



# October 2023

## MTA Board Action Items



# **MTA Board Meeting**

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

**Wednesday, 10/25/2023  
9:00 AM - 12:00 PM ET**

## **1. PUBLIC COMMENT PERIOD**

## **2. APPROVAL OF MINUTES**

### **MTA and MTA Agencies Regular Joint Committee and Board Meeting Minutes - September 20, 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 Joint Committee and Board Meeting Minutes - September  
20, 2023 - Page 4*

## **3. PRESENTATIONS**

## **4. AUDIT COMMITTEE**

### **Action Item**

- i. MTA Consolidated Financial Statements - 2nd Qtr 2023 (see Exhibit Book for  
Draft Consolidated Interim Financial Statements)**

## **5. COMMITTEE ON CAPITAL PROGRAM**

### **Procurement Report**

*C&D Procurements - Page 16*

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

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

### **Procurement Report**

*Procurement Staff Summary - Page 36*

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

## **9. COMMITTEE ON FINANCE**

**MTAHQ Procurements Report**

*MTAHQ Procurement Report - Page 43*

**i. Non-Competitive Procurements**

*MTAHQ Non-Competitive Procurement - Page 47*

**ii. Competitive Procurements**

*MTAHQ Competitive Procurements - Page 50*

**iii. Ratifications (no items)**

**Real Estate Items**

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

*Real Estate Agenda and Staff Summaries - Page 59*

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

**11. EXECUTIVE SESSION**

**Joint Minutes of the  
Metropolitan Transportation Authority,  
the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating  
Authority, the Staten Island Rapid Transit Operating Authority, the Metropolitan  
Suburban Bus Authority, the Triborough Bridge and Tunnel Authority,  
the Long Island Rail Road Company, Metro-North Commuter Railroad Company,  
MTA Construction and Development Company, the MTA Bus Company and  
the First Mutual Transportation Assurance Company  
Regular Board Meeting  
2 Broadway  
New York, NY 10004  
Wednesday, September 20, 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. Dr. John-Ross Rizzo  
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, President, TBTA, Jamie Torres-Springer, President, MTA C&D, Chris Pangilinan, Vice President, Paratransit, Quemuel Arroyo, Chief Accessibility Officer, Shanifah Rieara, Senior Advisor for Communications and Policy/Interim Chief Customer Officer, Daniel Randell, Assistant Director, Government and Community Relations, 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 September 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):

Tashia Lerebours, Center for Independence for the Disabled of New York (CIDNY)  
Iris Kelly, Disabled In Action (DIA)  
Felicia Park Rogers, Tri-State Transportation Campaign\*  
Kim Theodore, private citizen\*  
Gian Pedulla, private citizen

Vincent Pedulla, private citizen  
Charlton D'Souza, President, Passengers United\*  
Patrick Howard, President, TWU Local 2001  
Robert Cifarelli, President, TWU Local 2055  
Gary Criscuolo, MNR Coach Cleaner, TWU Local 2055  
Patrick Flannery, Executive Vice President, TWU, Local 2001, Railroad Division  
Monique Johnson, private citizen  
Lisa Daglian, Executive Director, PCAC  
Elizabeth Valdez, BCID\*  
Christopher Greif, private citizen  
Debra Greif, private citizen  
Miriam Fisher, private citizen\*  
Trisa Harris, private citizen\*  
Aleta Dupree, private citizen  
Michael Ring, Disabled In Action (DIA)  
Jessica Murray, Rise & Resist, Elevator Action Group  
Jason Anthony, Amazon Labor Union\*  
Sally Wolf, private citizen  
Yolanda Alleyne, private citizen  
Michael Howard, private citizen  
Robert Acevedo, Disabled in Action (DIA)  
Jocelyn Smith, Access-A-Ride Group (AARG), Mobilization for Justice

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 thanked all public speakers and announced that the Board will convene in Executive Session to discuss labor matters.

## **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:

- (i) Collective bargaining agreements between the Triborough Bridge and Tunnel Authority (B&T) and the American Federation of State, County and Municipal Employees, District Council 37, Local 1931 (DC 37, Local 1931); and
- (ii) Collective bargaining agreement between MTA Metro-North Railroad and the Association of Commuter Rail Employees – Division 37, (ACRE 37).

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

Chair Lieber welcomed everyone to the September MTA Board.

Chair Lieber noted that in the last few weeks a great deal of work has been done to advance the three top goals that he set for the agency when he became the Chair:

- Bring back ridership to support the city's economic rebound in the wake of COVID.
- Reduce crime and restore riders' sense of safety in the mass transit system.
- Restore the MTA to financial stability.

Chair Lieber stated that ridership since Labor Day has been moving in the right direction and, just yesterday the agency set many records for post-pandemic ridership:

- Ridership on the subways reached its highest single day since COVID, setting a record with 4.15 million subway trips—more than 10% higher than last year, and is 72% ridership level compared to pre-COVID.
- OMNY set a record with 2.28 million taps across the system – highest total since OMNY began.
- Metro-North had the equivalent of its highest single day ridership since COVID with 224,000 riders, 78% of pre-COVID numbers. LIRR had 241,000 trips, which is almost identical to its high watermark, which was set last Tuesday – 73% versus pre-COVID.

Chair Lieber acknowledged the agency leaders and their staff for their hard work and help with bringing riders back to the system. The Chair stated that, as reported on Monday by President Richard Davey and Demetrius Crichlow, Senior Vice President, Subways, subway usage is especially growing, with the midday, evenings, and weekends consistently surpassing 80% of pre-COVID. Chair Lieber stated that thanks to increased service and the investments made by the Governor and Legislature to the MTA's budget, there is growth in ridership across all the agencies.

With respect to financial stability, Chair Lieber noted that the MTA is on solid financial footing, with positive outlooks from bond rating agencies, and a significant reduction in insurance costs, allowing for more project investments.

Chair Lieber stated that the other thing that the agency is proud of is that riders are returning to a much safer system, with NYPD statistics showing that subway crime is down 5% compared

to last year and 8% compared to pre-COVID. The Chair stated that the MTA is also proud of its partnership with the Chief of the Transit Bureau, Michael Kemper, who on Monday presented a favorable report on crime in the system.

Chair Lieber stated that fare evasion on buses is becoming a big problem, and has surpassed subway fare evasion, which is why under President Davey's leadership, the EAGLE teams, uniformed unarmed revenue enforcement officers, are now being deployed to local buses for the first time. The EAGLE teams are supported strategically by Chief Kemper's NYPD Transit Bureau, who are standing by in strategic areas to make sure there is back up in the event there are any problems.

Chair Lieber noted that the agency is also taking steps to address the dangerous and deadly trend of teenagers riding outside of subway cars. The MTA has teamed up with Chancellor David Banks, who was on the MTA's fare evasion blue ribbon panel, to build on the partnership by doing a joint project, working with New York City high school students as the focus group for helping the agency enhance its communications on the issue of subway surfing.

Chair Lieber stated that, as you may have heard in announcements in the subway system and on digital screens, the agency is running ads created by New York City high school students for their peers to warn against the dangers of riding outside subway cars. Chair Lieber noted that, equally important, the agency has succeeded, after some initial back and forth, in persuading the large social media companies to cooperate by developing algorithms that identify subway surfing videos, taking them down promptly, and giving the agency space to do advertising on social media against this dangerous practice.

Chair Lieber stated that another area that the agency is making incredible progress is ADA accessibility. Yesterday the agency opened new elevators at the New Dorp SIR station in Staten Island—the agency's sixth ADA completion this year, with one dozen openings expected by the end of the year. Chair Lieber noted that there are 30 projects underway—67 stations in the current Capital Program, and due to the historic agreement with the disability advocates, the agency plans to keep moving forward at the same pace until the entire system is fully accessible. Chair Lieber stated that he is proud of the progress being made on cost, on schedule, as well as on accessibility.

Chair Lieber stated the agency is also saving money on insurance. President Jamie Torres-Springer and his team have been working with outside experts for a while and the result is insurance savings, which is a much bigger piece of the total capital project costs that has been significantly reduced to the tune of \$400 million for the current Capital Program.

Chair Lieber announced that later in the meeting Shanifah Rieara, Senior Advisor for Communications and Policy/Interim Chief Customer Officer, will discuss customer communications and Lisette Camilo, Chief Administrative Officer, plans to discuss hiring. Chair Lieber stated that it is no secret that the MTA was dealing with hiring freezes for a couple of years pre-pandemic, and it continued through the pandemic. Chair Lieber stated that it is also not a secret that the Transformation that took place structurally and administratively within the MTA left the People Department operations in shambles, and it felt like the agency could



not hire new people, which was having an impact on service. Chair Lieber stated that the agency has overcome that moment of crisis, and Chief Administrative Officer Lisette Camilo will discuss the agency's progress in this area. Chair Lieber noted that that agency held a job fair in Grand Central a couple of weeks ago, where thousands of people stood in line for a couple of hours because they wanted to work at the MTA. Chair Lieber stated that he is proud of the MTA's reputation, which attracted so many people to the job fair.

Chair Lieber stated that, with respect to congestion pricing, the Traffic Mobility Review Board ("TMRB"), the statutory board that is supposed to give MTA advice on what the tolling structure should be, is still working on their proposals and working on building a consensus before they vote on a recommended tolling structure, and the vote will trigger a statutory process where the public can weigh in. The MTA has held many public hearings and have heard from over 50,000 people both in person and remotely, and only after the public hearing process is completed will the MTA Board conduct its final vote. Chair Lieber, responding to chatter heard in recent days with respect to whether the City and MTA are ready for congestion pricing, stated that there is ample capacity in the transit system for increased ridership due to congestion pricing. Chair Lieber stated that the MTA's goal is for 10-20% of people who are driving to switch to transit, which is reflected in the Environmental Assessment. Accessibility improvements, increased service and collaboration with the city are strategies to facilitate the transition.

Chair Lieber stated that efforts are being made to make transit more affordable, which include reduced fares for City Ticket, monthly ticket discounts and expanded eligibility for Fair Fares, and he stated that the agency is working with the City on outreach to make sure that everybody who is eligible signs up and get this benefit.

Chair Lieber stated that it is now time to start looking ahead to the future. The MTA is preparing for the next generation of capital projects to maintain and expand the transit network. The 20-Year Needs Assessment will be out in a couple of weeks and staff will be coming to the Board in October to start the process that will take the agency into the next 2025-2029 Capital Program, and Chair Lieber stated that this is one of the most important duties as a Board, and the agency is excited to be moving in this direction.

In summary, Chair Lieber emphasized the critical role of strong mass transit for the region's prosperity and competitiveness, given New York's density. Chair Lieber stated that the mission is to make the system frequent, reliable, accessible, and affordable for all New Yorkers.

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.

Chair Lieber announced the retirement of Judy McClain, Chief of Operations Planning, NYCT, after 25 years of service to NYCT, and he invited President Richard Davey to say a few words about Judy McClain's accomplishments.

Board Member Haeda Mihaltses wished Judy McClain well in her retirement and highlighted some of her accomplishments at NYCT.

President Richard Davey praised Judy McClain's contributions to NYCT, and he provided highlights of her 25-year career with the organization.

**5. UPDATE ON MTA ACCESSIBILITY PROGRAM.**

Quemuel Arroyo, Chief Accessibility Officer discussed the impact that the capital improvements have had on the riders and the disability community.

Jamie Torres-Springer, President, MTA C&D, discussed the historical investments in the capital program and the progress made to-date in the system. President Jamie Torres-Springer also acknowledged the new ADA station openings in the city and how it has transformed the lives of the disability community.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for the details of Chief Quemuel Arroyo's and President Jamie Torres-Springer's remarks, and Chair Lieber, and Board Members' remarks and questions.

Chair Lieber announced that in the interest of time, Chief Administrative Officer Lisette Camilo's scheduled presentation on the People Department will be presented at the October Board meeting.

Chair Lieber introduced Shanifah Rieara, Senior Advisor for Communications and Policy/Interim Chief Customer Officer and team to provide the presentation on MTA Customer Services and Service Communications.

**6. MTA CUSTOMER SERVICES & SERVICE COMMUNICATIONS PRESENTATION.**

Shanifah Rieara, Senior Advisor for Communications and Policy/Interim Chief Customer Officer, discussed the merger of the Customer Service Team and the Customer Communications Department and provided an overview of the program's mission and the customer service team's role. Shanifah Rieara also discussed the ways the team is assisting customers in the MTA system to encourage and enhance the customers' experience and she introduced a video showing the teams' day-to-day experience in their roles.

Chris Papandreou, Senior Director, Customer Service, discussed the core function of the customer service team and he introduced some members of his team.

Kevin Call, Senior Director, Service Communications, provided an overview of the communication team's role and experience; and he discussed three project initiatives designed to enhance communications.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for the details of Shanifah Rieara's, Chris Papandreou's and Kevin Call's presentations and Chair Lieber's, President Rich Davey's and Board members comments and remarks.

**7. 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 July 19, 2023.

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

**8. 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.

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

A. Metro-North Railroad Procurement Item.

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

A contract modification to Arrow Rail Link Service, Inc. (“Arrow”) to a previously competitively, solicited, and board-approved contract in the not-to-exceed amount of \$8,684,603. The modification exercises an available option for a final three years at rates previously established in the base contract and secures funding for continued bus services. Arrow provides a fixed-route scheduled feeder bus service that operates from 6:00 a.m. to midnight between Metro-North’s Spuyten Duyvil and Riverdale stations, as well as the surrounding neighborhoods located in geographically challenging areas in the northwest Bronx. With the anticipation of increased ridership over the next few years, the service is seen as an essential mobility resource for the neighborhoods, which otherwise are not easily accessible by public transportation. This contract will be funded by Metro-North’s operating budget.

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

**10. 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 of the sole-source miscellaneous service contract to Preteckt, Inc. to perform prognostic maintenance services for NYC Transit Department of Buses (“DOB”) and MTA Bus Company (“MTABC”), to (1) 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.

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

## **11. CAPITAL PROGRAM COMMITTEE.**

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

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

1. Approved 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 (Contract No. CS00010B). 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 the options are exercised, the total NTE amount will be \$5,518,494.
2. Approved an extension to contracts Nos. CM-1600 through CM-1615 and CM-1626 through CM-1635, a series of Indefinite Quantity (“IQ”) contracts (13 federal and 13 state) 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, for Consultant Construction Management (“CCM”) and Inspection Services for Miscellaneous Construction Projects with various vendors listed in the staff summary.
3. Ratified a contract modification with Tutor Perini Corporation (Contract No. CS179.625) 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.
4. Ratified a contract modification with EE Cruz & Company (Contract No. E31699.16) 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.
5. Approve a modification to extend the contract with Schindler Elevator Corporation, (Contract No. VM014.41), 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.
6. Approval to enter a contract modification with George S. Hall, Inc. (Contract No VS250.001) to provide continued interim maintenance services and operation of assets at Grand Central Madison during the period of July 13, 2023 to and including January 12, 2024, for the not-to-exceed amount of \$24,756,754.

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

## **12. MTA COMMITTEE ON FINANCE.**

- A. Action Item. Upon a motion duly made and seconded the Board approved the action item listed below. The specifics are set forth in the staff summary and documentation filed with the meeting materials.
1. Owner Controlled Insurance Program (OCIP) – Alliant Insurance Services, Inc. – No. 15625-0100, Supplemental Agreement No. 2. Upon a motion duly made and seconded the Board approved the establishment of a not-to-exceed budget of \$385.1 million and the execution of actions necessary to finalize the procurement of an OCIP for awarded projects covering the period of September 30, 2023, through December 31, 2025, Capital Program for NYCT, LIRR, MNR and the Small Business Development Program (SBD P). The specifics are set forth in the staff summary filed with the meeting materials.
- B. Information Item.
1. 2022-2023 Station Maintenance Billing. The Board was advised of the submission of the station maintenance billings to New York City and the counties for the period of April 1, 2022, to March 31, 2023.
- C. Procurement Items. 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. ACI Worldwide – Software License, Maintenance and Support – No. 03E8693.31. Approved the modification to the contract with ACI Worldwide for Base 24 Software License, Maintenance and Support to provide licensing and maintenance and add a five-year extension and additional funding.
  2. SenseMakers – Security and Emergency Response Training – No. 15863. Approved the award of a contract to SenseMakers for the design, development and delivery of continuing security and emergency response training courses, workshops, and exercises for MTA employees.
  3. Cigna Health and Life Insurance Company – NYC Transit Dental Benefit Plan – No. 15430.4. Approved the modification to the contract with Cigna Health and Life Insurance Company for NYC Transit Dental Benefits Plan, 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 (October 1, 2023-December 31, 2024).

D. 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. Approval of a modification to the previously approved temporary change to MTA Real Estate's policies for a uniform process for re-negotiating existing leases and licenses.
2. Approval of Determination and Findings under the New York Eminent Domain Procedure Law relating to the acquisition of Fee Interest and Permanent Easements in property interests in connection with the Jamaica Capacity Improvement Project.

**New York City Transit Authority**

3. Lease agreement renewal with 27-35 Jackson Ave LLC for office space at 27-35 Jackson Avenue, Long Island City, N.Y.
4. Lease renewal with Allied 60 Bay Street, LLC for office space at 60 Bay Street, Staten Island, N.Y.
5. Lease agreement with BDG Gotham Plaza, LLC for the Second Avenue Subway Phase 2 office requirement at 159 East 125<sup>th</sup> Street, New York, N.Y.

**Long Island Rail Road**

6. Lease agreement with Huntington Station Market, Inc. for a retail unit at Huntington Station, Huntington, N.Y.

**13. ADJOURNMENT.**

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 12.55 p.m.

Respectfully submitted,

---

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

---

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

---

Maribel A. Thompson  
Assistant Secretary  
NYCT

---

Evan Eisland  
General Counsel and Secretary  
MTA C&D

---

Paul Friman  
General Counsel  
and Corporate Secretary  
TBTA

---

Victoria Clement  
Assistant Secretary  
MTAHQ

## **Contracts Department**

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

**PROCUREMENT PACKAGE  
October 2023**



## PROCUREMENTS

The Procurement Agenda this month includes 8 actions for a proposed expenditure of \$98.3 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>					
Order	To	Date	Approval	Info	Other
1	Capital Program Committee	10/23/23	X		
2	Board	10/25/23	X		

<b>Date:</b> October 18, 2023			
<b>Internal Approvals</b>			
	Approval		Approval
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 Two-Thirds Vote</u>	<u># of Actions</u>	<u>\$ Amount</u>
B. Competitive Requests for Proposals (Solicitation of Purchase and Public Works Contracts)	1	\$ TBD
C. Competitive Requests for Proposals (Award of Purchase and Public Works Contracts)	2	\$ 67,981,556
SUBTOTAL	3	\$ 67,981,556

<u>Schedules Requiring Majority Vote</u>	<u># of Actions</u>	<u>\$ Amount</u>
F. Personal Service Contracts	1	\$ 5,415,670
I. Modifications to Purchase and Public Works Contracts	3	\$ 19,223,326
SUBTOTAL	4	\$ 24,638,996

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

<u>Schedules Requiring Majority Vote</u>	<u># of Actions</u>	<u>\$ Amount</u>
K. Ratification of Completed Procurement Actions	1	\$ 5,662,693
SUBTOTAL	1	\$ 5,662,693
<b>TOTAL</b>	<b>8</b>	<b>\$ 98,283,245</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.

October 2023

**LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL**

**Procurements Requiring Two-Thirds Vote:**

**Schedule B. Competitive Requests for Proposals (Solicitation of Purchase and Public Work Contracts)**

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

- |    |   |                                 |                                      |
|----|---|---------------------------------|--------------------------------------|
| 1. | <b>Contractor(s) To Be Determined<br/>Contract No. 1000194074</b> | <b>\$ Cost To Be Determined</b> | <b><u>Staff Summary Attached</u></b> |
|----|---|---------------------------------|--------------------------------------|

MTA Construction and Development requests that the Board adopt an Authorizing resolution to issue a competitive Request for Proposals for the award of a contract for the second phase of the replacement of the Grand Central Terminal Fire Standpipe system.

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

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

- |    |   |                      |                                      |
|----|---|----------------------|--------------------------------------|
| 2. | <b>CF Constructors, a JV, LLC<br/>Contract No. A37369</b> | <b>\$ 35,312,421</b> | <b><u>Staff Summary Attached</u></b> |
|----|---|----------------------|--------------------------------------|

MTA Construction & Development requests Board approval to award a publicly advertised and competitively solicited contract for progressive design-build Phase 1 services for state of good repair work at various subway stations.

- |    |   |                         |                                      |
|----|---|-------------------------|--------------------------------------|
| 3. | <b>Verde Electric Corporation<br/>Contract No. 157548</b> | <b>\$ 32,669,134.35</b> | <b><u>Staff Summary Attached</u></b> |
|----|---|-------------------------|--------------------------------------|

MTA Construction & Development requests Board approval to award a publicly advertised and competitively solicited contract for design-build services to replace Metro-North Railroad's Mobile Substation C-16.

**Procurements Requiring Majority Vote:**

**Schedule F. Personal Service Contracts**

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

- |    |  |                        |                                      |
|----|--|------------------------|--------------------------------------|
| 4. | <b>Turner &amp; Townsend, Inc.<br/>Contract No. CS00017C</b> | <b>\$ 5,415,669.69</b> | <b><u>Staff Summary Attached</u></b> |
|----|--|------------------------|--------------------------------------|

MTA Construction & Development requests Board approval to award a publicly advertised and competitively solicited contract to assist in developing new program and project controls policies, processes and procedures.

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

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

- |    |  |                     |                                      |
|----|--|---------------------|--------------------------------------|
| 5. | <b>Siemens Mobility, Inc.<br/>Contract No. S48004-1.37</b> | <b>\$ 7,600,000</b> | <b><u>Staff Summary Attached</u></b> |
|----|--|---------------------|--------------------------------------|

MTA Construction and Development requests Board approval of a modification to Contract S48004-1 to add additional work, resolve contractor claims and extend the Contract's Substantial Completion date.

6. **Thales Transport and Security, Inc.**      **\$ 1,500,000**      **Staff Summary Attached**  
**Contract No. S48004-2.14**

MTA Construction and Development requests Board approval of a modification to Contract S48004-2 to add additional work, resolve contractor claims, and extend the Contract's Substantial Completion date.

7. **Thales Transport and Security, Inc.**      **\$ 10,123,326**      **Staff Summary Attached**  
**Contract No. S48013-2, Option 2**

MTA Construction & Development requests Board approval to exercise Option 2 to Contract S48013 to provide for additional R211 CBTC equipment.

# Staff Summary

## Schedule B: Request to Use RFP for Procurement of Purchase and Public Works in lieu of Sealed Bids

Item Number 1					
Department, Department Head Name: Delivery, MNR, Ziona Rubin, Vice President					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	Capital Program Committee	10/23/23	X		
2	Board	10/25/23	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
RFP Authorizing Resolution	1000194074
Description	
Metro-North Railroad – Grand Central Terminal Fire Standpipe Replacement – Phase II	
Total Amount	
To Be Determined	
Contract Term (including Options, if any)	
To Be Determined	
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 type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

### PURPOSE

MTA Construction and Development (“C&D”) requests that, pursuant to the New York Public Authorities Law and the All-Agency General Procurement Guidelines, the Board adopt a resolution declaring competitive bidding impractical or inappropriate and that it is in the public interest to authorize C&D to issue a competitive Request for Proposal in lieu of sealed bids for the award of a contract for the second phase of the replacement of the Grand Central Terminal Fire Standpipe system (the “Contract”).

### DISCUSSION

The work to be performed under the Contract is the second phase of a project to replace and upgrade the fire standpipe system in the train shed at Grand Central Terminal. The fire standpipe system on the Lower Level of the train shed was upgraded and replaced under Phase 1, and this Contract will replace and upgrade the fire standpipe system on the Upper Level. This work is necessary to replace an aging fire standpipe system that, after decades of service, is showing corrosion and leaks. The Contract work will bring the fire standpipe system into compliance with the current fire code requirements.

Because this work will be performed in an active train shed, over 90% of the work will require track outages and there is limited space for staging and storage of materials and equipment, the contractor selected to perform this work must demonstrate an understanding of these restrictions and propose an approach, including means and methods, that will provide for the most efficient schedule while minimizing impacts to the public. These factors, together with the cost of the work, will need to be evaluated in order to select a contractor that will provide the best value to the MTA. This evaluation and determination cannot be accomplished through sealed bids. Rather a competitive request for proposals is the appropriate procurement process for this type of work.

### M/W/DBE INFORMATION

The MTA Department of Diversity and Civil Rights has established a 22.5% DBE goal for the Contract.

**IMPACT ON FUNDING**

Funding for this contract is included in the MNR portion of the MTA's 2020-24 Capital Program.

**ALTERNATIVES**

The use of a sealed bid process, in which factors other than cost and project duration cannot be considered, is not recommended as it does not provide the flexibility to assess proposers' technical approaches and project schedules for accomplishing this project in a complex environment. An RFP is a better means to evaluate and consider alternative proposals or creative solutions. A negotiated procurement in this situation would better serve the public interest and offer C&D the best overall value.

**RECOMMENDATION**

That the Board adopt a resolution declaring competitive bidding impractical or inappropriate and that it is in the public interest to authorize C&D to issue a competitive Request for Proposal in lieu of sealed bids for the award of a contract for the second phase of the replacement of the Grand Central Terminal Fire Standpipe system.

# Staff Summary

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

Item Number 2					
Department, Department Head Name: Delivery, Infrastructure, Peter Kohner, Senior Vice President					
<b>Board Reviews</b>					
Order	To	Date	Approval	Info	Other
1	Capital Program Committee	10/23/23	X		
2	Board	10/25/23	X		
<b>Internal Approvals</b>					
Order	Approval	Order	Approval		
X	Deputy Chief, Development	X	Executive Vice President & General Counsel		
X	Deputy Chief, Delivery	X	President		

<b>SUMMARY INFORMATION</b>	
<b>Vendor Name</b>	<b>Contract Number</b>
CF Constructors, a JV, LLC	A37369
<b>Description</b>	
Progressive Design-Build Services for State of Good Repair Work at Various Stations	
<b>Total Amount</b>	
\$35,312,421 (Phase 1)	
<b>Contract Term (including Options, if any)</b>	
44 Months (27.5 months for Phase 1 Design)	
<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 checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
<b>Funding Source</b>	
<input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

### PURPOSE/RECOMMENDATION

MTA Construction & Development (“C&D”) requests Board approval to award a publicly advertised and competitively solicited contract (the “Contract”) to CF Constructors, a JV, LLC, a joint venture between EE Cruz & Company, Inc. and Flatiron Contractors, Inc. The Contract is for progressive design-build services for state of good repair work at various stations with a total duration of 44 Months. Board approval is being sought for the design phase (“Phase 1”) of this project in the not-to-exceed amount of \$35,312,421 and a duration 27.5 months.

### DISCUSSION

The Contract is for the design and construction of structural repairs and replacements in 43 New York City Transit (“NYCT”) stations in the Boroughs of Manhattan and Brooklyn, including: (i) steel columns, beams and other station structural elements, (ii) concrete platform edges and supporting structures, (iii) platform rubbing boards and ADA warning strips, (iv) concrete and steel stairs, (v) station canopies, (vi) wall finishes, (vii) floor finishes, (viii) ceiling finishes, and (ix) water leak mitigation and waterproofing. The work also includes related civil, utility and architectural work as well as surveying, abatement and disposal of certain environmental hazards and contaminants.

This is a progressive design build contract that will be performed in two phases. Phase 1 entails providing design services, including site surveys, investigations and exploratory work, to determine the scope in collaboration with C&D and develop designs for the necessary state of good repair work required at each of the 43 stations. The benefit of this delivery method is that it provides for a collaborative process in the development of the scope and design.

For this Contract, the design builder will group the stations into bundles (the “Station Bundles”) that provide for the most efficient delivery. Once the design for each of the Station Bundles reaches approximately 60%, the design-builder and the MTA will negotiate the pricing for Phase 2, the construction work. Negotiations will be on an open book basis in which the cost of all subcontracted work and materials is fully disclosed and the mark-ups for Phase 2 construction costs competitively pre-established in connection with the award of Phase 1. An amendment to the Contract will be required to implement the Phase 2 Work for each of the Station Bundles and C&D will return to the Board for approval to execute the amendment for the Phase 2 work for each of the Station Bundles. In the event acceptable terms for the construction work for a bundle cannot be negotiated with the design-builder, the Contract also provides C&D with the ability to separately procure the construction work on a competitive basis, with the design-builder required to complete the necessary design work.



A two-step procurement process was conducted for this Contract. In Step 1, a Request for Qualifications was advertised resulting in the submission of five Statements of Qualifications, which were then evaluated against pre-established Threshold Criteria (addressing completeness, timeliness, capacity, responsibility, and financial capability) and Substantive Evaluation Criteria (addressing key personnel and organization, project approach, prior experience and past performance). Based on these criteria, the following four firms were selected to receive the Request for Proposal (“RFP”) in Step 2:

- CF Constructors, a JV, LLC (“CF Constructors”), with Lead Designer Jacobs Civil Consultants, Inc.
- Railroad-Citnalta JV LLC (“RCJV”), with Lead Designer Stantec Consulting Services, Inc.
- Restore4MTA, JV (“Restore”), with Lead Designer WSP USA, Inc.
- Skanska-ECCO III PBD JV (“SEJV”), with Lead Designer Parsons Transportation Group of NY

In response to the RFP, all four teams submitted technical and price proposals with details as follows:

Design Builder	Phase 1 Cost Proposal	Phase 1 Duration (months)	Total Duration (months)	Phase 2 Work Fee	Phase 2 General Conditions Fee
CF Constructors	\$36,395,873	32	49	5.5%	6%
SEJV	\$43,225,192	32	53	12%	9.8%
RCJV	\$49,563,151	15	29	18%	15.8%
Restore 4MTA	\$64,988,328	36	48	17%	19%

The Selection Committee, consisting of representatives from C&D Delivery, Development and Contracts and NYCT Maintenance of Way Engineering, reviewed the technical proposals and attended the oral presentations of each of the four teams. The Selection Committee evaluated the technical proposals using preestablished selection criteria addressing key personnel and major participants, design and construction approach, overall project schedule, management plan, experience, transparency of pricing, scheduling, sequencing and phasing, risk management approach methodology, diversity practices and other relevant matters. The Selection Committee determined that each of the four proposers submitted technical proposals that were responsive to the RFP requirements and thereafter opened the price proposals which, in addition to Phase 1 design costs, included proposed mark-ups for Phase 2 construction costs. The Phase 2 Work Fee represents the total mark-up to the direct cost of the Phase 2 Work for profit, risk and general and indirect overhead. The Phase 2 General Conditions Fee is an amount attributable to the general conditions costs (e.g., home office employee and administrative personnel costs, certain project office and field office-related expenses, temporary amenities required for on-site work, site clean-up, work trade training program costs, health and safety program expenses, project work photos and videos) to be incurred in connection with the Phase 2 Work.

After reviewing technical and cost proposals, including proposed schedules and Phase 2 mark-ups, the Selection Committee unanimously recommended that CF Constructors and RCJV be invited for negotiations. The Selection Committee determined that although the other two teams submitted responsive proposals, the cost of the Restore 4MTA proposal and the total duration of SEJV’s proposal placed both teams outside of the competitive range. Following negotiations, each selected proposer submitted a Best and Final Offer (“BAFO”) as follows:

Design Builder	Phase 1 Cost Proposal	Phase 1 Duration (months)	Total Duration (months)	Phase 2 Work Fee	Phase 2 General Conditions Fee
CF Constructors	\$35,312,421	27.5	44	4.5%	5%
RCJV	\$42,375,356	15	30	16%	12.8%

Although both proposers offered reductions to their original price proposals, CF Constructors’ BAFO is the lowest price both in Phase 1 costs and projected Phase 2 costs based on its proposed Phase 2 Work Fee and General Conditions Fee.

In addition, the SC determined that CF Constructors provided a more detailed and realistic schedule. The SC determined that CF Constructors’ BAFO offered the best overall value based on the quality of its technical proposal, its overall price and schedule.

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

**DBE/MBE/WBE/SDVOB INFORMATION**

The MTA Department of Diversity and Civil Rights has established MBE/WBE/SDVOB goals of 15%/15%/6%. Although this is a progressive design-build contract with undefined scope, CF Constructors is committed to meeting the required goals. Their Phase 1 Utilization Plan is under review. CF Constructors has not recently completed any MTA contracts with MWDBE goals; therefore, no assessment of their past performance is available at this time.

**IMPACT ON FUNDING**

Funding for the Contract is included in the NYCT portion of the MTA's 2020-2024 Capital Program.

**ALTERNATIVES**

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

# Staff Summary

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

Item Number 3					
Department, Department Head Name: Delivery, MNR, Ziona Rubin, Vice President					
<b>Board Reviews</b>					
Order	To	Date	Approval	Info	Other
1	Capital Program Committee	10/23/23	X		
2	Board	10/25/23	X		
<b>Internal Approvals</b>					
Order	Approval	Order	Approval		
X	Deputy Chief, Development	X	Executive Vice President & General Counsel		
X	Deputy Chief, Delivery	X	President		

<b>SUMMARY INFORMATION</b>	
Vendor Name	Contract Number
Verde Electric Corporation	157548
Description	
Design-Build Services - Replacement of Mobile Substation C-16	
Total Amount	<b>\$32,669,134.35</b>
1. Design-Build Contract: \$32,617,134.35	
2. Stipend Payments \$52,000.00	
Contract Term (including Options, if any)	
36 months	
Option(s) included in Total Amount?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Renewal?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type	
<input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	
Solicitation Type	
<input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source	
<input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

### PURPOSE/RECOMMENDATION

MTA Construction & Development (“C&D”) requests Board approval to award to Verde Electric Corporation (“Verde”) a publicly advertised and competitively solicited contract for design-build services to replace Metro-North Railroad’s Mobile Substation C-16 (the “Contract”). The Contract is in the amount of \$32,617,134.35 and for a duration of 36 months. In accordance with MTA policy regarding the use of design-build contracts, and to enhance competition and defray proposal costs, this solicitation includes a stipend of \$26,000 to be paid to each unsuccessful proposer whose proposal met the defined proposal standards. Accordingly, approval is also requested to pay a stipend of \$52,000 to the two unsuccessful proposers.

### DISCUSSION

The Contract provides for the design, fabrication, installation and testing of a new prefabricated substation to replace the Pelham (C-16) substation located on the southern side of Willson’s Woods Park, in Mt. Vernon, NY. The substation will consist of a new prefabricated walk-in enclosure with equipment for traction power, auxiliary power, control power, and supervisory control and data acquisition (“SCADA”) Remote Terminal Unit systems. The replacement of this substation is critical to ensuring the reliability of the DC traction supply system, and consequently the reliability of service, along the New Haven Line.

A two-step procurement process was conducted for the Contract. In Step 1, a Request for Qualifications was advertised, resulting in the submission of eight Statements of Qualification that were evaluated against pre-established Threshold Criteria (addressing completeness, timeliness, capacity, responsibility, and financial capability) and Substantive Evaluation Criteria (addressing key personnel and organization, responsiveness, project approach, prior experience, and past experience). Based on these criteria, three of the responding firms were selected to receive the Request for Proposal (“RFP”) in Step 2:

- Verde Electric Corporation
- Five Star Electric Corp. (“Five Star”)
- Pelham Substation Partners (“Pelham”)

All three firms submitted technical and price proposals in response to the RFP. The selection committee, consisting of representatives from C&D Delivery and Contracts Departments, and MNR's Power Department, first reviewed the technical proposals and heard oral presentations from each of the respondents. The selection committee evaluated the technical proposals utilizing the following pre-established selection criteria: design and construction plan, schedule, management plan, prior experience, record of performance, safety and quality, diversity practices, and other relevant matters. The selection committee determined that all three firms submitted technical proposals that were responsive. The selection committee then opened the price proposals, which were as follows:

- Verde: \$32,815,648.00
- Five Star: \$39,272,000.00
- Pelham: \$37,800,000.00

The selection committee recommended that all three respondents be invited to negotiations. Following negotiations, the respondents submitted the following Best and Final Offers:

- Verde: \$32,617,134.35
- Five Star: \$37,312,000.00
- Pelham: \$37,800,000.00

Based upon its review of the technical and price proposals, and discussions during the oral presentations, the selection committee determined that the proposal submitted by Verde was the highest ranked technically, provided the lowest price and provided the best value to the MTA as it demonstrated a superior combination of technical approach, price, and schedule. Verde's proposal demonstrated a strong understanding of all components of the scope of work as established in its technical approach, and its key personnel have successfully completed design-build projects of similar scope and magnitude. Verde's Best and Final Offer in the amount of \$32,617,134.35 is deemed to be fair and reasonable.

#### **DBE/MBE/WBE/SDVOB INFORMATION**

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

#### **IMPACT ON FUNDING**

Funding for the Contract is included in the MNR's portion of the MTA's 2020-24 Capital Program.

#### **ALTERNATIVES**

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

# Staff Summary

## Schedule F: Personal Service Contracts

Item Number 4					
Department, Department Head Name: Delivery Services Office/John Sucharski, Senior Vice President					
<b>Board Reviews</b>					
Order	To	Date	Approval	Info	Other
1	Capital Program Committee	10/23/23	X		
2	Board	10/25/23	X		
<b>Internal Approvals</b>					
Order	Approval	Order	Approval		
X	Deputy Chief, Development	X	Executive Vice President & General Counsel		
X	Deputy Chief, Delivery	X	President		

<b>SUMMARY INFORMATION</b>	
Vendor Name	Contract Number
Turner & Townsend, Inc.	CS00017C
Description	
MTA C&D Program and Projects Controls Policies, Processes and Procedures	
Total Amount	<b>\$5,415,669.69</b>
Base Contract:	\$3,711,049.38
Option 1:	\$ 993,345.70
Option 2:	\$ 711,274.61
Contract Term (including Options, if any)	
12 Months for Base Contract. Up to 24 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 type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

### PURPOSE/RECOMMENDATION

MTA Construction & Development (“C&D”) requests that the Board approve the award to Turner & Townsend Inc (“T&T”) of a publicly advertised and competitively solicited contract (the “Contract”) to assist in developing new program and project controls policies, processes and procedures. The Contract is for a 12-month duration in the not-to-exceed (“NTE”) amount of \$3,711,049.38. The Contract also includes two options, which may be exercised by MTA in its sole discretion. Option 1, if exercised, will extend the contract duration by six months and add the Deployment scope of services discussed below. Option 2, if exercised, will extend the contract duration by an additional six months and add the Implementation scope of services discussed below. The options, if exercised, will increase the total NTE value to \$5,415,669.69.

### DISCUSSION

This Contract provides for new and improved program and project controls, allowing for a more informed, timely, transparent, and effective decision-making process in managing C&D programs and projects. Under this Contract, the Consultant will develop a unified approach to developing and managing schedule and cost performance information for all MTA C&D internal and external stakeholders. The Consultant will initially analyze the current state of program and project controls and provide expertise and experience to establish a new standardized model. If exercised, the Options will implement this strategy through the deployment of training to the various business units (in Option 1) with eventual implementation throughout C&D (in Option 2).

Selection was determined by 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 of Proposals (“RFP”) was sent to 15 firms that expressed interest during outreach. In response to the RFP, proposals were received from five firms: Gleeds USA, Inc. (“Gleeds”), JCMS, Inc. (“JCMS”), Linesight, PMA Consultants LLC (“PMA”), and T&T, the awardee.

The five proposals were evaluated and scored by a selection committee and reviewed by a technical advisory committee consisting of representatives from C&D, utilizing the following pre-established selection criteria: Experience of Project Team/Key Personnel/Subconsultants, Execution Strategy, Leadership, Management & Resourcing, Experience in Relevant Areas, Diversity Practices, Quality Assurance Plan, Other Relevant Matters.

After reviewing technical proposals, the selection committee voted to shortlist Gleeds, Linesight, and T&T for oral presentations. JCMS and PMA were not shortlisted for oral presentations because their technical proposals did not illustrate a strong understanding of organizational change management nor implementation of a program and project controls operating model, procedures, and training.

Upon the conclusion of oral presentations, the selection committee completed the technical evaluations and then reviewed the cost proposals from the shortlisted proposers, ranking each based on their technical and cost proposals in accordance with the selection criteria. The selection committee shortlisted two proposers for negotiations, Gleeds and T&T, determining that these two firms' proposals were most responsive to the RFP. Linesight was not shortlisted for negotiations because it became apparent during oral presentations that the firm misunderstood the requirements of the scope, as it focused on project management information systems rather than the development and implementation of project controls policies and procedures. Both Gleeds and T&T adequately addressed the scope of services, deliverable implementation, and identified potential challenges and workable solutions. Both consultants demonstrated a clear understanding of the best practices in program and project controls.

Several rounds of negotiations were conducted with the shortlisted firms focusing on scope of work, adherence to the criteria timeline for deliverables, levels of effort, staffing, direct labor rates, and fixed fee. The overhead rates were reviewed and adjusted pursuant to MTA Audit recommendations. Interim proposals were received as follows:

PROPOSER	INTERIM PROPOSAL TOTAL	BASE CONTRACT PRICING	OPTION 1 PRICING	OPTION 2 PRICING
T&T	\$7,913,545.77	\$3,968,841.62	\$1,879,858.52	\$2,064,845.63
Gleeds	\$14,104,746.90	\$8,122,063.98	\$4,321,193.32	\$1,661,489.59

Pricing from both firms were above the estimate based on the inclusion of additional support staff. Discussions were held with both firms regarding the additional support staff included in their proposals and while T&T was willing to reduce its support staff and still provide the deliverables, Gleeds was not willing to commit to providing the deliverables without the additional staffing. Gleeds was removed from consideration as their pricing was approximately double the price proposed by T&T.

Upon conclusion of negotiations, T&T submitted its Best And Final Offer ("BAFO"):

PROPOSER	BAFO TOTAL	BASE CONTRACT PRICING	OPTION 1 PRICING	OPTION 2 PRICING
T&T	\$5,415,669.69	\$3,711,049.38	\$ 993,345.70	\$711,274.61

The selection committee reviewed the BAFO in accordance with the selection criteria and unanimously voted to recommend award of the contract to T&T. T&T was ranked the highest technically and provided the lowest price, therefore providing the best value to the MTA. Based on the foregoing, T&T's BAFO was determined to be fair and reasonable.

This Contract incorporates a performance evaluation program ("PEP") that is included in the BAFO pricing. The PEP provides an opportunity for the Consultant to earn additional profit through exemplary performance in managing its project and a reduction in T&T's Fee for unsatisfactory performance.

**D/M/WBE INFORMATION**

The MTA Department of Diversity and Civil Rights DDCR has established a Minority/Women Owned Business Enterprise ("M/WBE") and Service-Disabled Veteran Owned Business ("SDVOB") goals of 15%, 15% and 6% respectively for this state funded contract. TT&T has submitted a M/WBE/SDVOB utilization plan that does not meet the goal requirements but is committed to continue their good faith effort through the duration of the contract to meet the goals. T&T has not recently completed any MTA contracts with M/W/DBE goals; therefore, no assessment of the performance is available at this time.

**IMPACT ON FUNDING**

Funding for this Contract is available in the MTA's 2020-24 Capital Program.

# Staff Summary

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

Item Number: 5

<b>Vendor Name (&amp; Location)</b> Siemens Mobility, Inc. (One Penn Plaza, New York NY 10119)	
<b>Description</b> CBTC Queens Boulevard Line (QBL) Phase I	
<b>Contract Term (including Options, if any)</b> 67 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 checked="" type="checkbox"/> Bid <input type="checkbox"/> Other:	
<b>Funding Source</b> <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
<b>Requesting Dept/Div &amp; Dept/Div Head Name:</b> Delivery, Mark Roche, Deputy Chief Development Officer	

Contract Number	AWO/Modification #
S-48004-1	37
<b>Original Amount:</b>	\$ 156,172,932
<b>Prior Modifications:</b>	\$ 28,836,845
<b>Prior Budgetary Increases:</b>	\$ 26,351,345
<b>Current Amount:</b>	\$ 185,009,777
<b>This Request:</b>	\$ 7,600,000
<b>% of This Request to Current Amount:</b>	4%
<b>% of Modifications (including This Request) to Original Amount:</b>	23%

### DISCUSSION:

Contract S-48004-1 (the “Contract”) requires Siemens Mobility, Inc. (“Siemens” or the “Contractor”) to provide wayside Communication Based Train Control (“CBTC”) equipment on the Queens Boulevard West Line and carborne CBTC equipment on 309 R160-class trains that operate on the Queens Boulevard West Line. MTA Construction and Development (“C&D”) requests Board approval of a modification that will resolve claims asserted by Siemens for additional work and delays and extend the Contract’s Substantial Completion date from March 24, 2021 to December 31, 2024, with a plan for monetary incentives for achieving the new date, for a total cost of \$7,600,000.

Siemens has asserted claims in the amount of \$23,881,943 and for additional time associated with those claims. C&D has analyzed Siemens’ claims and, while many are subject to defenses, a number of the claims arise from Extra Work directed by MTA or delays attributable to MTA. For example, and among other issues, MTA made approximately forty changes to its CBTC Interoperability Interface Standard that required Siemens to perform additional changes to its software and CBTC database. In addition, MTA directed Siemens to provide spare parts beyond what was required in the Contract. This Modification will resolve Siemens’ \$23 million claim for a total cost of \$7,600,000, and establish a new Substantial Completion date of December 31, 2024, based upon the excusable delay associated with these claims, with payment made to Siemens only upon the completion of interim deadlines for critical work and a portion of the payment contingent upon achieving Substantial Completion on time. This incentive plan will replace the Contract provisions for Liquidated Damages.

The increase to the Contract Price consists of a one-time payment of \$2,000,000 and payments totaling \$3,600,000 that are payable only upon achievement of defined categories of critical Work. In addition, a total of \$2,000,000 is included in this Modification that will only be paid to Siemens if the defined categories of Work are satisfactorily completed on or before the new Substantial Completion date. Although Substantial Completion has not yet been achieved, most of the Contract Work has been performed and MTA has taken Beneficial Use of the CBTC system and the Automatic Train Supervision system (“ATS”), which are both in-service. This Modification revises the special warranty provisions to ensure that warranties related to both the CBTC and ATS which initiate at Beneficial Use remain in-place through the extended Substantial Completion date. Finally, the incentive structure tied to critical Work not yet performed, as described above, will ensure that such Work is performed on time.

In light of MTA’s elimination of the risk of Siemen’s outstanding claims for money and time, and the implementation of a payment plan that incentivizes timely completion of the Work, the resolution of these claims in this way is considered fair and reasonable.

# Staff Summary

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

Item Number: **6**

<b>Vendor Name (&amp; Location)</b> Ground Transportation Systems USA, Inc. d/b/a Thales Transport and Security, Inc. (99 Park Avenue, New York NY 10013)	
<b>Description</b> CBTC Queens Boulevard Line (QBL) West Phase I	
<b>Contract Term (including Options, if any)</b> 67 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 checked="" type="checkbox"/> Bid <input type="checkbox"/> Other:	
<b>Funding Source</b> <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
<b>Requesting Dept/Div &amp; Dept/Div Head Name:</b> Delivery, Mark Roche, Deputy Chief Development Officer	

Contract Number	AWO/Modification #
S-48004-2	14
<b>Original Amount:</b>	\$ 49,607,520
<b>Prior Modifications:</b>	\$ 1,519,000
<b>Prior Budgetary Increases:</b>	\$ 88,000
<b>Current Amount:</b>	\$ 51,126,520
<b>This Request:</b>	\$ 1,500,000
<b>% of This Request to Current Amount:</b>	3%
<b>% of Modifications (including This Request) to Original Amount:</b>	6%

### DISCUSSION:

Contract S-48004-2 requires Ground Transportation Systems USA, Inc. d/b/a Thales Transport and Security (“Thales”) to provide wayside Communication Based Train Control (“CBTC”) equipment on the Queens Boulevard West Line and carborne CBTC equipment on 4 R160-class trains that operate on the Queens Boulevard West Line. MTA Construction and Development (“C&D”) requests Board approval of a modification to resolve claims for added work for a total cost of \$1,500,000 and extend the Substantial Completion Date from March 31, 2021 to August 31, 2022, the date upon which Substantial Completion was achieved.

The Modification resolves claims asserted by Thales for added work, including (i) changes Thales performed to its CBTC system resulting from updates to MTA’s CBTC Interoperability Interface Standard; (ii) additional releases of Thales’ CBTC database; and (iii) work to expand Thales’ zone controller capacity beyond the original coverage area. In addition, this Modification extends the Contract’s Substantial Completion date from March 31, 2021 to August 31, 2022, to account for delays in providing access to Thales due to work being performed by another contractor on the Queens Boulevard West Line project.

Thales presented claims for added work totaling \$6,886,816. Negotiations yielded a settlement amount of \$1,500,000 and an 18-month extension of time, during which period Thales achieved Substantial Completion. This modification resolves all outstanding issues with respect to this Contract except for four modifications which are being negotiated separately. C&D analyzed the merit of the claims submitted by Thales and deems this resolution to be fair and reasonable.



# Staff Summary

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

Item Number: 7

<b>Vendor Name (&amp; Location)</b> Ground Transportation Systems USA, Inc. d/b/a Thales Transport and Security, Inc. (99 Park Avenue, New York NY 10013)	
<b>Description</b> R211 Carborne Equipment for Communication Based Train Technology on the Eighth Avenue Line	
<b>Contract Term (including Options, if any)</b> 60 months	
<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"/> Non-competitive	
<b>Solicitation Type</b> <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
<b>Funding Source</b> <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
<b>Requesting Dept/Div &amp; Dept/Div Head Name:</b> Delivery, Mark Roche, Deputy Chief Development Officer	

Contract Number	AWO/Modification #
S-48013-2	Option 2
<b>Original Amount:</b>	\$ 23,325,902
<b>Prior Modifications:</b>	\$ 0
<b>Prior Budgetary Increases:</b>	\$ 13,725,339
<b>Current Amount:</b>	\$ 37,051,241
<b>This Request:</b>	\$ 10,123,326
<b>% of This Request to Current Amount:</b>	27%
<b>% of Modifications (including This Request) to Original Amount:</b>	43%

### DISCUSSION:

Contract S-48013-2 (the “Contract”) provides for communication-based train control (“CBTC”) equipment for New York City Transit’s R211 subway cars that will operate on the 8<sup>th</sup> Avenue Line. MTA Construction & Development (“C&D”) requests Board approval to exercise the second option of the Contract – for additional R211 CBTC equipment in the amount of \$10,123,326 (“Option 2”).

The Contract was awarded to Thales Transport and Security, Inc. (“Thales”) in March 2019, and ratified by the Board in October 2019, following a declaration of an Immediate Operating Need by the New York City Transit (“NYCT”) Vice President, Materiel. Thales has since been acquired by Ground Transportation Systems USA, Inc. but continues to do business as Thales. The Contract requires Thales to furnish and deliver carborne CBTC equipment to the car manufacturer Kawasaki to outfit 92 (five-car) R211 operating units. The Contract includes two options to outfit additional units. Option 1 was exercised with Board approval in March 2022 to acquire CBTC equipment for an additional 128 R211 units. This Option 2 will require Thales to furnish and deliver carborne CBTC equipment for an additional 89 R211 units for \$10,123,326. The purchase of the railcars contemplated in Option 1 was approved by the Board in November 2022. NYCT now plans to purchase the quantity of railcars contemplated in Option 2. The exercise of this Option 2 is required to provide the necessary CBTC equipment for the additional cars to be acquired by NYCT. This option will expire in November 2023. Although, additional work is required before the Kawasaki option for the additional cars can be exercised, C&D estimates demonstrate that allowing the Thales option to expire, re-bidding and negotiating the terms for the CBTC work later, will result in a significantly higher cost to C&D. For that reason, C&D recommends that the option on this Contract be exercised now.

**OCTOBER 2023**

**LIST OF RATIFICATIONS FOR BOARD APPROVAL**

**Procurements Requiring Majority Vote:**

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

(Staff Summaries required for all items requiring Board approval)

- |           |  |                       |                                      |
|-----------|--|-----------------------|--------------------------------------|
| <b>8.</b> | <b>Atkins-HNTB, JV<br/>Contract No. PS21002.02</b> | <b>\$5,662,693.22</b> | <b><u>Staff Summary Attached</u></b> |
|-----------|--|-----------------------|--------------------------------------|

MTA Construction and Development requests that the Board ratify a modification to perform additional engineering tasks to support Communications Based Train Control for the NYCT subway system.

# Staff Summary

## Schedule K: Ratification of Completed Procurement Actions

Item Number: **8**

<b>Vendor Name (&amp; Location)</b> Atkins-HNTB JV (10 East 40 <sup>th</sup> St. New York, NY)
<b>Description</b> General Engineering Consultant Services for NYCT Communications Based Train Control Program
<b>Contract Term (including Options, if any)</b> 24 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 checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:
<b>Funding Source</b> <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:
<b>Requesting Dept/Div &amp; Dept/Div Head Name:</b> Signals & Train Control, Gregoire Sulmont, Senior Vice President

<b>Contract Number</b> PS21002	<b>AWO/Modification #</b> 2
<b>Original Amount:</b>	\$ 18,154,956
<b>Prior Modifications:</b>	\$ 660,000
<b>Prior Budgetary Increases:</b>	\$ 0
<b>Current Amount:</b>	\$ 18,814,956
<b>This Request:</b>	\$ 5,662,693.22
<b>% of This Request to Current Amount:</b>	30.1%
<b>% of Modifications (including This Request) to Original Amount:</b>	31.2%

### DISCUSSION:

This Contract requires the consultant, a joint venture of Atkins North America Inc. and HNTB New York Engineering and Architecture (“Atkins-HNTB JV”) to provide General Engineering Services for MTA’s Communications Based Train Control (“CBTC”) program (the “Contract”). MTA Construction and Development (“C&D”) requests that the Board ratify a modification in the amount of \$5,662,693.22, to perform additional tasks under the Contract, each of which will support CBTC for the New York City Transit subway system.

Under this Contract, Atkins-HNTB JV provides design, engineering, procurement support and program administration services to assist the MTA in implementing the next phase of its CBTC program for NYCT subway services. Following the award of the Contract, MTA determined that five additional tasks were required to advance CBTC reliability, provide seamless expansion across NYCT’s subway system and ensure continued competition for future CBTC rollout. Those tasks are to (1) evaluate and develop strategies for equipping work trains with CBTC equipment and support a procurement for equipping the work trains; (2) determine the feasibility of replacing the existing CBTC Data Communication System with non-proprietary technology; (3) assist with the publication of request for information to the industry to identify solutions to retrofit R142 and R142A class subway cars with CBTC equipment and to evaluate the solutions identified and develop an implementation strategy; (4) analyze the CBTC systems currently installed on NYCT’s Canarsie, Flushing and Queens Boulevard West lines to evaluate their reliability and any operational weaknesses and recommend mitigation factors; and (5) support MTA’s Interface Standard Update Subgroup to modernize the Interface Standard to ensure that it remains a viable design standard for seamless functionality and safety certification of CBTC systems procured in the future.

Atkins-HNTB JV submitted its proposal for these 5 tasks in the amount of \$10,067,356. C&D engaged in several scope clarification meetings with the Consultant, followed by negotiations resulting in an agreed upon amount of \$5,662,693.22 which was deemed to be fair and reasonable. This modification also adds two additional subconsultants, Nordic Signals Consulting and Dinmore Engineering LLC to the Contract for this added work. All of these additional tasks will be completed within the initial term of the Contract, which ends on March 31, 2024, except that the work to support the procurement for equipping work trains may continue for up to 32 weeks from the award of this modification.

In order to support the procurement timeline for the Fulton Line CBTC project, approval from the President of MTA C&D was issued in the third quarter of 2023 to direct the Consultant to proceed with the support of MTA’s Interface Standard Update Subgroup and with the analysis and evaluation of currently installed CBTC systems in the not-to-exceed amount of \$743,000.


# **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 \$325.8M.

<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	10/23/23			
2	Board	10/25/23			

October 18, 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
	Deputy CFO	X	Diversity/Civil Rights
X	Law		

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

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

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

<u>Procurements Requiring Two-Thirds Vote:</u>		<u># of</u>	<u>\$ Amount</u>
		<u>Actions</u>	
Schedule A:	Noncompetitive Purchases and Public Work Contracts	1	\$ 325.8 M
	SUBTOTAL	1	\$ 325.8 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	\$ 325.8 M
-------	---	------------

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

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

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

## **BOARD RESOLUTION**

**WHEREAS**, in accordance with Sections 1265-a and 1209 of the Public Authorities Law and the All-Agency General Contract Procurement Guidelines, the Board authorizes the award of certain noncompetitive purchase and public work contracts, and the solicitation and award of requests for proposals regarding purchase and public work contracts; and

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

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

NOW, the Board resolves as follows:

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

2. As to each request for proposals (for purchase and public work contracts) set forth in Schedule B for which authorization to solicit proposals is requested, for the reasons specified therein, the Board declares competitive bidding to be impractical or inappropriate, declares it is in the public interest to solicit competitive request for proposals, and authorizes the solicitation of such proposals.

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

4. As to each action set forth in Schedule D, the Board declares competitive bidding impractical or inappropriate for the reasons specified therein and ratifies each action for which ratification is requested.

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

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

**OCTOBER 2023**

**LIST OF NONCOMPETITIVE PROCUREMENTS FOR BOARD APPROVAL**

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

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

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

- |  |                      |                                      |
|--|----------------------|--------------------------------------|
| <b>1. Prevost Car (US) Inc.<br/>100 Months from Notice of Award<br/>Contract# B40695</b> | <b>\$325,795,912</b> | <b><i>Staff Summary Attached</i></b> |
|--|----------------------|--------------------------------------|

Contract award for the purchase of 250 over-the-road express diesel buses with options for up to 131 additional over-the-road express diesel buses for a total of 381 buses as well as related items such as spare parts, special tools and equipment, technical documentation, and training.



**Schedule A: Noncompetitive Purchases and Public Work Contracts**



Item Number: 1

<b>Vendor Name (Location)</b> Prevost Car (US) Inc. (Sainte Claire, Quebec)
<b>Description</b> Furnish and Deliver 250 Over-the-Road Express Diesel Buses with Option of up to 131 Additional Buses
<b>Contract Term (including Options, if any)</b> 100 Months from Notice of Award (inclusive of delivery of the base and any option buses and provision of warranty support)
<b>Option(s) included in Total Amount?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<b>Procurement Type</b> <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Noncompetitive
<b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole-Source

<b>Contract Number</b> B40695	<b>Renewal?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Total Amount:</b> \$325,795,912 (\$214,187,493 base + \$111,608,420 options)	
<b>Funding Source</b> <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
<b>Requesting Department:</b>  <b>Procurement Operations, Louis A. Montanti</b>	

Discussion:

NYC Transit requests that the Board waive formal competitive bidding and approve the purchase of 250 over-the-road express diesel buses with options for up to 131 additional over-the-road express diesel buses for a total of 381 buses as well as related items such as spare parts, special tools and equipment, technical documentation, and training from Prevost Car (US) Inc. (“Prevost”) in the total estimated amount of \$325,795,912 (\$214,187,493 for the base award and \$111,608,420 for the options) on behalf of MTA Bus Company (“MTABC”). The Board is also requested to authorize the NYC Transit Assistant Chief Procurement Officer to approve the exercise of the options once funding becomes available.

The 250 buses under this contract will replace existing aging buses that have reached the end of their 12-year useful life operating out of MTABC depots in the Bronx and Queens. Currently, Prevost is the Authority’s only qualified source for the over-the-road express diesel buses. In November 2022, a sole/single/unique source notification was publicly advertised pursuant to Public Authorities Law, Section 1265-a, subdivision 4(b) for this procurement in the *New York State Contract Reporter* and the *Daily News*. Throughout the solicitation period, no other firm responded to NYC Transit indicating it can provide the requirement as advertised.

The initial proposal was received from Prevost in January 2023, oral presentations were held in February, negotiations were conducted between March and September and centered on cybersecurity, pricing, delivery, alternate proposals, exceptions/deviations/clarifications to the technical specifications as well as terms and conditions. Prevost’s Best and Final Offer (“BAFO”) was received on September 22, 2023. Delivery of the base buses is anticipated to begin in April 2025 and be completed by August 2026.

The total contract award of \$214,187,493 will consist of \$212,993,168 for the 250 buses (\$851,973/bus); \$193,312 for manuals, diagnostic tools, and testing; \$624,678 for an estimated quantity of training; and \$376,335 for capital spares. The final price has been deemed fair and reasonable by the Cost Price Analysis Unit with assistance from MTA Audit Services, based on negotiations and both cost and pricing analysis.

The award to Prevost will also include options to purchase up to 131 additional buses at \$851,973 per bus (est. \$111,608,420). These options are subject to a PPI escalation if exercised more than 365 days after notice of award. Additionally, the options must be exercised on or before December 31, 2025. If exercised, the option buses will be delivered between August 2026 and March 2027.

There is reasonable assurance that Prevost is financially qualified to perform this contract.

The contract resulting from this procurement has been evaluated to determine the necessity and appropriate scope, if any, of cybersecurity requirements, including any requirements under federal, state, and local law and regulations. Cybersecurity language as agreed to by Prevost and NYCT has been included in the contract terms and conditions.

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

This contract is subject to review and approval of the Office of the New York State Comptroller (“OSC”) and award will not be made prior to OSC approval.

**M/W/DBE Information**

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

**Impact on Funding**

The contract will be funded with 100 percent MTA funds. Funds for this project have been approved in the MTA 2020–2024 Capital Program. Funding is available in the MTABC program support services to cover a shortfall of \$14 million. A WAR certificate will be secured prior to award. The 131 option buses will be funded as part of the MTA 2025–2029 Capital Program. No award will be made until the 2025–2029 funding is available, or an alternative funding source is identified.

**Alternatives**

There are no alternatives, as not awarding this contract will seriously undermine the Authority’s fleet plan and its ability to retire buses.

**Recommendation**

To request that the Board waive formal competitive bidding and approve the purchase of 250 over-the-road express diesel buses from Prevost in the total estimated amount of \$214,187,492 on behalf of MTABC. The Board is also requested to authorize the NYC Transit Assistant Chief Procurement Officer to approve the exercise of the options once funding becomes available in the estimated amount of \$111,608,420.



# MTA Headquarters Procurements

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

## PROCUREMENTS

The Procurement Agenda this month includes 7 actions for a proposed estimated expenditure of \$91.2M.

<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

October 20, 2023
<b>Department</b>
<b>Department Head Name</b>
<b>Department Head Signature</b>

Board Action					
Order	To	Date	Approval	Info	Other
1	Committee	10/23/23			
2	Board	10/25/23			

Internal Approvals			
	Approval		Approval
	CAO		
	Legal		
	CFO		

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

**PURPOSE**

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

**DISCUSSION**

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

Schedules Requiring Majority Vote:	# of Actions	\$ Amount
Schedule E: Miscellaneous Procurement Contracts	1	\$ 20.5 M
<b>SUBTOTAL</b>	<b>1</b>	<b>\$ 20.5 M</b>

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

Schedule F: Personal Service Contracts	3	\$ 5.0 M
Schedule H: Modifications to Personal/Miscellaneous Service Contracts	2	\$ 17.2 M
Schedule J: Modifications to Miscellaneous Procurement Contracts	1	\$ 48.5 M
<b>SUBTOTAL</b>	<b>6</b>	<b>\$ 70.7 M</b>

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

<b>TOTAL</b>	<b>7</b>	<b>\$ 91.2 M</b>
--------------	----------	------------------

**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.

**OCTOBER 2023**

**LIST OF NONCOMPETITIVE PROCUREMENTS FOR BOARD APPROVAL**

**Procurements Requiring Majority Vote:**

**E. Miscellaneous Procurement Contracts**

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

- |  |                            |                                      |
|--|----------------------------|--------------------------------------|
| <b>1. Bentley Systems Inc.<br/>Five Years<br/>Contract# 90000000004443</b> | <b>\$20,524,344 (Est.)</b> | <b><i>Staff Summary Attached</i></b> |
|--|----------------------------|--------------------------------------|
- Contract award for the continuous licensing, maintenance, and support of all Bentley products needed by the MTA Enterprise Asset Management and MTA Construction & Development.

## Schedule E: Miscellaneous Procurement Contracts



Item Number: 1

<b>Vendor Name (Location)</b> Bentley Systems Inc. (Exton, Pennsylvania)	<b>Contract Number</b> 900000000004443	<b>Renewal?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Description</b> Bentley Software Licensing, Maintenance & SaaS Subscription Services	<b>Total Amount:</b> \$20,524,344 (Est.)	
<b>Contract Term (including Options, if any)</b> January 1, 2024–December 31, 2028	<b>Funding Source</b> <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a	<b>Requesting Department:</b> MTA IT, Rafail Portnoy	
<b>Procurement Type</b> <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Noncompetitive	<b>Contract Manager:</b> Kartik Kamath, EAM Sr. Manager, MTAHQ Procurement	
<b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole-Source		

### Discussion:

MTA Headquarters is seeking Board approval to award a noncompetitive miscellaneous procurement contract to Bentley Systems Inc. (“Bentley”) for the continuous licensing, maintenance, and support of Bentley products utilized by MTA Enterprise Asset Management (“EAM”) and MTA Construction & Development (“C&D”) for a period of five years (January 1, 2024–December 31, 2028), in the estimated amount of \$20,524,344. Bentley products are proprietary to Bentley, the sole provider of the software’s licensing, maintenance and support services. Bentley has been providing these services pursuant to a contract approved by the Board in November 2019 that will expire on December 31, 2023.

MTA’s EAM department currently utilizes Bentley’s Assetwise software system that provides analytic tools used to automate tracking and monitoring of MTA assets including, but not limited to, rolling stock, track, and signal equipment. The system interfaces with and supplements other MTA EAM systems and runs algorithms that highlight where potential asset issues may exist and supplies key performance measurements that support more efficient management of assets. The MTA deploys two Bentley software packages: Optram (Linear Analytics) and Asset Performance Management (APM / Reliability Analytics). MTA EAM plans to expand the usage of these software packages to applicable assets throughout the MTA.

MTA C&D is currently utilizing Bentley’s MicroStation, Computer-Aided Design, and Drafting/Building Information Modeling (“CADD/BIM”) software such as OpenBuildings Designer, OpenRail Designer, OpenRoads Designer, OpenBridge Modeler, and other drawing design/management software tools such as ProjectWise. CADD is used for architectural/engineering design documentations in lieu of manual drafting, and BIM is an intelligent 3D model-based process tool that provides architecture, engineering, and construction professionals insights for more efficient planning, design, construction, and management of buildings and infrastructure. This software is one of MTA’s formal standard platforms used for the creation of technical designs and for storage of previous designs.

Bentley products enable the MTA to (1) control information about its assets; (2) optimize asset performance; (3) maximize the value of its investments; and (4) achieve safety and efficiency goals. Assetwise and Bentley software helps maintain bus and rail systems in a state of good repair, which is one of the Federal Transit Administration’s highest priorities.

Negotiations yielded a 7.3 percent reduction (or \$1,620,440) from Bentley’s original proposal of \$22,144,784. Bentley provided the MTA with a 42 percent most-favored customer discount from its published commercial price for all software licensing and support services in lieu of the standard 5 percent discount provided to its other customers. Year 1 of this contract is 12 percent higher than the previous year due to the increase in usage and access to additional software products for both MTA C&D and MTA EAM departments. This new contract also includes a 5 percent annual escalation fee, which was negotiated down from Bentley’s standard 10 percent annual escalation rate. As part of this new agreement, MTA receives service credits at no additional cost (valued at \$1,802,000), which are used for ad-hoc software enhancements, configurations, employee training services, and dedicated support team for all MTA users. The MTA Procurement Department, MTA C&D and MTA EAM Departments have reviewed all contract components and have deemed pricing and terms to be fair and reasonable.



Bentley 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, will be included in the contract terms and conditions language prior to award.

**Impact on Funding**

Funding is available under MTA IT Operating budget for MTAHQ and the operating agencies and will not exceed the limits approved by the Board.

**M/W/DBE Information**

The MTA Department of Diversity and Civil Rights assigned no goals to this contract.

**OCTOBER 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.)

- |    |  |                         |                               |
|----|--|-------------------------|-------------------------------|
| 1. | Henningson, Durham and Richardson<br>Architecture and Engineering, P.C.                        | \$5,000,000 (aggregate) | <i>Staff Summary Attached</i> |
| 2. | Atkins P.A.P.C.  |                         | ↓                             |
| 3. | HNTB New York Engineering and Architecture, P.C.<br>Five Years<br>Contract #s PSC-21-3054A/B/C |                         | ↓                             |
- Award of three competitively solicited personal service contracts to provide as-needed back-office support for the Open Road Tolling and Central Business District Tolling Programs.

**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.)

- |   |  |              |                               |
|---|--|--------------|-------------------------------|
| 4.  | EyeMed Vision Care LLC<br>Four and one-half years<br>Contract# 15332.1 | \$12,598,000 | <i>Staff Summary Attached</i> |
| Modification to the contract for Employee Vision Provider, in order to provide a two-year extension with two 1-year options to continue vision care benefits for non-represented and some represented employees.                                |  |              |                               |
| 5.  | IBM, Inc.<br>Five Years, 8 months<br>Contract# 90000000002704.20       | \$4,630,940  | <i>Staff Summary Attached</i> |
| Modification to the contract for MTA Business Service Center PeopleSoft Pension Upgrade, in order to add funding for additional work scope to update the existing Pensions Phase II Project and extend the contract through September 30, 2024. |  |              |                               |

**J. Modification to Miscellaneous Procurement Contracts**

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

- |   |   |              |                               |
|---|---|--------------|-------------------------------|
| 6.  | TransCore, LP<br>Seven years, two-months<br>Contract # 19-CBDT-2978 | \$48,500,000 | <i>Staff Summary Attached</i> |
| Modification to the contract for services to design, build, operate, and maintain the Central Business District Tolling Program, in order to add funding and to extend the contract by 40 months. |   |              |                               |

# Staff Summary

<b>Item Number</b>				<b>SUMMARY INFORMATION</b>			
<b>Department, Department Head Name:</b> Vice-President, ITS and Tolling, Nichola Angel				<b>Vendor Names</b> HDR Architecture & Engineering, P.C. Atkins, P.A.P.C HNTB New York Engineering and Architecture P.C.		<b>Contract Nos.</b> PSC-21-3054A PSC-21-3054B PSC-21-3054C	
<b>Internal Approvals</b>				<b>Description</b> As-Needed Back Office Support for Open Road Tolling and Central Business District Tolling Programs			
<b>Order</b>	<b>Approval</b>	<b>Order</b>	<b>Approval</b>	<b>Total Amount:</b> \$5,000,000 (aggregate)			
1	MTA Deputy Chief Procurement Officer	6	CFO	<b>Contract Term (including Options, if any)</b> Five Years			
2	DDCR			<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A			
3	President, B&T			<b>Renewal?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
4	CAO			<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive			
5	Legal			<b>Solicitation Type</b> <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:			
				<b>Funding Source</b> <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:			

## Purpose

MTA Bridges and Tunnels ("B&T") is seeking Board approval, in accordance with the All-Agency Service Contract Procurement Guidelines, to award three personal service contracts, PSC-21-3054A, PSC-21-3054B, and PSC-21-3054C, solicited on a competitive basis to (1) Henningson, Durham and Richardson Architecture and Engineering, P.C ("HOR"); (2) Atkins P.A.P.C. ("Atkins"); and (3) HNTB New York Engineering and Architecture P.C. ("HNTB") to provide As-Needed Back Office Support for the Open Road Tolling ("ORT") program and Central Business District Tolling Program ("CBDTP") in the aggregate not-to-exceed amount of \$5 million over a period of five years.

## Discussion

B&T requires the services of one or more experienced firms that will provide the Authority with a full range of professional services on an as-needed basis for various tasks related to the ORT program and CBDTP Back Office Systems ("BOS"), the New York E-ZPass Customer Service Center ("NYCSC"), and the CBDTP Revenue Audit and Analysis System ("RAAS") during the five-year term of this contract. The consultant will (1) provide qualified professionals to perform project management, including but not limited to planning, scheduling, coordinating, directing, and controlling project activities from concept development through completion; (2) provide technical assistance for the following back-office functions: account management; transaction and image processing; customer notifications; payment processing; case management; quality control; DMV look-up; and settlement and reporting. The required services will be assigned on an as-needed basis through the issuance of work orders, which will be based on the consultant's current workload, available personnel, and expertise. Each work order will be negotiated separately using the labor, overhead, and profit rates in each contract. The total amount of all work orders under the contracts will not exceed \$5 million.

The Service Requirements for these contracts were publicly advertised. Copies of the solicitation notice was sent to 100 firms, of which 50 requested a copy of the Request for Proposal ("RFP"). Four firms submitted proposals: IKOS Consulting Inc, HDR, Atkins, and HNTB. All proposals were evaluated against the established criteria set forth in the RFP, including the qualifications for the firm's personnel and management team, understanding of the project, and cost. The consultants were asked to submit labor, overhead, profit, and escalation rates based on predetermined titles.

After evaluation of the technical and cost proposals, the Evaluation Committee recommended that B&T waive oral presentations and enter negotiations with HDR, Atkins, and HNTB for these contracts. Each selected firm presented detailed, organized technical proposals. All three firms demonstrated a significant level of experience and knowledge in the discipline of toll collection. The committee additionally considered each firm's personnel to be exceptionally well qualified. The recommended award to the three selected firms is considered in B&T's best interest and are deemed the best value proposals. Compared with rates for the same or similar job titles under prior B&T contracts, the negotiated rates are considered fair and reasonable. HDR and HNTB are both responsible consultants.

In connection with a previous contract awarded to Atkins P.A. D/B/A Atkins Architecture ("Atkins"), Atkins was found to be responsible notwithstanding Significant Adverse Information ("SAI") pursuant to the All-Agency Responsibility Guidelines ("AARG") and such responsibility finding was approved by the MTA Chairman / CEO in consultation with the MTA General Counsel in January 2016. No new SAI has been found relating to Atkins, and Atkins has been found to be responsible.

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

Each selected firm has certified that pursuant to Executive Order 16, it is not doing business in Russia.

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

The MTA Department of Diversity and Civil Rights has established goals of 15 percent MBE, 15 percent WBE, and 6 percent SDVOB on this contract. HDR, Atkins, HNTB have submitted MWBE/SDVOB utilization plans that satisfy the goal requirements. HDR and HNTB have achieved its goals on recently completed MTA contracts. Atkins has not recently completed any MTA contracts with MWDBE goals; therefore, no assessment of the performance is available at this time.

### **Impact on Funding**

Funding in the amount of \$5,000,000 is available in the Operating Budget under GL #712542.

### **Alternatives**

There are no recommended alternatives, as B&T does not possess the resources required to perform these services.

### **Recommendation**

It is recommended that the Board award personal service contracts to HDR, Atkins, and HNTB to provide As-Needed Back Office Support for the ORT program and CBDTP.

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

**Item Number: 4**

<b>Vendor Name (Location)</b> EyeMed Vision Care LLC (Mason, Ohio)	
<b>Description:</b> Employee Vision Benefits Provider	
<b>Contract Term (including Options, if any)</b> January 1, 2020–December 31, 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 Benefits and Compensation, Steven Scholl	

<b>Contract Number</b> 15332	<b>AWO/Mod. #</b> 1
<b>Original Amount:</b>	\$ 18,625,500
<b>Prior Modifications:</b>	\$ 0
<b>Prior Budgetary Increases:</b>	0
<b>Current Amount:</b>	\$ 18,625,500
<b>This Request:</b>	\$ 12,598,000
<b>% of This Request to Current Amount:</b>	67.6%
<b>% of Modifications (including This Request) to Original Amount:</b>	67.6%

**Discussion:**

MTA Headquarters is seeking Board approval to extend a competitively negotiated personal service contract with EyeMed Vision Care LLC, (“EyeMed”) for two years with two, 1-year Options (January 1, 2024–December 31, 2027) for the continuation of vision care benefits, inclusive of eye testing, glasses, and contact lenses for non-represented and some represented employees, in the amount of \$12,598,000.

Under this contract, the MTA offers vision benefits plans to all non-represented employees and retirees, and certain represented employees and retirees. There are currently 16 unique plan designs that are offered to more than 68,000 active employees (represented and non-represented) for a total of approximately 130,000 members, including dependents.

In June 2019, the Board approved the award of a four and one-half-year contract with Options with EyeMed (July 1, 2019–December 31, 2023), for a maximum not-to-exceed amount of \$18.625 million. The contract extension is needed so that such coverage continues while the MTA prepares a new Request for Proposal (“RFP”) replacement contract. The status of the award resulting from the new RFP will determine the need to exercise the Option(s).

Benefit advisory consultant Mercer Health & Benefits LLC (“Mercer”) was engaged to perform a market check benchmark including EyeMed and its competitors to evaluate EyeMed’s proposal. The criteria included (1) the ability to meet plan design; (2) network; (3) disruption; and (4) premium rates based on MTA’s claims experience. Mercer contacted Metropolitan Life Insurance Company (“MetLife”) and Empire Blue Cross Blue Shield (“Empire BCBS”) as part of the benchmarking. Empire BCBS declined to provide a quote and MetLife submitted a proposal that could not match the plan designs for MTA employees.

As a result of the market check benchmark, Mercer recommended that the MTA extend the contract with EyeMed for two years and include the two, 1-year options at the same negotiated rates for the extended contract term because it matches the plan design, provides the best coverage, and rates are competitive. Based on Mercer’s guidance, the MTA negotiated with EyeMed to extend the contract. EyeMed submitted its proposal for a two-year extension with two, 1-year Options. EyeMed’s proposal included a reduction to the premium rates that are fixed for the extension period, which is equal to \$318,000 annually or \$1,272,000 in total savings if the full term is realized. It also includes a Minimum Loss Ratio Guarantee, where part of the premiums will be refunded if claims are running better than expected when there are fewer claims than anticipated against premiums.

Based on the foregoing analysis, EyeMed’s pricing terms are determined to be fair and reasonable.

EyeMed 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, will be included in the modification.

**Impact on Funding**

The contract is funded by each agency's operating budget.

**Item Number: 5**

<b>Vendor Name (Location)</b> IBM, Inc. (Armonk, New York)
<b>Description</b> MTA Business Service Center PeopleSoft Pension Upgrade
<b>Contract Term (including Options, if any)</b> February 1, 2019–September 30, 2024
<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> n/a
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive
<b>Solicitation Type</b> <input 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 Department</b> Office of the Chief People Off, Hugo Pizarro

<b>Contract Number</b> 900000000002704	<b>Modification #</b> 20
<b>Original Amount:</b>	\$ 19,500,000
<b>Prior Modifications:</b>	\$ 4,649,255
<b>Prior Budgetary Increases:</b>	\$ 0
<b>Current Amount:</b>	\$ 24,149,255
<b>This Request:</b>	\$ 4,630,940
<b>% of This Request to Current Amount:</b>	19.0%
<b>% of Modifications (including This Request) to Original Amount:</b>	48.0%

**Discussion:**

MTA Headquarters (“MTAHQ”) is seeking Board approval to modify an all-agency competitively negotiated personal services contract with IBM, Inc. (“IBM”) that was approved by the Board in 2018 to provide technical consulting services to implement MTA’s Phase II Pension Project. The proposed modification requests approval to modify the scope of work, add funding in the amount of \$4,630,940 to cover the updates to the scope of work, and extend the contract for an additional seven months (March 1, 2024–September 30, 2024) to accommodate: (1) the time required to complete the additional work, (2) allow for full-system implementation, and (3) transition maintenance and support to the MTA.

The Phase II Pension Project’s objective is to implement centralized capacity for all MTA-administered defined benefit pension plans in the PeopleSoft Pension Administration module. This will result in improved quality of employee services, streamlined pension administration and financial accounting, as well as ensured accuracy and validity of data. Additional funding is needed to support the updated scope of work for additional professional and technical IT consulting services required to retrofit and rework the design objects for pension project business functionality to work as designed within the June 2023 upgrades of PeopleSoft Update Manager (PUM) #42 and PeopleTools version 8.59 of the PeopleSoft pension production environment.

This modification includes the retrofit work and post implementation support. This support will help transition maintenance of the pension production environment to MTA. IBM will rework and retrofit designs related to Manhattan and Bronx Surface Transit Operating Authority (“MaBSTOA”) and Loans Pension Plans, and Metro-North Railroad/Long Island Rail Road (“LIRR”) overtime cap rules as defined in prior modifications. IBM will provide technical reports, integration, conversion, and enhancements to include functional design documents, technical design documents, and test scripts. One MTA new test cycle will be supported by an IBM test lead of up to 20 consecutive business days for execution of test conditions defined for pension plans. IBM will (1) help coordinate scheduling of MTA User Acceptance Testing; (2) remediate defects; (3) present go/no-go decision factors for deployment; and (4) prepare a deployment readiness checklist. These implementation activities support the transition of the pension plan application from testing to production.

MTA-IT has determined that it would be risky to have a firm other than IBM perform the rework and retrofit of the pension project design since IBM has significant experience and expertise with MTA’s PeopleSoft pension production environment. On completion of this work, the MTA does not anticipate any additional tasks to be required under this contract.

Pursuant to the previous Board-approved contract, IBM began providing technical consulting services to implement MTA’s Phase II Pension Project for a fixed price of \$19.5 million. The Pensions Phase II Project brought the defined benefit pension plans (LIRR Closed Plans, Staten Island Rapid Transit Operating Authority, MaBSTOA, and MTA Bus) previously administered on inefficient applications into the centralized PeopleSoft Pension Administration System. The contract was later modified (November 7, 2020) to include Pension Self-Service Estimate functionality into PeopleSoft Production for the amount of \$250,000. This modification increased the base contract to \$19.75 million. Additional modifications of added consulting, development, and assessment work totaling \$4,399,255 increased the current contract amount to \$24,149,255.

(Continued)

IBM's proposed fixed price for this modification models the pricing structure of the current negotiated contract pricing established in the base agreement and prior modifications and is within the project management's estimate. Therefore, the negotiated fixed fee for this modification is considered fair and reasonable. IBM confirmed that this is the same pricing offered to its other government agencies.

In connection with a previous contract awarded to IBM, IBM 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/CEO, in consultation with the MTA General Counsel in July 2016. No new SAI has been found relating to IBM and IBM has been found to be responsible.

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 modification.

IBM has certified that pursuant to EO16, it is not doing business in Russia.

**Impact on Funding**

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

**Recommendation**

It is recommended that the Board approve the modification to this all-agency competitively negotiated personal services contract with IBM to provide technical consulting services to implement MTA's Pension Phase II Project.



**Item Number: 6**

<b>Vendor Name (Location)</b> TransCore, LP (Nashville, Tennessee)	
<b>Description</b> Services to Design, Build, Operate, and Maintain the Central Business District Tolling Program	
<b>Contract Term (including Options, if any)</b> October 31, 2019–January 1, 2027	
<b>Option(s) included in Total Amount?</b> <input 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 checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
<b>Requesting Department:</b> ITS & Tolling, Nichola Angel	

<b>Contract Number</b> 19-CBDT-2978	<b>AWO/Mod. #</b> 1
<b>Original Amount:</b>	\$ 507,244,615
<b>Prior Modifications:</b>	\$ 0
<b>Prior Budgetary Increases:</b>	\$
<b>Current Amount:</b>	\$ 507,244,615
<b>This Request:</b>	\$ 48,500,000
<b>% of This Request to Current Amount:</b>	9.5%
<b>% of Modifications (including This Request) to Original Amount:</b>	9.5%

**Discussion:**

MTA Bridges and Tunnels (“the Authority”) is seeking Board approval to amend a miscellaneous procurement contract with TransCore, LP (“TransCore”) to add funding in the amount of \$48.5 million and increase the contract duration 40 months (January 1, 2027–May 2, 2030).

The MTA Reform and Traffic Mobility Act authorizes the Authority to establish a Central Business District Tolling Program (“CBDTP”) in Manhattan to impose tolls for entering or remaining in the Central Business District (“CBD”) with the purpose of reducing congestion and generating revenue for the MTA’s transit and commuter rail system. To accomplish this, a design, build, operate, and maintain contract was competitively awarded to TransCore on October 31, 2019, in the amount of \$495,644,625 for a duration of seven years and two months: 14 months for infrastructure installation, software deployment, and implementation of the CBDTP; and six years for operation and maintenance. The dollar amount approved by the Board was \$507,244,615. This modification is to add funding to the contract for additional work and to compensate the contractor for impact costs due to an extensive delay to the project schedule.

As a part of the CBDTP process, authorization was required from the Federal Highway Administration (“FHWA”) to implement the CBDTP on roadways within the CBD, for which federal funds have been expended, under the FHWA’s Value Pricing Pilot Program (“VPPP”). When FHWA reviews a project sponsor’s application to the VPPP with the intention of taking an action, it must comply with the National Environmental Policy Act (“NEPA”). Under NEPA, final design and construction could not proceed without FHWA making an Environmental Finding. As a result, two Notices to Proceed (“NTP”) were issued under this contract: NTP1 commenced with contract award (October 31, 2019) and initiated the preliminary design phase; and NTP2, issued on June 27, 2023, commenced with the FHWA’s issuance of a Finding of No Significant Impact, and initiated the final design and construction phase.

At the time of contract award, it was anticipated that NTP2 would be issued on February 27, 2020. The actual issue date was 40 months later. The contractor then submitted a claim in the amount of \$84.15 million for impact cost due to the extensive delay. The cost claimed by the contractor was submitted in two parts: (1) an additional cost of \$47.99 million for completing the design, construction, and implementation (“DCI”) phase; and (2) \$36.16 million for additional cost associated with the operation and maintenance (“O&M”) phase. The Authority has evaluated the additional claimed cost and determined that while TransCore is not entitled to impact cost for delays due to FHWA’s issuance of an environmental assessment / finding of no significant impact or record of decision pursuant to the contract, the extent of the delay to issue NTP2 was beyond what could have been contemplated at the time the contract was awarded. As a result of negotiations, TransCore agreed to incur the costs for 24 of the 40 months of delay during the DCI phase.

As a result, the Authority proposes to pay the contractor impact costs for 16 months of delay during the DCI phase in the amount of \$16.5 million, which included:

1. Labor and material escalation for 16 months of delay in the amount of \$6.5 million.
2. Additional project management, material, and subcontractor cost for 16 months of delay in the amount of \$10 million.

Deletions (\$11 million) and additions (\$13 million) in scope changes have resulted in a net change of an additional \$2 million. These changes included:

1. Software design for additional tolling scenarios in the amount of \$6 million.
2. Additional work for added steel to strengthen existing structures to support toll detection equipment in the amount of \$7 million.
3. A credit to the Authority in the amount of \$11 million for the deletion of 31 tolling detection points.

The contractor claimed \$36.16 million for the increase in O&M cost associated with the 40-month delay. The Authority estimated a reasonable amount for the delay to the O&M costs to be \$28,280,231 by escalating both labor and material costs over the 40-month period. TransCore has agreed to accept a lump-sum settlement offer of \$30 million for the increase in O&M costs, to be spread over the six-year O&M period.

In the case of both the additional DCI and O&M labor and material costs, the calculation of the increase in cost due to the escalation associated with the delay in issuing NTP2 has been supported by the U.S. Bureau of Labor Statistics data, consumer price index for labor and producer price index for material. The total cost for this amendment is \$48.5 million, which is 7 percent higher than the engineer's estimate of \$45.2 million and is found to be fair and reasonable.

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

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

**Impact on Funding**

Funding is available in the CBDTP Capital Budget and future CBDTP Operating Budget.

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

**ADMINISTRATIVE ACTION ITEMS**

MTA Metro-North Railroad

Eminent Domain Procedure Law Determination and Findings related to the acquisition of property interests for Metro-North ADA improvements at the Williams Bridge station on the Harlem Line project

**TRANSACTIONAL ACTION ITEMS**

MTA New York City Transit

Short-term lease extension with FBE Limited for the existing Jamaica Bus Terminal, Jamaica, NY

Long-term lease with FBE Limited for the replacement of the Jamaica Bus Terminal in Jamaica, NY

Acquisition of 1590 Bedford Avenue from President Maintenance Corp. for the continued operation of NYCT's Central Maintenance Facility in Brooklyn, NY

# **MTA METRO-NORTH RAILROAD**

# Staff Summary

<b>Subject</b> <b>EMINENT DOMAIN PROCEDURE LAW DETERMINATION AND FINDINGS RELATED TO THE ACQUISITION OF PROPERTY INTERESTS FOR METRO-NORTH ADA IMPROVEMENTS AT THE WILLIAMS BRIDGE STATION ON THE HARLEM LINE</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>OCTOBER 25, 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	Metro-North Committee	10/23/23		X	
2	Finance Committee	10/23/23	X		
3	Board	10/25/23	X		

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

**AGENCY:** MTA Metro-North Railroad (“MNR”)  
**PROJECT:** Metro-North ADA Improvements at the Williams Bridge Station on the Harlem Line  
**USE:** Permanent and temporary easements in support of the Project  
**ACTION REQUESTED:** Approval of Determination and Findings under the New York Eminent Domain Procedure Law

**COMMENTS:**

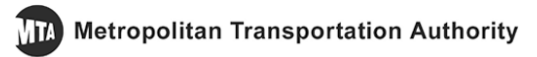
MNR is proceeding with the acquisition of property interests required for the ADA Improvements at the Williams Bridge station. In connection with the Project, the Williams Bridge station requires several temporary easements and one permanent easement from a private owner. The properties listed on the attachment to this Staff Summary include temporary construction staging and temporary and permanent air rights on several lots currently targeted for acquisition for the Project. Efforts are underway to acquire these property interests by negotiated agreements. In the instances where the MTA cannot reach agreements with the affected property owners, legal proceedings were commenced under Article 2 of the New York State Eminent Domain Procure Law (“EDPL”).

On October 4, 2023, the MTA held an EDPL public hearing to describe the public use, benefit, and purpose of the ADA improvements at Williams Bridge, 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. Both immediately before and after the hearing, representatives of the MTA and MTA Construction and Development (“C&D”) attended this hearing.

Following a presentation by the MTA’s hearing officer, public speakers made statements about the Project and/or the proposed property acquisitions. In addition, written comments about the Project and/or the proposed property acquisitions were received by the MTA prior to the end of the written submission period at 5:30 p.m. on October 13, 2023. A summary of the statements and written comments is attached.

# Staff Summary

## FINANCE COMMITTEE MEETING



### **EMINENT DOMAIN PROCEDURE LAW DETERMINATION AND FINDINGS RELATED TO THE ACQUISITION OF PROPERTY INTERESTS FOR METRO-NORTH ADA IMPROVEMENTS AT THE WILLIAMS BRIDGE STATION ON THE HARLEM LINE (Cont'd.)**

Page 2 of 2

After due consideration of all statements and comments received during and after the EDPL public hearing on October 4, 2023, the MTA staff recommends Board approval of the acquisition, by eminent domain, if necessary, of the property interests described in the attached Determination and Findings. Moreover, the MTA, C&D and Project staff will continue to work with property owners, tenants and other potentially affected parties as the Project moves forward to mitigate Project-related impacts as much as possible.

#### 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 Real Estate 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**

### **METRO-NORTH ADA IMPROVEMENTS AT THREE BRONX STATIONS - HARLEM LINE PROJECT**

On October 25, 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 Metro-North ADA Improvements at Three Bronx Stations – Harlem Line Project by adopting the following statutory findings:

**1. EDPL Public Hearing.** On October 4, 2023 MTA held an EDPL public hearing to inform the public and to receive the public's comments on proposed property acquisitions for the Metro-North ADA Improvements at Three Bronx Stations – Harlem Line Project ("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 Project, and hereby approved for acquisition, are as described on the chart below.

At the October 4, 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 frame when the property interests would be needed for the Project, currently estimated as Q2 2024.

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 Project.

**3. Public Use, Purpose and Benefits and Reasons for Selecting the Project Locations:** The Project consists of Americans with Disabilities Act ("ADA") Station improvements at three (3) Metro-North Harlem Line stations in the Bronx. The Stations include Botanical Garden, Williams Bridge and Woodlawn.

Botanical Garden Station will be a state of good repair project. The scope of work for this station includes, but is not limited to, structural repairs to both platforms, including full replacement of select piers and platform sections; ADA upgrades to stairs, ramps, and walkways; a full replacement of the wood canopy; new inbound canopy shelters and ADA ramps; and station upgrades consistent with Metro-North Railroad's ("MNR") Enhanced Station Initiative (ESI) and Customer Service Initiative (CSI). Williams Bridge and Woodlawn Stations are complete station replacements with the addition of ADA access. The scope of work for these stations includes, but is not limited to, full replacement of both platforms with the incorporation of a snow melt system, piers, and foundations; full stairway replacement on both platforms; new ADA accessible elevators; an extension of the inbound platform; and station upgrades consistent with MNR's ESI and CSI programs.

**4. General Effect of the Project on the Environment and Residents of the Locality.** The 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 ("SEORA"), 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.

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 October 13, 2023.

The following summarizes the comments received: Suggestions for sound mitigation in the station design.

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 Metro-North ADA Improvements at Three Bronx Stations – Harlem Line 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, FIRST JUDICIAL DEPARTMENT, 27 MADISON AVENUE, NEW YORK, NEW YORK 10010.**

### **Acquisition of fee interests and permanent easements for the Metro-North ADA Improvements at Three Bronx Stations – Harlem Line Project:**

Borough	Block	Lot	Property Address	Type of Interest
Bronx	3357	216	3474 Webster Ave	Temporary Easement
Bronx	3357	247	Metro-North Right-of-Way	Temporary & Permanent Aerial Easements
Bronx	3360	120	Metro-North Right-of-Way	Temporary Aerial Easement



# **MTA NEW YORK CITY TRANSIT**

# Staff Summary

<b>Subject</b> <b>SHORT-TERM EXTENSION OF LEASES AT THE EXISTING JAMAICA BUS TERMINAL</b>
<b>Department</b> <b>REAL ESTATE</b>
<b>Department Head Name</b> <b>DAVID FLORIO</b>
<b>Department Head Signature</b>
<b>Project Manager Name</b> <b>RAYMOND SMYTH</b>

<b>Date</b> <b>OCTOBER 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	10/23/23	x		
2	Board	10/25/23	x		

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

**AGENCY/LESSEE:** MTA Bus Company (“MTA Bus”) and New York City Transit (“NYCT Bus”)  
**LESSOR:** Jamaica Village Owner LLC, c/o FBE Limited (“FBE”)  
**LOCATION:** 90-10 Merrick Boulevard, Jamaica, Queens  
**ACTIVITY:** Extension of existing leases (“Short-Term Lease Extensions”)  
**ACTION REQUESTED:** Authorization to extend MTA Bus and NYCT existing leases  
**PREMISES:** Open Air Jamaica Bus Terminal (“Terminal”):  
 MTA Bus – approximately 32,000 square feet  
 NYCT Bus – approximately 11,000 square feet  
**TERM:** Nine (9) months: October 2023 – June 2024 (“Initial Extended Term”)  
 Six (6) months: July 2024 – December 2024 (“Further Extended Term”)  
**COMMENCEMENT:** October 1, 2023  
**TERMINATION:** MTA may terminate the Short-Term Lease Extensions any time after June 30, 2024 upon providing FBE 30 days’ prior written notice.  
**RENT:**

		Monthly Rents	
		MTA Bus	NYCT Bus
<b>Initial Extended Term</b>	October 2023 – June 2024	\$43,516.19	\$3,879.65
	April – June 2024	\$65,669.84	\$5,854.74
<b>Further Extended Term</b>	July – August 2024	\$197,009.53	\$17,564.21
	September - December 2024	\$246,261.91	\$21,955.27

## SHORT-TERM EXTENSION OF LEASES AT THE EXISTING JAMAICA BUS TERMINAL (Cont'd)

### COMMENTS:

MTA Bus, NYCT Bus, along with Nassau Inter-County Express (“NICE”) (collectively, the “Bus Terminal Operators”), operate at the Terminal under three separate leases, all of which expired on September 30, 2023 (the “Existing Bus Terminal Leases”). The Bus Terminal Operators continue to remain at the Terminal and are paying existing rents as the leases provide. Pending the approval of this MTA Board Action for the Short-Term Lease Extensions, payments to the Lessor will be adjusted to account for the increase in rents between the existing rents in the expired leases and the Short-Term Lease Extensions rents described in the table above.

In October 2022, FBE purchased the site of the Terminal, subject to the Existing Bus Terminal Leases, with the intention of redeveloping the Terminal property with a new multi-story building (“New Development”). Soon after the acquisition of the property by FBE, MTA and FBE engaged in discussions to accommodate bus operations on the ground floor of the New Development with a new terminal (“Replacement Bus Terminal”). A long-term lease for up to ninety (90) years for a Replacement Jamaica Bus Terminal (“Long-Term Replacement Lease”) is being presented to the MTA Board as a simultaneous yet separate Board Action this month (“Long-Term Lease for a Replacement Jamaica Bus Terminal”, October 23, 2023). FBE has requested that the Short-Term Lease Extensions be dovetailed with the Long-Term Replacement Lease, which is the rationale behind the submittal of two separate staff summaries being presented simultaneously to the Board for approval.

Construction of the New Development with the Replacement Bus Terminal will take several years and will require that the Bus Terminal Operators temporarily relocate operations during construction. Due to the expiration of the Existing Bus Terminal Leases and the future development of the New Development, MTA will enter into a lease with Greater Jamaica Development Corporation (“GJDC”) at a nearby location at 90-01 168<sup>th</sup> Street, Jamaica, Queens (“GJDC Site”) which will serve as swing space (“Temporary Bus Terminal”) until the Replacement Bus Terminal is constructed. The MTA Board authorized MTA Real Estate to enter into a lease with GJDC in January 2023 (“Lease with Greater Jamaica Development Corporation for A Relocated Jamaica Bus Terminal”). The GJDC lease will provide for a fifteen (15) year lease term with the option to terminate on the fifth-year anniversary.

The Temporary Bus Terminal at the GJDC Site will not be available for occupancy before summer 2024 due to site preparation and design work and is the reason for MTA Bus and NYCT Bus entering into the Short-Term Lease Extensions. While considerable effort is being made to prepare the Temporary Bus Terminal for the relocation of bus operations, the Further Extended Terms included in the Short-Term Lease Extensions address the possibility that MTA Bus and NYCT Bus may need to remain in occupancy at the existing Terminal due to possible delays of construction in relation to the Temporary Bus Terminal beyond the target date of summer 2024.

The Short-Term Lease Extensions also references that MTA will be entering into negotiations on the Long-Term Replacement Lease with FBE for the Replacement Bus Terminal. The Long-Term Replacement Lease negotiations are contemplated to take approximately six (6) months due to the complexity of the deal as well as the concurrent design coordination between FBE and the Bus Terminal Operators for the New Building and the Replacement Bus Terminal, respectively.

The rents set forth in the Initial Extended Term (October 2023 through June 2024) represent current fair market rents in the area for an open-air parking facility. MTA Real Estate’s consultant, CBRE, performed a fair market rental value survey that indicated the rents are within market range for comparable properties.

The increased rents set forth in the Further Extended Term (July 2024 through December 2024) reflect some of the financial burdens currently being shouldered by FBE due to MTA Bus and NYCT Bus not being able to currently relocate their respective premises to the GJDC Site. These burdens include risks of refinancing certain maturing FBE loans in an unfavorable financial market, and delays in obtaining a large equity infusion. The Further Extended Term (at increased rents), if exercised by MTA Bus and NYCT Bus, shall permit the Bus Terminal Operators to continue operations without

## SHORT-TERM EXTENSION OF LEASES AT THE EXISTING JAMAICA BUS TERMINAL (Cont'd)

Page 3 of 3

disruption and avoid the undesired alternative of temporarily relocating operations (which includes the parking of all MTA buses) on the surrounding streets. In addition to the obvious community relations issues, parking on the streets would result in significant incremental labor and other monetary costs that are likely to exceed the monthly increased rents paid by MTA Bus and NYCT Bus during the entire Further Extended Term.

Based on the foregoing, MTA Real Estate requests authorization to enter into the Short-Term Lease Extensions on behalf of MTA Bus and NYCT under the described terms and conditions. The Short-Term Lease Extensions, as contemplated under the Board Action, would only involve the MTA parties; NICE will independently obtain approvals for its portion of the rental payment obligations.

# Staff Summary

<b>Subject</b> <b>LONG-TERM LEASE OF REPLACEMENT FACILITY FOR JAMAICA BUS TERMINAL</b>
<b>Department</b> <b>TRANSIT ORIENTED DEVELOPMENT</b>
<b>Department Head Name</b> <b>ROBERT PALEY</b>
<b>Department Head Signature</b>
<b>Project Manager Name</b> <b>MUNSUN PARK/ ROBAIR REICHENSTEIN</b>

<b>Date</b> <b>OCTOBER 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	10/23/23	x		
2	Board	10/25/23	x		

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

AGENCY/LESSEE: Metropolitan Transportation Authority (“MTA”), on behalf of MTA Bus Company (“MTA Bus”) and New York City Transit Authority (“NYCT Bus”)

LESSOR: Jamaica Village Owner LLC, c/o FBE Limited LLC (“FBE”)

LOCATION: 90-10 Merrick Boulevard, Jamaica, Queens

ACTIVITY: Long-term lease (“Lease”)

PREMISES: Commercial condominium unit comprised of approximately 75,000 square feet (the “Replacement Bus Terminal”) located on the ground floor of a new multi-story building (the “New Development”) to be constructed by Lessor at the location of the existing Jamaica Bus Terminal (the “Existing Bus Terminal”)

USE: Replacement Bus Terminal for bus operations currently operated by NYCT Bus, MTA Bus and Nassau Inter-County Express (“NICE”)

ACTION REQUESTED: Authorization to negotiate and enter into the Lease

LEASE TERM: Ninety (90) years from Rent Commencement Date

TERMINATION OPTION: MTA will have the option to terminate the Lease on the fortieth (40<sup>th</sup>), fiftieth (50<sup>th</sup>), sixtieth (60<sup>th</sup>), seventieth (70<sup>th</sup>), and eightieth (80<sup>th</sup>) anniversaries of the Rent Commencement Date, at no cost to MTA, upon eighteen (18) months prior notice

RENT COMMENCEMENT DATE: Twelve (12) months following MTA’s acceptance of the Premises inclusive of Lessor’s Work

BASE RENT: Years 1-5: \$3,100,000.00  
 Years 6-10: \$3,500,000.00  
 Years 11-15: \$4,000,000.00

## LONG-TERM LEASE OF REPLACEMENT FACILITY FOR JAMAICA BUS TERMINAL (Cont'd)

Page 2 of 3

- RENT ESCALATIONS:
- A. **Fixed Rent Escalation:** Commencing on the 15<sup>th</sup> anniversary of the Rent Commencement Date and thereafter on each succeeding ten-year period of the Term (i.e., the 25<sup>th</sup>, 35<sup>th</sup>, 45<sup>th</sup>, 55<sup>th</sup>, 65<sup>th</sup>, 75<sup>th</sup> and 85<sup>th</sup> anniversaries of the Rent Commencement Date), the Base Rent will be increased to 110% of Base Rent payable for the immediately preceding Lease year.
  - B. **CPI Based Rent Adjustment:** Commencing on the 20<sup>th</sup> anniversary of the Rent Commencement Date and thereafter on the 30<sup>th</sup>, 40<sup>th</sup>, 60<sup>th</sup>, 70<sup>th</sup> and 80<sup>th</sup> anniversaries of the Rent Commencement Date, the Base Rent will be increased to the greater of (i) 110% of the Base Rent payable for the immediately preceding Lease year, and (ii) the Base Rent payable on the Rent Commencement Date, adjusted for inflation based on the increase in the Consumer Price Index.
  - C. **Market Rate Adjustment:** On the 50<sup>th</sup> anniversary of the Rent Commencement Date, the Base Rent will be adjusted to an amount which is the greater of (i) 110% of Base Rent payable for the immediately preceding year, and (ii) ninety-five percent (95%) of the fair market rental value of the Premises.
- OPERATING EXPENSES: MTA will be responsible for operating expenses attributable to its use of the Premises, including the cost of non-structural repairs to the interior of the Premises and utilities consumed at the Premises.
- REAL ESTATE TAXES: The Premises while leased to MTA for transportation purposes will be exempt from the imposition of real estate taxes pursuant to Public Authorities Law Section 1275.
- UTILITIES: Lessor to bring utilities to the Premises at its cost; MTA responsible for the cost of utility usage.
- LESSOR'S WORK: Lessor, at Lessor expense, will design and construct the core and shell of the Premises based on a preliminary design and scope prepared by MTA, to be further refined in the Lease. MTA is responsible for the fit-out of the Premises following delivery of the core and shell by Lessor, at a cost estimated to be \$7.8M (approximately \$104 per square foot).
- PURCHASE OPTION: MTA will have an option to purchase the Premises at fair market value upon MTA's acceptance of the delivery of the Premises, and at 90% fair market value, upon not less than 18 months prior notice, on the 40<sup>th</sup> anniversary of the Rent Commencement Date and at the expiration of the Term.

### COMMENTS:

MTA Bus and NYCT Bus, along with NICE (collectively, the "Bus Terminal Operators"), have operated the Existing Bus Terminal at the leased Location in eastern Queens for several decades. The Existing Bus Terminal serves as an important bus operation hub with transfer, termination/commencement and layover of 15 bus routes serving approximately 11,400 weekday bus customers of eastern Queens and Nassau County. The Existing Bus Terminal is comprised of a paved, open lot that has presented many operational challenges due to the configuration of the site.

In October 2022, FBE purchased the site of the Existing Bus Terminal, subject to the existing leases with the Bus Terminal Operators (the "Existing Bus Terminal Leases"), which were due to expire on September 30, 2023, with the intention of redeveloping the site with the New Development. Soon after the acquisition of the property by FBE, MTA and FBE engaged in discussions to accommodate the Replacement Bus Terminal on the ground floor of the multi-story New Development. The proposed Replacement Bus Terminal at the New Development will support an electrified fleet with bus charging facilities. After the completion of Lessor's Work, MTA will perform the fit-out work necessary to prepare the Replacement Bus Terminal for operation, which will include accommodating approximately 25 bus bays (the same as at the Existing Bus Terminal) and providing accessory support spaces for staff, including bathrooms and a dispatcher booth.

## LONG-TERM LEASE FOR A REPLACEMENT JAMAICA BUS TERMINAL (Cont'd)

The construction of the New Development, including the Replacement Bus Terminal, may take up to five years and will require the Bus Terminal Operators to temporarily vacate and relocate the Existing Bus Terminal during the period of construction. In anticipation of the expiration of the Existing Bus Terminal Leases on September 30, 2023 and the planned construction of the New Development, MTA will enter into a lease with Greater Jamaica Development Corporation (the "GJDC Lease") at a nearby location at 90-01 168<sup>th</sup> Street, Jamaica, Queens (the "Temporary Bus Terminal") which will serve as swing space for bus operations pending the completion of the Replacement Bus Terminal. The GJDC Lease will provide for a fifteen (15) year lease term with the option to terminate on fifth-year anniversary. The MTA Board authorized MTA Real Estate to enter into a lease with GJDC in January 2023 ("Lease with Greater Jamaica Development Corporation for A Relocated Jamaica Bus Terminal") and a copy is attached to this Staff Summary for reference.

Due to ongoing site preparations, the Temporary Bus Terminal will not be available for occupancy by the Bus Terminal Operators before Spring 2024. As a result, the Bus Terminal Operators are in holdover status under the Existing Bus Terminal Leases. FBE and MTA have negotiated short-term lease extensions of the Existing Bus Terminal Leases, the terms of which have been submitted to the MTA Board as a separate Board action item also on October 23, 2023 (see separate Staff Summary titled "Short-Term Extension of Leases at the Existing Jamaica Bus Terminal in Jamaica, NY").

The relocation of bus operations back to the Replacement Bus Terminal is critical for bus operations in eastern Queens and western Nassau County as there are no alternate sites in downtown Jamaica for long-term bus operations. Without the Replacement Bus Terminal, bus operations are at risk of being relocated to undesirable locations including, in the worst-case scenario, street parking in downtown Jamaica. This is not considered a viable alternative due to increased operational labor costs and the significant negative impacts to the surrounding community.

Pursuant to the Public Authorities Law and the fact that the Replacement Bus Terminal will continue its prior use, the Lease and the construction of the Replacement Bus Terminal are exempt from the State Environmental Quality Act.

Considering the market area, limited available space, and long-term development pressures impacting downtown Jamaica, MTA Transit Oriented Development ("MTA TOD") has determined that there are no viable alternatives to the proposed Lease of the Replacement Bus Terminal that fully meet MTA's long-term requirements. MTA Real Estate's consultant, CBRE, performed a fair market rental value survey and concluded that the proposed rent payable under the Lease is within the market range for comparable properties.

Pending approval by the Nassau County Legislature, NICE has confirmed its desire to continue operations at the Replacement Bus Terminal as a subtenant of MTA and has agreed to pay a pro-rata share of rent based on the number of occupied bus bays.

Based on the foregoing, MTA TOD requests authorization to negotiate and enter into the Lease on behalf of MTA and such other documents and instruments deemed necessary or appropriate to effectuate the Lease and the construction of the Replacement Bus Terminal on the terms set forth above and such other terms and conditions as the Chair and Chief Executive Officer of MTA or a designee deem necessary or appropriate, and to take all other actions as shall be necessary or desirable consistent with the foregoing to consummate the Lease transaction and the construction of the Replacement Bus Terminal.

# Staff Summary

<b>Subject</b> <b>LEASE WITH GREATER JAMAICA DEVELOPMENT CORP FOR A RELOCATED JAMAICA BUS TERMINAL</b>
<b>Department</b> <b>REAL ESTATE</b>
<b>Department Head Name</b> <b>DAVID FLORIO</b>
<b>Department Head Signature</b>
<b>Project Manager Name</b> <b>RAYMOND SMYTH</b>

<b>Date</b> <b>JANUARY 31, 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	01/30/23	X		
2	Board	01/31/23	X		

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

**AGENCY:** MTA New York City Transit ("NYCT") and MTA Bus Company ("MTA Bus")  
**LESSOR:** Greater Jamaica Development Corporation ("GJDC")  
**LOCATION:** Block 9800, Lot 1 (Queens, NY)  
**ACTIVITY:** Lease with GJDC for new Jamaica Bus Terminal  
**ACTION REQUESTED:** Authorization to enter into a lease agreement with GJDC and to enter into a sublease with Nassau County and a sublease with the New York City Police Department ("NYPD") for separate portions of the leased premises  
**TERM:** Five (5) years with ten (10) one-year options  
**CONSTRUCTION PERIOD RENT:** \$50,000 per month (approximately nine months) rent, inclusive of taxes  
**ANNUAL BASE RENT:** \$1.6 million annually, inclusive of real estate taxes. GJDC will provide a rent credit in the amount of real estate taxes that would have been payable each year or portion thereof thereafter occurring during the lease term. Nassau County, as subtenant, will pay a pro-rata share of rent based on the number of bus bays occupied by its operator, NICE Bus.

**COMMENTS:**

The Jamaica Bus Terminal ("JBT") is currently located at the intersection of 89th Avenue and Merrick Boulevard in Queens, New York. NYCT, MTA Bus, and Nassau County (through its operator, NICE Bus) actively conduct operations at this location. The current lease for this property is expiring in September 2023. The property was recently sold to a developer and is anticipated to become a mixed-use development. Therefore, an alternative location is required in order to ensure bus operations can continue uninterrupted once the current lease expires.

In an effort to secure an alternative site for JBT, Nassau County and MTA began working with NICE to search for available properties in the vicinity of the current location. A commercial parking lot located at 90-01 168th Street (Block 9800, Lot 1) was identified as a potential site for the new bus terminal and the Lessor is willing to enter into a lease agreement with NYCT and MTA Bus. Pending approval by County Legislature, Nassau County has expressed a desire to operate its bus operations at this new site as a subtenant of NYCT/MTA Bus and has agreed to pay a pro-rata share of rent based on the number of bus bays occupied by their operator, NICE Bus.



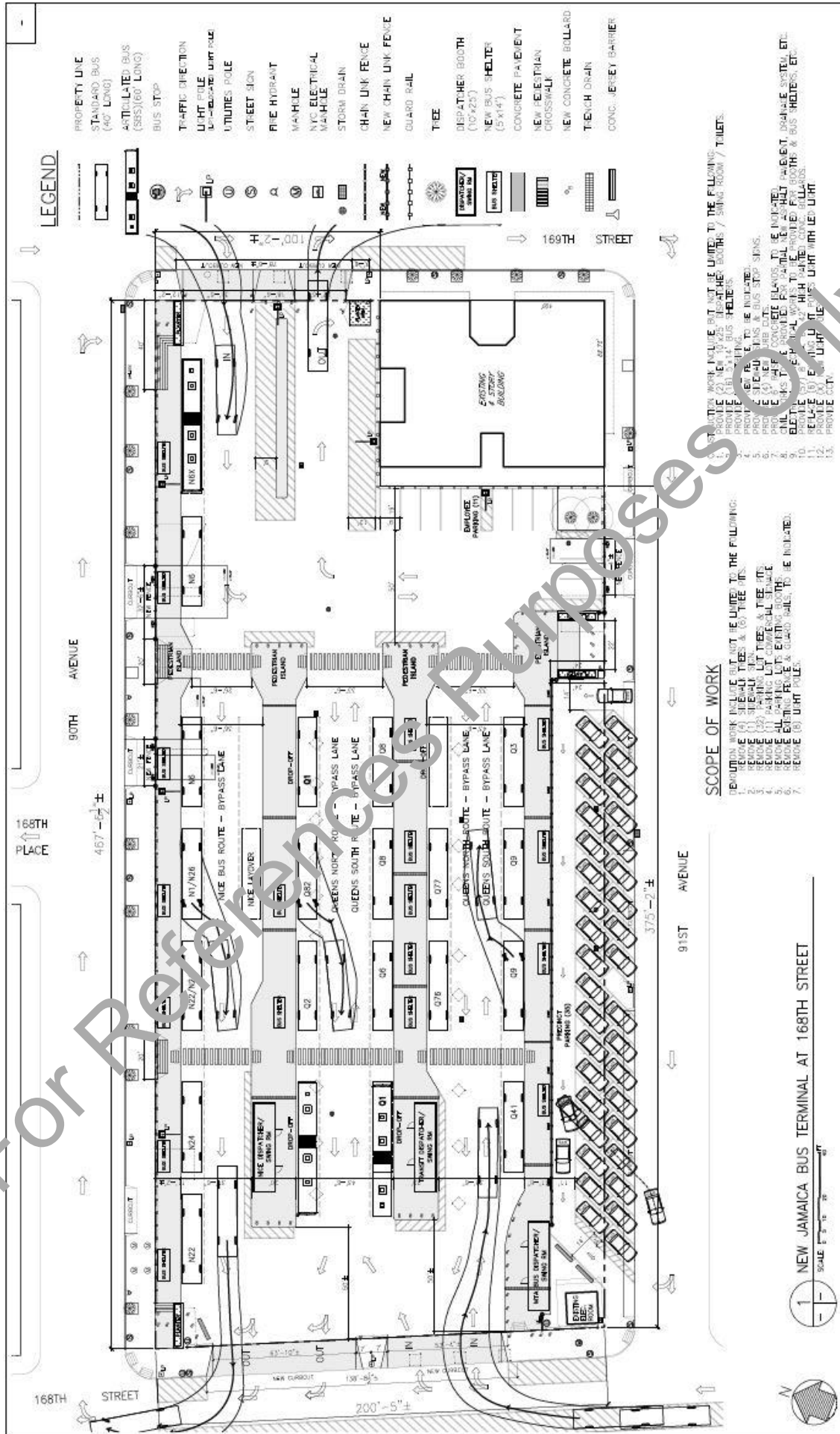
## LEASE WITH GREATER JAMAICA DEVELOPMENT CORP FOR A RELOCATED JAMAICA BUS TERMINAL (Cont'd)

In addition to the above, the NYPD currently parks their vehicles along 168th Street. The current location of the NYPD vehicles would interfere with bus operations as shown on the proposed layout. To allow the NYPD to continue its operations in the area, a sublease agreement to allow the NYPD to park approximately 18-20 vehicles within the lot has been proposed. The NYPD would enter into a sublease agreement for this portion of the leased premises. No compensation would be associated with the NYPD sublease agreement. The proposed NYPD parking area is shown on the attached layout.

MTA Real Estate's third party consultant, CBRE, performed a fair market value rental survey which concluded that the proposed annual rent for the lease with GJDC is within market range for comparable properties. Due to the MTA's exemption from local real estate taxes, it is anticipated that the property will become exempt from real estate taxes once the MTA is entitled to possession under the lease and the usual and customary paperwork requesting implementation of the real estate tax exemption is submitted to the NYC Department of Finance. As real estate taxes are included in the Base and Construction Period Rents, GJDC will provide a rent credit in the amount of real estate taxes that would have been due each year. Current real estate taxes total approximately \$130,000 per year, therefore the actual annual rent after application of the rent credit will be approximately \$1,470,000 for the first year. The CBRE FMV survey suggests a maximum annual rental value of \$1,563,250 per year.

Based on the foregoing, MTA Real Estate is requesting authorization to enter into a lease with GJDC and separate subleases with Nassau County (or NICE Bus) and the NYPD based on the terms above.

For References Purposes Only



REVISION	DESCRIPTION	DATE	APPROVED

<p>CONTRACT #</p> <p>NEW JAMAICA BUS TERMINAL AT 168TH STREET IN THE BOROUGH OF QUEENS</p>	<p>DATE</p> <p>10/07/2022</p>
<p>DESIGNED BY</p> <p>ARCHITECTURE</p>	<p>DATE</p> <p>10/07/2022</p>
<p>CHECKED BY</p> <p>ARCHITECTURE</p>	<p>DATE</p> <p>10/07/2022</p>
<p>APPROVED BY</p> <p>ARCHITECTURE</p>	<p>DATE</p> <p>10/07/2022</p>

<p>NEW YORK CITY TRANSIT AUTHORITY</p> <p>OPERATIONAL DESIGN TEAM LEADER</p>	<p>NEW JAMAICA BUS TERMINAL AT 168TH STREET</p>
--	---

# Staff Summary

<b>Subject</b> <b>ACQUISITION OF 1590 BEDFORD AVENUE FROM PRESIDENT MAINTENANCE CORP. FOR THE CONTINUED OPERATION OF NYCT'S CENTRAL MAINTENANCE FACILITY IN BROOKLYN, 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>OCTOBER 25, 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	10/23/23	X		
2	Board	10/25/23	X		

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

**AGENCY:** MTA New York City Transit ("NYCT")  
**SELLER:** President Maintenance Corp.  
**LOCATION:** 1590 Bedford Avenue, Brooklyn, NY (Block 1273 Lot 46)  
**PREMISES:** Entire 57,000 square foot three-story building  
**USE:** Operation of NYCT's Bedford Avenue Maintenance Shop  
**ACTION REQUESTED:** Authorization to enter into a contract of sale to purchase and thereafter close on such purchase of 1590 Bedford Avenue  
**PURCHASE PRICE:** \$25,250,000

**COMMENTS:**

Pursuant to a lease NYCT has been in occupancy of the Premises since 1999 which serves as a centralized repair and maintenance shop for all NYCT Stations. The Bedford Avenue Maintenance Shop is a 57,000 square foot, three-story building comprised of warehouse, office, storage, locker rooms, various trade shops, and basement space.

As the current lease expiration of June 30<sup>th</sup>, 2024 was approaching, NYCT communicated to MTA Real Estate that NYCT wishes to remain in occupancy on a long-term basis. The facility is a critical asset that services all NYCT Stations across the entire New York City network. MTA Real Estate engaged real estate brokerage services from its exclusive broker, CBRE, to negotiate a long-term lease renewal. When CBRE engaged the Seller for a lease, the Seller advised that they would consider selling the Premises for \$26,400,000. MTA Real Estate procured appraisal services from its approved list of vendors. The appraisal report provides a fair market value of \$24,800,000. After negotiations the Seller agreed to accept \$25,250,000. Given that the facility is a key asset, NYCT wishes to pursue the purchase of the Premises.

CBRE completed a market analysis to identify available locations for lease and purchase based on criteria set forth by NYCT. The Bedford Avenue Maintenance Shop operates as a reporting location for approximately 200 Station Maintenance employees. The market analysis yielded no comparable properties in a strategic location that could support the critical maintenance, storm response, and other key initiatives for the 170 stations in the borough.

## FINANCE COMMITTEE MEETING

### ACQUISITION OF THE BEDFORD AVENUE MAINTENANCE SHOP FROM PRESIDENT MAINTENANCE CORP. FOR THE CONTINUED OPERATION BY NYCT (Cont'd.)

Page 2 of 2

Based on the foregoing, MTA Real Estate requests authorization to enter into a contract of sale and thereafter close on such purchase on behalf of NYCT with President Maintenance Corp. for the purchase of the Bedford Avenue Maintenance Shop under the above-described terms and conditions.