



# September 2023

**MTA Board Action Items**



# **MTA Board Meeting**

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

**Wednesday, 9/20/2023  
10:00 AM - 12:00 PM ET**

## **1. PUBLIC COMMENT PERIOD**

## **2. APPROVAL OF MINUTES**

### **MTA and MTA Agencies Regular Joint Committee and Board Meeting Minutes - July 19, 2023**

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 and Committee Meeting Minutes - July 19, 2023 - Page 4*

## **3. PRESENTATIONS**

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

### **C&D Procurements**

*C&D Procurements - Page 15*

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

### **Procurement Report**

#### **i. MNR Procurement Item**

*MNR Procurement - Arrow Rail Link service - Page 29*

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

### **Procurement Report**

*Procurement Staff Summary - Page 35*

## **7. COMMITTEE ON MTA BRIDGES & TUNNELS OPERATIONS (no items)**

## **8. COMMITTEE ON FINANCE**

**Action Item**

**i. Utilization of Owner Controlled Insurance Program (OCIP)**

*Board Approval for the Utilization of Owner Controlled Insurance Program - Page 42*

**Information Item**

**i. 2022 - 2023 Station Maintenance Billing**

*Station Maintenance Billing - Page 46*

**MTAHQ Procurements Report**

*MTAHQ Procurement Report - Page 51*

**i. Non-Competitive Procurements**

*MTAHQ Non-Competitive Procurement - Page 55*

**ii. Competitive Procurements**

*MTAHQ Competitive Procurements - Page 58*

**iii. Ratifications (no items)**

**Real Estate Items**

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

*Real Estate Agenda and Staff Summaries - Page 62*

**9. FIRST MUTUAL TRANSPORTATION ASSURANCE CO (FMTAC)**

**(See Action Item in Section 8: Committee on Finance)**

**10. 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 and Development Company, the MTA Bus Company and  
the First Mutual Transportation Assurance Company  
Regular Board Meeting  
2 Broadway  
New York, NY 10004  
Wednesday, July 19, 2023  
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. Haeda B. Mihaltses  
Hon. Frankie Miranda  
Hon. Dr. John-Ross Rizzo  
Hon. Sherif Soliman  
Hon. Lisa Sorin  
Hon. Isabel Midori Valdivia Espino  
Hon. John Samuelsen  
Hon. Neal Zuckerman**

The following alternate non-voting members were present:

**Hon. Gerard Bringmann  
Hon. Norman Brown  
Hon. Randolph Glucksman  
Hon. Vincent Tessitore, Jr.**

Paige Graves, General Counsel, Lisette Camilo, Chief Administrative Officer, Kevin Willens, Chief Financial Officer, Patrick Warren, Chief Safety and Security Officer, Richard Davey, President, NYCTA, Frank Annicaro, Acting Chief Operating Officer, NYCT and Acting President, MTA Bus Company, Catherine Rinaldi, President, Metro-North Railroad/LIRR Interim President, Catherine Sheridan, Interim President, TBTA, Jamie Torres-Springer, President, MTA C&D, Chris Pangilinan, Vice President, Paratransit, Hugo Pizzaro, Chief People Officer, Shanifah Rieara, Senior Advisor for Communications and Policy/Interim Chief Customer Officer, Cate Contino, Director, Special Projects & Strategic Initiatives, 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 Construction and Development 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 Construction and Development Company, and the First Mutual Transportation Assurance Company.

Chair Lieber called to order the July 2023 Board meeting.

General Counsel Paige Graves confirmed a quorum of the Board members in attendance.

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 and the two-minute speaking limit. The Moderator reminded speakers of the warning beep when 30 seconds remain to conclude their remarks. The Moderator advised that the public comments will be recorded, published to the MTA website, and available for MTA Board Members' review.

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

Jack Nierenberg, Vice President, Passengers United  
Lisa Daglian, Executive Director, PCAC  
Kara Gurl, PCAC  
Mr. X, private citizen  
David Kuperberg, Passengers United

Christopher Greif, PCAC  
Jessica Murray, Chair, Transit Accessibility\*  
Porscha Wilson, Riders Alliance\*  
Debra Greif, private citizen  
Victor Dias Rodrigues, Director, All Riders  
Michael Ring, Disabled in Action (“DIA”)  
Yolanda Alleyne, private citizen  
Sasha Goldensohn, Elevator Action Group  
Jolyce Race, Riders Alliance  
Cara Liebowitz, Brooklyn Center for the Independence for the Disabled (“BCID”)\*  
Jason Rabinowitz, private citizen\*  
Isaac Donis, private citizen  
Howard Brinbaum, private citizen  
Charlton D’Souza, President, Passengers United  
Tashia Lerebours, Center for Independence for the Disabled of New York (CIDNY)  
Jennifer Van Dyck, Elevator Action Group  
Constance Lesold, Eastern Parkway Coalition  
Jason Anthony, Amazon Labor Union\*  
Miriam Fisher, private citizen\*  
Jean Ryan, Disabled in Action (“DIA”)  
Cassie Raffucci, Passengers United  
Kathleen Collins, Disabled in Action (“DIA”)  
Rachel Fauss, Reinvent Albany

The Moderator announced that the allotted time for the public speakers’ comments session has been reached and asked the remaining registered speakers to standby as the agency transitions to a separate live recording session. Remote public speakers participating via Zoom were advised to standby and wait for further instructions from the Moderator. Public speakers in attendance were advised to assemble in conference room #4. As a reminder, the Moderator stated that recorded comments will be distributed to the MTA Board and posted to the Board meeting web page and on YouTube.

Refer to the video recording of the meeting produced by the MTA and maintained in MTA records for the content of speakers’ statements.

Chair Lieber announced that while the Board convenes in Executive Session a short video will be played.

**2. EXECUTIVE SESSION.**

Upon motion duly made and seconded, the Board voted to convene an Executive Session, in accordance with the Public Officers Law, Section 105(1)(e), to discuss labor matters.

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

**3. PUBLIC SESSION RESUMES.**

Chair Lieber announced that in Executive Session the Board approved the following:

MTA and Agencies’ Regular Board Meeting Joint Minutes  
July 19, 2023

- (i) Collective bargaining agreements between Triborough Bridge and Tunnel Association (B&T) and the Bridge and Tunnel Officers Benevolent Association (BTOBA); and
- (ii) Collective bargaining agreement between the New York City Transit Authority/MaBSTOA and MTA Bus Company and the Transport Workers Union, Local 100 (TWU Local 100).

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

Chair Lieber stated that he is pleased that the TWU Local 100 has ratified their agreement, and he thanked the employees who were affected.

Chair Lieber thanked everyone for joining this month's meeting.

Chair Lieber welcomed new Board member Dr. John Ross (J.R.) Rizzo, faculty member of NYU Medical Center and the Tandon School of Engineering, and an expert in all varieties of disability related research and implementation.

Chair Lieber praised the MTA Board for helping to achieve a historic five-year budget that ensures the MTA's fiscal stability, and with the participation of the MTA's partners in City Hall and Albany, the agency has a fully balanced budget for the next five years.

Chair Lieber praised the MTA C&D team, who mobilized in 2020 at a time when the agency was facing the most difficult and steepest fiscal cliff in its history and facing challenges posed by the COVID-19 pandemic, to make sure the MTA received everything it could from Washington. Chair Lieber noted that with the support of the MTA's leadership and the incredible force of Senator Chuck Schumer and the rest of the New York delegation, the MTA ultimately succeeded in getting transit included in the three federal COVID relief bills.

Chair Lieber thank Chief Financial Officer Kevin Willens, who he said worked with the Board and staff to responsibly reduce the agency's multibillion-dollar deficits by restructuring MTA debt and implementing a plan to deliver \$400 million of annual operating savings. Chair Lieber acknowledged the critical role played by the Governor and the Legislature in securing financial support for the MTA that helped to preserve service and avoid layoffs and huge fare hikes.

With respect to the commuter rail discounts, Chair Lieber stated that for nearly 30 years there has been discussions about the idea of making commuter rail service, LIRR and MNR, more available to New York City residents, and he noted that under Governor Hochul's leadership, the MTA is implementing discounted fares for New York City residents to use commuter rail services, with a focus on expanding and improving mass transit service in city stations.

Chair Lieber reported that, in close collaboration with NYPD, the MTA continues to make progress on crime underground and he noted that under Mayor Adams' leadership transit crime fell 14% last month -- down 5% year-to-date versus 2022, 6% lower than pre-COVID.

Chair Lieber stated that the trend seen in the fall with riders reporting a better sense of safety, both underground, in stations and on the trains, has been reflected in the latest customer count survey that Jon Kaufman, Chief, Strategic Initiatives, reported on Monday, making it clear that the Governor's and the Mayor's Cops, Cameras, and Care initiative is having an impact. Chair Lieber also credited Chief John Mueller, Assistant Chief Sean Montgomery and the MTAPD, who he said has also made great strides, not just in suppressing crime statistically, but also in conveying a sense of safety to the ridership by having a much more visible and active program of train patrols.

Chair Lieber stated that in recent months the MTA has begun efforts to implement the broad-ranging recommendations from the Blue-Ribbon panel on fare evasion. The report made it clear that with \$700 million currently being lost annually, fare evasion is a serious threat to the MTA. Chair Lieber stated that, as reported at the committee meeting on Monday, every MTA agency is part of the efforts to make progress on fare evasion, with a focus on changing the physical infrastructure and a commitment to promoting equity as part of the solution. Chair Lieber noted that later in the meeting, the Co-Chairs of the Blue-Ribbon panel, Rosemonde Pierre-Louis and Roger Maldonado, will discuss the panel's report and recommendations.

Chair Lieber stated that now that the City Council and the Mayor have a deal on investing more and adjusting the eligibility threshold for Fair Fares, the MTA can begin to make sure that people who are eligible for Fair Fares and who need the discount sign up and take advantage of this incredible benefit and opportunity to access jobs, education, health care and other available services.

With respect to congestion pricing, Chair Lieber stated that with the completion and approval of the federal environmental review, the MTA can move on to the next phase of the process, and he noted that the Traffic Mobility Review Board ("TMRB") will hold its first meeting, officially kicking off the development of their proposal to guide the implementation of the MTA's historic congestion pricing program.

Chair Lieber stated that while the TMRB group conducts its important work, the MTA is focused on improving the transit system to make it easier for people who currently drive to switch to transit—140,000 people who commute into the central business district by automobile. The expectation and goal for the congestion pricing program is to have 20% of the people get out of their cars and onto transit, and Chair Lieber stated that the MTA plans to do everything it can to make sure that the system is attractive and ready to serve these additional commuters.

Chair Lieber highlighted various other initiatives to improve the transit system, including commuter rail discounts, providing faster subway and bus service, expanding ADA accessibility and the Access-A-Ride On-Demand E-hail Pilot Program, customized service alerts, and the bus network redesign to make the buses move faster.

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.



## **5. FARE EVASION BLUE-RIBBON PANEL REPORT.**

Jeremy Feigelson, Special Counsel, Office of Chief Counsel, provided an overview of the Blue-Ribbon Panel's mission and some of the details of the report, and he introduced the Blue-Ribbon Panel Co-Chairs Rosemonde Pierre-Louis and Roger Juan Maldonado, who discussed the panel's report.

Rosemonde Pierre-Louis, Co-Chair, MTA Blue-Ribbon Panel on Fare and Toll Evasion, Executive Director, NYU McSilver Institute for Poverty Policy, and Research, provided a brief description of her background, discussed her experience as a panel member, and highlighted some of the panel's recommendations.

Roger Juan Maldonado, Co-Chair, MTA Blue-Ribbon Panel on Fare and Toll Evasion, Partner, Smith Gambrell Russell LLP, discussed some of the key messages expressed in the report focusing on education, environment, enforcement, and equity, and he discussed the Panel's recommendations.

Interim President Catherine Sheridan, B&T, Board Member Bianca Lopez, for President Catherine Rinaldi, LIRR and MNR, President Richard Davey, NYCT and President Jamie Torres-Springer, MTA C&D, discussed the agencies' initiatives and plans to implement the Panel's recommendations.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for the details of Jeremy Feigelson's, Co-Chairs Rosemonde Pierre-Louis' and Roger Juan Maldonado's remarks, for the remarks from agencies' Presidents, Board Member Bianca Lopez, and Chair Lieber, and Board Members' remarks and questions.

## **6. PRESENTATION ON MTA OPEN DATA & ANALYTIC PROGRAM.**

Jon Kaufman, Chief, Strategic Initiatives, provided an overview of the group's mission and he introduced Andy Kuziemko, Vice President, Strategic Initiatives, who provided a brief introduction of the MTA Data and Analytic program and discussed the group's initiatives.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for the details of Jon Kaufman's, Andy Kuziemko's and Chair Lieber's remarks.

## **7. UPDATE ON FORDHAM ROAD BUS LANE REDESIGN INITIATIVE.**

President Richard Davey, NYCT, provided an updated on the Fordham Road Bus Lane Redesign initiative in the Bronx, N.Y.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for the details of President Richard Davey's, Chair Lieber's and Board member Lisa Sorin's remarks.

**8. 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 June 27, 2023.

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

**9. MTA BRIDGES AND TUNNELS COMMITTEE.**

Board Member David Mack stated that there are no items to report for Board approval for the Bridges and Tunnels Committee.

**10. AUDIT COMMITTEE.**

Board Member Jamey Barbas reported that there are five (5) reports for full Audit Board Approval:

1. 1<sup>st</sup> Quarter 2023 Consolidated Financial Statements
2. Pension Audits
3. Single Audit Report
4. Management Letter Reports
5. Review of the MTA Inspector General's Office

Refer to the Audit Committee minutes of this date for the details of these items.

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

A. LIRR Procurement Item.

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

1. Approved to award a contract to Loram Maintenance of Way, Inc. to provide Rail Grinding Services in the amount of \$56 million to optimize wheel-rail interface and maximize wheel-rail life span at various points along the agencies' ROW. The contract is for a two-year base term with three 1-year options, subject to an adjustment based on a price index formula. This procurement was competitively solicited through a Request for Proposals.

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

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

### **A. Procurement Item.**

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

1. Approved the modification to a competitively negotiated purchase contract with New Flyer of America, Inc. (“New Flyer”) for the purchase of 60 low-floor 40-foot all electric buses, in order to extend the delivery schedule to allow New Flyer time, as required by NYC Transit, to develop, test, and install an early warning detection system for thermal events on each bus prior to delivery, in the total amount of \$4,793,372.

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

Chair Lieber announced the retirement of Robert Troup, President, Grand Central Madison Operating Company, and the Chair highlighted Robert Troup’s contributions and help with running the East Side Access project, with bringing Grand Central Madison service into the terminal, and for his overall contributions to the MTA.

President Robert Troup thanked Chair Lieber, President Catherine Rinaldi and President Jamie Torres-Springer for their support and he stated that it has been a privilege working with the MTA. President Robert Troup also thanked the men and women who he said worked hard to get the job done and he commended the MTA staff for their commitment.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records for the details of Chair Lieber’s, Robert Troup’s and Board Member Neal Zuckerman’s remarks.

## **13. CAPITAL PROGRAM COMMITTEE.**

### **A. Procurement Items.**

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

- 1-3. Approved a resolution declaring competitive bidding impractical or inappropriate pursuant to the New York Public Authorities Law and the All-Agency General Procurement Guidelines, and that it is in the public interest to authorize MTA C&D to issue competitive request for proposals in lieu of sealed bids for the award of three sets of contracts for as -needed services at various Bridges & Tunnels facilities:
  - a. GFM-549 – Miscellaneous construction on an as-needed basis at various facilities;
  - b. GFM-550 – Miscellaneous electrical construction on an as-needed basis at various facilities; and
  - c. GFM-551 – Miscellaneous cleaning and painting on an as-needed basis at various facilities.

4. Ratified a modification to the contract with FOS Development Corporation, Contract No. C-48703, that provides for concrete and steel repairs in the tunnel along the Eastern Parkway IRT Line between the Borough Hall Station and the Franklin Avenue Station in Brooklyn, in the amount of \$2,660,000, to furnish and install 6,270 square feet of fiberglass plenum plates in 38 open ceiling bays above Tracks E1 and E4.

Refer to the staff summaries and documentation filed with the records of this meeting for the details on these items.

#### **14. MTA COMMITTEE ON FINANCE.**

##### **A. Procurement Item.**

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

1. Alliant Insurance Services, Inc. – Casualty Brokerage and Captive Management Services - No. 900000000004407. Approved the award of a competitively negotiated personal services contract for casualty brokerage and captive management services in support of the MTA’s All-Agency Risk Management Program for a term of five years with two 1-year options in the not-to-exceed amount of \$3,415,894 (Scope A); and
2. Willis Tower Watson Northeast, Inc. – Casualty Brokerage and Captive Management Services – No. 900000000004408. Approved the award of a competitively negotiated personal services contract for casualty brokerage and captive management services in support of the MTA’s All-Agency Risk Management Program for a term of five years with two 1-year options in the not-to-exceed amount of \$1301,404 (Scope B).

##### **B. 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. A resolution authorizing the modification to the existing policy for licensing, leasing or acquisition of property right in support of MTA capital projects or ongoing operations.

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

2. Authorized the conditional designation of Madison Capital as the successful proposer to the RFP and negotiate and enter into a disposition and land development agreement with respect to the ground leasing and development of the Development Site by Madison Capital (the "LDDA"), as more fully described in the staff summary.

## **Metro-North Railroad**

3. Master agreement with National Railroad Passenger Corporation (“Amtrak”) to facilitate the acquisition of permanent easements in the Bronx and Queens in support of the Penn Station Access project.
4. Acquisition of permanent easements from HD Development of Maryland, Inc., c/o Home Depot U.S.A., Inc., located at 50-02 Northern Boulevard (Queens Block 120, Lot 50), in support of the Penn Station Access project, in Queens, N.Y.
5. Authorization to acquire property interests, by negotiated settlement or eminent domain, from 1049 Ogden Realty Company, LLC of property located at 3876-3880 Park Avenue (Block 2904, Lot 10) for a new electrical substation for Claremont Substation project, Bronx, NY.

## **15. FARE AND CROSSING CHARGE INCREASES.**

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

Jaibala Patel, Deputy Chief Financial Officer, provided an overview of the proposed Fare and Crossing changes.

Upon motion duly made and seconded, the Board approved the following actions as set forth in the Fare and Crossing Charge Increases resolutions and staff summaries.

1. 2023 Fare Increases. Approved a resolution authorizing proposed fare changes set forth in Attachment A to the resolution, and authorized the Presidents of each of MTA, NYCTA, MaBSTOA, SIRTOA, MTA Bus, Metro-North and LIRR and their designees to take all necessary and desirable steps to implement such fares and fare structures on the vehicles and facilities of their respective agencies.
2. 2023 Crossing Charge Increases: Environmental and “Just and Reasonable” Determination. Approved a resolution that (i) finds and determines that proposed increases to the Crossing Charge Schedule will not have a significant adverse effect on the environment within the meaning of the State Environmental Quality Review Act (“SEQRA”), (ii) adopts and approves the Negative Declaration in accordance with SEQRA and authorizes and directs the President of the Triborough Bridge and Tunnel Authority or his designee to execute it, and (iii) finds that the Crossing Charges as increased in the new Crossing Charge Schedule are “Just and Reasonable” within the meaning of the General Bridge Act of 1946.
3. 2023 Crossing Charge Increases. Approved a resolution that (i) repeals the prior Crossing Charge Schedule and adopts a new Crossing Charge Schedule that increases Crossing Charges for use of the Triborough Bridge and Tunnel Authority facilities as set forth in Attachment 1 to the resolution, and (ii) authorizes the Interim President of

said Authority or the designee to take all such steps that may be necessary and desirable to repeal the prior Part 1021.1 of Title 21 of the New York Codes, Rules and Regulations and establish, implement and permanently adopt, pursuant to law, the new Crossing Charge Schedule.

The details of Board members' comments and questions with respect to these action items are included in the video recording of the meeting produced by the MTA and maintained in MTA records.

**16. ADJOURNMENT.**

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 1:38 p.m.

Respectfully submitted,

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

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Haley Stein  
Vice President,  
General Counsel and Secretary  
Long Island Rail Road Company

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Mariel A. Thompson  
Assistant Secretary  
NYCT

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Evan Eisland  
General Counsel and Secretary  
MTA C&D

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Paul Friman  
General Counsel  
and Corporate Secretary  
TBTA

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Victoria Clement  
Assistant Secretary  
MTAHQ

## **Contracts Department**

**Evan Eisland, Executive Vice President and General Counsel**

**PROCUREMENT PACKAGE  
September 2023**

## PROCUREMENTS

The Procurement Agenda this month includes 6 actions for a proposed expenditure of \$438.3 M.



# Staff Summary

<b>Subject</b> Request Authorization for Several Procurement Actions					
<b>Contracts Department</b>					
Evan Eisland, Executive Vice President and General Counsel					
<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	9/18/23	X		
2	Board	9/20/23	X		

<b>Date:</b> September 15, 2023			
<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 several 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 Majority Vote</u>	<u># of Actions</u>	<u>\$ Amount</u>
F. Personal Service Contracts	1	\$ 5,518,494
H. Modifications to Personal Service Contracts and Miscellaneous Service Contracts	1	\$ 400,000,000
SUBTOTAL	2	\$ 405,518,494

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	4	\$ 32,754,517
SUBTOTAL	4	\$ 32,754,517
<b>TOTAL</b>	<b>6</b>	<b>\$ 438,273,011</b>

**Budget Impact**

The approval of these procurement actions will obligate capital and operating funds in the amounts listed. Funds are available in the capital program and operating budget for these purposes.

**Recommendation**

That 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 General Contract Procurement Guidelines, the Board authorizes the award of certain non-competitive purchase and public works contracts, and the solicitation and award of request for proposals in regard to purchase and public work contracts; and

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

**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.

September 2023

**LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL**

**Procurements Requiring Majority Vote:**

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

<b>1.</b>	<b>Menotti Enterprise LLC Contract No. CS00010B</b>	<b>\$ 5,518,494</b>	<b><u>Staff Summary Attached</u></b>
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MTA Construction & Development requests that the Board approve the award of a publicly advertised and competitively solicited personal service contract to provide independent safety consultant services for the Bridges & Tunnels capital program projects to Menotti Enterprise LLC. The Contract is for a 12-month duration in the not-to-exceed (“NTE”) amount of \$1,379,623.50. The contract also contains three options, each of which would extend the contract and services for a 12-month period for the additional NTE amount of \$1,379,623.50. If all of the options are exercised, the total NTE amount will be \$5,518,494.

**H. Modifications to Personal Service Contracts and Miscellaneous Service Contracts Awarded as Contracts for Services**  
 (Approvals/Staff Summaries required for substantial change orders and change orders that cause the original contract to equal or exceed the monetary threshold required for Board approval.)

<b>2.</b>	<b>Various Contracts Nos. CM1600 – CM1615                                   CM1626 – CM1635</b>	<b>\$400,000,000 (aggregate)</b>	<b><u>Staff Summary Attached</u></b>
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- a. AECOM USA, Inc.
- b. Henningson Durham & Richardson Architecture and Engineering, P.C.
- c. Hill International, Inc./Parsons Transportation Group of New York, Inc., JV
- d. HNTB New York Engineering and Architecture, P.C.
- e. Jacob Civil Consultants, Inc.
- f. LiRo Engineer, Inc.
- g. Mott MacDonald NY, Inc.
- h. Naik Consulting Group P.C.
- i. STV Incorporated
- j. Systra Engineering Inc./MCSS Inc., JV
- k. Tectonic Engineering & Surveying Consultants, P.C.
- l. T.Y. Lin International Engineering, Architecture and Land Surveying, P.C.
- m. WSP USA Inc.

MTA Construction & Development requests that the Board approve an extension to Contracts Nos. CM-1600 through CM-1615 and CM-1626 through CM-1635 of approximately 18 months, through June 30, 2025, and an increase in the aggregate budget by \$400 million, from \$800 million to \$1.2 billion, to continue providing Consultant Construction Management and Inspection Services for Miscellaneous Construction Projects.

# Staff Summary

## Schedule F: Personal Service Contracts

Item Number <b>1</b>					
Department, Department Head Name: B&T Business Unit, Joe Keane, VP & Chief Engineer					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	Capital Program Committee	9/18/23	X		
2	Board	9/20/23	X		
Internal Approvals					
Order	Approval	Order	Approval		
X	Deputy Chief, Development	X	Executive Vice President & General Counsel		
X	Deputy Chief, Delivery	X	President		

SUMMARY INFORMATION	
Vendor Name	Contract Number
Menotti Enterprise LLC	CS00010B
Description	
Independent Safety Consultant Services for Capital Program	
Total Amount	<b>\$5,518,494</b>
Base Contract:	\$1,379,623.50
Option 1:	\$1,379,623.50
Option 2:	\$1,379,623.50
Option 3:	\$1,379,623.50
Contract Term (including Options, if any)	
12 Months for Base Contract. Up to 48 Months with the Options	
Option(s) included in Total Amount?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Renewal?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type	
<input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	
Solicitation Type	
<input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source	
<input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

### PURPOSE/RECOMMENDATION

MTA Construction & Development (“C&D”) requests that the Board approve the award of a publicly advertised and competitively solicited personal service contract to provide independent safety consultant services for the Bridges & Tunnels (“B&T”) capital program projects to Menotti Enterprise LLC (the “Consultant” or “Menotti”). The Contract is for a 12-month duration in the not-to-exceed (“NTE”) amount \$1,379,623.50. The Contract also contains three options, which may be exercised in C&D’s sole discretion, each of which would extend the Contract and services for a 12-month period for the additional NTE amount of \$1,379,623.50. If all the options are exercised, the total NTE amount will be \$5,518,494.

### DISCUSSION

Under this Contract, the Consultant will provide independent safety consultant services for B&T, consisting of construction work site safety monitoring, preparation of safety reports; safety reviews and recommendations to improve safety; and the delivery of safety trainings and presentations to MTA B&T employees. The Consultant will also monitor contractor compliance with the safety related requirements of construction contracts. This Contract was originally solicited with two Scopes of Work, one scope calling for these services for B&T and the other scope providing the same service for all remaining MTA entities. Proposers were free to propose on both or only one Scope of Work.

Selection was determined utilizing a “Best Value” procurement process. A one-step solicitation was publicly advertised in the New York State Contractor Reporter, the Daily News, Minority Commerce Weekly, and on the MTA website, requesting the submission of technical and cost proposals. In addition, notice of the Request for Proposals (“RFP”) was sent to 8 prequalified firms on the MTA’s General Engineering Consultant list, as well as 23 additional firms (of which 5 were certified M/WBE firms) that had proposed on past safety solicitations or had expressed interest during outreach. In response to the

RFP, proposals were received on March 1, 2023, from three firms: Menotti Enterprise LLC (“Menotti”) and TRC Engineers Inc. (“TRC”), which submitted proposals for both Scopes of Work, and SA Engineering LLC (“SA”), submitted a proposal for the B&T work only.

The three proposals were evaluated and scored by a selection committee consisting of representatives from C&D, utilizing the following pre-established selection criteria: Experience in Relevant Areas; Experience of Project Team/Key Personnel/Subconsultants; Plan of Approach; Quality Assurance Plan; Current Workload of Prime and Subconsultants; Management Approach; Diversity Practices Questionnaire; and Other Relevant Matters.

Oral presentations were conducted with all three firms and the selection committee shortlisted two firms for further consideration. SA was not shortlisted for further consideration as the firm did not demonstrate that it had sufficient resources to perform the work. After the technical evaluations were completed, the selection committee reviewed the cost proposals of the short-listed firms and then ranked each of the proposers considering both their technical and cost proposals in accordance with the evaluation criteria. The selection committee deemed both firms to be technically qualified and in the competitive range and recommended that these firms be invited for negotiations.

Several rounds of negotiations were conducted, focusing of levels of effort, staffing, hourly rates, and overhead rates. During negotiations MTA C&D determined to limit the contract solely to the B&T services. An amended solicitation was issued, and the short-listed firms continued to participate in the solicitation for the B&T scope.

Following negotiations, Best and Final Offers (“BAFOs”) were requested and received from the two firms. Based upon review of the BAFOs, technical proposals, and discussions during oral presentations, the selection committee unanimously recommended Menotti, a certified Minority Owned Business Enterprise (“MBE”) and a certified Service-Disabled Veteran-Owned Business (“SDVOB”), for award. Menotti demonstrated its technical capabilities and provided the lowest price. Accordingly, the selection committee determined that awarding the contract to Menotti provided the best value to the MTA, achieving cost savings of approximately \$342,615.48 annually or a total of \$1,515,564.57 over four years when compared to TRC’s proposal. Menotti’s BAFO was deemed to be fair and reasonable.

This Contract incorporates a performance evaluation program (“PEP”) that is applied to the fee. The PEP provides an opportunity for the Consultant to earn additional profit through exemplary performance in managing its project and a reduction in the fee if their performance requires improvement.

### **D/M/WBE INFORMATION**

The MTA’s Department of Diversity and Civil Rights has established an MBE goal of 15%, a Women Owned Business Enterprise (“WBE”) goal of 15%, and an SDVOB goal of 6% for this contract series. DDCR has determined that Menotti’s utilization plan meets the MBE/WBE/SDVOB requirements established for the contract.

Menotti has not completed any MTA contracts with MBE/WBE/SDVOB goals; therefore, no assessment of the firm’s MBE/WBE/SDVOB performance can be determined at this time.

### **IMPACT ON FUNDING**

Funding for this Contract is available in the Operating Budget.

### **ALTERNATIVES**

Perform the work using in-house personnel. At this time, MTA C&D lacks the in-house technical personnel to perform the specific tasks required under the scope of work for this Contract.

# Staff Summary

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

Item Number: **2**

<b>Vendor Name (&amp; Location)</b>	
Various	
<b>Description</b>	
Indefinite Quantity Consultant Construction Management and Inspection Services for Miscellaneous Construction Projects	
<b>Contract Term (including Options, if any)</b>	
60 months	
<b>Option(s) included in Total Amount?</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"/> Non-competitive	
<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 checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	
<b>Requesting Dept/Div &amp; Dept/Div Head Name:</b>	
Delivery/Mark Roche, Deputy Chief Development Officer	

<b>Contract Number</b>		<b>AWO/Modification #</b>
CM-1600 – CM-1615 CM-1626 – CM-1635		Various
<b>Original Amount:</b>		\$ 800,000,000
<b>Prior Modifications:</b>		\$ 0
<b>Prior Budgetary Increases:</b>		\$ 0
<b>Current Amount:</b>		\$ 800,000,000
<b>This Request:</b>		\$ 400,000,000
<b>% of This Request to Current Amount:</b>		50%
<b>% of Modifications (including This Request) to Original Amount:</b>		50%

### DISCUSSION:

Contracts Nos. CM-1600 through CM-1615 and CM-1626 through CM-1635 (the “Contracts”) are a series of Indefinite Quantity (“IQ”) contracts (13 federal and 13 state) for Consultant Construction Management (“CCM”) and Inspection Services for Miscellaneous Construction Projects with the vendors listed below. MTA Construction & Development (“C&D”) requests that the Board approve an extension to the Contracts of approximately 18 months, through June 30, 2025, and an increase in the aggregate budget by \$400 million, from \$800 million to \$1.2 billion.

### Consultants

- a. AECOM USA, Inc. (“AECOM”)
- b. Henningson Durham & Richardson Architecture and Engineering, P.C.
- c. Hill International, Inc/Parsons Transportation Group of New York, Inc., Joint Venture
- d. HNTB New York Engineering and Architecture, P.C.
- e. Jacob Civil Consultants, Inc.
- f. LiRo Engineer, Inc.
- g. Mott MacDonald NY, Inc.
- h. Naik Consulting Group P.C. (a certified DBE and MBE firm)
- i. STV Incorporated
- j. Systra Engineering Inc./MCSS Inc., Joint Venture (MCSS is a certified DBE and MBE firm)
- k. Tectonic Engineering & Surveying Consultants, P.C.
- l. T.Y. Lin International Engineering, Architecture and Land Surveying, P.C.
- m. WSP USA Inc. (“WSP”)

### Contracts Nos. Federal/State

- CM-1600/CM-1608
- CM-1601/CM-1609
- CM-1602/CM-1610
- CM-1603/CM-1611
- CM-1604/CM-1612
- CM-1605/CM-1613
- CM-1606/CM-1614
- CM-1607/CM-1615
- CM-1626/CM-1631
- CM-1627/CM-1632
- CM-1628/CM-1633
- CM-1629/CM-1634
- CM-1630/CM-1635

On October 24, 2018, the Board approved the award of 26 competitively solicited and negotiated IQ contracts to provide CCM and inspection services for miscellaneous construction projects to support NYC Transit capital projects on an as-needed basis for a period of 60 months with a total aggregate budget of \$800 million. This contract series was expanded by C&D in 2021 to support all MTA agencies.

These Contracts form a pool of pre-qualified teams through which task orders are, in general, competed to provide CCM and Inspection Services during the pre-construction, construction, and closeout phases of construction projects. The specific requirements for each project are defined in the scope of work for each task order. Task orders issued under these Contracts are funded with state and/or federal funds based upon the individual capital project projects that require the services.

This Modification will support the continuing needs of the 2020-2024 MTA Capital Program while a replacement contract series is solicited and awarded. There are no changes to the rates or titles, which were deemed fair and reasonable for the original award of the Contracts.

In connection with a previous contract awarded to AECOM, AECOM was found to be responsible notwithstanding significant adverse information ("SAI") pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the MTA Chair/CEO in consultation with the MTA General Counsel in January 2021. No new SAI has been found relating to either AECOM and AECOM has been found to be responsible. A Contractor Compliance Program with AECOM and the MTA is currently in place.

In connection with a previous contract awarded to Hill International, Inc., Hill International, Inc. was found to be responsible notwithstanding significant adverse information ("SAI") pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the MTA Deputy Chief Operating Officer in consultation with the MTA General Counsel in October 2022. No new SAI has been found relating to Hill International, Inc. and Hill International, Inc. has been found to be responsible.

In connection with a previous contract awarded to Louis Berger Group, Inc. ("LBG")<sup>1</sup>, LBG was found to be responsible notwithstanding significant adverse information ("SAI") pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by 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.

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<sup>1</sup> LBG was acquired by WSP in December 2018 and that acquisition carries with it LBG's SAI.



**SEPTEMBER 2023**

**LIST OF RATIFICATIONS FOR BOARD APPROVAL**

**Procurements Requiring Majority Vote:**

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

<b>3.</b>	<b>Tutor Perini Corporation Contract No. CS179.625</b>	<b>\$1,070,243</b>	<b><u>Staff Summary Attached</u></b>
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MTA Construction and Development requests that the Board ratify a modification to provide for the manual operation of the tunnel ventilation system in support of Long Island Rail Road’s training operations for a lump sum price of \$1,070,243.

<b>4.</b>	<b>EE Cruz and Company Contract No. E31699.16</b>	<b>\$ 1,190,000</b>	<b><u>Staff Summary Attached</u></b>
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MTA Construction and Development requests that the Board ratify a modification to install jet grout columns and micro piles for support of excavation near the wall of Track J1 and J2 beneath the corner of Forsyth and Delancey Streets in the borough of Manhattan for a lump sum price of \$1,190,000.

<b>5.</b>	<b>Schindler Elevator Corporation Contract No. VM014.41</b>	<b>\$ 5,737,520</b>	<b><u>Staff Summary Attached</u></b>
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MTA Construction and Development requests that the Board approve a modification to extend this Contract for a 24-week period, commencing July 17, 2023, to provide for continued interim maintenance of elevators and escalators in Grand Central Madison for a not-to-exceed amount of \$5,737,519.68.

<b>6.</b>	<b>George S. Hall, Inc. Contract No. VS250.01</b>	<b>\$ 24,756,754</b>	<b><u>Staff Summary Attached</u></b>
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MTA Construction and Development requests Board approval to enter into a modification to provide continued interim maintenance services and operation of assets at Grand Central Madison during the period from July 13, 2023 to and including January 12, 2024, for the not-to-exceed amount of \$24,756,754.



# Staff Summary

## Schedule K: Ratification of Completed Procurement Actions

Item Number: 3

<b>Vendor Name (Location)</b> Tutor Perini Corporation (1000 Main Street, Peekskill, New York 10801)	<b>Contract Number</b> CS179	<b>AWO/Modification #</b> 625
<b>Description</b> Systems Facilities Package No. 1	<b>Original Amount:</b> \$ 333,588,000	
<b>Contract Term (including Options, if any)</b> 75 Months	<b>Prior Modifications:</b> \$ 211,492,220	
<b>Option(s) included in Total Amt?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a	<b>Prior Budgetary Increases:</b> \$ 216,800,001	
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	<b>Current Amount:</b> \$ 761,880,221	
<b>Solicitation Type</b> <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	<b>This Request:</b> \$ 1,070,243	
<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> 0.14%	
<b>Requesting Dept./Div., Dept./Div. Head Name:</b> East Side Access, Judith Kunoff, SVP and Program Executive	<b>% of Modifications (including This Request) to Original Amount:</b> 63.7%	

### DISCUSSION:

Contract CS179 is one of the East Side Access (“ESA”) project’s systems contracts providing, among other systems, the tunnel ventilation system. MTA Construction and Development (“C&D”) requests that the Board ratify a modification to provide for the manual operation of the tunnel ventilation system in support of Long Island Rail Road’s training operations.

The new tunnel ventilation system is monitored and operated remotely from a Supervisory Control and Data Acquisition (“SCADA”) system located at the Train Operations Center (“TOC”). Over the past year, LIRR has been operating trains in the tunnels as part of “physical characteristic training,” which allows the LIRR operators to test run equipment to familiarize themselves with operations in the ESA area prior to implementing revenue service.

During the LIRR’s test train operations, the CS179 Contractor had not yet completed its system testing of the Tunnel SCADA system. Consequently, manual operation of the tunnel ventilation system was necessary as a backup to the Tunnel SCADA system as an added safety measure to ensure reliable operation of the tunnel ventilation system during training operations. Upon successful completion of the testing of the Tunnel SCADA system and acceptance by MTA on January 20, 2023, the TOC took full control of the tunnel ventilation system remotely and there was no further need for manual operation.

A prior modification authorized manual operation of the tunnel ventilation system from February 1, 2022, through July 1, 2022, in the amount of \$826,233. This Modification No. 625 extends the period of manual operation of the ventilation system from July 1, 2022, to January 20, 2023. In September 2022, the MTA C&D President approved a retroactive memorandum to extend the service.

The Contractor’s proposal for this Modification was \$1,076,380. Negotiations resulted in agreement of a lump sum price of \$1,070,243, which is deemed to be fair and reasonable. Combined with the prior modification authorizing work between February and July 2022, the total cost for manual operations support is \$1,896,476. The Modification also includes a reservation of the parties’ right regarding Excusable and Compensable Delay.

# Staff Summary

## Schedule K: Ratification of Completed Procurement Actions

Item Number: 4

<b>Vendor Name (Location)</b> EE Cruz & Company (16-16 Whitestone Expressway, 5 <sup>th</sup> Floor, Whitestone NY 11357	<b>Contract Number</b> E-31699	<b>AWO/Modification #</b> 16
<b>Description</b> Forsyth Emergency Ventilation Plant in the Borough of Manhattan	<b>Original Amount:</b>	\$ 59,300,000
<b>Contract Term (including Options, if any)</b> December 28, 2018 - November 29, 2023	<b>Prior Modifications:</b>	\$ 2,307,275
<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>	\$ 61,607,275
<b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	<b>This Request:</b>	\$ 1,190,000
<b>Funding Source</b> <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	<b>% of This Request to Current Amt.:</b>	1.9%
<b>Requesting Dept./Div., Dept./Div. Head Name:</b> Delivery/Mark Roche, Deputy Chief Development Officer	<b>% of Modifications (including This Request) to Original Amount:</b>	5.9%

### DISCUSSION:

The Contract provides for construction of an Emergency Ventilation Plant (“VP #6367”) for the IND/BMT 6<sup>th</sup> Ave. line on Forsyth Street between Delancey and Rivington Streets in Manhattan. MTA Construction and Development (“C&D”) requests that the Board ratify a modification to install jet grout columns and micro piles for support of excavation near the wall of Track J1 and J2 beneath the corner of Forsyth and Delancey Streets.

The Contract requires excavation to a depth of 85 feet to create a perimeter wall to prevent water infiltration and cave-ins. The excavation work included installing panels to stabilize and support the sides of the excavation. In May 2021, while attempting to install the panels, EE Cruz & Company (the “Contractor”) unexpectedly encountered existing steel soldier piles at depths between 25 to 40 feet, which obstructed the installation of the panels. This modification addresses this unexpected field condition by providing for the installation of jet grout columns along with supporting micro piles to support the excavation instead of the panels, which was determined to be the most effective way to proceed. In order to procure necessary materials and mobilize a jet grout rig to the site without causing further delay to the project, the President of MTA C&D authorized work to begin on a retroactive basis.

The Contractor submitted a proposal in the amount of \$2,054,583. Negotiations resulted in agreement of a lump sum price of \$1,150,000 which is considered fair and reasonable. This modification also includes an extension of the Substantial Completion date by 111 calendar days from November 29, 2023 to March 19, 2024, of which 16 days were determined to be compensable, resulting in \$40,000 in impact costs.

# Staff Summary

## Schedule K: Ratification of Completed Procurement Actions

Item Number: 5

<b>Vendor Name (&amp; Location)</b>	
Schindler Elevator Corporation (20 Whippany Road Morristown, NJ 07960)	
<b>Description</b>	
Post Revenue Service Interim Maintenance Extension	
<b>Contract Term (including Options, if any)</b>	
160 Months	
<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"/> Non-competitive
<b>Solicitation Type</b>	<input checked="" 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 Dept/Div &amp; Dept/Div Head Name:</b>	
East Side Access, Judith Kunoff, SVP and Program Executive	

<b>Contract Number</b>	<b>AWO/Modification #</b>
VM014	41
<b>Original Amount:</b>	
	\$ 24,077,558
<b>Prior Modifications:</b>	
	\$ 23,963,362
<b>Prior Budgetary Increases:</b>	
	\$ 1,787,351
<b>Current Amount:</b>	
	\$ 49,828,271
<b>This Request:</b>	
	\$ 5,737,519.68
<b>% of This Request to Current Amount:</b>	
	11.5%
<b>% of Modifications (including This Request) to Original Amount:</b>	
	123.4%

**Discussion:**

Contract VM014 (the “Contract”) provides for the fabrication, installation and interim maintenance of the escalators and elevators in Grand Central Madison (GCM). MTA Construction and Development (“C&D”) requests that the Board approve a Modification to extend the Contract for a 24-week period, commencing July 17, 2023, to provide for continued interim maintenance of elevators and escalators in GCM for a not-to-exceed amount of \$5,737,519.68.

MTA C&D is currently procuring a Long-Term Facility Maintenance Contract (Contract MS21001) for the operation and maintenance of GCM. There is an ongoing critical need to provide service and maintenance of the elevators and escalators within GCM until Contract MS21001 is awarded. The work under this modification includes routine maintenance of the elevators and escalators, on-call service to address problems that may arise, as well as annual preventive maintenance. The work also includes providing off-site storage of three escalators slated for the future 48<sup>th</sup> Street entrance. It is expected that the Contract MS21001 will be awarded and will take over service and maintenance of the elevators and escalators on or before January 2024.

The Contractor submitted a proposal in the amount of \$5,724,157.20. During negotiations the Contractor realized that it had omitted the cost for the off-site storage of the three escalators and adjusted its proposal accordingly. Negotiations yielded a final price of \$5,737,519.60 for the period from July 17, 2023, through January 1, 2024, at a weekly rate of \$239,063.32. C&D deems this price to be fair and reasonable.

# Staff Summary

## Schedule K: Ratification of Completed Procurement Actions

Item Number: **6**

<b>Vendor Name (&amp; Location)</b> George S. Hall, Inc. (122 East 42nd Street, Fourth Floor New York, New York 10168-0501)
<b>Description</b> Interim Maintenance of the East Side Access Project Part 2
<b>Contract Term (including Options, if any)</b> Fifteen months with one six-month option
<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"/> Non-competitive
<b>Solicitation Type</b> <input checked="" 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 Dept/Div &amp; Dept/Div Head Name:</b> East Side Access, Judith Kunoff, SVP and Program Executive

<b>Contract Number</b>	<b>AWO/Modification #</b>
VS250	001
<b>Original Amount:</b>	\$ 59,138,759.52
<b>Prior Modifications:</b>	\$ 0
<b>Prior Budgetary Increases:</b>	\$ 7,263,864
<b>Current Amount:</b>	\$ 66,402,623.37
<b>This Request:</b>	\$ 24,756,754
<b>% of This Request to Current Amount:</b>	37.2%
<b>% of Modifications (including This Request) to Original Amount:</b>	54.1%

### Discussion:

Contract VS250 provides for the interim maintenance, service, and operations of the Grand Central Madison (“GCM”) assets. MTA Construction and Development (“C&D”) requests Board approval to enter into a modification to provide continued interim maintenance services and operation of assets at during the period from July 13, 2023 to and including January 12, 2024, for the not-to-exceed amount of \$24,756,754.

MTA C&D us currently procuring a Long-Term Facility Maintenance Contract (Contract MS21001) for the operation and maintenance of GCM. There is an ongoing critical need to maintain and operate the GCM assets in support of GCM’s passenger service operations until Contract MS21001 is awarded. The GCM assets operated and maintained under this VS250 Contract consist principally of the building management system, the automatic temperature control system, the chiller and steam plant and the tunnel ventilation systems, as well as mechanical and plumbing, electrical, communication, fire protection, and security systems. It is expected that the Contract MS21001 will take over the GCM maintenance, service, and operations on or before January 2024.

The VS250 Contract included two six-month options to extend the Contract duration. On June 15, 2023, C&D exercised the first option extending the Contract from July 13, 2023, to January 12, 2024. That option included the cost of general conditions and field office overhead but did not include funds for the Contract’s unit rate payment items. This modification will fund those unit rate payment items for the option period and, in addition, will add Pest Control Preventive Maintenance and Freight Office Operations to the Contract for the option period.

The CM team prepared a cost estimate for reconciliation and extension of the Contract’s unit rate payment items based on the actual expended quantities over the duration of the Contract and the forecast use of the unit rate work over the Option period. The unit rates are unchanged from the negotiated values in the base Contract; however, the quantities of units provided for in the Contract need to be increased to cover the Option period. The cost for performing the Pest Control Preventive Maintenance and Freight Office Operations were negotiated at monthly rates. Based on the reconciliation of the unspent unit quantities in the base Contract, additional unit quantities required for the Option period, and the cost of the two items of additional work, both parties agreed to a total not to exceed amount of \$24,756,754 increase to the Contract Price for the direct cost of all work to be performed within the Option period. C&D deems this proposed increase to the Contract Price to be fair and reasonable.

## Metro-North Railroad Procurements

**Omar Messado**, Acting Assistant Deputy Chief Procurement Officer – MTA Office of the Chief Procurement Officer

## PROCUREMENTS

The Procurement Agenda this month includes 1 action for a proposed estimated expenditure of \$8.7M.

<b>Subject</b>	Request for Authorization to Award Various Procurements				
<b>Department</b>	MTA Procurement				
<b>Department Head Name</b>	Lisette Camilo (Interim)				
<b>Department Head Signature</b>	<i>Lisette Camilo</i>				
<b>Project Manager Name</b>	Ben Cornelius				
<b>Board Action</b>					
<b>Order</b>	<b>To</b>	<b>Date</b>	<b>Approval</b>	<b>Info</b>	<b>Other</b>
1	Committee	09/18/23			
2	Board	09/20/23			

September 13, 2023			
<b>Department</b>			
<b>Department Head Name</b>			
<b>Department Head Signature</b>			
<b>Internal Approvals</b>			
	<b>Approval</b>		<b>Approval</b>
	President		<i>CAP</i>
	SVP Operations	X	
	VP & General Counsel	X	<i>BP</i>

<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 a modification to an existing contract and to seek a recommendation from the Metro-North Committee regarding this procurement action.

**DISCUSSION**

**Metro-North proposes to award Noncompetitive procurements in the following categories: None**

**Metro-North proposes to award Competitive procurements in the following categories:**

Schedules Requiring Majority Vote:

Schedule H: Modifications to Personal/Miscellaneous Service Contracts	1	\$	8.7 M
SUBTOTAL	1	\$	8.7 M

**Metro-North proposes to award Ratifications in the following categories: None**

TOTAL	1	\$	8.7 M
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**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.



**SEPTEMBER 2023**

**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.)

1. **Arrow Rail Link Service, Inc.** **\$8,684,603** *Staff Summary Attached*  
**Four years with two 3-year renewal Options**  
**Contract# 52537.7**

Modification to the contract for Hudson Rail Link Bus Service in order to (1) exercise the second three-year renewal option and (2) provide additional funding to the contract for the continuation of bus services.

Item Number: 1

<table border="1"> <tr> <td><b>Vendor Name (Location)</b> Arrow Rail Link Service, Inc. (Brooklyn, New York)</td> </tr> <tr> <td><b>Description</b> Hudson Rail Link Bus Service</td> </tr> <tr> <td><b>Contract Term (including Options, if any)</b> Four years with two, 3-year options</td> </tr> <tr> <td><b>Option(s) included in Total Amount?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</td> </tr> <tr> <td><b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive</td> </tr> <tr> <td><b>Solicitation Type</b> <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:</td> </tr> <tr> <td><b>Funding Source</b> <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:</td> </tr> <tr> <td><b>Requesting Department:</b> Operations Planning</td> </tr> </table>	<b>Vendor Name (Location)</b> Arrow Rail Link Service, Inc. (Brooklyn, New York)	<b>Description</b> Hudson Rail Link Bus Service	<b>Contract Term (including Options, if any)</b> Four years with two, 3-year options	<b>Option(s) included in Total Amount?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<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:	<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> Operations Planning	<table border="1"> <tr> <td><b>Contract Number</b> 52537</td> <td><b>AWO/Mod #</b> 7</td> </tr> <tr> <td colspan="2"><b>Original Amount:</b> \$ 8,561,334</td> </tr> <tr> <td colspan="2"><b>Prior Modifications:</b> \$ 8,762,852</td> </tr> <tr> <td colspan="2"><b>Prior Budgetary Increases:</b> \$ 0</td> </tr> <tr> <td colspan="2"><b>Current Amount:</b> \$17,324,186</td> </tr> <tr> <td colspan="2"><b>This Request:</b> \$ 8,684,603</td> </tr> <tr> <td colspan="2"><b>% of This Request to Current Amount:</b> 50.13%</td> </tr> <tr> <td colspan="2"><b>% of Modifications (including This Request) to Original Amount:</b> 203.70%</td> </tr> </table>	<b>Contract Number</b> 52537	<b>AWO/Mod #</b> 7	<b>Original Amount:</b> \$ 8,561,334		<b>Prior Modifications:</b> \$ 8,762,852		<b>Prior Budgetary Increases:</b> \$ 0		<b>Current Amount:</b> \$17,324,186		<b>This Request:</b> \$ 8,684,603		<b>% of This Request to Current Amount:</b> 50.13%		<b>% of Modifications (including This Request) to Original Amount:</b> 203.70%	
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<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:																									
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<b>% of This Request to Current Amount:</b> 50.13%																									
<b>% of Modifications (including This Request) to Original Amount:</b> 203.70%																									

**Discussion:**

Metro-North Railroad (“MNR”) is seeking Board approval to (1) exercise the second and final three-year renewal option to a contract for Hudson Rail Link (“HRL”) bus service with Arrow Rail Link Service, Inc. (“Arrow”), formerly SNT Bus, Inc., from October 1, 2023, through September 30, 2026; and (2) provide additional funding in the amount of \$8,684,603 to the contract for the continuation of the bus service. All other terms, conditions, and pricing remain the same.

The original contract was approved by the MTA Board in July 2016 for the four-year base. The contract includes two 3-year renewal options. Prior modifications were issued to address interim extensions during the pandemic and the MTA Board approved the exercise of the remaining two years of the first renewal option in September 2021. The modifications and the first renewal option totaled \$8,762,852.

Contract pricing for the HRL was based on negotiated hourly rates adjusted annually by 3.5 percent. For this second renewal option, the annual increase of 3.5 percent is 2.6 percent less when compared to the most recent Urban Wage Earners and Clerical Workers Price Index (“CPI-W”) and projected to be less than the CPI for the term of the renewal option.

The HRL is a fixed-route scheduled feeder bus service that operates between MNR’s Spuyten Duyvil and Riverdale stations, as well as the surrounding neighborhoods located in geographically challenging areas in the northwest Bronx. Arrow maintains and operates 16 MNR-owned buses to provide the scheduled HRL service to commuters, at a fare of \$2.90 per ride, from Monday through Friday during peak and off-peak times. Buses are coordinated to meet arriving and departing MNR rail service between the hours of 6:00 a.m. and midnight at both stations.

In 2019, the average daily ridership for the HRL bus service was 1,601, with an annual ridership of 406,193. This represents a 5.7 percent increase since 2016, when the base contract was awarded. The emergence of the pandemic in 2020 corresponded with a steep decline in rail usage but has trended upward as the public returns to offices. In 2022, the average daily ridership was 597 with an overall annual ridership of 151,723. To date, the average daily ridership for 2023 is 721, which is 45 percent of pre-pandemic levels.

It is anticipated that HRL’s ridership will continue to increase over the next few years as the region continues to recover. The service is seen as an essential mobility resource for the neighborhoods, which otherwise are not easily accessible by public transportation.

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.

Arrow has certified that pursuant to EO 16, it is not doing business in Russia.

**Impact on Funding**

The contract modification in the amount of \$8,684,603 is to be funded by MNR’s Operating Budget.

**Alternatives**

None. MNR does not have the resources to provide these services in-house.

NYCT Committee  
ACTIONS and PRESENTATIONS  
SUMMARY for SEPTEMBER 2023

Responsible Department	Vendor Name	Total Amount	Summary of action
NYCT / MTA Bus	Preteckt	\$3,300,000	Prognostic Maintenance contract extension (Artificial Intelligence).

# **New York City Transit Procurements**

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

## PROCUREMENTS

The Procurement Agenda this month includes 1 action for a proposed estimated expenditure of \$3.3M.

<b>Subject</b> Request for Authorization to Award Various Procurements					
<b>Department</b> MTA Procurement					
<b>Department Head Name</b> Lisette Camilo					
<b>Department Head Signature</b>					
<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	09/18/23			
2	Board	09/20/23			

September 13, 2023			
<b>Department</b>			
<b>Department Head Name</b>			
<b>Department Head Signature</b>			
<b>Internal Approvals</b>			
	<b>Approval</b>		<b>Approval</b>
	President NYCT	X	Pres. MTA Bus/SVP DOB
X	Deputy CFO	X	SVP Subways
X	Law	X	Diversity/Civil Rights

<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:**

<u>Procurements Requiring Majoritv Vote:</u>	<u># of</u>	<u>\$ Amount</u>
	<u>Actions</u>	
Schedule H: Modifications to Personal/Miscellaneous Service Contracts	1	\$ 3.3 M
SUBTOTAL	1	\$ 3.3 M

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

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

TOTAL	1	\$ 3.3 M
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**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.

**SEPTEMBER 2023**

**LIST OF NONCOMPETITIVE 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>1. Preteckt, Inc.<br/>One Year<br/>Contract# 6%30858.2</b> | <b>\$3,300,000</b> | <b><i>Staff Summary Attached</i></b> |
|---|--------------------|--------------------------------------|

Modification to the contract for Prognostic Maintenance Services for NYC Transit Department of Buses and MTA Bus Company, in order to (1) perform prognostic maintenance services to increase the quantity of buses monitored; (2) extend the term of this test and evaluation by one year; and (3) add an estimated \$3.3 million for expected expenditures.



**Item Number:**

<b>Vendor Name (Location)</b> Preteckt, Inc. (Memphis, Tennessee)
<b>Description:</b> Prognostic Maintenance Services for NYCT Department of Buses (DOB) and MTA Bus Company (MTABC)
<b>Contract Term (including Options, if any)</b> December 1, 2022–November 30, 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 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> Department of Buses, Frank Annicaro

<b>Contract Number</b> 6%30858	<b>AWO/Mod. #</b> 2
<b>Original Amount:</b>	\$ 962,640
<b>Prior Modifications:</b>	\$ 11,981
<b>Current Amount:</b>	\$ 974,651
<b>This Request:</b>	\$ 3,300,000
<b>% Of This Request to Current Amount:</b>	238.5%
<b>% Of Modifications (including This Request) to Original Amount:</b>	244.0%

**Discussion:**

NYC Transit is seeking Board approval to modify the sole-source miscellaneous service contract awarded to Preteckt, Inc. (“Preteckt”) to perform prognostic maintenance services for NYC Transit, Department of Buses (“DOB”) and MTA Bus Company (“MTABC”) to increase the quantity of buses monitored from 1,528 to 5,000; extend the term of this test and evaluation by one year (December 1, 2023–November 30, 2024); and add an estimated \$3.3 million for expected expenditures.

The base contract for the prognostic maintenance of the exhaust aftertreatment subsystem on 1,528 buses was awarded to Preteckt in December 2022 in the amount of \$962,640 following a two-year, no charge proof-of-concept pilot, which was the result of the efforts of the 2019 Transit Tech Lab. The Preteckt system is designed to analyze raw sensor data collected from the exhaust aftertreatment subsystem by the existing bus telematics system to provide prognostic maintenance alerts and repair plans which can be used to reduce in-service interruptions. Since its initial deployment at NYC Transit, this system has successfully helped to both identify potential road calls before they occur and optimize labor hours and material costs.

Preteckt submitted its initial proposal in the amount of \$3.54 million (\$59/bus/month), which represents a \$6.50/bus/month (12.4 percent) increase over the current pricing of \$52.50/bus/month. Following negotiations, Preteckt reduced its proposal to \$3.3 million (\$55/bus/month), which represents a savings of 7 percent or \$240,000 from its original proposal.

The final pricing for this modification has been reviewed by the Cost-Price Analysis Unit and found to be fair and reasonable.

It should be noted that DOB and MTABC have determined that the use of prognostic maintenance services to analyze data and create prognostic alerts and repair plans will be effective and beneficial to the overall bus maintenance strategy. As a result, a competitive Request for Proposal that includes the monitoring of this and additional bus systems is being developed and will be advertised in early 2024. Eight companies responded to a Request for Information advertised by Procurement in early 2023.

Preteckt has certified that pursuant to EO 16, it is not doing business in Russia.

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 procurement action will utilize Operating Funds.

# Staff Summary

## Schedule F: Personal Service Contracts

<b>Item Number 1-3</b>					
<b>Department, Department Head Name:</b> Finance, Kevin Willens					
<b>Division, Division Head Name:</b> Risk and Insurance Management					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	Finance	09/18/23			
2	Board	09/20/23			
Internal Approvals					
Order	Approval	Order	Approval		
1	Procurement	5	Legal		
2	Risk and Insurance Mgmt.	6	CFO		
3	DDC R				

SUMMARY INFORMATION	
<b>Vendor Names:</b> Alliant Insurance Services, Inc.	<b>Contract Numbers:</b> 15625-0100 Supplemental Agreement No. 2
<b>Description:</b> Owner Controlled Insurance Program	
<b>Total Amount:</b> \$385,100,000.00	
<b>Contract Term (including Options, if any):</b> Six years	
<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>Renewal?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<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:	
<b>Funding Source:</b> <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

**Purpose:**

To obtain MTA Board approval to establish a not-to-exceed budget of \$385.1 million and execute the following items necessary to finalize the procurement of an Owner Controlled Insurance Program (OCIP) for awarded projects covering the period of September 30, 2023-December 31, 2025, Capital Program for NYCT, LIRR, MNR and the Small Business Development Program (SBDP)

- Placement of the primary OCIP insurance policies with Liberty Mutual and the Excess Liability policies with a consortium of underwriters from London, Bermuda and domestic markets. (\$104 million)
- Authorization to place the OCIP's Builder's Risk policy with Starr and the Railroad Protective Liability policy with Balance Partners; (\$19.75 million)
- Entry by First Mutual Transportation Assurance Company (FMTAC - MTA's captive insurance company subsidiary) into an agreement with Chubb establishing a collateral trust that secures MTA obligations to pay the self-insured portions of Workers' Compensation and General Liability claims; (\$118 million)
- Establishment of deductible reimbursement policies within FMTAC for payment of the self-insured portions of Workers' Compensation, General Liability, and Builder's Risk claims; and allow FMTAC to manage the safety, claims, and administrative expenses of the OCIP program (\$132 million)
- Execution of a Broker Incentive for Alliant Insurance Services (\$4.25 million)
- Alliant Broker Services (\$7.1 million)

# Staff Summary

## Schedule F: Personal Service Contracts

### Summary:

To place this insurance, MTA continued with the i) selection of a short list panel of brokers which was approved by the MTA Board in December 2021, ii) maintained the updates to procurement language based on an insurance study to address the rising cost of construction insurance in the New York area to help inform broker selection, retention levels and marketing strategy for this current placement, iii). issued Mini RFP package 2 which included an incentive/disincentive and awarded the preferred broker for this OCIP program covering 229 projects at a construction value of \$8.5 billion and iv) marketed and negotiated with the insurance market to finalize the procurement of this OCIP program.

The \$385.1 million overall cost of this OCIP program is 4.53% of construction value, \$65.4M lower than last year's OCIP program if the rate was 5.3% for insurance cost to construction value. Furthermore, compared to contractor supplied insurance of 7% - 8% range based on MTA's recent history and current industry trends, represents approximately \$210 - \$295 million of lower insurance cost to the MTA. This cost reflects the continued efforts made over the past year to put in place an insurance program that provides the best value to the MTA.

### Discussion:

Since 1995 the MTA has successfully utilized the OCIP concept on its capital projects on a continuous basis. The Owner (MTA) purchases the insurance for each contractor and subcontractor of every tier working on the projects with uniform Workers' Compensation, Commercial General Liability, Excess Liability, Railroad Protective Liability, and Builder's Risk policies, and receives a discount through the economy of scale in the overall insurance price. The contractors are required to remove their insurance soft cost from their bid.

The RFP utilized the Board approved award of three competitively negotiated personal services as-needed contracts for Broker Services on specific OCIP packages for the 2020–2024 Capital Program and Related Projects for a period of eight years at a not-to-exceed cost of \$60 million in December of 2021. The contracts were awarded to the following firms for use on an as-needed basis without obligation to the MTA or its agencies: Alliant Insurance Services, Inc. ("Alliant"); Marsh USA Inc. ("Marsh"); and Willis Towers Watson Northeast, Inc. ("Willis").

Most recently, the OCIP Mini 1, the MTA Risk and Insurance Management (RIM) was able to secure a 5.3% rate for insurance cost to construction value (CV) compared to rates of 7% - 8% for insurance cost from the contractor supplied coverage. In addition, OCIP provides a major benefit to SBDP contractors who could not afford to pay for the higher insurance limits required by the MTA for Commercial General Liability Insurance and Excess Liability Insurance.

In May of 2023, MTA RIM commenced Mini RFP OCIP package 2, which maintains the incorporated recommendations from the insurance study from last year's procurement. MTA Construction and Development identified 229 projects throughout the NYCT, LIRR, MNR and SBDP to be awarded within a 27-month period between September 30, 2023, and ending December 31, 2025 that will constitute Mini RFP OCIP package 2 with a projected construction value (CV) of \$8.5 billion. Each broker was required to submit a cost proposal, technical proposal and the qualifications of the team that will deliver the services.

The RFP included the same procurement language from last year which resulted in reduced insurance cost. The recommendations were the following:

- To incorporate, when applicable, an Alternative Dispute Resolution (ADR) in the OCIP
- To incorporate a broker incentive/disincentive with the goal of producing the best results.
- Increase FMTAC's participation in the insurance program by adjusting the Self-Insured Retention limits (This is covered in the insurance marketing section of the Staff Summary)

## Staff Summary

### Schedule F: Personal Service Contracts

In July 2023, based on an evaluation performed by the selection committee, Alliant was tasked to market the OCIP package 2 projects to the insurance markets.

During the last forty five (45) days, and in accordance with the terms of the broker services contract, Alliant Insurance Services has engaged domestic and international insurance markets to acquire competitive quotations for the various lines of coverage required for the Program.

Coverage will be for the entire term of the OCIP, estimated to be six (6) years, and will be non-cancelable by the insurers except for non-payment of premiums or non-compliance with serious safety recommendations. The OCIP primary coverage (Workers' Compensation/General Liability) will provide MTA and the contractors with limits of \$5 million per occurrence and \$10 million in the aggregate, subject to self-insured retentions of \$750,000 on the Workers' Compensation policy and \$3 million on the General Liability. Excess Liability will increase primary limits to \$200 million per occurrence and \$200 million in the aggregate.

For the Mini RFP-2023 Capital Program OCIP, based on a thorough review of the scope of the projects to be included, the safety controls to be put in place, and discussions with the insurance company underwriters, MTA RIM expects the maximum aggregated premium, safety management and administrative cost to be approximately \$521 million, or 6.14 % of total contract cost for covered projects. The insurance premium for the primary Workers' Compensation and General Liability coverage is based on loss experience. Liberty Mutual has capped self-insured losses at a maximum of approximately \$398 million subject to the final audited payroll. Based upon actuarial analysis of prior OCIP program losses, FMTAC will write a deductible reimbursement policy that limits the maximum loss exposure of the Capital Program to approximately \$250 million, reducing the maximum cost of the program by \$148 million.

As part of the insurance proposal from Liberty Mutual, FMTAC will be required to enter into a trust agreement with the insurance company whereby the Captive will hold collateral of \$118 million to secure the insurance company against exposure to the self-insured layer of Workers' Compensation/General Liability claims. FMTAC will hold and invest the funds, with any interest earned being retained by the Captive. This transaction eliminates the need for a letter of credit or the posting of other security that would otherwise be required in order to place the policy. Based on past experience and the financial strength of FMTAC, Liberty Mutual has agreed to a security requirement of less than 30% of maximum losses.

It is also recommended that the Captive be authorized to manage the OCIP's claims, safety and administrative expenses, as has been done with past OCIPs. Liberty Mutual claims unit has been selected as the claim's administrator and a loss fund of \$132 million will be established to pay losses and related claim costs within the self-insured retention. Safety services and administrative expenses will be funded by investment income on the funds held by the Captive over the life of the program. With a fair rate of return and minimal loss history, it is expected that FMTAC can fully fund these expenses.

Additionally, Builder's Risk coverage will be procured to protect MTA's interests in the property being constructed, and Railroad Protective Liability will be procured for the LIRR and MNR projects to protect the assets and employees of the MTA railroads and to meet our obligations to protect the railroads that operate on the right-of-way. These policies will be procured within a not to exceed cost of \$19.75 million.

The option for administration of an ADR which includes the hiring of an Injured Worker Advocate, Medical On-Site Provider, contracting with Medical Management (PPO Network) and include Broker ADR Claims Oversight was included into in the RFP and will be billed to the MTA at previously established contractual hourly rates. The exercise of this option will be subject to board approval if the MTA requires ADR services in the future. As of today, no projects in package 2 qualify and the option is not included in the overall OCIP budget.

# Staff Summary

## Schedule F: Personal Service Contracts

### D/M/WBE Information:

N/A

### Impact on Funding:

The work is funded under the 2020-2024 Capital Plan. Insurance funding is currently budgeted at \$385.1 million.

### Alternatives:

Not utilizing OCIP Coverage. The alternative to an OCIP would be to require each construction contractor to purchase insurance coverage and provide the MTA with evidence of that insurance. Costs for insurance would be included in construction contract bids. Based on MTA's prior experience, ensuring the program utilizing this method in lieu of an OCIP could cost an additional 2.47 to 3.47 percent in insurance premiums. OCIPs also provide for greater control over job site safety and assure that all contractors will have the proper insurance coverage in place for the term of the programs. Should an OCIP not be purchased, these assurances/benefits will be lost.

Perform service in-house. This alternative is neither feasible nor cost effective. The MTA does not have the staff with the specialized expertise or experience to perform the necessary services.

# Staff Summary

<b>Subject</b>	<b>2022 – 2023 Station Maintenance Billing</b>	<b>Date</b>	<b>Sept 18, 2023</b>
<b>Department</b>	<b>Chief Financial Officer</b>	<b>Vendor Name</b>	
<b>Department Head Name</b>	<b>Kevin Willens</b>	<b>Contract Number</b>	
<b>Department Head Signature</b>		<b>Contract Manager Name</b>	
<b>Project Manager Name</b>	<b>James McGovern</b>	<b>Table of Contents Ref #</b>	

Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
1	Finance	9/18/23		x		1	Legal	2	CFO
2	Board	9/20/23		x					

**Narrative**

**Purpose:**  
 To advise the Board of submission of the station maintenance billings to New York City and the counties for the period April 1, 2022 to March 31, 2023.

**Discussion:**  
 The attached schedule provides the summary of the station maintenance use and operations billing to the counties and New York City for the period April 1, 2022 through March 31, 2023.

Current legislation provides that on or before June first of each year the MTA shall determine and certify to New York City and the counties the cost for station maintenance use and operations for the twelve month period ending the preceding March thirty-first for the stations within the municipality. The MTA bills New York City and the counties each fiscal year based on a statutorily established formula adjusted annually by the CPI-W for the New York, Northwestern New Jersey and Long Island Region. The net increase in the CPI factor for the twelve month period ending March 31, 2023 was 3.962% which results in a \$7,553,605 increase over the prior year's billed amount.

Metropolitan Transportation Authority Station Maintenance, Use and Operations March 31, 2023
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COUNTY BILLED	AMOUNT BILLED 2021 - 2022	% CHANGE IN CPI	\$ INCREASE	AMOUNT BILLED 2022 - 2023
DUTCHESS	\$ 2,785,004	3.962%	\$ 110,330	\$ 2,895,334
NASSAU	33,802,863	3.962%	1,339,128	35,141,991
NEW YORK CITY	108,160,936	3.962%	4,284,883	112,445,819
ORANGE	576,139	3.962%	22,824	598,963
PUTNAM	1,089,118	3.962%	43,146	1,132,264
ROCKLAND	61,254	3.962%	2,427	63,681
SUFFOLK	20,834,694	3.962%	825,383	21,660,077
WESTCHESTER	23,361,493	3.962%	925,484	24,286,977
	<u>\$ 190,671,501</u>		<u>\$ 7,553,605</u>	<u>\$ 198,225,106</u>

**CPI for Urban Wage Earners and Clerical Workers (CPI-W)  
Original Data Value**

**Series Id:** CWURS12ASAA0,CWUSS12ASAA0

**Not Seasonally Adjusted**

**Series Title:** All items in New York-Newark-Jersey City, NY-NJ-PA,

**Area:** New York-Newark-Jersey City, NY-NJ-PA

**Item:** All items

**Base Period:** 1982-84=100

**Years:** 2013 to 2023

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2013	250.849	252.317	252.739	252.024	252.259	252.862	253.277	253.633	254.434	252.917	253.013	253.088	252.784
2014	255.477	254.782	255.933	255.937	257.145	257.147	257.309	256.691	256.945	256.022	254.638	253.224	255.938
2015	253.159	254.044	254.358	254.699	255.946	256.383	256.054	256.038	256.386	255.932	255.385	254.441	255.235
2016	254.968	255.246	256.012	257.289	257.721	258.269	258.065	258.374	259.059	258.995	259.348	259.789	257.761
2017	261.409	262.086	262.165	262.486	262.825	263.205	262.577	263.489	265.291	264.578	264.185	264.436	263.228
2018	265.660	267.153	267.077	267.945	268.986	269.348	269.123	269.304	270.298	269.879	269.154	268.369	268.525
2019	269.659	270.250	271.123	271.992	272.726	273.360	273.287	273.903	273.722	273.474	273.627	274.027	272.596
2020	276.077	276.412	275.913	274.876	276.413	276.529	277.944	277.920	278.916	278.297	277.747	278.844	277.157
2021	279.909	280.994	281.761	283.926	285.281	288.318	288.323	289.090	290.733	291.835	293.033	292.713	287.160
2022	296.213	297.028	300.890	303.153	305.161	309.606	308.491	308.969	308.477	308.763	309.647	309.872	305.523
2023	312.206	313.326	312.810										



**STATION MAINTENANCE  
FOR THE YEAR 04/01/2022 - 03/31/2023**

	BILLED AMOUNT 2021-2022	CHANGE IN CPI	INCREASED AMOUNT	BILL AMOUNT 2022-2023
DUTCHESS	2,785,004	0.03962	110,330	2,895,334
NASSAU	33,802,863	0.03962	1,339,128	35,141,991
NEW YORK CITY	108,160,936	0.03962	4,284,883	112,445,819
ORANGE	576,139	0.03962	22,824	598,963
PUTNAM	1,089,118	0.03962	43,146	1,132,264
ROCKLAND	61,254	0.03962	2,427	63,681
SUFFOLK	20,834,694	0.03962	825,383	21,660,077
WESTCHESTER	23,361,493	0.03962	925,484	24,286,977
<b>GRAND TOTAL</b>	<b>\$ 190,671,501</b>		<b>7,553,605</b>	<b>\$ 198,225,106</b>

MARCH 2022 CPI	300.890
MARCH 2023 CPI	312.810
CHANGE	11.920
	11.92/300.89
% INCREASE	0.0396158064

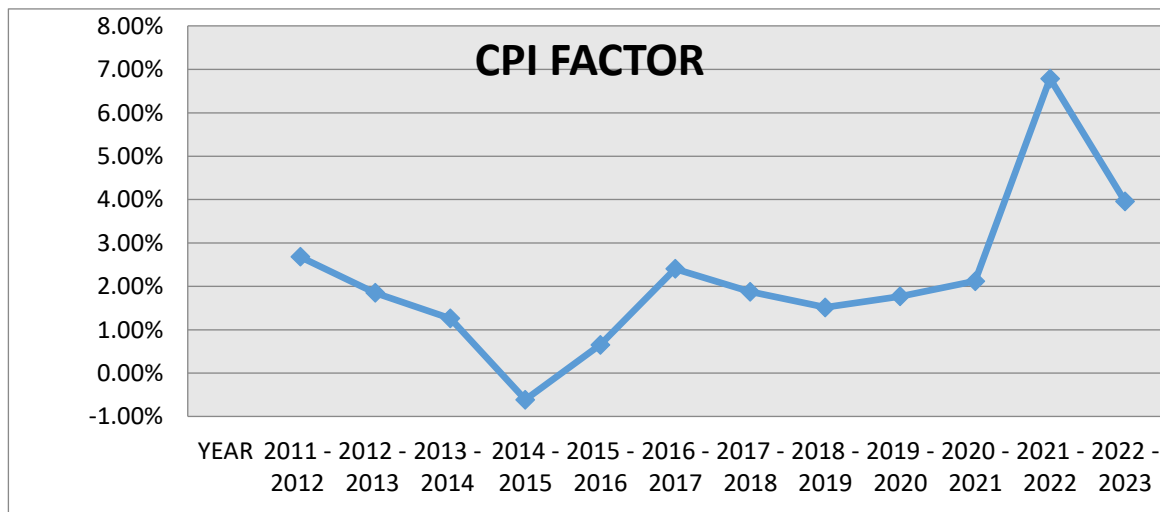
## 2022 – 2023 STATION MAINTENANCE

- CPI factor used is the Consumer Price Index for Wage Earners and Clerical Workers for the New York, Northeastern New Jersey for twelve month period  
All monies due the MTA for 2021-2022 was received

- **CPI FACTOR**

YEAR	CPI FACTOR		YEAR	CPI FACTOR		YEAR	CPI FACTOR
2022 - 2023	3.96%	*	2018 - 2019	1.51%		2014 - 2015	-0.62%
2021 - 2022	6.79%		2017 - 2018	1.87%		2013 - 2014	1.26%
2020 - 2021	2.12%		2016 - 2017	2.40%		2012 - 2013	1.85%
2019 - 2020	1.77%		2015 - 2016	0.65%		2011 - 2012	2.68%

\* Current Year



- **BILLING**

YEAR	TOTAL AMOUNT	ANNUAL INCREASE (DECREASE)		YEAR	TOTAL AMOUNT	ANNUAL INCREASE (DECREASE)
2022 - 2023	198,225,106	7,553,605	*	2016 - 2017	166,131,790	3,898,467
2021 - 2022	190,671,501	12,121,889		2015 - 2016	162,233,323	1,048,123
2020 - 2021	178,549,612	3,705,829		2014 - 2015	161,185,200	-998,076
2019 - 2020	174,843,783	3,035,383		2013 - 2014	162,183,274	2,081,081
2018 - 2019	171,808,400	2,563,917		2012 - 2013	160,165,193	2,909,352
2017 - 2018	169,244,483	3,112,694		2011 - 2012	157,255,958	4,104,460

\* Current Year

- 1998 was the last year New York City was billed on actual cost for both the LIRR and Metro North
- Legislation was enacted in 1995, and renewed in 1999 and 2004, for station maintenance billing using the CPI factor and bringing NYC onboard with this method for the second time
- Station Maintenance is billed in June and payment is due by September 1st.



# MTA Headquarters Procurements

**Lisette Camilo**, Chief Administrative Officer/Interim Chief Procurement Officer

## PROCUREMENTS

The Procurement Agenda this month includes 3 actions for a proposed estimated expenditure of \$19.0M.

<b>Subject</b>	Request for Authorization to Award Various Procurements				
<b>Department</b>	MTA Procurement				
<b>Department Head Name</b>	Lisette Camilo				
<b>Department Head Signature</b>					
<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	09/18/23			
2	Board	09/20/23			

September 13, 2023			
<b>Department</b>			
<b>Department Head Name</b>			
<b>Department Head Signature</b>			
<b>Internal Approvals</b>			
	<b>Approval</b>		<b>Approval</b>
	CAO		
	Legal		
	CFO		

<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 MTA Headquarters Committee of these procurement actions.

**DISCUSSION**

**MTA Headquarters proposes to award Noncompetitive procurements in the following categories:**

<u>Procurements Requiring Majority Vote:</u>	<u># of Actions</u>	<u>\$ Amount</u>
Schedule H: Modifications to Personal/Miscellaneous Service Contracts	1	\$ 3.4 M
<b>SUBTOTAL</b>	<b>1</b>	<b>\$ 3.4 M</b>

**MTA Headquarters proposes to award Competitive procurements in the following categories:**

<u>Procurements Requiring Majority Vote:</u>	<u># of Actions</u>	<u>\$ Amount</u>
Schedule F: Personal Service Contracts	1	\$ 6.3 M
Schedule H: Modifications to Personal/Miscellaneous Service Contracts	1	\$ 9.3 M
<b>SUBTOTAL</b>	<b>2</b>	<b>\$ 15.6 M</b>

**MTA Headquarters proposes to award Ratifications in the following categories: None**

<b>TOTAL</b>	<b>3</b>	<b>\$ 19.0 M</b>
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**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.

**SEPTEMBER 2023**

**LIST OF NONCOMPETITIVE 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.)

- |  |                    |                               |
|--|--------------------|-------------------------------|
| 1. ACI Worldwide<br>Five Years<br>Contract# 03E8693.31 | \$3,396,414 (est.) | <i>Staff Summary Attached</i> |
|--|--------------------|-------------------------------|
- Modification to the contract for Base 24 Software License, Maintenance, and Support, in order to provide licensing and maintenance, and add a five-year extension and additional funding.

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

Item Number: 1

<b>Vendor Name (Location)</b> ACI Worldwide (Omaha, Nebraska)
<b>Description</b> Base 24 Software License, Maintenance and Support
<b>Contract Term (including Options, if any)</b> October 1, 2004–October 5, 2023
<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" 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 Information Technology, Rafail Portnoy

<b>Contract Number</b> 03E8693	<b>Modification #</b> 31
<b>Original Amount:</b>	\$ 1,659,528
<b>Prior Modifications:</b>	\$ 10,640,472
<b>Prior Budgetary Increases:</b>	\$ 0
<b>Current Amount:</b>	\$ 12,300,000
<b>This Request:</b>	\$ 3,396,414 (estimated)
<b>% of This Request to Current Amount:</b>	27.6%
<b>% of Modifications (including This Request) to Original Amount:</b>	846%

**Discussion:**

MTA Headquarters is seeking Board approval to modify the existing ACI Worldwide (“ACI”) contract to provide licensing and maintenance of Base24 software, adding a five-year extension (October 5, 2023–October 4, 2028) and additional funding in the amount of \$3,396,414. In September 2004, the MTA Board approved a noncompetitive award to ACI for continued licensing and maintenance of the Base24 software in the amount of \$1,659,528. Since award, multiple Board approvals have been received to increase the amount of the contract to \$12.3 million and extend services through October 2023.

Base24 (formerly Trans24) is MTA’s comprehensive solution for acquiring, authenticating, routing, switching, and authorizing card- and non-card-based financial transactions through various channels. It was first installed in 1997 by ACI as part of an original contract with Cubic Transportation Systems Inc. for the implementation of the Automated Fare Collection (“AFC”) system, a critical customer-facing application that handles significant revenue collection. The Base24 software was developed by, and is proprietary to, ACI. All licensing, maintenance, and support services are only provided by ACI.

The software has undergone several system upgrades and enhancements to ensure a state of good repair, accommodate increased volumes in transactions, and comply with modern and stricter cybersecurity and privacy guidelines. Failure to properly support this software could result in substantial detrimental impact on the fare payment process and significant revenue loss.

This Base24 software provides the following for NYC Transit:

- Support for multiple methods of payments and different types of transactions for MTA customers;
- flexibility with built-in support for all major credit card types, mobile or desktop devices, and other international payment methods; and
- a comprehensive view of customers’ payment methods in order to ensure consistent, high-quality customer service across different payment types.

MTA-IT has determined that it would be cost prohibitive to reconfigure the AFC system to use any other credit and debit transaction software and would involve significant risk as the implementation of the One Metro New York (“OMNY”) project, which will ultimately replace the Base24 software, is underway. Due to the upcoming full implementation of OMNY, this agreement is not expected to be required after this five-year term, and this contract will include negotiated early termination provisions in the event that OMNY is fully in place prior to the end of this agreement.

This contract modification is estimated at \$3.4 million and provides software licensing, software maintenance, and 24/7 premium support services. Also covered is one dedicated technical account manager to perform necessary ad hoc software configurations, programming, and testing, at the same hourly rate as the previous contract established in 2017. Further negotiations resulted in an 11 percent reduction from the original proposal for licensing and maintenance fees. The new license and maintenance fee is 2 percent higher than the previous contract but 1.2 percent lower than the recent consumer price index rate. MTA Procurement and MTA IT Department have deemed all pricing and terms fair and reasonable.



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

In October 2022, MTA's Chief Procurement Officer determined that contracting with ACI is necessary in order for the MTA to perform its business functions and that no suitable investment or contractual alternative exists to replace the services provided by ACI without significant risk and costly disruption to the MTA.

The contract resulting from this procurement has been evaluated to determine the necessity and appropriate scope, if any, of cybersecurity requirements, including any requirements under federal, state, and local law and regulations. Any applicable cybersecurity requirements, to the extent required, have been included in the contract terms and conditions.

### **Impact on Funding**

This contract is funded by the MTA IT Department's Operating Budget.

**SEPTEMBER 2023**

**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.)

2. **SenseMakers** **\$6,301,440** *Staff Summary Attached*  
**Five Years**  
**Contract# 15863**

Award of a contract for the design, development, and delivery of continuing security and emergency response training courses, workshops, and exercises for MTA employees.

**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.)

3. **Cigna Health and Life Insurance Company** **\$9,264,000 (est.)** *Staff Summary Attached*  
**Three Years**  
**Contract# 15430.4**

Modification to the contract for NYC Transit Dental Benefits Plan, in order to continue to provide Dental Preferred Provider Organization and Dental Health Maintenance Organization services to the MTA on behalf of NYC Transit and the Manhattan and Bronx Surface Transit Operating Authority for 15 months.

# Staff Summary

<b>Item Number: 2</b>			
<b>Department:</b> Department of Police Security, Patrick Warren			
<b>Division:</b> Security Division, Anthony Mercogliano			
<b>Internal Approvals</b>			
<b>Order</b>	<b>Approval</b>	<b>Order</b>	<b>Approval</b>
1	Procurement		
2	Security		
3	CFO		
4	DDCR		
5	Legal		

<b>SUMMARY INFORMATION</b>	
<b>Vendor Name</b> SenseMakers LLC	<b>Contract No.</b> 15863
<b>Description</b> Security Awareness and Terrorism Prevention Training	
<b>Total Amount:</b> <b>\$6,301,440</b>	
<b>Contract Term (including Options, if any)</b> Five years	
<b>Option(s) included in Total Amount?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
<b>Renewal?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<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:	
<b>Funding Source</b> <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

## Purpose

Board approval is sought to award a competitively negotiated personal service contract to SenseMakers LLC (“SenseMakers”) for the continued provision of design, development, and delivery of security and emergency response training courses, workshops, and exercises (“Services”) for MTA employees. The proposed contract term is 36 months with two 1-year options, for a total not-to-exceed amount of \$6,301,440.

## Discussion

Since 2007, the MTA has provided terrorism and emergency response training (“Training”) for employees of NYC Transit, MTA Bus, Long Island Rail Road (“LIRR”), Metro-North Railroad, and the Staten Island Railway. The Training prepares employees to possibly prevent a terrorist attack from occurring by recognizing behaviors and situations that may be components of attack planning, and to react to those situations. In 2021, the U.S. Department of Homeland Security (“DHS”) made this Training mandatory for specific transportation employees such as train operators, bus operators, conductors, station personnel, cleaners, maintenance-of-way personnel, rail control center personnel, dispatchers, and supervisors. This Training covers approximately 45,000 MTA personnel across the agencies and must be completed as part of the new-hire training requirements and every three years thereafter. The Training must include active shooter, situational awareness, suspicious activity, behavioral assessment, and review of suspicious packages.

The current contract with SenseMakers, the incumbent, will expire September 30, 2023. A Request for Proposals (“RFP”) was publicly advertised in April 2023 and letters advising potential proposers of the RFP’s availability were distributed to 17 firms. The Selection Committee (“SC”) was comprised of personnel from MTA Headquarters Security Division – Deputy Director; LIRR – Security Training Manager; NYPD – Transit Bureau Liaison; and NYC Transit Security Training Liaison – Operations Support. The SC’s evaluation of the proposers was conducted in accordance with the stated criteria set forth, which included (1) responsiveness to the requirements of the RFP; (2) course content and update services; (3) course delivery services; and (4) cost.

Proposals were received from four firms: Aura Preparedness Protection and Training Consultants, Inc.; Medicine in Bad Places; SenseMakers; and Guidepost Solutions, LLC (“Guidepost”). SenseMakers and Guidepost were deemed technically qualified to perform the work and invited to oral presentations. The other two firms were not selected to proceed with the process. Negotiations were held, and Best and Final Offers (“BAFOs”) were solicited from Guidepost and SenseMakers. Based on both the technical and cost criteria, SenseMakers was unanimously found by the SC to be (1) the most qualified; and (2) able to provide the best value in performing the Services.

# Staff Summary

SenseMakers demonstrated its ability to promptly make available instructors with proven training experience that would best fit with the MTA culture and training needs. SenseMakers displayed clear understanding of the existing and potential security issues of transportation agencies and provided illustrations of the next curriculum.

For the total contract cost, proposers provided pricing in two categories: (1) fixed cost for training (approximately 90–95 percent of total contract costs); and (2) time-and-material rates for design and development course updates. SenseMakers and Guidepost’s original proposals were received in the contract amounts of \$7,308,288 and \$6,517,440, respectively. Negotiations with each yielded BAFOs of \$6,301,440 (SenseMakers) and \$6,347,520 (Guidepost). Based on its BAFO, SenseMakers was the lowest-cost qualified proposer, having reduced its initial proposal by 13.8 percent, which is an estimated net savings of \$1,006,848 over the five-year contract term.

Based on the foregoing analysis, the maximum not-to-exceed amount of \$6,301,440 is deemed fair and reasonable.

SenseMakers has certified that pursuant to EO 16, it is not doing business in Russia.

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.

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

The MTA Department of Diversity and Civil Rights has established a DBE goal of 22.5 percent for this contract. SenseMakers has submitted a utilization plan projected to exceed the DBE goal requirement. SenseMakers has not recently completed any MTA contracts with goals; therefore, no assessment of the performance is available at this time.

### **Impact on Funding**

Funding for instruction will be provided through MTA Office of Security Near Term funding. This contract was federalized to reserve the ability to use federal funding if a financial assistance contract is approved by the DHS.

### **Alternatives**

Use of in-house staff to provide the Services: this alternative is not feasible, as the MTA does not have staff available to do so for over 45,000 personnel. Not provide the Services to the MTA (including Training): also not feasible, as the Training is mandated by DHS, so not providing the Services is not possible.

### **Recommendation**

It is recommended that the Board approve the award of a competitively negotiated personal service contract to SenseMakers for the design, development, and delivery of continuing security and emergency response training courses, workshops, and exercises for MTA employees. The proposed contract term is 36 months with a two 1-year options, in the not-to-exceed amount of \$6,301,440.

# Staff Summary

**Item Number: 3**

<b>Vendor Name (Location)</b> Cigna Health and Life Insurance Company (Bloomfield, Connecticut)	<table border="1" style="width: 100%;"> <tr> <td style="width: 70%;"><b>Contract Number</b></td> <td style="width: 30%;"><b>Supplemental Agreement #</b></td> </tr> <tr> <td>15430</td> <td>4</td> </tr> <tr> <td colspan="2"><b>Original Amount:</b></td> </tr> <tr> <td></td> <td style="text-align: right;">\$ 14,049,000</td> </tr> <tr> <td colspan="2"><b>Prior Modifications:</b></td> </tr> <tr> <td></td> <td style="text-align: right;">\$ 817,000</td> </tr> <tr> <td colspan="2"><b>Current Amount:</b></td> </tr> <tr> <td></td> <td style="text-align: right;">\$ 14,866,000</td> </tr> <tr> <td colspan="2"><b>This Request:</b></td> </tr> <tr> <td></td> <td style="text-align: right;">\$ 9,264,000 (est.)</td> </tr> <tr> <td colspan="2"><b>% of This Request to Current Amount:</b></td> </tr> <tr> <td></td> <td style="text-align: right;">62.31%</td> </tr> <tr> <td colspan="2"><b>% of Modifications (including This Request) to Original Amount:</b></td> </tr> <tr> <td></td> <td style="text-align: right;">71.76%</td> </tr> </table>	<b>Contract Number</b>	<b>Supplemental Agreement #</b>	15430	4	<b>Original Amount:</b>			\$ 14,049,000	<b>Prior Modifications:</b>			\$ 817,000	<b>Current Amount:</b>			\$ 14,866,000	<b>This Request:</b>			\$ 9,264,000 (est.)	<b>% of This Request to Current Amount:</b>			62.31%	<b>% of Modifications (including This Request) to Original Amount:</b>			71.76%
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<b>% of This Request to Current Amount:</b>																													
	62.31%																												
<b>% of Modifications (including This Request) to Original Amount:</b>																													
	71.76%																												
<b>Description:</b> NYC Transit Dental Benefits Plan																													
<b>Contract Term (including Options, if any)</b> October 1, 2020–September 30, 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 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 checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:																													
<b>Requesting Department:</b> Office of the Chief People Officer, Hugo Pizarro																													

## Discussion:

MTA Headquarters is seeking Board approval to extend a personal service contract with Cigna Health and Life Insurance Company (“Cigna”) to continue to provide Dental Preferred Provider Organization (“DPPO”) and Dental Health Maintenance Organization (“DHMO”) services to the MTA on behalf of NYC Transit and the Manhattan and Bronx Surface Transit Operating Authority (“MaBSTOA”). This extension is for 15 months (October 1, 2023–December 31, 2024) in the estimated amount of \$9,264,000.

Cigna provides dental benefits to more than 10,000 represented active employees, retirees, and their dependents from various unions including the Subway-Supervisors Association (“SSSA”) and the Transit Supervisors Organization (“TSO”) Local 106. The MTA subsidizes the full cost of these plans, while participants are responsible for applicable deductibles, copayments, non-participating provider charges, and any services not covered by the insurance program.

In June 2020, the MTA Board approved the award of a 36-month (October 1, 2020–September 30, 2023) competitively negotiated personal services contract to Cigna to provide DPPO and DHMO services to the MTA for the total not-to-exceed amount of \$14,049,000, based on projected enrollment. Cigna was selected based on having offered the lowest price from among those with the ability to match the required plan designs with better access and less disruption.

This Supplemental Agreement will extend the contract through December 31, 2024, for the estimated amount of \$9,264,000. This extension is needed to allow time to complete the solicitation process for a renewal contract. Cigna has proposed an increase approximating 50 percent, effective January 1, 2024, to the premiums for this extension. The MTA engaged Mercer Health & Benefits LLC (“Mercer”) to review the Cigna extension proposal on behalf of the MTA to determine if the proposed rates are fair and reasonable. Mercer’s review revealed that the significant rate increase is driven by high claim experience throughout the length of the contract to date. Although the premium increase is significant, it is considered reasonable based on plan experience. Further, a market survey completed by Mercer shows that Cigna’s extension rates are lower than rates from similarly situated providers by 29 percent. Based on the foregoing, the rates proposed by Cigna for this extension are fair and reasonable.

The contract resulting from this procurement is being evaluated to determine the necessity and appropriate scope of cybersecurity requirements, including any requirements under federal, state, and local law and regulations. Applicable cybersecurity requirements will be included in the contract terms and conditions prior to award.

Cigna has certified that pursuant to EO 16, it is not doing business in Russia.

## Impact on Funding

This procurement action will utilize Operating Funds.

**SEPTEMBER 2023**  
**MTA REAL ESTATE ACTION ITEMS**  
**FOR BOARD APPROVAL**

**ADMINISTRATIVE ACTION ITEMS**

Metropolitan Transportation Authority

Second amendment to the temporary policy for a uniform process for re-negotiating existing leases and licenses

Report on Eminent Domain Procedure Law Determination and Findings; acquisition of property interests for the Jamaica Capacity Improvement Project

**TRANSACTIONAL ACTION ITEMS**

MTA New York City Transit

Lease renewal with 27-35 Jackson Ave LLC for office space at 27-35 Jackson Ave, Long Island City, NY

Lease renewal with Allied 60 Bay Street LLC for office space at 60 Bay St, Staten Island, NY

Lease with BDG Gotham Plaza, LLC for the Second Avenue Subway Phase 2 office requirement at 159 East 125<sup>th</sup> Street, New York, NY

MTA Long Island Rail Road

Lease with Huntington Station Market, Inc. for a retail unit at Huntington Station, Huntington, NY

# **METROPOLITAN TRANSPORTATION AUTHORITY**

# Staff Summary

<b>Subject</b> <b>SECOND AMENDMENT TO THE TEMPORARY POLICY FOR A UNIFORM PROCESS FOR RE-NEGOTIATING EXISTING LEASES AND LICENSES</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>KIM TREVISAN AND NEIL MASTROPIETRO</b>

<b>Date</b> <b>SEPTEMBER 20, 2023</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	09/18/23	X		
2	Board	09/20/23	X		

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

**AGENCY:** MTA All-Agency

**LESSEE/LICENSEE:** All retail and commuter parking lessees and licensees with in-term lease or license agreements who previously executed a temporary rent adjustment agreement, excepting nationally owned and operated chain retail stores and national banks

**LOCATION:** Any leased or licensed commuter parking lot and tenanted retail space wholly-situated within a MTA station facility, excluding Fulton Street Transit Center

**ACTION REQUESTED:** Approval of a modification to the previously approved temporary change to MTA Real Estate’s leasing and licensing policies through December 31, 2025

**COMMENTS:**

By Staff Summary dated October 28, 2020 (attached for reference), the MTA Board approved a temporary policy to abate and reduce rent for qualified tenants with existing, in-term leases and licenses. This strategic Covid-19 policy was aimed at retaining lessees and licensees (collectively, “tenants”) who provide amenities to MTA customers and to reduce the cost of maintaining and re-marketing vacant spaces. This policy was implemented from late 2020 into 2021. With a few exceptions, the policy has been successful in re-opening, or keeping open, many retail units that closed or would likely have closed due to Covid-19. A total of 105 tenants originally received the abatement and adjusted rent structure. As some of those agreements expired and new licenses were entered into, the current number of recipients with the adjusted rents stands at 68.

Each such tenant executed an amendment to their agreement defining the length of time the reduced rent would be in effect (“Modification Adjustment Period”). The Modification Adjustment Period was originally set to expire on the earlier of January 31, 2023, or the date a railroad in the MTA system publishes ridership figures reaching 75% of pre-Covid-19 levels. Since ridership did not attain the 75% level by January 31, 2023 the policy allowed an extension to April 30, 2023. Once the Modification Adjustment Period expires, tenant rent obligations – currently at the greater of 20% of base rent or 10% of gross sales – would revert to 100% of rent due pursuant to their respective agreement.

By amendment approved by the Board on February 23, 2023 (attached for reference) the expiration date was extended until December 31, 2023. This was based upon the updated McKinsey & Company Ridership and Revenue Impact Assessment of July 2022 that is referenced in the February 23, 2023 Staff Summary.



## FINANCE COMMITTEE MEETING

### MODIFICATION TO THE TEMPORARY POLICY FOR A UNIFORM PROCESS FOR RE-NEGOTIATING EXISTING LEASES AND LICENSES (Cont'd.)

Page 2 of 2

As noted in the February Staff Summary, it is evident that the market for transit retail – particularly in the subway - has not fully recovered and will not likely fully recover in the near term. Since the February Board Meeting, MTA Real Estate conducted follow up retail sales analysis of existing tenants across all three railroads. With exceptions, that data still evidences a continued lagging relationship between the return of ridership levels and the recovery of tenant sales figures.

The character of MTA retail that has benefited by this policy varies with each agency. Grand Central Terminal (“GCT”) has the most conventional retail, serving office workers, tourists as well as riders. Twenty-three of the 70 open retailers receive the reduced rent. Outside of GCT there are 13 Metro-North retail tenants who continue to receive reduced rent, a number of which lease entire stations as food and beverage establishments which rely on walk in trade as well as ridership. There are also 14 LIRR tenants, the principal beneficiaries of which have been commuter parking tenants as well as station retail. Those, along with 18 NYCT retail beneficiaries in the subway fare zones are wholly reliant on ridership.

Even with the gains in ridership, increasing rents from 20% to 100% on January 1, 2024, will likely result in increased tenant defaults and arrears, placing the MTA in the position of defaulting and terminating tenancies and incurring untold legal expenses. Consequently, the goal of re-opening retail and gradually restoring the pre-Covid revenue from lease and license rents would be delayed even further.

Real Estate proposes amending the policy to: (i) gradually increase revenue; (ii) be mindful of varying types of retail and their market dependencies; and (iii) create a natural sunset of this policy.

The real estate industry measures retail health by an occupancy cost ratio equal to the percentage of annual gross sales that annual rent comprises. The industry standard is between 15% to 20%. If annual rent exceeds 20% of a retail store’s annual gross sales, then profitability, and therefore viability of that store come into question.

During Covid, MTA Real Estate negotiated new licenses throughout the system which represent the current market for our retail as they reflect the occupancy costs that tenants are willing to absorb in this market. As such, MTA Real Estate used this data formulating this policy amendment.

In all cases the rent levels proposed below will continue until (i) an agreement expires and the space is competitively offered via RFP; and/or (ii) the gross sales of any tenant meets or exceeds its average monthly 2019 pre-Covid levels for 3 consecutive months. MTA Real Estate will be permitted to negotiate future modifications without Board approval provided that the minimum rent does not go below the thresholds above.

#### For Grand Central Terminal tenants:

- a) MTA Real Estate examined pre-Covid tenants who have renewed under current market conditions. These new rents represent, on average, 45% of pre-Covid rents.
- b) The percentage of fixed rent will therefore increase from 20% to 45% of pre-Covid levels with annual 3% increases going forward. At this level, nearly all GCT tenants receiving the current abatement will see their annual rent within the 15% - 20% occupancy cost ratio range noted above. In addition, the tenants will continue to pay the greater of the base rent or 10% of gross sales.

#### For LIRR, Metro-North and NYCT retail tenants:

- a) Since the policy was adopted in 2020, gross sales data has been reported for tenants receiving the abatement. Review of that data indicates that these station retail occupants can support an increase from 20% of the pre-Covid level to 30%, with 3% annual increases going forward. In addition, the tenants will continue to pay the greater of the base rent or 10% of gross sales.

For the two LIRR private commuter parking agreements, MTA request permission to negotiate new terms provided compensation is not reduced below current levels.

Based on the foregoing, MTA Real Estate recommends adoption of the modified policy as described above.

# Staff Summary

<b>Subject</b> <b>AMENDMENT TO THE TEMPORARY POLICY FOR A UNIFORM PROCESS FOR RE-NEGOTIATING EXISTING LEASES AND LICENSES</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>KIM TREVISAN AND NEIL MASTROPIETRO</b>

<b>Date</b> <b>FEBRUARY 23, 2023</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	02/21/2023	X		
2	Board	02/23/2023	X		

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

**AGENCY:** All agencies

**LESSEE/LICENSEE:** All retail and commuter parking lessees and licensees with in-term lease or license agreements who previously executed a temporary rent adjustment agreement, excepting nationally owned and operated chain retail stores and national banks

**LOCATION:** Any leased or licensed commuter parking lot and tenanted retail space wholly-situated within a MTA station facility, excluding Fulton Street Transit Center

**ACTION REQUESTED:** Approval of a modification to the previously approved temporary change to MTA Real Estate's leasing and licensing policies

**COMMENTS:**

By Staff Summary dated October 28, 2020 (attached for reference), the MTA Board approved a temporary policy to abate and reduce rent for qualified tenants with existing, in-term leases and licenses. This strategic Covid-19 policy was aimed at retaining lessees and licensees (collectively, "tenants") who provide amenities to MTA customers and to reduce the cost of maintaining and re-marketing vacant spaces. This policy was implemented from late 2020 into 2021. With a few exceptions, the policy has been successful in re-opening, or keeping open, many retail units that closed due to Covid-19. A total of 80 tenants received the abatement and adjusted rent structure.

Each such tenant executed an amendment to their agreement defining the length of time the reduced rent would be in effect ("Modification Adjustment Period"). The Modification Adjustment Period is currently set to expire the earlier of April 30, 2023 or the date a railroad publishes ridership figures reaching 75% of pre-Covid-19 levels. At that time, tenant rent obligations – currently at the greater of 20% of base rent or 10% of gross sales - revert to 100% of rent due pursuant to their respective agreement.

The updated McKinsey & Company Ridership and Revenue Impact Assessment of July 2022 presented to the Board in July, 2022, showed ridership trends reaching 75% of pre-Covid-19 levels in Q4 2023 rather than February 2023. In addition, a retail sales analysis of existing tenants across all three railroads conducted by MTA Real Estate indicates a lagging relationship between the return of ridership levels and the recovery of tenant sales figures. This is particularly prevalent in MTA New York City Transit retail locations where nearly all station retail units are in the fare zone and,

# Staff Summary

**FINANCE COMMITTEE MEETING  
MODIFICATION TO THE TEMPORARY POLICY FOR A UNIFORM PROCESS FOR RE-NEGOTIATING  
EXISTING LEASES AND LICENSES (Cont'd)**

therefore, are wholly dependent upon ridership. Consequently, subway retail has been the slowest to re-open despite the policy.

Recent, transactions completed by MTA Real Estate have shown that newly negotiated rents are relatively consistent with rents as adjusted under the temporary rent adjustments agreements executed pursuant to the Board policy. Even with the rent adjustments, in many cases it has been difficult or impossible to re-open or even re-let vacant space. MTA Real Estate's assessment of these market rents and sales data, as validated by its third-party retail consultants, Greystone Management, CBRE and JLL, is that once the policy expires many tenants will remain unable to pay the unadjusted lease rent. Jumping from 20% to 100% will likely result in increased tenant defaults and arrears, placing the MTA in the position of defaulting and terminating tenancies and incurring untold legal expenses – all of which is the exact opposite of the policy's intention.

MTA Real Estate proposes to amend the temporary policy by extending the Modification Adjustment Period through December 31, 2023. Tenant sales and MTA ridership will be monitored during the year to provide the Board with ample information with which to revisit the policy once again by the fourth Quarter.

Based on the foregoing, MTA Real Estate recommends adoption of the modified policy as described above.

For Reference Purposes Only

# Staff Summary

<b>Subject</b> <b>TEMPORARY NEW POLICY FOR A UNIFORM PROCESS FOR RE-NEGOTIATING EXISTING LEASES AND LICENSES</b>
<b>Department</b> <b>REAL ESTATE</b>
<b>Department Head Name</b> <b>JOHN N. LIEBER</b>
<b>Department Head Signature</b>
<b>Project Manager Name</b> <b>DAVID FLORIO</b>

<b>Date</b> <b>OCTOBER 28, 2020</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	10/28/20	X		
2	Board	10/28/20	X		

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

**AGENCY:** All-agencies

**LESSEE/LICENSEE:** All retail and commuter parking lessees and licensees with in-term lease or license agreements, excepting nationally owned and operated chain retail stores and national banks

**LOCATION:** Any leased or licensed commuter parking lot and tenanted retail space wholly-situated within a MTA station facility, excluding Fulton Street Transit Center

**ACTION REQUESTED:** Approval of a temporary change to MTA Real Estate's leasing and licensing policies

**COMMENTS:**

The COVID-19 pandemic, which resulted in dramatic ridership reductions throughout the MTA system, severely impacted retail tenants doing business in the MTA operating environment. These businesses, among other things, provide an amenity to riders and their viability is dependent on foot traffic to generate sales. Following the MTA's grant of a four-month rent deferment from April 1, 2020 - July 31, 2020, rent collections have dropped, on average, over 60% from pre-COVID-19 levels.

Based on the analysis provided by the McKinsey & Company report commissioned by the MTA dated May 1, 2020, farebox revenue, which is a function of ridership, is not expected to return to pre-pandemic levels until February 2023. Consequently, until such time as ridership recovers, MTA Real Estate anticipates a continued decrease in sales that will create an inability of our retail tenants to fulfill their rent obligations. The result will be substantial rent arrears accumulated across the retail portfolio. Litigation due to defaults will result in considerable legal costs borne by the MTA and will achieve limited success in recovering arrears owed.

The goal of this and other policies recently approved is to keep stores that provide amenities open to our customers and reduce the cost of remarketing spaces. A review of other transit agencies revealed that similar measures are underway at the MBTA in Boston and are presently being discussed at the real estate departments at the Chicago Transit Authority (CTA) and NJ TRANSIT. Moreover, certain private landlords have undertaken flexible lease terms to encourage tenant retention and open stores.

# Staff Summary

## FINANCE COMMITTEE MEETING

### TEMPORARY NEW POLICY FOR A UNIFORM PROCESS FOR RE-NEGOTIATING EXISTING LEASES AND LICENSES (Cont'd.)

Page 2 of 2

In July of this year, the Board approved a temporary policy allowing MTA Real Estate to fill existing vacant spaces through an expedited public offering process. That policy also allows for flexible terms to attract new tenants to vacant spaces. However, the MTA must also address existing tenants who are locked in to term agreements bound by rents negotiated during more robust pre-COVID-19 market conditions. MTA Real Estate is proposing a temporary policy enabling it to modify the existing agreement (each a "Modification") to (i) modify the existing rent structure, to the greater of (a) a percentage of all gross sales and (b) a Minimum Annual Guarantee (MAG) for each tenant based on a set percentage of their original base rent in order to ensure an uninterrupted revenue stream; and (ii) for tenants that meet the proposed criteria, convert any previously deferred rent for all such tenants to an abatement for the period from April 1, 2020 through July 31, 2020. The criteria to determine who qualifies for the abatement and adjustment of rent under the proposed temporary policy is outlined as follows:

- 1) the retail location is within a NYCT station environment (underground or at grade); or the retail location is within a LIRR or MNR commuter rail station;
- 2) the rent is not already covered by any proceeds from business interruption insurance;
- 3) the tenant must be in good standing and at the time of execution of such Modification, not have continuing arrears for any period prior to April 1, 2020; and
- 4) the tenant must install an industry-standard Point-of-Sales (POS) system capable of tracking and retaining gross sales.

MTA Real Estate will follow a uniform process in adjusting the rent across the portfolio, and the measures to be undertaken are described as follows:

- a) For all retail tenants and commuter parking tenants who received deferrals from April 1, 2020 to July 31, 2020 and meet criteria 2 and 3 above, abate all rents due to the MTA from the period April 1, 2020 to July 31, 2020. Any rent collected during this period will be retained by MTA and utilized to offset future rent.
- b) Commencing August 1, 2020 until the earlier of January 31, 2023 or the date a railroad publishes ridership figures of 75% of pre-COVID-19 levels (the "Adjustment Period"), the current rent payable will be adjusted to the greater of (i) a rent based on 10 percent (10%) of gross sales through the end of 2020 - subject to adjustment after evaluation at year's end (the "Adjusted Percent Rent"); and (ii) a Minimum Annual Guaranteed (MAG) rent equal to 10% of the tenant's original rent, through the end of 2020, increasing to 20% on January 1, 2021. Qualification for payment of Adjusted Percent Rent is contingent on the tenant's installation of a POS system.
- c) As pre-COVID-19 ridership is different for each location, both the full ridership and 75% threshold ridership levels will be disclosed in the Modification negotiated with the lessee or licensee. In the event ridership revenue does not return to at least 75% of pre-COVID-19 levels by January 31, 2023, this policy will be extended until April 30, 2023 without further Board approval. Any subsequent extension would be brought to the Board for approval. Once the Adjustment period has ended the rent will revert to the rent in the then applicable lease or license year as specified in the lessees'/licensees' respective agreements.

Taken together, the above-mentioned measures seek to stabilize the retail portfolio by avoiding further vacancies, limit open-ended costs of litigation, and mitigate the loss of rental revenue by the MTA. MTA Real Estate recommends adoption of this temporary amendment to its leasing and licensing policies under the terms and conditions set forth above.

# Staff Summary

<b>Subject</b> <b>EMINENT DOMAIN PROCEDURE LAW DETERMINATION AND FINDINGS; ACQUISITION OF PROPERTY INTERESTS FOR THE JAMAICA CAPACITY IMPROVEMENT PROJECT</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>SELINA STORZ</b>

<b>Date</b> <b>SEPTEMBER 20, 2023</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	09/18/23	X		
2	Board	09/20/23	X		

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

AGENCY: Metropolitan Transportation Authority (“MTA”) and MTA Long Island Rail Road (“LIRR”)

ACTIVITY: Acquisition of Fee Interest and Permanent Easements in properties listed on the attached Determination and Findings

ACTION REQUESTED: Approval of Determination and Findings under the New York Eminent Domain Procedure Law

**COMMENTS:**

The LIRR is advancing the Jamaica Capacity Improvement Phase II (“JCI”) project. In connection with this project, one fee acquisition and six permanent easements will be required adjacent to the LIRR Right of Way. The properties listed in the attached Determination and Findings include certain properties that are currently identified for acquisition for the JCI project. Efforts are underway to acquire these property interests by negotiated agreements. In those instances where MTA cannot reach agreements with the affected property owners, legal proceedings must be commenced under Article 2 of the New York State Eminent Domain Procure Law (“EDPL”) to acquire the needed property interests.

On July 27, 2023, MTA held an EDPL public hearing to describe the public use, benefit, and purpose of the JCI project, as well as its general impact on the environment. Notices of this public hearing were published in newspapers, as required under the EDPL. Property owners and other interested parties were also given advance notice of the hearing by mail.

Following a presentation by MTA’s hearing officer, speakers made statements about the JCI project and/or the proposed property acquisitions during the hearing’s public comment period. In addition, written comments about the JCI project and/or the proposed property acquisitions were received by the MTA prior to the end of the written submission period, which closed at the end of business on August 10, 2023. A summary of the statements and written comments is included in the attached Determination and Findings.

After due consideration of all statements and comments received during and after the EDPL public hearing, MTA staff recommends approval, by eminent domain if necessary, of the acquisition of the property interests described in the attached Determination and Findings. Moreover, MTA and JCI project staff will continue to work with property owners, tenants, and other potentially affected parties to mitigate project-related impacts as much as possible as the JCI project moves forward.

## FINANCE COMMITTEE MEETING

### EMINENT DOMAIN PROCEDURE LAW DETERMINATION AND FINDINGS; ACQUISITION OF PROPERTY INTERESTS FOR THE JAMAICA CAPACITY IMPROVEMENT PROJECT (Cont'd)

Page 2 of 2

#### STATEMENTS, WRITTEN COMMENTS AND RESPONSES THERETO:

A summary of the statements and written comments made at the public hearing and during the written submission period following the hearing and the responses thereto is attached for the Board's consideration.

#### DETERMINATION AND FINDINGS:

Copies of the Determination and Findings under the EDPL are attached for the Board's consideration and approval.

MTA staff hereby requests Board approval of the attached Determination and Findings, and authorization for MTA staff and counsel to pursue eminent domain proceedings to acquire the required property interests by eminent domain, if necessary.

## **DETERMINATION AND FINDINGS PURSUANT TO ARTICLE 2 OF THE NEW YORK EMINENT DOMAIN PROCEDURE LAW**

### **JAMAICA CAPACITY IMPROVEMENT PROJECT**

On September 20, 2023 the Board of the Metropolitan Transportation Authority ("MTA") approved the acquisition of property interests described below by eminent domain or otherwise. In accordance with Section 204 of the New York Eminent Domain Procedure Law ("EDPL"), the MTA Board made its Determination and Findings for the Jamaica Capacity Improvement Project by adopting the following statutory findings:

**1. EDPL Public Hearing.** On July 27, 2023 MTA held an EDPL public hearing to inform the public and to receive the public's comments on proposed property acquisitions for the Jamaica Capacity Improvement Project ("JCI Project"). All oral comments received at the hearing and all written comments received by the end of the written submission period following the hearing have been reviewed, made part of the record, and given due consideration.

**2. Location of Property Required for the Project.** The location and nature of the property interests required for the JCI Project, and hereby approved for acquisition, are as described on the chart below.

At the July 27, 2023 public hearing and in letters and maps mailed to property owners and interested parties prior to the public hearing, MTA provided more detailed descriptions of the required property interests and estimated time frames when the property interests would be needed for the JCI Project, currently scheduled to commence from late 2023 through 2025.

MTA reserves the right to acquire a lesser interest in any of the properties described below, or to refrain from acquiring any of such property interests, as dictated by the needs of the JCI Project.

**3. Public Use, Purpose and Benefits and Reasons for Selecting the Project Locations:** The JCI Project represents the Long Island Rail Road's ("LIRR") Master Plan for the future of railroad operations through Jamaica Station. The Plan for Jamaica was developed from the results of numerous evaluations and studies and is being progressed through two phases. JCI Phase 1 is already substantially complete and included the construction of a new passenger platform in Jamaica to provide dedicated service to and from Atlantic Terminal as well as various infrastructure improvements necessary to support new service to Grand Central Madison. The objectives of JCI Phase 2 are to raise maximum-allowable train speeds, increase train throughput, add parallel routing capabilities, implement universal 12-car platforming capacity, and implement a full state-of-good-repair throughout the entire Jamaica complex.

To progress future projects and JCI Phase 2, the acquisition of certain air rights, as well as one full-parcel purchase, adjacent to the existing LIRR right-of-way is required to facilitate the installation of multiple signal equipment platforms therein. These platforms will support the critical new signal infrastructure installed under JCI Phase 2 and allow employees to establish a safe clearing area while performing work. During the design of Phase 2, significant efforts were made to minimize the need for property acquisition and easements by using the existing LIRR right-of-way and optimizing the signal design to the extent possible while adhering to required Federal and LIRR Safety regulations and standards.

At the completion of this project, Jamaica will have higher train speeds, lower station dwell times, more reliability, and an overall increase in capacity.



**4. General Effect of the Project on the Environment and Residents of the Locality.** The JCI Project is exempt, pursuant to New York State Public Authorities Law 1266 (11), from the requirements of New York State Environmental Conservation Law Article 8, also known as the State Environmental Quality Review Act ("SEQRA"), for the following reasons:

- the affected property ("Property") is contiguous to land currently being used for a transportation purpose,
- the Property is less than ten acres in area, and
- the acquisition of the Property will not change in a material respect the general character of the prior transportation use of the contiguous property.

Moreover, the property acquisitions are subject to, and are in full compliance with, the federal environmental review requirements of the National Environmental Policy Act ("NEPA").

To help minimize potential impacts, MTA will make every reasonable effort to maintain access; control dust, noise, and vibration; screen construction activities; control rodents and pests; and minimize other disruptions, where practicable. MTA's goal is to create an active program of construction security and quality of life controls to ensure community safety.

#### **COMMENTS**

At the public hearing, oral comments were received from the public, and it was stated that written comments would be accepted until the close of business on August 10, 2023.

The following summarizes the comments received: a) concerns about impacts to existing developments and a business located on parcels for which an easement is required; b) questions regarding the extent of the easement areas and surface level impacts; c) concerns about property damage during construction and access to elevated infrastructure after project completion; and d) questions about the impact on property values resulting from the easement acquisitions.

All comments have been given careful, extensive, and due consideration by MTA.

#### **DETERMINATION**

Based on due consideration of the record and the foregoing findings, it was determined that the MTA should exercise its power of eminent domain to acquire the property interests set forth in the chart below in order to promote and permit the purposes of the JCI Project to be achieved.

Copies of this Determination and Findings are available and will be forwarded without cost and upon request, by writing to:

Joseph O'Donnell, Director of Public Affairs  
MTA Construction & Development  
2 Broadway, D8135,  
New York, N.Y. 10004

**ANYONE SEEKING JUDICIAL REVIEW OF THE ABOVE DETERMINATION AND FINDINGS MUST COMMENCE A LEGAL PROCEEDING IN ACCORDANCE WITH EDPL § 207 NO LATER THAN 30 DAYS AFTER MTA COMPLETES ITS TWO-DAY PUBLICATION OF THIS DOCUMENT, OR A SYNOPSIS THEREOF. UNDER EDPL § 207 AND § 208, THE EXCLUSIVE VENUE FOR SUCH PROCEEDING IS THE APPELLATE DIVISION, SECOND JUDICIAL DEPARTMENT, 45 MONROE PLACE, BROOKLYN, NEW YORK 11201.**

**Acquisition of fee interests and permanent easements for the Jamaica Capacity Improvement Project:**

<b>Borough</b>	<b>Block</b>	<b>Lot</b>	<b>Property Address</b>	<b>Type of Interest</b>
Queens	10152	195	Archer Avenue, Queens NY 11433	Permanent Full Taking
Queens	9998	91 (a/k/a 7501)	147-40 Archer Ave, Queens NY 11433	Partial Permanent Easement
Queens	10156	40	166-10 Archer Ave, Queens NY 11433	Partial Permanent Easement
Queens	10155	105 (a/k/a 1001/1002)	92-61 165 <sup>th</sup> Street, Queens NY 11433	Partial Permanent Easement
Queens	10217	138	93-20 170 <sup>th</sup> Street, Queens NY 11433	Partial Permanent Easement
Queens	10217	48	168-23 Douglas Ave, Queens NY 11433	Partial Permanent Easement
Queens	10217	45	93-30 170 <sup>th</sup> Street, Queens NY 11433	Partial Permanent Easement

# **MTA NEW YORK CITY TRANSIT**

# Staff Summary

<b>Subject</b> <b>LEASE AGREEMENT RENEWAL FOR OFFICE SPACE AT 27-35 JACKSON AVE, LONG ISLAND CITY, 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>CHRISTINE STODDARD</b>

<b>Date</b> <b>SEPTEMBER 20, 2023</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	09/18/23	X		
2	Board	09/20/23	X		

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

**AGENCY:** MTA New York City Transit ("NYCT")  
**LESSOR:** 27-35 Jackson Ave LLC  
**LOCATION:** 27-35 Jackson Avenue, Long Island City, NY  
**ACTIVITY:** Lease renewal  
**ACTION REQUESTED:** Authorization to enter into a lease renewal  
**PREMISES:** Entire 4<sup>th</sup> floor consisting of 19,404 rentable square feet, and a portion of the ground floor consisting of 5,159 rentable square feet, totaling 24,563 rentable square feet  
**USE:** Office space  
**TERM:** Five (5) years with one (1) four (4) year option to renew through July 31, 2033, at fair market value upon 12 months prior written notice  
  
**COMMENCEMENT:** August 1, 2024  
  
**TERMINATION:** NYCT has the right to terminate the entire space, any time upon 10 months' prior written notice. NYCT has the right to terminate the lease with respect to the ground floor, at any time upon 12 months prior written notice. Partial termination relinquishes any further termination rights by NYCT

# Staff Summary

## FINANCE COMMITTEE MEETING

### LEASE AGREEMENT RENEWAL FOR OFFICE SPACE AT 27-35 JACKSON AVE, LONG ISLAND CITY, NY (Cont'd)

#### RENT:

Entire 4 <sup>th</sup> Floor			Part Ground Floor		
Year	Annual Rent	\$ Per square foot	Year	Annual Rent	\$ Per square foot
1	\$737,352.00	\$38.00	1	\$204,203.00	\$37.00
2	\$759,472.56	\$39.14	2	\$210,329.09	\$38.11
3	\$782,256.74	\$40.31	3	\$216,638.96	\$39.25
4	\$805,724.44	\$41.52	4	\$223,138.13	\$40.43
5	\$829,896.17	\$42.77	5	\$229,832.28	\$41.64

**REAL PROPERTY TAXES:** NYCT to continue to pay its proportionate share of increases in real estate taxes based on fiscal year 2024/25

**UTILITIES:** Directly metered to the public utility

**CLEANING:** Lessor will continue to provide cleaning to common areas and within the Premises at NYCT's cost and expense with a 3% markup

**LESSOR'S WORK:** Lessor will provide alterations in accordance with NYCT's scope of work at Lessor's sole cost and expense.

#### COMMENTS:

The Location is used to house NYCT's Assistant Chief Transportation Officers and Subdivision C Construction Flagging personnel. The subject Lease was originally executed in 2002. In 2015, the Lease was extended to July 31, 2024.

Pursuant to the 2015 Lease extension, NYCT had the right to exercise a 5-year renewal option for the period commencing August 1, 2024 and expiring July 31, 2029 at 95% fair market value, in as-is condition. NYCT requested improvements to the space estimated at \$125,000. In exchange for the Lessor making these improvements at its sole cost and expense, the Lessor requested NYCT forego the 95% fair market reset for a 100% fair market value reset.

The new rent of \$37.00 and \$38.00 per square foot, for the part ground floor and the entire fourth floor, respectively, falls within the range of fair market value provided by MTA Real Estate's consultant, CBRE, which is \$32.50 - \$39.00 per square foot.

Based on the foregoing, MTA Real Estate is requesting authorization for NYCT to enter into a 5-year renewal at the Location with an option to extend the term for an additional 4-year period at the above-described terms and conditions.

# Staff Summary

<b>Subject</b> <b>LEASE RENEWAL WITH ALLIED 60 BAY STREET, LLC FOR OFFICE SPACE AT 60 BAY ST, 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>CHRISTINE STODDARD</b>

<b>Date</b> <b>SEPTEMBER 20, 2023</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	09/18/23	X		
2	Board	09/20/23	X		

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

**AGENCY:** MTA New York City Transit ("NYCT")  
**LESSOR:** Allied 60 Bay Street, LLC  
**LOCATION:** 60 Bay St, Staten Island, NY  
**ACTIVITY:** Lease renewal  
**ACTION REQUESTED:** Authorization to enter into a lease renewal  
**PREMISES:** 8,528 rentable square feet on a portion of the 5<sup>th</sup> floor  
**USE:** Office space for medical assessments, clinical testing and drug and alcohol collections and tests for employees  
**TERM:** Fifteen (15) years  
**RENT:** Year 1 rent is \$285,688.00 per annum (\$23,807.33 monthly) with 2.5% annual escalations  
**REAL PROPERTY TAXES:** NYCT to continue to pay its proportionate share of increases in taxes over the fiscal base year 2024/25  
**OPERATING EXPENSES:** NYCT to continue to pay its proportionate share of increases in operating expenses over the base calendar year 2024  
**UTILITIES:** Directly metered to the public utility  
**LESSOR'S WORK:** Lessor to provide all base building work at Lessor's sole cost

# Staff Summary

## FINANCE COMMITTEE MEETING

### LEASE RENEWAL WITH ALLIED 60 BAY STREET LLC FOR NYCT OFFICE SPACE AT 60 BAY ST, STATEN ISLAND (Cont'd)

Page 2 of 2

#### COMMENTS:

The Location, which NYCT is renewing, is currently vacant. It was previously used as Staten Island Railway's (SIR's) executive offices under the original lease since 1996. In 2016, the MTA extended the lease until January 31, 2024. SIR later made the internal decision to relinquish the space at 60 Bay St and vacated in May 2023.

Occupational Health Services is a medical assessment center which provides general health services, medical and vision examinations and COVID testing to NYCT and MTA Bus employees. Occupational Health Services has outgrown its current space, which is a double-wide trailer that has been occupied since 2010, and has received internal approval on November 15, 2022 to relocate to 60 Bay St.

The current lease for the double-wide trailer will expire upon execution of the Occupational Health Services lease renewal. The new rent of \$33.50 per square foot falls within the range of fair market value provided by MTA Real Estate's consultant, CBRE, which is \$30.00 - \$45.00 per square foot.

Based on the foregoing, MTA Real Estate is requesting authorization for NYCT to enter into a lease renewal at the Location on the above-described terms and conditions.

# Staff Summary

<b>Subject</b> <b>LEASE AGREEMENT FOR THE SECOND AVENUE SUBWAY PHASE II FIELD OFFICE NEAR 125<sup>TH</sup> STREET AND SECOND AVENUE IN MANHATTAN, 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>XAVIER CARRERA</b>

<b>Date</b> <b>SEPTEMBER 20, 2023</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	09/18/23	X		
2	Board	09/20/23	X		

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

**AGENCY:** Metropolitan Transportation Authority (“MTA”)  
**LESSOR:** BDG Gotham Plaza, LLC (“Lessor”)  
**LOCATION:** 159 East 125<sup>th</sup> Street, New York, NY  
**PREMISES:** Up to 26,402 SF in a portion of the third floor  
**USE:** Field office for the Second Avenue Subway Phase 2 (“SAS2”)  
**ACTION REQUESTED:** Authorization to enter into a lease agreement  
**TERM:** Ten (10) year term with two (2) five (5) year renewal options at 95% fair market value.  
**TERMINATION:** Termination option from the seventh (7<sup>th</sup>) anniversary of rent commencement by providing twelve (12) months prior written notice  
**RENT COMMENCEMENT** Three (3) months from possession  
**BASE RENT** Year 1: \$56.00/SF (inclusive of estimated taxes to be reduced upon tax exemption) with 2% annual escalations  
 Year 2: \$57.12/SF  
 Year 3: \$58.26/SF  
 Year 4: \$59.43/SF  
 Year 5: \$60.62/SF  
 Year 6: \$61.83/SF  
 Year 7: \$63.07/SF  
 Year 8: \$64.33/SF  
 Year 9: \$65.61/SF  
 Year 10: \$66.93/SF



## FINANCE COMMITTEE MEETING

### LEASE AGREEMENT FOR THE SECOND AVENUE SUBWAY PHASE II FIELD OFFICE NEAR 125<sup>TH</sup> STREET AND SECOND AVENUE IN MANHATTAN, NY (Cont'd)

Page 2 of 3

OPERATING EXPENSES	Included in base rent
ELECTRICITY	Direct meter or sub-metered at actual costs with no markup but will include 3 <sup>rd</sup> party meter reading costs
LESSOR'S WORK	Lessor shall provide and install a "turnkey" office buildout of the Premises based on the MTA's test fit plan. Lessor will provide architectural and engineer services for space planning and preparation of construction documents. The Lessor will contribute \$100.00/SF (\$2,640,200) to the cost of the MTA's improvements. The MTA will reimburse any costs over the \$100.00/SF, which overage is estimated to be \$207.36/SF.
LESSOR'S SERVICES	Lessor shall provide domestic water, communication, electrical, and gas connections to the Premises so that the MTA may obtain all required services directly from the utility provider.
REAL ESTATE TAXES	None. Lessor will convert building to a condominium structure. The MTA will reimburse the Lessor for conversion costs but will benefit from an annual savings of reduced base rent, estimated at \$5.16 per square foot through the term of the lease. Conversion costs will not exceed \$175,000.
SECURITY DEPOSIT	None
CLEANING	Lessor will provide cleaning services, pursuant to cleaning specifications, the costs of which are included in the base rent.

#### COMMENTS:

Phase 2 of the Second Avenue Subway Project will extend the Q line into Harlem and improve commutes for area residents by creating new stations on Second Avenue at 106<sup>th</sup>, 116<sup>th</sup>, and 125<sup>th</sup> Streets. During SAS2's design and buildout period over the next 10 years, MTA staff and contractors working on SAS2 will require a field office in a proximate location to the new stations. All personnel working on SAS2 will report to 159 East 125<sup>th</sup> Street for the purpose of collaboration with different departments, plan/design development, review and execution and preparation of materials needed to conduct field work. The field office is expected to be operational by April 2024, which will coincide with the onboarding of SAS2 contractors.

MTA Real Estate engaged real estate brokerage services from its consultant, CBRE, to provide market surveys, site inspection/selection, negotiation, and architectural services. MTA Real Estate also conducted market research such as identifying completed comparable transactions, searched for available alternatives, and participated in negotiation of lease terms in conjunction with SAS2 project requirements. In addition, MTA Real Estate also engaged its architecture and design consultant, CSA, to identify the square footage requirement and maximize efficiency. As a result, the current requirement shall not exceed 26,402 square feet, however, we are seeking additional efficiencies to reduce the required footprint.

Viable office space in the geographical catchment area is very limited, therefore, only two availabilities were presented which met SAS2's requirements. SAS2 selected 159 East 125<sup>th</sup> Street because of the Lessor's ability to meet occupancy deadlines, efficiency of all staff being located on one floor, the economics of the deal, proximity to the project, and a Lessor amenable to constructing the premises on behalf of SAS2.

Considering the market area and limited available space, there are no alternative options that fully meet SAS2's requirements.

The rental rate of \$56.00 per square foot is within the fair market value range of \$49.50 - \$63.00 per square foot provided by MTA Real Estate's consultant, CBRE.

## FINANCE COMMITTEE MEETING

### LEASE AGREEMENT FOR THE SECOND AVENUE SUBWAY PHASE II FIELD OFFICE NEAR 125<sup>TH</sup> STREET AND SECOND AVENUE IN MANHATTAN, NY (Cont'd)

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Based on the foregoing, MTA Real Estate requests authorization to enter into a lease agreement on behalf of SAS2 under the above-described terms and conditions.

# **MTA LONG ISLAND RAIL ROAD**

# Staff Summary

<b>Subject</b> <b>LEASE AGREEMENT WITH HUNTINGTON STATION MARKET INC. FOR RETAIL SPACE AT HUNTINGTON STATION, HUNTINGTON, NEW YORK</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>ROBERT GOLDBERG</b>

<b>Date</b> <b>SEPTEMBER 20, 2023</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	09/18/23	X		
2	Board	09/20/23	X		

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

**AGENCY:** MTA Long Island Rail Road ("LIRR")  
**LESSEE:** Huntington Station Market Inc.  
**LOCATION:** Huntington Station, Huntington, New York

**ACTIVITY:** Lease for travel/convenience retail  
**TERM:** Five (5) year initial term with a five (5) year option to extend the initial term at a fair market rental rate  
**ACTION REQUESTED:** Authorization to enter into a lease agreement  
**SPACE:** Approximately 150 rentable square feet  
**RENT:**

Annual Rent	Annual Rent	PSF	Escalation
Year 1	\$47,000.00	\$313.33	--
Year 2	\$49,350.00	\$329.00	5%
Year 3	\$51,817.00	\$345.44	5%
Year 4	\$54,408.00	\$362.72	5%
Year 5	\$57,128.00	\$380.85	5%

## FINANCE COMMITTEE MEETING

### LEASE AGREEMENT WITH HUNTINGTON STATION MARKET INC. FOR RETAIL SPACE AT HUNTINGTON STATION, HUNTINGTON, NEW YORK (Cont'd.)

Page 2 of 2

#### COMMENTS:

MTA Real Estate issued a Request for Proposals on March 23, 2023 for a certain retail unit located at the LIRR Huntington Station. Two proposals were received, one from Huntington Station Market Inc. and a second from FS American, Inc. The highest proposal came from Huntington Station Market Inc. for use to sell retail items, including but not limited to, non-alcoholic beverages, pre-packaged food items, magazines and travel/convenience retail items. Huntington Station Market Inc. is also the incumbent licensee currently operating in this location pursuant to a month-to-month license agreement since June 16, 2021.

Proposer Name	Net Present Value (NPV) at 6%
Huntington Station Market Inc.	\$209,499.32
FS American, Inc.	\$85,636.19

Huntington Station Market Inc. shall invest up to \$88,000 in tenant improvements, which will new trade fixtures, display shelving, new state-of-the-art LED lighting, an ADA compliant ramp at the entrance, new vinyl plank flooring throughout the entire retail space, and a new refrigerator. Huntington Station Market Inc. will be solely responsible for all construction, operation, and maintenance costs of the retail space, as well as for providing the requisite insurance coverage. The NPV for the 5-year proposal is \$209,499.32.

After careful evaluation of Huntington Station Market Inc's proposal, including its proposed rent which exceeds the appraised value, and its prior experience operating in the same retail space, it was determined that MTA Real Estate should proceed with a lease agreement.

Based on the foregoing, MTA Real Estate is requesting authorization to enter into a lease agreement with Huntington Station Market Inc. for the operation of a travel/convenience retail unit in the Huntington LIRR Station on the terms and conditions stated above.