



Metropolitan Transportation Authority

# July 2022

**MTA Board Action Items**



# **MTA Board Meeting**

**2 Broadway  
20th Floor Board Room  
New York, NY 10004  
Wednesday, 7/27/2022  
10:00 AM - 12:00 PM ET**

## **1. PUBLIC COMMENT PERIOD**

## **2. APPROVAL OF MINUTES**

### **MTA and MTA Agencies Regular Board Meeting Joint Minutes - June 29, 2022**

MTAHQ

NYCT/MaBSTOA/SIRTOA/MTA Bus Company

MTA Metro-North Railroad

MTA Long Island Rail Road

MTA Triborough Bridge and Tunnel Authority

MTA Construction & Development

*MTA and MTA Agencies Regular Board Meeting Joint Minutes - June 29, 2022 - Page 4*

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

**2022 Mid-Year Forecast**

**2023 Preliminary Budget**

**July Financial Plan 2022-2026**

## **4. COMMITTEE ON CAPITAL PROGRAM**

**C&D Procurements**

*C&D Procurements - Page 15*

## **5. CAPITAL PLAN AMENDMENT**

**Capital Plan Amendment Staff Summary**

*MTA 2020-2024 Capital Program Staff Summary - Page 30*

## **6. COMMITTEE ON METRO-NORTH RAILROAD & LONG ISLAND RAIL ROAD (no items)**

## **7. COMMITTEE ON NYCT & BUS**

**NYCT & Bus Procurements Report**

*NYCT Procurements Report - Page 32*

**i. Non-Competitive**

*Non-Competitive - Page 36*

**ii. Competitive**

*Competitive - Page 39*

**Ratifications (no items)**

**8. COMMITTEE ON MTA BRIDGES & TUNNELS OPERATIONS**

**Procurement Report**

*B&T Procurement - Page 43*

**i. Non-Competitive (no items)**

**ii. Competitive**

*B&T Competitive - Page 46*

**iii. Ratification (no items)**

**9. COMMITTEE ON FINANCE**

**MTAHQ Procurements Report**

*MTAHQ Procurement Report - Page 49*

**i. Non-Competitive**

*MTAHQ Non-Competitive Procurements - Page 54*

**ii. Competitive**

*MTAHQ Competitive Procurements - Page 62*

**iii. Ratification**

*MTAHQ Ratifications - Page 69*

**Real Estate Items**

**i. Real Estate Agenda and Staff Summaries**

*Real Estate Agenda and Staff Summaries - Page 74*

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

**11. EXECUTIVE SESSION**

**Joint Minutes 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, Metro-North Commuter Railroad Company,  
MTA Construction & Development, the MTA Bus Company and  
the First Mutual Transportation Assurance Company  
Regular Board Meeting  
2 Broadway  
New York, NY 10004  
Wednesday, June 29, 2022  
10:00 a.m.**

The following Board Members were present (*\*Attended remotely*):

**Hon. Janno Lieber, Chair & CEO**  
**Hon. Andrew Albert**  
**Hon. Jamey Barbas**  
**Hon. Frank Borelli, Jr.**  
**Hon. Samuel Chu\***  
**Hon. Michael Fleischer**  
**Hon. David Jones**  
**Hon. Blanca Lopez\***  
**Hon. David Mack**  
**Hon. Isabel Midori Valdivia Espino**  
**Hon. Haeda B. Mihaltses**  
**Hon Frankie Miranda**  
**Hon. Robert F. Mujica**  
**Hon. Harold Porr, III**  
**Hon Sherif Soliman**  
**Hon Lisa Sorin**  
**Hon. Elizabeth Velez**  
**Hon. Neal Zuckerman**

The following alternate non-voting members were present:

**Hon. Gerard Bringmann**  
**Hon. Norman Brown**  
**Hon. Randolph Glucksman**  
**Hon. John Samuelson\***

The following Board Members were absent:

**Hon. Vincent Tessitore, Jr.**

Paige Graves, General Counsel, Lisette Camilo, Chief Administrative Officer, Quemuel Arroyo, Chief Accessibility Officer and Special Advisor to the Chair, Kevin Willens, Chief Financial Officer, Patrick Warren, Chief Safety and Security Officer, Richard Davey, President, NYCTA, Craig Cipriano, Chief Operating Officer, NYCT, Frank Annicaro, Acting President, MTA Bus Company, Catherine Rinaldi, President, Metro-North Railroad/LIRR Interim President, Daniel DeCrescenzo, President, TBTA, Jamie Torres-Springer, President, MTA C&D, Chris Pangilinan, Vice President, Paratransit, Michele Woods, Auditor General, Jaibala Patel, Chief, Office of the CFO, Sarah Meyer, Senior Vice President & Chief Customer Officer, Tim Mulligan, Senior Vice President, Operations, NYCT, Steve Loehr, Senior Manager, NYCT Development Office, and Cate Contino, Assistant Director Government Affairs, also attended the meeting.

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

Unless otherwise indicated, these minutes reflect items on the agenda of the Board of the Metropolitan Transportation Authority, the 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, Metro-North Commuter Railroad Company, the MTA Capital Construction Company, and the First Mutual Transportation Assurance Company.

Chair Lieber called to order the June 2022 Board meeting.

General Counsel Paige Graves confirmed a quorum of the Board members in attendance and noted the Board members joining the meeting remotely.

A recorded audio public safety announcement was played.

## **1. PUBLIC SPEAKERS' SESSION.**

The MTA Moderator announced that the following public speakers will speak either live virtually or in-person.

The MTA Moderator reminded public speakers of the rules of conduct, the two-minute speaking limit and that speakers will be alerted when 30 seconds remain to conclude their remarks.

The following public speakers commented (\*live virtual comments):

Jessica Murray, Elevator Action Group\*  
Miriam Fisher, private citizen\*  
Deon Alston, private citizen  
Lisa Daglian, Executive Director, PCAC

Andrew Sparberg, retired LIRR employee\*  
Aleta Dupree, private citizen\*  
Bradley Brashears, PCAC  
Christopher Greif, PCAC  
Gian Carlo Pedulla, private citizen  
Miriam Fisher, private citizen\*  
Rachael Fauss, Reinvent Albany\*  
Jason Anthony, Amazon Labor Union\*  
Bruce Hain, Rail NYC Access  
Tramell Thompson, Progressive Action  
Vittorio Bugatti, private citizen\*  
Charlton D'Souza, President, Passengers United\*  
Jean Ryan, President, Disabled In Action\*  
Alexander Kemp, Bus Operator, Progressive Action  
Jaqi Cohen, Tri-State Campaign  
Andy Pollack, Passengers United\*  
Gary Giordano, private citizen\*  
Jolyse Race, Riders Alliance  
Noelani Fishman, New York Public Interest Research Group (NYPIRG)  
Naomi Jones, private citizen\*  
Jason Rabinowitz, private citizen\*  
Erycka Montoya, private citizen  
Ava Farkas, Transit Center

Refer to the video recording of the meeting produced by the MTA and maintained in MTA records for the content of speakers' statements and Board members' comments.

## **2. CHAIR LIEBER'S REMARKS.**

Chair Lieber thanked everyone for joining the June Board meeting, both in person and remotely.

Chair Lieber welcomed the following new Board Members:

- Hon. Lisa Sorin, President of the Bronx Chamber of Commerce;
- Hon. Sherif Soliman, Director of the Mayor's Office of Policy and Planning;
- Hon. Midori Valdivia, former MTA Chief of Staff, current Chief Operating Officer of Coro New York Leadership Center;
- Hon. Frankie Miranda, President and CEO of the Hispanic Federation;
- Hon. Sammy Chu, joining the meeting remotely, Chairman of the U.S. Green Building Council-Long Island Chapter and Chief Executive Officer at electrical contracting company, Edgewise Energy; and
- Hon. Blanca Lopez, fellow of the New York Immigration and Social Justice Institute's Immigrant Advocacy Fellowship Program.

Chair Lieber stated that he is thrilled that the Senate was able to confirm all the new MTA Board Members.

Chair Lieber acknowledged and congratulated Board Member Andrew Albert for having a milestone of 20 years of service on the MTA Board. Chair Lieber stated that the MTA and staff appreciates Board Member Albert's consistency and the depth of knowledge that he brings to everything.

Chair Lieber welcomed the new Chief of the MTA Police Department (MTAPD), John Mueller, who comes from the Yonkers Police Department. Chair Lieber stated that the MTA is excited to bring Chief Mueller on board, who brings a wealth of experience from working in the Metro-North system, working in the city of Yonkers and in his development of police operations, and a real track record of effectuating positive change with all the communities in Yonkers.

Chair Lieber stated that one of the most significant challenges the MTA has struggled with for decades, which was heard from many of the public speakers today, is how to make the 117-year-old subway system fully accessible in accordance with the Americans with Disabilities Act. Chair Lieber stated that until the 2020-2024 Capital Program progress was slow, but not anymore. As announced last week, the MTA is taking the next great leap towards universal accessibility by signing a legal agreement that commits to maintaining an aggressive level of investment in future MTA Capital Programs until at least 95% of stations are outfitted with elevators or ramps. Chair Lieber stated, as Jean Ryan of Disabled In Action ("DIA") said, the hope is that by the time the MTA reaches its 95% milestone, engineering expertise has developed enough so that the MTA can get the last 5% of stations now deemed infeasible done as well. Chair Lieber stated that this is a commitment of many billions of dollars, which will shape future MTA Capital Programs. The Chair stated that this commitment should be celebrated and recognized as a commitment that will be binding on future ADA awards, binding on the Legislature and future governors, to some degree, to make this a priority until accessibility is achieved at the highest level. Chair Lieber stated that MTA Chief Accessibility Officer Quemuel Arroyo and Deputy Chief Development Officer Tim Mulligan, who are two of the officials who negotiated and worked through all the issues, will provide a more detailed briefing later in the meeting.

Chair Lieber acknowledged the disability advocacy community, who have attended many meetings over the years, and who have brought their passion to the podium and to discussions relating to accessibility in the system. Chair Lieber stated that the disability advocates have been the MTA's conscience on this issue and now have become the MTA's partners in the implementation phase—it is an amazing milestone to celebrate, and MTA intends to make good on their partnership with the disability community.

Chair Lieber stated that another big initiative that the MTA is taking on, with strong support from Governor Hochul, is congestion pricing. The MTA will never be able to achieve its climate or air quality goals, or truly prioritize street space for the types of vehicles necessary—like buses, police, fire, sanitation, and Paratransit vehicles, until there is a system that disincentivizes private single occupancy vehicles from clogging up the Central Business

District, and Chair Lieber stated that congestion pricing is the answer to that challenge. Chair Lieber stated that for the last few months the MTA has worked to get its Environmental Assessment back on track, and the good news is that the MTA has been able to address virtually all the questions and data requests presented by its federal partners, and last week the MTA resubmitted the draft Environmental Assessment to the Federal Highway Administration (“FHWA”)—the United States Department of Transportation (“USDOT”) agency that has jurisdiction over the MTA’s environmental review. Chair Lieber stated that it is common knowledge that the process took some time, however, MTA hit the milestone, and the assessment has been submitted to FHWA for review. Chair Lieber stated that once that review is complete, the MTA will distribute the Environmental Assessment for public review and for additional outreach. Chair Lieber thanked Governor Hochul, who he said has been steadfast in her support and helped the MTA with its federal partners to accomplish this goal.

Chair Lieber stated that a lot has been said about bus ridership today, and last month we shared an analysis that was done by the MTA Operations Planning group that showed how subway ridership was recovering, station by station. The analysis revealed that parts of the system that were still lagging were largely in the Central Business Districts—Manhattan and the MTA’s satellite business districts in Downtown Brooklyn and Long Island City. Chair Lieber presented a slide that showed a similar pattern in the bus area—Manhattan below 96<sup>th</sup> Street, Downtown Brooklyn, and very western Queens, that are still below 65% ridership compared to pre-COVID, and some more affluent neighborhoods in eastern Queens, Brooklyn and Staten Island—places that have high concentrations of white-collar remote workers are also down as well. The Chair noted that the areas in green are the neighborhoods where ridership is much closer to what it was pre-COVID, which are communities of essential workers, working class New Yorkers who depend on the bus every day. Chair Lieber stated that there are a number of neighborhoods in eastern Queens and the Rockaways that are consistently more than 90% of pre-pandemic ridership. The Chair noted areas in upper Manhattan and the Bronx, saying that in these neighborhoods the MTA’s ability to deliver full, fast, and reliable service is essential, which is why the MTA is investing so much energy in the Bronx bus redesign.

Chair Lieber stated that the Board was briefed on the Bronx Bus Network Redesign initiative last month and he reported that after launching last Sunday, the initiative is off to a strong start. The Chair stated that following consensus from the elected community and other leaders, and after making some adjustments, the Bronx redesign is in the implementation phase. Chair Lieber stated that it has been 100 years since the bus system has been redesigned, and the project is finally underway, redrawing the map borough by borough—first Staten Island, now the Bronx, next Queens and not long after plans to redesign the Brooklyn bus system as well.

Chair Lieber stated that the MTA has a robust outreach effort underway, with MTA customer ambassadors handing out pamphlets and standing at bus stops doing person-to-person outreach, with several hundred MTA volunteers who signed up to assist with the outreach efforts. Chair Lieber stated that there were many people who signed up, travelled to the Bronx to volunteer, and assist with the outreach efforts—most of the volunteers who

did the ambassador work normally work at 2 Broadway. The Chair noted that he also participated in the outreach efforts last Friday on the Bx36 route, which he stated is moving away from slow side streets, mostly along 180<sup>th</sup> street, and onto East Tremont Avenue, to speed up the trips on that route, and Chair Lieber showed a short video that the MTA social team created on the rollout.

Chair Lieber emphasized that redesigned routes can only do so much without more bus lanes and more camera enforcement, and he stated that earlier this month he participated in a bus-oriented “Transit Summit” with Mayor Adams and other city officials to announce the first 20 miles of the mayor’s promised 150 miles of new bus lanes. Chair Lieber noted that in the last administration, the MTA was able to increase the bus lane commitment to 20 miles a year, and now the MTA is committed to an increase of 150 miles of new bus lanes in four years. Chair Lieber stated that Mayor Adams has really upped the goal and the MTA is working closely with City Hall in these efforts.

Chair Lieber stated that the MTA is seeing the same type of strong partnership from the State on transforming Penn Station, which is perhaps the MTA’s biggest challenge on the capital side recently. The Chair stated that on Friday, he testified before the State Senate on the importance of fixing Penn Station now—one of Governor Hochul’s major commitments when she took office, which was to fix Penn Station in conjunction with the opening of East Side Access—allowing LIRR commuters to travel to Grand Central, and the Penn Access opening—the Metro-North Railroad (MNR) project allowing MNR commuters to come into Penn Station. Chair Lieber stated that the Penn Station Reconstruction project is an incredibly powerful commitment, and he noted an event that took place with Governor Hochul a couple weeks ago at the Moynihan Train Hall, where the MTA announced the issuance of a Request for Proposals for the design, which will lead directly into construction. Chair Lieber stated that staff will continue to sort through the submissions for the design project during the summer with the hopes of selecting a team early in the fall.

Chair Lieber stated that fixing Penn Station is a regional issue, and he emphasized that when the announcement was made at the State Senate hearing, the MTA received a lot of important letters from key officials including Suffolk County Executive Steve Bellone, Bronx Borough President Vanessa Gibson, and Queens Borough President Donovan Richards, who all made the important point that their residents use Penn Station and emphasized the desire to fix the station. Chair Lieber stated that the MTA also heard from Congressman Ritchie Torres on the issue, and he is passionate about the Penn Access project and wants to make sure Penn Station is ready to accept those East Bronx customers when that project is done.

With respect to the MTA’s “Vax or Test” program, Chair Lieber stated that the MTA continues to work closely with its State and City partners on all matters related to COVID. Last week, the NYC Health Department downgraded the COVID-19 alert level from high to medium in coordination with the State health department. Chair Lieber stated that as we move into this last phase of the pandemic, the MTA has suspended its “Vax or Test” program for its employees. Chair Lieber thanked the workforce and the MTA’s labor partners for their cooperation during this very difficult phase. The MTA program was one of

the most successful and effective of its kind in the country, and Chair Lieber commended Chief Safety Officer Patrick Warren for his leadership, and his team for all their efforts.

The Chair noted that the MTA was facilitating testing for workers long before the requirement for ‘Vax or Test’ but obviously ramped things up—the team established 700 testing sites across all the operating agencies and performed approximately 500,000 tests. At the peak of Omicron, the MTA was administering 24,000 tests a week, identifying almost 25,000 cases of COVID. Chair Lieber pointed out that the MTA’s positivity rate, as a result in part because of these efforts, was well below the rest of the city and the state throughout the effort. In December, when Omicron emerged, the MTA was at approximately half a percent for positivity while the rest of the city was about four or five times as high. The management of the ‘Vax or Test’ program was incredibly successful in keeping the MTA workforce safe, and it also allowed the agency to maintain the service delivery and avoid additional staff shortage problems due to the great partnerships with the union leadership. Chair Lieber thanked everyone for this herculean accomplishment.

Lastly, Chair Lieber stated that the MTA is seeing signs of progress on ridership, especially on the commuter railroads, which hit new records on June 14<sup>th</sup>, however, the Chair stated that the big picture remains concerning. The MTA is an \$18 billion business that has lost 40% of its customers, which has blown a massive hole in the operating budget. The Chair stated that, without getting ahead of CFO Kevin Willens’ July Financial Plan, there is a possibility that the MTA’s deficit may expand from what we have been working with in previous plans because of the updated projections, but we are still waiting for those projections to be finalized. Chair Lieber stated that the projections are expected to be lower than the 2020 estimate that the agency has been relying on, and he stated that the severity of the situation underscores the need to reconsider the way mass transit in New York is funded. Chair Lieber stated that the MTA is an essential service, just like police, fire, and sanitation, and it should be funded in a way that recognizes this fact. Chair Lieber stated that he is eager to start these conversations in Albany over time and especially once the Legislature is back in session. Chair Lieber stated that under Governor Hochul’s leadership, the MTA is not kicking the can on tough issues, and he hopes that the organization is showing by now, with the work being done on congestion pricing, redesigning the bus network, making the subway system fully ADA accessible and the urgency of the rebuilding of Penn Station, that it is taking on the tough issues. Chair Lieber stated that, by working together, he believes that the MTA can do big things and create the system New Yorkers deserve.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for the details of Chair Lieber’s remarks and Board members’ comments.

### **3. SYSTEMWIDE ACCESSIBILITY UPDATE.**

Quemuel Arroyo, Chief Accessibility Officer, presented highlights of the landmark agreement to expand accessibility in the New York City subway system and ADA progress to-date and Tim Mulligan, Deputy Chief Development Officer, presented the MTA’s commitments and future ADA milestones.

Chair Lieber acknowledged and commended the work done by General Counsel Paige Graves, saying that the recent settlement would not have been possible without the General Counsel's legal input and expertise.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for the details of Quemuel Arroyo's and Tim Mulligan's presentations and Board members' comments and discussion.

**4. FLOOD RESILIENCE WORKING GROUP FINDINGS.**

Steve Loehr, Senior Manager, NYCT Development Office, presented the Flood Resilience Working Group's findings. Board Member Haeda Mihaltses, Working Group Co-Chair, summarized the Working Group's goals and short-term recommendations. Board Member Jamey Barbas, Working Group Co-Chair, summarized recommendations and actions for the MTA and the MTA Partners.

Chair Lieber acknowledged the Board's participation in the Task Force process.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for Steve Loehr's presentation, and Board Members' comments and discussion.

**5. APPROVAL OF MINUTES.**

Upon motion duly made and seconded, the Board approved the Joint Minutes of the MTA and MTA Agencies Regular Board meeting held on May 29, 2022. Board member Lisa Sorin abstained from the vote.

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

**6. TRIBOURGH BRIDGE AND TUNNEL COMMITTEE.**

A. Procurements: No Items.

**7. JOINT LONG ISLAND RAIL ROAD/METRO-NORTH RAILROAD COMMITTEE.**

A. Procurement Item: No Items.

## **8. NEW YORK CITY TRANSIT AND BUS COMMITTEE.**

### **A. Procurements:**

Upon a motion duly made and seconded, the Board:

- 1) Approved the modification of contracts with Arro, Inc., Alfred Executive Transportation d/b/a LEAP and LimoSys, LLC to extend the terms of all three contracts from July 1, 2022 through June 30, 2023. The estimated expenditure during the extension period is \$14.6 million.
- 2) Declared competitive bidding impractical or inappropriate for the procurement of nine R259 10-ton crane cars for NYC Transit and that it is in the public interest to issue competitive RFPs pursuant to NYS Public Authorities Law, Section 1209, subdivision 9(f).

## **9. CAPITAL PROGRAM COMMITTEE.**

### **A. Procurements:**

Upon a motion duly made and seconded, the Board:

- 1) Ratified Modification No. 20 to the Flood Mitigation at Three Bus Depots in the Boroughs of Manhattan, Queens and Staten Island contract (B-62032) with T. Moriarty & Son Inc., for a redesigned flood roller gate at the MJ Quill Bus Depot for a cost of \$1,235,001.

Refer to the staff summary and documentation filed with the records of this meeting for the details on this item.

## **10. MTA COMMITTEE ON FINANCE.**

### **A. Action Items.**

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

1. All Agency General Contract Procurement Guidelines and All Agency Service Contract Procurement Guidelines. Approved the resolution adopting the revised All Agency General Contract Procurement Guidelines and the revised All Agency Service Contract Procurement Guidelines.
2. 2022 State Public Work Enforcement Fund (PWEF) Assessment. Authorized staff to remit the 2022 assessment, including the adjustment for the 2021 underpayment, to the State Department of Labor.

3. Owner Controlled Insurance Program (OCIP) – Alliant Insurance Services, Inc. Approved a not-to-exceed budget of \$186 million and execution of items necessary to finalize the procurement of OCIP for projects covering the period of June 30, 2022 – June 30, 2023, Capital Program for NYCT, LIRR, MNR and the Small Business Development Program (SBDP)

B. Procurement Items. No Items.

C. Real Estate Items.

Upon a 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.

#### **Metropolitan Transportation Authority**

1. Permanent modification to existing Real Estate Policies and Procedures for the Licensing of Real Property regarding the Grand Central Terminal Retail Licensing Program, as adopted on April 27, 2009 and amended July 22, 2020 and September 23, 2020.
2. One-year extension of a temporary modification to existing Real Estate Policies and Procedures, adopted on July 22, 2020, to address a surge of vacancies in the MTA retail portfolio brought about by the decline in ridership due to the Covid-19 pandemic. Amended expiration date is August 1, 2023, for all-agencies, excluding Grand Central Terminal.

#### **Metro-North Railroad**

3. Extension of a license agreement with BTCT2, LLC d/b/a Coffee Table for Space MC-15 located on the Main Concourse at Grand Central Terminal, New York, N.Y.

#### **New York City Transit Authority**

4. Lease agreement with City Goods, LLC for the development and master lease of the retail units on the mezzanine level at 42<sup>nd</sup> Street, Port Authority subway station, New York, N.Y.

#### **Long Island Rail Road**

5. Temporary construction license and a permanent easement with the City University of New York to use the LIRR's underpass between Archer Avenue and Beaver Road (part of Block 10098, Lot 1 and Block 10103, Lot 16, on the Tax Map of Queens County, NYS), Jamaica, N.Y.

**Triborough Bridge and Tunnel Authority**

6. Amendment to the license agreement with the National September 11 Memorial and Museum at the World Trade Center Foundation, Inc. for space in the Battery Parking Garage (Block 18, Lot 100), New York, N.Y.

**11. ADJOURNMENT.**

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 12:17 p.m.

Respectfully submitted,

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

\_\_\_\_\_  
Stephen N. Papandon  
Acting Vice President,  
General Counsel and Secretary  
Long Island Rail Road Company

\_\_\_\_\_  
Mariel A. Thompson  
Assistant Secretary  
NYCT

\_\_\_\_\_  
David K. Cannon  
Assistant Secretary  
MTA C&D

\_\_\_\_\_  
Paul Friman  
Acting General Counsel  
and Corporate Secretary  
TBTA

\_\_\_\_\_  
Victoria Clement  
Assistant Secretary  
MTAHQ

**Contracts Department**  
David K. Cannon, Vice President

**PROCUREMENT PACKAGE**  
**July 2022**

## PROCUREMENTS

The Procurement Agenda this month includes seven (7) actions for a proposed expenditure of \$349.5M.

<b>Subject</b> Request for Authorization to Award Procurement Actions					
<b>Contract Department</b> David K. Cannon, Vice President					
<b>Board Action</b>					
<b>Order</b>	<b>To</b>	<b>Date</b>	<b>Approval</b>	<b>Info</b>	<b>Other</b>
1	Capital Program Committee	7/25/22	X		
2	Board	7/27/22	X		

<b>Date:</b> July 22, 2022			
<b>Internal Approvals</b>			
	<b>Approval</b>		<b>Approval</b>
X	Deputy Chief Development Officer, Delivery	X	President
X	Deputy Chief Development Officer, Development	X	Executive Vice President & General Counsel

**Purpose**

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

**Discussion**

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

<u>Schedules Requiring Two-Thirds Vote</u>	<u># of Actions</u>	<u>\$ Amount</u>
C. Competitive Request for Proposals (Award of Purchase/Public Work Contracts)	3	\$ 340,375,000
SUBTOTAL	3	\$ 340,375,000

<u>Schedules Requiring Majority Vote</u>	<u># of Actions</u>	<u>\$ Amount</u>
I. Modifications to Purchase and Public Work Contracts	3	\$ 5,378,820
SUBTOTAL	3	\$ 5,378,820

MTA Construction & Development proposes to award Ratifications in the following category:

<u>Schedules Requiring Majority Vote</u>	<u># of Actions</u>	<u>\$ Amount</u>
K. Ratification of Completed Procurement Actions	1	\$ 3,775,000
SUBTOTAL	1	\$ 3,775,000
TOTAL	7	\$ 349,528,820

**Budget Impact**

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

**Recommendation**

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

## **MTA Construction & Development**

### **BOARD RESOLUTION**

**WHEREAS**, in accordance with Sections 559, 2879, 1209 and 1265-a of the Public Authorities Law and the All Agency 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 2022

**LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL**

**Procurements Requiring Two-Thirds Vote:**

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

- |    |   |                       |                                      |
|----|---|-----------------------|--------------------------------------|
| 1. | <b>Skanska Railroad Joint Venture</b><br><b>Contract No. A46030</b><br><b>980 Calendar Days</b> | <b>\$ 199,955,000</b> | <b><u>Staff Summary Attached</u></b> |
|----|---|-----------------------|--------------------------------------|

MTA Construction and Development request Board approval to award a publicly advertised and competitively solicited contract for design-build services for improvements on the Flushing Line.

- |    |  |                       |                                      |
|----|--|-----------------------|--------------------------------------|
| 2. | <b>Skanska USA Civil Northeast</b><br><b>Contract No. E30641</b><br><b>1,447 Calendar Days</b> | <b>\$ 114,970,000</b> | <b><u>Staff Summary Attached</u></b> |
|----|--|-----------------------|--------------------------------------|

MTA Construction and Development request Board approval to award a publicly advertised and competitively solicited contract for design-build services to replace seventeen (17) escalators at six (6) subway stations systemwide.

- |    |  |                      |                                      |
|----|--|----------------------|--------------------------------------|
| 3. | <b>E-J Electric Installation Company</b><br><b>Contract No. QM-36 B/C</b><br><b>Two (2) Years and Two (2) Months</b> | <b>\$ 25,450,000</b> | <b><u>Staff Summary Attached</u></b> |
|----|--|----------------------|--------------------------------------|

MTA Construction and Development request Board approval to award a publicly advertised and competitively solicited contract for design-build services for the relocation of Queens Midtown Tunnel refueling station and Queens Service Building switchgear.

**Procurements Requiring Majority Vote:**

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

- |        |   |                     |                                      |
|--------|---|---------------------|--------------------------------------|
| 4 - 6. | <b>TC Electric/J-Track JV</b><br><b>Contract No. P36444.41, .42 &amp; .43</b> | <b>\$ 5,378,820</b> | <b><u>Staff Summary Attached</u></b> |
|--------|---|---------------------|--------------------------------------|

MTA Construction & Development requests Board approval to award Modifications No. 41, 42 and 43 to the Contract to address deterioration and corrosion of electrical systems and equipment for the 53<sup>rd</sup> Street Tube.

**Staff Summary**

Item Number 1

<b>Dept &amp; Dept Head Name:</b> Stations/Barney Gray, Senior Vice President					
<b>Contracts Department:</b> Jessica Goldstein, VP and Associate General Counsel					
<b>Board Reviews</b>					
Order	To	Date	Approval	Info	Other
1	Capital Program Committee	7/25/22	X		
2	Board	7/27/22	X		
<b>Internal Approvals</b>					
Order	Approval	Order	Approval		
X	Deputy Chief, Development	X	President		
X	Deputy Chief, Delivery	X	Executive VP & General Counsel		

<b>SUMMARY INFORMATION</b>	
<b>Vendor Name</b> Skanska Railroad Construction Joint Venture	<b>Contract Number</b> A46030
<b>Description</b> Design-Build Services for Improvements on the Flushing Line	
<b>Total Amount</b> 1. A46030: \$199,955,000 2. Stipend Payments: \$ 400,000	
<b>Contract Term</b> 980 Calendar Days	
<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
<b>Renewal?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
<b>Solicitation Type</b> <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
<b>Funding Source</b> <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other	

**Purpose/Recommendation**

MTA Construction & Development (“C&D”) requests Board approval to award a publicly advertised and competitively solicited contract to Skanska Railroad Construction Joint Venture (“SRJV”), a joint venture consisting of Skanska USA Civil Northeast, Inc. and Railroad Construction Company, Inc., for design-build services for improvements on the Flushing Line in the Borough of Queens. The Contract is in the amount of \$199,955,000 and has a duration of 980 Calendar Days. In accordance with MTA policy regarding the use of design-build contracts, and to enhance competition and defray proposal costs, this solicitation includes a stipend of \$200,000 to be paid to each unsuccessful proposer whose proposal met the defined proposal standards. Accordingly, approval is also requested to pay stipends totaling \$400,000 to the two unsuccessful proposers.

**Discussion**

Contract A46030 (the “Contract”) provides for state of good repair improvements at 61<sup>st</sup> St-Woodside Station, replacement of the existing escalators at 61<sup>st</sup> St-Woodside and the 74<sup>th</sup> Street-Broadway Stations, and painting and repair of structural defects between 48<sup>th</sup> Street and 72<sup>nd</sup> Street along the Flushing Line. The selected Design-Builder will be responsible for all aspects of design, engineering, scheduling, coordination, construction, and timely completion of the project.

A two-step procurement process was conducted for the Contract. In Step 1, a Request for Qualifications was advertised resulting in the submission of six statements of qualifications that were evaluated against pre-established criteria (addressing completeness and responsiveness, experience, past performance, organization and key personnel, project understanding and approach, responsibility, and financial strength). The following four firms were selected to receive the Request for Proposal (“RFP”) in Step 2:

- John Civetta & Sons, Inc. (“Civetta”)
- Judlau Contracting, Inc. (“Judlau”)
- Skanska Railroad Construction Joint Venture (“SRJV”)
- Tully Construction Company, Inc. (“Tully”)

**Staff Summary**

Item Number 1

Page 2 of 2

In response to the RFP, Judlau, SRJV, and Tully submitted technical and price proposals (Civetta notified C&D that they would not be submitting a proposal). The selection committee, consisting of representatives from C&D, New York City Transit and the Long Island Railroad first reviewed the technical proposals and heard oral presentations from each of the Proposers. The selection committee evaluated the technical proposals using the following pre-established selection criteria: construction plan, schedule, qualifications of key personnel and major participants, management plan, subcontractors and suppliers, prior experience, past performance, safety and quality, diversity compliance, quality and thoroughness of proposal and oral presentation, as well as other relevant matters. The selection committee determined that all three teams submitted technical proposals that were responsive and acceptable. The selection committee next opened the cost proposals, which were as follows: SRJV \$205,700,000; Judlau \$310,463,728; and Tully \$364,540,187.

Based upon its review of the technical and price proposals, the Selection Committee invited all three (3) teams for negotiations to discuss technical clarifications and pricing. While Judlau and Tully submitted strong technical proposals, their price was significantly higher than the price proposal submitted by SRJV. Negotiations with SRJV included discussions of the design requirements, project schedule, and overall cost. Following negotiations, a Best and Final Offer (“BAFO”) was requested from SRJV which provided a BAFO in the amount of \$199,955,000.

After review of the BAFOs, the selection committee unanimously determined that the proposal submitted by SRJV provided the best value to the MTA, due to the strength of its lead designer, key personnel, technical approach to the work, extensive prior experience, and a track record of completing similar projects on time and within budget. A cost and price analysis was performed and it was determined that the negotiated price submitted by SRJV was fair and reasonable.

**DBE/MBE/WBE/SDVOB Information**

The MTA Department of Diversity and Civil Rights (“DDCR”) has established a 22.5% DBE goal for the Design/Build Contract. Although this is a design-build contact with some undefined scope, SRJV is committed to meet the required DBE goal.

SRJV has not completed any MTA contracts with goals, therefore, no assessment of the firms DBE/MBE/WBE performance can be determined at this time. However, Skanska USA Civil Northeast, Inc. and Railroad Construction Company, Inc. individually have achieved their assigned DBE/MBE/WBE goals on previous completed MTA contracts.

**Impact On Funding**

Funding for the Contract and stipends for the three unsuccessful proposers are included in the New York City Transit portion of the MTA’s 2020-2024 Capital Program.

**Alternatives**

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

**Staff Summary**

Item Number 2

<b>Dept &amp; Dept Head Name:</b> Stations/Barney Gray, Senior Vice President					
<b>Contracts Department:</b> Jessica Goldstein, VP and Associate General Counsel					
<b>Board Reviews</b>					
Order	To	Date	Approval	Info	Other
1	Capital Program Committee	7/25/22	X		
2	Board	7/27/22	X		
<b>Internal Approvals</b>					
Order	Approval	Order	Approval		
X	Deputy Chief, Development	X	President		
X	Deputy Chief, Delivery	X	Executive VP & General Counsel		

<b>SUMMARY INFORMATION</b>	
<b>Vendor Name</b> Skanska USA Civil Northeast, Inc.	<b>Contract Number</b> E30641
<b>Description</b> Design-Build Services to Replace 17 Escalators at 6 Stations Systemwide	
<b>Total Amount</b> 1. E30641: \$114,970,000 2. Stipend Payments: \$ 300,000	
<b>Contract Term</b> 1,447 days	
<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
<b>Renewal?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
<b>Solicitation Type</b> <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
<b>Funding Source</b> <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 Board approval to award a publicly advertised and competitively solicited contract to Skanska USA Civil Northeast, Inc. for design-build services to replace seventeen (17) escalators at six (6) subway stations systemwide. The contract is in the amount of \$114,970,000 and has a duration of 1,447 days. In accordance with MTA policy regarding the use of design-build contracts, and to enhance competition and defray proposal costs, this solicitation includes a stipend of \$150,000 to be paid to each unsuccessful proposer whose proposal met the defined proposal standards. Accordingly, approval is also requested to pay stipends totaling \$300,000 to the two unsuccessful proposers.

**Discussion**

Contract E30641 (the “Contract”) is for the replacement of 17 escalators that have reached the end of their useful lives located at 6 subway stations in the Bronx, Brooklyn, and Manhattan. The Contract also includes the installation of new escalator equipment within the existing escalator machine rooms and the replacement of associated electrical, mechanical, and plumbing equipment. The selected Design-Builder will also perform state of good repair work in the vicinity of the escalators.

A two-step procurement process was conducted for the Contract. In Step 1, a Request for Qualifications (“RFQ”) was advertised, resulting in the submission of 5 statements of qualifications that were evaluated against pre-established Threshold Criteria (addressing completeness, timeliness, capacity, responsibility, and financial capability) and Substantive Evaluation Criteria (team, key personnel, and organization, project approach, prior experience, past performance, and diversity compliance). Based on these criteria, the following three firms were selected to receive the Request for Proposal (“RFP”):

- J-Track LLC (“J-Track”)
- Schiavone Construction Co. (“Schiavone”)
- Skanska USA Civil Northeast, Inc. (“Skanska”)

In response to the RFP, all 3 teams submitted technical and price proposals. The selection committee, consisting of representatives from C&D Delivery and Contracts Departments, first reviewed the technical proposals and heard oral presentations from each of the Proposers.

The selection committee evaluated the technical proposals using the following pre-established selection criteria: key personnel and major participants, schedule, construction plan, management plan, safety and quality, prior experience, past performance, diversity practices, and other relevant matters. The selection committee determined that all three teams submitted technical proposals that were responsive and acceptable. The selection committee next opened the price proposals, which were as follows: J-Track \$123,555,240; Schiavone \$146,070,000; and Skanska \$118,500,000.

The Selection Committee invited all 3 teams for negotiations to discuss technical clarifications and pricing. While Schiavone submitted a strong technical proposal, its price was significantly higher than J-Track and Skanska and it offered the least schedule reductions. Best and Final Offers (BAFOs) were requested from Skanska and J-Track, requesting revised pricing and revised milestone durations based on the current (post-orals) understanding of the project. The results of the BAFOs were as follows: J-Track: \$119,475,000 with an overall duration of 1,389 days, and Skanska: \$114,970,000 with an overall duration of 1,447 days.

After review of the BAFOs, the Selection Committee unanimously determined that the proposal submitted by Skanska provided the best value to the MTA, due to the strength of its lead designer, key personnel, including vertical transportation experts, technical approach to the work, extensive prior experience with escalators, and a track record of completing similar projects on time and within budget. J-Track proposed technical approaches that met the project requirements, but they did not provide comparable value despite their higher pricing. A cost and price analysis was performed and it was determined that the negotiated price is fair and reasonable.

#### **DBE/MBE/WBE/SDVOB Information**

The MTA Department of Diversity and Civil Rights (“DDCR”) has established a 15% MBE, 15%WBE and 6% SDVOB goal for the Contract. Although this is a design-build contact with some undefined scope, Skanska is committed to meet the required MBE/WBE/SDVOB goal.

Skanska has achieved its DBE/MBE/WBE goals on previously completed contracts.

#### **Impact on Funding**

Funding for the Contract and stipends for the two unsuccessful proposers are included in the New York City Transit portion of the MTA’s 2020-2024 Capital Program.

#### **Alternatives**

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

**Staff Summary**

Item Number 3

<b>Dept &amp; Dept Head Name:</b> B&T Business Unit, Joe Keane, PE, Sr. VP and Chief Engineer					
<b>Contracts Department:</b> Jason Lange, VP and Associate General Counsel					
<b>Board Reviews</b>					
Order	To	Date	Approval	Info	Other
1	Capital Program Committee	7/25/22	X		
2	Board	7/27/22	X		
<b>Internal Approvals</b>					
Order	Approval	Order	Approval		
X	Deputy Chief, Development	X	President		
X	Deputy Chief, Delivery	X	Executive VP & General Counsel		

<b>SUMMARY INFORMATION</b>	
<b>Vendor Name</b> E-J Electric Installation Company	<b>Contract Number</b> QM-36B/C
<b>Description</b> Design-Build Services for Relocation of QMT Refueling Station and QSB Switchgear	
<b>Total Amount</b> 1. QM-36B/C : \$ 25,450,000 2. Stipend Payments: \$ 150,000	
<b>Contract Term</b> Two (2) years and Two (2) months	
<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
<b>Renewal?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
<b>Solicitation Type</b> <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
<b>Funding Source</b> <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 Board approval to award a publicly advertised and competitively solicited contract for design-build services for replacement and relocation of the Queens Midtown Tunnel (“QMT”) refueling station and Queens Service Building (“QSB”) switchgear to E-J Electric Installation Company in the amount of \$25,450,000 and a duration of two years, two months. In accordance with MTA policy regarding the use of design-build contracts, and to enhance competition and defray proposal costs, this solicitation includes a stipend in the amount of \$50,000 to be paid to each unsuccessful proposer whose proposal met defined proposal standards. Accordingly, approval is also requested to pay stipends totaling \$150,000 to the three unsuccessful proposers.

**Discussion**

The work under Contract QM-36B/C (the “Contract”) generally consists of removing the existing refueling station and underground tanks from inside the QSB garage located on 51<sup>st</sup> Avenue in Long Island City and installing a new outdoor vehicle refueling station and electric vehicle charging stations at the nearby Borden Avenue lot adjacent to the Long Island Expressway. In addition, the work at the Borden Avenue lot will include new site lighting, security cameras and perimeter fencing. The work will also include constructing a new upgraded and resilient electrical distribution room in the QSB mezzanine area to raise the electrical equipment, currently in the basement, above the high-water level to prevent storm damage. This work will also include removal of the existing equipment in the basement.

A two-step procurement process was conducted for the Contract. In Step 1, a Request for Qualifications was advertised resulting in the submission of eight Statements of Qualifications, which were evaluated against pre-established selection criteria addressing record of performance for the design-build team, technical and managerial capacity and general responsibility. The following four firms were selected to receive the Request for Proposal (“RFP”) in Step 2:

- E-J Electric Installation Company (“E-J”)
- Five Star Electric Corp. (“FSE”)
- LiRo Engineers, Inc. (“LiRo”)
- TC Electric-Welkin, JV (“TCE”)

In response to the RFP, all four firms submitted technical and price proposals. The selection committee, consisting of representatives from C&D and Bridges and Tunnels, first reviewed the technical proposals and heard oral presentations from each of the respondents. The selection committee evaluated the technical proposals utilizing pre-established selection criteria set forth in the RFP addressing the respondents' technical approach, qualifications of the firm, team organization, schedule, and record of diversity practices. The selection committee determined that all four teams submitted technical proposals that were responsive and acceptable. The selection committee next opened the price proposals, which were as follows: E-J - \$26,291,200; FSE - \$21,270,000; LiRo - \$42,302,178; and TCE - \$27,789,000.

Based upon its review of the technical and price proposals, the selection committee determined that the proposals submitted by E-J and TCE demonstrated a superior combination of technical approach, price, and schedule and unanimously recommended that both firms submit Best and Final Offers ("BAFO"). E-J demonstrated a strong understanding of all components of the scope of work as established in their technical approach, and their key personnel have successfully completed design-build projects of similar scope and magnitude. E-J made mention of the criticality of the Short Circuit Study and has extensive experience working with Con-Edison. E-J also provided a stormwater drainage solution in the Borden Avenue parking lot area along with the associated risks and mitigations. TCE also demonstrated a strong technical understanding of the RFP, including design solutions for the QSB switchgear room to mitigate the challenges and risks associated with this project. Although LiRo proposed key personnel in relevant disciplines with extensive experience and demonstrated a strong technical understanding of the RFP their proposed price was the highest and was deemed to be cost prohibitive. FSE was not selected as their proposal failed to clearly demonstrate the experience and expertise needed for this scope of work. FSE did not provide a clear understanding of the site-specific challenges, nor did they provide details on construction risks. Further, FSE proposed a 31-month contract duration, exceeding the contract requirement of 30 months.

The BAFO's submitted by E-J and TCE were as follows:

E-J	\$25,766,200
TCE	\$25,995,000

After review of the BAFOs, the selection committee unanimously recommended E-J for award of the Contract. Both E-J and TCE included a reduction from their original prices: however, E-J's BAFO was still the lowest of the two. The selection committee determined that E-J offered the best value to C&D based on the strength of their technical proposal and reduction of the schedule to 26 months, which is 4 months less than the schedule contained in the RFP and 1 month less than the schedule proposed by TCE.

A final round of negotiations was held with E-J resulting in the parties agreeing to a price of \$25,450,000. A cost and price analysis was performed and it was determined that the negotiated price is fair and reasonable.

In connection with previous contracts awarded to E-J, E-J was found to be responsible, notwithstanding significant adverse information pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the MTA Managing Director in consultation with the MTA General Counsel in August 2018. No new significant adverse information has been found relating to E-J and E-J has been found to be responsible.

**DBE/MBE/WBE/SDVOB Information**

The MTA Department of Diversity and Civil Rights has established 15% MBE, 15% WBE and 6% SDVOB goals on this contract. Although this is a design-build contract with some undefined scope, E-J is projecting to meet the required MBE/WBE/SDVOB goal requirements.

E-J has achieved the assigned D/M/WBE goals on previous completed MTA Contracts.

**Impact on Funding**

Funding for the Contract and stipends for the three unsuccessful respondents are Bridge and Tunnel funds derived from its portion of the MTA's 2020-24 Capital Program.

**Alternatives**

None are recommended. Currently, C&D lacks the in-house technical personnel to perform the scope of work associated with the Design-Build Contract.

**Schedule I Modifications to Purchase and Public Work Contracts**

Item Numbers 4 - 6

<b>Vendor Name (Location)</b> TC Electric/J-Track JV (Whitestone, New York)	<b>Contract Number</b> P36444	<b>Mod. #s</b> 41, 42 & 43
<b>Description</b> Design-Build Services for Rutgers Tube Rehabilitation	<b>Original Amount:</b>	\$ 90,500,000
<b>Contract Term (including Options, if any)</b> July 28, 2020 – December 31, 2021	<b>Prior Modifications:</b>	\$ 15,566,345
<b>Option(s) included in Total Amt?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a	<b>Prior Budgetary Increases:</b>	\$ 0
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	<b>Current Amount:</b>	\$ 106,066,345
<b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	<b>This Request:</b>	\$ 5,378,820
<b>Funding Source</b> <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	<b>% of This Request to Current Amt.:</b>	5.9%
<b>Requesting Dept./Div., Dept./Div. Head Name:</b> Delivery/Mark Roche	<b>% of Modifications (including This Request) to Original Amount:</b>	5.1%

**Discussion:**

Contract P36444 (the “Contract”) is for the Rutgers Tube rehabilitation. MTA Construction and Development Company (“C&D”) requests Board approval to award Modifications No. 41, 42, and 43 to the Contract to address deterioration and corrosion of electrical systems and equipment for the 53<sup>rd</sup> Street Tube.

In October 2020, the Board approved Contract Modification No. 1 to the Contract which added work for pump room controls upgrades for the 53<sup>rd</sup> Street Tube which spans between the Lexington Avenue/53<sup>rd</sup> Street Station in Manhattan and the Court Square-23<sup>rd</sup> Street Station in Queens . The systems and components within the 53<sup>rd</sup> Street Tube were damaged during Superstorm Sandy from the storm surge inflow of saltwater. The 53<sup>rd</sup> Street work is essential to implement resiliency measures that will protect against future flooding of the Tube.

After award of Modification No. 1, the Contractor identified significant deterioration and corrosion of the electrical systems feeding the fan plants, pump rooms and related equipment at Nott Avenue, Roosevelt Island, and Sutton Place which has led to the additional work addressed by these Modifications.

Modification No. 41

The existing electrical system at Nott Avenue has deteriorated beyond a state of good repair and must be replaced to provide reliable power for the operation of the pumping systems and tunnel fans. This modification replaces the existing electrical system and includes the installation of new cables, conduits, and automatic transfer power switches and provides the necessary power redundancy for this location. The proposal for this modification was for \$1,512,987 and through negotiations the parties agreed to an amount of \$1,275,000.

Modification No. 42

At Roosevelt Island, the existing duct bank, where the new cables for the pumps were to be installed, has collapsed and cannot be used. To address this issue, new 480-volt cables will be installed on the walls of the tunnel instead of the 208-volt cables in the duct banks as originally planned. The use of 480-volt cables significantly reduces the size and quantity of the cables required to be mounted on the tunnel wall thus preventing interference with other systems as well as eliminating encroachment into the train clearance envelope. This modification is for the installation of the 480-volt cables and the installation of new 480-volt pumps that will replace the existing 208-volt pumps which are at of their life cycle. The pumps were purchased under a separate modification. This modification also includes the purchase and installation of transformers, conduits, motor control and automatic transfer switches all of which were necessitated by the switch to 480-volt cables. The proposal for this modification was for \$2,960,042 and through negotiations the parties agreed to an amount of \$2,948,820.

Modification No. 43

At Sutton Place, the existing electrical switchgear necessary to energize and de-energize the pumps and controls is severely corroded and requires replacement. This modification is to purchase the long lead-time switchgear equipment. The installation of this switchgear equipment will be addressed under a subsequent Modification. The proposal for this modification was for \$1,155,348 and through negotiations the parties agreed to an amount of \$1,155,000.

**Schedule I Modifications to Purchase and Public Work Contracts**  
Item Numbers 4 - 6

The agreed-upon lump-sum price for the three modifications is \$5,378,820 which is considered fair and reasonable.

Please note that future modifications will be presented to the Board to address installation of the above-mentioned switch gear and, purchase and installation of associated electrical equipment needed at Sutton Place and, to address the time impacts associated with these modifications.

JULY 2022

**LIST OF RATIFICATIONS FOR BOARD APPROVAL**

**Procurements Requiring Majority Vote:**

**Schedule K. Ratification of Completed Procurement Actions (Involving Schedule E – J)  
(Staff Summaries required for all items)**

- |  |                     |                                      |
|--|---------------------|--------------------------------------|
| <b>7. Voltamp Electrical Contractors<br/>Contract No. P-36700.11</b> | <b>\$ 3,775,000</b> | <b><u>Staff Summary Attached</u></b> |
|--|---------------------|--------------------------------------|

MTA Construction and Development requests the Board ratify Modification No. 11 to the Contract for the replacement of the existing transformer and rectifier equipment at the 41<sup>st</sup> Street Substation in Queens.

**Schedule K Ratification of Completed Procurement Actions**  
**Staff Summary**  
 Item Number 7

<b>Vendor Name (Location)</b> Voltamp Electrical Contractors (New Hyde Park, NY)
<b>Description</b> Component Replacement of High-Tension Switchgear at Seven Locations in the Boroughs of Brooklyn & the Bronx
<b>Contract Term (including Options, if any)</b> December 28, 2018 – December 27, 2021
<b>Option(s) included in Total Amt?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive
<b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification
<b>Funding Source</b> <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:
<b>Requesting Dept./Div., Dept./Div. Head Name:</b> Delivery/Mark Roche

<b>Contract Number</b> P-36700	<b>AWO/Mod. #</b> 11
<b>Original Amount:</b>	\$ 17,469,358
<b>Prior Modifications:</b>	\$ 182,616
<b>Prior Budgetary Increases:</b>	\$ 0
<b>Current Amount:</b>	\$ 17,651,974
<b>This Request:</b>	\$ 3,775,000
<b>% of This Request to Current Amt.:</b>	21.4%
<b>% of Modifications (including This Request) to Original Amount:</b>	22.7%

**Discussion:**

Contract P-36700 (the “Contract”) is for the removal and replacement of high-tension switchgear at seven substations located in the boroughs of Brooklyn and the Bronx. MTA Construction and Development (“C&D”) requests the Board ratify Modification No. 11 to the Contract for the replacement of the existing transformer and rectifier equipment at the 41<sup>st</sup> Street Substation in Queens.

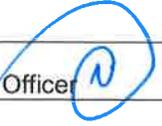
The 41st Street Substation is an underground substation located in Astoria Queens providing DC power to the Queens Boulevard line (“QBL”). It was removed from service in 2014 due to a failed water heat exchanger resulting in water entering the transformer and rendering it inoperable and beyond repair. Although the other substations on the line have been able to provide sufficient DC power since 2014, the recently installed CBTC signal system and the new CBTC car classes on the QBL and their associated power requirements, necessitate the restoration of service at the 41st Street Substation. Doing so will equalize power loads and restore redundancy to QBL DC power which is critical during severe weather events and when other substations are taken offline for maintenance. This modification was initiated pursuant to an Immediate Operating Need declared by NYCT’s Vice President & Chief Maintenance Officer, Department of Subways, Maintenance of Way on December 7, 2021.

Under this modification the Contractor will restore service at the 41<sup>st</sup> Street Substation by removing the existing transformer and rectifier equipment and procuring, installing and testing the new transformer and rectifier equipment. Contract P-36700 was selected to address this additional work based on its similar scope and equipment requirements at seven Brooklyn and Bronx substations as well as the experience and positive past performance of the Contractor. The Contractor submitted a cost proposal of \$5,465,129. Negotiations resulted in the agreed upon lump sum price of \$3,775,000 which has been determined to be fair and reasonable.

With regard to schedule, the Contract was approximately 431 calendar days behind schedule based on prior excusable but non-compensable delays regarding access that could not be provided to the Contractor for two of seven substations in the Contract due to power capacity concerns associated with adjacent substations being offline for repairs. Combined with the excusable and compensable schedule impact resulting from this additional work, this modification includes agreement on a time extension of 794 calendar days, for which, impact/general conditions costs are included as part of the \$3,775,000 negotiated cost. This modification will result in a revised Substantial Completion date of February 29, 2024.

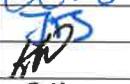
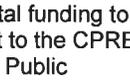
In order to partially mitigate the schedule impact of the procurement lead-time for the transformer and rectifier equipment, the President approved a retroactive waiver on June 24, 2022, and the Contractor was directed to proceed with the procurement of the long lead-time equipment and to commence breaking down and removing the existing equipment, including demolition of conduit and wires, as well as prepping the substation walls and floor. The Contractor was directed to proceed up to a not to exceed amount of \$1,700,000.

# Staff Summary

<b>Subject</b> MTA 2020-2024 Capital Program Amendment
<b>Department</b> MTA C&D
<b>Department Head Name</b> Tim Mulligan, Deputy Chief Development Officer
<b>Department Head Signature</b> 
<b>Project Manager/Division Head</b> Stephen A. Berrang, Director C&D Program Oversight
<b>Project Manager/Division Head Signature</b> 

<b>Date</b> July 27, 2022
<b>Department</b> MTA HQ Financial Services
<b>Department Head Name</b> Patrick McCoy, Deputy Chief, Financial Services 
<b>Department Head Signature</b> 
<b>Project Manager/Division Head</b> Stephanie DeLisle, Director Capital Funding Management
<b>Project Manager/Division Head Signature</b> 

Board Action					
Order	To	Date	Approval	Info	Other
1	Board	07/27			

Internal Approvals			
Order	Approval	Order	Approval
5	Chair and CEO		
4	Chief of Staff		
3	Chief Development Officer		
2	Chief Financial Officer		
1	Legal		

**Purpose:**

To obtain MTA Board approval of the proposed amendment to the MTA 2020-2024 Capital Program that increases the total funding to \$55.442 billion and to authorize the MTA to submit the \$52.116 billion Capital Program Review Board (CPRB) portion of it to the CPRB for its review and approval, consistent with the recommendations of the Crowe Forensic Audit and in accordance with the Public Authorities Law §1269-b.

**Discussion:**

Proposed MTA 2020-2024 Capital Program Amendment (Amendment #2). This amendment increases the current capital program by \$108 million from \$55.334 billion to \$55.442 billion. The program was last amended in December 2021 (Amendment #1) when the plan increased by \$535 million from \$54.799 billion to \$55.334 billion. The current proposal includes new projects, additional support for existing projects, reflects changes to project budgets based on refined scope, timing and cost estimates and identifies elements in the CPRB portion of the program that have 10% budget issues and require CPRB approval to advance critical work. Also included in the program is the MTA Bridges and Tunnels program (B&T) which remains unchanged at \$3.327 billion and includes changes to project budgets. B&T does not require CPRB approval to amend its program.

CPRB Core Program: \$42.703 billion. Agencies continue to make investments that renew and enhance the networks of NYCT, the LIRR, Metro-North, the MTA Bus Company and MTA Interagency. Overall, the Core Program decreases from \$43.674 billion to \$42.703 billion and includes changes already approved in Amendment #1. The proposed amendment reflects the following notable changes:

New York City Transit (NYCT). NYCT's program is reduced by \$779 million since the originally approved 2020-2024 Capital Program in December 2019. The principal change presented in this amendment is a re-sequencing of signal modernization projects (CBTC) and related changes to investments in subway cars and power infrastructure to focus on state of good repair signaling projects and not capacity related signal improvements. This amendment also includes adjustments to reflect refined project scopes and cost estimates, bid experiences, schedule changes, and market conditions since the last update to the Board including cost increases in station improvements and structural projects and rescheduled rolling stock purchases. This amendment also includes the addition of new projects to address emerging needs including implementing recommendations of the Track Trespassing Task Force and to mitigate stormwater flooding at various locations throughout the system. In addition to these changes, nearly \$800 million was transferred from NYCT's budgets to support Penn Station Access in both Amendment #1 and the current amendment to the program.

Long Island Rail Road (LIRR). The LIRR's program is reduced by \$114 million since the originally approved 2020-2024 Capital Program in December 2019. Notable increases include additional signaling needs, four additional ADA stations identified leaving only five non-ADA accessible stations after this program and more support for the Hall Interlocking project as part of Jamaica Capacity Improvements. Decreases include a reduction to work locomotives in this plan to reflect market and vendor constraints and the deprogramming of the Central Branch's proposed electrification from this program to support core LIRR state of good repair efforts. In addition to these changes, a portion of the locomotive purchase budget was transferred from the LIRR to support MTA Expansion's Penn Station Access project in both Amendment #1 and the current amendment to the program.

# Staff Summary

**Metro-North Railroad (Metro-North).** Metro-North's program is reduced by \$101 million since the originally approved 2020-2024 Capital Program. Important changes included in this amendment include accelerating support for the first phase of the Park Avenue Viaduct Replacement which now include additional scope for additional segments which had been assumed to be addressed in the future 2025-2029 program. Reductions to the planned locomotive purchase have been made to support other SGR and system expansion needs. The amendment also includes a new \$40 million project to address state of good repair needs on the Port Jervis branch. Budget has been added from the Connecticut Department of Transportation to support administrative assets in Metro-North's program. The amendment also includes several project budget reductions in the Grand Central Terminal element which reflect the timing of investments which are assumed to be advanced in the future 2025-2029 program. The amendment includes other scope, estimate and timing adjustments to Metro-North's program. Finally, the net reduction reflects budget support made available to the Penn Station Access project.

**MTA Expansion Program: \$9.413 billion.** The MTA Expansion program has been altered to reflect additional budget revisions for the Penn Station Access project and to create a new capital program element and projects to support the State of New York's Penn Reconstruction project. These changes increase the MTA Expansion budget by \$697 million.

**Penn Station Access.** The design-build contract was awarded in December 2021 and an amendment to the capital program (Amendment #1) was approved by the Board and CPRB to address the \$921 million initial budgetary needs at award. As a part of this amendment the MTA is adding \$385 million to support the New Rochelle Yard and \$312 million to support initial fleet acquisition needs for Metro-North to support service on this new line. The total increase of \$697 million comes from NYCT, the LIRR and Metro-North.

**Penn Reconstruction.** The State of New York is advancing a new project to address the reconstruction of Penn Station. In this amendment there is a new project to support the general engineering contract award which is anticipated to be awarded in the Fall of 2022. The State of New York will be providing funding to support this award.

Overall budgets for East Side Access, 2<sup>nd</sup> Avenue Subway Phase 2 and Regional Investments remain unchanged.

**CPRB 10% Element Issues.** This amendment also identifies capital program elements that require CPRB approval to advance work in elements where the budget has increased greater than 10% from the last CPRB approved level. Elements are identified in the body of the book. CPRB approval is required to advance work in these elements.

**B&T: \$3.327 billion.** Overall, B&T's budget remains unchanged since the originally approved 2020-24 Capital Program. There have been budget adjustments within the program to reflect the timing of awards, refinement of scope and some new projects. In addition, a project for a shared use bicycle path on the Henry Hudson Bridge is added to this program as well as additional support for rehabilitation of the RFK Bridge's suspended span. The \$503 million budget for the Central Business District Tolling program is broken out from a larger miscellaneous category but remains unchanged since its award in late 2019. B&T's program does not require CPRB approval.

### **Impacts on Funding:**

The funding envelope for the 2020-2024 Capital Program increases by \$108 million to \$55.442 billion. (The program was last amended in December 2021, when the funding increased by \$535 million from \$54.799 billion to \$55.334 billion.)

This increase is due to the \$100 million from the State of New York for initial design efforts supporting the Penn Station Reconstruction effort, as well as an additional \$8 million from the Connecticut Department of Transportation (CDOT) for MNR Administrative Assets.

The most notable funding change is the \$1.7 billion increase to our prior federal formula funding projection, due to the passage of the 2021 Infrastructure Investment and Jobs Act (IIJA). Other funding changes reflect the \$7 million contribution from the City of New York for SIM 23/24 bus purchases, \$63 million from Federal discretionary grants, \$10.5 million in MTA funds transferred from the 2010-2014 Program in exchange for Federal formula funds of equal value, and \$3.3 million in operating-to-capital transfers. In total, these funding changes allow for a \$1.755 billion reduction in the amount of MTA Bonds/PAYGO previously projected for the 2020-2024 Program.

### **Alternatives:**

The amendment is critical to continue renewing, enhancing, and expanding the MTA's network to meet the mobility needs of the region. Pursuant to the Public Authorities Law, program element increases exceeding 10% require CPRB approval. Without CPRB approval of the changes, certain work may not proceed including 4<sup>th</sup> Quarter commitments for SGR and Penn Station Access which require additional funds and/or ten percent adjustments.

### **Recommendation:**

That the MTA Board approve the proposed amendment to the MTA 2020-2024 Capital Program that increases it to \$55.442 billion and authorize the MTA to submit the \$52.116 billion CPRB portion to the CPRB for its review and approval.



# **New York City Transit Procurements**

**Louis Montanti**, MTA Deputy Chief Procurement Officer – Operations

## PROCUREMENTS

The Procurement Agenda this month includes 4 actions for a proposed estimated expenditure of \$238.2M.

<b>Subject</b> Request for Authorization to Award Various Procurements					
<b>Department</b> MTA Procurement					
<b>Department Head Name</b> Kuvershen Ayer					
<b>Department Head Signature</b> <i>Kuvershen Ayer</i>					
<b>Project Manager Name</b> Rose Davis					
<b>Board Action</b>					
<b>Order</b>	<b>To</b>	<b>Date</b>	<b>Approval</b>	<b>Info</b>	<b>Other</b>
1	Committee	7/25/22			
2	Board	7/27/22			

July 21, 2022			
<b>Internal Approvals</b>			
	<b>Approval</b>		<b>Approval</b>
	President NYCT	X	Buses
X	COO	X	Subways
X	Diversity/Civil Rights		
X	Law		

<b>Internal Approvals (cont.)</b>							
<b>Order</b>	<b>Approval</b>	<b>Order</b>	<b>Approval</b>	<b>Order</b>	<b>Approval</b>	<b>Order</b>	<b>Approval</b>

**PURPOSE**

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

**DISCUSSION**

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

Procurements Requiring Two Thirds Vote:

	<u># of</u> <u>Actions</u>	<u>\$ Amount</u>
Schedule A: Noncompetitive Purchases and Public Work Contracts	1	\$ 8.3 M
<b>SUBTOTAL</b>	<b>1</b>	<b>\$ 8.3 M</b>

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

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

Schedules Requiring Majority Vote:

	<u># of</u> <u>Actions</u>	<u>\$ Amount</u>
Schedule H: Modifications to Personal/Miscellaneous Service Contracts	1	\$ 20.0 M
Schedule I: Modifications to Purchase and Public Works Contracts	2	\$ 209.9 M
<b>SUBTOTAL</b>	<b>3</b>	<b>\$ 229.9 M</b>

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

**NYC Transit proposes to award Ratifications in the following categories: None**

**TOTAL            4            \$238.2M**

**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 regarding 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 2022**

**LIST OF NONCOMPETITIVE PROCUREMENTS FOR BOARD APPROVAL**

***Procurements Requiring Two-Thirds Vote:***

**A. Noncompetitive Purchases and Public Work Contracts**

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

- |   |             |                               |
|---|-------------|-------------------------------|
| 1. Nova Bus (USA) Inc.<br>85 Months from Notice of Award<br>B-40693-1 | \$8,275,562 | <i>Staff Summary Attached</i> |
| Furnish and deliver five low-floor all-electric buses.                |             |                               |

## Schedule A: Noncompetitive Purchases and Public Work Contracts

Item Number: 1

<b>Vendor Name (Location)</b> Nova Bus (US) Inc. (Plattsburgh, New York)	<b>Contract Number</b> B40693-1	<b>Renewal?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Description</b> Furnish and Deliver 5 Low-Floor 40-foot All-Electric Buses	<b>Total Amount:</b> \$8,275,562	
<b>Contract Term (including Options, if any)</b> 85 Months from Notice of Award (inclusive of delivery of the buses and provision of warranty support)	<b>Funding Source</b> <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A	<b>Requesting Department:</b> NYC Transit Department of Buses, Frank Annicaro	
<b>Procurement Type</b> <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Noncompetitive		
<b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Noncompetitive		

### Discussion

NYC Transit requests that the Board waive formal competitive bidding pursuant to Public Authorities Law, Section 1209, subdivision 9(d) to test a new source, product, and technology; evaluate the service and reliability of such product; and approve the purchase of five low-floor 40-foot all-electric buses (“AEB”) as well as related items such as spare parts, special tools and equipment, technical documentation, and training from Nova Bus (US) Inc. (“Nova”) in the total estimated amount of \$8,275,562. This contract will be awarded no earlier than 30 days after the Authority declares competitive bidding is impractical or inappropriate.

This procurement is part of a key initiative by the Department of Buses as the MTA develops a long-range plan to transition to a completely zero-emissions bus fleet by year 2040. The operation of these buses will provide the knowledge and experience necessary to prepare for future bus procurements and cultivate competition. NYC Transit’s current bus fleet meets the existing state and federal emissions requirements; however, this purchase will achieve additional reductions in greenhouse gas emissions. AEBs offer zero tailpipe emissions and reductions in noise typically emitted from other bus propulsion systems (e.g., hybrid, diesel, and compressed natural gas). AEB technology also has the potential to lower lifecycle costs compared to fossil-fueled buses. This project would afford NYC Transit valuable experience with significant improvements in battery and electric vehicle technology.

The NYC Transit bus duty cycle is the optimal environment for maximizing the benefits available from an all-electric propulsion system. AEBs utilize an electric motor to power the drivetrain. Electricity is supplied to the motor from a battery pack (the Energy Storage System) that must be charged via an external charging source either in-depot or en route. This propulsion system achieves reductions in total energy usage by reusing energy that is normally wasted in braking (a process referred to as regenerative braking).

A sole/single/unique source notification was advertised in May 2022 for this procurement in the *New York State Contract Reporter* and the *Daily News* pursuant to Section 1209 subdivision 9(b) of the Public Authorities Law.

As part of an extensive outreach to suppliers offering AEB capabilities and infrastructure, Nova was identified as one of the manufacturers capable of supplying heavy duty AEBs for the North American market. The five low-floor 40-foot AEBs in this contract will operate between the Bronx and upper Manhattan and will utilize the in-depot charging stations already installed at Kingsbridge Depot. Since the charging system in these test and evaluation buses will be SAE J1772 compliant, the purchase or lease of charging equipment specific to a bus manufacturer is not required. Charging ports on the curb and street sides of the bus along with roof-mounted contact rails will facilitate charging at terminals, bus depots, maintenance facility, or parking facility outfitted with a high-power charger or overhead pantograph.

The lead bus is scheduled for in-service evaluation starting in October 2023. Delivery of all five buses is anticipated to be completed in April 2024. This contract is subject to review and approval of the Office of the New York State Comptroller and award will not be made prior to this approval.

The total contract award of \$8,275,562 will consist of \$7,155,145 for the five buses (\$1,431,029/bus); \$489,384 for manuals, diagnostic tools, and qualification testing; \$470,481 for an estimated quantity of training; and \$160,552 for capital spares. The final price has been deemed fair and reasonable by NYC Transit's Cost Price Analysis Unit based on both cost and pricing analysis with assistance from MTA Audit Services.

These buses will be outfitted with new features including digital information screens, improved driver visibility, pedestrian turn warning, Wi-Fi, USB charging ports, automatic passenger counters, and new branding.

There is reasonable assurance that Nova is financially qualified to perform this contract. Nova has submitted a Letter of Guarantee from Volvo Investment AB, a wholly owned subsidiary of Nova's ultimate parent, AB Volvo, guaranteeing Nova's performance under this contract.

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.

**Alternatives**

There are no alternatives as not awarding this contract will seriously undermine NYC Transit's fleet plan and its ability to test AEBs.

**Inventory**

There will be an increase in inventory of unique parts associated with this bus that are not common to the existing fleets. Additionally, the contract will include approximately \$160,552 capital spare parts.

**M//W/DBE Information**

The MTA Department of Diversity and Civil Rights (DDCR) has established zero percent MWBE/SDVOB goals on this contract due to lack of subcontracting opportunities and MWBE/SDVOB firms in the marketplace. Similar contracts of this scope and nature are assigned zero goals and is part of the approved NYS Exclusion and Exemption List.

**Impact on Funding**

The contract will be funded with 100 percent MTA funds. Funds for this procurement have been approved in the MTA 2020–2024 Capital Program. WAR certificate will be secured prior to award.

**Recommendation**

To request that the Board declare competitive bidding impractical pursuant to Public Authorities Law, Section 1209, subdivision 9(d) as NYC Transit wishes to test a new source, product, and technology, and evaluate its performance and reliability and approve the purchase of five low-floor 40-foot articulated all-electric buses from Nova in the total estimated amount of \$8,275,562.

**JULY 2022**

**LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL**

**Procurements Requiring Majority Vote:**

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

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

- |                                |                     |                                      |
|--------------------------------|---------------------|--------------------------------------|
| <b>2. WSP USA Incorporated</b> | <b>\$20,000,000</b> | <b><i>Staff Summary Attached</i></b> |
| <b>5 Years</b>                 |                     |                                      |
| <b>6%18405</b>                 |                     |                                      |

Two-year contract extension for worldwide inspection and testing services (November 1, 2022–October 31, 2024).

**I. Modifications to Purchase and Public Work Contracts**

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

- |  |                      |                                      |
|--|----------------------|--------------------------------------|
| <b>3–4.Sprague Operating Resources LLC</b> | <b>\$209,923,366</b> | <b><i>Staff Summary Attached</i></b> |
| <b>7 years</b>                             |                      |                                      |
| <b>06%11051 (NYCT)</b>                     |                      |                                      |
| <b>J131613 (MTABC)</b>                     |                      |                                      |

Exercise of an option to extend the base contract for one year to furnish and deliver ultra-low sulfur diesel No. 2 fuel for NYC Transit and MTA Bus.

**Schedule H: Modifications to Personal Service & Miscellaneous Service Contracts**



**Item Number: 2**

<b>Vendor Name (Location)</b> WSP USA Incorporated (New York, New York)
<b>Description:</b> World-Wide Inspection and Testing
<b>Contract Term (including Options, if any)</b> November 1, 2017–October 31, 2022
<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive
<b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification
<b>Funding Source</b> <input checked="" type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:
<b>Requesting Department:</b> MTA Procurement, Kuvershen Ayer

<b>Contract Number</b> 6%18405	<b>AWO/Mod. #:</b> 3
<b>Original Amount:</b>	\$ 40,145,843
<b>Prior Modifications</b>	\$ 0
<b>Prior Budgetary Increases:</b>	\$ 5,246,974
<b>Current Amount:</b>	\$ 45,392,817
<b>This request:</b>	\$ 20,000,000
<b>% of This Request to Current Amount:</b>	44.1%
<b>% of Modifications (including This Request) to Original Amount:</b>	62.8%

**Discussion:**

This modification is to extend NYC Transit’s contract with WSP USA Incorporated (“WSP”) for worldwide inspection and testing services for a period of two years, from November 1, 2022, through October 31, 2024, in the estimated amount of \$20 million. The base contract, a competitively negotiated estimated quantity contract, was awarded to WSP on July 6, 2017, and went into effect on November 1, 2017, for a period of five years through October 31, 2022, in the total estimated amount of \$40,145,843. To date, there have been two modifications to this contract: AWO 1, the elimination of a 5 percent payment retainage requirement as part of a cost-savings initiative, and AWO 2, a budget adjustment adding \$5,246,974 in funding to the contract. This modification will be the first extension of time to this contract.

Under this contract, WSP provides a worldwide program for the inspection and testing of products and materials such as subway car wheels, rail and critical fasteners (for NYC Transit), and structural steel and concrete (for MTA Construction & Development (“C&D”) and NYC Transit) to ensure that material supplied to the MTA adheres to and is compliant with all product specifications. WSP is engaged at various points of the manufacturing process to confirm metallurgical and or chemical composition will result in compliant product once produced and, postproduction, confirms that material complies with dimensional specifications and tolerances. As part of the program, WSP also determines when laboratory testing of material is required, and reports results-based analysis and advice resulting from the testing.

The program is rigorous, sophisticated, and has been highly successful in both identifying and rejecting substandard material and ensuring that delivered products and materials are compliant with all specifications. As a result, in order to expand best-practices and leverage economies-of-scale, in early 2022 it was determined that this program will be expanded to include the requirements of Long Island Rail Road (“LIRR”) and Metro-North Railroad (“MNR”) in addition to NYC Transit and C&D. Thus, this extension is requested to ensure uninterrupted service while LIRR and MNR’s needs are fully assessed and incorporated into the scope of the renewal contract. As part of the extension, \$20 million of additional funding is required.

Pricing in the base contract consists of firm, fixed rates for the full five-year term of the contract. WSP originally proposed increasing the base contract rates by 8 percent for the extension period. Through discussions, Procurement was able to secure the base contract pricing for the extension period with no increase. As a result, approximately \$1.6 million in cost avoidance will be realized. A market survey validated that no better pricing or contract terms are attainable. The pricing for the extension has been found fair and reasonable.

In connection with a previous contract awarded to the Louis Berger Group, Inc. (“LBG”), LBG was found to be responsible notwithstanding SAI pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the MTA Chairman and Chief Executive Officer in consultation with the MTA General Counsel in November 2015. No new SAI has been found relating to LBG or WSP. WSP has no SAI except that stemming from its acquisition of LBG. WSP has been found responsible.

LBG was acquired by WSP in December 2018 and that acquisition carries with it LBG’s SAI.

The contract resulting from this procurement action 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 contractor to include applicable cybersecurity requirements prior to the exercise of this modification.

**Impact on Funding**

This requirement will utilize Operating funding and Capital-Reimbursed funding.

Schedule I: Modifications to Purchase and Public Work Contracts



Item Number: 3-4

<b>Vendor Name (Location)</b> Sprague Operating Resources, LLC (Portsmouth, New Hampshire)	<table border="1" style="width: 100%;"> <tr> <td style="width: 70%;"><b>Contract Numbers</b></td> <td style="width: 30%;"><b>AWO/Mod. #s</b></td> </tr> <tr> <td>06%11052 (NYCT)</td> <td style="text-align: center;">3</td> </tr> <tr> <td>J131613 (MTABC)</td> <td style="text-align: center;">4</td> </tr> </table>	<b>Contract Numbers</b>	<b>AWO/Mod. #s</b>	06%11052 (NYCT)	3	J131613 (MTABC)	4
<b>Contract Numbers</b>	<b>AWO/Mod. #s</b>						
06%11052 (NYCT)	3						
J131613 (MTABC)	4						
<b>Description:</b> Furnish and Deliver Ultra Low Sulfur Diesel #2 Fuel with Additives for use in buses to NYC Transit and MTA Bus Company Locations	<table border="1" style="width: 100%;"> <tr> <td colspan="2"><b>Original Amount:</b></td> </tr> <tr> <td>NYCT:</td> <td style="text-align: right;">\$ 497,608,586</td> </tr> <tr> <td>MTABC:</td> <td style="text-align: right;">\$ 135,676,159</td> </tr> </table>	<b>Original Amount:</b>		NYCT:	\$ 497,608,586	MTABC:	\$ 135,676,159
<b>Original Amount:</b>							
NYCT:	\$ 497,608,586						
MTABC:	\$ 135,676,159						
<b>Contract Term (including Options, if any)</b>  July 1, 2015–August 31, 2023	<table border="1" style="width: 100%;"> <tr> <td colspan="2"><b>Prior Modifications:</b></td> </tr> <tr> <td>NYCT:</td> <td style="text-align: right;">\$ 40,774</td> </tr> <tr> <td>MTABC:</td> <td style="text-align: right;">\$ 15,308,544</td> </tr> </table>	<b>Prior Modifications:</b>		NYCT:	\$ 40,774	MTABC:	\$ 15,308,544
<b>Prior Modifications:</b>							
NYCT:	\$ 40,774						
MTABC:	\$ 15,308,544						
<b>Option(s) included in Total Amount?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a	<table border="1" style="width: 100%;"> <tr> <td colspan="2"><b>Prior Budgetary Increases</b></td> </tr> <tr> <td></td> <td style="text-align: right;">\$ 0</td> </tr> </table>	<b>Prior Budgetary Increases</b>			\$ 0		
<b>Prior Budgetary Increases</b>							
	\$ 0						
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	<table border="1" style="width: 100%;"> <tr> <td colspan="2"><b>Current Amount:</b></td> </tr> <tr> <td>NYCT:</td> <td style="text-align: right;">\$ 497,649,360</td> </tr> <tr> <td>MTABC:</td> <td style="text-align: right;">\$ 150,984,703</td> </tr> </table>	<b>Current Amount:</b>		NYCT:	\$ 497,649,360	MTABC:	\$ 150,984,703
<b>Current Amount:</b>							
NYCT:	\$ 497,649,360						
MTABC:	\$ 150,984,703						
<b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	<table border="1" style="width: 100%;"> <tr> <td colspan="2"><b>This Request:</b></td> </tr> <tr> <td>NYCT:</td> <td style="text-align: right;">\$ 160,500,243</td> </tr> <tr> <td>MTABC:</td> <td style="text-align: right;">\$ 49,423,123</td> </tr> </table>	<b>This Request:</b>		NYCT:	\$ 160,500,243	MTABC:	\$ 49,423,123
<b>This Request:</b>							
NYCT:	\$ 160,500,243						
MTABC:	\$ 49,423,123						
<b>Funding Source</b>  <input checked="" type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	<table border="1" style="width: 100%;"> <tr> <td colspan="2"><b>% of This Request to Current Amount:</b></td> </tr> <tr> <td>NYCT:</td> <td style="text-align: right;">32.3%</td> </tr> <tr> <td>MTABC:</td> <td style="text-align: right;">32.7%</td> </tr> </table>	<b>% of This Request to Current Amount:</b>		NYCT:	32.3%	MTABC:	32.7%
<b>% of This Request to Current Amount:</b>							
NYCT:	32.3%						
MTABC:	32.7%						
<b>Requesting Department:</b> NYC Transit Department of Buses, MTA Bus Company, Frank Annicaro	<table border="1" style="width: 100%;"> <tr> <td colspan="2"><b>% of Modifications (including This Request) to Original Amount:</b></td> </tr> <tr> <td>NYCT:</td> <td style="text-align: right;">32.3%</td> </tr> <tr> <td>MTABC:</td> <td style="text-align: right;">47.7%</td> </tr> </table>	<b>% of Modifications (including This Request) to Original Amount:</b>		NYCT:	32.3%	MTABC:	47.7%
<b>% of Modifications (including This Request) to Original Amount:</b>							
NYCT:	32.3%						
MTABC:	47.7%						

**Discussion:**

NYC Transit is seeking Board approval to exercise the contract option to extend the term of NYC Transit contract 06%11052 and MTA Bus Company (“MTABC”) contract J131613 with Sprague Operating Resources, LLC (“Sprague”) for one year, from September 1, 2022, to August 31, 2023, to furnish and deliver Ultra Low Sulfur Diesel #2 Fuel (“ULSD”) with Additives for use in buses at NYC Transit and MTABC locations, for the combined estimated total of \$209,923,366 (\$160,500,243 for NYC Transit and \$49,423,123 for MTABC).

Bus fuel represents one of the most critical commodities procured by the MTA, whose quality and availability cannot be compromised. The Department of Buses (“DOB”) of NYC Transit and MTABC together operate approximately 5,000 diesel-powered buses. NYC Transit/MTABC’s fuel specification delineates the chemical characteristics of the fuel as well as cold weather operability parameters. Failure to meet these exacting specifications can impact operability of bus engines as well as adversely affect depot on-site fuel tanks and filtration systems. Under the existing contracts, Sprague delivers approximately 48 million gallons of ULSD annually to 28 locations for DOB and MTABC revenue bus fleets. The fuel contractor is required to (1) remotely monitor depot fuel inventory to ensure that adequate replenishment deliveries are made on a timely basis; (2) maintain a two-week supply of fuel on hand to ensure adequate availability; (3) ensure that the fuel conforms to strict requirements of the bus engine manufacturers, whose warranties mandate fuel specifications including cetane level; (4) provide and blend chemical additives with the fuel for conductivity, lubricity, cetane, and cold weather operability at specific rates, which vary by the season and temperature; and (5) conduct rigorous sampling and testing of fuel to ensure consistency in meeting the technical specifications.

These two contracts, awarded to Sprague as a result of competitive Request for Proposals (“RFP”), were approved by the April 2015 Board with a five-year term (July 1, 2015–June 30, 2020). The per-gallon cost for fuel consists of a floating basis index price plus a fixed differential. The floating basis index price is calculated using the Argus Index for the previous week (effectively, a five-day hedge), and the fixed differential price includes Sprague’s cost for transportation, overhead fees, and profit.

## Schedule I: Modifications to Purchase and Public Work Contracts

Modification 1 to both the NYC Transit and MTABC contracts, awarded in July 2020, extended the terms 26 months (July 1, 2020–August 31, 2022) and aligned the end date with that of MTA fuel contract No. 16043. The modification also included an updated fuel specification, a slight increase to the differential pricing, and a contract option to extend the term for an additional one-year period (September 1, 2022–August 31, 2023), which could be exercised at the sole discretion of NYC Transit and MTABC.

Modification 2, awarded in February 2021, memorialized costs and credits associated with the elimination of detergent additives and other accounting discrepancies in payment of invoices. In May 2022, funding for MTABC was exhausted due to unanticipated increases in fuel costs, and an estimated \$15,300,170 was added via Modification 3 to fund to the contract end on August 31, 2022.

Under this modification, NYC Transit and MTABC will exercise the option contained in Modification 1 to extend the term of the contract for one year. This extension will provide additional time for the completion of the ongoing All-Agency Fuel RFP 15691, a complex procurement of considerable undertaking which for the first time, from a category management standpoint, includes revenue bus fuel alongside the previously consolidated All-Agency fuel spend which includes but is not limited to Heating Oil, Gasoline, Kerosene, Locomotive Diesel, etc., to leverage the MTA’s massive fuel requirements and maximize pricing efficiencies in the marketplace. If a change in supplier(s) occurs as a result of the RFP, this one-year extension would provide additional time to allow for a smooth transition between suppliers and minimize the risk of delivery disruptions to the MTA’s fueling locations. Differential pricing during the option period is at Modification 1 differential rates plus a 5 percent escalation, which was found to be fair and reasonable at the time Modification 1 was awarded. An examination of the Consumer Price Index for All Urban Consumers for the Northeast region indicates that prices generally increased 9.6 percent during the period from May 2020 to May 2022 (roughly, during the 26-month term of Modification 1).

The fuel expenditure for both contracts during the extension period is projected to be approximately \$209,923,366 based on estimated fuel usage and the estimated average cost of fuel at \$4.40/gallon (including differential); \$160,500,243 (36,477,328 gallons at \$4.40/gallon) for NYC Transit and \$49,423,123 (11,232,528 gallons at \$4.40/gallon) for MTABC. Of the \$209,923,366 estimated cost of this modification, 94.43 percent will go directly toward the cost of purchasing fuel, with the remaining 5.57 percent for the per-gallon differential costs.

A background search and review of the documents submitted by Sprague indicated no significant adverse information (“SAI”) within the meaning of the Responsibility Guidelines. The NYC Transit Controller’s Office performed a financial review and finds Sprague to be financially qualified to perform the work during the option period.

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 change order.

### **Impact on Funding**

Funds are available for DOB Operating Budget under NYC Transit Account No. 706202, Program Code 120, and Department 3433 and for MTABC Account No. 706202, Location Code 5223 and Department 5286.



# Bridges and Tunnels

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## Procurement July 2022



# Staff Summary



<b>Subject:</b> Request for Authorization to Award Procurement
<b>Department:</b> Procurement
<b>Department Head Name:</b> Louis Montanti
<b>Department Head Signature:</b>
<b>Project Manager Name:</b> Various

<b>Date:</b> 7/14//2022
<b>Vendor Name:</b>
<b>Contract Number:</b>
<b>Contract Manager Name:</b>
<b>Table of Contents Ref #:</b>

Board Action					
Order	To	Date	Approval	Info	Other
1	President	7/14/2022			
2	MTA B&T Committee	7/25/2022			
3	MTA Board	7/27/2022			

Internal Approvals			
Order	Approval	Order	Approval
	President		<i>[Signature]</i> 7/15/22
	General Counsel & Corporate Secretary		<i>[Signature]</i> 7/15/22
	MTA Deputy Chief Procurement Officer		<i>[Signature]</i> 7/15/22

Internal Approvals (cont.)							
Order	Approval	Order	Approval	Order	Approval	Order	Approval
	Chief Financial Officer		Chief Technology Officer		Chief Health & Safety Officer		Chief EEO Officer
	Chief Security Officer		Chief Maintenance Officer		MTA Office of Civil Rights		

**PURPOSE:**

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

**DISCUSSION:**

MTA B&T proposes to award Non-Competitive procurements in the following categories: None

MTA B&T proposes to award Competitive procurements in the following categories:

<u>Schedules Requiring Majority Vote:</u>	<u># of Actions</u>	<u>\$ Amount</u>
Schedule H: Modifications to Personal Service Contracts and Miscellaneous Service Contracts	1	\$113.4M
<b>SUBTOTAL</b>	<b>1</b>	<b>\$113.4M</b>

MTA B&T presents the following procurement actions for Ratification: None

<b>TOTAL</b>	<b>1</b>	<b>\$113.4M</b>
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**BUDGET IMPACT:**

The purchase/contracts will result in obligating operating funds in the amount listed. Funds are available in the current MTA B&T operating budget for this purpose.

**RECOMMENDATION:**

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

The legal name of MTA Bridges and Tunnels is Triborough Bridge and Tunnel Authority.

**MTA BRIDGES & TUNNELS  
TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY**

**WHEREAS**, in accordance with 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.

11/23/2020

JULY 2022

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

MTA BRIDGES & TUNNELS

Procurements Requiring Majority Vote:

Schedule H: Modifications to Personal Service Contracts and Miscellaneous Service Contracts Awarded  
(Staff Summaries requiring Board approval)

			<u>Staff Summary Attached</u>
1.	Conduent State & Local Solutions, Inc. Contract No. PSC-05-2741	\$113,383,077	1

15 years – Competitive RFP

B&T is seeking Board approval to amend this personal service contract with Conduent State & Local Solutions, Inc. to extend the contract term for seventeen (17) months with supporting funding to provide customer service center services for E-ZPass New York customers.

**Schedule H: Modifications to Personal Service Contracts and Miscellaneous Service Contracts**
**Item Number: 1**

<b>Vendor Name (Location)</b> Conduent State & Local Solutions, Inc (Richardson, Texas)	<b>Contract Number</b> PSC-05-2741	<b>AWO/Modification</b> 17
<b>Description:</b> E-ZPass New York Customer Service Center Services	<b>Original Amount:</b>	\$ 184,000,000
<b>Contract Term (including Options, if any)</b> October 5, 2007–October 4, 2022	<b>Prior Modifications:</b>	\$ 419,768,991
<b>Option(s) included in Total Amount?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a	<b>Prior Budgetary Increases:</b>	0
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	<b>Current Amount:</b>	\$ 603,768,991
<b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	<b>This Request:</b>	\$ 113,383,077
<b>Funding Source</b> <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	<b>% of This Request to Current Amount:</b>	18.8%
<b>Requesting Department:</b> ITS & Tolling, Nichola Angel, VP	<b>% of Modifications (including This Request) to Original Amount:</b>	290%

**Discussion:**

MTA Bridges and Tunnels (“the Authority”) is seeking Board approval to amend Contract PSC-05-2741 with Conduent State & Local Solutions, Inc. (“Conduent”) to add funding in the amount of \$113,383,077 and to extend the duration of the contract for an additional 17 months. This contract was competitively awarded to Conduent in October 2007 in the amount of \$184 million for a duration of 10 years to provide customer service center services for E-ZPass customers.

In October 2007, pursuant to a competitively procured joint solicitation, the Authority, the New York State Thruway Authority (“NYSTA”), and the Port Authority of New York and New Jersey (collectively “NYCSC agencies”) each executed contracts with Conduent to operate a single E-ZPass New York Customer Service Center (“NYCSC”) that would provide services to customers of all NYCSC agencies. The base contract was for a period of 10 years with one three-year option to renew. Currently, the NYCSC manages over 7.7 million active E-ZPass accounts with more than 13 million active tags; processes over one billion toll transactions; collects more than \$4.2 billion in payments; handles nearly 12 million telephone calls, and processes more than one million pieces of correspondence on an annual basis for all three agencies. The Authority accounts for approximately 55 percent of the volume in these categories and collects over \$2.2 billion in payments. Since the Board approved the original contract, 16 amendments have been issued including amendments to add open-road cashless tolling to the contract, exercise an option to extend the contract for a duration of three years, add services to support the Central Business District Tolling Program (“CBDTP”) and extend the duration of the contract for an additional two years to October 4, 2022. This modification is to extend the duration of the contract for an additional 17 months and provide additional funding in the amount of \$113,383,077.

In anticipation of the contract’s expiration, NYSCS agencies participated in a joint competitive Request for Proposals process and awarded three new NYCSC contracts. Although all NYCSC agencies received approval from their respective Boards to enter into the new agreements (the Authority obtained Board approval in May 2021), the NYCSC agencies could not give notice to proceed until NYSTA registered its contracts with the New York State Comptroller’s Office. Conduent, the system contractor, was given formal notice to proceed (“NTP”) in February 2022. After NTP, approximately 24 months are required to complete the transition to the new contracts. Given the complexity of the transition, which includes migrating from the current system to a new proposed system, system development and testing, build-out of new customer service centers, and relocating and hiring new personnel, the Authority is requesting a contract extension for the existing service through February 2024. If the transition is completed earlier, the contract will be terminated. To support a contract through February 2024, the Authority is requesting approval to add funding in the amount of \$113,383,077 to continue NYCSC operations.

**Schedule H: Modifications to Personal Service Contracts and Miscellaneous Service Contracts**

The NYCSC agencies initiated negotiations with Conduent for the requested 17-month extension. As consideration for extending the contract, Conduent agreed to the same prices and terms in the contract. Conduent also agreed to provide an alternate overflow CSC center in the event of a backlog or high call volume at no additional cost to the NYCSC agencies.

The total amount of this modification shall not exceed \$113,383,077. This amount includes \$34,488,547 to support the CBDTP operations for 12 months, \$47,526,892 to operate the E-ZPass programs, \$29,083,360 to support the Tolls by Mail program for 17 months, and \$2,284,278 for transition support to the new CSC contracts. Prices are in accordance with the contract and have been determined fair and reasonable.

The contract is currently being evaluated to determine the necessity and appropriate scope, if any, for cybersecurity requirements, including any requirements under federal, state, and local law or regulation. The Authority is working with the vendor to include applicable cybersecurity requirements prior to issuance of the change order.

**Impact on Funding**

Funding for this modification is available in the Operating Budget.



# MTA Headquarters Procurements

**Kuvershen Ayer**, Chief Procurement Officer – Office of Chief Procurement Officer

## PROCUREMENTS

The Procurement Agenda this month includes 10 actions for a proposed estimated expenditure of \$122.7M.

<b>Subject</b> Request for Authorization to Award Various Procurements					
<b>Department</b> MTA Procurement					
<b>Department Head Name</b> Kuvershen Ayer					
<b>Department Head Signature</b> <i>Kuvershen Ayer</i>					
<b>Project Manager Name</b> Rose Davis					
<b>Board Action</b>					
<b>Order</b>	<b>To</b>	<b>Date</b>	<b>Approval</b>	<b>Info</b>	<b>Other</b>
1	Finance	7/25/22			
2	Board	7/27/22			

July 25, 2022			
<b>Internal Approvals</b>			
	<b>Approval</b>		<b>Approval</b>
	CAO		
	Legal		
	CFO		
	DCFO for contract 000015502-0100 (as delegated)		

<b>Internal Approvals (cont.)</b>							
<b>Order</b>	<b>Approval</b>	<b>Order</b>	<b>Approval</b>	<b>Order</b>	<b>Approval</b>	<b>Order</b>	<b>Approval</b>

<b><u>PURPOSE</u></b>			
To obtain approval of the Board to award various contracts and purchase orders, and to inform the NYC Transit Committee of these procurement actions.			
<b><u>DISCUSSION</u></b>			
<b>MTAHQ proposes to award Noncompetitive procurements in the following categories:</b>			
<u>Procurements Requiring Majority Vote:</u>		<u># of Actions</u>	<u>\$ Amount</u>
Schedule G: Miscellaneous Service Contracts		1	\$ 7.9 M
Schedule H: Modifications to Personal/Miscellaneous Service Contracts		1	\$ 2.7 M
Schedule J: Modifications Miscellaneous Procurement Contracts		2	11.1 M
	<b>SUBTOTAL</b>	4	\$ 21.7 M
<b>MTAHQ proposes to award Competitive procurements in the following categories:</b>			
<u>Schedules Requiring Majority Vote:</u>		<u># of Actions</u>	<u>\$ Amount</u>
Schedule F: Personal Service Contracts		1	\$ 1.6 M
Schedule H: Modifications to Personal/Miscellaneous Service Contracts		1	\$ 8.7 M
Schedule I: Modifications to Purchase and Public Works Contracts		2	\$ 81.7 M
	<b>SUBTOTAL</b>	4	92.0 M
<b>MTAHQ proposes to award Ratifications in the following categories:</b>			
<u>Schedules Requiring Majority Vote:</u>		<u># of Actions</u>	<u>\$ Amount</u>
Schedule K: Ratification of Completed Procurement Actions		2	\$ 9.0 M
	<b>SUBTOTAL</b>	2	\$ 9.0 M
	<b>TOTAL</b>	10	\$ 122.7 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 regarding 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.

**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. **Giro, Inc.** **\$7,922,713** *Staff Summary Attached*  
Six years  
**Contract # 90000000004134**  
Award of a six-year miscellaneous service contract to Giro Inc. to upgrade the existing HASTUS Scheduling System for MTA Bus and NYC Transit.

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

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

2. **KD Analytical LLC** **\$2,707,707** *Staff Summary Attached*  
Four years  
**Contract # 1000076648 AWO 4**  
Modification of a noncompetitive miscellaneous services contract for design, delivery, installation, and initial maintenance service agreements for the expansion of the MTA PROTECT Chemical Detection system into the East Side Access Terminal at Grand Central Terminal and Moynihan Train Hall.

**J. Modification to Miscellaneous Procurement Contracts**

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

3. **Bentley Systems, Inc.** **\$2,314,932** *Staff Summary Attached*  
Six Years  
**Contract # 90000000002257 AWO 2**  
Modification of a miscellaneous procurement contract for the software-as-a-service (SaaS) cloud subscription for the MTA's existing suite of asset management software products, Asset Wise CONNECT Edition ("AWCE"), for one additional year.
4. **Kronos** **\$8,770,992** *Staff Summary Attached*  
5 Years  
**Contract # 90000000002396 AWO 2**  
Add funding to the existing All-Agency Timekeeping System Contract with Kronos, Inc. for continuous software licensing and support, hardware maintenance, depot repair services, and consulting services for all agencies.

## Schedule G: Miscellaneous Service Contracts

Item Number: 1

<b>Vendor Name (Location)</b> Giro, Inc (Montreal, Quebec)	<b>Contract Number</b> 900000000004134	<b>Renewal?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Description</b> Upgrade of HASTUS Scheduling System	<b>Total Estimated Amount:</b> \$7,922,713	
<b>Contract Term (including Options, if any):</b> Six years	<b>Funding Source</b> <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a	<b>Requesting Department:</b> MTA IT, Rafail Portnoy, Chief Technology Officer	
<b>Procurement Type</b> <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Noncompetitive		
<b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole-Source		

### Discussion:

MTA Headquarters seeks approval to award a six-year, noncompetitive miscellaneous service contract to Giro Inc. to upgrade the existing HASTUS Scheduling System in the amount of \$7,922,713.

Since the 1980s, NYC Transit’s Division of Operations Planning has been using HASTUS software to optimize vehicle and crew schedules for bus and subway operations. The software contains powerful algorithms, which have been customized to create efficient cost-saving timetables and schedules to meet the needs of MTA Bus Company (“MTABC”), NYC Transit Department of Buses (“DOB”) and NYC Transit Department of Subways (“DOS”). HASTUS software provides route definition, network mapping, vehicle movements, timetables, crew assignments, rostering, and crew optimization. It currently creates reports and data interface files that are used both internally and by other departments within the MTA, as well as by external developers via General Transit Feed Specification (GTFS) protocols.

Currently, NYC Transit bus schedulers and NYC Transit subway schedulers share the 2014 version of the HASTUS software. MTABC currently uses the 2013 version. These older versions have become challenging to support and do not have the current features and functionalities available in today’s modern technology that are operationally needed. The system has demonstrated to be valuable, and the MTA has implemented several customizations to the software over many years. Switching to a different scheduling software product would be costly and result in a substantial loss of investment of funds and staff hours for the MTA. In addition, transitioning to another product would create significant disruptions to the scheduling activities, and these disruptions would more than offset any benefit gained by replacing the system in its entirety. Upgrading the existing HASTUS software therefore is the most efficient and economical path for the MTA. This HASTUS system is proprietary to Giro, and upgrade services can only be provided by Giro.

HASTUS version 2022 is a significantly improved and more powerful product compared to the current versions, specifically with respect to bus network management, data interface, development capabilities and scheduling. Upgrading to HASTUS 2022 will help eliminate inefficiencies and staff limitations in data and schedule development tasks that involve all groups. Upgrading to the 2022 version of HASTUS will also improve quality control processes that support other systems reliant on scheduled data. These are all operation critical for the MTA.

Upgrade services include: (1) Merging MTABC and DOB installations for bus scheduling into one HASTUS Bus 2022 version; (2) Integrating a new MinBus module for advanced vehicle blocking functionality and facilitate schedule development for electric bus operations. The module’s optimization process considers scheduled activities unique to electric buses, such as vehicle recharging and state-of-charge tracking. Other capabilities include providing more control over the development of interlined schedules and route/depot assignments; and (3) Creating a separate HASTUS Rail 2022 application for subway scheduling. Separating bus and rail HASTUS will make training and teaching easier once additional modifications to further standardize rail nomenclature are implemented. This will allow use of established nomenclature for bus and rail schedules and not a combined generic version for both.

# Staff Summary

Negotiations with Giro yielded a 50 percent reduction from Giro's standard upgrade license fees. The total upgrade cost of \$7,922,713 includes implementation fees for all bus and subway groups totaling \$5,797,255, and three years of maintenance and support in the amount of \$2,125,458. All pricing has been reviewed by MTA Procurement and deemed fair and reasonable.

The projected duration for merging MTABC and DOB modules is estimated to take up to seven months. The DOS upgrade is estimated to take up to 16 months after the bus version goes live. Giro and the MTA Project Team will attempt to perform tasks concurrently wherever possible to reduce implementation timeline. The MTA Project Team will monitor every milestone and approve each planned phase throughout the duration of the entire project.

This contract 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.

## **M/W/DBE Information**

The Department of Diversity and Civil Rights (DDCR) assigned a zero percent goal to this contract due to insufficient availability of MWBE/SVDOB firms. Giro, Inc has not completed MTA contracts with goals; therefore, no assessment of their MWDBE performance is available at this time.

## **Impact on Funding**

Funding is provided through the MTA IT Capital Operating Budget, Account No. 171042, Function No. 87, and Activity No. IMPLEM.

**Schedule H: Modifications to Personal Service & Miscellaneous Service Contracts**
**Item Number: 2**

<b>Vendor Name (Location)</b> KD Analytical LLC (Alexandria, Virginia)
<b>Description:</b> PROTECT Chemical Detection System Maintenance, Support & Related Services
<b>Contract Term (including Options, if any)</b> February 1, 2022–January 31, 2027
<b>Option(s) included in Total Amount?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a
<b>Procurement Type</b> <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Noncompetitive
<b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole-Source
<b>Funding Source</b> <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:
<b>Requesting Department:</b> MTA Office of Safety & Security, Patrick Warren, Chief Safety Officer

<b>Contract Number</b> 1000076648	<b>AWO/Mod. #</b> 4
<b>Original Amount:</b>	\$ 1,975,000
<b>Prior Modifications:</b>	\$ 7,746,077
<b>Current Amount:</b>	\$ 9,271,077
<b>This Request:</b>	2,707,707
<b>% of This Request to Current Amount:</b>	29.2%
<b>% of Modifications (including This Request) to Original Amount:</b>	529.3%

**Discussion:**

MTA Headquarters is seeking Board approval to modify a noncompetitive miscellaneous services contract with KD Analytical, LLC. (“KD”) for, delivery, installation, and maintenance of the MTA PROTECT Chemical Detection system to the Grand Central Madison Terminal (“GCM”) and Moynihan Train Hall (“Moynihan”), adjacent to Penn Station, at the estimated cost of \$2,707,707.

PROTECT, the MTA’s advanced chemical detection system, is an early warning and crisis management system used to detect chemical warfare agents, toxic industrial chemicals, and an array of other airborne chemicals. Currently utilized in GCT and Penn Station, the PROTECT system is continually updated in conjunction with the Department of Homeland Security (“DHS”) and has served as a benchmark for DHS research and development programs. Continuing the currently established maintenance programs is critical as the effectiveness of this chemical detection system is reliant upon the PROTECT system operating in its optimal state.

In 2012, KD performed upgrade services to replace the previously installed (2004) sensor sets and has since performed the preventative and general maintenance on both the sensors and the software on this homeland security program. The system is designed for the safety of the millions of passengers and is a central communication hub for responders in the event of a chemical-related event. Under this agreement, KD provides preventive maintenance that covers all aspects of operational maintenance to ensure the system’s state of good repair, including regularly scheduled system reviews to demonstrate the system’s availability level to be at or above 98.5 percent. The mean time between failure of each major component, including but not limited to detectors, video cameras, recorders, network equipment, and servers, shall remain within the manufacturer-specific parameter. The MTA requires a minimum of two onsite maintenance visits per month to be conducted by a pre-approved technician at each equipment location. KD also performs routine and emergency maintenance of all aspects of the detection system.

In December 2016, the Board approved a contract negotiated for a three-year period at a cost of \$1,975,000 (\$600,000 for 2017; \$725,000 for 2018; and \$650,000 for 2019). Change Orders were added to extend services through year 2022, totaling \$1,580,915 (\$787,547 for 2020; and \$793,368 for 2021).

In November 2021, the MTA Board approved a change order request to extend maintenance services for five additional years: a three-year base with two additional one-year options. The PROTECT System is proprietary to KD Analytical, the only authorized service provider for the necessary maintenance, support, and related services.

**Schedule H: Modifications to Personal Service & Miscellaneous Service Contracts**

This request in the amount of \$2.7 million is for the delivery, installation, and maintenance to expand the MTA PROTECT Chemical Detection system into the GCM and Moynihan adjacent to Penn Station includes (1) an equipment cost of \$2,076,154, and (2) maintenance for \$631,553. All unit pricing negotiated and approved by the Board in 2016 were within the unit rates established under an existing Federal General Services Administration contract and shall remain fixed and firm throughout the duration of the extension period. The established pricing schedule's customized pricing allows for increasing amounts of repair parts needed for the sensors for the new locations. The MTA Office of Security and MTA Procurement reviewed all established pricing and terms, which have been deemed fair and reasonable.

This contract 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.

**Impact on Funding**

This modification for \$2,707,707 is funded by the Federal Emergency Management Agency Transit Security Grant Program.

**Schedule J: Modifications to Miscellaneous Procurement Contracts**



**Item Number: 3**

<b>Vendor Name (Location)</b> Bentley Systems Inc. (Exton, Pennsylvania)
<b>Description</b> Bentley AssetWise SaaS Software
<b>Contract Term (including Options, if any)</b>
<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a
<b>Procurement Type</b> <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Noncompetitive
<b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification
<b>Funding Source</b> <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:
<b>Requesting Department:</b> MTA Enterprise Asset Management, Allison C. de Cerreno, DCOO MTA IT, Rafail Portnoy, Chief Technology Officer

<b>Contract Number</b> 90000000002257	<b>AWO/Mod. #</b> 2
<b>Original Amount:</b>	\$ 3,458,564
<b>Prior Modifications:</b>	\$ 4,616,606
<b>Prior Budgetary Increases:</b>	\$ 0
<b>Current Amount:</b>	\$ 8,075,170
<b>This Request:</b>	\$ 2,314,932
<b>% of This Request to Current Amount:</b>	28.7%
<b>% of Modifications (including This Request) to Original Amount:</b>	200.4%

**Discussion:**

MTA Headquarters is seeking Board approval to extend the contract with Bentley Systems Inc. (“Bentley”) for one additional year of software-as-a-service (“SaaS”) cloud subscription of MTA’s existing asset management software. This contract extension covers October 2022 through September 2023, in the not-to-exceed amount of \$2,314,932.

In 2016, the MTA Board approved the implementation of an enterprise-wide asset management system (“EAM”) for all MTA agencies. This resulted in the acquisition of a Bentley asset management software, AssetWise Connect (“AWCE”), which provides analytic tools that automate tracking and monitoring of MTA assets including, but not limited to rolling stock, track and signal equipment, and turnstiles. AWCE interfaces with and supplements MTA’s current all-agency EAM system and runs algorithms that forecast mean time between failures, repair and replacement schedules, and asset life cycles.

In 2019, MTA migrated its AWCE products from on-premises licenses to the SaaS cloud hosting platform. SaaS cloud products better support agency-wide EAM projects because they leverage high-capacity networks and storage capabilities, allowing MTA applications to run faster and with improved reliability. Migrating to SaaS also provides the MTA instant access to the latest, most up-to-date software version. Also in 2019, the MTA Board approved continued SaaS subscription services with Bentley’s AWCE software through September 2022, totaling \$4,616,606.

At this time, a one-year contract extension is requested to allow sufficient time to establish a more all-comprehensive, longer-term agreement for all Bentley products used within all MTA agencies. Under this contract extension, Bentley will maintain its current 21 percent discount rate below their standard SaaS fees. MTA’s SaaS fees have remained consistent since 2019 and have been previously approved by the MTA Board. All pricing, terms, and conditions have been deemed fair and reasonable.

This contract 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 received an executed Certification under Executive Order No. 16 (“EO 16”) from Bentley, which revealed that Bentley conducts business operations in Russia within the meaning of Executive Order No. 16. On July 20, 2022, the MTA Assistant Deputy Chief Procurement Officer determined that (1) Bentley has made good faith efforts to limit its business operations in Russia, and (2) Bentley’s remaining operations are not contributing in a significant way to the unjustified war in Ukraine by Russia.

**Impact on Funding**

Funding is provided through the MTAIT Operating budget, Account No. 711557 and Function No. 61.

**Schedule J: Modifications to Miscellaneous Procurement Contracts**



**Item Number: 4**

<b>Vendor Name (Location)</b> Kronos, Inc. (Chelmsford, Massachusetts)	
<b>Description</b> Kronos Timekeeping System, Hardware, Software, Training and Consulting	
<b>Contract Term (including Options, if any)</b> March 01, 2018–February 28, 2023	
<b>Option(s) included in Total Amount?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a	
<b>Procurement Type</b> <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Noncompetitive	
<b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole Source	
<b>Funding Source</b> <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
<b>Requesting Department:</b> MTA IT, Rafail Portnoy, Chief Technology Officer	

<b>Contract Number</b> 900000000002396	<b>AWO/Mod. #</b> 7
<b>Original Amount:</b>	\$ 16,783,066
<b>Prior Modifications:</b>	\$ 20,000,000
<b>Prior Budgetary Increases:</b>	\$ 2,120,648
<b>Current Amount:</b>	38,903,714
<b>This Request:</b>	\$ 8,770,992
<b>% of This Request to Current Amount:</b>	22.5%
<b>% of Modifications (including This Request) to Original Amount:</b>	184.1%

**Discussion**

MTAHQ is seeking Board approval to add necessary funding to the previously Board-approved All-Agency Timekeeping System Contract with Kronos, Inc. (“Kronos”) to provide one-year of continued maintenance and replacement of hardware, software licensing and support, firmware upgrade and professional services. The additional funding necessary for these critical timekeeping services for the additional one (1) year totals \$8,770,992.04 and will cover services through and including August 30, 2023.

**Background**

In January 2018, the MTA Board approved the award of a five-year \$16.7 million, non-competitive All-Agency contract to Kronos to manage timekeeping for approximately 26,000 MTA employees. Under that contract, Kronos provides timeclocks, software, biometric hardware attachments and Wi-Fi kits, as well as professional services and staff training for the MTA agencies. The contract also provides for services related to the migration of all agencies on premise Kronos systems to the Kronos Cloud Hosting environment as well as upgrades to the latest firmware versions, patches, database management, application monitoring, and disaster recovery.

In July 2019, to improve visibility and transparency, business rules and internal processes and to eliminate opportunities for fraud and abuse, the MTA Board approved a contract modification (Modification No. 1) in the amount of \$20 million for the expansion of the biometric time and attendance system to 55,000 employees.

Since the award of the contract, in addition to the one modification, there were five (5) budgetary increases. These budgetary increases were mainly due to expansion of program over the years, which was not originally forecasted. The five budgetary increases were in the amount of \$2,120,648 which covered: (i) Kronos Touch ID Biometric Kits for \$75,735.32, (ii) Hardware maintenance renewal of 3,399 Kronos clocks for \$988,000, (iii) additional funds for SaaS (2021) for \$855,077.79, (iv) Consulting services (a resource contract extension) for \$180,374.73, and (v) Professional Services for PGP Encryption for \$21,460.

**Current Proposed Modification**

This requested modification in the amount of \$8,770,992.04 million would cover the annual costs necessary to enable MTA to continue the Kronos services to operate its timekeeping functions for all employees through August 30, 2023 as follows: (i) hosting and licensing for Software as a Service for \$5.7 million, (ii) new hardware for \$500,500, (iii) clock maintenance for \$1 million, and (iv) associated professional services for \$1.5 million including but not limited to disaster recovery enhancements (\$350,000), expansion of file encryption (\$150,000), continued support for reconciliation (\$250,000), removal of second time card (\$250,000) and other as-needed professional services (\$500,000), which professional services are subject to change based on MTA’s needs. Kronos will continue to provide MTA a discount of 40% lower than manufacturer list price on SaaS licenses and 40% discount on all hardware purchases. In addition, MTA is currently in the process of negotiating price and other concessions. Based on this, MTAHQ Procurement finds Kronos’ price to be fair and reasonable.

**Cybersecurity**

On December 11, 2021, Kronos detected unusual activity in its KPC (Kronos Private Cloud) environment and determined that the KPC environment had suffered a cybersecurity attack. This incident (the “Security Incident”) was later confirmed to be a ransomware attack, which impacted more than 2,000 of their corporate and public sector clients worldwide. MTA IT’s cybersecurity team immediately isolated Kronos’ cloud environment from MTA systems, disabled relevant accounts, and disabled virtual private network site-to-site connections between the MTA and Kronos KPC, among other actions. In parallel with the steps taken by MTA IT to contain and investigate the Security Incident, Kronos advised that they undertook extensive efforts to ensure that their systems were fully rebuilt and brought back online safely.

In response to the cybersecurity attack, out of an abundance of caution, MTA arranged for Kronos to provide, and has provided, all MTA employees access to 24 months of credit monitoring and identity theft protection services. Additionally, MTA negotiated \$1.6 million in credits related to the Security Incident. Those Kronos credits include (i) \$1.3 million for SaaS (December 2021 – February 2022), and (ii) consulting services in the amount of \$180K.

Support for the reconciliation of timekeeping data between Kronos and PeopleSoft for all MTA agencies and MTAHQ will also continue through this fall at no cost to MTA.

The change order has been evaluated by MTA to determine the necessity and appropriate scope, if any, of any additional cybersecurity requirements, including any requirements under federal, state and local law and regulations. MTA is working closely with Kronos to include additional applicable cybersecurity requirements that MTA deems necessary and appropriate prior to issuance of the change order for the extension. Kronos is working with the MTA cybersecurity team to ensure full compliance to MTA’s cybersecurity requirements and has hired a well-established third-party cybersecurity firm to conduct an independent validation of system hardening measures and penetration testing of the KPC environment.

**Impact on Funding**

Funding is provided by the MTA Information Technology Operating Budget.

**JULY 2022**

**LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL**

**Procurements Requiring Majority Vote:**

**F. Personal Service Contracts**

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

- |    |   |                    |                               |
|----|---|--------------------|-------------------------------|
| 5. | <b>Oliver Wyman</b><br>Three-year base plus two 1-year options<br><b>Contract # 15744-0100</b>  | <b>\$1,560,000</b> | <i>Staff Summary Attached</i> |
|    | Award of a competitively negotiated personal services contract for actuarial and risk management consulting services in connection with the self-insured programs of MTA Agencies and programs insured through First Mutual Transportation Assurance Company (FMTAC). |                    |                               |

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

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

- |    |  |                    |                               |
|----|--|--------------------|-------------------------------|
| 6. | <b>WSP USA Inc.</b><br>One year<br><b>Contract # 15099-0300 AWO 5</b>  | <b>\$8,725,000</b> | <i>Staff Summary Attached</i> |
|    | Approval to increase the aggregate amount of the Transportation Planning and Research panel contract by the not-to-exceed amount of \$8,725,000. |                    |                               |

**I. Modifications to Purchase and Public Work Contracts**

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

- |    |   |                     |                               |
|----|---|---------------------|-------------------------------|
| 7. | <b>Quality and Assurance Technology Corp.</b><br>3 years<br><b>Contract# 105107-90000000002860 AWO 7</b>  | <b>\$20,230,000</b> | <i>Staff Summary Attached</i> |
|    | Modification to add funding and a three-year extension of time to the existing Dell Hardware purchase contract to furnish and deliver the Dell PCs, laptops, thin clients, and accessories on an as-needed basis. |                     |                               |
| 8. | <b>Sprague Operating Resources, LLC</b><br>5 years<br><b>Contract # 16043-0000 AWO 10</b>   | <b>\$61,500,000</b> | <i>Staff Summary Attached</i> |
|    | Modification to the All-Agency contract to provide transportation and heating fuels, and related services for MTA's operating agencies.   |                     |                               |

# Staff Summary

<b>Item Number</b>				<b>SUMMARY INFORMATION</b>	
<b>Department:</b> MTA Procurement, Kuvershen Ayer				<b>Vendor Name</b> Oliver Wyman	<b>Contract No.</b> 15744-0100
<b>Internal Approvals</b>				<b>Description</b> Actuarial and Risk Management Consulting Services	
<b>Order</b>	<b>Approval</b>	<b>Order</b>	<b>Approval</b>	<b>Total Amount:</b> \$1,560,000	
1		6		<b>Contract Term (including Options, if any)</b> Three-year base plus two 1-year options	
2				<b>Option(s) included in Total Amount?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
3				<b>Renewal?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
4				<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	
5				<b>Solicitation Type</b> <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
				<b>Funding Source</b> <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

### Purpose:

To obtain Board approval to award a competitively negotiated personal services contract to Oliver Wyman Actuarial Consulting, Inc. (“Oliver Wyman”) for provision of actuarial and risk management consulting services in connection with the self-insured programs of MTA Agencies and programs insured through First Mutual Transportation Assurance Company (“FMTAC”), MTA’s wholly owned captive insurance company. The contract will be for a term of three (3) years with two one-year renewal options from August 1, 2022, to July 31, 2027, at a total cost not to exceed \$1.56 million.

### Discussion:

The MTA Risk and Insurance Management Department (“MTA RIM”) is responsible for the administration of FMTAC. As part of this obligation, MTA RIM is required to produce an independent financial risk of loss report annually to determine the best financial structure of the insurance programs held within the captive to ensure continued financial stability and ability to meet present and expected future obligations (Article 70, Section 7003c of New York Insurance Law). As in the past, the actuarial firm will provide the detailed year-end loss reserve analysis needed by all MTA agencies to meet their financial accounting obligations under Governmental Accounting Standards Board (“GASB”) Regulation No. 10. In addition, MTA RIM is responsible for analyzing the need for either the proper placement of third-party insurance or the establishment of risk financing arrangements for each of the operating agencies. This requires periodic actuarial analysis and/or audit capabilities beyond the usual recurring tasks stated above. Oliver Wyman will perform the following services: loss reserve analysis as required under GASB Regulation No. 10, along with projection of cash payouts; actuarial analysis and statement of actuarial opinion for the FMTAC; and general consulting and optional actuarial services as directed by the MTA’s project manager.

MTA’s current contract with Oliver Wyman for actuarial and risk management consulting services will expire on July 31, 2022. To continue these essential services, a competitive Request for Proposals (“RFP”) was publicly advertised, and letters informing potential proposers of the availability of the RFP package were emailed to 48 firms. Proposals were received from two firms: Milliman Inc. (“Milliman”) and the incumbent Oliver Wyman. The RFP evaluation criteria included the experience of the firms and the proposed staff, the proposer’s design and implementation approach, and the proposed cost of services.

A selection committee comprised of representatives of MTA’s Risk and Insurance Management, Controller’s office, and Metro-North Railroad evaluated the proposals and recommended that MTA Procurement negotiate with both proposers. Both proposers gave oral presentations.

# Staff Summary

Both proposers were deemed technically qualified to perform the services and were, thereafter, were invited to submit best and final offers (“BAFOs”). Following submission of BAFOs, the committee reviewed the BAFOs and determined that Oliver Wyman’s proposal presented the best overall value to the MTA based upon the RFP criteria.

Oliver Wyman’s cost for the five-year term totaled \$1.73 million. As a result of MTA’s negotiations with Oliver Wyman, the overall cost of the services was reduced to \$1.56 million. Millman submitted its proposal for the five-year cost in the amount of \$1.79 million. As a result of negotiation, Millman reduced its cost to \$1.73 million. A review of Oliver Wyman’s fixed costs and fully loaded rates show that their rates are 9 percent lower than those submitted by Millman and will remain firm for the duration of the contract. Accordingly, Oliver Wyman’s price was deemed fair and reasonable.

## **Cybersecurity**

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 Department of Diversity and Civil Rights (DDCR) assigned a zero percent goal to this contract due to the lack of subcontracting opportunities. Oliver Wyman has not completed MTA contracts with goals; therefore, no assessment of their MWDBE performance is available at this time.

## **EO 16**

Oliver Wyman has certified that it does not conduct business operations in Russia within the meaning of Executive Order No. 16.

## **Impact on Funding**

The total not-to-exceed cost of \$1.56 million for the five-year contract will be funded through the Risk and Insurance Management Department.

## **Alternatives**

Do not contract actuarial consulting services: Not recommended. Failure to obtain these services would result in violation of State Department of Financial Services regulations, would undermine the financial stability of FMTAC, and would result in unacceptable risks and consequences.

Perform services in-house: Not feasible. MTA does not have staff with the specialized expertise, experience, and independence that these services require.

## **Recommendation**

Award a competitively negotiated personal services contract to Oliver Wyman for provision of actuarial and risk management consulting services in connection with the self-insured programs of MTA Agencies and programs insured through FMTAC.

**Schedule H: Modifications to Personal Service & Miscellaneous Service Contracts**

**Item Number: 6**

<b>Vendor Name (Location)</b> WSP USA, Inc. (New York, New York)
<b>Description:</b> Transportation Planning Research Services
<b>Contract Term (including Options, if any)</b> December 1, 2015–December 31, 2023
<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive
<b>Solicitation Type</b> <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: Modification
<b>Funding Source</b> <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:
<b>Requesting Department:</b> Special Projects Development & Planning

<b>Contract Number</b> 15099-0300	<b>AWO/Mod. #</b> 5
<b>Original Amount:</b>	\$ 20,000,000
<b>Prior Modifications:</b>	\$ 17,400,000
<b>Current Amount:</b>	\$ 37,400,000
<b>This Request:</b>	\$8,725,000
<b>% of This Request to Current Amount:</b>	23.3%
<b>% of Modifications (including This Request) to Original Amount:</b>	130.6%

**Discussion:**

MTA Headquarters is seeking Board approval to increase the aggregate amount of the Transportation Planning and Research contract by the not-to-exceed amount of \$8.725 million. In December 2015, pursuant to a competitive miscellaneous services Request for Proposals (“RFP”), the Board approved six firms to participate on a panel to perform different tasks under the Contract in the amount of \$20 million. The proposed increase will be used to engage the services of one of the approved firms, WSP USA, Inc. (“WSP”), to complete the environmental documentation for the Central Business District Tolling Program Environmental review (“CBDTP”).

Under this contract, individual projects are assigned to firm(s) utilizing a competitive mini-RFP process among the panelists. Additional funding for this contract was approved by the Board in April 2019 in the amount of \$17.4 million, resulting in the total not-to-exceed amount of \$37.4 million. To date, a total of 19 work assignments have been issued to five of the firms under the contract, totaling approximately \$37.3 million associated with the NYC Transit Fast Forward Plan; planning studies and related work supporting the development of MTA’s Capital Program; COVID recovery; and work related to the CBDTP environmental review.

Additional funding is needed to complete the environmental documentation for CBDTP, as required by the Federal Highway Administration under the National Environmental Policy Act (“NEPA”). The requested increase will be used to finalize the Environmental Assessment, prepare additional outreach materials and activities, develop the final documentation, and perform any additional analyses required. These tasks cannot be delayed as they are critical to completing the federal environmental review process under NEPA for CBDTP.

WSP was initially awarded the CBDTP services on a competitive basis, whereby WSP was determined to offer the best value to the MTA. The fully loaded rates inclusive of direct and indirect costs, excluding expenses for WSP, range from \$87/hour for a planner to \$347/hour for a senior engineering manager. Such rates, negotiated with WSP in 2015, will remain in effect without any modification or increase. These rates are deemed fair and reasonable.

In connection with a previous contract awarded to the Louis Berger Group, Inc. (“LBG”), LBG was found to be responsible notwithstanding SAI pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the MTA Chairman and Chief Executive Officer in consultation with the MTA General Counsel in November 2015. No new SAI has been found relating to LBG or WSP. WSP has no SAI except that stemming from its acquisition of LBG. WSP has been found responsible.

LBG was acquired by WSP in December 2018 and that acquisition carries with it LBG’s SAI.

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 changer order.

**Impact on Funding**

Funding for this contract will come from the Central Business District Tolling Program Capital Budget.

**Schedule I: Modifications to Purchase and Public Work Contracts**



**Item Number: 7**

<b>Vendor Name (Location)</b> Quality and Assurance Technology Corp. (New York, New York)
<b>Description</b> All-Agency As-Needed Purchase of Dell Hardware (PCs, Laptops, Thin Clients, and Accessories)
<b>Contract Term (including Options, if any)</b> October 23, 2018–July 10, 2025
<b>Option(s) included in Total Amount?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive
<b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification
<b>Funding Source</b> <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:
<b>Requesting Department:</b> MTA-IT, Rafail Portnoy, Chief Technology Officer

<b>Contract Number</b> 900000000002860	<b>AWO/Mod. #</b> 7
<b>Original Amount:</b>	\$ 16,106,896
<b>Prior Modifications:</b>	\$ 0
<b>Prior Budgetary Increases:</b>	\$ 1,332,698
<b>Current Amount:</b>	\$ 17,439,594
<b>This Request:</b>	\$ 20,230,000
<b>% of This Request to Current Amount:</b>	116.0%
<b>% of Modifications (including This Request) to Original Amount:</b>	133.9%

**Discussion:**

MTAHQ is seeking Board approval to extend the current contract with Quality and Assurance Technology Corp. (“QnA”) to furnish and deliver the Dell PCs, laptops, and related accessories to the MTA on an as-need basis for a three-year period and add funding in the amount of \$20,230,000 to purchase additional desktop and laptop computers and related accessories during the extension period. This modification will continue to provide the same favorable price discount structure and benefit to the MTA.

In May 2016, the MTA Board approved a competitively negotiated contract to Dell Marketing L.P. (“Dell”) to provide standard hardware equipment such as PCs, laptops, and accessories for all MTA Agencies. In October 2018, MTA Department of Diversity and Civil Rights held several meetings with Dell to review the 15 percent diversity goals requirements set forth in this contract. Based on these discussions, the Dell contract was assigned to QnA, a Minority Business Enterprise (MBE This resulted in full value assignment of the contract to a Minority Business.

Under this contract, QnA (1) furnishes and delivers various Dell hardware equipment such as PCs, laptops, thin clients, monitors, and accessories for all MTA Agencies on as-needed basis; and (2) provides asset tagging, asset reporting, warehousing, and imaging services for MTA IT Asset Management group. This contract has undergone six modifications totaling \$1.3M. Modification 1 was to update equipment listing to support Windows 10ENT+Office 2016 and to add asset tagging, asset reporting, and imaging services. Modifications 2 and 3 were to exercise the first and second option years that extended the contract through July 2021. Modification 4 added funds in the amount of \$582,698 to accommodate additional purchases of laptops and thin clients for remote work during the pandemic. Modification 5 extended the contract through July 2022, and Modification 6 added funds in the amount of \$750,000 to cover expenditures through July 2022.

For this modification, the estimated funding of \$20,230,000 will cover the expected life replacement of 10,000 standard desktops (\$11,896,500); replacement of 5,000 standard laptops (\$5,694,800) that were purchased during the pandemic to support the staff working remotely; and various peripherals and accessories (\$2,638,700). During the three-year extension period, QnA will continue to provide the same discounts that were originally negotiated in 2016 with Dell, which include an average discount of 63 percent on the manufacturer’s published list price for PCs and laptops, and 50 percent on accessories. The pricing in this contract is 40 to 50 percent lower than the pricing and discounts offered under New York State and City contracts. QnA also provides warehousing and reporting services at no additional cost to the MTA. Based on this, MTAHQ Procurement finds QnA’s price to be fair and reasonable.

MTA IT and Procurement departments reviewed the contract terms and pricing and have deemed them fair and reasonable. Due to recent market changes, such as increased manufacturing costs and semiconductor chip shortages, conducting a new procurement solicitation at this time would likely not yield better pricing and terms than those set forth in the current contract. During year two of the three-year extension period, a new market assessment will be conducted to ensure that the MTA achieves optimal pricing and terms for its IT hardware requirements. 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 changer order.

**Impact on Funding**

Funding is provided by the MTA-IT Operating Budget.

**Schedule I: Modifications to Purchase and Public Work Contracts**



**Item Number: 8**

<b>Vendor Name (Location)</b> Sprague Operating Resources, LLC (Portsmouth, New Hampshire)	
<b>Description</b> Supply and Delivery of Transportation and Heating Fuels and Related Services	
<b>Contract Term (including Options, if any)</b> September 1, 2017–August 31, 2022	
<b>Option(s) included in Total Amount?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a	
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	
<b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	
<b>Funding Source</b> <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
<b>Requesting Department:</b> MTA Procurement, Kuvershen Ayer, Chief Procurement Officer	

<b>Contract Number</b>	<b>AWO/Mod. #</b>
16043-0000	10
<b>Original Amount:</b>	\$ 224,998,670
<b>Prior Modifications:</b>	\$ 614,985
<b>Prior Budgetary Increases:</b>	\$ 0
<b>Current Amount:</b>	\$ 225,613,656
<b>This Request:</b>	\$ 61,500,000
<b>% of This Request to Current Amount:</b>	27.3%
<b>% of Modifications (including This Request) to Original Amount:</b>	27.6%

**Discussion:**

MTA Headquarters is seeking Board approval for a modification to the competitively negotiated, five-year estimated quantity All-Agency contract approved by the Board and awarded to Sprague Operating Resources, LLC (“Sprague”) in September of 2017 to provide transportation and heating fuels, and related services for MTA’s operating agencies. This modification, in the amount of \$61.5 million is needed to extend the contract (expiring August 31, 2022) by four months.

Under this contract, Sprague supplies and delivers bulk gasoline and diesel fuels for transportation (e.g., nonrevenue vehicles and diesel locomotives, kerosene for winter deicing purposes, biodiesel heating fuel, or “Commodities”), as well as related services such as fleet card programs and fuel tank maintenance to MTA’s operating agencies (“Services”). During the extension period, Sprague will continue to provide these Services at the current pricing under the contract, for an estimated cost of \$61.5 million.

MTA Procurement developed a consolidated Request for Proposal (“RFP”) that for the first time includes revenue bus fuel alongside the previous consolidated All-Agency spend to leverage the MTA’s massive fuel requirements and maximize pricing efficiencies in the marketplace using a Category Management approach. This RFP was issued in February of 2022. Multiple proposals have been received, demonstrating stronger competition than in the past. The Selection Committee requires additional time to review and score all proposals submitted and make recommendations for award. This contract extension is needed to ensure that Sprague will continue to provide these critical Commodities and Services without interruption.

The per gallon cost for fuel consists of a floating basis index price, which is calculated using the Argus Index for the previous week for each fuel product/blend under the contract, and a fixed differential price that includes Sprague’s cost of transportation, overhead fees, and profit. Sprague submitted its initial proposal for this four-month extension with escalations in pricing across all products and services under the contract. Negotiations therefore focused almost entirely on the fixed differential price for each fuel product/blend and unit price for related services. As the result of negotiations, Procurement was able to maintain the current contract pricing without any escalation for the term of the extension, resulting in an estimated cost savings of \$659,978 compared to Sprague’s initial cost proposal.

It is estimated that \$61.5 million is needed for this four-month extension based on recent volume estimates provided by MTA’s participating operating agencies and departments and current fuel costs, which have increased substantially since the contract’s execution in September 2017. Of this amount, 90.53 percent will go directly toward the cost of purchasing fuel, with the remaining 9.47 percent for the per gallon differential costs and related services portions of the contract. For these reasons, the pricing for this four-month extension is considered fair and reasonable.

The contract resulting from the original 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 change order.

**Alternatives**

Solicit for fuel and fuel services on an iterative, as-needed basis: This option is not feasible due to the frequency with which fuel is needed.

**Impact on Funding**

The participating agencies use their various assigned operating accounts and funding.

**JUNE 2022**

**LIST OF RATIFICATIONS FOR BOARD APPROVAL**

**Procurements Requiring Majority Vote:**

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

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

- |  |                               |                                      |
|--|-------------------------------|--------------------------------------|
| <b>9. Goldman Sachs &amp; Co., LLC</b><br><b>18 months</b><br><b>Contract# 0000015502-0100</b>   | <b>\$4,000,000 (estimate)</b> | <b><i>Staff Summary Attached</i></b> |
| Modification to a competitively awarded contract for financial advisory services in support of a Public Private Partnership procurement through the Rapid Station Accessibility Upgrade Program. |                               |                                      |
| <b>10. Skae Power Solutions LLC</b><br><b>3 years</b><br><b>Contract# 900000000004072</b>  | <b>\$5,000,000 (estimate)</b> | <b><i>Staff Summary Attached</i></b> |
| Ratification of the award of a noncompetitive personal services contract to provide engineering analysis at various MTA critical facilities throughout the New York Metro area.                  |                               |                                      |

## Schedule K: Ratification of Completed Procurement Actions

Item Number: 9

<b>Vendor Name (Location)</b> Goldman Sachs & Co. LLC (New York, New York)	
<b>Description</b> Financial Advisory Services for Alternative Delivery	
<b>Contract Term (including Options, if any)</b> February 25, 2020–July 1, 2023	
<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a	
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	
<b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
<b>Funding Source</b> <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
<b>Requesting Department:</b> MTA C&D Development, Tim Mulligan	

<b>Contract Number</b> 0000015502-0100	<b>AWO</b> 1
<b>Original Amount:</b>	\$ 400,000
<b>Prior Modifications:</b>	\$ 0
<b>Prior Budgetary Increases:</b>	\$ 0
<b>Current Amount:</b>	\$ 400,000
<b>This Request:</b>	\$ 4,000,000
<b>% of This Request to Current Amount:</b>	1,000.0%
<b>% of Modifications (including This Request) to Original Amount:</b>	1,000.0%

### Discussion

Board approval is requested for a retroactive change order to a competitively awarded contract to Goldman Sachs & Co. LLC (“Goldman Sachs”) for an additional not-to-exceed amount of \$4 million resulting in a total contract value of \$4.4 million. Goldman Sachs was initially awarded Phase 1 to provide financial advisory services for Alternative Delivery for the not-to-exceed maximum amount of \$400,000 having received the highest technical score and proposing the lowest cost relative to competitors. The goals of using Alternative Delivery include time and schedule savings, risk transfer to private entities, and use of alternate technical concepts to deliver projects safely and expeditiously. In choosing an Alternative Delivery method, the MTA will leverage innovative and flexible project delivery and financing that best utilizes the benefits of private sector involvement. This \$4 million change order will allow Goldman Sachs to perform Phase 2 of services in support of a Public Private Partnership (“P3”) procurement as a result of the Alternative Delivery analysis from Phase 1 through the Rapid Station Accessibility Upgrade Program, retroactive and effective from January 1, 2022, thru July 1, 2023.

Goldman Sachs has demonstrated first-class technical expertise for the services performed in Phase 1, which culminated in getting Board approval to move forward with the Americans with Disability Act (“ADA”) P3 project. The continuity needed to complete the procurement of this P3 project is critical to ensure success and facilitate a timely award. Under Phase 1, the negotiated price was a monthly retainer fee of \$50,000 with a cap established at \$400,000, to help assess and identify the best P3 candidate(s). Goldman Sachs’ P3 evaluation services were instrumental to helping draft the P3 Request for Proposal (“RFP”).

The Phase 2 scope of work includes (1) continuing to work with MTA and relevant external advisors to prepare for broader marketing of the project procurement process; (2) assisting in the preparation of marketing materials for the proposed project procurement, including but not limited to Request for Information, Request for Qualifications, and RFPs; (3) engaging with potential bidding parties with respect to the project, including providing information about the project and receiving feedback, as appropriate, (4) maintaining and updating the various business and financing models for the project throughout; (5) assisting in process coordination with appropriate MTA and external advisor parties, including organizing bidder meetings and bidder due diligence, as required; (6) providing feedback and guidance on transaction documentation and bidder inputs; and (7) assisting MTA in document negotiation with selected bidding parties.

The value of the change order is based on a monthly retainer fee of \$250,000 with a maximum not-to-exceed amount of \$4 million. The monthly retainer may be paused for any period where services are not needed, including partial months on a prorated basis. Goldman Sachs utilizes a team of people including subject matter experts who typically work many hours under tight timelines to provide deliverables. The independent cost estimate prepared by the MTA project management team for this service is \$3,828,836, or a difference of 4 percent when compared to Goldman Sachs’ not-to-exceed amount of \$4 million. In addition, the MTA will be able to utilize the work performed under Phase 1 and 2 on future P3 opportunities. Based on the foregoing, Procurement finds the total contract value of \$4.4 million to be fair and reasonable.

The contract resulting from the original 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 change order.

Goldman Sachs has been found responsible notwithstanding new significant adverse information (“SAI”) found 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 on July 22, 2022.

The Authority is working with Goldman Sachs regarding its response to the EO 16 Certificate prior to issuance of the change order.

**Impact on Funding**

Funding is available in MTA’s approved 2020–2024 Capital Program.

**Schedule K: Ratification of Completed Procurement Actions**

**Item Number: 10**

<b>Vendor Name (Location)</b> Skae Power Solutions LLC (Palisades, New York)	<b>Contract Numbers</b> 900000000004072	<b>Renewal?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Description</b> Engineering Analysis at Various MTA Critical Facilities	<b>Total Amount:</b> \$5,000,000 (est.)	
<b>Contract Terms (including Options, if any)</b> March 10, 2022–March 9, 2025	<b>Funding Source</b> <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input checked="" type="checkbox"/> Other: MTA IT Capital Operating Budget	
<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a	<b>Requesting Department:</b> MTA IT, David Papis	
<b>Procurement Type</b> <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Noncompetitive		
<b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Emergency		

**Discussion:**

MTA Headquarters (“MTAHQ”) requests that the Board ratify the award of a noncompetitive emergency personal services contract to Skae Power Solutions LLC (“Skae”) to provide engineering analysis at various MTA critical facilities throughout the New York Metro area. The period of performance is three years, and commenced on March 10, 2022, in the estimated amount of \$5 million. Due to the Emergency Declaration request made by MTA Chief Technology Office and the immediate operating need to commence services, MTA Procurement issued a Notice to Proceed on March 10, 2022, in the amount not to exceed \$500,000 while a formal contract is finalized.

On August 29, 2021, a power failure and subsequent power surge resulted in a five-hour interruption in service to the 1–6 and L train lines, as well as disruption to the MTA/NYC Transit signaling and communication systems. The shutdown was unprecedented. The outage exposed flaws in the current overall design, monitoring, and resiliency of power at the NYC Transit Rail Control Center (“RCC”), jeopardizing MTA’s operational system-wide infrastructure and the safety of the MTA’s employees and the riding public.

The MTA issued an emergency declaration on September 2021 and immediately entered into an emergency contract with Skae for Phase I of the work necessary to perform a general building power assessment and investigation of the RCC, including identifying the critical factors that contributed to the power failure and providing the necessary corrective actions. The focus of the assessment was on the notification and monitoring systems related to power management. The preliminary investigation that included a similar incident at the NYC Transit Bus Command Center revealed that there were issues in the current overall design, monitoring, and resiliency of power. Accordingly, a comprehensive analysis of all critical IT-related facilities across the MTA has been requested under Phase II.

Skae is one of the nation’s leading subject-matter experts in mission-critical infrastructure. Given its team’s current knowledge, previous work at the RCC facility, and its expertise and experience in the field of high-level security, make Skae the best suited engineering service provider to retain to perform this critical work.

During Phase II of this three-year project, Skae will identify and provide an engineering assessment of 31 potentially at-risk MTA infrastructure locations throughout the MTA including substations, signal and communication rooms, depots, and yards. The assessment will determine whether there are any vulnerabilities similar to those found at RCC. This will be achieved by determining the existing power distribution system at each location and identifying the following action items: improve the system reliability, eliminate risks, and prevent future power loss. Additional tasks that Skae will perform include: (1) development of electrical single-line diagrams; (2) review of reliability to the existing critical distribution systems; (3) single point of failure analysis for critical distribution systems; (4) review of maintenance practices and procedures at each site; (5) assessment of building management systems; and (6) provide recommendations for improving overall system monitoring, reliability, and longevity.

Skae will also assist the MTA in the implementation of corrective actions at each facility including (1) project development and planning; (2) peer review of engineering drawings; (3) trade management; (4) new critical systems; (5) testing and commissioning services; and (6) assistance with MTA training on new equipment and project turnover.

The estimated cost for a one-time critical power distribution system assessment for each of the 31 sites is \$50,140 (\$1,554,340 in total). The estimated cost to provide ongoing engineering support services for the three-year period at all locations is \$1,834,560 (subtotaling \$3,388,900). Additionally, based on the negotiated hourly rate detailed below, a contingency of \$1,611,100 is included for any unforeseen work, totaling \$5 million.

MTA Procurement reviewed the labor rates proposed by Skae and compared them to those in a recent competitively awarded construction and development request for proposals. Fourteen contracts were awarded for engineering rates, the fully loaded rate of a high-level electrical engineer averaging \$203/hour. Skae's fully loaded rate for an engineer to perform critical power distribution system assessment and perform ongoing engineering support is \$190/hour. These rates are therefore found 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 notice of award.

**Impact on Funding**

The contract will be funded by the MTA IT Capital Operating Budget. The requested amount will cover one-time critical power distribution system assessment at 31 MTA sites and will ensure ongoing engineering support as a result of findings from the assessments over a three-year period.

**JULY 2022**  
**MTA REAL ESTATE**  
**LIST OF REAL ESTATE ACTION ITEMS FOR BOARD APPROVAL**

**METROPOLITAN TRANSPORTATION AUTHORITY**

Adoption of board policy to license property in support of First Mile/Last Mile activities at passenger stations

Policy for entering into license transactions for non-revenue-generating uses at MTA property

License with Northwell Healthcare, Inc for the installation of MTA PD radio antennas in New York, NY and Staten Island, NY

**MTA NEW YORK CITY TRANSIT**

Short term license agreement with a prospective tenant for parking at 880 5th Avenue & 38th Street, Brooklyn, New York

Short Term Access Agreement for MTA C&D subgrade vault work at 300 West 14th Street, New York, New York

License with Transit Wireless for cellular service in the New York City Transit tunnels and Wi-Fi at above ground New York City Transit stations and Staten Island Railway

# Staff Summary

<b>Subject</b> <b>ADOPTION OF BOARD POLICY TO LICENSE PROPERTY IN SUPPORT OF FIRST/LAST MILE IMPROVEMENTS AT SUBURBAN COMMUTER RAIL STATIONS</b>
<b>Department</b> <b>TRANSIT ORIENTED DEVELOPMENT/REAL ESTATE</b>
<b>Department Head Name</b> <b>ROBERT PALEY/DAVID FLORIO</b>
<b>Department Head Signature</b>
<b>Project Manager Name</b> <b>EMILY PROVONSHA/NEIL MASTROPIETRO</b>

<b>Date</b> <b>July 27, 2022</b>
<b>Vendor Name</b>
<b>Contract Number</b>
<b>Contract Manager Name</b>
<b>Table of Contents Ref. #</b>

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/25/22	X		
2	Board	7/27/22	X		

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

**AGENCIES:** MTA Metro-North Railroad (“Metro-North”) and MTA Long Island Rail Road (“LIRR”)

**PURPOSE:** Approval of a policy to permit MTA Real Estate, in partnership with MTA Transit Oriented Development (“TOD”), to enter into licenses with suburban counties, municipalities, non-profit organizations, or private entities to provide first/last mile amenities at MTA suburban passenger stations

**COMMENTS:**

The first and last part of the journey that customers use to access public transportation facilities is frequently referred to as the “first/last mile connection.” First/ Last Mile modes of travel to or from transit facilities include walking, biking, use of scooters, shared rides such as for-hire vehicles, shuttles or carpooling, public transit, as well as driving. Expanded First/Last Mile connections provide customers with attractive alternative pathways for accessing transit facilities, thereby reducing the need for private vehicle trips and the demand for parking, while also promoting equitable and sustainable modes of travel.

The MTA is seeking to improve “First/Last Mile” access to its suburban Metro-North and LIRR commuter rail stations. Facilitating convenient, reliable, and sustainable customer access to and from suburban stations is key to the MTA’s commuter railroad business model. Recent trends in working from home, flexible hours, non-Central Business District working destinations, reverse commuting, and higher discretionary/non-commutation travel, have prompted the need to re-evaluate and accommodate changing customer preferences for accessing local rail stations. Such trends point to a need for more flexible, multi-modal, and seamless travel options to and from commuter rail stations throughout the course of the day. Expanded First/Last Mile connections provide customers with attractive alternatives for accessing suburban rail stations by reducing the need for private vehicle trips and supporting equitable and sustainable modes of transportation. The traditional model of accessing suburban rail stations by privately owned automobiles has necessitated the extensive use of commuter parking lots and garages. These parking facilities are expensive to acquire, construct and maintain. Land currently devoted to satisfying parking demand could be more productively and profitably used for transit-oriented development. Alternative modes of First/Last Mile travel will improve station access and provide seamless, flexible, and convenient options to sustain and grow ridership while reducing the need for additional parking facilities to accommodate new riders. Facilitating increased use of alternate modes of travel to and from suburban rail stations will also allow the MTA to capture additional commuter rail trips where commuter parking supply is already fully utilized.

# Staff Summary

## FINANCE COMMITTEE MEETING

### ADOPTION OF BOARD POLICY TO LICENSE PROPERTY IN SUPPORT OF FIRST/LAST MILE IMPROVEMENTS AT SUBURBAN COMMUTER RAIL STATIONS (Cont'd.)

Page 2 of 3

In November 2021, MTA launched an extensive study and analysis of station access in areas serviced by its suburban Metro-North and LIRR rail stations. The study documented existing modes of customer travel to and from suburban rail stations and examined the opportunities and challenges presented by implementing new or improved First/Last Mile strategies within the suburban commuter rail network. In addition to best practices research, access gap analysis, and First/Last Mile propensity analysis, the study involved the creation of a web-based interactive First/Last Mile Toolkit for use by MTA's stakeholders interested in expanding First/Last Mile alternatives. With the First/Last Mile Toolkit, MTA's stakeholders in suburban counties, municipalities, non-profit organizations, and private entities will be able to assess station areas, refer to the findings of the study, design pilot programs for walking, biking and shared ride modes of travel, and export an implementation guide that will provide step-by-step instructions on how to partner with the MTA to implement First/Last Mile improvements at local stations. The First/Last Mile Toolkit will be accessible through the MTA website in late summer 2022. In March 2022, TOD gave a presentation of the First/Last Mile study and its deliverables to the LIRR/Metro-North Committee (copy in Directors Desk).

In conjunction with the rollout of the First/Last Mile Toolkit, TOD intends to launch a pilot program that will involve partnering with stakeholders at 10 selected stations across the Metro-North and LIRR suburban rail network to implement First/Last Mile improvements. TOD and MTA Real Estate are proposing the adoption of a Board policy that will facilitate the implementation of First/Last Mile alternatives with interested stakeholders under the pilot program and beyond. Under the proposed policy, MTA Real Estate would enter into license agreements with suburban counties, municipalities, non-profit organizations, or private entities to provide, manage and maintain, either directly or through a sublicense, First/Last Mile customer access amenities when they are located on MTA owned station property, such as:

- Pedestrian improvements (e.g., marked crosswalks, additional sidewalks)
- Bicycle/scooter access improvements (e.g., bike parking, bike lanes, bike sharing, scooter sharing, moped sharing, e-bike, e-scooter, moped)
- Parking for shared ride opportunities (e.g., carpooling, vanpooling, shuttle, Uber, Lyft, Via)
- Shared microtransit including on-demand transit services (e.g. Wheels2U at Norwalk Transit District or Southampton Microtransit in Suffolk County)
- Any other use that supports the First/Last Mile efforts described above

For the pilot program, TOD will conduct outreach to solicit interested stakeholders to license Metro-North and LIRR property at suburban commuter rail stations to administer, operate and manage one or more of the First/Last Mile modes noted above. Many such First/Last Mile modalities are well known (such as bike sharing and carpooling) and for such modalities MTA Real Estate would, under this policy, enter into direct licenses with entities for up to five years. For other modalities of travel in more experimental phases of development, pilot programs would be developed offering licenses for one or two years.

In all cases, each railroad will approve any First/Last Mile use of their respective properties. Compensation, if any, would depend upon the use and the proposals received. In no instance will the MTA, LIRR or Metro-North incur out-of-pocket costs. Each license will follow the prescribed MTA Real Estate protocols both in terms of vetting and selection process, as well as the use of the MTA Legal form of real estate license, which will be revocable/terminable on not more than 60 days' notice without cost to MTA, Metro-North or LIRR.

To facilitate the implementation of the First/Last Mile strategies described above, MTA Real Estate/TOD is therefore requesting authorization to solicit, select, negotiate and enter into license agreements at suburban Metro-North and LIRR commuter railroad stations based upon the conditions stipulated above without approval of the Finance Committee and Board.

As with all such license agreements entered into by MTA Real Estate on behalf of the MTA or its subsidiaries, all agreements entered into pursuant to this policy will be reported to the Finance Committee as an Information Item, identifying the licensee, use and compensation, if any.

# Staff Summary

## FINANCE COMMITTEE MEETING

### ADOPTION OF BOARD POLICY TO LICENSE PROPERTY IN SUPPORT OF FIRST/LAST MILE IMPROVEMENTS AT SUBURBAN COMMUTER RAIL STATIONS (Cont'd.)

Page 3 of 3

BE IT RESOLVED that the Board hereby authorizes the Chief Real Estate Transactions and Operations Officer to negotiate and enter into license agreements on behalf of MTA, Metro-North and LIRR, as appropriate, for the purposes of providing First/Last Mile customer access amenities at suburban commuter railroad stations.

Each license agreement shall:

1. Be in a form approved by the MTA General Counsel's Office
2. Have no significant impact on railroad operations
3. Provide appropriate indemnification and insurance protections
4. Be at no cost to MTA, Metro-North or LIRR
5. Provide for no longer than a five (5) year term, cancellable on short term notice (60 days or less) by the MTA, without cost to MTA, Metro-North or LIRR
6. In the case of pilot programs, the licenses would be for a duration of up to two (2) years, cancellable on short term notice (60 days or less) by the MTA, without cost to the MTA, Metro-North or LIRR

This resolution shall take effect immediately upon its adoption.

# Staff Summary

Subject <b>NEW REAL ESTATE POLICY</b>
Department <b>REAL ESTATE</b>
Department Head Name <b>DAVID FLORIO</b>
Department Head Signature
Project Manager Name <b>ARTURO ESPINOZA</b>

Date <b>JULY 27, 2022</b>
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/25/22	X		
2	Board	7/27/22	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal		
2	Chief Administrative Officer		
3	Chief Financial Officer		

AGENCY: All-agencies

PURPOSE: To obtain Board approval of a new policy to regulate the process MTA Real Estate (“MTARE”) follows to enter into certain agreements as set forth below and in the attached resolution.

COMMENTS:

Over the years MTA Real Estate has been approached by various entities looking to utilize portions of MTA property for beautification or informational purposes such as the installation of murals, artwork, landscaping, and wayfinding signage. Such limited occupancies do not rise to the level of a Board action.

In an effort to streamline the process by which MTA Real Estate enters into real estate agreements, the MTA Board has approved several policies and procedures permitting agreements with third parties without prior Board approval such as a policy permitting short-term occupancies of commuter parking lots.

MTARE is hereby proposing to add a new policy, as described below. Board approval of this policy will permit MTA Real Estate to execute certain transactions with individuals, not-for-profit entities, or public entities in which the third party will not generate profit from the transaction.

More specifically, MTA Real Estate requests Board authorization to:

Enter into license agreements with individuals, not-for-profit entities, or public entities to utilize MTA agency property for uses including, but not limited to, beautification, landscaping, visual displays conveying community-related information, wayfinding or other signage, community-related events, and decorative installations. The third party must not generate profit from the use of MTA agency property and visual displays and signage must conform to the MTA’s guidelines. MTA Real Estate, however, reserves the right to charge an administrative fee.

The duration of a typical license agreement will be short-term, up to one year, with renewal provisions as appropriate and will be terminable at-will by MTA upon sixty (60) days’ notice at no cost to the MTA.

Prior to the execution of any such agreement, (i) approval must be obtained by the MTA Legal Department, and (ii) MTA must comply with the applicable requirements of the State Environmental Quality Review Act (SEQRA).

The policy also requires MTA Real Estate to notify the Board of the terms of the agreement subsequent to the execution of the agreement.

# Staff Summary

**FINANCE COMMITTEE MEETING  
NEW REAL ESTATE POLICY  
(Cont'd.)**

RESOLUTION

BOARD OF THE  
METROPOLITAN TRANSPORTATION AUTHORITY

WHEREAS, the Real Estate Department (“RED”) of the Metropolitan Transportation Authority (“MTA”) is tasked with acquiring various real property rights and entering into leases, licenses, permits, and other like agreements on behalf of itself and its operating agencies, and

WHEREAS, RED seeks to enter into such agreements as efficiently as possible while keeping the MTA Board apprised of its activities and has therefore requested that the Board approve a new policy that will permit RED to execute certain transactions quickly.

NOW THEREFORE, BE IT RESOLVED that the Board of MTA hereby authorized the MTA’s Chief, Real Estate Transactions and Operations Officer to negotiate and enter into agreements with third parties on behalf of MTA and its agencies subject to the following conditions:

1. MTA Agency property must be used for non-revenue generating purposes by the third party (such as, but not limited to, visual displays conveying community-related information, wayfinding or other signage, community-related events, beautification, landscaping, or decorative installations), nor may the third party derive a profit from the use of MTA Agency property; and
2. Visual displays and signage must conform to the MTA’s guidelines; and
3. RED will notify the Board of the terms of the agreement subsequent to the execution of the agreement.

# Staff Summary

<b>Subject</b> <b>MTA PD ANTENNA LICENSES IN NEW YORK, NY AND STATEN ISLAND, NY</b>
<b>Department</b> <b>REAL ESTATE</b>
<b>Department Head Name</b> <b>DAVID FLORIO</b>
<b>Department Head Signature</b>
<b>Project Manager Name</b> <b>MICHAEL DANIELS</b>

<b>Date</b> <b>JULY 27, 2022</b>
<b>Vendor Name</b>
<b>Contract Number</b>
<b>Contract Manager Name</b>
<b>Table of Contents Ref. #</b>

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/25/22	X		
2	Board	7/27/22	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal		
2	Chief Administrative Officer		
3	Chief Financial Officer		

**AGENCY:** Metropolitan Transportation Authority (“MTA”)  
**LICENSOR:** Northwell Healthcare, Inc.  
**LOCATIONS:** 699 92<sup>nd</sup> Street / 9012 Seventh Avenue, Brooklyn, New York 11228  
 475 Seaview Avenue, Staten Island, NY 10305  
 375 Sequine Avenue, Staten Island, NY 10309  
**ACTIVITY:** Installation of MTAPD communications antennas on rooftops with equipment cabinets at the three Locations  
**ACTION REQUESTED:** Authorization to enter into license agreements  
**TERM:** Upon execution until June 30, 2032  
**RENEWAL:** Two 5-year extensions  
**COMPENSATION:** Fee waived  
**TERMINATION:** Licensee shall have the right to terminate upon the annual anniversary of the effective date upon three months prior written notice  
**ELECTRICITY:** Sub metered

**COMMENTS:**

The Locations are sites to be included in the new MTA PD radio network which will replace the antiquated analog radio system. MTA PD determined that the Locations are ideal for the expanded radio network configuration and will greatly improve critical radio coverage and resolve officer safety issues.

In exchange for the use of the locations for no fee, the MTA will grant Licensor partial use of the antennas at the Locations for the purposes of supporting Licensor’s public safety and public service obligations.

Based on the foregoing, MTA Real Estate is requesting authorization for the MTA to enter into licensee agreements on the above-described conditions.

# Staff Summary



<b>Subject</b> <b>SHORT TERM LICENSE AGREEMENT FOR PARKING AT 880 5<sup>TH</sup> AVENUE &amp; 38<sup>TH</sup> STREET</b>
<b>Department</b> <b>REAL ESTATE</b>
<b>Department Head Name</b> <b>DAVID FLORIO</b>
<b>Department Head Signature</b>
<b>Project Manager Name</b> <b>RAYMOND SMYTH</b>

<b>Date</b> <b>July 27, 2022</b>
<b>Vendor Name</b>
<b>Contract Number</b>
<b>Contract Manager Name</b>
<b>Table of Contents Ref. #</b>

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/25/22	X		
2	Board	7/27/22	X		

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

**AGENCY:** Metropolitan Transportation Authority/New York City Transit (“MTA/NYCT”)  
**LICENSEE:** The successful proposer of the RFP (as described below)  
**PREMISES:** 880 5<sup>th</sup> Avenue, Brooklyn, New York 11232 (“Premises”)  
**ACTIVITY:** Short-term license agreement for parking  
**ACTION REQUESTED:** Authorization to enter into a short-term license agreement with the successful proposer of the RFP  
**TERM:** Date of execution of license agreement through June 30, 2023, terminable on not more than sixty (60) days’ notice at no cost  
**COMPENSATION:** Proposers will suggest compensation for term duration

**COMMENTS:**

The Premises, located at 880 5<sup>th</sup> Avenue is currently being publicly offered pursuant to a Request for Proposals (“RFP”) for a responsible parking operator to enter into a short-term license agreement for the operation of a parking lot to be used solely and exclusively for the parking of vehicles. Until recently, the Premises was routinely used by Public School 24. In order to address an immediate need for community parking, the license agreement will need to be executed prior to the next MTA Board meeting in September, 2022. Accordingly, MTA Real Estate is requesting authorization to enter into a license agreement with the successful proposer of the RFP in advance of the RFP award.

MTA anticipates the compensation proposed by the successful proposer will be in line with other similar agreements and that the license agreement will include standard insurance and indemnification provisions and be terminable on not more than sixty (60) days’ notice. Subsequent to the award of the RFP and execution of a license agreement, the MTA will inform the MTA Board (“Board”) of the selected entity and economic terms at the next scheduled Board meeting (anticipated to be September, 2022). The original proposal deadline for this RFP was July 14, 2022; however, for clarification purposes, the RFP was reissued on July 20, 2022, with a proposal due date of July 27, 2022. As the

# Staff Summary

## FINANCE COMMITTEE MEETING

### SHORT TERM LICENSE AGREEMENT FOR PARKING AT 880 5<sup>TH</sup> AVENUE & 38<sup>TH</sup> STREET

Page 2 of 2

Premises requires improvements requiring a longer term, MTA Real Estate expects to issue a Request for Proposals for a long-term lease by the end of 2022.

Based on the foregoing, MTA is requesting approval to enter into a license agreement with the successful proposer of the RFP and will subsequently inform the Board of the terms of said license agreement.

# Staff Summary

<b>Subject</b> <b>SHORT TERM ACCESS AGREEMENT FOR SUBGRADE VAULT WORK AT 300 WEST 14<sup>TH</sup> STREET</b>
<b>Department</b> <b>REAL ESTATE</b>
<b>Department Head Name</b> <b>DAVID FLORIO</b>
<b>Department Head Signature</b>
<b>Project Manager Name</b> <b>RAYMOND SMYTH</b>

<b>Date</b> <b>JULY 27, 2022</b>
<b>Vendor Name</b>
<b>Contract Number</b>
<b>Contract Manager Name</b>
<b>Table of Contents Ref. #</b>

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/25/22	X		
2	Board	7/27/22	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal		
2	Chief Administrative Officer		
3	Chief Financial Officer		

**AGENCY:** MTA Construction and Development (“MTA C&D”)

**LICENSOR:** The Bank Building Condominium (the “BBC”)

**PREMISES:** 300 West 14<sup>th</sup> Street

**ACTIVITY:** Access agreement to subgrade vault for repairs, inspection, and maintenance of NYCT infrastructure

**ACTION REQUESTED:** Approval of terms for access agreement and to enter into access agreement

**TERM:** Six (6) months

**COMPENSATION:** No additional cost to the MTA for access other than reimbursement for the cost associated with the BBC’s contractors’ previous work involving the relocation of two (2) gas lines in the amount of \$52,991.51 (the “Reimbursement”) (see below)

**COMMENTS:**

MTA C&D intends to make repairs to a subgrade station ventilation bay (the “Work”) located on the south side of 14<sup>th</sup> Street Subway Station at the intersection of 8<sup>th</sup> Avenue. The ventilator bay shares a structural support wall with a mechanical room in the sidewalk vault of the adjacent building owned by the Bank Building Condominium, at 300 West 14<sup>th</sup> Street which measures approximately forty (40) feet in length and eight (8) feet in height. The MTA owns a portion of the vault through the NYCT-MTA Master Lease Agreement, and the BBC owns, operates, and maintains its portion of the vault under revocable consent with the City of New York.

As part of the Work, MTA C&D seeks to repair the deteriorating subsurface wall which will require a certain degree of physical alteration and reconstruction and ultimately access to the subgrade vault owned and maintained by the BBC. The construction will occur from August 2022 through January 2023 (approximately six (6) months). During this time, MTA C&D will require 24/7 access to the space, however, there will be no permanent operational impact on transit, vehicular traffic, parking, or the BBC’s operations. MTA C&D will periodically require access to perform inspections thereafter.

# Staff Summary

## FINANCE COMMITTEE MEETING

### SHORT TERM ACCESS AGREEMENT FOR MTA C&D SUBGRADE VAULT WORK AT 300 WEST 14<sup>th</sup> STREET

In exchange for access to the subgrade vault space, the BBC requested a reimbursement in the amount of \$52,991.51 related to MTA contractor work performed in 2017 involving the relocation of their building's utilities due to hazards posed by the gradually deteriorating vault wall.

MTA C&D consented to pay this reimbursement amount over the (6) six-month duration (\$8,831.92 per month) provided the BBC submits all related invoices and a notarized affidavit in support of the payment. The BBC has agreed to MTA C&D's terms and will provide access to their space at no additional cost to the MTA.

Based on the above, MTA Real Estate requests authorization to enter into an access agreement with the BBC and to compose a letter agreement memorializing the terms of the Reimbursement.

# Staff Summary

<b>Subject</b> <b>TRANSIT WIRELESS LICENSE FOR CELLULAR IN THE NYCT TUNNELS AND WI-FI AT ABOVE GROUND NYCT STATIONS AND STATEN ISLAND RAILWAY</b>
<b>Department</b> <b>C&amp;D Planning/ Real Estate</b>
<b>Department Head</b> <b>Fredericka Cuenca/David Florio</b>
<b>Department Head Signature</b>
<b>Project Manager</b> <b>BOBBY SAMUEL</b>

<b>Date</b> <b>JULY 27, 2022</b>
<b>Vendor Name</b> <b>Transit Wireless, LLC</b>
<b>Contract Number</b>
<b>Contract Manager</b>
<b>Table of Contents Ref. #</b>

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/25/22			
2	Board	7/27/22			

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

AGENCY: MTA New York City Transit (“NYCT”) and Staten Island Railway (“SIR”)

FRANCHISEE: Transit Wireless, LLC (“TW”)

LOCATIONS: NYCT and SIR

ACTION REQUESTED: Approval of commercial terms for TW’s to exclusively design, build, operate, maintain and sublicense (i) a wireless communication connection system in underground tunnels, at above-ground stations and along the ROW to improve cell carriers’ local signals, (ii) a free public and private facing Wi-Fi network for NYCT above-ground and SIR stations; (iii) and the non-exclusive right to market fiber optic cable to private customers (collectively the "Project"). The Project is at no cost to the MTA but will generate significant revenue as well as direct cost savings as described in more detail below.

Authorize the Chairman and Chief Executive Officer and his designees to execute and deliver the expansion agreement and other documents, including modifications and supplements to the Project expansion agreement or the existing below-ground agreement, and to take other actions as he may deem necessary, desirable or appropriate to implement the proposed expansion described herein.

TERM: A build period of up to 10 years, a 20-year operations term, with 2 consecutive 5-year renewals at MTA’s option; extension of current below ground agreement (currently expiring in 2038) and the Canarsie license agreement to be coterminous with expansion agreement.

## TRANSIT WIRELESS LICENSE FOR CELLULAR IN THE NYCT TUNNELS AND WI-FI AT ABOVE GROUND NYCT STATIONS AND STATEN ISLAND RAILWAY

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### COMPENSATION:

#### **Annual License Compensation:**

- Minimum annual payments (MAC payments) based on completion of subway tunnel segments, escalating at higher of 3% or CPI (\$5.5 million for all tunnel segments).
- Elimination of MTA payments to TW for additional services by 2032, amounting to approximately \$210 million in savings through 2038.
- MTA shares in Base Revenues post recoupment of capital investment (20% of Base Revenues for 6 years increasing to 40% by year 15 and up to 60% as a share in provider's performance above certain thresholds). Base Revenues includes licensing fees, monetizing of data analytics, and dark fiber.
- In-kind services such as Wi-Fi to support operations and dedicated access to fiber.

### COMMENTS:

#### **Background and History**

In 2007, following an RFP, the MTA granted TW a license to provide cellular/WI-FI through a neutral host, distributed antenna system at NYCT below ground stations. The distributed antenna system brings carrier signals to the below ground stations from base station hotels where TW and cellular carriers have the necessary equipment and servers. To execute these services, TW installed antennas and fiber in all 281 NYCT below-ground subway stations. MTA receives approximately \$15 million annually from this partnership.

In addition, MTA has contracted with TW to provide certain direct services to NYCT. In each case, MTA priced the cost of these services from other providers, found the TW pricing to be advantageous, and received approval from the MTA Board. These additional services include:

- Fiber network access within 187 subway stations – approved in 2011 and 2014, annual expenditure of \$10.6 million.
- 4.9 MHz signal to support Help Points – approved in 2014, annual expenditure of \$4.5 million.
- Operation of B division Train Arrival System including collection and processing of data and Wi-Fi connections to bring data back to the information signs – approved in 2016, annual expenditure \$5.6 million.
- Connection through TW street fiber infrastructure to support Enterprise Asset Management at 91 stations – approved 2017, annual expenditure \$3.1 million.

TW also provides neutral host services in the Canarsie Tunnel following an RFP in 2020.

TW's majority owner Broadcast Australia, BAI is an investment and operating company that specializes in broadcast and telecommunications fields and is majority owned by Canada's largest pension fund.

Orrick, Herrington and Sutcliffe LLP has provided legal advisory services during the project negotiations and development of license terms. Ernst & Young Infrastructure Advisors, LLC has provided financial advisory services during the project negotiations and development of license terms.

#### **Existing infrastructure lowers cost and shortens time to build, which increases benefit to MTA and our customers.**

Transit Wireless has extensive infrastructure to leverage for the project as well as the ability to reduce MTA payments – a combined advantage worth \$280 million. TW is able to leverage the existing below-ground station connections to facilitate the Project through the tunnels and to station entrances on the sidewalks. Another provider would have to duplicate TW's existing infrastructure, including the base station hotels (BSHs) incurring additional expense and time to deploy. The book value of these BSHs alone is \$77 million and the BSHs took several years to construct. Wireless carriers would also have to increase their capital investment to support this duplicate infrastructure, likely resulting in significantly lower MTA share of revenue prior to

## TRANSIT WIRELESS LICENSE FOR CELLULAR IN THE NYCT TUNNELS AND WI-FI AT ABOVE GROUND NYCT STATIONS AND STATEN ISLAND RAILWAY

Page 3 of 4

recapture of the investment by such carriers. Further customers will likely see connectivity improvements sooner.

The November 2016 staff summary recognized TW's unique position and authorized staff to pursue the expansion to above ground and tunnel service; however, a commercial agreement was not reached and so the expansion did not occur. With new TW and BAI leadership, we have been able to negotiate the strong commercial terms described below, which provide substantial financial and operational benefits to the MTA and improved connectivity for our customers.

### **The license structure follows MTA precedents and is market based.**

The terms of the agreement follow the terms and conditions in the current license agreements.

- Infrastructure build is at no cost to the MTA with TW responsible for all capital expenses. TW estimates the capex investment in excess of \$600 million.
- Prior to capex recoupment, NYCT/SIR receives minimum annual payment (MAC) for each completed below-ground tunnel segment: \$18,000 per tunnel segment (totaling \$5.5m for all tunnel segments) escalated annually at the greater of 3% or CPI.
- NYCT/SIR shares Base Revenues post recoupment of TW's capital investment (20% of Base Revenues for 6 years and then increasing to 40% by year 15). However, if TW elects to make distributions to its shareholders prior to capex recoupment, the MTA revenue share begins.
- Windfall protection provisions ensure that the MTA receives a fair share of Base Revenues (up to 60%) should the Project become more successful than expected.
- Fiber optic cable, which is necessary for the Project, can also be commercialized to increase revenue to the Project.
- NYCT will receive 48 fiber strands with connections to each station and free Wi-Fi services for operational use as well as continued support for station fiber and 4.9 Help Point services.
- Wi-Fi services at all NYCT and SIR stations. For SIR stations, MTA will provide access to fiber to enable connection.
- License term includes a build period (up to 10 years) plus an additional 20-year operating period consistent with the wireless carriers' desire for 20-year sub-license agreements. The franchise will provide for two additional 5-year terms at MTA's option so the MTA can continue receiving revenue if the Project and market conditions remain beneficial.

Analysis shows that the Project's terms are consistent with market.

Changes to the existing below ground agreement:

- The term of the existing license will be extended to be coterminous with the Project expansion agreement, resulting in an 11-14 year extension of this agreement; the additional two 5-year options at MTA's option will also apply. The MTA is currently receiving approximately \$15 million in revenues per year from this agreement.
- Performance standards will be strengthened.
- TW will reduce and then eliminate MTA payments for additional services. The MTA is currently paying approximately \$23 million per year for additional services. With the elimination of these payments, MTA will save approximately \$210 million on the additional services. These services include 4.9 Help Points, WTAS/Beacon services which provide real-time train arrival information, leasing of PS Lan station fiber and street fiber.

### **Funding Impact:**

## TRANSIT WIRELESS LICENSE FOR CELLULAR IN THE NYCT TUNNELS AND WI-FI AT ABOVE GROUND NYCT STATIONS AND STATEN ISLAND RAILWAY

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The Project results in over \$1 Billion in benefit for the MTA and its customers over the life of the agreement.

- The elimination of operating expenses of approximately \$210 million.
- MAC payments of approximately \$200 million over the life of the contract, however actual revenue is anticipated to be higher based on the estimated Base Revenues and corresponding revenue-share mechanism.
- Revenue from the existing station agreement will continue for an additional 11-14 years after 2038 generating approximately \$390 million.
- Capital Investment of over \$600 million, which benefits MTA customers and MTA operations at no cost to the MTA.

Based upon the terms above, MTA C&D Planning and MTA Real Estate recommends approval of the license expansion and extension of the term of the existing license based upon the above terms.