resulting in \$130/hour for Technical Support to \$288/hour for a Senior Project Manager which are approximately 20% below the rates established in current MTA contract rates for similar upgrades. Additionally, the negotiated rates are up to 20% lower than the NYS OGS Contract rates. Based on the foregoing, the negotiated pricing is considered fair and reasonable. Payment schedule is based upon delivery and acceptance of milestones established in the scope of work.

Bias/Oracle has agreed to manage all integrations and customizations identified in MTA's technology environment which includes:

1. Comprehensive assessments of business requirements and translation of these requirements into technical specifications;

2. Ensuring all 400 existing systems which interface with PeopleSoft at MTA today work in the upgraded environment;
3. Validate that the upgrade aligns with business complexities which have led to system customizations and document or update Functional and Technical design documents for each custom object modified;
4. Assessments and recommendations on what and how new functionality should be implemented and adopted; and,
5. Comprehensive testing of legacy systems used by MTA agencies that interact with the PeopleSoft systems to increase security and avoid business disruptions.

Since Oracle is the manufacturer of PeopleSoft products, possesses the subject matter experts for all the necessary modules, servers/technologies and functional enhancements necessary for this upgrade, and provided a very robust and specific proposal for completion of this upgrade, the MTA project team confidently deemed that Bias/Oracle would complete the work in a timely manner and with lower risk of cost overruns. In addition, Oracle has demonstrated in prior projects to be very solution-oriented, made recommendations and reasonable accommodations for the benefit of the MTA.

The contract resulting from this procurement has been evaluated to determine the necessity and appropriate scope, if any, of cybersecurity requirements, including any requirements under federal, state and local law and regulations. Any applicable cybersecurity requirements, to the extent required, have been included in the contract terms and conditions.

The MTA Diversity & Civil Rights Department has assigned 0% goals to this agreement.

JULY 2021
MTA REAL ESTATE
LIST OF REAL ESTATE ACTION ITEMS FOR BOARD APPROVAL

METROPOLITAN TRANSPORTATION AUTHORITY

Lease renewal with OTR Properties for MTA Police Department office space at 24 South Macquesten Parkway, Mount Vernon, NY

MTA BRIDGES AND TUNNELS

Eighth amendment to the license agreement with the National September 11 Memorial and Museum at the World Trade Center Foundation, Inc. for space at the Battery Parking Garage, New York, NY

MTA NEW YORK CITY TRANSIT

Acquisition of property interests for the Jamaica Bus Depot reconstruction project, Jamaica, NY
Acquisition of property interests for Phase 2 of the Second Avenue Subway Project, New York, NY

MTA METRO-NORTH RAILROAD

Lease renewal with Gotham 42nd Street LLC, for the Employee Assistance Program office space at 110 East 42nd Street, New York, NY

MTA LONG ISLAND RAIL ROAD

License agreement with the City of Long Beach to design, build and maintain a protective flood wall system, Long Beach, NY
License agreement with South Fork Wind, LLC, for the installation and maintenance of electrical and fiber cables along the right of way in Montauk, NY
Franchise license agreement with Boingo to install and maintain a cellular and wi-fi cable and supporting infrastructure and service on the Level A Concourse at Penn Station, New York, NY

Staff Summary

Subject LEASE RENEWAL WITH OTR PROPERTIES FOR THE MTA POLICE DEPARTMENT AT 24 SOUTH MACQUESTEN PARKWAY, MOUNT VERNON, NEW YORK
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature
Project Manager Name CHRISTOPHER NESTERCZUK

Date July 19, 2021
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/19/21	X		
2	Board	7/21/21	X		

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

AGENCY: MTA Police Department ("MTA PD")
LESSOR: OTR Properties
LOCATION: 24 South Macquesten Parkway, Mt. Vernon, NY
ACTIVITY: Office space lease for MTA Police Department
ACTION REQUESTED: Authorization to enter into a lease renewal
TERM: 5 Years, with two 5 year renewal options
PREMISES: Entire building consisting of approximately 10,700 rentable square feet ("RSF")
COMPENSATION:

	Net Rent/RSF	Annual Net Rent
Renewal Commencement - 1 th anniversary of Commencement	\$19.00	\$203,300.00
1st Anniversary of Commencement – 2nd Anniversary of Commencement	\$19.57	\$209,399.00
2nd Anniversary of Commencement – 3rd Anniversary of Commencement	\$20.16	\$215,680.97
3 rd Anniversary of Commencement – 4 th Anniversary of Commencement	\$20.76	\$222,151.40
4 th Anniversary of Commencement – 5 th Anniversary of Commencement	\$21.38	\$228,815.94

LEASE COMMENCEMENT: September 1, 2021

Staff Summary

FINANCE COMMITTEE RENEWAL OF MTA PD LEASE(Cont'd)

RENT COMMENCEMENT:	Upon Lease Commencement
RENEWAL OPTIONS:	Two Five (5) year renewal options upon 9 months prior written notice calculated on 100% of the fair market value, taking into consideration all relevant factors.
REAL PROPERTY TAXES:	None – The MTA will continue to be exempt from paying real property tax to the City of Mt. Vernon.
OPERATING EXPENSES:	MTA PD is responsible for all expenses required to operate and maintain the building.
ELECTRICITY:	Directly metered
TENANT IMPROVEMENT ALLOWANCE:	Lessor will be providing a Tenant Improvement Allowance up to \$50,000 towards space improvements.
MAINTENANCE AND REPAIRS:	Lessor shall make all structural repairs including the replacement of the HVAC system and elevator, if required. The MTA PD will be responsible for the cost of annual HVAC maintenance contracts in addition to Operating Expenses
CLEANING:	MTA PD shall be responsible for all cleaning.
SECURITY DEPOSIT:	None

COMMENTS:

The MTA PD has occupied this entire two-story building since 2006. It is located across the street from MTA Metro-North's Mount Vernon Harlem Line commuter train station providing convenient access to MTA PD operations in Manhattan. The building is improved with locker rooms and showers and has two holding cells in the basement, accessible via a sallyport on the lower level rear of the building. The MTA will realize an annual rent savings of approximately \$92,000, or 31% over the current rent of \$27.60 RSF (new rent is \$19.00 RSF escalating as set forth in the table above). CBRE, the MTA's tenant representative, has determined that the new rent reflects the current market.

Based on the foregoing, MTA Real Estate requests authorization for the MTA PD to renew its lease agreement on the above described terms and conditions.

Staff Summary

Subject EIGHTH AMENDMENT TO LICENSE AGREEMENT WITH NATIONAL SEPTEMBER 11 MEMORIAL AND MUSEUM AT THE WORLD TRADE CENTER FOUNDATION, INC. AT THE BATTERY PARKING GARAGE
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature
Project Manager Name SELINA STORZ

Date JULY 19, 2021
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/19/21	X		
2	Board	7/21/21	X		

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

AGENCY: MTA Bridges and Tunnels (“B&T”).
LICENSEE: National September 11 Memorial and Museum at the World Trade Center Foundation, Inc. (“9/11 Memorial and Museum”).
LOCATION: Battery Parking Garage (“BPG”)
ACTIVITY: Installation, maintenance and removal of temporary lighting project and storage
ACTION REQUESTED: Authorization to amend current license to extend term
TERM: One year, July 31, 2021 to July 31, 2022, with a year-to-year renewal option
SPACE: BPG Annex roof for the Tribute in Light event, and ramp corner between 6th floor and rooftop for storage.
COMPENSATION: \$12,000 per year.

COMMENTS:

Since September of 2005, B&T has annually licensed a portion of the BPG for the Tribute in Light ceremony. Under this license, the 9/11 Memorial and Museum uses a portion of the roof for approximately three weeks to stage the production and also uses the ramp corner between the 6th floor and rooftop to store the lights used in the display. The lighting displays are fragile and could be subject to damage if they were to be transported to remote storage locations.

The current license agreement between B&T and the 9/11 Memorial and Museum (the “Agreement”) expires on July 21, 2021, and the 9/11 Memorial and Museum is requesting to amend the Agreement and extend the Term. MTA Real Estate proposed a one (1) year extension to the Term with a year-to-year renewal option. Given low use of the roof top parking BPG revenue is not impacted by the installation. However, the 9/11 Museum and Memorial understands that MTA Real Estate will reevaluate the compensation called for under this proposed license agreement from time to time.

Based on the above, MTA Real Estate requests authorization to amend the current license agreement with the 9/11 Memorial and Museum based on the terms and conditions described above.

Staff Summary

Subject ACQUISITION OF PROPERTY INTERESTS FOR THE JAMAICA BUS DEPOT RECONSTRUCTION PROJECT
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature
Project Manager Name MICHAEL DANIELS

Date July 19, 2021
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/19/21	X		
2	Board	7/21/21	X		

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

AGENCY: Metropolitan Transportation Authority (“MTA”) and MTA New York City Transit (“NYCT”)

SELLERS: Various sellers, see attached schedule

LOCATIONS: Various locations, see attached schedule

ACTIVITY: Acquisition of property interests in connection with the NYCT Jamaica Bus Depot Reconstruction Project (“JBDRP”)

ACTION REQUESTED: Authorization to acquire various property interests through negotiated agreement or eminent domain

SPACE: Various spaces

COMPENSATION: Various, all to be determined

COMMENTS:

In connection with the construction the JBDRP, a number of permanent and temporary acquisitions will be required for expansion of the existing Jamaica Bus Depot. (see attachment)

The MTA will endeavor to acquire all property interests for the project through negotiated agreements. But for a project of this magnitude, the MTA may not be able to reach agreements with all property owners and will be compelled to acquire some property interests by eminent domain. Thus, Board approval is being sought for the MTA to begin taking steps to satisfy the requirements of Eminent Domain Procedure Law in order to preserve MTA’s rights and lessen the potential for future delays to the project and ensure the timely acquisition of the necessary property interests. If a negotiated agreement to acquire any of the property interests is reached prior to the filing of condemnation papers with the court, the terms of any such agreement will be presented to the Finance Committee and the MTA Board for further approval.

Based on the foregoing, MTA Real Estate requests authorization to proceed with the acquisition, by negotiated agreement or condemnation, of the noted property interests, on the above-described terms and conditions.

**FINANCE COMMITTEE MEETING
ACQUISITION OF PROPERTY INTERESTS FOR
THE JAMAICA BUS DEPOT RECONSTRUCTION PROJECT (CONT'D.)**

BOARD RESOLUTION

WHEREAS, the MTA is undertaking the construction of the New York City Transit Jamaica Bus Depot Reconstruction Project ("JBDRP");

WHEREAS, in connection with JBDRP, a number of permanent and temporary acquisitions of real property interest will be required set forth on the attachment to this Resolution, for expansion of the Jamaica Bus Depot;

WHEREAS, the MTA will endeavor to acquire the property interests through negotiated voluntary agreements with the affected property owners and tenants, but to preserve MTA's rights and lessen the potential for future delays to the project if agreements cannot be negotiated in a timely manner, MTA must take preliminary steps under the Eminent Domain Procedure Law to secure the property interest needed for JBDRP.

NOW THEREFORE, BE IT RESOLVED that in accordance with the Eminent Domain Procedure Law and Section 1267 of the Public Authorities Law, the Chairman or designated staff member of the MTA is authorized to proceed with the acquisition of fee interests in the properties described above by negotiated agreements or eminent domain and to schedule and undertake such preliminary steps, including holding a public hearing, as may be required under the Eminent Domain Procedure Law, in connection with these acquisitions.

BE IT FURTHER RESOLVED, that the proposed acquisitions will be subject to prior, satisfactory completion of any required environmental reviews.

See attachment for list of properties.

This resolution shall take effect immediately upon its adoption.

**FINANCE COMMITTEE MEETING
ACQUISITION OF PROPERTY INTERESTS FOR
THE JAMAICA BUS DEPOT RECONSTRUCTION PROJECT (CONT'D.)
Acquisition of Various Property Interests in Support of the MTA New York City Transit's Jamaica Bus
Depot Reconstruction Project by Negotiated Purchase or Condemnation**

<u>BOROUGH</u>	<u>BLOCK</u>	<u>LOT</u>	<u>PROPERTY ADDRESS</u>	<u>REPUTED OWNER [subject to title verification]</u>	<u>TYPE OF INTEREST</u>
Queens	10164	74	104-28 Merrick Boulevard	10428 MERRICK BLVD. INC.	Permanent Full Taking
Queens	10164	76	104-32 Merrick Boulevard	104 MERRICK REALTY LLC	Permanent Full Taking
Queens	10164	79	105-02 Merrick Boulevard	10502 MERRICK BLVD INC.	Permanent Full Taking
Queens	10164	89	105-22 Merrick Boulevard	H.P LEWIS AND GROUP	Permanent Full Taking
Queens	10164	90	106-04 Merrick Boulevard	BAUERSCHMIDT REALTY HOLDING CORP	Permanent Full Taking
Queens	10164	95	166-15 Merrick Boulevard	BAUERSCHMIDT REALTY HOLDING CORP	Permanent Full Taking
Queens	10164	3	165 STREET	165 STREET QUEENS, LLC	Temporary Easement
Queens	10164	5	104-83 165 STREET	TAK, HOSHIAR S	Temporary Easement
Queens	10164	6	104-81 165 STREET	ALEXANDER ANNIE D	Temporary Easement
Queens	10164	7	104-79 165 STREET	GUY BREWER DEVELOPMENT CORP	Temporary Easement
Queens	10164	8	104-77 165 STREET	SARKER, ABDUL KARIM	Temporary Easement
Queens	10164	9	104-73 165 STREET	CHASE, GERALD	Temporary Easement
Queens	10164	12	104-69 165 STREET	SILVA, ANTHONY	Temporary Easement
Queens	10164	13	104-67 165 STREET	HAREWOOD LORNA	Temporary Easement
Queens	10164	14	104-65 165 STREET	MCAULAY, GERALD	Temporary Easement
Queens	10164	15	104-63 165 STREET	DOWNER, OLIVE	Temporary Easement
Queens	10164	16	104-59 165 STREET	BAILEY, BARRINGTON	Temporary Easement
Queens	10164	17	104-57 165 STREET	LATCHANA, DARINDRA	Temporary Easement
Queens	10164	18	104-55 165 STREET	COLLINS RONNIE	Temporary Easement
Queens	10164	19	104-53 165 STREET	BOWMAN, DIANE	Temporary Easement
Queens	10164	20	104-51 165 STREET	DOWLATRAM, BISSEsar	Temporary Easement
Queens	10164	21	104-49 165 STREET	NADIRA CHOWHURY and ABDUR CHOWHURY	Temporary Easement
Queens	10164	23	104-45 165 STREET	STEWART, GOWON	Temporary Easement
Queens	10164	24	104-43 165 STREET	RAMPRASHAD, DHARMENDRA	Temporary Easement
Queens	10164	26	104-41 165 STREET	RAHMAN, MIR O	Temporary Easement
Queens	10164	27	104-39 165 STREET	SHARPE, DOLORES K	Temporary Easement
Queens	10164	28	104-35 165 STREET	BALDWIN A. MORRISON	Temporary Easement
Queens	10164	29	104-33 165 STREET	DAS, DEEPAK	Temporary Easement
Queens	10164	30	104-27 165 STREET	ANDERSON, NEVILLE	Temporary Easement
Queens	10164	31	104-25 165 STREET	ANDREA I GREEN	Temporary Easement
Queens	10164	32	104-23 165 STREET	COTMON, HANNAH/YOUNG BUYER LLC	Temporary Easement
Queens	10164	34	104-19 165 STREET	ROSE OF SHARON BAPTIST CHURCH	Temporary Easement
Queens	10164	38	104-15 165 STREET	BUDHU, ERIC	Temporary Easement
Queens	10164	39	104-09 165 STREET	GREER, GARY	Temporary Easement

Staff Summary

Subject ACQUISITION OF PROPERTY INTERESTS FOR PHASE 2 OF THE SECOND AVENUE SUBWAY PROJECT
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature
Project Manager Name HELENE CINQUE/ ROBAIR REICHENSTEIN

Date July 19, 2021
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/19/21	X		
2	Board	7/21/21	X		

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

AGENCY: Metropolitan Transportation Authority (“MTA”) and MTA New York City Transit (“NYCT”)

SELLERS: Various sellers, see attached schedule

LOCATIONS: Various locations, see attached schedule

ACTIVITY: Acquisition of property interests in connection with phase 2 of the Second Avenue Subway

ACTION REQUESTED: Authorization to acquire various property interests through negotiated agreement or eminent domain

SPACE: Various spaces

COMPENSATION: Various, all to be determined

COMMENTS:

In connection with the construction of NYCT’s Second Avenue Subway Project (“SAS”), a number of permanent and temporary acquisitions will be required, for the construction of the new tunnels, ancillaries and stations. These acquisitions will be required in and around the entire length of the alignment.

The properties listed on the attachment to this staff summary include certain of the properties that are currently targeted for some type of acquisition for Phase 2 of the project, the portion running approximately from 96th Street and 2nd Avenue northwards to 125th Street, then westwards along 125th Street to just past Lenox Avenue. In particular the list includes properties that will be required for the new entrances and ancillary buildings for the new 106th Street and 116th Street Stations, as well as the tunnel section along the curve at 125th Street.

The MTA will endeavor to acquire all property interests for the project through negotiated agreements. But for a project of this magnitude, the MTA may not be able to reach agreements with all property owners and will be compelled to acquire some property interests by eminent domain. Thus, Board approval is being sought for the MTA to begin taking steps to satisfy the requirements of Eminent Domain Procedure Law in order to preserve MTA’s rights and lessen the potential for future delays to the project and ensure the timely acquisition of the necessary property interests. If a negotiated agreement to acquire any of the property interests is reached prior to the filing of condemnation papers with the court, the terms of any such agreement will be presented to the Finance Committee and the MTA Board for further approval.

Based on the foregoing, MTA Real Estate requests authorization to proceed with the acquisition, by negotiated agreement or condemnation, of the noted property interests, on the above-described terms and conditions.

**FINANCE COMMITTEE MEETING
ACQUISITION OF PROPERTY INTERESTS FOR PHASE 2 OF
THE SECOND AVENUE SUBWAY PROJECT (Cont'd.)**

BOARD RESOLUTION

WHEREAS, the MTA is undertaking the construction of the second phase of the MTA New York City Transit Second Avenue Subway Project ("SAS");

WHEREAS, in connection with SAS, a number of permanent and temporary acquisitions of real property interest will be required as set forth on the attachment to this Resolution, for both entrances and for ancillary facilities, and for construction of the tunnel, in and around the entire length of the alignment;

WHEREAS, the MTA will endeavor to acquire the property interests through negotiated voluntary agreements with the affected property owners and tenants, but to preserve MTA's rights and lessen the potential for future delays to the project if agreements cannot be negotiated in a timely manner, MTA must take preliminary steps under the Eminent Domain Procedure Law to secure the property interest needed for SAS.

NOW THEREFORE, BE IT RESOLVED that in accordance with the Eminent Domain Procedure Law and Section 1267 of the Public Authorities Law, the Chairman or designated staff member of the Authority is authorized to proceed with the acquisition of fee interests in the properties described above by negotiated agreements or eminent domain and to schedule and undertake such preliminary steps, including holding a public hearing, as may be required under the Eminent Domain Procedure Law, in connection with these acquisitions.

BE IT FURTHER RESOLVED, that the proposed acquisitions will be subject to prior, satisfactory completion of any required environmental reviews.

See attachment for list of properties.

This resolution shall take effect immediately upon its adoption.

**FINANCE COMMITTEE MEETING
ACQUISITION OF PROPERTY INTERESTS FOR PHASE 2 OF
THE SECOND AVENUE SUBWAY PROJECT (Cont'd.)**

Acquisition of Various Property Interests in Support of the MTA New York City Transit's Second Avenue Subway Project by Negotiated Purchase or Condemnation

Block	Lot	Type of Interest	Property Address	Reputed Owner
1677	49	Fee	2062 Second Avenue	King Peter Realty Corp
1677	50	Fee	2060 Second Avenue	BAB 260 LLC
1677	51	Fee	2058 Second Avenue	Primera Iglesia Pentecostal Abrigo del Altisimo
1677	52	Permanent Easement	2056 Second Avenue	HTK 2056 LLC
1681	1	Fee	2122 Second Avenue	San Val Realty Corp
1681	2	Fee	2124 Second Avenue	Amas-J Realty Corp
1681	3	Fee	2126 Second Avenue	Howard J. Bond
1681	104	Fee	303 East 109th Street	309 East 109th Street Partners LLC
1687	1	Fee	2240 Second Avenue	2240 Second Ave Corp
1687	2	Fee	2242 Second Avenue	Liat Realty Management Corp
1687	102	Fee	2244 Second Avenue	Liat Realty Management Corp
1687	3	Fee	2246 Second Avenue	Imbat Realty, LLC
1688	1	Fee	2262 Second Avenue	2262 Realty Corp.
1688	2	Fee	2264 Second Avenue	Oceanic Management Team LLC
1795	1	Fee	2302 Second Avenue	Independence Pentecostal Church, Inc.
1795	2	Fee	2304 Second Avenue	Aaron From
1795	3	Fee	2306 Second Avenue	Aaron From
1795	4	Fee	2308 Second Avenue	United Christian Prison Ministry, Inc.
1789	30	Fee	246 East 125th Street	Flor Realty Corp
1789	21	Permanent Easement	245 East 124th Street	East 124th Street LLC
1789	26	Permanent Easement	260 East 125th Street	La Casa Nuestra Housing Development Fund Corp
1789	27	Permanent Easement	258 East 125th Street	E 129 St Cluster LP
1789	28	Permanent Easement	256 East 125th Street	Tano Associates, Inc
1789	29	Permanent Easement	254 East 125th Street	254-125 LLC
1789	34	Permanent Easement	232 East 125th Street	Church Of Scientology Religious Trust
1789	35	Permanent Easement	230 East 125th Street	Church Of Scientology Religious Trust
1789	36	Permanent Easement	228 East 125 th Street	Church Of Scientology Religious Trust

Staff Summary

Subject LEASE RENEWAL FOR METRO-NORTH'S EMPLOYEE ASSISTANCE PROGRAM WITH GOTHAM 42ND STREET, LLC AT 110 EAST 42ND STREET
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature
Project Manager Name CHRISTOPHER NESTERCZUK

Date JULY 19, 2021
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/19/21	X		
2	Board	7/21/21	X		

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

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

LESSOR: Gotham 42nd Street, LLC

PREMISES: 110 East 42nd Street, Suite 1,301
1,840 RSF

ACTIVITY: Renewal of office space lease for EAP

USE: Office

ACTION REQUESTED: Authorization to enter into a lease renewal

TERM: 5 years, beginning November 1, 2021

RENT: \$55.00 RSF, escalating 2% annually

ELECTRIC: \$3.25 RSF, subject to periodic adjustments as set forth in the original lease.

LANDLORD WORK: Landlord will paint and carpet the Premises using building standard materials. The work will be performed after hours or on weekends at no additional cost to Metro-North.

ESCALATIONS: Metro-North shall pay its proportionate share of any tax increase over the 2021/22 fiscal base year. The first increase shall be twelve (12) months from Lease Commencement.

Staff Summary

FINANCE COMMITTEE MEETING LEASE RENEWAL FOR METRO-NORTH'S EMPLOYEE ASSISTANCE PROGRAM WITH GOTHAM 42ND STREET, LLC AT 110 EAST 42ND STREET (Cont'd.)

COMMENTS:

Metro-North's Employee Assistance Program (EAP), which has occupied the Premises since 2014, is a confidential counseling service provided to all Metro-North employees as well as employees of MTA HQ, BSC, C&D, and MTA PD. EAP is responsible for working with all employees struggling with alcohol and drug related issues, the majority of whom are railroad employees who perform safety sensitive functions. Furthermore, EAP is responsible for performing fitness for duty evaluations for employees with substance abuse issues and mental health issues, management consultations, post-arrest evaluations, and evaluations subsequent to threats of violence/workplace violence.

MTA Real Estate and EAP toured a number of locations within Grand Central Terminal. All locations were eliminated since the proposed spaces could not preserve the confidentiality required to perform EAP's duties. 420 Lexington Avenue was also eliminated due to confidentiality concerns since Metro-North's headquarters are located there. MTA Real Estate surveyed the market surrounding GCT and, in factoring potential moving and constructions costs, resulted in revealing rents that exceed the negotiated rent at 110 East 42nd Street.

The Lessor initially offered \$60.00 per square for years 1-5. The MTA countered with \$55.00 RSF which the Lessor accepted. EAP is currently paying \$65.15 PSF, \$10.00PSF less than the new negotiated rent. MTA Real Estate conferred with its 3rd party real estate consultant CBRE and determined the rent (\$55.00 RSF) to be at market.

Based on the above, MTA Real Estate requests authorization for Metro-North to renew its lease with Gotham 42nd Street, LLC on the terms and conditions described above.

Staff Summary

Subject LICENSE AGREEMENT WITH THE CITY OF LONG BEACH FOR A FLOOD WALL
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature
Project Manager Name ANDREA TEDESCHE-GOMEZ

Date JULY 19, 2021
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/19/21	X		
2	Board	7/21/21	X		

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

AGENCY: MTA Long Island Rail Road (“LIRR”)
LICENSEE: The City of Long Beach (“the City”)
LOCATION: LIRR Long Beach Yard, along Reynolds Channel shoreline, Long Beach, New York
ACTIVITY: Design, build and maintain a bulkhead, foundation for a deployable flood barrier and a Shed (“Flood Wall System”)
ACTION REQUESTED: Authorization to enter into license agreement
TERM: 15 Years with automatic 1-year renewals
SPACE: Approximately 1,607 square feet
COMPENSATION: \$1 payment waived

COMMENTS:

The City has received a grant from the US Department of Homeland Security, Federal Emergency Management Agency to design and construct a critical infrastructure flood protection system along its north shore waterfront (the “Project”) in an effort to mitigate potential flood damage during extreme wet weather events. A portion of this Project passes along and through a portion of LIRR property, including across the right-of-way, where the City has proposed to construct the Flood Wall System, including a deployable flood barrier in lieu of a fixed wall system in order to allow LIRR service during such times when the barrier is not installed in place. The City has requested a license to enter, construct and maintain the Flood Wall System on LIRR property subject to the terms noted herein in order to complete its Project.

This transaction is justified pursuant to MTA Real Estate Disposition guidelines including subdivision 7 of the Public Authorities Law Section 2897, which includes, where the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the asset will remain with the government or any other public entity. An appraisal was completed by MTARE’s independent appraiser and the property was valued at \$41,782.00. In this case it is recommended that the transfer be less than fair market value since there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose and the Flood Wall System provides a public benefit such as protection for the City’s water and wastewater treatment plants, gas, and electric feeds for the entire barrier island, as well as providing additional protection to LIRR’S Long Beach Yard given the planned construction of the remainder of the flood wall on either side of LIRR’s property. The City will be required to maintain and keep the Flood Wall System in state of good repair over the life of the license. Prior to construction the City will be required to seek LIRR’s approval of the

Staff Summary

FINANCE COMMITTEE MEETING LICENSE WITH THE CITY OF LONG BEACH (CONT'D.)

project plans and construction specifications, cover certain LIRR expenses associated with the Project and also facilitate and pay costs related to any 3rd party utility relocations.

The City will also be required to provide appropriate insurance and indemnification throughout the term of the license.

Based on the foregoing, MTA Real Estate requests authorization for LIRR to enter into a license agreement with The City of Long Beach based on the above described terms and conditions.

Staff Summary

Subject LICENSE WITH SOUTH FORK WIND FOR FIBER AND ELECTRICAL OCCUPANCY ALONG LIRR ROW
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature
Project Manager Name MARLON HOLFORD

Date JULY 19, 2021
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/19/21	X		
2	Board	7/21/21	X		

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

AGENCY: MTA Construction and Development ("MTAC&D") and MTA Long Island Rail Road ("LIRR")

LICENSEE: South Fork Wind, LLC ("South Fork")

LOCATION: A portion of the LIRR ROW from Wainscott Northwest Road in Wainscott to approximately 450 feet west of Cove Hollow Road in East Hampton on the Montauk Branch from LIRR milepost-97.4 to milepost-99.5 (the "Licensed Area")

ACTIVITY: Non-exclusive license for a longitudinal occupancy for the express purpose of installing and maintaining one (1) subterranean electrical circuit consisting of 7 conduits (three power cable conduits, three 48 strand fiber optic conduits and one grounding conduit) all to support the operation and maintenance of the equipment necessary to convey wind generated power and for no other commercial use.

ACTION REQUESTED: Approval of a non-exclusive license.

TERM: Twenty-five (25) years with one twelve (12) year option. LIRR reserves the right to terminate the License, or relocate all, or any portion, of the Licensed Area (at Licensee's cost) on 60 days' notice.

SPACE: Approximately 2.1 miles.

COMPENSATION:

- (i) Annual rent of \$76,000.(pursuant to the current MTA Rates for Longitudinal Occupancies, with 3% annual increases); with the added amount of \$500/each for manholes/splices chambers / pull boxes.
- (ii) South Fork is not allowed to run fiber optic cable for third party commercial use at any time during the Term.
- (iii)Installation of three (3) conduits of a minimum diameter of four inches (4"), each containing an un-electrified cable whose specifications will be provided by the LIRR, within the Licensed Area for the LIRR's dedicated sole use with attendant access points.

FINANCE COMMITTEE

LICENSE WITH SOUTH FORK WIND FOR FIBER AND ELECTRICAL OCCUPANCY ALONG LIRR ROW (Cont'd)

COMMENTS:

The proposed occupancy in the LIRR right-of-way is part of the larger South Fork Export Cable installation (SFEC). The SFEC system will be buried within the south side of the LIRR right-of-way and would contain a high-voltage electrical power line to deliver energy generated from the offshore wind farm to the Long Island Power Authority's (LIPA) East Hampton substation. A separate section of cable would then connect the new substation to an existing substation located within the same parcel approximately 800 feet to the east. This cable section would also be installed within the south side of the LIRR right-of-way, running adjacent to the substation property until the area immediately north of the connection point. Conditioned power along this stretch of cable will be delivered at 69kV. South Fork was selected as the winning proposer in LIPA's [2015 RFP](#) for a windfarm provider.

This agreement is pursuant to MTA Real Estate's Procedures for Licensing Property for pole, pipe and wire and fiber optic occupancies. Based on the foregoing, MTA Real Estate requests authorization for the LIRR to enter into a license agreement with South Fork Wind, LLC on the above described terms and conditions.

Staff Summary

Subject FRANCHISE LICENSE WITH BOINGO FOR CELLULAR AND WI-FI OCCUPANCY AND SERVICE ON THE LEVEL A CONCOURSE AT PENN STATION
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature
Project Manager Name MARLON HOLFORD

Date JULY 19, 2021
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/19/21	X		
2	Board	7/21/21	X		

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

AGENCY: MTA Construction and Development ("MTAC&D") and MTA Long Island Rail Road ("LIRR")

FRANCHISE LICENSEE: Boingo Wireless ("Boingo")

LOCATION: LIRR Level A Concourse and platforms in Penn Station

ACTION REQUESTED: Approval to enter into an exclusive franchise license to design, build, operate, maintain and sublicense a wireless communication connection system for the benefit of LIRR customers, and a free public and private facing Wi-Fi network (the "Project")

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

COMPENSATION: **Annual Franchise License Compensation:**
 The Annual License Fee will be the greater of (i) the combined Minimal Annual Compensation \$1,200,000 total (subject to escalation as shown in chart attached) or (ii) 50% of annual gross revenue (less a maximum of \$150,000 for operating expenses.)

Other Compensation:
 In addition to the Annual License Fee, Boingo will provide:

- \$125,000 per sublicensee carrier during Years 1-4 of this this agreement; and
- \$150,000 worth of additional services as requested

FINANCE COMMITTEE LICENSE WITH BOINGO FOR CELLULAR AND WI-FI OCCUPANCY AND SERVICE ON THE LEVEL A CONCOURSE AT PENN STATION (Cont'd)

COMMENTS:

To improve the customer experience within Penn Station, MTAC&D launched a wireless planning effort to incorporate cellular and Wi-Fi infrastructure into the Penn Station rehabilitation project. MTAC&D identified project parameters, requisite equipment, architectural design requirements, and opportunities for integration into the existing plans. Based on this analysis, select facility design and construction modifications were explored with the existing contractor for the future installation of a cellular and Wi-Fi system on the Concourse.

Subsequently, a Request for Proposals (“RFP”) was developed by MTA Real Estate (“MTARE”), MTAC&D, MTA Legal, and the LIRR, to offer a real estate franchise license to a provider that will furnish wireless communication services. The RFP, issued in January of 2021, sought to solicit proposals and select a franchise licensee to be granted the exclusive right to implement the Project described above. The Project will be a design/build wireless system allowing MTA customers to enjoy voice and data reception in the LIRR Concourse. Key requirements of the license include, at no cost to the MTA:

- (i) Ownership title to the Project: the infrastructure, including conduit, and fiber optic wiring, will be vested in MTA upon installation.
- (ii) Provision of cellular services for LIRR customers.
- (iii) Provision of a free public facing Wi-Fi network for LIRR customers.
- (iv) The requirement that the licensee perform as a neutral-host, sub-licensing telecommunications platform to the major cellular carriers. This is intended to insure maximum coverage for MTA customers.
- (v) Licensee will be responsible for on-going operation and maintenance of the Project, including providing technical upgrades and future capital repairs, at the licensee’s expense.

In response to the RFP, proposals were received from Boingo, Extenet and Transit Wireless. The proposals were evaluated by representatives of MTAC&D (including MTA Real Estate), LIRR, and MTA Information Technology. Meetings with the proposers were held to discuss the proposals and to further clarify RFP requirements. Subsequent requests for best and final offers (“BAFO’s”) were solicited and received. See the attached chart for a comparative analysis.

While all proposers were deemed responsive, the Licensee presented the highest combined Minimum Annual Compensation and most reasonable revenue share for both cellular service and Wi-Fi, including advertising.

The Licensee currently has a contract with the MTA for wireless services in the Madison Concourse and East Midtown Terminal below Grand Central, and along the LIRR’s Atlantic Branch.

Based on the foregoing, MTA Real Estate requests authorization for the LIRR to enter into a franchise license agreement (pursuant to the Board approved franchise license policy) with Boingo on the above described terms and conditions.

**FINANCE COMMITTEE
 LICENSE WITH BOINGO FOR CELLULAR AND WI-FI
 OCCUPANCY AND SERVICE ON THE LEVEL A CONCOURSE AT PENN STATION (Cont'd)**

<i>Proposers</i>	Boingo	Transit Wireless	Extenet
<i>Guaranteed Proposed Revenue</i>	<u>BAFO</u>	<u>BAFO-</u>	<u>BAFO</u>
<i>Annual MAC payment</i>	\$200,000	\$500,000	\$67,500
<i>Annual MAC payment escalation (%)</i>	2%	NA	2%
<i>Annual Wi-Fi advertising MAC Payment</i>	\$1,000,000*	\$ -	\$ -
<i>Cellular Rev Share (%)</i>	50%**	35% Yr1-5 40% Yr 6-20	20%
<i>Wi-Fi Rev Share (%)</i>	50%**	35% Yr1-5 40% Yr 6-20	20%
<i>Upfront Fee</i>	\$ -	\$2,000,000	\$500,000
<i>Fixed up-front payment upon license renewal at year 11 (optional):</i>	\$ -	\$1,200,000	\$ -
<i>Fixed up-front payment upon license renewal at year 16 (optional):</i>	\$ -	\$1,300,000	\$ -
<i>Sublicense participation</i>	\$125,000 per carrier	\$ -	\$ -
<i>MTA Additional Services</i>	\$150,000	\$ -	\$ -
<i>20 Year NPV for Mac and Upfront Payments</i>	\$ 13,058,026	\$ 8,176,632	\$ 1,298,894

*Note: The Advertising MAC could be lowered from \$1,000,000 to \$250,000 annually if MTA in its sole discretion later elects to put restrictions on Boingo advertising (thereby potentially reducing their revenue stream).

** Revenue share is a percentage of advertising and sub-license revenues after OPEX deductions (less a maximum of \$150,000 for operating expenses.).

Subject NYCT Subways and NYCT DOB / MTA Bus Agency Safety Plans
Department Safety
Department Head Name Pat Warren
Department Head Signature
Project Manager Name Bernard Jens

Date July 2021

Board Action					
Order	To	Date	App	Info	Other
1	Safety Committee		x		
2	Board		x		

Internal Approvals			
Order	Approval	Order	Approval
1	SVP Safety & Security		
2	Deputy Chief Development Officer, C&D		
3	Executive VP & COO, DOS		
4	President MTA Bus/SVP Buses		
5	President, NYCT		

The MTA Chief Safety Officer in coordination with New York City Transit (NYCT) submits the attached Subways and Buses Public Transportation Agency Safety Plans (PTASP) for the MTA Board's annual review and approval.

The Federal Transit Administration (FTA) PTASP Final Rule 49 CFR 673 requires operators of urban public transportation systems that receive federal funds to develop a PTASP that documents the processes and procedures that are in place to manage the agency safety program through the implementation of Safety Management Systems (SMS). Implementation of SMS is intended to improve public transportation safety by effectively and proactively managing safety risks through a comprehensive, collaborative approach to managing safety.

The Office of System Safety (OSS) generated the 2021 Subways and Buses PTASPs for NYCT/MTA Bus in conjunction with representatives from the various departments.

The final plans were approved by departmental staff and signed by agency senior leadership. As per 49 CFR Part 673, the 2021 PTASP also requires MTA board approval and is due to the NYS Public Transportation Safety Board ("PTSB") at the end of July 2021.

OSS must conduct an annual review of the PTASP in accordance with 49 CFR Part 673 to incorporate modifications and updates such as may be mandated by the PTSB, changes in management, incorporation of new equipment, or new systems and facilities, operational changes, and any safety related topics and recommendations from the MTA Board. This annual review requires MTA Board's review and approval.

Recommendation

Approve the 2021 PTASPs for Department of Subways and Department of Buses.