



# MTA Headquarters Procurements

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

## PROCUREMENTS

The Procurement Agenda this month includes 2 actions for a proposed estimated expenditure of \$16.4M.

<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>	<i>Lisette Camilo</i>				
<b>Project Manager Name</b>	Rose Davis				
<b>Board Action</b>					
<b>Order</b>	<b>To</b>	<b>Date</b>	<b>Approval</b>	<b>Info</b>	<b>Other</b>
1	Committee	01/27/25			
2	Board	01/29/25			

January 24, 2025			
<b>Internal Approvals</b>			
	<b>Approval</b>		<b>Approval</b>
	CAO		
	Legal		
	CFO		

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

**PURPOSE**

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

**DISCUSSION**

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

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

<u>Schedules Requiring Majority Vote:</u>	<u># of Actions</u>	<u>\$Amount</u>
Schedule H: Modifications to Personal/Miscellaneous Service Contracts	1	\$ 14.1 M
Schedule I: Modifications to Purchase and Public Works Contracts	1	\$ 2.3 M
<b>SUBTOTAL</b>	<b>2</b>	<b>\$ 16.4 M</b>

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

<b>TOTAL</b>	<b>2</b>	<b>\$ 16.4 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.

**JANUARY 2025**

**LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL**

**Procurements Requiring Majority Vote:**

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

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

1. **Metropolitan Life Insurance Company**                      **\$14,140,000**                      *Staff Summary Attached*  
**Four Years, Option Included**  
**Contract # 15524-0100.2**

Modification to the contract for Life/Accidental Death and Dismemberment, Long-term and Short-term Disability Benefits Insurance in order to continue providing benefit services.

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

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

1. **Saf-Gard Safety Shoe Company**                      **\$2,250,000**                      *Staff Summary Attached*  
**Seven Years, Two Months**  
**Contract # 6%19739.5**

Modification to the contract for As-Needed Purchase of Safety and Work Shoes in order to extend services for eight months and add funding.

**Item Number: 1**

<b>Vendor Name (Location)</b> Metropolitan Life Insurance Company (New York, New York)
<b>Description:</b> Life/AD&D, Long-term and Short-term Disability Benefits Insurance
<b>Contract Term (including Options, if any)</b> January 1, 2021–December 31, 2025
<b>Option(s) included in Total Amount?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive
<b>Solicitation Type</b> <input 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> Deputy Chief Benefits Administration Officer, Stephen Scholl

<b>Contract Number</b> 0000015524-0100	<b>AWO/Mod. #</b> 2
<b>Original Amount:</b>	\$ 55,511,837
<b>Prior Modifications:</b>	\$ 0
<b>Prior Budgetary Increases:</b>	0
<b>Current Amount:</b>	\$ 55,511,837
<b>This Request:</b>	\$ 14,140,000
<b>% of This Request to Current Amount:</b>	25%
<b>% of Modifications (including This Request) to Original Amount:</b>	25%

**Discussion:**

MTA Headquarters is seeking Board approval to increase the funding for a competitively negotiated personal service contract awarded to Metropolitan Life Insurance Company (“MetLife”) to continue providing life/accidental death and dismemberment (“Life/AD&D”), long-term (“LTD”), and short-term disability (“STD”) benefits for non-represented employees and certain represented and retired employees in the amount of \$14,140,000. In September 2020, the Board approved the five-year contract for a projected amount of \$55,511,837 for the term (January 1, 2021–December 31, 2025).

This contract covers the more than 88,000 employees and retirees eligible for the current coverage offerings. The MTA pays the full premiums for the basic Life/AD&D and Disability benefits insurance programs without any premium contribution from participating employees and retirees or their dependents. Certain MTA employees are offered additional voluntary life insurance programs, which the employee pays for through payroll deductions.

In February 2022, the Triborough Bridge and Tunnel Authority (“TBTA”) LTD population was converted from a self-insured to fully insured plan. The TBTA LTD conversion resulted in a one-time cost of \$5,155,800 to transfer the responsibility of paying future claims, medical management, assume risk, and provide benefits to 49 individuals with open claims at the time of the conversion as a Reserve Buy-out (“RBO”). To assist in negotiating the RBO, the MTA received advisory services from a benefit consulting subject-matter expert who determined that the RBO cost of \$5,155,800 to be fair and reasonable based on the Society of Actuaries (“SOA”) 2012 Group LTD table using an interest rate of 2.25 percent at the time of the transaction. The LTD conversion to a fully insured plan is consistent with MTA’s transformation initiative to streamline business processes across the agencies.

The projected premium cost for all benefits at the time of award was \$925,197 per month. Due to the RBO transaction, increased enrollment, and wage increases, the MTA’s average monthly cost for this benefit has increased to \$1,135,830 for the period of January 1, 2021, to September 30, 2024. The competitively negotiated premium rates for Life/AD&D and STD are guaranteed for the five-year term of the agreement. LTD rates were guaranteed for the initial three-year term and subject to a loss ratio analysis for the optional remaining two-year term that was exercised with modification one in December 2023. A loss ratio analysis was done on a combined basis for Life/AD&D, then LTD and STD to determine if any plans were eligible for an increase or reduction of premium. As a result, MetLife proposed a 15 percent increase to the premium rates for LTD benefits, and the MTA’s benefit advisory consultant performed an underwriting analysis projecting a 19 percent increase to annual premiums. MetLife’s 15 percent increase was therefore considered fair from an underwriting perspective. A replacement RFP for this benefit is planned to be issued by Q2 of 2025. In the event a successor contract is not awarded in time to provide coverage commencing 2026, the Board may be requested to approve an extension to this contract.

A responsibility review was conducted for MetLife pursuant to the All-Agency Responsibility Guidelines (“Guidelines”). In connection with a previous contract awarded to MetLife, it was found to be responsible notwithstanding significant adverse information (“SAI”) pursuant to the Guidelines, and such responsibility finding was approved by the MTA Interim Executive Director in consultation with the MTA General Counsel in March 2017. No new SAI has been found relating to MetLife and MetLife has been found to be responsible.

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

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

**Impact on Funding**

The contract is funded by the MTA's operating budget and employee contributions for the optional insurance programs.

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

**Item Number:**

<b>Vendor Name Location)</b> Saf-Gard Safety Shoe Company (Greensboro, NC)
<b>Description</b> As-Needed Purchase of Safety and Work Shoes
<b>Contract Term (including Options, if any)</b> December 29, 2017–February 27, 2025
<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive
<b>Solicitation Type</b> <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:
<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> NYC Transit Department of Subways / MTA Bus Company

<b>Contract Number</b> 60000000019739	<b>AWO/Modification</b> 5
<b>Original Amount:</b>	\$ 20,169,218
<b>Prior Modifications:</b>	\$ 2,254,154
<b>Prior Budgetary Increases:</b>	\$ 753,275
<b>Current Amount:</b>	\$ 23,176,647
<b>This Request:</b>	\$ 2,250,000
<b>% of This Request to Current Amount:</b>	9.71%
<b>% of Modifications (including This Request) to Original Amount:</b>	26.07%

**Discussion:**

MTA Headquarters is requesting Board approval to extend a competitively negotiated estimated quantity purchase contract awarded to Saf-Gard Safety Shoe Company (“Saf-Gard”) for the as-needed purchase of safety and work shoes for NYC Transit and MTA Bus Company (“MTA Bus”) for eight months (February 28, 2025–October 28, 2025) and to add \$2.25 million to the contract.

In February 2018, the Board ratified the award of a competitively negotiated as-needed purchase contract for safety and work shoes. This contract specifically supports NYC Transit and MTA Bus, and provides footwear required under a collective bargaining agreement. Four previous modifications were issued to this contract with the purpose of including additional product offerings as a subcategory to the existing price schedule, owing to a change in the labor agreement, and two contract extensions with accompanying funding.

MTAHQ Procurement has released a new solicitation for the as-needed purchase of safety and work shoes and therefore does not anticipate further extensions to the current contract. The proposed eight-month extension will provide sufficient time for solicitation and award, as well as allow a new vendor six months to develop its website and build its inventory to sufficient levels to begin supply on the date of execution of a new agreement, should the incumbent not be awarded the new contract.

The current unit prices, deemed fair and reasonable for award of the most recently approved contract modification, will remain unchanged for the duration of the eight-month extension period. The total estimated cost of this extension is consistent with the average rate of spend from previous years. Based on the foregoing, pricing for this extension is deemed fair and reasonable.

Saf-Gard Safety Shoe Company 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 of cybersecurity requirements, including any requirements under federal, state and local law and regulations. Applicable cybersecurity requirements have been included in the contract terms and conditions.

**Impact on Funding**

Funding for this action will be provided by the operating accounts from the participating agencies.

**Alternatives**

Not to extend this contract: This is not feasible, as it would mean not fulfilling the standing labor agreement with NYC Transit and MTA Bus which requires that Safety and Work shoes be provided.