



Metropolitan Transportation Authority

November 2011

MTA Board Action Items



**MEETING AGENDA
METROPOLITAN TRANSPORTATION AUTHORITY BOARD
November 16, 2011 9:30 a.m.**

347 Madison Avenue
Fifth Floor Board Room
New York, NY

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

Date of next MTA Board meeting: Wednesday December 21, 2011 at 9:30 a.m.

**Metropolitan Transportation Authority
Minutes of
Regular Board Meeting
347 Madison Avenue
New York, NY 10017**

**Wednesday, October 26, 2011
9:30 a.m.**

The following members were present:

**Hon. Andrew M. Saul, Acting Chairman and CEO
Hon. Jonathan A. Ballan
Hon. John H. Banks, III
Hon. Robert C. Bickford
Hon. James F. Blair
Hon. Allen P. Cappelli
Hon. Fernando Ferrer
Hon. Jeffrey A. Kay
Hon. Susan Metzger
Hon. Charles G. Moerdler
Hon. Mark Page
Hon. Mitchell H. Pally
Hon. James L. Sedore, Jr.
Hon. Nancy Shevell
Hon. Carl V. Wortendyke**

The following members were absent:

**Hon. Patrick J. Foye
Hon. Mark D. Lebow
Hon. Ed Watt**

Diana Jones Ritter, MTA Managing Director, Fredericka Cuenca, Chief of Staff, James B. Henly, MTA General Counsel, Board Member Andrew Albert, Board Member Norman Brown, Board Member Vincent Tessitore, Thomas Prendergast, President of NYCTA, Helena E. Williams, President of Long Island Railroad, Howard Permut, President of Metro-North Railroad, James Ferrara, President of TBTA, Darryl Irick, President of MTA Bus Operations, Michael Horodniceanu, President of MTA Capital Construction, and Hilary Ring, Director, Community Affairs also attended the meeting.

The Board of the Metropolitan Transportation Authority also met as the Board 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, the Metro-North Commuter Railroad Company, the MTA Capital Construction Company, the MTA Bus Company, and the First Mutual Transportation Assurance Company.

Unless otherwise indicated, these minutes reflect items on the agenda of the Board of the Metropolitan Transportation Authority, the Metropolitan Suburban Bus Authority (LI Bus), and the First Mutual Transportation Assurance Company. Refer to the other agencies' minutes of this date for items on the agendas of the Boards of the other agencies.

Vice Chairman Saul, the Acting Chairman of the MTA, called the meeting to order.

1. **PUBLIC SPEAKERS.** There were ten (10) public speakers. None of the speakers addressed items specific to the MTA agenda. Refer to the NYCTA's minutes of this date for public speakers' and Board members' comments.

2. **CHAIRMAN'S REMARKS.**

Acting Chairman Saul introduced Joseph Lhota, the Governor's announced nominee to fill the vacancy in the position of MTA Chairman and CEO. Mr. Saul announced that Mr. Lhota will join the MTA as Executive Director in mid-November pending Senate confirmation of his appointment. Until Mr. Lhota's arrival as MTA Executive Director, Mr. Saul stated that he has asked Thomas Prendergast, President of NYCTA, to manage the day-to-day operations of the MTA and its operating agencies and to be responsible for addressing any emergency or security-related matters. Mr. Saul noted the importance of continuing the good work that the MTA has done to improve the efficiency of the services it provides and committed during this transition period to maintaining that effort.

On behalf of the Board, Acting Chairman Saul read and presented a resolution to former Board member Donald Cecil in recognition of the services he provided to the MTA and its agencies during his six-year tenure. A copy of the resolution is filed with the minutes of this meeting.

Mr. Cecil thanked the Board and commended the members for the tremendous amount of work and effort they contribute serving as Board members.

3. **MINUTES.** Upon motion duly made and seconded, the Board approved the minutes of the regular Board meeting held on September 28, 2011.

4. **COMMITTEE ON FINANCE.**

- A. **Action Items.** The Acting Chairman noted that the action item contained on page 26 of the October 26, 2011 Board book was withdrawn.

- B. **Procurement Items.** Upon motion duly made and seconded, the Board approved the following procurement items, described in further detail in the attached staff summaries and documentation.

1. **Various Contractors – AFT Projects – Nos. 11192 thru 11194-0100.** Approved competitive contracts with Joy Taylor (Peekskill Station), Jean Kyoung Shin

(63rd Street Station/Second Avenue Subway Project) and Sherilyn (Xenobia) Baily (Flushing Line Extension – 34th Street and 11th Avenue) to provide technical design, fabrication, crating, storage, delivery and oversight of installation of materials at the three stations specified.

2. Mobile Commons, Inc. - On-Board Bus Hardware Subsystem – No. 11145-0100. Ratification of a competitively, negotiated miscellaneous procurement contract to provide short message services (SMS) gateway services to enable MTA bus customers to access the bus customer information using standard wireless telephone texting technologies and the internet.

C. **Real Estate Items.** Upon motion duly made and seconded, the Board approved the following real estate items. The specifics are set forth in the attached staff summaries and documentation.

Metro-North Commuter Railroad

1. Ratification of a temporary easement for access over and across property owned by 150 Route 17 Corporation in support of Metro-North's reconstruction of the Port Jervis Line from MP 31 to MP 45, 150 Route 17, Sloatsburg, N.Y.
2. Lease with Miss Matched, Inc. d/b/a Little Miss Matched for retail sale of tenant-branded children's apparel and accessories at Retail Space MC-83, Grand Central Terminal, N.Y.

New York City Transit Authority

3. Lease modification and extension agreement with Raisin Realty Inc. for warehouse space located at 70-10 74th Street, Glendale, N.Y.
4. Lease modification and extension of an agreement with One Penn Plaza, LLC for concourse level office and adjunct space for station-related operations of the MTA Police Department and LIRR located at One Penn Plaza, New York, N.Y.

Long Island Commuter Rail Road

5. Resolution authorizing the termination of easement rights to facilitate the City of New York's Hunters Point South development project site (Queens Block 6, P/O Lots 1 and 2) in Long Island City, N.Y.

Metropolitan Transportation Authority

6. Award of a competitively-negotiated all-agency personal services contract to Greystone Corporate Realty Services to provide tenant management and accounting services for MTA Real Estate.

5. **ADJOURNMENT.**

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 10:10 a.m.

Respectively submitted,

Victoria Clement
Assistant Secretary

**Minutes of the
Regular Board Meeting
for the New York City Transit Authority,
Manhattan and Bronx Surface Transit Operating Authority,
Staten Island Rapid Transit Operating Authority and
MTA Bus Company**

**Wednesday, October 26, 2011
9:30 a.m.**

The following members were present:

**Hon. Andrew M. Saul, Acting Chairman and CEO
Hon. Jonathan A. Ballan
Hon. John H. Banks, III
Hon. Robert C. Bickford
Hon. James F. Blair
Hon. Allen P. Cappelli
Hon. Fernando Ferrer
Hon. Jeffrey A. Kay
Hon. Susan Metzger
Hon. Charles G. Moerdler
Hon. Mark Page
Hon. Mitchell H. Pally
Hon. James L. Sedore, Jr.
Hon. Nancy Shevell
Hon. Carl V. Wortendyke**

The following members were absent:

**Hon. Patrick J. Foye
Hon. Mark D. Lebow
Hon. Ed Watt**

Diana Jones Ritter, MTA Managing Director, Fredericka Cuenca, Chief of Staff, James B. Henly, MTA General Counsel, Board Member Andrew Albert, Board Member Norman Brown, Board Member Vincent Tessitore, Thomas Prendergast, President of NYCTA, Helena E. Williams, President of Long Island Rail Road, Howard Permut, President of Metro-North Rail Road, James Ferrara, President of TBTA, Darryl Irick, President of MTA Bus Operations, Michael Horodniceanu, President of MTA Capital Construction, and Hilary Ring, Director, Community Affairs also attended the meeting

1. **ACTING CHAIRMAN SAUL CALLED THE MEETING TO ORDER**

2. **PUBLIC COMMENT PERIOD**

Ten public speakers addressed NYC Transit/MTA Bus issues.

Alissa Webb described an incident in which she was assaulted by a male passenger while performing her duties as a train conductor, and urged the Board to work with the union to keep employees safe and promote track safety.

Phyllis Shelton discussed a recent incident in which she was assaulted while discharging her duties as a station agent, and asked the Board to provide greater police presence in the stations and to help campaign for public and employee safety.

Ron Gregory, an employee in NYCT's Power Division, spoke about being assaulted by a member of the public and his subsequent experience applying for Workers' Compensation.

Aishah Miller, a train operator, talked about an incident in which she was assaulted on her lunch break and later denied Workers' Compensation, and urged the Board to work with the union to better treat and protect employees.

Christopher Jenkins, a bus operator, discussed his experience of being assaulted by a female passenger while driving his bus and expressed a need for greater safety and protection.

Kevin Harrington, TWU, Local 100, stated that there has been an increased number of assaults on transit workers as a result of the recent cutbacks, and he urged the new MTA administration to treat workers better and to promote employee safety.

Marty Goodman, a station agent, discussed the importance of worker safety, articulated his support for the Occupy Wall Street Movement, and protested layoffs, fare hikes and any other cutbacks.

Murray Bodin objected to the Board's use of paper books instead of electronic devices.

Christine Williams, a station agent, urged the Board to work together with the union in promoting the safety of the public and the workers.

Derick Echevarria, Chairman of Division, Stations, discussed the importance of employee safety and fair treatment of all workers.

3. **BOARD MEMBERS' COMMENTS**

Board Member Albert asked James Henly, MTA General Counsel, whether legislation concerning greater penalties for individuals who assault transit workers is in effect and being upheld by the courts. Mr. Henly confirmed that there was legislation successfully passed which increased penalties for several such offenses and advised that he would check whether additional related legislation is being proposed.

Board Member Cappelli inquired as to whether the Board is following up on the prosecutions of individuals charged with assaulting transit workers and asked that the Board include this matter on the Security Committee agenda on an annual basis.

Board Member Tessitore expressed the importance of taking action to support and protect transit workers.

Board Member Moerdler requested the opportunity, to the extent consistent with law, to review the personnel files of the employees whose cases had been described in order to determine whether these employees have been fairly treated.

Acting Chairman Saul assured the Board that the concerns raised would be placed high on the agenda at the next Security Committee meeting, scheduled for December.

4. **MINUTES**

Upon motion duly made and seconded, the Board unanimously approved the minutes of the regular board meeting of MTA NYC Transit, the Manhattan and Bronx Surface Transit Operating Authority, the Staten Island Railway Transit Operating Authority, and MTA Bus Company held on September 28, 2011.

5. **COMMITTEE ON FINANCE**

Real Estate Action Item(s):

MTA New York City Transit: Upon motion duly made and seconded, the Board voted to authorize: (i) a lease modification and extension agreement with Raisin Realty for warehouse space at 70-10 74th Street, Glendale, New York; and (ii) a lease modification and extension agreement with 1 Penn Plaza LLC, for concourse level office and adjunct space at One Penn Plaza, New York, New York.

6. **COMMITTEE ON TRANSIT OPERATIONS**
NYC Transit

Procurements

Competitive Procurements: Upon motion duly made and seconded, the Board approved the competitive procurements requiring a two-thirds vote (Schedules B and C in the Agenda). Details of the above items are set forth in staff summaries, copies of which are on file with the records of the meeting of the Board of the NYC Transit/SIR/MTA Bus Company.

Board Member Banks noted that regarding the staff summary for the proposed contract award for Alcatel-Lucent USA (p. 110 in the Board materials), it has been clarified that review of the contractor's responsibility was completed by management in accordance with MTA policy and

the contractor found to be responsible prior to the Board and the Transit Committee's consideration of this award.

Non-Competitive Procurements: Upon motion duly made and seconded, the Board approved the non-competitive procurements requiring a two-thirds vote (Schedule A in the Agenda). Details of the above items are set forth in staff summaries, copies of which are on file with the records of the meeting of the Board of the NYC Transit/SIR/MTA Bus Company.

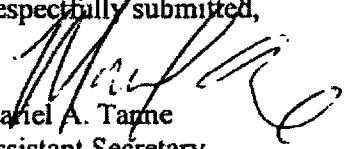
Procurement Ratifications: Upon motion duly made and seconded, the Board approved the ratifications requiring a majority vote (Schedule K in the Agenda). Details of the above items are set forth in staff summaries, copies of which are on file with the records of the meeting of the Board of the NYC Transit/SIR/MTA Bus Company.

Board Member Moerdler abstained from the vote concerning Cubic Transportation Systems, Inc.

7. ADJOURNMENT

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 10:10 a.m.

Respectfully submitted,



Mariel A. Tarne
Assistant Secretary

Minutes of the Regular Meeting
Metro-North Commuter Railroad Company
Wednesday, October 26, 2011
9:30 a.m.

The following members were present:

Hon. Andrew M. Saul, Acting Chairman and CEO
Hon. Jonathan A. Ballan
Hon. John H. Banks, III
Hon. Robert C. Bickford
Hon. James F. Blair
Hon. Allen P. Cappelli
Hon. Fernando Ferrer
Hon. Jeffrey A. Kay
Hon. Susan Metzger
Hon. Charles G. Moerdler
Hon. Mark Page
Hon. Mitchell H. Pally
Hon. James L. Sedore, Jr.
Hon. Nancy Shevell
Hon. Carl V. Wortendyke

The following members were absent:

Hon. Patrick J. Foye
Hon. Mark D. Lebow
Hon. Ed Watt

Diana Jones Ritter, MTA Managing Director, Fredericka Cuenca, Chief of Staff, James B. Henly, MTA General Counsel, Board Member Andrew Albert, Board Member Norman Brown, Board Member Vincent Tessitore, Thomas Prendergast, President of NYCTA, Helena E. Williams, President of Long Island Railroad, Howard Permut, President of Metro-North Rail Road, James Ferrara, President of TBTA, Darryl Irick, President of MTA Bus Operations, Michael Horodniceanu, President of MTA Capital Construction, and Hilary Ring, Director, Community Affairs also attended the meeting.

The Board of the Metropolitan Transportation Authority also met as the Board 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, the Metro-North Commuter Railroad Company, the MTA Capital Construction Company, the MTA Bus Company, and the First Mutual Transportation Assurance Company.

1. Public Comment:

There were 10 public speakers who did not discuss items specific to Metro-North. The subject matter of the public speakers' comments is contained in the minutes of the meeting of the Board of the Metropolitan Transportation Authority held this day.

2. Acting Chairman and CEO Saul introduced Joseph J. Lhota who will be nominated by Governor Cuomo to serve as MTA Chairman and CEO, noting that Mr. Lhota previously served on the MTA Board. Mr. Saul will be acting Chairman and CEO until Mr. Lhota is confirmed by the New York State Senate. He thanked Thomas Prendergast, President of NYCTA, who will be managing the MTA's day to day operations and any security matters until Mr. Lhota has been confirmed.
3. Upon motion duly made and seconded, the Board unanimously approved the following resolution proposed by Acting Chairman and CEO Saul. Thereafter, Donald Cecil was presented with a gift in appreciation for his service as a member of the Board.

Whereas Donald Cecil served with dedication as a member of the Metropolitan Transportation Authority Board from November 2005 through June 2011; and

Whereas Donald Cecil has represented Westchester County and served as an advocate for the county's residents; and

Whereas Donald Cecil served on the Metro-North Committee and the Metro-North and Long Island Rail Road Committee of the Board, reviewing and helping to guide programs to improve service to customers; and

Whereas Donald Cecil served on the Governance Committee of the Board, developing policies that promote ethical conduct, and reviewing overall corporate governance; and

Whereas Donald Cecil during his tenure also served as a member of the Audit and Capital Construction/Real Estate and Planning Committees; and

Whereas Donald Cecil served as a committed advocate on behalf of MTA riders; and

Whereas Donald Cecil has served the downstate New York and Connecticut region commuters with honesty and integrity;

Be It, Therefore, Resolved that the members of the Board of the Metropolitan Transportation Authority and its subsidiaries and affiliates extend to Donald Cecil their appreciation and gratitude for his devotion to improving the region's transportation network and make him an honorary lifetime member of the Board, with all the perquisites of such position.

4. Approval of Minutes – Upon motion duly made and seconded, the minutes of the Regular Board Meeting of September 28, 2011 were unanimously approved.

5. Committee on Finance

Metropolitan Transportation Authority Procurements:

The Board voted on Metropolitan Transportation Authority items. Among the items approved is a competitive procurement requiring majority vote to award a personal service contract to AFT to provide technical, design, fabrication, crating, storage, delivery and oversight of installation of materials at three stations, including, Metro-North's Peekskill Station. The details of the above item, are contained in the minutes of the Metropolitan Transportation Authority held this day and the staff summaries and reports filed with those minutes.

Real Estate Action Items:

Upon motion duly made and seconded, the Board, among other items, approved the following real estate items recommended to it by the Committee on Finance.

- Ratification of temporary agreement with 150 Route 17 Corp., in support of Metro-North's reconstruction of the Port Jervis Line from MP31 to MP45 in the Town of Ramapo, Rockland County, New York.
- Lease with Miss Matched, Inc. for the retail sale of tenant-branded children's apparel and accessories in Retail Space MC-83, Grand Central Terminal.
- Authorization to award a competitively-negotiated All-Agency personal service contract to Greystone Corporate Realty Services for tenant management and accounting services.

Staff summaries setting forth the details of the above items are filed with the records of this meeting.

6. Committee on Metro-North Railroad and Long Island Rail Road Operations:

Action Items:

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

- Approval of CDOT Fare Increase Effective January 1, 2012.
- North White Plains Parking Structure – Authorization for President Permut to use up to \$41.8 million for creation of structured parking expansion and access improvements at North White Plains Station on the Harlem Line.

MTA Metro-North Railroad Procurements:

Upon motion duly made and seconded, the Board approved the following non-competitive procurement requiring two-thirds vote by the Board.

Non-Competitive Purchases and Public Work Contracts

- Fastrax Industries, Inc. – Purchase of railroad switch and crib snow melter heaters for year-end installation at key switch points along Metro-North's Harlem and Hudson Lines.
- Business Electronics, Inc. – Furnish and install voice recorder systems at Connecticut and N. White Plains facilities. President Permut noted that radio communication plays a critical role in the investigation of incidents and accidents and in developing strategies to avoid future incidents.

Upon motion duly made and seconded, the Board approved the following non-competitive procurement requiring majority vote by the Board.

Modifications to Purchases and Public Work Contracts

- Simplex Grinnell – Inspection and testing of fire suppression system and ancillary devices – MNR system wide. President Permut noted that during the extension period, Metro-North will lead a multi-agency procurement to establish a master contract of all like equipment used by the MTA agencies.

Upon motion duly made and seconded, the Board approved the following competitive procurement requiring majority vote by the Board.

Miscellaneous Service Contracts

- Bus Services in MNR Operating Territories – New contracts and modification to two existing contracts. Emergency and scheduled bus service for transporting railroad passengers and/or crews between stations and various MNR locations.

Upon motion duly made and seconded, the Board approved the following competitive procurement requiring majority vote by the Board.

Modifications to Personal/Miscellaneous Service Contracts

- Gannett Fleming Engineers and Architects, PC – EIS for improved station access and parking at North White Plains.

Upon motion duly made and seconded, the Board approved the following ratifications requiring majority vote by the Board.

Completed Emergency Procurement Actions

With respect to Tropical Storm Irene response and recovery:

- ECCO III Enterprises, Inc. – Equipment and labor for slope stabilization at Spuyten Duyvil.
- Leprechaun Lines – Bus services from August 30, 2011 until the end of the West of Hudson restoration.

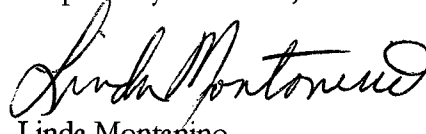
- Edward Ehbar, Inc. – Rental of heavy duty equipment.
- Bottini Fuel – ULSD fuel for locomotives at Port Jervis Yard.
- Ben Ciccone, Inc. – Beacon Station emergency parking
- Agreements with five vendors to provide stone for West of Hudson reconstruction: (1) Tilcon New York, Inc., (2) Thalle Industries, (3) Callahan & Nannini Quarry Products, (4) Stone Industries and Eastern Consolidated, (5) Ben Ciccone, Inc. – Port Jervis Line Site and Emergency Access Improvements.

Staff summaries and reports setting forth the details of the above items are filed with the records of this meeting.

7. Adjournment:

Upon a motion duly made and seconded, the Board unanimously voted to adjourn the meeting at 10:10 a.m.

Respectfully submitted,



Linda Montanino
Assistant Secretary

Oct 2011 Board Minutes
Legal/Corporate

**MINUTES OF MEETING OF THE BOARD OF
THE LONG ISLAND RAIL ROAD COMPANY**

**Meeting Held At
347 Madison Avenue
New York, NY 10017
Wednesday, October 26, 2011
9:30 a.m.**

The following members were present:

Hon. Andrew M. Saul, Acting Chairman and CEO
Hon. Jonathan A. Ballan
Hon. John H. Banks, III
Hon. Robert C. Bickford
Hon. James F. Blair
Hon. Allen P. Cappelli
Hon. Fernando Ferrer
Hon. Jeffrey Kay
Hon. Susan Metzger
Hon. Charles G. Moerdler
Hon. Mark Page
Hon. Mitchell H. Pally
Hon. James L. Sedore, Jr.
Hon. Nancy Shevell
Hon. Carl V. Wortendyke

The following members were absent:

Hon. Patrick J. Foye
Hon. Mark D. Lebow
Hon. Ed Watt

Diana Jones Ritter, MTA Managing Director, Fredericka Cuenca, Chief of Staff, James B. Henly, MTA General Counsel, Board Member Andrew Albert, Board Member Norman Brown, Board Member Vincent Tessitore, Thomas Prendergast, President of NYCTA, Helena E. Williams, President of Long Island Rail Road, Howard Permut, President of Metro-North Railroad, James Ferrara, President of TBTA, Darryl Irick, President of MTA Bus Operations, Michael Horodniceanu, President of MTA Capital Construction, and Hilary Ring, Director of Government Affairs, also attended the meeting.

The Board of the Metropolitan Transportation Authority also met as the Board 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, the Metro-North Commuter Railroad Company, the MTA Capital Construction Company, the MTA Bus Company, and the First Mutual Transportation Assurance Company.

1. PUBLIC SPEAKERS

There were ten public speakers, who did not address issues specific to the Long Island Rail Road.

Following the public speaking session, several Board members expressed concern about assaults upon NYCT workers. Board Member Tessitore noted that employees of commuter railroads experience similar incidents. He stated that the MTA needs to support its front-line troops, who experience harassment as well as assaults. Refer to the minutes of the Metropolitan Transportation Authority meeting held this day for details regarding the Board Members' remarks.

Acting Chairman Saul introduced Joseph Lhota, Governor Cuomo's appointee to serve as the next Chairman of the MTA. Acting Chairman Saul indicated that he would be acting as Chairman and Chief Executive Officer pending Mr. Lhota's confirmation by the Senate, and that Mr. Lhota would be joining MTA as its executive director in mid-November. Until that time, NYCT President Thomas Prendergast would be acting executive director.

Acting Chairman Saul presented a resolution commending former Board Member Donald Cecil on his service to the MTA. Mr. Cecil thanked his fellow Board members and MTA staff. A copy of the resolution is on file with the records of this meeting.

2. APPROVAL OF MINUTES

Upon motion duly made and seconded, the Board unanimously approved the minutes of the Board meeting held on September 28, 2011.

3. COMMITTEE ON FINANCE

The Finance Committee action item regarding termination of the leveraged lease transaction involving the LIRR's Hillside Maintenance Facility (page 26 of Board materials) was pulled from consideration by the Board.

Upon motion duly made and seconded, the Board approved the following real estate items recommended by the Committee on Finance:

- Lease modification and extension agreement with One Penn Plaza, LLC, for concourse level office and adjunct space at One Penn Plaza, New York, New York
- Termination of easements affecting the City of New York's Hunters Point South development project site in Long Island City, New York

Details of the above items are on file with the records of this meeting.

4. LONG ISLAND COMMITTEE

Upon motion duly made and seconded, the Board approved the following procurement items recommended by the Long Island Committee:

- Award of a sole source contract to Vapor Stone Rail Systems in the not-to-exceed amount of \$5,000,000 to supply, on an as-needed basis, complete systems, spare parts, other equipment, technical field support and repair services to support LIRR's Reliability Centered Maintenance Program, and to perform unscheduled maintenance and repairs to the HVAC systems on LIRR's C-3 coach fleet.

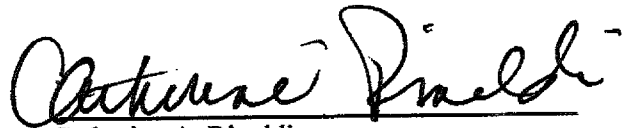
- Competitive award of a construction services contract to Maracap Construction Industries, Inc., in the not-to-exceed amount of \$8,213,950 for the rehabilitation of the Queens Blvd. Bridge.
- Competitive award of two miscellaneous services contract to Dom's Lawnmaker, Inc. and NAC Industries, Inc. for snow removal services in the combined not-to-exceed amount of \$8,863,860 (\$7,906,260 and \$747,600 respectively).

Details of the above items are on file with the records of this meeting.

5. ADJOURNMENT

Upon motion duly made and seconded, the Board unanimously voted to adjourn the meeting. The meeting was adjourned at 10:10 AM.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Catherine Rinaldi", written over a horizontal line.

Catherine A. Rinaldi
Secretary

**Minutes of the Regular Meeting
Triborough Bridge and Tunnel Authority
October 26, 2011**

Meeting Held at
347 Madison Avenue
New York, New York 10017

9:30 a.m.

The following members were present:

Hon. Andrew M. Saul, Acting Chairman and CEO
Hon. Jonathan A. Ballan
Hon. John H. Banks, III
Hon. Robert C. Bickford
Hon. James F. Blair
Hon. Allen P. Cappelli
Hon. Fernando Ferrer
Hon. Jeffrey A. Kay
Hon. Susan Metzger
Hon. Charles G. Moerdler
Hon. Mark Page
Hon. Mitchell H. Pally
Hon. James E. Sedore, Jr.
Hon. Nancy Shevell
Hon. Carl V. Wortendyke

Not Present:

Hon. Patrick J. Foye
Hon. Mark D. LeBow
Hon. Ed Watt

Diana Jones Ritter, MTA Managing Director; Fredericka Cuenca, Chief of Staff;
James B. Henly, General Counsel, MTA; Board Member Andrew Albert; Board Member
Norman Brown; Board Member Vincent Tessitore; James Ferrara, President, MTA Bridges and
Tunnels; Michael Horodniceanu, President, MTA Capital Construction; Darryl Irick, President,
MTA Bus Operations; Howard Permut, President, Metro-North Commuter Railroad;

Thomas Prendergast, President, New York City Transit; Helena E. Williams, President, Long Island Rail Road; and Hilary Ring, Director, Community Affairs, MTA also attended the meeting.

The Board of the Metropolitan Transportation Authority also met as the Board 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, the Metro-North Commuter Railroad Company, the MTA Capital Construction Company, the MTA Bus Company, and the First Mutual Transportation Assurance Company.

1. Public Speakers

There were ten public speakers who did not specifically comment on issues regarding the Triborough Bridge and Tunnel Authority. The subject matter of the speakers' comments is contained in the minutes of the meeting of the Board of the Metropolitan Transportation Authority.

2. Approval of the Minutes of the Regular Meeting September 28, 2011

Upon a motion duly made and seconded, the minutes of the Meeting held September 28, 2011 were unanimously approved.

3. Acting Chairman Saul's Opening Comments

Acting Chairman Saul introduced Mr. Joseph J. Lhota who will be nominated by Governor Cuomo to serve as MTA Chairman and CEO, noting that Mr. Lhota previously served on the MTA Board. Mr. Saul will be Acting Chairman and CEO until Mr. Lhota is confirmed by the New York State Senate. Acting Chairman Saul thanked Mr. Thomas Prendergast, President of NYCTA, who will be managing the MTA's day to day operations and any security matters until Mr. Lhota has been confirmed.

On behalf of the Board, Acting Chairman Saul thanked Commissioner Cecil for his service on the Board. Acting Chairman Saul stated that Commissioner Cecil, the representative from Westchester County, has served with distinction for the past six years, and has been a strong advocate for the riders of Metro-North Railroad.

Upon a motion duly made and seconded, the Board unanimously approved a Resolution proposed by Acting Chairman Saul bestowing lifetime honorary membership to Commissioner Cecil, with all the perquisites of such position. A copy of the Resolution is filed with the minutes of this meeting.

4. **Committee for MTA Bridges and Tunnels Operations**

Procurements

Non-Competitive Procurements

Commissioner Cappelli stated that there is one non-competitive procurement in the amount of \$2 million.

Upon a motion duly made and seconded, the Board unanimously approved the following non-competitive procurement item recommended to it by the Committee for MTA Bridges and Tunnels Operations.

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

City of New York	Contract No. MOU-08-33 Increase funding under a personal service contract with the City of New York acting by and through the New York City Police Department to provide Traffic Enforcement Agents to control traffic on City streets adjacent to construction projects for all B&T facilities on an as-needed basis.	\$2,000,000.00
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Competitive Procurements

Commissioner Cappelli stated that there is one competitive procurement in the amount of \$242,000.

Upon a motion duly made and seconded, the Board unanimously approved the following competitive procurement item recommended to it by the Committee for MTA Bridges and Tunnels Operations.

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

Parsons Transportation Group of New York	Contract No. PSC-03-2689 Additional design services for Project VN-80, Level Deck Rehabilitation of the Suspended Spans at the Verrazano-Narrows Bridge.	\$242,000.00
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Ratifications

Commissioner Cappelli stated that there is one ratification this month which totals \$543,875.

Upon a motion duly made and seconded, the Board unanimously approved the following ratification recommended to it by the Committee for MTA Bridges and Tunnels Operations.

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

Conti of New York, LLC	Contract No. BW-89	\$543,875.00
	Additional work and utilize the contractor's Value Engineering proposal under Contract BW-89 Replacement of the Bronx Approach and Miscellaneous Repairs to the Queens Approach at the Bronx-Whitestone Bridge.	

5. Adjournment

Upon a motion duly made and seconded, the Board unanimously voted to adjourn the meeting at 10:10 a.m.

Respectfully submitted,



Cindy L. Dugan
Assistant Secretary

Regular Board Meeting
MTA Capital Construction Company
347 Madison Avenue
New York, NY 10017

**Wednesday, October 26, 2011
9:30 a.m.**

The following members were present:

Hon. Andrew M. Saul, Acting Chairman and CEO
Hon. Jonathan A. Ballan
Hon. John H. Banks, III
Hon. Robert C. Bickford
Hon. James F. Blair
Hon. Allen P. Cappelli
Hon. Fernando Ferrer
Hon. Jeffrey A. Kay
Hon. Susan Metzger
Hon. Charles G. Moerdler
Hon. Mark Page
Hon. Mitchell H. Pally
Hon. James L. Sedore, Jr.
Hon. Nancy Shevell
Hon. Carl V. Wortendyke

The following members were absent:

Hon. Patrick J. Foye
Hon. Mark D. Lebow
Hon. Ed Watt

Diana Jones Ritter, MTA Managing Director, Fredericka Cuenca, Chief of Staff, James B. Henly, MTA General Counsel, Board Member Andrew Albert, Board Member Norman Brown, Board Member Vincent Tessitore, Thomas Prendergast, President of NYCTA, Helena E. Williams, President of Long Island Railroad, Howard Permut, President of Metro-North Rail Road, James Ferrara, President of TBTA, Darryl Irick, President of MTA Bus Operations, Michael Horodniceanu, President of MTA Capital Construction, and Hilary Ring, Director, Community Affairs also attended the meeting.

The Board of the Metropolitan Transportation Authority also met as the Board 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, the Metro-North Commuter Railroad Company, the MTA Capital Construction Company, the MTA Bus Company, and the First Mutual Transportation Assurance Company.

Acting Chairman and CEO Saul called the meeting to order.

Public Comment Period

There were no public speakers on any issues regarding MTA Capital Construction.

Approval of Minutes

Upon motion duly made and seconded, the MTA Board unanimously approved the minutes of the regular Board meeting held on September 28, 2011.

MTA Capital Construction Action Items

There were no Capital Construction Action Items for the Board members to consider.

MTA Capital Construction Procurements

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

- Ratification of a modification to the Second Avenue Subway 96th Street Station Structural and Civil contract with E.E. Cruz and Tully Construction Company, JV.
- Award of a competitively solicited contract to complete the deployment of the Enterprise Lenel subsystem under the IESS/C3 System Control Center to Henry Brothers Electronics, Inc.
- Modification to the East Side Access Manhattan Structures I contract with Dragados/Judlau, JV.
- Modification to the East Side Access Queens Bored Tunnels and Structures contract with Granite-Traylor-Frontier, JV.
- Ratification of a modification to the East Side Access Harold Structure Part I contract with Perini Corporation.

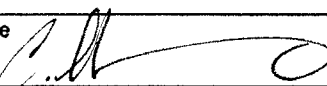
Adjournment

Upon motion duly made and seconded, the MTA Board voted to adjourn the public meeting at 10:10 a.m.

Respectfully submitted,

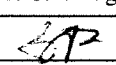
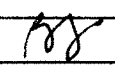

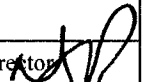
Patrick Killackey
Secretary

Staff Summary

Subject Request for Authorization to Award Various Procurements
Department Managing Director
Department Head Name Diana Jones Ritter
Department Head Signature
Division Head Name Clifford Shockley 

Date November 4, 2011
Vendor Name Various
Contract Number Various
Contract Manager Name Various
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance	11/14/11			
2	Board	11/16/11			

Internal Approvals			
Order	Approval	Order	Approval
			Office of Civil Rights
			Legal 
3	CFO 		EITG
1	Procurement 	2	Managing Director 

PURPOSE:

To obtain approval of the Board to award various contracts/contract modifications and purchase orders, as reviewed by the MTA Finance Committee.

DISCUSSION:

MTAHQ proposes to award Non-competitive procurements in the following categories:

- Schedule H: Modifications to Personal/Miscellaneous Service Contracts
- Industrial Design Services/Antenna Design of NY

of Actions \$ Amount

1 \$ 200,000

MTAHQ proposes to award Competitive procurements in the following categories:

Schedules Requiring Majority Vote

Schedule G: Personal Services Contracts	2	\$ 6,453,412
Schedule G: Miscellaneous Service Contracts	1	\$ 37,125
SUBTOTAL	4	\$ 6,690,537

MTAHQ presents the following procurement actions for Ratification:

Schedule k: Ratification of Completed Procurement Actions (Schedules E-J)	1	\$ 913,992
TOTAL	5	\$ 7,604,529

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

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

BOARD RESOLUTION

METROPOLITAN TRANSPORTATION AUTHORITY

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

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

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

NOW, the Board resolves as follows:

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

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

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

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

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

7. The Board authorizes the budget adjustments to estimated quantity contracts set forth in Schedule L.

LIST OF PROCUREMENTS FOR BOARD APPROVAL, NOVEMBER 2011
NON-COMPETITIVE PROCUREMENTS

METROPOLITAN TRANSPORTATION AUTHORITY

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

(Approvals/Staff Summaries required for substantial change orders and change orders that cause original contract to equal or exceed monetary or durational threshold required for Board approval.)

- | | |
|--|------------------------|
| 1. Antenna Design | \$200,000 |
| Industrial Design Services | (not-to-exceed) |
| Contract No. 10199-0100, S/A #1 | |

Base = \$200,000

In October 2010, the Board approved Antenna Design to provide as needed industrial design services for customer-interface equipment and devices at MTA New York City Transit (NYCT) stations to: i) perform concept development studies, research and analysis; ii) evaluate other transit agency's existing customer-interface equipment and devices and those currently in place in the MTA system; iii) attend meetings and site visits to consolidate the requirements of various factions; iv) produce design drawings and plans; and v) advise with respect to all aspects of customer interface equipment and devices. MTA requires Antenna Design to render additional industrial design services for the MTA New Fare Payment Systems project.

The new fare payment system will: i) transform the way customers pay for MTA transit services, obtain fares payment support services and seek resolution to fare payment issues; and ii) directly impact the overall customer travel experience by delivering a better value proposition, effectively modifying customer behavior, habits and interaction in the MTA's transit environment. Direct customer touch points (such as readers, kiosks, signage and web-based sales and service channels) must be carefully designed to facilitate and deliver a superior customer experience. MTA must help customers quickly learn to use and readily navigate the new system's processes and equipment by providing various tactile, visual and audible cues in ways that guide customers and provide correct messaging that is user friendly, consistent, and accommodating to all customer groups.

Currently Antenna Design is performing work to facilitate resolution to visual and environmental design issues for initiatives related to station entrances and exits, security, travel information and communication. These efforts are being undertaken and coordinated in ways that function effectively, enhance the station environment and respect the design heritage of the subway system. The new fare payment system implementation in subways should be tightly coordinated with this station initiative.

Antenna Design New York has an unparalleled record of assisting MTA and New York City Transit achieve functionally superior and visually pleasing solutions to a variety of design problems. Previous successes include: i) the recently unveiled *On the go!* Travel Station providing highly visible and interactive customer information in stations; ii) guidance and

METROPOLITAN TRANSPORTATION AUTHORITY
NON-COMPETITIVE PROCUREMENTS

design in the creation of effective and positive customer interface screens/hardware and equipment in automated MetroCard vending machines; iii) exterior and interior design elements in R142, R143 and R160 subway; and iv) Help Point Intercoms. Antenna Design's principal, Mr. Masamichi Udagawa, is uniquely qualified to provide industrial design consulting services for the NFPS project, since he was the principal behind the above mentioned services.

Mr. Udagawa is an internationally recognized, award winning industrial designer with extensive experience, expertise and familiarity with NYCT requirements, stakeholders and customer interface. Mr. Udagawa received his MFA (Master of Fine Arts) from Cranbrook Academy of Art, was a senior designer at Apple Computer Industrial Design Group where he designed a number of products such as the PowerBook 5300/3400 series. He is the recipient of numerous design awards including: IDEA Gold Awards, ID Magazine's Best-of-Category and First Prize of Japan's Good Design Award, National Design Awards, Cooper-Hewitt National Design Museum and the Best of NeoCon 2010 Innovation Award.

Under this contract, Masamichi Udagawa will: i) advise and recommend best practices for addressing issues with customer behavior and customer interfaces in the MTA bus and subways environments between and among equipment and devices including, but not limited to, readers, kiosks, signage, web pages and links, and screen images on mobile communication devices; ii) determine how commercial-off-the-shelf products may impact overall customer experience and determine how to mitigate any negative impact; iii) create documentation that fully describes customer interfacing requirements; iv) define a set of customer interface requirements (tactile, visual, audible, other) , including messaging for components at each interface, ensuring that designs are user-friendly and considerate and compliant with ADA requirements; v) review new system component requirements, designs and specification for customer interface impacts; and advise/recommend modifications to design as needed; vi) develop product specifications that will allow the MTA to evaluate by comparison and decide which commodity-off-the-shelf products merit inclusion on a qualified products list; and vii) create mock-ups for project test phases and evaluate effectiveness to ensure compliance with design requirements. The total not-to-exceed amount for these additional services is \$200,000.00. Antenna Design's hourly rate of \$200 compares favorably with hourly rates ranging from \$177 to \$293 for principal design services, and is thus deemed to be fair and reasonable.

LIST OF PROCUREMENTS FOR BOARD APPROVAL, NOVEMBER 2011
COMPETITIVE PROCUREMENTS

METROPOLITAN TRANSPORTATION AUTHORITY

Procurements Requiring Majority Vote:

F. Personal Service Contracts

Staff Summaries required for items greater than: \$100k Sole Source; \$250 other Non-Competitive, \$1 million Competitive

- | | | |
|---|---|---|
| <p>1. All Agency, As-Needed Quantitative
Market Research Services
Contract No. 10161-0100 thru 0800</p> <ul style="list-style-type: none">a. Abt SRBI, Inc.b. Global Strategy Group, LLCc. Lieberman Research Groupd. Marketing Information Systems International, Inc.e. Mktg. Inc./HSR Market Researchf. Resource Systems Group, Inc.g. TNS Custom Research, Inc.h. Widener-Burrows & Associates, Inc. <p>Competitively negotiated – 9 proposals – 48 months
To recommend that the Board approve the award of eight (8) competitively negotiated, all-agency personal services contracts for Quantitative Market Research Services on an as-needed basis for a period of forty-eight (48) months from January 1, 2012 to December 31, 2015. The combined cost for market research contracts (i.e. qualitative and quantitative) will not exceed the total Year 2012 market research budget of \$5,653,412. Funding for subsequent years will be based on the Board approved budgets for MTA headquarters and the operating agencies for those years and will not exceed limits approved by the Board. The eight (8) selected firms originally proposed hourly rates ranging from \$23.80 (for interviewers) to \$300 (for principals). These hourly rates were negotiated down to a range of \$14.73 to \$190 representing a reduction of 36.66% to 38.10%. These rates will remain the same for the full term of the contract. The negotiated hourly rates are in the same range as the rates under the current MTA contracts for these services that have been in effect for four (4) years. Based on the above, the negotiated hourly rates are considered fair and reasonable.</p> | <p>\$5,653,412
(not-to-exceed)</p> | <p><u>Staff Summary Attached</u></p> |
| <p>2. Cassidy Turley New York, Inc.
All-Agency, As-Needed Real Estate
Brokerage Services
Contract No.10083-0100</p> <p>Competitively negotiated – 2 Proposals – 48 months
Contractor to provide all-agency, as needed, real estate brokerage services for MTA Real Estate throughout the tri-state region for various retail and commercial properties controlled by the MTA. The Broker will: i) analyze the space to be leased and determine the best use and market the property to retail tenants and/or investors; and ii) lease or sell retail or commercial properties and generate revenue for the MTA Agencies. Cassidy Turley's commission rates: i) range from a high</p> | <p>\$800,000
(not-to-exceed)</p> | |

METROPOLITAN TRANSPORTATION AUTHORITY
COMPETITIVE PROCUREMENTS

of 6% to a low of 1% for leasing, depending on the type of lease (with the exception of Long Island, which is an additional 1%); and ii) range from a high of 6% to a low of 3% for sale of property. These rates are within the industry standard rates which range from a high of 6% to a low of 3%. In addition, MTA will receive rebates on cumulative commissions earned by Cassidy Turley when they lease or sell properties as follows: from \$0-\$500,000 -5% rebate; from \$500,001 to \$1M -10% rebate; and above \$1,000,000 -20% rebate. Based on the above, the negotiated commission rates and rebates are considered fair and reasonable.

G. Miscellaneous Service Contracts

(Staff Summaries required for all items greater than: \$100K Sole Source; \$250K Other Non-Competitive; \$1M RFP;
No Staff Summary required if Sealed Bid Procurement)

- | | |
|--|------------------------|
| 3. Fire Safety Services for MTAHQ Buildings | \$37,125.00 |
| Croker Fire Drill Corporation | (Not to exceed) |
| Contract No. 11140-0100 | |

Sealed Bids/Low Bidder – 3 Bids – 36 months

Contractor to assist MTA in complying with New York City Local Law regarding Comprehensive Fire Safety & Emergency Action Plan for MTA's Headquarters Buildings (341, 345 and 347 Madison Avenue). Although MTA is exempt from New York City Code requirements, it seeks to voluntarily comply with the Local Code. On a biannual basis, the fire safety contractor will evaluate, make recommendations and participate in fire safety drills, emergency evacuation procedures, fire warden training, record keeping of log books and fire brigade training. The rates obligated under this contract are the same rates paid under the current competitively awarded contract. Based on the above, the low bid is considered to be fair and reasonable.

LIST OF PROCUREMENTS FOR BOARD APPROVAL, NOVEMBER 2011
PROCUREMENTS FOR RATIFICATION

METROPOLITAN TRANSPORTATION AUTHORITY

- | | | |
|---|-------------------------------------|--------------------------------------|
| 1. PriceWaterhouseCoopers
Quality Assurance Services for MTA
Shared Services/ERP
Contract No. 08095-0200 | \$913,992
(not-to-exceed) | <u>Staff Summary Attached</u> |
|---|-------------------------------------|--------------------------------------|

Base plus previous change orders = 4,400,000

To ratify an amendment to the competitively, negotiated, personal services contract with PriceWaterhouseCoopers Advisory LLC (PwC) (formerly known as Diamond Management & Technology Consultants NA, Inc.) for additional quality assurance and oversight services for the BSC implementation at an additional cost of \$913,992. In order to ensure the continued progress of NYCT, MTA Bus, SIRTOA and B&T for the timely readiness of the rollout of the Payroll and HR functions, the Contractor was authorized to begin these additional services. Funding for the additional oversight is being transferred from the Board-approved Accenture contract, which is on schedule and under budget. Accenture currently provides professional consulting services for the design and implementation of a PeopleSoft Enterprise Resource Planning (ERP) and a Business Service Center (BSC). As a result of negotiations, the initial cost of \$1,166,320 for additional quality assurance and oversight proposed by PwC was negotiated down to \$913,992 for a savings of \$252,328 or 21.63%. The fully-loaded hourly rates as established under the base contract will remain fixed for the term of the contract. Therefore, the total not to exceed amount of \$913,992 for the above is considered fair and reasonable.

Staff Summary

Schedule F: Personal Service Contracts

Item Number:						SUMMARY INFORMATION	
Dept & Dept Head Name: Corporate and Internal Communications/Paul Fleuranges						Vendor Name: Various	Contract Number: 10161-0100 thru 0800
Division & Division Head Name: Market Research/Peter Harris						Description: All Agency As-Needed Quantitative Market Research Services	
Total Amount: \$5,653,412						Contract Term (including Options, if any) January 1, 2012 thru December 31, 2015	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No						Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive						Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:							

Board Reviews					
Order	To	Date	Approval	Info	Other
1	Finance	11/14/11			
2	Board	11/16/11			

Internal Approvals			
Order	Approval	Order	Approval
1	Procurement <i>CS</i>	4	DDCR <i>CS</i>
2	Market Research <i>CS</i>	5	Legal <i>CS</i>
3	Corp & Int. Comm. <i>CS</i>	6	Budgets & Financial Mgmt. <i>CS</i>

Narrative

I. PURPOSE/RECOMMENDATION

To recommend that the Board approve the award of eight (8) competitively negotiated, all-agency personal services contracts for Quantitative Market Research Services on an as-needed basis for a period of forty-eight (48) months from January 1, 2012 to December 31, 2015. The combined cost for market research contracts (i.e. qualitative and quantitative) will not exceed the total Year 2012 market research budget of \$5,653,412 for MTA headquarters and the operating agencies. Funding for subsequent years will be based on the Board approved budgets for MTA headquarters and the operating agencies for those years and will not exceed limits approved by the Board.

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. Abt SRBI, Inc. 2. Global Strategy Group, LLC 3. Lieberman Research Group 4. Marketing Information Systems International, Inc. | <ol style="list-style-type: none"> 5. Mktg. Inc./HSR Market Research 6. Resource Systems Group, Inc. 7. TNS Custom Research Inc. 8. Widener-Burrows & Associates, Inc. |
|---|--|

II. DISCUSSION

The current all-agency contracts for quantitative market research services will expire on December 31, 2011. The MTA headquarters and its operating agencies require the services of quantitative market research firms to conduct market research projects on an *ad hoc* basis to support capital investments and improvements, service planning, strategic business initiatives and marketing. In order to continue these services, a Request for Proposals (RFP) was publicly advertised and letters advising potential proposers of the RFP's availability were mailed to one hundred one (101) vendors, eleven (11) of which were D/M/WBE firms. Nine (9) proposals were received. The Selection Committee, consisting of representatives from MTA Headquarters, Operations Support, MTA New York City Transit, MTA Metro-North Railroad, MTA Long Island Rail Road, MTA Bridges and Tunnels, MTA Long Island Bus, and MTA Bus evaluated the proposals and determined that the eight firms listed above were the most technically qualified and best suited to perform the services identified by the RFP. MTA has conducted a responsibility review and other due diligence on these firms and has deemed them to be responsible for award

The purpose of entering into these retainer contracts is to facilitate the implementation of a comprehensive market research program designed to: 1) support initiatives and programs that improve customer service, increase ridership and revenue and reduce costs; and 2) identify priorities and strategies for decision and policy making. The net impact of the research is to assist the MTA headquarters and its operating agencies in becoming more cost-effective and customer-driven organizations.

MTA headquarters and the operating agencies will use quantitative market research firms to perform a full range of quantitative market research services, including questionnaire and sampling design, interviewing, tabulation, analysis and report writing. Examples of projects planned for the next four years include: studies with regard to new technologies, including new payment systems (e.g. the Smart Card), new electronic signage and interactive voice response systems; on-going tracking and customer satisfaction surveys that explore agency service needs and concerns of MTA users and non-users; customer communication research including copy testing and website evaluation; research on new bus/train designs; advertising effectiveness research; studies about improving the train/station environment; and targeted service studies for specific railroad and subway lines

The eight (8) selected firms originally proposed hourly rates ranging from \$23.80 (for interviewers) to \$300 (for principals). These hourly rates were negotiated down to a range of \$14.73 to \$190 representing a reduction of 36.66% to 38.10%. These rates will remain the same for the full term of the contract. The negotiated hourly rates are in the same range as the rates under the current MTA contracts for these services that have been in effect for four (4) years. Based on the above, the negotiated hourly rates are considered fair and reasonable.

III. D/M/WBE INFORMATION

The MTA's Department of Diversity and Civil Rights established 10% MBE and 5% WBE goals for these contracts.

IV. IMPACT ON FUNDING

The total combined cost for market research contracts (i.e. qualitative and quantitative) will not exceed the total Year 2012 market research budget of \$5,653,412 for MTA headquarters and the operating agencies. Funding for subsequent years will be based on the Board approved budgets for MTA headquarters and the operating agencies for those years and will not exceed limits approved by the Board.

Actual expenditures for Year 2012 are dependent upon approval of projects in development by the MTA headquarters and the operating agencies. Any expenditure incurred will be apportioned to the operating agencies in accordance with the cost of projects actually implemented by an agency.

V. ALTERNATIVES

1. Perform all services in-house. This alternative is not feasible since performing these specialized functions in-house would require full- and part-time employees, including associated overhead costs, which would not be cost effective. These projects are managed better by independent outside firms monitored closely by MTA staff.

2. Do not approve award of the contracts. This would severely curtail MTA's ability to implement a comprehensive research program to support capital investments and improve customer service.

Staff Summary

Schedule H: Modifications to Personal Service & Miscellaneous Service Contracts



Item Number:

Page 1 of 1

Vendor Name (& Location): PriceWaterhouseCoopers Advisory LLC (PwC)		Contract Number: 08095-0200	AWO/Modification # 2
Description: Quality Assurance Services for MTA Shared Services/ERP Initiative		Original Amount: \$4,400,000	
Contract Term (including Options, if any): March 1, 2009 through February 28, 2014		Prior Modifications:	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Prior Budgetary Increases:	
Procurement Type: <input type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive		Current Amount: \$4,400,000	
Solicitation Type: <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:		This Request: \$913,992	
Funding Source: <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:		% of This Request to Current Amount: 20.8	
Requesting Dept/Div & Dept/Div Head Name: Business Service Center/Business Operations/Thomas Tendency		% of Modifications (including This Request) to Original Amount: 20.8	

DISCUSSION:

It is recommended that the Board ratify an amendment to the competitively, negotiated, personal services contract with PriceWaterhouseCoopers Advisory LLC (PwC) (formerly known as Diamond Management & Technology Consultants NA, Inc.) for additional quality assurance and oversight services for the BSC implementation at an additional cost of \$913,992. In order to ensure the continued progress of NYCT, MTA Bus, SIRTOA and B&T for the timely readiness of the rollout of the Payroll and HR functions, the Contractor was authorized to begin these additional services. Funding for the additional BSC oversight services is being transferred from the Board-approved Accenture contract, which is on schedule and under budget. Accenture currently provides professional consulting services for the design and implementation of a PeopleSoft Enterprise Resource Planning (ERP) and a Business Service Center (BSC).

In February 2009, following a competitive Request for Proposals (RFP) process, the MTA Board approved a contract with Diamond Management & Technology Consultants NA, Inc. for Quality Assurance (QA) oversight during the implementation of the MTA-wide PeopleSoft ERP and creation of the Business Service Center (BSC) operations for a not to exceed amount of \$4,400,000 for the period March 1, 2009 through February 28, 2014. The BSC opened for business on January 1, 2011 and is currently performing consolidated financial services for all agencies as well as HR and Payroll services for MTAHQ, MNR, LIRR, and LiBus. The BSC is scheduled to implement the HR and Payroll functions for NYCT, MTA Bus and SIRTOA on April 1, 2012 and for B&T on October 1, 2012.

Based on an evaluation of agency readiness following "Go-Live" (January 1, 2011), as well as to ensure quality implementation and validation that agency and BSC business processes are prepared to support the business model, PwC was requested to perform additional QA and oversight services, which is providing a more rigorous assessment and validation of each agency's readiness for the implementation of the HR and Payroll functions to meet the rollout dates listed above. PwC will continue to assess this readiness by: i) highlighting key issues and risks; ii) assisting with establishing testing methodologies and performing testing and training evaluations; iii) assessing stakeholder engagement; iv) periodic assessments of project areas; v) capacity model verifications; and vi) post production risk and issue identification, including recommending solutions.

As a result of negotiations, the initial cost of \$1,166,320 for additional quality assurance and oversight proposed by PwC was negotiated down to \$913,992 for a savings of \$252,328 or 21.63%. The fully-loaded hourly rates as established under the base contract will remain fixed for the term of the contract. Therefore, the total not to exceed amount of \$913,992 for the above is considered fair and reasonable.

NOVEMBER 2011
MTA REAL ESTATE
LIST OF REAL ESTATE ACTION ITEMS FOR BOARD APPROVAL

ACTION ITEMS

MTA NEW YORK CITY TRANSIT

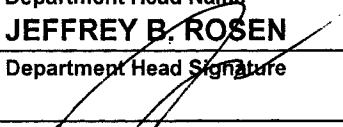
License Agreement for the Operation of a Newsstand at Kew Gardens – Union Turnpike Subway Station, Queens Blvd. Line, Queens, NY

License Agreement with Cord Meyer Development LLC allowing passage of NYCT buses through the Bay Terrace Shopping Center and the installation by NYCT of a bus pad on private roadway

MTA LONG ISLAND RAIL ROAD

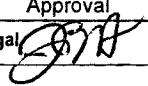
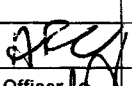

Lease agreement with Lynbrook Property Management for the retail stores located under the LIRR viaduct at 45 & 48 Atlantic Avenue in Lynbrook, New York

Staff Summary

Subject LICENSE AGREEMENT
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name ARTURO ESPINOZA

Date NOVEMBER 14, 2011
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	11/14/11	X		
2	Board	11/16/11	X		

Internal Approvals			
Order	Approval	Order	Approval
		1	Legal 
3	Chief of Staff 		
2	Chief Financial Officer 		

AGENCY: MTA New York City Transit ("NYCT")

LICENSEE: AMH Newsstand Inc. ("AMH"), a New York State corporation wholly owned by Abdul Hamid

LOCATION: Kew Gardens – Union Turnpike Subway Station, Queens, NY

ACTIVITY: Operation of a newsstand

ACTION REQUESTED: Approval of terms

TERM: Ten years, subject to termination by NYCT on not less than 60 days' notice

SPACE: Approximately 100 square feet

COMPENSATION:	Year	Annual	Monthly	% Increase	Per Sq. Ft.
	1	\$40,800.00	\$3,400.00		\$408.00
	2	\$42,024.00	\$3,502.00	3.0%	\$420.24
	3	\$43,285.00	\$3,607.08	3.0%	\$432.85
	4	\$44,582.00	\$3,715.17	3.0%	\$445.82
	5	\$45,920.00	\$3,826.67	3.0%	\$459.20
	6	\$47,298.00	\$3,941.50	3.0%	\$472.98
	7	\$48,717.00	\$4,059.75	3.0%	\$487.17
	8	\$50,179.00	\$4,181.58	3.0%	\$501.79
	9	\$51,685.00	\$4,307.08	3.0%	\$516.85
	10	\$53,235.00	\$4,436.25	3.0%	\$532.35

COMMENTS

The subject newsstand license was publicly offered via a Request for Proposals ("RFP") relating to eleven NYCT subway stations in Brooklyn, Queens, and Manhattan.

In response to the RFP, MTA Real Estate received a total of seven proposals for this location, all of which were complete and responsive. One of the proposers, Nisat Baby, was allowed to withdraw his proposal.

All of the proposers were offered an opportunity to modify their proposals, in light of MTA Real Estate having obtained NYCT's authorization to permit the sale of Lotto tickets at the subject location. Both before and after such modifications, AMH was the high bidder apart from Mr. Baby. The present value of the licensee fees proposed by AMH (calculated using a 9% discount rate) is \$293,973.29. The present values of the license fees proposed by the remaining proposers

Staff Summary

FINANCE COMMITTEE MEETING License Agreement (Cont'd.)



Metropolitan Transportation Authority

Page 2 of 2

were as follows: \$231,546.13 proposed by Mohammad Siddique; \$223,320.16 proposed by SF News, Inc.; \$151,311.07 proposed by Tanveer Akhtar; \$155,974.96 proposed by Shafiqur Rahman; and \$151,310.32 proposed by Mofazzar Hossain.

AMH's obligations will be personally guaranteed by Mr. Hamid.

Mr. Hamid currently operates two newsstands at the 7th Ave – 53rd Street subway station in Manhattan and is the future operator of the newsstand at the Utica Avenue – Eastern Parkway subway station in Brooklyn. Abdul Hamid is considered to be a licensee in good standing by MTA Real Estate.

Based on the foregoing, Real Estate requests authorization to enter into a license agreement with AMH on the above-described terms and conditions.

Staff Summary



Metropolitan Transportation Authority

Page 1 of 2

Subject LICENSE AGREEMENT
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature
Project Manager Name MICHAEL T. THADATHIL

Date NOVEMBER 14, 2011
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	11/14/11	X		
2	Board	11/16/11	X		

Internal Approvals			
Order	Approval	Order	Approval
		1	Legal
3	Chief of Staff		
2	Chief Financial Officer		

AGENCY: MTA New York City Transit ("NYCT")

LICENSOR: Cord Meyer Development LLC ("Cord Meyer")

LOCATION: Bay Terrace Shopping Center, Bayside, Queens, NY; Block 5900, Lot 2

ACTIVITY: Operation of Q28 bus route through the Bay Terrace Shopping Center

ACTION REQUESTED: Approval of terms

TERM: Initially ten years, commencing on date of the signing of the license, subject to automatic one year extensions following the initial term

TERMINATION RIGHT: Upon 60 days prior written notice

SPACE: Internal roadway (owned by Cord Meyer) within the Bay Terrace Shopping Center

IMPROVEMENTS: NYCT will install a new bus pad at the southeast corner of 213th Place (south of 23rd Avenue)

COMPENSATION: One dollar, payment waived

COMMENTS:

Since 1983, NYCT has been operating the Q28 bus route through a portion of the Bay Terrace Shopping Center without a formal written agreement with the shopping center's owner (Cord Meyer). Several attempts over the years to finalize a written agreement (after receiving Board approval therefor in March of 2006) failed because Cord Meyer was unwilling to accept certain provisions of the MTA's standard agreement.

Over the past couple of years, Cord Meyer has complained repeatedly that NYCT's buses are damaging the asphalt at the designated bus stop on 213th Place (a private road), creating unsafe conditions for commuters and for private vehicles. Cord Meyer has made repairs to the asphalt in the past at its own expense but refuses to do so in future for roadway damage caused by NYCT buses. The installation of a bus pad at the bus stop would prevent damage to the roadway but New York City Department of Transportation refuses to install bus pads on private property. Hence, NYCT has agreed to install and maintain the bus pad at its own cost because: (1) the bus route through the shopping center provides shoppers and local residents a convenient means of transportation to and from this location, and (2) the shopping center roadway serves as a convenient bus turn around location for the Q28's return trip to downtown Flushing.

MTA Real Estate recently received a request from NYCT Government & Community Relations and Operations Planning to formalize an agreement with Cord Meyer for the installation of the bus pad and the operation of the Q28 bus route through the shopping center. Under the license agreement, NYCT agrees to install and maintain the bus pad, at its own

Staff Summary

FINANCE COMMITTEE MEETING

Bay Terrace Shopping Center (Cont'd.)



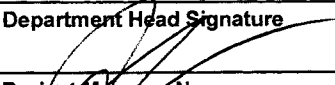
Metropolitan Transportation Authority

Page 2 of 2

expense, to prevent future damage to the roadway. The agreement also formalizes the terms and conditions under which NYCT buses traverse the shopping center's internal roadways.

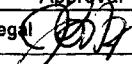
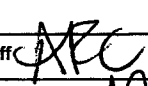

Based on the foregoing, Real Estate requests authorization to enter into a license agreement on the above-described terms and conditions.

Staff Summary

Subject LEASE AGREEMENT
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name JOHN COYNE

Date NOVEMBER 14, 2011
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	11/14/11	X		
2	Board	11/16/11	X		

Internal Approvals			
Order	Approval	Order	Approval
		1	Legal 
3	Chief of Staff 		
2	Chief Financial Officer 		

AGENCY LESSOR: MTA Long Island Rail Road ("LIRR")

TENANT: A special purpose entity to be formed by Lynbrook Property Management ("Tenant")

LOCATION: 45 and 48 Atlantic Avenue, Lynbrook, New York (the "Subject Property")

ACTIVITY: Renovation and subleasing of retail stores

ACTION REQUESTED: Approval of terms

AREA: Approximately 17,348 square feet

COMPENSATION: Initial Lease Period

Years 1 – 5: One-time payment of \$6,000 upon lease execution

Years 6 – 10: 4% of the annual gross rent payable to Tenant by subtenants in occupancy

Years 11 – 15: 6% of annual gross rent payable to Tenant by subtenants in occupancy

Years 16 – 20: 8% of annual gross rent payable to Tenant by subtenants in occupancy

First Option Period:

Years 20 – 25: 10% of annual gross rent payable to Tenant by subtenants in occupancy

Second Option Period:

Years 26 – 30: 40% of annual gross rent payable to Tenant by subtenants in occupancy

COMMENTS

The Subject Property consists of two large retail stores located across the street from one another on Atlantic Avenue directly underneath the LIRR Babylon and Long Beach line viaducts. In 2009, following a request for proposals, MTA Real Estate entered into license agreements for the Subject Property with entities controlled by Janak Shah. Subsequently, however, Mr. Shah uncovered an asbestos condition in the Subject Property of which the MTA, LIRR and he had been unaware, the licensees defaulted and the MTA terminated the license agreements; and in the meanwhile the physical condition of the Subject Property has deteriorated. Substantial work is required to bring the Subject Property up to leasable condition. In addition to the abatement work, roof repairs, new facades and an entirely new HVAC system are required.

In March of this year, MTA Real Estate issued a new request for proposals with respect to the Subject Property, the only response to which was submitted by Lynbrook Property Management ("Lynbrook"). MTA Real Estate has determined that Lynbrook's principals, James Hatgipetrus, Nicholas Hatgipetrus, Rob Schwartzah and Domenick Logozzo, have sufficient capital and experience to fund and complete the improvements necessary to put the Subject Property in leasable

Staff Summary

FINANCE COMMITTEE MEETING Lynbrook (Cont'd.)

condition and thereafter effectively manage the Subject Property. They will be required to personally guarantee completion of the required remediation and roof and façade improvements, as well as whatever other improvements they commence at the Subject Property.

Under the proposed lease, the Tenant will be responsible for identifying and executing leases with subtenants and for all property management functions, including maintaining the Subject Property in a state of good repair.

The principal benefit to the MTA of the proposed transaction, at least in the near term, will be cost avoidance. LIRR has estimated that it would cost LIRR close to \$2,000,000 for LIRR to itself remediate the Subject Property and demolish the existing buildings, or over \$3,000,000 for it to remediate the Subject Property and improve the existing buildings to the point where they could be leased directly to end users. MTA Real Estate commissioned an appraisal that values the land and buildings, as if they were already improved, at \$19 per rentable square foot, subject to an annual inflator of between 2.5% and 3%. Discounting such projected revenue and estimated renovation cost using MTA Real Estate's standard discount rate of 9% would yield a net present value of less than zero.

The compensation to be received by the MTA under the proposed lease will depend upon the rent the Tenant collects from its subtenants. However, based on the aforementioned appraisal, MTA Real Estate estimates the present value of such compensation to be approximately \$275,000. Based on an independent estimate of the cost to Lynbrook of renovating the Subject Property, such appraiser has opined that such compensation equals or exceeds the fair market rental value of the Subject Property in its current condition.

Based on the foregoing, MTA Real Estate requests authorization to enter into a lease with an entity to be formed by Lynbrook on the above-described terms and conditions.



New York City Transit

PROCUREMENTS

The Procurement Agenda this month includes 2 actions for a proposed expenditure of \$5.9M.

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

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

NYC Transit proposes to award Ratifications in the following categories:

Schedules Requiring Majority Vote:

Schedule K: Ratification of Completed Procurement Actions	1	\$.9 M
	SUBTOTAL	1	\$.9 M

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

TOTAL	2	\$	5.9 M
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COMPETITIVE BIDDING REQUIREMENTS: The procurement actions in Schedules A, B C and D are subject to the competitive bidding requirements of PAL 1209 or 1265-a relating to contracts for the purchase of goods or public work. Procurement actions in the remaining Schedules are not subject to these requirements.

BUDGET IMPACT: The purchases/contracts will result in obligating NYC Transit 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 Section 1265-a and 1209 of the Public Authorities Law and the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive purchase and public work contracts, and the solicitation and award of request for proposals in regard to purchase and public work contracts; and

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

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

NOW, the Board resolves as follows:

1. As to each purchase and public work contract set forth in 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.
7. The Board authorizes the budget adjustments to estimated contracts set forth in Schedule L.

NOVEMBER 2011

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

A. Non-Competitive Purchases and Public Work Contracts

(Staff Summaries required for all items greater than: \$100K Sole Source; \$250K Other Non-Competitive.) Note – in the following solicitations, NYC Transit attempted to secure a price reduction. No other substantive negotiations were held except as indicated for individual solicitations.

- | | | | |
|--|--------------------|-------------------------------|-----|
| 1. Knorr Brake Corporation | \$5,000,000 (Est.) | <u>Staff Summary Attached</u> | 6.7 |
| Sole Source - Three -year omnibus | | | |
| Purchase of air brake parts for inventory and non-inventory subway car replenishments. | | | |

NOVEMBER 2011

LIST OF RATIFICATIONS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

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

(Staff Summaries required for items requiring Board approval.)

- | | | | | |
|----|-----------------------------|-----------|-------------------------------|-----|
| 2. | F&S Contracting, LLC. | \$938,543 | <u>Staff Summary Attached</u> | 6.8 |
| | Contract #A-35994/A-36086.4 | | | |

Modification to the contract for the rehabilitation of the Smith-9th Street Station and 4th Avenue Station platform rehabilitation, in order to replace lighting and public address/customer information screen systems on the northbound platform at the 4th Avenue Station.

Schedule A: Non-Competitive Purchases and Public Work Contracts



Item Number: 1

Vendor Name (& Location) Knorr Brake Corporation (Westminster, MD)
Description Purchase of inventory and non-inventory air brake parts for subway cars.
Contract Term (including Options, if any) December 2, 2011 – December 1, 2014
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Omnibus Sole Source Approval

Contract Number NONE	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total Amount:	\$5,000,000 (Est.)
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Division of Materiel, Stephen M. Plochochi	

Discussion:

This omnibus approval will cover items identified as obtainable only from Knorr Brake Corporation (Knorr) and will eliminate the need to advertise and prepare individual procurement staff summaries for each procurement over the \$15,000 small purchase threshold. NYC Transit is not obligated to generate any purchase orders pursuant to an omnibus approval. Any purchases made under this approval will be made pursuant to paragraph 9 (b) of PAL 1209, which allows purchases of items that are available from only a single responsible source to be conducted without competitive bidding. Approximately 2,077 items will be covered by this approval, and include sole source parts that will be used by the Division of Car Equipment (DCE) for normal maintenance and Scheduled Maintenance System (SMS) requirements for subway car air brake systems on the R46, R62A, R68 and R68A fleets, as well as certain brake valves on the R142 fleet.

This approval will apply to inventory and non-inventory items identified as obtainable only from Knorr for the following reasons: sole pre-qualified item on the QPL, and not available from any distributor or other sources; publicly advertised within a twelve month period without an acceptable alternate supplier; or proprietary to Knorr. These items are advertised a minimum of once every twelve months to seek competition. These sole source parts will be purchased on an as-required basis during the three year period.

The current omnibus approval, approved by the Board in January 2010 and expiring March 1, 2013, was for \$4,000,000. There is a remaining balance of \$456,085 on the current omnibus approval which is projected to be insufficient to meet the anticipated SMS and regular running repair requirements through the scheduled March 1, 2013 expiration date. The reason for utilizing the funds earlier than the expiration date is primarily due to 170 R62A cars originally scheduled for SMS in 2013 being moved up to the 2012 SMS program and forecast revisions resulting from changes in DCE's work scopes. Based on forecasts and projections for the upcoming SMS program, it is anticipated that DCE will require approximately \$5,000,000 of sole source items from Knorr during the term of this omnibus approval request.

Procurement has performed a price analysis on 16 sole source items purchased during the term of the current omnibus approval which exceeded the \$15,000 threshold. The prices for these 16 items show an overall weighted average annual price decrease of 6.1%. However, the pricing for one of these items was influenced by a significant quantity increase and if this item is excluded from the calculation, the prices for the remaining 15 items show an overall weighted average annual price increase of 1.6%. This increase compares favorably with the corresponding Producer Price Index over the same time period. Each item purchased under the omnibus approval will be subject to a price analysis, and determination that the negotiated price is found to be fair and reasonable.

Schedule K: Ratification of Completed Procurement Actions



Item Number: 2

Vendor Name (& Location)	
F&S Contracting, LLC (College Point, NY)	
Rehabilitation of the Smith-9th Street Station and 4th Avenue Station platform rehabilitation	
Contract Term (including Options, if any)	
September 30, 2010 – July 30, 2012	
Option(s) included in Total Amount?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a
Procurement Type	<input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive
Solicitation Type	<input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification
Funding Source	
<input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name:	
Capital Program Management, Frederick E. Smith	

Contract Number	AWO/Modification #:
A-35994/A-36086	4
Original Amount:	\$ 26,791,000
Prior Modifications:	\$ 473,466
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 27,264,466
This Request:	\$ 938,543
% of This Request to Current Amount:	3.4%
% of Modifications (including This Request) to Original Amount:	5.3%

Discussion:

This retroactive modification is for platform lighting and public address/customer information screen (PA/CIS) systems on the northbound (N/B) platform of the 4th Avenue Station.

The contract is for complete rehabilitation of the Smith-9th Street Station and platform rehabilitation of the 4th Avenue Station, both on the Culver Line.

The contract includes the replacement of lighting and PA/CIS screens in the Smith-9th Street Station, as part of the complete station rehabilitation.

The contract work at the 4th Avenue Station was limited to the rehabilitation of civil and structural components at the elevated platform level due to budgetary constraints. The component rehabilitation includes: replacement of canopies, concrete platform topping, platform edges, brick work, roof replacement, and restoration of the arch overpass on 4th Avenue.

After contract award, the Brooklyn Borough President and a NY State Assembly member provided \$2,800,000 in funding for additional improvements to the 4th Avenue Station, some unspecified and some to include repair and restoration of the exterior tower façade, replacement of lighting beneath the viaduct over 4th Avenue and the sidewalks, and restoration of entrance globes, doors, and concession storefronts. These various improvements, including new platform lighting and PA/CIS functionality funded in part by this modification, will be provided by this and a series of future modifications.

To minimize customer inconvenience and perform the work cost effectively, platform lighting and PA/CIS installation must be performed on the N/B and southbound (S/B) platforms in coordination with N/B and S/B diversions of service scheduled for another contract on the Culver Line. The current modification, for platform lighting and PA/CIS on the N/B side, commenced in March 2011 while that platform was closed to the public during a diversion of service from March to May 2011. NYC Transit intends to negotiate the second modification, for lighting and PA/CIS for the S/B side, in November 2011 to allow work to commence in late November to coincide with the closure of that platform to the public during a diversion of service from November to March 2012. The remaining modifications for improvements funded by the Borough President and Assembly member need not be performed during diversions of service and will be submitted to the Board in the future.

The work for which this modification is sought includes furnishing and installing new lighting and PA/CIS equipment, conduit, wiring and a new PA/CIS cabinet in the stations communications room, including a concrete pad for the cabinet. The contractor's initial proposal was \$971,623; NYC Transit's revised estimate was \$945,000. Following negotiations, the lump sum price of \$938,543 was agreed upon and found to be fair and reasonable. Savings of \$33,080 were achieved.

On March 2, 2011, the SVP, CPM approved a retroactive waiver and the contractor was directed to proceed immediately.

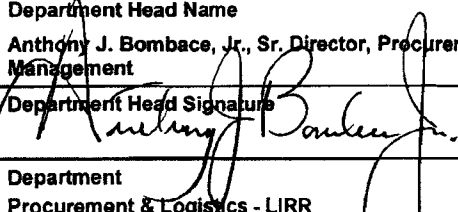


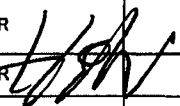
**METRO-NORTH/LONG ISLAND
COMMITTEES**

PROCUREMENTS

FOR

BOARD ACTION

November 16, 2011

Subject Request for Authorization to Award Various Procurements						Date November 7, 2011			
Department Procurement & Material Management - MNR						Department Law and Procurement - MTACC			
Department Head Name Anthony J. Bombace, Jr., Sr. Director, Procurement & Material Management						Department Head Name Evan M. Eisland, Sr. Vice President & General Counsel			
Department Head Signature 						Department Head Signature 			
Department Procurement & Logistics - LIRR									
Department Head Name Dennis L. Mahon, Chief Procurement & Logistics Officer									
Department Head Signature 									
Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
1	MNR/LIRR Committee	11-24-11	X			X	President, MNR 		
2	MTA Board	11-26-11	X			X	President, LIRR 		
						X	President, MTACC		

PURPOSE:

To obtain approval of the Board to award various contracts and purchase orders, and to inform the Metro-North/Long Island Committee of these procurement actions.

DISCUSSION:

MNR proposes to award Non-Competitive procurements in the following categories:

<u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u>	<u># of Actions</u>	<u>\$ Amount</u>
Schedule A: Non-Competitive Purchases and Public Work Contracts	1	\$240,820
Schedule G: Miscellaneous Service Contracts	1	\$395,000
SUBTOTAL:	2	\$635,820

LIRR proposes to award Non-Competitive procurements in the following categories: NONE

MTACC proposes to award Non-Competitive procurements in the following categories: NONE

MNR proposes to award Competitive procurements in the following categories:

	<u># of Actions</u>	<u>\$ Amount</u>
<u>Schedules Requiring Majority Vote</u>		
Schedule H: Modifications to Personal/Miscellaneous Service Contracts	1	\$30,440,320
SUBTOTAL:	1	\$30,440,320

LIRR proposes to award Competitive Procurements in the following categories:

	<u># of Actions</u>	<u>\$ Amount</u>
<u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u>		
Schedule C: Competitive Request for Proposals (Award of Purchase and Public Work Contracts)	1	\$7,250,000

Schedules Requiring Majority Vote

Schedule F: Personal Service Contracts	1	\$1,089,456
Schedule G: Miscellaneous Service Contracts	1	\$39,944,122
SUBTOTAL:	3	\$48,283,578

MTACC proposes to award Competitive Procurements in the following categories: NONE

MNR proposes to award Ratifications in the following categories:

	<u># of Actions</u>	<u>\$ Amount</u>
Schedule K: Ratification of Completed Procurement Actions	2	\$13,017,453
SUBTOTAL:	2	\$13,017,453

LIRR proposes to award Ratifications in the following categories: NONE

MTACC proposes to award Ratifications in the following categories: NONE

TOTAL: 8 \$92,377,171

The contractors noted above and on the following Staff Summary Sheets have been found in all respects responsive and responsible, and are in compliance with State laws and regulations concerning procurements.

BUDGET IMPACT:

The purchases/contracts will result in obligating Long Island Rail Road, Metro-North Railroad and MTA Capital Construction operating and capital funds in the amount 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.)

METROPOLITAN TRANSPORTATION AUTHORITY

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

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

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

NOW, the Board resolves as follows:

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

2. As to each request for proposals (for purchase and public work contracts) set forth in Schedule B for which it is deemed in the public interest to obtain authorization to solicit competitive proposals through a publicly advertised RFP for the reasons specified therein the Board declares it to be impractical or inappropriate to utilize a procurement process inviting sealed bids with award to the lowest responsive/responsible bidder.

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

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

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

NOVEMBER 2011

METRO-NORTH RAILROAD

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedules Requiring Two-Thirds Vote:

A. Non-Competitive Purchases and Public Work Contracts

(Staff Summaries required for all items greater than: \$100K; \$250K Other Non-Competitive)

1. Powell Electrical Manufacturing Company \$240,820 (not-to-exceed) Staff Summary Attached
Purchase of Switchgear Equipment

Non-competitive, negotiated, one-time purchase of equipment from Powell Electrical Manufacturing Company (Powell) to be installed by MNR Power Department. The procurement of two 27 KV Switchgear assemblies is required to support the construction staging for the upgrades to the Cos Cob West Supply Substation. The Cos Cob West Supply Substation is a project being managed by MNR on behalf of CDOT. One element of the project involves a retrofit to a piece of electrical switchgear built by Powell Electric in 1998 under a prior CDOT- funded Capital Project. The addition of two circuit breakers and the modification of breaker cells and wiring are required for the retrofit of the switchgear. The circuit breakers are unique to Powell Electric as only their circuit breakers can be used in the switchgear.

The total not-to-exceed cost of the purchase of the switchgear equipment is \$240,820 and it is in line with the designer's estimate. A public notice was placed by MNR Procurement in accordance with PAL 1265-a (3) and in conjunction with MTA All-Agency Procurement Guidelines for the purchase of sole source items or services. This procurement is to be funded 100% by CDOT.

Schedules Requiring Majority Vote:

G. Miscellaneous Service Contracts

(Staff Summaries required for all items greater than: \$100K Sole Source; \$250K Other Non-Competitive; \$1M RFP; No Staff Summary required if Sealed Bid Procurement.)

2. Com-Net Software Specialists \$395,000 (not-to-exceed) Staff Summary Attached
GCT's Visual Information System (VIS) Upgrade and Maintenance Services

Non-competitive, negotiated, 51-month (3-month upgrade implementation + 48-month maintenance), miscellaneous service agreement for new software, hardware, and professional services necessary to upgrade Metro-North's Visual Information System (VIS) located in Grand Central Terminal. Com-Net is the original software developer for GCT's "Big Board" VIS and is the only qualified firm to perform upgrades to its proprietary software system. Com-Net's software was employed when the original hardware was developed for the GCT VIS.

MNR's current VIS software has been in service for over ten (10) years and has become vulnerable to failures. Com-Net's new EclipsX software represents a significant upgrade to the current software as it will provide enhanced advertising capability on newer signage and will permit interface to mechanisms for additional messaging opportunities of MTA-based information. The system upgrade is intended to accommodate MNR's Customer Communication requirements while a plan is developed and implemented to replace the GCT Communication System. The total cost of the system upgrade is

not-to-exceed \$109,530 which includes software & hardware purchase, engineering services, installation and testing.

The service agreement also provides for on-going computer hardware & software maintenance support for up to a 4-year period subsequent to MNR's acceptance of the upgraded system. Under the negotiated maintenance agreement, MNR will receive 24/7 remote and onsite support, software updates and patches and hardware replacement parts for the "Big Board", Gate Boards, Employee Kiosks, Arrival and Departure Monitors at a cost not-to-exceed \$285,000. The contract includes both performance penalties and incentives.

Negotiations of the agreement resulted in a 3.5% reduction from the original proposed upgrade cost submitted by Com-Net and an 18% decrease in maintenance cost when compared to the prior contract price for maintenance established in 2004. Pricing is deemed to be fair and reasonable. A public notice was placed by MNR Procurement in accordance with PAL 1265-a (3) and in conjunction with MTA All-Agency Procurement Guidelines for the purchase of sole source items or services. The total not-to-exceed cost of all work is \$395,000 as follows: system upgrade is not-to-exceed \$109,530 and on-going 4-year maintenance/support is not-to-exceed \$285,000. This procurement is to be funded by MNR's Operating Budget.

Schedule A: Non-Competitive Purchases and Public Work Contracts



Item Number: A

Vendor Name (& Location) Powell Electrical Manufacturing Company
Description 27 KV Switchgear - Cos Cob West Supply Substation Upgrade
Contract Term (including Options, if any) 9 Months
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole Source

Contract Number TBD	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Total Amount:	\$240,820 (not-to-exceed)
Funding Source <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input checked="" type="checkbox"/> Other: CDOT Capital Action Form	
Requesting Dept/Div & Dept/Div Head Name: Procurement & Material Management, Anthony J. Bombace, Jr.	
Contract Manager: Rita Desai	

Discussion:

Non-competitive, negotiated, one-time purchase of equipment from Powell Electrical Manufacturing Company (Powell) to be installed by MNR Power Department. The procurement of two 27 KV Switchgear assemblies is required to support the construction staging for the upgrades to the Cos Cob West Supply Substation. The Cos Cob West Supply Substation is a project being managed by MNR on behalf of CDOT. One element of the project involves a retrofit to a piece of electrical switchgear built by Powell Electric in 1998 under a prior CDOT- funded Capital Project. The addition of two circuit breakers and the modification of breaker cells and wiring are required for the retrofit of the switchgear. The circuit breakers are unique to Powell Electric as only their circuit breakers can be used in the switchgear.

The total not-to-exceed cost of the purchase of the switchgear equipment is \$240,820 and it is in line with the designer's estimate. A public notice was placed by MNR Procurement in accordance with PAL 1265-a (3) and in conjunction with MTA All-Agency Procurement Guidelines for the purchase of sole source items or services. This procurement is to be funded 100% by CDOT.

Schedule G: Miscellaneous Service Contracts



Item Number: G

Vendor Name (& Location) Com-Net Software Specialist
Description Visual Information System Upgrade & Maintenance
Contract Term (including Options, if any) Four Years and Three Months
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole Source/Negotiated

Contract Number 1000009576	AWO/Modification #
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Total Amount:	\$ 395,000 (not-to-exceed)
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Procurement & Maintenance Management, Anthony J. Bombace, Jr.	

Discussion:

Non-competitive, negotiated, 51-month (3-month upgrade implementation + 48-month maintenance), miscellaneous service agreement for new software, hardware, and professional services necessary to upgrade Metro-North's Visual Information System (VIS) located in Grand Central Terminal. Com-Net is the original software developer for GCT's "Big Board" VIS and is the only qualified firm to perform upgrades to its proprietary software system. Com-Net's software was employed when the original hardware was developed for the GCT VIS.

MNR's current VIS software has been in service for over ten (10) years and has become vulnerable to failures. Com-Net's new EclipsX software represents a significant upgrade to the current software as it will provide enhanced advertising capability on newer signage and will permit interface to mechanisms for additional messaging opportunities of MTA-based information. The system upgrade is intended to accommodate MNR's Customer Communication requirements while a plan is developed and implemented to replace the GCT Communication System. The total cost of the system upgrade is not-to-exceed \$109,530 which includes software & hardware purchase, engineering services, installation and testing.

The service agreement also provides for on-going computer hardware & software maintenance support for up to a 4-year period subsequent to MNR's acceptance of the upgraded system. Under the negotiated maintenance agreement, MNR will receive 24/7 remote and onsite support, software updates and patches and hardware replacement parts for the "Big Board", Gate Boards, Employee Kiosks, Arrival and Departure Monitors at a cost not-to-exceed \$285,000. The contract includes both performance penalties and incentives.

Negotiations of the agreement resulted in a 3.5% reduction from the original proposed upgrade cost submitted by Com-Net and an 18% decrease in maintenance cost when compared to the prior contract price for maintenance established in 2004. Pricing is deemed to be fair and reasonable. A public notice was placed by MNR Procurement in accordance with PAL 1265-a (3) and in conjunction with MTA All-Agency Procurement Guidelines for the purchase of sole source items or services. The total not-to-exceed cost of all work is \$395,000 as follows: system upgrade is not-to-exceed \$109,530 and on-going 4-year maintenance/support is not-to-exceed \$285,000. This procurement is to be funded by MNR's Operating Budget.

NOVEMBER 2011

METRO-NORTH RAILROAD

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedules Requiring Majority Vote:

H. Modifications to Personal/Miscellaneous Service Contracts

(Approvals/Staff Summaries required for substantial change orders and change orders that cause the original contract to equal or exceed monetary or durational threshold required for Board approval)

1. **Scheidt & Bachmann, GmbH** **\$30,440,320 (not-to-exceed)** **Staff Summary Attached**
Ticket Selling Machine – Life Cycle Maintenance for MNR & LIRR

In 1998, the MTA Board approved a competitively solicited and negotiated award for the manufacture and delivery of ticket selling equipment and systems (ie.-Ticket Vending Machines (TVMs), Ticket Office Machines (TOMs), and Central Support System (CSS)) for MNR and LIRR. The contract included both warranty and initial 4 yrs. of maintenance. In December 2005, the MTA Board approved a joint MNR/LIRR 6-year life cycle maintenance (LCM) contract to the firm Scheidt & Bachmann GmbH (S & B) which incorporated the proactive replacement of components, parts and systems that has kept the Railroads' integrated Ticket Selling System operating at a high level of reliability.

At this time, MNR, on behalf of the two Railroads, requests MTA Board approval to execute a contract extension with S&B (4-year base with 3 option years). The new Lifecycle maintenance contract will cover 678 machines located throughout the operating territories of both Railroads. The machines currently account for more than 92% of all tickets sold on a monthly basis and operate at a high level of reliability. Given the critical importance of the machines, this level of reliability must be maintained.

S&B, the Original Equipment Manufacturer (OEM) and the original designer/integrator of the equipment and software systems, has unique equipment expertise, knowledge and qualifications to maintain the Ticket Selling System in optimal working condition. The extended, negotiated 4-year (with 3-year option) period of the LCM contract is designed to extend the useful life of the equipment while preserving high machine reliability and continues a proactive approach to maintenance versus numerous reactionary retrofits and overhauls as aged components expire. Efficiencies negotiated into the renewal LCM contract are expected to result in an approximate 20% reduction in overall maintenance cost to the Railroads. The efficiencies include reduction of spare parts inventory, reduction in hardware maintenance on low volume devices and a cap on monthly remedial maintenance calls based on a combined RR limit on calls. Additionally, there are other negotiated efficiencies which include formalized improvements to the service levels and error resolution processes, optimized schedules for preventative maintenance of machines and bill note systems based on use volumes. Also, the contract includes both performance penalties and incentives. Pricing for the new LCM is deemed to be fair and reasonable for the services to be provided by S & B.

The total negotiated not-to-exceed cost for the LCM and maintenance/technical support programs for up to the 7-year period (4 year base plus options for 2 years and 1 year respectively) is \$30,440,320 (\$14,123,395 MNR & \$16,316,925 LIRR). Rates for system modifications/technical support have been negotiated and would apply and be used as a basis to engage S&B to develop system modifications to support technological enhancements required to meet yet-to-be-defined MTA initiatives. A public notice was placed by MNR Procurement in accordance with PAL 1265-a (3) and in conjunction with MTA All-Agency Procurement Guidelines for the purchase of sole source items or services. The contract is to be funded by the Railroads' Operating Budget. Note: a portion of the MNR costs (26.51% or \$3,744,112) will be offset by CDOT funding.

Schedule H: Modifications to Personal Service and Miscellaneous Service Contracts

Item Number: H

Vendor Name (& Location) Scheidt & Bachmann GmbH (S&B)	
Description Life Cycle Maintenance for MNR & LIRR's Ticket Selling System	
Contract Term (include Options, if any) Four year base with 3 yr. extension options	
Option(s) included in Total Amount? x Yes <input type="checkbox"/> No	
Procurement Type	Competitive <input checked="" type="checkbox"/> Non-competitive- contract extension
Solicitation Type	RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other:
Funding Source x Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input checked="" type="checkbox"/> Other: CDOT	
Requesting Dept/Div & Dept/Div Head Name Procurement & Material Management Anthony J. Bombace, Jr.	

Contract Number # 9284	AWO/Modification #
Original Amount: (orig. purchase & 1-yr. warranty + 4 yrs. of maint.)	
\$ 21,845,976	
Prior Modifications: (add'l equip. + 6 yrs. LCM)	
\$ 60,606,411	
Prior Budgetary Increases:	
-	
Current Amount:	
\$ 82,452,387	
This Request (up to a 7 yr period LCM--4 yr. base + 3 yr. extension options)	
not-to-exceed \$30,440,320 (\$14,123,395 MNR & \$16,316,925 LIRR)	
% of This Request to Current Amount:	
36.9%	
% of Modifications (including This Request) to Original Amount:	
416.7%	

I. Purpose: To obtain MTA Board approval to extend a miscellaneous service contract with the firm Scheidt & Bachmann GmbH (S&B) who under a negotiated Board-approved contract, has provided a comprehensive long-term Life Cycle Maintenance Program (LCM) for the MNR & LIRR Ticket Selling Machines and Systems since January 2006.

II. Background: In 1998, the MTA Board approved a competitively solicited and negotiated award for the manufacture and delivery of ticket selling equipment and systems (ie.-Ticket Vending Machines (TVMs), Ticket Office Machines (TOMs), and Central Support System (CSS)) for MNR and LIRR. The contract included both warranty and initial 4 yrs. of maintenance. In December 2005, the MTA Board approved a joint MNR/LIRR 6-year life cycle maintenance (LCM) contract to the firm Scheidt & Bachmann GmbH (S&B) which incorporated the proactive replacement of components, parts and systems that has kept the Railroads' integrated Ticket Selling System operating at a high level of reliability.

At this time, MNR, on behalf of the two Railroads, requests MTA Board approval to execute a contract extension with S&B (4-year base with 3 option years). The new LCM contract will cover 678 machines located throughout the operating territories of both Railroads. The machines currently account for more than 92% of all tickets sold on a monthly basis and operate at a high level of reliability. Given the critical importance of the machines and related system, this high level of reliability must be maintained. A public notice was placed by MNR Procurement in accordance with PAL 1265-a (3) and in conjunction with MTA All-Agency Procurement Guidelines for the purchase of sole source items or services.

Schedule H: Modifications to Personal Service and Miscellaneous Service Contracts

III. Discussion and Procurement: The LCM program awarded to Scheidt & Bachmann in 2006 has preserved high equipment availability and reliability and has extended the useful life of the equipment. The LCM contract includes scheduled preventive maintenance, remedial maintenance/service calls, parts repair/replacement, Ticket Selling Machines (TSM) and CSS software support as well as the scheduled replacement of aging components and sub-systems prior to obsolescence.

At this time, the Railroads seek to award an extension of the in-place agreement for a period of four (4) years reserving a three year extension option, exercisable in two options of two and one year respectively. As the Original Equipment Manufacturer (OEM) and designer & integrator of the equipment and software systems, S&B has equipment expertise and knowledge and is uniquely qualified to maintain the TSM network in optimal working condition. The negotiated extension period of the new LCM contract is designed to extend the useful life of the equipment and continue the proactive approach to maintenance versus a reactionary approach of addressing outages as they occur and implementing retrofits and overhauls as components age/expire.

Efficiencies negotiated into the extension LCM contract are expected to result in an approximate 20% reduction in overall maintenance cost to the Railroads. The efficiencies include reduction of spare parts inventory by S&B and the Railroads, reduction in hardware maintenance on low volume devices and a cap on monthly remedial maintenance calls based on a combined Railroad limit on calls. Additionally, there are other negotiated efficiencies including formalized improvements to the service levels and error resolution processes, optimized schedules for preventative maintenance of machines and bill note systems based on use volumes. The contract also includes both performance penalties and incentives. Pricing for the new LCM contract extension is deemed to be fair and reasonable for the services to be provided by S&B.

In addition to the above, S&B will be responsible for the provision of hardware & software out-of-scope supplies and work that may include equipment consumables, additional customized revenue or ticket stock handling devices, extraordinary repair of equipment due to vandalism and equipment relocations due to station work. All unit price rates for potential out-of-scope services (i.e. technical or mechanical enhancements) have been negotiated and incorporated as part of the contract. These negotiated rates would apply should S&B be required to implement out-of-scope software modifications to comply with unforeseeable MTA initiatives or State, Federal or Regulatory mandates such as payment card industry system or security requirements, or financial reporting requirements.

IV. Alternatives: The Railroads considered the use of other firms. At this time, there is a limited market of vendors for large integrated fare collection systems and there are no other firms that can provide the full range of services included in the LCM Program, especially with respect to the provision and upgrading of S&B OEM components. Additionally, no other firm has expertise with the software system, which was designed and integrated by S & B and which will be maintained and upgraded by S & B for the duration of this LCM contract extension. The Railroads also considered performing the maintenance work in-house, but deemed it to be more costly than the LCM Program, namely because the Railroads would have to completely replace components which the vendor in many cases can rebuild at a lower cost. In addition, the Railroads would still have to maintain a contract with S&B for software maintenance and the repair of OEM parts. This would likely be more costly when selected alone and not as part of the above referenced LCM contract.

V. Budget Impact: The total negotiated not-to-exceed cost for the LCM and maintenance/technical support programs for up to the 7-year period (4 year base plus options for 2 years and 1 year, respectively) is \$30,440,320 allocated \$14,123,395 to MNR & \$16,316,925 to LIRR. The base 4 years totals \$17,594,307 and the 3 option years total \$12,846,013. The contract is to be funded by the Railroads' Operating Budget. Note: a portion of the MNR costs (26.51% or \$3,744,112) will be offset by CDOT funding.

VI. Recommendation: That the MTA Board approve the extension of Metro-North's miscellaneous service contract to the firm, Scheidt & Bachmann, GmbH for a multi-year LCM program (total period = 2012-2018) for MNR & LIRR at a total not-to-exceed cost of \$30,440,320 (\$14,123,395 MNR & \$16,316,925 LIRR).

NOVEMBER 2011MTA LONG ISLAND RAIL ROADLIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVALProcurements Requiring Two-Thirds Vote**Schedule C: Competitive Request for Proposals (Award of Purchase and Public Work Contracts)**
(Staff Summaries only required for items requiring Board approval)

- | | | | |
|----|--|-------------|-------------------------------|
| 1. | Americom Network Inc.
Competitive RFP
Contract No. TBD | \$7,250,000 | <u>Staff Summary Attached</u> |
|----|--|-------------|-------------------------------|
- LIRR, on behalf of itself and Metro-North Railroad (MNR) ("Railroads"), requests MTA Board approval to award a contract to Americom Network Inc. in an amount of \$7,250,000 to purchase a license for Radio Spectrum which is required by the Railroads to support their federally mandated Positive Train Control (PTC) Projects.

Procurements Requiring Majority Vote**Schedule F: Personal Service Contracts**

(Staff Summaries required for all items greater than: \$100K Sole Source; \$250K Other Non-Competitive; \$1M Competitive)

- | | | | |
|----|--|--|-------------------------------|
| 2. | York Analytical Laboratories, Inc.
Competitive RFP
Contract Nos. TBD | \$ 237,152 – LIRR
\$ 666,448 – MNR
\$ 79,555 – MTABC
\$ 30,512 – NYCT-SUBWAYS
\$ 75,789 – NYCT-BUSES
\$ 1,089,456 – Total Not-to-Exceed | <u>Staff Summary Attached</u> |
|----|--|--|-------------------------------|

LIRR, on behalf of itself, NYCT Subways, NYCT Buses, MTA Bus Company, and Metro-North Rail Road (the "Agencies") requests MTA Board approval to award five separate competitively-negotiated personal service contracts in the aggregate amount of \$1,089,456 to York Analytical Laboratories, Inc., for as-needed sampling, substance analysis and characterization-environmental compliance laboratory testing services throughout the operating regions for a period of three (3) years, with two (2) 1-year options. Funding will be provided through each Agency's Operating Budget.

Procurements Requiring Majority Vote**Schedule G: Miscellaneous Service Contracts**

(Staff Summaries required for all items greater than: \$100K Sole Source; \$250K Other Non-Competitive; \$1M RFP; No Staff Summary required if Sealed Bid Procurement)

- | | | | |
|----|--|---|-------------------------------|
| 3. | Summit Security Services, Inc.
Competitive RFP
Contract Nos. TBD | \$12,236,365 – LIRR
\$13,131,305 – MNR
\$14,044,148 – MTABC
\$ 532,304 – MTAHQ
\$39,944,122 – Total Not-to-Exceed | <u>Staff Summary Attached</u> |
|----|--|---|-------------------------------|



In accordance with MTA All-Agency Procurement Initiatives, the MTA Long Island Rail Road (LIRR) as the lead agency, also representing MTA Metro-North Railroad (MNR), MTA Bus Company (MTABC), and MTA Headquarters (MTAHQ) requests (i) approval to award four separate three-year contracts, commencing January 1, 2012, through December 31, 2014, with two, one-year options, to Summit Security Services, Inc. (Summit) for unarmed security guard and access control services, in the combined, not-to-exceed amount of \$39,944,122, and (ii) ratification of a seven month extension to each agency's previous security contracts, including Long Island Bus (LI Bus), from May 31, 2011 through December 31, 2011, as detailed herein.

LIRR, MNR, MTABC, MTAHQ (Grand Central Terminal Transit Museum and Store) and LI Bus each require the services of unarmed security guards at their facilities. B&T originally intended to lead a combined service solicitation on behalf of all agencies, but it was later decided to separate the armed vs. unarmed guard solicitations. LIRR assumed the lead on behalf of the five agencies requiring unarmed guard services. A Joint-Agency Request-For-Proposal (RFP) was advertised in the NY Post on February 24, 2011 and the New York State Contract Reporter on February 17, 2011. Due to different geographic regions and individual requirements, the RFP included separate Price Schedules for each agency. All agencies requested fixed annual billing rates for each of the five years of the contract, but invited alternate pricing proposals for review. Sixty-six firms requested copies of the RFP. Five addenda were issued addressing clarifications and seventy-seven questions from potential proposers. Twenty proposals were received on May 6, 2011, in accordance with the terms of the solicitation.

Schedule C: Competitive Requests for Proposals (Solicitation of Purchase and Public Work Contracts)

Staff Summary



Long Island Rail Road

Page 1 of 3

Item Number					
Dept & Dept Head Name: Procurement & Logistics, Dennis Mahon					
Department Head Signature & Date					
Division & Division Head Name: Chief engineer, Robert Pucloski					
Division Head Signature & Date					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	LI Committee	11.14.11			
2	MTA Board	11.16.11			
Internal Approvals					
Order	Approval	Order	Approval		
1	President	4	SVP of Administration		
2	Executive Vice President	5	VP, Chief Financial Officer		
3	SVP, Operations	6	VP, Gen'l Counsel & Sec'y		

SUMMARY INFORMATION	
Vendor Name Americom Network Inc.	Contract Number TBD
Description Procurement of Radio Frequencies in Support of Positive Train Control Project	
Total Amount \$7,250,000	
Contract Term (including Options, if any) N/A	
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"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

Narrative

I. PURPOSE/RECOMMENDATION:

LIRR, on behalf of itself and Metro-North Railroad (MNR) ("Railroads"), requests MTA Board approval to award a contract to Americom Network Inc. (Americom) in an amount of \$7,250,000 to purchase a license for Radio Spectrum which is required by the Railroads to support their federally mandated Positive Train Control (PTC) Projects.

II. DISCUSSION:

On October 16, 2008, Congress passed the Rail Safety Improvement Act of 2008 (the PTC Act) which required, among other things, the development of an implementation plan by April 2010 for the installation of PTC on all commuter railroad Main-Line tracks (as defined in the PTC Act) and full implementation of PTC on main line track segments (except those exempt by regulation) by December 31, 2015. PTC encompasses technologies designed to automatically stop or slow a train before certain incidents occur. In particular, PTC is designed to prevent train-to-train collisions, derailments caused by excessive speed, unauthorized incursions by trains onto sections of track where repairs are being made, and movement of a train through a track switch left in the wrong position. Additionally, temporary speed restrictions are required to be applied for highway-rail grade crossing malfunctions.

The implementation of PTC by railroads will require an extensive communications infrastructure to support the transmission of train control based data communications. Critical to these communications needs is sufficient radio spectrum to support the wireless radio needs. Because system interoperability is required among all railroads using a right of way, the Railroads must utilize a data radio common to the freights and to Amtrak. It is anticipated that these radios will work within a range of frequencies from 217 MHz to 222 MHz (the "Interoperable Range"). Additionally, because of the density of the Railroads' operations, pending final engineering reviews, the Railroads anticipate a combined need of 500 KHz of spectrum (40 12.5 MHz channels).

Radio spectrum licenses are granted by the Federal Communications Commission ("FCC"). A limited number of licenses exist covering the Railroads' operating areas which are in private hands, and in certain limited areas and in certain spectrum ranges the FCC still holds the licenses. Accordingly, there was limited competition for the necessary PTC spectrum. The utilization of the RFP process allowed the Railroads to better assess the vendors that are available to provide the spectrum that the Railroads require for PTC implementation. Additionally, the RFP process gave the Railroads the ability to negotiate and evaluate terms other than price alone, such as technical suitability of the proposed spectrum for the Railroads' operational requirements.

The Railroads advertised this RFP on January 31, 2011 in the New York State Contract Reporter and on February 10, 2011 in the NY Post. The RFP was sent to seven (7) firms and three (3) proposals were received; Americom Network Inc., Comtran Associates Inc. (Comtran) and Maritime Communications / Land Mobile, LLC (MC/LM). The submittal deadline for proposals was extended (in May 2011) following an inquiry from a license holder who had not previously proposed; however, this firm failed to submit a responsive proposal by the extended submission date.

The following criteria in descending order of importance were used by the Railroads as a basis for their selection:

- A. Conformity of the offered spectrum licenses with the requirements of the Railroads as stated in this RFP. This shall include geographical and technical factors, as well as the total number and configuration of channels offered.
- B. Price and other commercial terms offered by a proposer.
- C. Likelihood that the licenses offered may be transferred to the Railroads expeditiously and without impediment.
- D. Compliance with the all other requirements of this RFP.

Proposer Comtram was found to be non-responsive as it did not offer spectrum in the Interoperable Range. Proposer MC/LM offered licenses for spectrum in the Interoperable Range for most but not all of the operating territories of the Railroads, at a total price of \$12.5M. The MC/LM proposal however did not satisfy all of the Railroads' technical requirements in that they were offering only 32 channels (for most areas) and not the 40 channels needed by the Railroads in the core trackage areas. In addition, in April 2011 the FCC began a proceeding to determine the validity of MC/LM licenses, based upon alleged wrongdoing by MC/LM's principals, and subsequently on August 1, 2011 MC/LM filed for Chapter 11 bankruptcy. As the ability of MC/LM to complete a transaction for the transfer of any of its licenses in any acceptable timeframe has been severely compromised, and given the technical shortcoming of its proposal, the Selection Committee determined to enter into negotiations directly with Proposer Americom. Americom's proposal was determined to be responsive and it has been determined to be a responsible proposer.

Americom offered to transfer an FCC license for 500KHz of spectrum in the Interoperable Range covering all of the LIRR's territory and a substantial portion of MNR territory (it does not cover four counties in NY and Connecticut). This license also includes counties in New Jersey. Americom's proposal price was \$9M, however as a result of negotiations they agreed upon \$7.25M for the sale of their Radio Spectrum license. The sale is conditional on FCC approval of the transfer of the license and necessary waivers related to the use of the spectrum to support PTC; however, it is anticipated that the FCC will approve this transfer and the required waivers in the normal course. The purchase price will not be paid until receipt of required FCC approvals (10% of the purchase price will be placed in escrow pending closing of the transaction). The Railroads have solicited an appraisal from a firm with experience in valuing FCC licenses, and this appraisal supports the conclusion that Americom's offered price is fair and reasonable (the agreed upon price is within 5% of the appraised value.)

It is noted that the Railroads previously filed a request with the FCC for the direct allocation of radio spectrum for PTC purposes nation-wide (such as has occurred in the past with public safety / first responder agencies). There are no vacant (i.e., not awarded) licenses for the counties included in the Americom license, and at this time we do not expect the FCC to grant the request. Also, as noted above, this procurement *does not* include licenses required for four counties north and west of New York City (Dutchess, Orange, Fairfield, and New Haven) in which Metro-North operates. The FCC (not private parties) currently holds the licenses for those four (vacant) counties, and the Railroads have pending before the FCC a request for the direct award of the licenses for those four counties, as well as for additional buffer areas needed to prevent PTC system interference, without having to participate in the customary auction process. In addition, as noted above, a portion of the spectrum block being purchased covers areas in New Jersey; and, conditions permitting, sublicenses may be negotiated with NJT and/or Amtrak.

III. D/M/WBE INFORMATION:

No Goals were assigned to this contract.

IV. IMPACT ON FUNDING:

This contract will be funded by each agency's Capital Budget, apportioned evenly.

Staff Summary



Long Island Rail Road

Page 3 of 3

V. ALTERNATIVES:

The Railroads do not possess the necessary spectrum required to implement PTC. It is not technically feasible for the Railroads to acquire spectrum from other passenger and freight railroads in the region because the Railroads' spectrum needs for PTC are much greater than the spectrum needs of such other railroads, due to the density of the Railroads' operations. The PTC Implementation Plans filed by the Railroads in April 2010 and approved by the Federal Railroad Administration assume the acquisition of radio spectrum to support the Railroads' PTC communications infrastructure needs. If the Railroads do not procure spectrum, they will be unable to comply with the federal government's PTC mandate. Completing the spectrum purchase at this time will enable the Railroads to complete the design of radio and system design elements that require identification of the specific range of spectrum to be utilized.

Schedule F: Personal Service Contracts

Staff Summary



Long Island Rail Road

Page 1 of 2

Item Number: 2					
Dept & Dept Head Name: Dennis Mahon, Chief Procurement & Logistics Officer					
Division & Division Head Name: <i>[Signature]</i>					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	LI Committee	11.14.11			
2	MTA Board	11.16.11			
Internal Approvals					
Order	Approval	Order	Approval		
6	President <i>[Signature]</i>	3	VP/CFO <i>[Signature]</i>		
5	Executive VP <i>[Signature]</i>	2	Sr. VP/Operations		
4	VP/Gen'l Counsel & Sec'y <i>[Signature]</i>	1	Sr. VP/Administration		

SUMMARY INFORMATION	
Vendor Name York Analytical Laboratories, Inc.	Contract Number TBD
Description Substance Analysis and Environmental Compliance Laboratory Testing Services	
Total Amount \$1,089,456 NTE	
Contract Term (including Options, if any) January 1, 2012 – December 31, 2016	
Options(s) included in Total Amount: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-Competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

I. PURPOSE/RECOMMENDATION:

In accordance with MTA All-Agency Procurement Initiatives, the MTA Long Island Rail Road (LIRR) as the lead agency, also representing NYCT Subways, NYCT Buses, MTA Bus Company (MTABC), and MTA Metro-North Railroad (MNR) (the "Agencies"), requests approval to award five individual, competitively negotiated contracts to York Analytical Laboratories, Inc. (York) to provide scheduled regulatory monitoring, as well as unscheduled "as-needed" sampling, substance analysis and characterization-environmental compliance laboratory testing services for a period of three years, with two, one-year options, in a combined not-to-exceed value of \$1,089,456. Under these contracts, York will perform scheduled regulatory monitoring as well as unscheduled sampling of various storm water discharges and analysis on an as-needed basis in Nassau, Suffolk, Queens, Brooklyn, Bronx, Staten Island, Manhattan, Westchester, Putnam, Dutchess, Orange and Rockland counties in New York, and Fairfield and New Haven counties in Connecticut. Vendor efforts will include field activities, sample collection, documentation preparation, analysis and reporting. Pursuant to carrying out the MTA initiative for joint procurements, this award will provide further savings, by consolidating the Agencies under one vendor for strategic business opportunities, and increased cost savings.

II. DISCUSSION:

In October 2010, LIRR and MNR began a review of their environmental compliance lab testing services in order to combine requirements for a follow-on joint solicitation. In March 2011, LIRR assumed the lead role and submitted the combined scopes and pricing schedules to the BSC for distribution to all agencies. BSC advised that MTA Bus, NYCT Buses, and LI Bus would join LIRR and MNR in the solicitation. In April, NYCT-Subways also joined the solicitation. MTA Bridges & Tunnels advised they would not participate, and LI Bus later withdrew from the solicitation. A Technical Evaluation Committee (TEC) was convened consisting of representatives for each of the agencies. The Request for Proposal (RFP) was finalized and the solicitation was advertised in the New York State Contract Reporter, on May 27th, and in the NY Post on June 2nd. Notices of this joint solicitation were sent to forty-four firms. Four Addenda were issued to address contractor questions and requests for clarification. Proposals were received on July 19th from four firms, including York, TestAmerica, Phoenix Environmental (Phoenix) and Analytical Chemists Laboratories (ACL), in accordance with the terms of the RFP. Proposals were evaluated equally against four criteria, including; technical capabilities, experience, responsiveness to the RFP, and overall cost. Preliminary score sheets ranked York as the preferred proposer followed by TestAmerica, Phoenix, and ACL. Individual price schedules were requested by each Agency, due to a unique assortment of tests, with individual sample collections and needs, taken from various locations.

Schedule F: Personal Service Contracts

Staff Summary



Long Island Rail Road

Page 2 of 2

A TEC meeting was held on 9/9/11 to discuss the proposals and preliminary scores and all members agreed that York is the most technically qualified firm for contract award. As a result, the TEC entered into negotiations with York, which resulted in a savings of \$10,528 (1%) of their original proposed costs.

York is currently providing these laboratory services for both LIRR and MNR, establishing a beneficial business relationship with reliable results. A responsibility review revealed no adverse information. Further, a review and analysis of financials including a D&B report support the recommendation of these contract awards to York. York Analytical Laboratories, Inc. is, therefore, deemed to be the best value, responsive, and responsible proposer.

III. D/M/WBE INFORMATION:

The MTA Department of Diversity and Civil Rights (DDCR) established 10% MBE and 10% WBE vendor participation goals for this contract. The DDCR has approved York's M/WBE Utilization Plan to achieve 3.2% MBE, and 11% WBE participation.

IV. IMPACT ON FUNDING:

These laboratory testing and analysis services are provided on scheduled and unscheduled, as-needed basis and quantities are not guaranteed. The Agency's not-to-exceed cost estimates for these five contracts equal \$1,089,456, as detailed below.

<u>AGENCY</u>	<u>FIVE-YEAR TOTAL</u>
Long Island Rail Road	\$ 237,152
Metro-North Rail Road	\$ 666,448
MTA Bus Company	\$ 79,555
NYCT Subways	\$ 30,512
<u>NYCT Buses</u>	<u>\$ 75,789</u>
TOTAL	\$1,089,456

This procurement will be funded by each Agency's operating budget.

V. ALTERNATIVES:

These laboratory testing and analysis services require skilled technicians performing tests to specifications, and analyzing data for scheduled reports. None of the agencies have these skill sets on staff and therefore, these services cannot be performed in-house.

Schedule G: Miscellaneous Service Contracts

Staff Summary



Item Number: 3

Vendor Name (& Location) Summit Security Services, Inc. (Uniondale, NY)
Description Unarmed Security Guard and Access Control Services
Contract Term (Including Options, If any) January 1, 2012 – December 31, 2016
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-Competitive
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: Sole Source

Contact Number Various TBD	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total Amount:	LIRR: \$12,236,365 NTE MNR: \$13,131,305 NTE MTABC: \$14,044,148 NTE MTAHQ: \$ 532,304 NTE Total: \$39,944,122 NTE
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: LIRR Office of Security, Robert M. Murphy	
Contract Manager : Donald Riker, Engineering & General Services, LIRR P&L	

Discussion:

In accordance with MTA All-Agency Procurement Initiatives, the MTA Long Island Rail Road (LIRR) as the lead agency, also representing MTA Metro-North Railroad (MNR), MTA Bus Company (MTABC), and MTA Headquarters (MTAHQ) requests (i) approval to award four separate three-year contracts, commencing January 1, 2012, through December 31, 2014, with two, one-year options, to Summit Security Services, Inc. (Summit) for unarmed security guard and access control services, in the combined, not-to-exceed amount of \$39,944,122, and (ii) ratification of a seven month extension to each agency's previous security contracts, including Long Island Bus (LI Bus), from May 31, 2011 through December 31, 2011, as detailed herein.

LIRR, MNR, MTABC, MTAHQ (Grand Central Terminal Transit Museum and Store) and LI Bus each require the services of unarmed security guards at their facilities. B&T originally intended to lead a combined service solicitation on behalf of all agencies, but it was later decided to separate the armed vs. unarmed guard solicitations. LIRR assumed the lead on behalf of the five agencies requiring unarmed guard services. A Joint-Agency Request-For-Proposal (RFP) was advertised in the NY Post on February 24, 2011 and the New York State Contract Reporter on February 17, 2011. Due to different geographic regions and individual requirements, the RFP included separate Price Schedules for each agency. All agencies requested fixed annual billing rates for each of the five years of the contract, but invited alternate pricing proposals for review. Sixty-six firms requested copies of the RFP. Five addenda were issued addressing clarifications and seventy-seven questions from potential proposers. Twenty proposals were received on May 6, 2011, in accordance with the terms of the solicitation.

The Technical Evaluation Committee (TEC), representing each of the five participating agencies, evaluated the proposals against four criteria, including: i) Technical Requirements, employee screening and selection process as well as proposed management of daily operations, ii) Relevant Experience with contracts of similar size and nature, iii) Contractor's Responsiveness to the terms of the solicitation and, iv) Cost. Five proposals were shortlisted for oral presentations, including; Summit, Securitas Security Services USA, Inc., Allied Barton Security Services, Gateway Group One, and Andrews International, Inc., (Andrews). Subsequent to presentations, the TEC recommended negotiations with Summit, the highest technically ranked proposer, and incumbent for three of the five participating agencies, as well as Andrews, the MNR incumbent. MTA Audit reviewed both cost proposals and recommended fixed rates for guards in NYC (\$24.80/Hr.) and Westchester (\$20.56/Hr.) for the first year of the contract based on the current NYS Department of Labor Prevailing Wage Schedule. Negotiations were conducted with both Summit and Andrews, and Best and Final Offers (BAFOs) were requested for all agencies, except LI Bus who withdrew from the solicitation. Summit's BAFO total costs were less than Andrews for each of the four remaining agencies resulting in an aggregate savings of

Schedule G: Miscellaneous Service Contracts

Staff Summary



\$3,506,957, or 7.9% over the five year term of the contract. Summit proposed further savings if all four agencies awarded contracts to Summit, increasing savings to \$3,695,560, or 8.4%. Summit's proposed annual escalation varies, averaging between 3.0% and 3.5% for the base years and 1.2 % and 2.0% in the option years, depending on location, level and type of service being provided. Based on review of all technical and cost information, all four agencies recommend award of the unarmed security guard contracts to Summit Security Services, Inc. as detailed above.

New Awards:	Base 3-Yr. Term 2012 – 2014	Option Yr. #1 2015	Option Yr. #2 2016	Total NTE Base + Options
LIRR	\$7,107,947	\$2,527,380	\$2,601,038	\$12,236,365
MNR	\$7,663,206	\$2,696,909	\$2,771,190	\$13,131,305
MTABC	\$8,161,654	\$2,898,369	\$2,984,125	\$14,044,148
MTAHQ	\$309,198	\$109,938	\$113,168	\$532,304
	\$23,242,005	\$8,232,596	\$8,469,521	\$39,944,122

Additionally, LIRR, again on behalf of those agencies currently under contract with various providers, requests MTA Board ratification of a seven month extension to the five agency security guard contracts, retroactive from May 31, 2011 through December 31, 2011, in the total not-to-exceed amount of \$4,450,683. This time extension was required in order to allow sufficient time for this complex joint multi-agency renewal solicitation.

In May 2006, pursuant to joint-agency, competitive procurement, and MTA Board approval, LIRR, MNR and LI Bus entered into separate contracts for unarmed security guards services for a period of three years, with two one-year options, from June 1, 2006 through May 31, 2011. LIRR and LI Bus contracted with Summit, while MNR contracted with Andrews International, Inc. (Andrews, formally CopStat) since Summit was not licensed to operate in Connecticut at that time. MTAHQ issued a contract to Idea Security Services (Idea) pursuant to July 2008 MTA Board approval for guard services at 341 Madison Ave. and the Grand Central Terminal Transit Museum and Store. In May 2008, MTABC received Board approval to ride LIRR's contract with Summit. All contracts were scheduled to expire on May 31, 2011. Due to a number of factors, including the additional time required for the coordination of the five agency TEC reviews of twenty proposals, it was determined that a seven month extension would be required to complete the process. Andrews and Idea agreed to extend the contract with no change in billing rates. Summit's rates were negotiated in conjunction with MTA recommendations and NYS Dept of Labor Prevailing Wage Rate information and are deemed to be fair and reasonable.

Ratification of Mods to extend:	Current Values	This Mod. 6/2011 thru 12/2011	Rev. NTE
LIRR No. CBP03446 w/Summit Security	6,946,995	\$1,654,219	\$8,601,214
MNR No. 00018036 w/Andrews Security	\$7,563,993	\$0	\$7,563,993
MTABC No. R080037: w/Summit Security	\$6,000,000	\$1,831,016	\$7,831,016
MTAHQ No. 07069-0100 w/Idea Security	\$395,533	\$60,000	\$455,533
LI Bus No. E-3555 w/Summit Security	\$3,952,224	\$905,448	\$4,857,672
	\$24,858,745	\$4,450,683	\$29,309,428

The individual Agency's Operating Budget will fund both the time extensions and the successor Contracts.

NOVEMBER 2011

METRO-NORTH RAILROAD

LIST OF RATIFICATIONS FOR BOARD APPROVAL

Schedules Requiring Majority Vote:

K. Ratification of Completed Procurement Actions

(Staff Summaries required for unusually large or complex items which otherwise would require Board approval)

1. a) AECOM - Condition Assess/Design/Engineering - West of Hudson \$2,499,828 (not-to-exceed)
b) Halmar International, LLC- Construction Svcs. - West of Hudson \$10,517,625

The below two ratifications are a follow-up to the October 2011 Ratifications related to Tropical Storm Irene.

In accordance with the emergency powers approved by MTA Chairman Walder, expedited procurement actions were initiated in order to restore safe and efficient operation of MNR service along the Port Jervis Line. MNR sought a competitive situation in both of the following procurement actions and ensured price or cost reasonableness in each. These actions are as follows:

a.) AECOM, Inc. - RFP process, 4 proposals received, twelve (12) month contract. MNR required a Consultant to perform an initial Condition Assessment of the damages suffered along the right-of-way with a recommended approach to making the required repairs. On August 30th and 31st, a Selection Committee comprised of 5 members representing MNR's Capital Engineering Department and Procurement and Material Management Department met to select Consultants from MNR's General Engineering Consultant Pool. The Consultants were selected on their size and their prequalification in specific categories used in the GEC.

The Selection Committee selected 5 firms to propose: AECOM, TranSystems Architect & Engineer, P.C., STV, Inc., HNTB Corporation and Jacobs Engineering Group.

Proposers were required to submit proposals by c.o.b. September 1. Proposals were to be based upon issuing an "Assessment Report" by the end of September, and all proposers were notified that due to the nature of the emergency and the requirement for expediency, that MNR may exercise the right to extend the work to include a complete design and construction support services.

All of the above firms accepted the request to propose, but STV, Inc. subsequently withdrew on Sept. 1 due to the unavailability of appropriate staffing. After considering the remaining 4 proposers' technical capability, experience, project plan and availability of staff to provide the required services, the Selection Committee unanimously determined that AECOM was the best Consultant to provide the required services. Their proposal addressed all necessary aspects to perform the condition assessment. The proposed Program Manager and Technical Director were familiar with MNR and all aspects of the

work. The other proposed AECOM personnel also have extensive Railroad right-of-way and bridge inspection experience and overall confidence was strong in this aspect. AECOM also had a complete set of GIS mapping and other data on hand from work they had recently performed in the project area. AECOM has consistently demonstrated their capability to provide the desired professional and quality services required based upon prior work performed under previous MNR contracts including other work on the Port Jervis Line.

On September 2, 2011, P&MM issued a "Notice to Proceed" to AECOM to perform a condition assessment of the Port Jervis Line. On September 15th, the Assessment Report was issued to MNR. On September 16th, AECOM was directed to complete the design work necessary and provide all necessary construction support services. On October 21, 2011 AECOM submitted a cost proposal for \$2.7M; MNR subsequently negotiated and agreed to a cost of \$2,499,828, which is in line with MNR's in-house estimate. The total cost of the agreement is not-to-exceed \$2,499,828.

b.) Halmar International, LLC -As a result of the "Emergency Condition Assessment" performed by AECOM, it was agreed by MNR that the reconstruction work in this contract would be performed under two phases of construction so as to enable rail service to be restored as soon as possible.

The purpose of Phase 1 would be to perform all work necessary to restore a continuous stretch of right-of-way and track to resume train service. This work includes construction to restore the embankment, structures, storm water control grading and structures, track, and systems for Track 2. The work in Phase 2 shall restore the embankment, structures, storm water control grading and structures, track, and systems for Track 1 and for the access road. All track and access road embankments shall be reconstructed including properly placing suitable structural fill, sub-base, and sub-ballast. Phase 2 construction shall include east and west embankment slope stabilization as required by contract documents. Some bridge repair work will be required under each phase as depicted on the contract plans. All debris (sand, silt, branches, trees, leaves, grass, etc), trash (household garbage, disposed commercial and consumer products, junked mechanical items, construction products, manufactured products, etc) and other foreign materials lying within the right-of way lines from Mile Post (MP) 31 to MP 45 shall be removed. Culvert cleaning, repair, and new installation must be coordinated within and between the two phases of work.

On September 12th a MNR West of Hudson Project Team was formed to discuss the best approach to award a construction contract to make the necessary repairs to restore service to the Port Jervis Line. The Team chose to invite 4 firms to bid on this work based upon their past performance record with MNR and their ability to provide the staff, equipment and financial resources to start work immediately. The invited firms were as follows: ECCO III Enterprises, Skanska USA Civil, Inc., Kiewit Infrastructure Co. and Halmar International, LLC.

Bids were opened on October 11th and the lowest responsive and responsible bidder was Halmar International LLC with a bid of \$10,517,625. Halmar's bid was 9% lower than the Engineer's estimate, which was \$11,481,995. Based on the prior projects completed by Halmar, MNR is confident that they possess the resources, quality, capability, and understanding to perform the work in this Project.

Halmar was issued a "Notice to Proceed" on October 12, 2011. It is expected that Halmar will complete all work in Phase 1 and parts of Phase 2 by the end of November, which will give MNR the ability to restore service to the Port Jervis Line. All other work will be completed by June 30, 2012.



Bridges and Tunnels

Procurements November 2011

Staff Summary

Subject:	Request for Authorization to Award Various Procurements
Department:	Procurement
Department Head Name	Anthony W. Koestler
Department Head Signature	<i>Anthony W. Koestler</i>
Project Manager Name	Various

Date	November 2, 2011
Vendor Name	
Contract Number	
Contract Manager Name	
Table of Contents Ref #	

Board Action					
Order	To	Date	Approval	Info	Other
1	President	11/2/11			
2	MTA B&T Committee	11/14/11			
3	MTA Board	11/16/11			

Internal Approvals			
Order	Approval	Order	Approval
	President <i>[Signature]</i>		VP Operations
	Executive Vice President <i>[Signature]</i>		Chief Procurement Officer
	VP Staff Services/COS		Chief Engineer
	General Counsel		VP Labor Relations

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

PURPOSE:

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

DISCUSSION:

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

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

<u>Schedules Requiring Majority Vote</u>		<u># of Actions</u>	<u>\$ Amount</u>
Schedule F	Personal Service Contracts	1	\$200M
SUBTOTAL		1	\$200M

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

TOTAL	1	\$200M
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BUDGET IMPACT:

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

RECOMMENDATION:

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

MTA BRIDGES & TUNNELS
TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

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

WHEREAS, in accordance with §2879 of the Public Authorities Law and the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive miscellaneous procurement contracts, and certain changes orders to procurement, public work, and miscellaneous procurement contracts; and

WHEREAS, in accordance with § 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; and

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. The Board ratifies each action set forth in Schedule D for which ratification is requested.
5. The Board authorizes the execution of each of the following for which Board authorization is required: i) the miscellaneous procurement contracts set forth in Schedule E; ii) the personal service contracts set forth in Schedule F; iii) the miscellaneous service contracts set forth in Schedule G; iv) the modifications to personal/miscellaneous service contracts set forth in Schedule H; 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.
7. The Board authorizes the budget adjustments to estimated contracts set forth in Schedule L.

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL
NOVEMBER 2011

MTA BRIDGES & TUNNELS

Procurements Requiring Majority Vote:

F: Personal Service Contracts


(Staff Summaries required for items greater than: \$100K Sole Source; \$250K Other Non-Competitive; \$1M Competitive)

1. **Sam Schwartz Engineering, PLLC** \$ **200,000.00**
Contract No. 3000000719

Ride NYCT Contract




B&T requires the services of a consultant to provide traffic engineering services to perform studies and evaluations to improve safety, alleviate traffic back-ups and improve the flow of traffic at its facilities. The services include: (i) determination and analysis of traffic congestion; (ii) analysis of accident trends; (iii) investigation of existing and proposed pavement markings; (iv) design and installation of new signage and other necessary traffic control devices; (v) performing traffic counts as-needed; and (vi) development of maintenance and protection of traffic plans. In January 2008, the Board approved the award of a competitive RFP, NYCT Contract CMM-1483 to Sam Schwartz Engineering, PLLC to provide traffic engineering services for a period of five (5) years. B&T is requesting approval to issue a purchase order against this contract to provide traffic engineering services through January 8, 2013 (the expiration date of NYCT's contract) in an amount not-to-exceed \$200,000. B&T has determined that the pricing and commercial terms offered under the NYCT contract are satisfactory. Funding is available in the Operating Budget under G.L. 712151 (GES-196).

Staff Summary

Subject Revisions to By-Laws
Department Legal Department
Department Head Name James Henly, General Counsel Officer
Department Head Signature 
Project Manager Name

Date November 16, 2011
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Governance	11/14/11	X		
2	Board	11/16/11	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal 		
2	Corporate Compliance 		
3	Chief of Staff 		

Purpose:

To obtain Board approval of a proposed revision to MTA and Agency by-laws, governing indemnification procedures.

Discussion:

Article VII of the MTA by-laws governs indemnification of members, officers and employees of the MTA. The by-law provides for indemnification of members, officers and employees in connection with claims against them arising out of transactions of the MTA or out of actions or omissions of a member, officer or employee while engaged in the discharge of his or her duties on behalf of the Authority, "unless such individual is determined by the Authority or its designee not to have acted good faith, for a purpose which he or she reasonably believed to be in the best interests of the Authority, . . . and in criminal actions or proceedings, in addition, not to have had reasonable cause to believe that his or her conduct was lawful."

At present under the by-law, indemnification determinations for officers and employees of MTA are made by the Chairman or the agency Presidents, as designees of the Chairman. In circumstances in which the Chair or a board member requests indemnification, however, the by-law provides that the request "shall be submitted to the Board for determination." The proposed revision to the by-law would clarify that Board action would be required with respect to such a request in the event counsel for the MTA, upon review of the request, believes that the facts and circumstances warrant denial of such request or raise serious question as to whether the requestor is entitled to indemnification under the by-law. Similarly, with respect to indemnification requests by officers and employees, the proposed revision would provide for the determination to be made by the Chair or Chair's designee, in those instances in which Authority counsel believes that the facts and circumstances warrant denial of such request or raise serious question as to whether the requestor is entitled to indemnification under the by-law.

A copy of the indemnification by-law is attached, with the proposed revisions indicated.

Recommendation:

It is recommended that the Board authorize the amendment of the by-laws of the MTA and of each agency to incorporate the attached proposed revision to the indemnification bylaw.

BY-LAWS METROPOLITAN TRANSPORTATION AUTHORITY

ARTICLE 1. OFFICES

The principal office of the Metropolitan Transportation Authority (the "Authority") shall be located in the City of New York, County of New York. The Authority may have such other offices as the board may designate or as the business of the Authority may require from time to time.

ARTICLE II. THE BOARD

Section 1. General Affairs. The business and affairs of the Authority shall be managed by its board.

Section 2. Number, Tenure and Qualifications. The Authority ("the board" or "the board of the Authority") as used herein shall consist of all of those persons who from time to time hold office as chairman or members of the Metropolitan Transportation Authority pursuant to §1263 of the Public Authorities Law of the State of New York. Each member shall hold office for the term established by law and until his successor shall have been appointed and qualified. Members shall meet all requirements of law respecting their qualification for office.

Section 3. Regular Meetings. A regular meeting of the board shall be held without other notice than these by-laws at 9:30 A.M. on the fourth Wednesday of each month except that there shall be no regular meeting in the month of August and except that in the months of November and December the regular meetings shall be held on the third Wednesday of the month. The board may provide by resolution for the time and place for the holding of additional regular meetings without other notice than such resolution. The chairman may adjust the date and time of any regular meeting by written notice provided to members at least forty-eight hours prior to such adjusted date and time. Such written notice shall be provided to members by the same means required by Section 4(b) of Article II of these by-laws for delivery of notice to members of special meetings.

Section 4. Special Meetings. (a) Special meetings of the board may be called by the chairman or, in his or her absence or in case of his or her disability, a vice chairman. In addition, a special meeting of the board shall be called by the secretary or in his or her absence by an assistant secretary upon the request of any two members. The person or persons authorized to call special meetings of the board may fix the time and any place within the City of New York as the place for holding any special meeting of the board called or requested by them.

(b) Written notice of each special meeting shall be given by the chairman or secretary or by an assistant secretary, specifying the time and place of the meeting. Such notice shall be addressed to each member at the

member's postal address on record with the Authority and deposited with the U.S. Postal Service at least forty-eight hours prior to the time fixed for such meeting, and in addition, sent by facsimile or email to each member having a facsimile number or email address on record with the Authority at least forty-eight hours prior to the time fixed for such special meeting. Such notice shall state the purpose of such meeting, and no business other than that stated in the notice shall be transacted at such special meeting unless every member of the Authority then in office is present, and it is unanimously agreed to consider matters other than those specifically provided for in the notice of such meeting. Notwithstanding the foregoing, in the event of an emergency the chairman may call a special meeting without advance notice and by means other than the delivery of a writing to the members.

Section 5. Open Meetings. All meetings of the board shall be conducted in compliance with the provisions of the Open Meetings Law, being Chapter 511 of the Laws of 1976, as amended, and with all rules and regulations promulgated thereunder.

Section 6. Quorum. A majority of the whole number of voting members of the board as defined in §1263 (1) (a) of the Public Authorities Law of the State of New York then in office shall constitute a quorum for the transaction of any business or the exercise of any power of the Authority. Those members of the board appointed upon the recommendation of the chief executive officers of Dutchess, Orange, Putnam and Rockland counties (the "Hudson Valley Member" or "Hudson Valley Members") shall be considered to be a single member, and the presence of that member for purposes of determining a quorum shall be ascertained pursuant to section 10 of this article. Except as otherwise specified by law, for the transaction of any business or exercise of any power of the Authority, the Authority shall have power to act by a majority of the voting members of the board present at any meeting at which a quorum is in attendance with the chairman having one additional vote in the event of a tie vote. For purposes of determining a tie vote, an abstention shall be counted as a vote against a motion. If a meeting is validly called but a quorum is not present, a majority of the members of the board then present may adjourn the meeting from time to time without further notice.

Section 7. Attendance at Meetings. Any one or more members of the board or of a committee thereof may attend a meeting of such board or committee by means of a conference telephone or similar communications equipment allowing all persons attending the meeting to hear each other at the same time; however, attendance by such means shall not constitute presence at a meeting for the purposes of section 6, section 8 or section 10 of this Article.

Section 8. Presumption of Assent. A member of the board who is present at a meeting of the board at which action on any matter is taken shall be presumed to have assented to the action taken unless his abstention or dissent is stated at the

meeting, which dissent or abstention shall be duly entered in the minutes of the meeting.

Section 9. Committees. The chairman may establish one or more committees of the board, each committee to consist of one or more of the members and each of which committees shall have and may exercise the powers conferred upon it by the chairman. Such committees shall have such names as shall be given them by the chairman. The chairman shall also establish such committees of the board as shall be mandated by law. Except in an emergency, the chairman and each board member shall be given advance written notice of the time and place of any meeting of any committee of the board.

Section 10. Quorum and Voting for members of the Board from the counties of Dutchess, Orange, Putnam and Rockland.

(a) The Hudson Valley Members shall be considered to be a single member. For the purposes of determining a quorum, such single voting member shall be considered present if one or more Hudson Valley Members is present.

(b) The single collective vote of the Hudson Valley Members shall be determined as follows:

(i) if at least three Hudson Valley Members are then in office: (A) if one such member is present, the single collective vote shall be recognized; (B) if two or more such members are present but only one such member votes, the single collective vote shall be recognized as the vote of such member; (C) if two or more such members are present and two or more such members vote, the majority vote shall be recognized as the single collective vote; and (D) if two or more such members are present and two or more of such members vote but no majority is achieved, the single collective vote shall not be recognized; and

(ii) if two or one Hudson Valley Member(s) are then in office: (A) if one such member is present, the single collective vote shall be recognized as the vote of such voting member; (B) if two such members are present but only one such member votes, the single collective vote shall be recognized as the vote of such voting member; and (C) if two such members are present and both vote, only a unanimous vote shall be recognized as the single collective vote.

To evidence the single collective vote, each such member that is present may be polled as to his vote and such poll shall be recorded in the minutes.

ARTICLE III. OFFICERS

Section 1. Number. The officers of the Authority shall be a chairman, one or more vice chairmen (the number and exact designation thereof and the separate functions to be determined by the board if there is more than one), an executive

director, if one is appointed by the chairman, a counsel, other senior officials (the number and exact designation thereof and the separate functions to be determined by the chairman), and a secretary. The chairman shall be appointed and shall serve as provided by law. The vice chairmen shall be appointed by the board, upon recommendation by the Chairman, and shall serve at its pleasure. The executive director, if one is appointed by the chairman, shall serve at the pleasure of the chairman. Other senior officials, the counsel, and the secretary shall be appointed by the chairman and shall serve at the pleasure of the chairman. Such other officials or employees as may be deemed necessary may be appointed by the chairman, and each shall serve at the pleasure of the chairman.

Section 2. Chairman. (a) The chairman shall serve as the chairman of the board of the Authority and as the chief executive officer of the Authority. The chairman shall be responsible for providing leadership to the board as it oversees the management of the Authority. The chairman shall preside at all meetings of the board. The chairman may delegate any or all of his or her powers relating to the leadership of the board to a vice-chairman. In the event of a tie vote, the chairman may cast an additional vote.

(b) The chairman shall also serve as the chief executive officer of the Authority. As chief executive officer of the Authority, the chairman shall be responsible for the discharge of the executive and administrative functions and powers of the Authority.

Section 3. The Vice Chairman. In the event of the chairman's death or inability to act, or in the event the position of chairman is for any other reason vacant, a vice chairman designated by the board shall perform the duties of the chairman and when so acting, shall have all the powers of and be subject to all the restrictions upon the chairman. Such powers and duties shall terminate upon the appointment by the Governor of a successor chairman as provided by law or upon the cessation of the chairman's inability to act.

Section 4. Such Other Officials and Employees. The chairman may, in his or her judgment, appoint such other officials and employees, including an executive director, as shall in his or her judgment be needed to discharge the executive and administrative functions and powers of the of the Authority. The chairman may delegate such of his or her powers relating to the discharge of the executive and administrative functions, including the administration and day to day operations of the Authority as the chairman may deem appropriate to such other officials and employees.

Section 5. The Agency Presidents. The presidents of the subsidiary and affiliate agencies of the Authority are primarily responsible for the general management and operation of their agencies.

Section 6. The Secretary. The secretary shall keep the minutes of the proceedings of the board, see that all notices are duly given as required by law, be custodian of the corporate records and of the seal of the Authority, see to it that the seal of the Authority is affixed to all documents the execution of which on behalf of the Authority under its seal is duly authorized, and in general shall perform all duties incident to the office of secretary. The chairman may appoint one or more assistant secretaries who may perform the duties of the secretary in the event of the absence, disability or incapacity of the secretary.

Section 7. Salaries. The salaries fixed by the chairman for those officers and employees appointed by the chairman shall at all times be within the amounts budgeted therefore by the board.

ARTICLE IV. CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts. The board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Authority and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the board. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Authority shall be signed by such officer or officers, agent or agents of the Authority and in such manner as shall from time to time be determined by resolution of the board.

Section 4. Deposits. All funds of the Authority not otherwise employed shall be deposited from time to time to the credit of the Authority in such banks, trust companies or other depositories as the board may select.

ARTICLE V. FISCAL YEAR

The fiscal year of the Authority shall begin on the first day of January and end on the thirty-first day of December in each year.

ARTICLE VI. CORPORATE SEAL

The board shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Authority and the words "Corporate Seal".

ARTICLE VII. INDEMNIFICATION

The Authority shall save harmless and indemnify any person (or his or her estate) who shall have served as a member, officer or employee of the Authority or of a subsidiary of the Authority against financial loss, including punitive damages, or litigation expense incurred in connection with any claim, demand, suit, action or proceeding, whether civil or criminal, or the defense thereof, and arising out of (a) any transaction of the Authority or of a subsidiary of the Authority, or (b) any act or failure to act by any such member, officer or employee while engaged in the discharge of his or her duties on behalf of the Authority or its subsidiaries, or the discharge of his or her duties as a fiduciary of a benefit plan for Authority employees or employees of a subsidiary of the Authority. In the event any such claim, demand, suit, action or proceeding shall occur, such member, officer or employee shall be saved harmless and indemnified as herein provided unless such individual is determined by the Authority or its designee not to have acted, in good faith, for a purpose which he or she reasonably believed to be in the best interests of the Authority or of its subsidiaries or affiliates, and, in criminal actions or proceedings, in addition, not to have had reasonable cause to believe that his or her conduct was lawful. The provisions of this Article shall inure only to the members, officers and employees of the Authority or of its subsidiaries, and to their estates, shall not enlarge or diminish the rights of any other party, and shall not impair, limit or modify the rights and obligations of any insurer under any policy of insurance. The foregoing shall be conditional on (a) the prompt delivery to the Authority of a copy of the summons, complaint, process, notice, demand or pleading commencing any such claim, demand, suit, action or proceeding; and, in civil cases only, (b) a contemporaneous offer to name counsel to the Authority as counsel to the member, officer or employee in the defense of such claim, demand, suit, action or proceeding; (c) the full cooperation of the member, officer or employee, in the event the offer is accepted, in making of such defense; and (d) an agreement that the Authority may enter into a settlement on behalf of the member, officer or employee. If the Authority or its designee determines that the defense shall not be provided by counsel for the Authority because of a conflict of interests or other grounds warranting separate counsel, the member, officer or employee may select another attorney and the Authority shall pay reasonable attorney's fees and expenses incurred by or on behalf of such member, officer or employee represented by outside counsel. The Authority's payment of such fees and expenses may be conditioned upon the member, officer or employee's agreement that more than one member, officer or employee shall be represented by the same counsel. The provisions of Section 18 of the Public Officers Law relating to defense and indemnification shall supplement and be available in addition to the provisions of this Article; provided, however, that in the event of any conflict between the substantive provisions of this Article and those of Section 18 of the Public Officers Law, the provisions that afford the greater protection to such members, officers and employees shall control. In the event that the chairman or other member requests indemnification under this section

by-law, the counsel for the Authority shall review and act upon such request; provided that if upon review, the counsel believes that the facts and circumstances warrant denial of such request or raise serious question as to whether the requestor is entitled to indemnification under the by-law, such request shall be submitted to the board for determination. any determination such request shall be submitted to the board for its determination. In the event that an officer or employee, other than the chairman, requests indemnification under this by-law, section, the counsel for the Authority shall review and act upon such request; provided that if upon review, the counsel believes that the facts and circumstances warrant denial of such request or raise serious question as to whether the requestor may be entitled to indemnification under the by-law, such request such request shall be submitted to shall be determined by the chairman or his or her designee for determination. The provisions of this Article replace and supersede the provisions of the prior Article VII governing Indemnification, and govern any claim, demand, suit, action or proceeding that is pending as of the date of the adoption of this Article.

ARTICLE VIII. AMENDMENTS

These by-laws may be altered, amended or repealed and new by-laws may be adopted by the board at any regular or special meeting as to which nature of the proposed alterations, amendments or repeals have been sent in writing to the members of the board together with the notice of meeting if it is a special meeting or if at a regular meeting at least seventy-two hours in advance of such regular meeting.

The Metropolitan Transportation Authority

CORPORATE GOVERNANCE COMMITTEE

This Charter for the Corporate Governance Committee was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on the 29th day of July, 2004. This charter was amended on the 17th day of December 2008 and further amended on December 16, 2009.

I. PURPOSE

The Corporate Governance Committee (the "Committee") shall assist the Board Chair and the Board in: (i) developing and recommending to the Board, policies to promote honest and ethical conduct by Board members, officers, and employees, and enhance public confidence in the MTA; (ii) developing, recommending to the Board and overseeing implementation of MTA policies relating to corporate governance, including the MTA Corporate Governance Principles; and (iii) reviewing on a regular basis the overall corporate governance of the MTA and recommending improvements when necessary (hereinafter referred to as the "Purpose").

II. COMMITTEE AUTHORITY

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates). The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

III. COMMITTEE MEMBERSHIP

The Committee shall consist of 3 or more members of the Board and shall include the Board Chair, and the chairs of each committee of the Board. All other members of the Committee shall be appointed by the Board Chair. At all times, the Committee shall include at least one member from among those recommended for appointment to the Board by the Mayor of the City of New York. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall be the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair. No member of the Committee shall be employed by (a) the MTA, or (b) a private entity that does, or is likely to do, business with the MTA.

IV. COMMITTEE MEETINGS

The Committee shall meet on a regularly-scheduled basis at least 2 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings and records of any action taken. Committee members will be furnished with

copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information at the Committee requests. The Chief Compliance Officer shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to the Purpose, (2) provide the chairperson of the Committee with all information that is material to the Committee's monitoring and oversight of the Purpose, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the Purpose.

V. COMMITTEE REPORTS

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

VI. KEY RESPONSIBILITIES


The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purposes, the Committee shall:

1. coordinate and oversee the annual self-evaluation of the role and performance of the Board, its committees, and management in the governance of the MTA;
2. develop and recommend to the Board, oversee the implementation and effectiveness of, and recommend modifications as appropriate to, any policies or documents relating to the governance of the MTA, including the MTA Corporate Governance Principles;
3. consider corporate governance issues that arise from time to time, and develop appropriate recommendations for the Board regarding such matters;
4. review, and as necessary recommend to the Board any revisions to, MTA policies regarding the procurement of goods and services;
5. monitor the MTA's compliance with MTA policy and the laws and requirements of the State of New York with respect to procurement lobbying;




6. review, and as necessary recommend to the Board any revisions to, MTA policies regarding the protection of whistleblowers from retaliation;
7. review and assess the adequacy of this Charter annually;
8. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter; and
9. report regularly to the Board Chair and Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.

Staff Summary

Subject Revisions to Committee Charters and Governance Guidelines
Department Corporate Compliance
Department Head Name Lamond W. Kears
Department Head Signature 
Project Manager Name

Date November 16, 2011
Vendor Name N/A
Contract Number N/A
Contract Manager Name N/A
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Corporate Governance	11/16/11			
2	Board	11/16/11			

Internal Approvals			
Order	Approval	Order	Approval
1	Legal 		
2	Corporate Compliance 		
3	Chief of Staff 		

Purpose:

To seek Board approval of proposed revisions to the Audit, Finance and Diversity committee charters and to the MTA Governance Guidelines. Copies of these committee charters and the Governance Guidelines, with proposed revisions marked, are attached to this staff summary.

Discussion:

Minor technical amendments are proposed to the charters of the following committees:

Audit Committee: the Audit committee charter would be modified to (a) provide for at least four (4) meetings to be held annually instead of six (6); and (b) add language to the charter incorporating the requirement of Public Authorities Law Section 2824(6) regarding qualifications of committee members on public authority audit committees.

Diversity Committee: an amendment to the Diversity committee charter would correct an outdated reference to the position of Director of Diversity/Civil Rights, which was re-titled Chief Diversity Officer in 2009.

Finance Committee: amendments to the Finance committee charter (a) correct an outdated reference to the position of Director of Budgets and Financial Management, which was re-titled Director of the Division of Management and Budget in 2011; and (b) correct the outdated reference to the position of Chief Procurement Officer to Agency Procurement Officers.

In addition, the listing of Board committees contained in the MTA Governance Guidelines is updated to reflect the re-named Security Committee.

Recommendation:

It is recommended that the Board adopt the revisions to the noted committee charters and to the Governance Guidelines, as set forth in the attachment.

The Metropolitan Transportation Authority

AUDIT COMMITTEE

This Charter for the Audit Committee was adopted by the Board Chair and a majority of the members of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on the 29th day of July, 2004. This charter was amended on the ~~17th day of December 17, 2008, and further amended on December 16, 2009~~ and further amended on November 16, 2011.

I. PURPOSE

The Audit Committee (the "Committee") shall assist and provide guidance to the Board Chair and the Board in monitoring and overseeing (a) the conduct of the MTA's financial reporting process, the application of accounting principles, and the engagement of the MTA's outside accountants; (b) the MTA's internal controls and risk management systems; and (c) general matters relating to legal, regulatory and ethical compliance at the MTA (hereinafter referred to as the "Purpose").

II. COMMITTEE AUTHORITY

The Committee's role is one of oversight. In carrying out this oversight function, the chairperson of the Committee (the "Committee Chair") and the vice-chairperson of the Committee (the "Committee Vice-Chair") shall have additional responsibilities, as set forth in Section VI of this Charter. The Committee Chair and/or the Committee Vice-Chair regularly shall report to the entire Committee their findings with respect to these additional responsibilities and refer to the entire Committee for its consideration any matter relating thereto as the Committee Chair and/or the Committee Vice-Chair deem necessary or appropriate. MTA Audit Services' organizational independence is derived from its reporting structure as it reports to the MTA Audit Committee and MTA Chairman/CEO.

Notwithstanding these oversight responsibilities, the MTA and each of its subsidiary corporations and affiliates are responsible for preparing their own financial statements and the respective outside auditors are responsible for auditing the respective financial statements. The Committee, the Committee Chair, and the Committee Vice-Chair recognize that the Auditor General and the outside auditors have more time, knowledge and detailed information about the MTA and each of its subsidiary corporations and affiliates than do Committee members. Consequently, in carrying out its oversight responsibilities, no member of the Committee shall be deemed to provide (i) any expert or special assurance as to the financial statements of the MTA or of any subsidiary corporation or affiliate or (ii) any professional certification as to the work of any outside auditor.

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the Committee Chairman and/or Vice

Chairman shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates). The foregoing is not intended to alter or curtail existing rights of individual board members to access books, records or staff in connection with the performance of their fiduciary duties as board members. With the prior approval of the Board Chair or a majority of the Board, the Committee may retain, compensate and/or terminate outside counsel, auditors or other experts as it deems necessary and will receive adequate funding from the MTA to engage such advisors in accordance with MTA procedures.

III. COMMITTEE MEMBERSHIP

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall appoint the Committee Chair and the Committee Vice-Chair. A member of the Committee may be removed, for cause or without cause, by the Board Chair. In the absence of the Committee Chair or the Committee Vice-Chair at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. No member of the Committee shall be employed by (a) the MTA, or (b) a private entity that does, or is likely to do, business with the MTA. Members of the audit committee shall be familiar with corporate financial and accounting practices. ~~Insofar as practicable, at least one member of the Committee shall have financial experience.~~

IV. COMMITTEE MEETINGS

The Committee shall meet on a regularly-scheduled basis at least 6 ~~4~~ times per year, and more frequently as circumstances dictate. The Committee will cause to be kept adequate minutes of all its proceedings and records of any action taken and will report on its proceedings and any action taken to the next full meeting of the Board. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, the Chief Compliance Officer, any officer or staff of the MTA, or any other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information at the Committee requests. The Auditor General shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to the Purpose, (2) provide the chairperson of the Committee with all information regarding the Purpose that is material to the Committee's monitoring and oversight of the Purpose, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the Purpose.

V. COMMITTEE REPORTS.

The Committee Chair shall report on the Committee's proceedings, and any recommendations made.

VI. KEY RESPONSIBILITIES OF COMMITTEE CHAIR AND VICE-CHAIR

The following responsibilities are set forth as a guide. The Committee Chair and the Committee Vice-Chair are authorized to carry out these and such other responsibilities assigned by the Committee, the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To assist the Committee in fulfilling its purpose, the Committee Chair and/or the Committee Vice-Chair shall:

Auditors, Financial Statements & Accounting Policies:

1. review and discuss with the Auditor General, the relevant MTA employees, each outside auditor, and the internal auditors any audit problems or difficulties encountered in the course of audit work, including any restrictions on the scope of activities or access to required information and advise the Committee as to how to resolve any disagreements regarding financial reporting;
2. inquire as to each outside auditor's view of the accounting treatment related to significant new transactions or other significant matters or events not in the ordinary course of business;
3. review and discuss with the Auditor General, the relevant MTA employees, and each outside auditor any material financial or non-financial arrangements that do not appear on the financial statements of the MTA (or of any subsidiary corporation or affiliate);
4. review and discuss with the Auditor General and each outside auditor: (i) any accounting adjustments that were noted or proposed by the auditors but were "passed" (as immaterial or otherwise), (ii) any communications between the audit team and the audit firm's national office respecting auditing or accounting issues presented by the engagement and (iii) any "management" or "internal control" letter issued, or proposed to be issued, by any outside auditor to the MTA (including to any subsidiary corporation or affiliate);
5. review with the Auditor General and the outside auditor the periodic financial statements and footnotes of the MTA (and of each subsidiary corporation or affiliate, as applicable) and discussing the adequacy of the system of internal and the appropriateness of the accounting principles used, and the judgments made, in the preparation of such periodic financial statements;

6. meet annually (or more frequently if necessary) with each respective outside auditor (without the Auditor General or any other officers or staff of the MTA present) to discuss the periodic financial statements of the MTA (and of each subsidiary corporation or affiliate, as applicable).

Internal Controls & Risk Management:

7. together with the Auditor General and the Chief Compliance Officer, review, discuss and (if necessary) investigate compliance with MTA policies and/or refer instances of non-compliance to the MTA Inspector General for investigation;
8. review and discuss with the Auditor General, the Chief Compliance Officer, the relevant employees of the MTA, and each outside auditor: (i) any significant deficiencies in the design or operation of the internal controls of the MTA (ii) any fraud, whether or not material, involving any MTA employees and (iii) related findings and recommendations of the outside auditors together with management's responses;
9. review and discuss with the Auditor General, the Chief Compliance Officer, the relevant MTA employees, and each outside auditor the MTA's risk assessment and risk management systems, and oversee the underlying policies with respect to risk assessment and risk management;
10. together with the Auditor General and the Chief Compliance Officer, serve as the point of contact for the MTA Inspector General, including by reviewing all reports and draft reports delivered to the MTA by the MTA Inspector General, and being available to meet with the MTA Inspector General as part of the Inspector General's audits of the MTA's books and records;
11. recognizing the statutory obligations of the MTA Inspector General, and without denigrating from those obligations, seek to communicate with the MTA Inspector General with respect to any matter the Committee Chair and/or Vice Chair, the entire Committee, the Board Chair, the Board or the MTA Inspector General deem appropriate;

Miscellaneous:

12. submit to the entire Committee for its consideration any matters (including matters relating to the foregoing) that the Committee Chair and/or Committee Vice-Chair deem should appropriately be considered by the entire Committee; and
13. report regularly to the Committee on the findings and recommendations of the Committee Chair and the Committee Vice-Chair relating to the foregoing, and on any other matters the Committee Chair and/or the Committee Vice-Chair deem appropriate or the Committee, the Board Chair or the Board request.

VII. KEY RESPONSIBILITIES OF THE COMMITTEE

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

Auditors, Financial Reporting & Accounting Policies:

1. in consultation with the Auditor General and the officer primarily responsible for the finances of the MTA and each subsidiary corporation and affiliate, oversee the work of the MTA's outside auditor and provide guidance to the Board Chair and the Board with respect to the appointment (and if appropriate dismissal), evaluation, compensation of the outside MTA's auditors;
2. review and provide guidance to the Board with respect to any auditing and non-auditing services provided to the MTA by any of the MTA's the outside auditor;
3. review and provide guidance to the Board with respect to the annual audit plan and risk assessment as proposed by the Auditor General in consultation with the MTA Chairman/CEO and the President of each subsidiary corporation and affiliate;
4. review and discuss with the Auditor General, the relevant MTA employees, each outside auditor, and the internal auditors: (i) any significant audit findings during the year, including the status of previous audit recommendations; (ii) any changes required in the scope of the audit plan; (iii) the audit budget and staffing; and (iv) the coordination of audit efforts, status of the internal audit plan and the adequacy of internal audit resources (both numbers and capabilities);
5. review and discuss with the Auditor General, the relevant MTA employees, and the outside auditor accounting policies that may be viewed as critical, as well as any recent or proposed significant changes in MTA accounting policies; and inquire as to the outside auditors' views as to the application of accounting principles;
6. monitor the consistency and comparability of the financial reporting processes of the MTA;
7. monitor the integrity, consistency and comparability of the financial reports and other financial information provided by the MTA to any other governmental or regulatory body, the public or other users thereof, including reconciliations where necessary;

8. review and provide guidance to the Board with respect to the appointment, compensation and (if necessary) dismissal of the Auditor General;
9. at least annually, review with the Auditor General a report by each outside auditor describing: (i) such outside auditor's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (iii) all relationships between the outside auditor and the MTA (or any subsidiary corporation or affiliate);
10. on an annual basis, in each case together with the Auditor General: (i) review a formal written statement from each outside auditor delineating all relationships between such outside auditor and the MTA; (ii) actively engage in a dialogue with each outside auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of such outside auditor and take appropriate action in response to such outside auditor's report to satisfy itself of such auditor's independence; (iii) consider whether, in the interest of assuring continuing independence of each outside auditor, the MTA's respective outside auditors should be rotated; and (iv) set clear hiring policies for employees or former employees of the outside auditors;

Internal Controls & Risk Management:

11. review and discuss with the Auditor General, the Chief Compliance Officer, the relevant MTA employees, and each outside auditor the adequacy of the MTA's internal and disclosure controls and procedures;
12. together with the Chief Compliance Officer, review and discuss with the relevant MTA employees, and each outside auditor any significant risks or exposures and assess the steps such employees have taken to minimize such risks;
13. review periodically with the Chief Compliance Officer and the General Counsels of the MTA and each subsidiary corporation and affiliate: (i) legal and regulatory matters that may have a material impact on the financial statements of the MTA (or any subsidiary corporation or affiliate); and (ii) the scope and effectiveness of compliance policies and programs;

Ethics & Conflicts of Interests:

14. together with the Chief Compliance Officer, review periodically with the relevant MTA employees the level of compliance with all applicable ethics codes, guidelines, and regulations;

Miscellaneous:

15. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
16. review and reassess the adequacy of this Charter annually;
17. consider any matter referred to the entire Committee by the Committee Chair and/or Vice-Chair; and
18. report regularly to the Board on Committee findings and recommendations and any other matters the Committee deems appropriate, or the Board Chair or the Board request.

The Metropolitan Transportation Authority

DIVERSITY COMMITTEE

This Diversity Committee Charter was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on ~~this~~ the 17th day of December, 2008. This charter was and further amended on December 16, 2009 and further amended on November 16, 2011.

I. PURPOSE

The Diversity Committee (the "Committee") shall assist the Board Chair and the Board by reviewing, providing guidance, and making recommendations with respect to the diversity programs and initiatives undertaken by MTA and its subsidiary and affiliate agencies.

II. COMMITTEE AUTHORITY

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates). The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

III. COMMITTEE MEMBERSHIP

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall appoint the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

IV. COMMITTEE MEETINGS

The Committee shall meet on a regularly-scheduled basis at least four (4) times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings and records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The ~~Director of the Department of Diversity/Civil Rights~~ Chief Diversity Officer shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda, (2) provide the chairperson of the Committee with all information that is material to the Committee's monitoring and oversight of diversity programs and initiatives undertaken by MTA and its subsidiary and affiliate agencies, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing diversity programs and initiatives undertaken by MTA and its subsidiary and affiliate agencies

V. COMMITTEE REPORTS.

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

VI. KEY RESPONSIBILITIES

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

1. Consult with the MTA Department of Diversity/Civil Rights and diversity representatives from the MTA's affiliate and subsidiary agencies with respect to the setting of priorities for the MTA's diversity and outreach agenda;
2. Receive regular reports from the MTA Department of Diversity/Civil Rights and diversity representatives from the MTA's affiliate and subsidiary agencies regarding upcoming diversity and outreach events;
3. Receive regular reports from the MTA Department of Diversity/Civil Rights regarding the certification of disadvantaged, minority- and women-owned businesses and the setting of goals for disadvantaged, minority- and women-owned business participation on agency contracts;
4. Receive regular reports from the MTA Department of Diversity/Civil Rights and from staff of MTA affiliate and subsidiary agencies regarding the status of Equal Employment Opportunity ("EEO") programs, including, as applicable, EEO investigations, EEO compliance and reporting, and Title VI program compliance and reporting;

5. Receive regular reports from MTA Department of Diversity/Civil Rights regarding contractor compliance with goals for such participation and, if applicable, action plans to achieve compliance;
6. Set the annual agenda for the Committee;
7. Review and assess the adequacy of this Charter annually;
8. Conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter; and
9. Report regularly to the Board Chair and Board on Committee findings and recommendations and any other matters the Committee deems appropriate or that the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.

The Metropolitan Transportation Authority

FINANCE COMMITTEE

The Charter for the Finance Committee was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on the 29th day of July, 2004. The charter was amended on following dates: December 17, 2008; December 16, 2009; ~~and~~ March 24, 2010 and November 16, 2011.

I. PURPOSE

The Finance Committee (the "Committee") shall assist the Board Chair and the Board by (1) reviewing, providing guidance, and making recommendations with respect to the MTA's core financial policies and (2) reviewing, providing guidance and making recommendations with respect to MTA real estate matters.

II. COMMITTEE AUTHORITY

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates). The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

III. COMMITTEE MEMBERSHIP

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall appoint the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

IV. COMMITTEE MEETINGS

The Committee shall meet on a regularly-scheduled basis at least 11 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings and records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information at the Committee requests. The Chief Financial Officer and/or the ~~Director of Budgets and Financial Management~~ Director of the Division of Management and Budget, the Director of Finance, and the MTA Director of Real Estate, with respect to real estate matters, shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda, (2) provide the chairperson of the Committee with all information that is material to the Committee's monitoring and oversight of the MTA's core financial policies and real estate matters, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the MTA's core financial policies and real estate matters.

V. COMMITTEE REPORTS.

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

VI. KEY RESPONSIBILITIES

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

1. Review the MTA's annual budget, and ensure that the MTA operates on a self sustaining basis, as required by applicable law, and with support from various levels of government.
2. Monitor the MTA's compliance during the fiscal year with its annual budget.
3. Review the financial requirements of the MTA's capital plans.
4. Review annually the proposed plan to meet the financial requirements of the MTA's capital plans, as well as any financing proposals during the fiscal year that deviate from the proposed financial plan for that year.
5. Review any proposal relating to the incurrence (or repayment) of material indebtedness or other financing arrangement.
6. Review any proposed procurements submitted to the Committee by the Chief Agency Procurement Officers.

7. Oversee the operations of MTA headquarters, including by reviewing proposed procurements for MTA headquarters that require Board approval.
8. Oversee the operations of the First Mutual Transportation Assurance Company ("FMTAC"), including by reviewing proposed procurements for FMTAC.
9. Review annually the scope and terms of the MTA's insurance policies and coverage.
10. Monitor the economic performance of the various MTA pension plans.
11. Review and make recommendations to the Board with respect to the leasing and acquisition of real property; the licensing of customer services and amenities; the maximizing of advertising opportunities; the disposition or conveyance of interests in real property; the management of occupancies on the property of the MTA and the adoption or amendment of any policies relating thereto;
12. Review and make recommendations to the Board with respect to the procurement of certain professional services in support of the activities of the real estate department, including real estate brokerage and other specialized consultant services;
13. Review the MTA's offering and management of leasing, licensing, or other business opportunities on the property of the MTA and its subsidiaries and affiliates;
14. Provide support and guidance to the MTA in its formulation of its real estate policies and procedures;
15. Review and assess the adequacy of this Charter annually;
16. Conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
17. Report regularly to the Board Chair and Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.

METROPOLITAN TRANSPORTATION AUTHORITY

GOVERNANCE GUIDELINES

The following mission statement and governance guidelines, as amended, have been recommended by the Governance Committee and approved by the Chairman and a majority of the members of the MTA Board and, along with the laws of the State of New York, the MTA By-laws, the by-laws of certain MTA subsidiaries and component units, and the charters and key practices of certain Committee of the Board, provide the framework for the governance of the MTA and its subsidiaries and component units. The Chairman and the Governance Committee will review these guidelines and other aspects of MTA governance annually or more often if deemed necessary.

Adopted by the Board November ~~17, 2010~~ 16, 2011



Metropolitan Transportation Authority

New York City Transit
Long Island Rail Road
Long Island Bus
Metro-North Railroad
Bridges and Tunnels
Capital Construction
Bus Company

Mission Statement of the Metropolitan Transportation Authority

The Metropolitan Transportation Authority ("MTA") preserves and enhances the quality of life and economic health of the region we serve through cost-efficient provision of safe, on-time, reliable and clean transportation services.

The MTA is the public benefit corporation of the State of New York responsible for an integrated mass transportation system for the City of New York and Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester counties. The statutory purposes set forth in the MTA enabling act are:

"the continuance, further development and improvement of commuter transportation and other services related thereto within the metropolitan commuter transportation district, including but not limited to such transportation by railroad, omnibus, marine and air, in accordance with the provisions of this title. It shall be the further purpose of the authority, consistent with its status as the ex officio board of both the New York city transit authority and the triborough bridge and tunnel authority, to develop and implement a unified mass transportation policy for such district." (Public Authorities Law §1264(1))

Governance Guidelines

These Governance Guidelines apply to MTA and the other public benefit corporations under common control of MTA (collectively with MTA, the "MTA Agencies"). The MTA Agencies consist of:

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

1. Functions of the MTA Chairman/Chief Executive Officer.

(a) The Chairman of the MTA shall be primarily responsible for providing leadership to the MTA Board in performing oversight of the senior management in the effective and ethical management of the MTA Agencies' integrated mass transportation system. The Chairman, inter alia, convenes and presides over Board meetings, establishes Board committees and appoints committee members and chairs, and shall serve as the principal liaison between MTA management and the Board.

(b) The Chairman, pursuant to statute, is the chief executive officer of the Authority and shall have responsibility to discharge the executive and administrative functions and powers of the Authority. In discharging the executive and administrative functions and

powers of the Authority, the Chairman shall, inter alia, be responsible for (i) managing the day-to-day operations of the MTA's integrated mass transportation system, (ii) coordinating the development and approval by the Board of long term strategy for the maintenance and expansion of that system, (iii) overseeing and providing appropriate direction to the President of each of the MTA's constituent Agencies and (iv) appointing, disciplining, and removing officers or employees.


2. **Functions of the MTA Board.** The Board shall meet no less than 11 times a year at which the Board shall review and discuss reports by management on the performance of the MTA, its plans and prospects, as well as immediate issues facing the MTA. Board members are expected to attend all scheduled meetings of the Board and meetings of Committees on which they serve. The entire Board shall be responsible for the general oversight of the Authority's senior management in furtherance of the effective and ethical management of the entire MTA, as required by law. In addition to this general responsibility, the entire Board (with the assistance of Committees of the Board as appropriate) shall also perform a number of specific functions, including
- (a) providing counsel and oversight on the evaluation, development and compensation of senior management. When determining compensation for the Chairman/Chief Executive Officer, the Board, as required by law, shall act without the participation of the Chairman/Chief Executive Officer;
 - (b) reviewing, approving and monitoring fundamental financial and business strategies and major actions, including fundamental financial and management controls;
 - (c) assessing major risks facing the MTA and reviewing options for the mitigation of these risks; and
 - (d) ensuring processes are in place for maintaining the integrity of the MTA, including the integrity of the financial statements of the MTA (and the financial statements of the MTA subsidiaries or component units that are required by law to issue separate financial statements), the integrity of the MTA's compliance with law and ethics (including by adopting and updating codes of ethics applicable to MTA directors, officers and employees that at a minimum incorporate the standards established in section seventy-four of the Public Officers Law), the integrity of the MTA's relationships with customers and suppliers, and the integrity of the MTA's relationship with the public at large.
 - (e) establishing written policies and procedures on personnel including policies protecting employees from retaliation for disclosing information concerning acts of wrongdoing, misconduct, malfeasance, or other inappropriate behavior by an employee or board member of the authority; investments; travel; the acquisition of real property; the disposition of real and personal property; and the procurement of goods and services; and
 - (f) adopting a defense and indemnification policy and disclose such plan to any and all prospective board members.

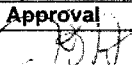
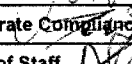
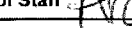
3. **Functions of Senior Management:** The Chairman/Chief Executive Officer serves ex officio as the chair and chief executive officer of each of affiliated and subsidiary MTA Agencies and is responsible for appointing such other officials and employees (including, in his or her discretion, an Executive Director) as he or she determines is necessary and appropriate. These other officials and employees serve under the direction and at the pleasure of the Chairman/Chief Executive Officer. The Presidents of the MTA's constituent Agencies, pursuant to the direction of the Chairman/Chief Executive Officer, are primarily responsible for the general management and operations of such constituent Agencies.
4. **Committees of the Board.** The Chairman has established the following Committees to assist him and the Board in discharging their responsibilities: (1) the Audit Committee; (2) the Committee on Finance; (3) the Committee on Operations of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority and the Staten Island Rapid Transit Operating Authority; (4) the Committee on Operation of the Metro-North Commuter Railroad; (5) the Committee on Operation of the Long Island Rail Road and the Metropolitan Suburban Bus Authority; (6) the Committee on Operations of the Triborough Bridge and Tunnel Authority; (7) the Committee on Capital Program Oversight; (8) the Committee on Operations of The Bus Division of New York City Transit Authority, MTA Bus Company, Metropolitan Suburban Bus Authority and Manhattan and Bronx Surface Transit Operating Authority, (9) the ~~Safety and~~ Security Committee; (10) the Diversity Committee, and (11) the Corporate Governance Committee. The current charters and key practices of these Committees shall be maintained on the MTA website. The Committees may hold meetings in conjunction with the entire Board, as appropriate.
5. **Self-Assessment.** The Board, as a whole, and each of the Committees, individually, will perform an annual self-assessment. The Board will be requested to provide their assessments of the effectiveness of the Board, as a whole, and of the Committees on which they serve. The individual assessments will be organized and summarized for discussion with the Board and the Committees.
6. **Setting Agendas for Meetings of the Board.** The Chairman shall be responsible for the agenda of the Board meetings. Upon the request of the Chairman, an Agency President shall report to the Board regarding that Agency's operations, finances, and performance (with specific reference to the benchmarks established for that Agency) since the last time such Agency President reported to a meeting of the Board. The Chairman, or Committee chair as appropriate in consultation with the Chairman, shall determine the nature and extent of information that shall be provided regularly to Board members before each scheduled Board or Committee meeting. Committee chairs shall report to the entire Board for approval the matters discussed or recommended at Committee meetings as appropriate. Board members are urged to make suggestions for agenda items, or additional pre-meeting materials, to the Chairman, or the appropriate Committee chair at any time.
7. **Ethics and Conflicts of Interest.** The Chairman, Board members and the other officers and employees of the MTA are expected to act ethically at all times, to acknowledge their adherence to the policies comprising the MTA All-Agency and MTA Board Members Codes of Ethics and to comply in all respects with the Codes of Ethics. If an actual or

potential conflict of interest arises for an MTA Board Member, the MTA Member shall promptly inform the Chairman. All Board members will recuse themselves from any discussion or decision affecting their personal or commercial interests. Other than in such instances where jurisdiction over a conflict matter lies with the New York State Commission on Public Integrity, the Board shall resolve any unresolved conflict of interest question involving the Chairman, a Vice Chairman, an MTA Member, the Auditor General, or an Agency President, and the Chairman shall resolve any unresolved conflict of interest issue involving any other officer of the MTA. If a significant conflict exists and cannot be resolved, the MTA Board Member should resign.

8. **Oversight of Significant MTA Policies.** The Board shall ensure that the MTA has policies addressing significant issues, and shall regularly review and, as appropriate, suggest changes or additions to, all such statements of significant MTA policy. Each statement of a significant MTA policy should be published in an accessible manner.
9. **Access of Senior Management to the Board.** Senior management are encouraged to, from time to time, bring managers into meetings of the Board who (a) can provide additional insight into the items being discussed because of personal involvement in these areas, an/or (b) are managers with future potential that the senior management believes should be given exposure to the Board.
10. **Access to Independent Advisors.** The Board or any Committee thereof shall have the right at any time to retain independent outside financial, legal or other advisors.
11. **MTA Member Orientation.** Each new MTA Board member shall, within three months of appointment as an MTA Board member, spend a day at MTA headquarters for personal briefing by the Chairman and other senior management on the MTA's strategic plans, its financial statements, and its key policies and practices. In addition, within one year of appointment, each new MTA Board member must participate in State-approved training regarding their legal, fiduciary, financial and ethical responsibilities. The Chief Executive Officer, the MTA General Counsel and Chief Compliance Officer shall be responsible for providing additional orientation materials and programs for new Board members, as appropriate. MTA Board members shall participate in such continuing training as may be required to remain informed of best practices, regulatory and statutory changes relating to the effective oversight of the management and financial activities of the MTA and to adhere to the highest standards.

Staff Summary

Subject Revisions to MTA Codes of Ethics	Date November 16, 2011
Department Corporate Compliance	Vendor Name
Department Head Name Lamond W. Kears, Chief Compliance Officer	Contract Number
Department Head Signature 	Contract Manager Name
Project Manager Name Lamond W. Kears	Table of Contents Ref #

Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
1	Governance	11/14/11	X			1.	Legal 		
2	Board	11/16/11	X			2	Corporate Compliance 		
						3	Chief of Staff 		

Purpose:

To amend the existing MTA All-Agency Code of Ethics and the MTA Board Members Code of Ethics.

Discussion:

In November of 2009, the MTA Board adopted the current MTA All-Agency Code of Ethics and the MTA Board Member Code of Ethics. The Codes set forth the MTA's ethical rules relating to such matters as gifts, conflicts of interests, attendance at industry events, outside employment and post-employment service.

Minor revisions in the MTA Codes of Ethics are now proposed to reflect certain changes in law resulting from the passage of the Public Integrity Reform Act of 2011 ("PIRA"). PIRA, among other things, requires continuing ethics training, every three years, for those members, officers, and employees of state public authorities and agencies who are required to file a financial disclosure statement as well as comprehensive inaugural ethics training for new members, officers and employees. MTA, which has a rigorous ethics training program, is incorporating these strengthened requirements into the MTA Codes.

In addition, PIRA clarifies application of certain existing ethics provisions. For example, with respect to gift rules, PIRA defines when an event can be considered a "widely attended event" and clarifies when transportation for purposes of inspecting/touring facilities does not qualify as a gift. The MTA Codes that are being placed before the Board this month incorporate revisions to provide consistency with such changes in statutory law. In addition, other minor changes that are intended to add clarity to provisions in the Codes have been made, including concerning when it is permissible for an employee to accept honoraria and what types of outside activities require prior approval.

Alternative:

Not to adopt the revised Code of Ethics or amend the by-laws. This alternative is not recommended because changes are required to be consistent with the Public Integrity Reform Act.

Recommendation:

It is recommended that the Board adopt the revised All-Agency Code of Ethics and the Board Member Code of Ethics



Metropolitan Transportation Authority

CODE OF **ETHICS**

Adopted by the MTA Board
November 16, 2011

Originally Issued

June 1, 2005

Revised

March 29, 2006

March 28, 2007

December 16, 2009

November 16, 2011

Additional copies may be obtained from
MTA Corporate Compliance or your Agency's Human Resources Department



Introduction

The Metropolitan Transportation Authority provides services to more than eight million customers a day, each one of whom expects a high standard of service. As Employees of the MTA, you are entrusted with the duty to provide this high standard of service. The ability to provide a high standard of service is grounded in a strong work ethic, clear corporate policies, and the dedication of a creative work force. The adherence to a strict code of ethics is central to gaining and keeping the trust of our customers.

The Metropolitan Transportation Authority All-Agency Code of Ethics ("Code of Ethics") applies to every Employee of the MTA, including its current and future subsidiaries and affiliates. For ease of reference, this Code of Ethics will refer to all such Employees as "MTA Employees." In addition, persons performing services for the MTA and its subsidiaries and affiliates may be subject to the Code of Ethics by contract or agreement.

There is only one Code of Ethics for the entire MTA. You are expected to become familiar with this Code, and the various applicable statutes, regulations, professional codes of ethics, and disciplinary rules. You are expected to read this Code immediately upon receipt.

The Code of Ethics is intended to provide guidance to all MTA Employees with respect to applicable laws governing ethical conduct and the Agency's ethical standards, which sometimes exceed the requirements of State law.

While the Code of Ethics sets out specific standards, in our evolving business environment no written code can anticipate every possible situation. However, this Code of Ethics establishes a standard against which you can measure your daily decisions and actions. The Code of Ethics is not a restatement of all applicable laws and standards; you are expected to be familiar with and comply with all laws and standards related to your specific job. The principal source of most New York State law governing the ethical conduct of public employees and officers is the Public Officers Law, the applicable provisions of which are available from the ~~Commission on Public Integrity directly (www.nysethics.com) or from the law and human resources~~ Law and Human Resources departments at each MTA Agency.

As an MTA Employee, you are expected to be an ethical role model. Managers and supervisors must foster an atmosphere that encourages employees to seek assistance if faced with ethical dilemmas. Every MTA Employee must be alert to potential ethical issues and be ready to respond appropriately.

Responsibility for compliance with the applicable rules and standards for ethical conduct, including the related financial disclosure requirements, ultimately rests with you. If you have an ethics-related question, you should ask your supervisor or the applicable Agency Ethics Committee for guidance. ~~In addition, the Commission on Public Integrity (the address and phone number are listed in Section 1.03) can provide guidance, often by phone or by rendering written informal and formal opinions.~~

Violations of the Code of Ethics or applicable statutory provisions may subject an employee to discipline up to and including dismissal and/or expose the employee to civil or criminal penalties. (See ~~Section~~ Chapter 9)



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Chapter 1: Definitions/Structure

Section 1.01 Definitions

As used in this Code, capitalized terms shall have the following meanings:

Agency Ethics Committee means the ethics committee established at individual MTA Agencies.

All-Agency Ethics Committee means the committee comprised of the chairpersons of each Agency Ethics Committee and the Chief Compliance Officer.

Annual Statement of Financial Disclosure means the financial disclosure statement required to be filed with the Joint Commission on Public Integrity Ethics by certain public MTA employees under the State Ethics in Government Act, pursuant to Public Officers Law Section 73-a and this Code.

Business means any activity, paid or unpaid, by an Employee or any individual, firm, company, corporation or other entity, wherein the goal or objective is obtaining monetary income or other thing of value or operating an enterprise. Such activity may be for profit or not-for-profit.

Code means this MTA All-Agency Code of Ethics.

Confidential Information means information, whether or not set forth in writing, that is available to an Employee only because of such Employee's position within an MTA Agency and which is treated by such MTA Agency as being confidential or which the Employee has reason to believe is confidential. Information does not have to be formally labeled "confidential" to be confidential.

Department Head means a Department Head as that term is generally used within the applicable MTA Agency.

Employee means an officer or employee of an MTA Agency.

Employment means performance of services, for or on behalf of any entity or individual, to obtain economic or other material benefit.

Family Member means ~~any person living in the same household as an MTA Employee, domestic partner, and any~~ (i) an Employee's Spouse, Domestic Partner, Child or Sibling; (ii) a person who is a direct descendant of that MTA Employee's Grandparents or the spouse of such descendant (or the spouse of a direct descendant) of a Grandparent of the MTA Employee or a Grandparent of the MTA Employee's Spouse or Domestic Partner; or (iii) a person living in the same household as an MTA Employee.

Fundraising means the raising of funds for an organization through solicitation of funds or sale of items or participation in the conduct of an event.



Gift means the transfer, without equivalent consideration, of any thing or benefit, tangible or intangible, having more than nominal value, including, but not limited to, loans, forbearance, services, travel, gratuities of any kind, favors, money, meals, refreshments, entertainment, hospitality, promises, tickets to entertainment or sporting events, weekend trips, golf outings, loans of equipment, or other thing or benefit. (See definition of “Items of Nominal Value” below.)

Note: The State Legislature has determined that provision of local transportation by a Prohibited Source for purposes of inspection or touring of facilities, operations or property located in New York State, where such inspection or tour is related to an Employee’s official duties or responsibilities, does not constitute a Gift.

Honoraria Disclosure Unit means the office within the applicable MTA Agency set forth in Appendix A hereto.

Honorarium means (a) payment, fee or other compensation in connection with a service rendered by an Employee not related to the person’s official duties, and for which MTA Agency equipment or staff are not used, which is in the nature of a gratuity or as an award or an honor (e.g., for delivering a speech, for attending a conference, for writing an article); and (b) a payment, whether to a lodging site or a provider of transportation, for travel expenses made to or on behalf of an Employee, or reimbursement made to the Employee for travel expenses incurred, for services rendered by an Employee not related to their official duties.

Items of Nominal Value means items such as mugs, key rings, calendars, pens and the like that are of minimal value unless such items are being given under circumstances where it reasonably can be inferred that such item was intended to influence the Employee in the performance of such Employee’s official duties. For purposes of determining the value of, an item of nominal value, the Commission on Public Integrity has advised that the value is not **deemed** reduced **in value** by virtue of it being embossed or otherwise marked with a company logo, identification, or advertising.

Joint Commission on Public Ethics means the Commission established within the New York Department of State under Section 94 of the New York Executive Law **pursuant to the Public Integrity Reform Act of 2011.**

MTA Agency or MTA means any of the following: Metropolitan Transportation Authority Headquarters, MTA New York City Transit, Manhattan and Bronx Surface Transit Operating Authority, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Long Island Bus, MTA Bus Company, MTA Capital Construction Company, the Staten Island Rapid Transit Operating Authority, the First Mutual Transportation Assurance Company, MTA Bridges and Tunnels and all future affiliated and subsidiary entities of the MTA.

New York State Agency means any New York State department, or division, board, commission, or bureau of any state department, any public benefit corporation, public authority, or commission at least one of whose members is appointed by the Governor, or the State University of New York, or the City University of New York, including all their constituent units except community colleges of the State University of New York and the independent institutions operating statutory or contract colleges on behalf of the State. All MTA Agencies are New York State Agencies for purposes of this Code.



Participation in the Conduct of an Event means active and visible participation in the promotion, production or presentation of the event and includes serving as honorary chairperson or committee member or sitting at the head table during the event. The term does not mean the mere attendance at the event, provided the ~~employee~~**Employee**'s attendance is not being used by the non-profit to promote the event.

Policy-Making Position means those management and non-management positions designated as policy-making positions by each MTA Agency, because the individual holding the position exercises responsibilities of a broad scope in the formulation of plans for the implementation of action or policy for an MTA Agency or has an effective or substantial influence on an individual in such a position; e.g., positions in which Employees have discretion to (i) significantly influence, control, or bind an MTA Agency in the expenditure or receipt of money, (ii) significantly influence the discretionary selection or rejection of Employees, their promotion, transfer, or salary increases, (iii) select or supervise Vendors, (iv) negotiate leases, real estate agreements, estates, purchase or sale of goods or services, or (v) supervise or approve additional work orders and progress payments to Vendors retained by an MTA Agency.

Prohibited Source means:

- (a) a Vendor including any person or non-governmental seller of goods or services, bidder, proposer, consultant, contractor, trade, contractor or industry association, or any other person/entity with which your MTA Agency is doing business, as well as those persons and business entities who have expressed an interest in doing business with your MTA Agency, whose activities directly or indirectly benefit your Agency, or who have a history of doing business with your Agency in the recent past;
- (b) a tenant or licensee of your MTA Agency; and
- (c) another individual or non-governmental entity who, on its own behalf or on behalf of another non-governmental entity: (1) is regulated by your MTA Agency, (2) appears before your MTA Agency on other than ministerial matters, (3) lobbies or attempts to influence your MTA Agency's procurements, or your MTA Agency's positions on legislation or regulation, (4) is involved in litigation adverse to your MTA Agency and no final order has been issued, or (5) has received or applied for funds from your MTA Agency within the preceding year.

For purposes of this definition, the term "your Agency" refers to the Agency by which you are employed. However, certain ~~high-level~~ Employees ~~work~~**working** on matters involving more than one MTA Agency. ~~Such Employees may be considered an Employee of one or more MTA Agencies~~**multiple MTA Agencies for purposes of this Code.**

Solicitation means any request, invitation, or suggestion (oral or written) made under circumstances where it reasonably could be concluded that the individual or entity receiving same is being asked to, or is expected to, comply with a request, invitation, or suggestion.



~~Commission on Public Integrity~~ means the Commission established within the New York Department of State under Section 94 of the New York Executive Law.

~~State Ethics Law~~ means New York Public Officers Law Sections 73, 73-a, 74, and the rules and regulations promulgated there under 74 as may be amended or modified by the New York State Legislature and the rules and regulations promulgated there under.

Section 1.02 Agency Ethics Committees

The Metropolitan Transportation Authority Headquarters, MTA New York City Transit, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Long Island Bus, MTA Bus Company, MTA Capital Construction Company, MTA Bridges and Tunnels shall each establish an Ethics Committee and appoint an Agency Ethics Officer thereto to render guidance on ethics-related questions, including conflicts of interest. The procedures for the appointment of the Agency Ethics Officer shall be determined by each MTA Agency upon consultation with the Chief Compliance Officer. However, each Committee will designate one senior-level executive as Chairperson of the Agency Ethics Committee. Upon request, information disclosed to the Agency Ethics Committees and their members shall be deemed confidential, provided that appropriate disclosure of such information must be made in accordance with applicable laws, rules, and regulations.

The Chairperson of each Agency Ethics Committee will serve as a member of an All-Agency Ethics Committee, which will be chaired by the MTA's Chief Compliance Officer. The Committee will meet periodically to review the current state of ethics at the MTA and to review or revise the Code of Ethics as needed.

Section 1.03 Ethics & Financial Disclosure Questions

Questions concerning this Code or potential conflicts of interest may be directed to the applicable Agency Ethics Committee at the phone number set forth in Appendix C. It is not the function of a supervisor, an Agency Ethics Committee, or an MTA Agency lawyer to ~~render legal advice to or~~ act as counsel to any individual Employee.

Information regarding violations of this Code or questions concerning ethics-related matters, ~~including the provisions of the New York State Ethics law or Annual Statement of Financial Disclosures,~~ may also be directed to:

<i>MTA Corporate Compliance</i>	<i>Commission on Public Integrity</i>
<i>Metropolitan Transportation Authority</i>	<i>50 Broadway</i>
<i>2 Broadway, 16th Floor</i>	<i>Albany, New York 12240</i>
<i>New York, New York 10004</i>	<i>800-873-8442</i>
<i>888-U-ASK-MTA (888-827-5682)</i>	

~~The Commission on Public Integrity website contains numerous guidance and reference documents. It can be accessed via the MTA Compliance Department Intranet site. The Commission on Public Integrity can provide guidance on specific issues, often by phone, and otherwise by rendering written informal and formal opinions.~~



Any MTA Employee who has a complaint or allegation regarding the MTA may also contact the MTA Inspector General.

*Office of the Inspector General,
Metropolitan Transportation Authority
Two Penn Plaza, 5th Floor
New York, New York 10121
800-MTA-IG4U (800-682-4448)*

Section 1.04 Revocation of Agencies' Ethics Policies

This Code supersedes and by effect rescinds the MTA All-Agency Acceptance of Gifts Policy Statement 11-007, the MTA Guideline Document—Gifts, and all MTA Agencies' Ethics Policies and Codes.

Section 1.05 Duty to Disclose

Employees must promptly report any violation or potential violation of the MTA's Codes of Ethics (All-Agency Code of Ethics, Board Member Code of Ethics or Vendor Code of Ethics) as well as any actual or potential violation of law, regulations, or policies and procedures, relating to the MTA, whether committed by an MTA Employee or by a person doing business with the MTA. Employees should report to the MTA Inspector General allegations or information involving corruption, fraud, criminal activity or abuse.

Employees should report to their Agency's Ethics Officer, their Agency General Counsel, the MTA's Chief Compliance Officer or to the MTA Inspector General, all other violations or potential violations. Employees should feel free to discuss their concerns initially with their supervisor, but no supervisor may discourage an Employee from making a report.

Employees who wish to remain anonymous may do so. Their anonymity will be protected, subject to applicable laws, regulations, or legal proceedings.

NOTE: To ~~answer~~obtain answers to questions or increase their understanding, Employees are encouraged to discuss particular situations or concerns they have regarding violations or potential violations of this Code or any laws, regulations or policies or procedures with their Agency Ethics Officer, the MTA Chief Compliance Officer or the MTA Inspector General.



Section 1.06 No Reprisals/Whistle-Blowing

Employees who report violations or potential violations of this Code or any actual or potential violations of laws, regulations or policies and procedures will not be subjected to punitive sanctions, reprisals, or other penalties solely for reporting such violations. Employees who file an intentionally false report may be subject to appropriate disciplinary penalty, up to and including dismissal as well as civil or criminal charges.

Section 1.07 Cooperation with Audits and Investigations

Employees must cooperate fully and honestly with audits and investigations conducted by the MTA Inspector General, Joint Commission on Public Integrity Ethics, Auditor General, Chief Compliance Officer, or other governmental agency. Failure to so cooperate will subject an Employee to appropriate disciplinary penalty, up to and including dismissal.

Section 1.08 Mandatory Ethics Training

Employees subject to the financial disclosure requirements of Section 6.01 of this Code must complete a comprehensive ethics training course within three months of becoming subject to that requirement.

Employees subject to the financial disclosure requirements and such other employees as may be determined by their Agency Ethics Committee are required to attend continuing ethics training every three years.

Chapter 2: Gifts, Awards and Honoraria

Section 2.01 Gift Prohibition-Zero Tolerance

Employees are prohibited from soliciting or receiving Gifts, directly or indirectly, from any Prohibited Source. The defined term "Gift" does not include items of truly nominal value. (See definitions of "Gifts" and "Items of Nominal Value.")

However, Employees may accept Gifts from employees of a Prohibited Source if these Gifts are reflective of a personal relationship independent of the relationship between the Prohibited Source and the MTA. For example, if the sibling of an MTA Agency Employee worked for a Prohibited Source, the MTA Agency Employee could nonetheless accept a Gift that reflects this personal relationship. In addition, an Employee can accept a modest, reasonable, and customary offering on an extraordinary occasion, such as a wedding, retirement, funeral, or serious illness. A Gift shall not be considered representative of a personal relationship – and thus permissible – if the donor seeks to charge or deduct the value of the Gift as a business expense or seeks reimbursement from a Prohibited Source.

Employees are permitted to accept discounts or special offers from a Prohibited Source so long as those discounts or special offers are generally available to similarly situated employees of other public



and private sector organizations. Examples of Employees should check with their Agency Ethics Officer before accepting such permitted discounts ~~and/or~~ special offers ~~are discounts on personal cell phone service~~ from a Prohibited Source.

Under no circumstances ~~can~~may an Employee accept an item, even an Item of Nominal Value, under circumstances in which it could be reasonably inferred that the item was intended to influence the Employee, or could reasonably be expected to influence the Employee, in the performance of the Employee's official duties or was intended as a reward for any official action on such Employee's part.

Reminders:

- (a) Employees should avoid accepting numerous items of nominal value from the same Prohibited Source because their aggregate value is likely to exceed the nominal threshold. The MTA ~~and Commission on Public Integrity~~ will aggregate the value of items received from the same Prohibited Source in any 12-month period.
- (b) Accepting Gifts in connection with the performance of official duties from persons or entities other than Prohibited Sources could still be a violation of State law and this Code, if it could be reasonably inferred that the Gift was intended to influence the Employee, or could reasonably be expected to influence the Employee, in the performance of the Employee's official duties or was intended as a reward for any official action on such Employee's part.
- (c) Proof that an Employee was actually influenced by a Gift is not necessary for a finding of a violation of this Code or State Ethics Law.
- (d) Employees should use caution in accepting such items they believe are of nominal value because it may not always be easy to determine if an item is truly of nominal value.
- (e) An Employee may not designate a friend, family member, or entity (such as a charity) to receive a Gift that the Employee would not be permitted to receive.

Examples:

- (a) A Prohibited Source offers an Employee a ~~briefcase~~briefcase with the Prohibited Source's logo embroidered on it. Because that ~~briefcase~~briefcase, without such logo, would have a retail cost greater than nominal value, the Employee is prohibited from accepting it, even if the Employee considers it valueless because of the logo.
- (b) An Employee receives 10 coffee mugs valued at \$1.00 each within a 12-month period from the same Prohibited Source. Your total value received is \$10.00 and therefore you have received a Gift (the mugs) of greater than nominal value.

Common Gift Issues: It is not practical in a code of this type to describe all of the circumstances that might give rise to a prohibited Gift. The following are some of the



situations that have come up in the past and are examples of Gift-related actions that are prohibited:

- (a) Any Solicitation or attempt to Solicit a job for a relative from a Prohibited Source, including a summer job; or
- (b) Any Solicitation or acceptance from a Prohibited Source of:
 - (1) tickets to a concert, play, sporting event, or show;
 - (2) a golf outing, a weekend trip, a vacation, use of a vacation home, or an airline ticket; or
 - (3) individual discounts to Employees on goods or services (such as televisions, computers, clothing, home improvements, or car or appliance repairs).

Section 2.02 Monetary Gifts and Kickbacks

Gifts of money to an Employee from a Prohibited Source are prohibited regardless of amount and shall be **deemed to be a kickback or bribe** intended to influence the Employee in the performance of the Employee's official duties.

Employees may not give or promise to give any portion of their compensation or any money or valuable thing to any person, nor shall any person accept any such money, or valuable thing, in connection with appointment, employment, promotion, assignment, or reassignment by an MTA Agency. Employees may not, directly or indirectly, make (or request that other Employees make) any contribution or pay any assessment in order to secure promotion, compensation, or to affect job status, duties, or functions, or in consideration of being appointed or employed at an MTA Agency.

Section 2.03 Tips

Employees are not permitted to accept tips or other gratuities in connection with the performance of their official duties unless:

- (1) the Employee is represented by a labor union; and
- (2) it has been customary in the past for MTA Agency Employees in the relevant job classification to receive tips in connection with the performance of their official duties; and
- (3) in the private sector it would be customary for an Employee in the equivalent job classification (such as a bartender) to receive tips as part of their income.



Section 2.04 Reporting Gift or Gift Offers

An Employee to whom a Gift is offered or given in violation of Section 2.01 above shall promptly report such offer or Gift to the applicable Agency Ethics Committee and, in the case where a Gift has been given, the Employee or Agency Ethics Committee shall promptly return the Gift to the person or entity giving the Gift with a copy of the MTA Gift return letter. A copy of the executed gift return letter ~~should~~shall be sent to MTA's ~~Chief Corporate Compliance Officer~~.

Section 2.05 Awards, Plaques and Honors

Awards and plaques publicly presented in recognition of an Employee's service to an MTA Agency or non-job-related public service may be accepted. Employees must notify and seek the approval of their Agency Ethics Committee prior to accepting an award, plaque, or honor presented by a Prohibited Source.

However, awards or plaques presented by a Prohibited Source in recognition of job-related MTA Agency service and valued at more than seventy-five dollars (\$75) shall become the property of the applicable MTA Agency. The MTA Agency's Ethics Committee can determine the disposition of the award or plaque.

Section 2.06 Honoraria

~~Employees must comply with the Commission on Public Integrity's regulations pertaining to limitations on the receipt of honoraria from outside parties. An Employee cannot~~An Employee may not accept an honorarium for services related to his or her duties for the MTA.

Employees must obtain approval from their Agency Ethics Committee with the concurrence of Corporate Compliance prior to accepting an Honorarium. The approval request should be in writing and received by the Agency Ethics Committee no less than thirty (30) days prior to the time performance of the service for which the Honorarium is being offered is due to occur or thirty (30) days prior to the receipt of the honorarium. A detailed statement of all of the circumstances in which an Employee may accept an honorarium from a third party are is set forth in Part 930 of the Commission on Public Integrity's regulations. Title 19 NYCRR Part 930.

The following is a summary of the rules relating to honoraria.

~~Permitted~~Prohibited Honoraria: ~~An Employee may accept an honorarium under certain circumstances, including where the individual or organization offering the honorarium is not involved with:~~An Employee may not accept an Honorarium (or payment in lieu of Honorarium) that is offered for services related to his or her official duties for the MTA. In such circumstances, payment for services related to official MTA duties must be made directly to the applicable MTA Agency ~~in any context other than in ministerial matters.~~



~~**Prohibited Honoraria.** An honorarium to~~ **In addition, an Honorarium may not be accepted by** any Employee from any individual or organization that (i) does any business with the applicable MTA Agency, (ii) is regulated by the MTA Agency, (iii) is involved in litigation adverse to the MTA Agency, (iv) receives funds from the MTA Agency, or (v) lobbies before an MTA Agency, is prohibited.

~~**Payment in Lieu of Honoraria.** A payment in lieu of an honorarium that is offered for services related to an Employee's official duties cannot be accepted by the Employee and must be paid by the granting organization directly to the applicable MTA Agency.~~

Disclosure of Honoraria: Each year the MTA is required to file a report with the **Joint Commission on Public Integrity Ethics**, which lists honoraria, **whether approved or not**, received by its Employees. Therefore, every Employee who has received one or more honoraria during the reporting period must file a report with the Honoraria Disclosure Unit for their MTA Agency identified ~~on~~ **in** Exhibit A hereto, using the form provided at Appendix B of this Code, as may be amended from time to time. Each Honorarium recipient must file **the completed form** with such Honoraria Disclosure Unit no later than April 15 of each year for the period April 1 of the previous year through March 31 of the current year. ~~It is strongly encouraged, although not mandatory, that Employees who have been offered an honorarium obtain written approval in advance from their Ethics Officer in the form of a memorandum.~~ Where prior approval was received, the Employee shall include a copy of the Ethics Officer's authorizing memorandum as an attachment to the annual report to the applicable Honoraria Disclosure Unit.

Irrespective of whether approval was obtained in advance, however, any receipt of an honorarium must be reported to the applicable Honoraria Disclosure Unit.

Chapter 3: Prohibited-Source Sponsored Events, Receptions, and Meals

Section 3.01 Business Meals

In general, Employees are prohibited from accepting a meal from a Prohibited Source. However, an Employee may accept free **modest** meals or refreshments from a Prohibited Source under the following limited circumstances:

- (a) in the course of and for the purpose of conducting MTA Agency business at a Prohibited Source's facility, when offered unexpectedly during a meeting which the Employee is attending for official reasons, or when offered at a company cafeteria or other company facility at the Prohibited Source's place of business and individual payment is **impractical**, or
- (b) when attending a seminar or conference in connection with an MTA Agency and meals or refreshments are provided to all participants.



A meal is considered modest for purposes of the foregoing if the food and beverage is valued at fifteen dollars or less. Under the MTA Code of Ethics, an Employee may accept such a modest meal only under the circumstances noted above.

An Employee may not accept a meal from a Prohibited Source outside of a Prohibited Source's facility (except at a seminar or conference as set forth in Section 3.01(b) above). If an Employee has a meal with a Prohibited Source, the Employee shall pay the full value of such meal with his or her own funds with or without MTA Agency reimbursement.

Reminders: If you have a meal with a Prohibited Source and simply split the bill you may be in violation of this Code if you do not pay the full value of your meal. **It is prudent for Employees to obtain proof of payment because simply putting money on the table may not provide an adequate basis for proving that an Employee paid for his or her own meal. The better practice is to get a separate check and keep the receipt.**

Section 3.02 Educational Seminars

Employees are encouraged to continue to participate in events that will enhance their professional development. In certain professions, it is customary for Prohibited Sources, including companies that do business with the MTA, and industry groups, to sponsor lectures and continuing education seminars. Occasionally, such educational events are targeted to MTA Employees and do not include other similarly situated public or private sector employees. Employees may attend such educational events if attendance at the event would further the interests of the MTA Agency, if the event relates to the Employee's official duties, and if the invitation does not involve recreational activities such as golf, tennis, or cruises.

However, Employees who manage the Prohibited Source's work or are involved in the review/approval of payments to the Prohibited Source must consult with their Agency's Ethics Officer before accepting professional continuing education credits.

Section 3.03 Attendance at Prohibited-Source/Industry-Sponsored Events and Receptions

Employees are encouraged to continue to participate in events that will enhance their professional development. Employees frequently receive complimentary invitations to Prohibited Source/industry groups sponsored events that include receptions or hospitality suites sponsored by a Prohibited Source/industry group. **Employees should evaluate any such invitations with caution and obtain prior approval from their Agency Ethics Officer.** Employees may attend complimentary Prohibited Source/industry-sponsored events, including receptions or hospitality suites only if ***all*** of the following conditions are met:

- (1) Attendance at the event would further the interests of the MTA Agency;~~and~~
- (2) The event relates to the Employee's official duties **or responsibilities or allows the Employee to perform a ceremonial function appropriate to his or her position;**
and



- (3) ~~There is broad participation and wide attendance at the event and the event is open and complimentary to members throughout a given industry or profession, or those in attendance represent a broad range of persons interested in the matter; and~~ The event is a "widely attended event" at which at least twenty-five individuals other than MTA employees attend or were, in good faith, invited to attend and the event is also complimentary to such other non-MTA employees attending or invited to attend;
- (4) Any reception or hospitality suite is open to all event attendees; and
- (5) The event does not include a formal sit-down meal or involve recreational activities such as golf, tennis, or cruises.

In evaluating approval of such participation, your Agency Ethics Officer will take into consideration a number of factors, including but not limited to: the nature of any pending matter affecting the sponsor or donor's interest, the importance of the event to the MTA, the significance of the Employee's role in the event and whether the MTA Agency's interest in the Employee's participation outweighs the likelihood that such participation would be perceived as improperly influencing the Employee in the performance of his or her official duties, the timing of the event, the purpose of the event, the identity of other expected participants and the monetary value of the event.

In circumstances in which a significant activity at the event will be a speaker or attendee addressing an issue of public interest or concern, the State Legislature has determined the requirement that the event "relate to official duties or responsibilities" is satisfied.

An Employee's travel expenses relating to attendance at an industry or Prohibited Source-sponsored event may not be reimbursed or paid for by the event sponsor or other Prohibited Source. (See Travel Reimbursement Section 3.08)

An Employee may attend a Prohibited Source-sponsored event at his or her own expense but the cost paid by the Employee shall be based on the price paid by the other paying attendees or if there is no admission fee required, then based on the actual cost to the sponsor. **It is prudent for Employees to obtain proof of payment.**

Section 3.04 Senior Management Attendance at Prohibited-Source Sponsored Events

The Chair/Chief Executive Officer of MTA, the President of an MTA Agency, or their designee(s) may attend functions sponsored and paid for by Prohibited Sources when attendance is related and appropriate to that attendee's official duties or when the purpose of attendance is the performance of a ceremonial or other function that is appropriate to that attendee's official duties with their MTA Agency. The attendee shall provide advance written notice of such invitation to the MTA Chief Compliance Officer and their Agency's General Counsel.



Section 3.05 Attendance at Banquets, Galas and Fund-Raising Events

- (a) Employees may purchase tickets using their own funds and may attend fund-raising and charitable events sponsored by Prohibited Sources on their own time, subject to compliance with the applicable provisions of the State Ethics Law, this Code, and any other applicable statutes, rules, regulations, policies, or procedures.
- (b) Employees may attend fund-raising and charitable events with tickets purchased by an MTA Agency in compliance with the applicable policies and procedures relating to such purchases.
- (c) Employees may not accept from any individual or firm, directly or indirectly, tickets to any banquet, gala, or fund-raising event by a Prohibited Source, if those tickets were subsidized or paid for directly or indirectly by the Prohibited Source including without limitation the Transit Museum Gala. Such tickets may not be donated by an individual or firm to an MTA Agency and then distributed to Employees of an MTA Agency.

Section 3.06 Charitable/Political Benefits Contributions and Fundraising Activities

Solicitation by Employees of charitable or political contributions from Prohibited Sources, including giving Prohibited Sources invitations to charitable or political functions or events, is prohibited.

Employees are prohibited from using the MTA's name, their official title, position or authority in any fundraising activity unless authorized by MTA's Chief Compliance Officer. Authorization ~~may be~~ may be granted **only if** the fundraising is in furtherance of the MTA's mission and does not create an appearance of or any actual conflict of interest.

Employees may engage in fundraising in a personal capacity provided they do not use their title, position or authority to further their fundraising activities and do not personally solicit funds from a subordinate or from persons known to the ~~employee~~ Employee to be a ~~prohibited source~~ Prohibited Source.

Section 3.07 Events Honoring an Employee

Prohibited Sources should only be invited to events honoring an Employee (such as an Employee's retirement dinner or an event where the Employee is one of the honored guests) if they have a personal relationship with the honored Employee and there is no actual, implied, or apparent promise of benefit from accepting, or actual, implied, or apparent threat of retaliation from refusing, such invitation. Such invitations should be made with caution.

Section 3.08 Reimbursement of Travel Expenses for Official Duties

Under no circumstances shall an Employee accept reimbursement of travel expenses, including but not limited to, transportation costs, registration fees, food or lodging, from a Prohibited Source.



~~However, Employees may accept reimbursement from government agencies~~entities other than Prohibited Sources for travel expenses related to the Employees' official duties ~~at the applicable MTA Agency~~ if the purpose of the travel benefits the MTA Agency in the conduct of its business and prior approval has been received in accordance with the procedures set by the applicable MTA Agency and this Code.

Employees must obtain approval from their Agency Ethics Officer with the concurrence of Corporate Compliance prior to accepting such travel reimbursement. The approval request must be in writing and received by the Agency Ethics Officer reasonably in advance of the time the travel is to begin.

Employees required to file a financial disclosure statement must report any reimbursement for travel expenses which totals in excess of \$1,000.

~~Reminder: All Employees must comply with the Commission on Public Integrity's regulations pertaining to limitations on the reimbursement of travel expenses from outside parties. A detailed statement of all of the circumstances in which an Employee may accept reimbursement of travel expenses from a third party is set forth in~~ Title 19 NYCRR Part 930 ~~of the Commission on Public Integrity's regulations.~~

Chapter 4: Conflicts of Interest, Other Employment and Political Activities

Section 4.01 Conflicts of Interest

Employees shall not have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is or may be in conflict with the proper discharge of his or her duties. Employees must notify their Ethics Committee regarding any possible conflict of interest.

Reminders:

- (a) If an Employee is uncertain as to whether a given situation creates a real or potential conflict of interest, such Employee should promptly disclose that situation to, and seek guidance from, his or her supervisor, Department Head, the applicable Agency Ethics Committee, or MTA Chief Compliance Officer;
- (b) With respect to all work an Employee performs, such Employee must be vigilant about the existence of any circumstances, interests, or relationships which might create or might be reasonably perceived by others as constituting a conflict of interest. If an Employee is uncertain as to whether a given situation creates a real or potential conflict of interest, such Employee must promptly disclose that situation to, and seek guidance from, such Employee's supervisor, Department Head, applicable Agency Ethics Committee, or MTA Chief Compliance Officer. In order to avoid a conflict of interest or the appearance of one, it may be necessary for Employees to recuse themselves from involvement with a matter before an MTA Agency. Employees must adhere strictly to



the conflict of interest guidance they receive from their supervisor, Department Head, applicable Agency Ethics Committee, or applicable Agency law department.

Example: It would be a conflict of interest if an Employee participated in a transaction involving an MTA Agency in which transaction the Employee or someone associated with the Employee (Family Member or by a Business or financial relationship) had, directly or indirectly, a financial or other private interest (other than a de minimis financial interest as discussed in Section 4.04 below).

Section 4.02 Public Trust

(a) Employees shall not engage in a course of conduct that will raise suspicion among the public that they are likely to be engaged in acts that are in violation of the public trust. Employees shall avoid even the appearance that they can be improperly (1) influenced in the performance of their official duties or (2) induced to violate the public trust or impair their independence of judgment in the exercise of their official duties.

Example: An Employee's undisclosed social relationship with a Prohibited Source might create an impression of impropriety if the Employee were in a position to act favorably toward the Prohibited Source in an MTA Agency matter.

(b) Employees shall not use or attempt to use their official position to secure unwarranted privileges or exemptions for themselves or others.

(c) Employees shall not by their conduct give reasonable basis for the impression that any person can improperly influence them or unduly enjoy their favor in the performance of their official duties, or that they are affected by the kinship, rank, position, or influence of any party or person.

Section 4.03 Confidential Information

Employees shall not disclose Confidential Information without the permission of the General Counsel of the MTA Agency at which such individual is employed for any purpose, or use such information to further their personal interests.

Section 4.04 Financial Interest

(a) An Employee, or firm or association of which such Employee is a member, or corporation, ten per cent (10%) or more of the stock of which is owned or controlled directly or indirectly by such Employee, shall not (1) sell any goods or services having a value in excess of twenty-five dollars (\$25) to any New York State Agency, or (2) contract for or provide such goods or services with or to any private entity where the power to contract, appoint or retain on behalf of such private entity is exercised, directly or indirectly, by a New York State Agency or officer thereof, unless such goods or services are provided pursuant to an award or contract let after public notice and competitive bidding.



Exception: This restriction does not apply to the publication of resolutions, advertisements, or other legal propositions or notices in newspapers designated pursuant to law for such purpose and for which the rates are fixed pursuant to law.

(b) Employees shall not knowingly engage in any transaction on behalf of an MTA Agency with any business entity in which they or a family member has a direct or indirect financial interest, excluding mutual funds, that might reasonably tend to conflict with the proper discharge of their official duties. These provisions may be waived if **both** the Head of the Agency's Procurement Department and the Agency General Counsel state in writing that it is in the best interests of the Agency to waive the provisions.

In addition, NY CLS Pub A § 1211 makes it a misdemeanor offense for an Employee of NYCT to have any interest, direct or indirect, in any contract entered into by the Employee's Agency.

Section 4.05 Employees Engaged in Selection, Award and Administration of Contracts

(a) Employees shall not participate in the selection, award, or administration of a contract if the Employee knows that he/she or any of his/her family members, his/her business partner, or an organization that employs or is about to employ any of the above, has a financial or other interest, other than mutual funds, in any of the companies, their parent company, its affiliates or subsidiaries ("the company") that propose or bid on or are awarded such contract. ~~Except with respect to participation in matters in which an Employee's family members have a financial or other interest, which is absolutely barred by Executive Order No. 1 of 2007, the~~ **The** provisions of Section 4.05(a) may be waived if the Head of the relevant Agency's ~~Procurement~~ Department, ~~the~~ as well Agency's General Counsel, and the Agency's Ethics ~~Committee~~ **Officer** state in writing that it is in the best interests of the Agency to waive the provisions of this Section for a specific procurement or contract. **Copies of any approved Waiver Request must also be filed with MTA Corporate Compliance.**

(b) If a waiver is granted, (1) the Employee engaged in the **award or selection** of a contract, shall not during the selection process and for two weeks after the award of the contract buy or sell any of the company's securities or (2) the Employee engaged in the **administration** of a contract shall not buy or sell any of the awarded company's securities for six months after the award of the contract.

(c) An Employee shall not buy or sell any of the company's securities based upon information received as a result of their employment with an MTA Agency or for two weeks after the public release of information by any MTA Agency regarding the company.

(d) For two years from the commencement of employment with an MTA Agency, an Employee shall not do either of the following in relation to the Employee's immediate past non-governmental employer: (1) participate in the selection or award of a contract in which a bidder or proposer is such immediate past employer; or (2) administer a contract awarded to such immediate past employer, unless the Employee has notified the Employee's Department Head in writing of the potential conflict and has received from such Department Head ~~and the~~ Agency's General Counsel, **and the Agency Ethics Committee** a waiver stating that it is in the best interests of the applicable MTA Agency for such Employee to act in such a role. ~~The Department Head and General Counsel must~~



~~submit a~~ copy of such waiver ~~to the applicable Agency Ethics Committee~~ request must be submitted to the MTA Chief Compliance Officer for approval.

(e) No MTA employee may ask a current or former contractor, or any officer, director or employee thereof, to disclose: (i) the party affiliation of such contractor, or any officer, director or employee thereof; (ii) whether such contractor, or any officer, director or employee thereof, has made campaign contributions to any party, elected official, or candidate for elective office; or (iii) whether such contractor, or any officer, director or employee thereof, cast a vote for or against any elected official, candidate or political party. No MTA employee may award or decline to award any contract, or recommend, promise or threaten to do so, in whole or in part, because of a current or prospective contractor's refusal to answer any inquiry regarding the above.

Section 4.06 Representation of Other Parties and Certain Appearances and Services

Employees shall not, directly or indirectly, act or appear on behalf of any individual, firm, or corporation, in any Business dealings with, or any matter against the interests of, an MTA Agency, or any other New York State Agency, other than as a fact witness. Employees of an MTA Agency are prohibited from appearing for compensation of any kind before a New York State Agency in connection with the purchase or sale of real estate, any rate-making proceeding, licensing, obtaining grants of money or loans, proceedings related to franchise(s), or the adoption or repeal of any rule having the force of law.

Exceptions

(a) Employees may appear before an MTA Agency or any New York State Agency or tribunal (1) in a representative capacity on behalf of an Employee organization or association or (2) in connection with a ministerial matter, such as acting as a notary or translator.

(b) Uncompensated work by Employees for not-for-profit entities doing Business with the State or City is not automatically a conflict of interest if the Employee takes no part in such Business dealings and the entity in question is not subject to supervision, control, or regulation by an MTA Agency. For example, an Employee might serve, without fee, on the Board of a community or church-sponsored day-care center that receives State funds. In such a case, the Employee cannot communicate with the State concerning receipt of those funds.

Section 4.07 Other Employment and Outside Activities

Outside employment/activities may pose ethical issues if there is a conflict between the Employee's duties as an MTA Employee and the requirements of the outside employment/activity.

Employees are prohibited from outside employment, business, professional, or other outside activity that interferes or is in conflict with the proper and effective discharge of the individual's official duties or responsibilities. Each MTA Agency requires that Employees devote appropriate time and



attention to their employment with that agency. Full-time employment with an MTA Agency is deemed to be an Employee's primary employment. All Employees must be fit for duty during their work hours.

~~Outside employment may pose ethical issues if there is a conflict between the Employee's duties as an MTA Employee and the requirements of the outside employment.~~

MTA Employees who wish to engage in outside employment/activities must consult with their Agency's Human Resources Department or Ethics Committee to determine ~~whether~~ what dual employment or outside activity policy exists at the employing Agency. ~~Any such dual employment policies are not superseded by this Code of Ethics.~~

~~Employees of those MTA Agencies that do not have dual employment policies are required to notify their Agency's Human Resources Department of any outside employment.~~

Employees may engage in ~~other~~outside employment/activity provided that (1) such employment/activity does not interfere with their ability to devote appropriate time and attention to their employment with their MTA Agency; (2) such employment/activity does not violate the specific guidelines for other employment set by their MTA Agency; (3) they do not use any MTA Agency resources (e.g., time, equipment, telephone, etc.) in connection with such employment, and (4) ~~for policy makers~~, they obtain the required approvals as set forth in the specific procedures for approval of other employment set by their MTA Agency. Any MTA Employee interested in running for elective office must also comply with the provisions of Section 4.08 of the Code.

Employees holding Policy-Making Positions must comply with certain additional requirements in connection with engaging in outside employment/activities:

- (1) Employees holding Policy-Making Positions are prohibited from serving as a director or officer of a Prohibited Source (including nonprofit organizations) or corporation or institution engaged in profit-making activities, without the prior approval of the applicable Agency Ethics Committee. Employees must also receive the approval of the Joint Commission on Public Ethics prior to serving as a director or officer of a corporation or institution engaged in profit-making activities.
- (2) Employees in Policy-Making Positions shall not engage in any private employment, profession or Business or other outside activity, without the following prior approvals:
 - (1a) Annual compensation up to \$1,000—No approval required.
 - (2b) Annual compensation in excess of \$1,000 to \$4,000—Approval by the applicable MTA Agency.
 - (3c) Annual compensation in excess of \$4,000—Approval by the applicable MTA Agency and the Joint Commission on Public Integrity Ethics.



Remember:

- (a) These approvals are in addition to any approvals which may be required by your Agency.
- (b) ~~Even if no approval is required for outside activities because the monetary thresholds have not been met, the~~ Employee must comply with all conflict of interest rules and may not use any MTA Agency resources in connection with such activities.
- (c) ~~Employees holding Policy-Making Positions are prohibited from serving as a director or officer of a Prohibited Source (including nonprofit organizations) or corporation or institution engaged in profit-making activities, without the prior approval of the applicable Agency Ethics Committee. Employees must also receive the approval of the Commission on Public Integrity prior to serving as a director or officer of a corporation or institution engaged in profit-making activities.~~
Employees holding Policy-Making Positions who request approval from the **Joint Commission on Public Integrity Ethics** to engage in outside activities must file a written request with the Commission which contains the approval of the activity by the applicable MTA Agency. Each Agency Ethics Committee shall establish a form for requests of approval of such outside activity. The Agency Ethics Committee acts as the agent of the applicable MTA Agency in approving or disapproving such requests. The Agency Ethics Committee's disapproval is final.
- (e) ~~Employees holding Policy-Making Positions shall not hold public employment/office for which more than \$4000 in compensation is received or run as a candidate in any partisan election without the prior approval of the applicable MTA Agency and the Commission on Public Integrity.~~

Section 4.08 Political Activities of Employees

- (a) An Employee interested in running for elective office shall give written notice of his or her intentions to the applicable Agency Ethics Committee, so that it may determine whether, and upon what conditions, ~~the Employee would be permitted to seek~~**seeking** elective public office: **would be consistent with the ethics laws and regulations. Notice and approval of the Joint Commission on Public Ethics may also be required for Employees holding Policy-Making Positions pursuant to Title 19 NYCRR Part 932. In advance of running as a candidate in any election, the provisions of the Hatch Act should also be evaluated to determine whether such a candidacy is permitted under its terms.**
- (b) Employees shall not conduct political activities during work hours. MTA Agency property, including, without limitation, telephone, copy machines, computers, and other MTA Agency equipment, vehicles, office space, and services may not be used for political activities under any circumstances.



(c) Employees are prohibited from using federal funds for partisan political purposes of any kind in the administration of MTA Agency programs, either directly or through individuals or organizations with whom the MTA Agency contracts.

(d) Employees shall not use their positions or influence for the purpose of interfering with or affecting the result of an election. No Employee shall, directly or indirectly, use his or her official authority to compel or induce any other ~~employee~~**Employee** or state official to make or promise to make any political contribution, whether by gift of money, service or other thing of value.

(e) Employees holding Policy-Making Positions shall not serve as: (1) officers of any political party or political organization; (2) members of any political party committee, including political party district leaders or as members of a political party national committee. "Political organization" means any organization affiliated with a political party but does not include a judicial nominating committee, an organization supporting a particular cause with no partisan activities, a campaign or fundraising committee, or serving as a delegate to a state or national ~~part~~**party** convention.

(f) Consistent with this Code, Employees are otherwise free to participate in the political process on their own time, but there must be a clear separation between their political activities and the discharge of their duties as Employees of an MTA Agency.

(g) No MTA ~~employee~~**Employee** may during the consideration of an employment decision ask any applicant to disclose: (i) their political party affiliation; (ii) whether they made campaign contributions to any party, elected official or candidate for elective office; or (iii) whether the applicant cast a vote for or against any elected official, candidate or political party. The provisions of this paragraph shall not apply where such inquiry is necessary for the proper application of any state law or regulation.

No MTA ~~employee~~**Employee** may decline to hire or promote, discharge, discipline, or in any manner change the official rank or compensation of any ~~employee~~**Employee**, or applicant for employment, or promise or threaten to do so, based upon a refusal to answer any inquiry prohibited by this section or for giving or withholding or neglecting to make any contribution of money or service or any other valuable thing for any political purpose.

(h) The MTA's Chairman and Chief Executive Officer and Agency Presidents shall not seek nomination or election to any compensated federal, state or local public office, or shall become a candidate for such office, unless such individual first resigns from his or her employment, or requests and is granted a leave of absence without pay, such resignation or leave must commence before such individual engages in any campaign activities, including but not limited to, announcing a candidacy, circulating petitions, soliciting contributions, distributing literature, or taking any other action to actively promote oneself as a candidate for elective office.

Section 4.09 ~~Executive Order 127~~Other State Employment

~~Executive Order 127 was rescinded and revoked on June 13, 2006. Employees should consult the Procurement Director or General Counsel for their Agency regarding application of the Omnibus Lobbying Reform Act of 2005, which addresses, among other things, requirements regarding~~



~~persons and organizations contacting MTA Agencies about procurement and real estate transactions.~~

Employees who are subject to the New York State Civil Service Law shall not accept appointment or employment on a full-time or part-time basis, in a State department or agency, or in the Legislature or the judiciary, for which compensation is payable, without the prior consent in writing of the Agency President and Agency Ethics Officer. The written consent shall be filed with the Office of the Comptroller and Corporate Compliance.

Chapter 5: Future Employment

Section 5.01 Restrictions on Future Employment --Purpose

Employment with an MTA Agency restricts to a degree the type of employment one may accept upon leaving an MTA Agency. These restrictions are based upon statutory requirements. Both this Code and applicable statutes seek to discourage actual conflicts of interest and conduct from which reasonable inferences may be drawn that Employees of an MTA Agency might not have been loyally serving such MTA Agency's interests during their employment or, thereafter, might be taking undue advantage of inside information or positioning derived from their former employment with an MTA Agency.

Section 5.02 Restrictions on Future Employment – Limited and Lifetime Bars

(a) ~~(a)~~ Two-Year Bar

No former Employee shall, within two (2) years after termination of employment with an MTA Agency, appear before such agency or receive compensation for, or render compensated services on behalf of, any person, firm, corporation, or association in relation to any case, proceeding or application or any other matter before such MTA Agency.

(b) Lifetime Bar

No former Employee shall ever appear, practice, communicate, or otherwise render any services or receive compensation for such services rendered before an MTA Agency or any New York State Agency for, or on behalf of, any person, firm, corporation, or other entity in relation to any case, proceeding, or transaction with respect to which such person was directly concerned and in which he or she personally participated during the period of service or employment, or which was under their active consideration. The definition of what constitutes "ever appear, practice, communicate or otherwise render any services" is given a broad interpretation by the Commission on Public Integrity. Employees should contact their Agency Ethics Officer ~~or the Commission on Public Integrity~~ regarding this definition before rendering any such service.



Exceptions:

- (a1) These restrictions on future employment do not apply to subsequent services rendered in an official capacity as an elected official or an Employee of another governmental entity.
- (b2) The Agency may seek a waiver with respect to a former Employee pursuant to Public Officer Law Section 73 if the Employee has expertise, knowledge, or experience with respect to a particular matter that meets the needs of the agency and is otherwise unavailable at a comparable cost.
- (c3) The Agency may seek a waiver with respect to a former Employee pursuant to Public Officer Law Section 73 if the services of such former officer or Employee are required in connection with the agency's response to a disaster emergency declared by the governor pursuant to section twenty-eight of the Executive Law.

Reminders:

- (a1) For purposes of the post-employment bars, certain Employees, particularly those at MTA Headquarters, may be considered to be Employees of multiple MTA Agencies based on the scope of their job responsibilities. For clarification of their particular circumstances, the Employees may seek guidance from their former Agency Ethics Officer, or MTA Corporate Compliance ~~or the Commission on Public Integrity~~.
- (b2) The Joint Commission on Public Integrity Ethics may not consider not-for-profit entities in the transportation field and certain quasi-governmental organizations as governmental entities for purposes of the exception noted above and employment at such entities may be subject to the post-employment bars described above.

The following are examples of the application of the two-year and lifetime bars:

Example 1: A former Construction Manager in the Department of Capital Program Management at New York City Transit (NYCT) may not, within two years after termination of NYCT employment, render services on behalf of a contractor in connection with any Business the contractor has with NYCT.

Example 2: No former Metro-North Employee, for a period of two years subsequent to his or her termination from employment (including retirement) may contract with Metro-North as a consultant to perform services of any kind on behalf of Metro-North, unless MNR has obtained a waiver from the Joint Commission on Public Integrity Ethics as set forth above.

Example 3: A former procurement representative in the procurement department at LIRR who was directly concerned with, or was responsible for, the negotiation of a contract during his or her LIRR employment may never appear before an MTA Agency or any other New York State Agency or render services on behalf of any



outside person or firm, such as a contractor or subcontractor with regard to that contract, including but not limited to, the preparation or evaluation of claims, or the negotiations of change orders, relating to the contract.

Section 5.03 Negotiations for Future Employment

(a) Solicited

MTA Employees are prohibited from soliciting an employment opportunity with a non-governmental individual or entity that has a specific pending matter before the Employee.

Those Employees seeking employment outside of government with an entity or individual that has a specific pending matter before the Employee may only solicit an employment opportunity with the non-governmental individual or entity after waiting:

- (a1) 30 days from the time the matter before the Employee is closed, or
- (b2) 30 days from the time the Employee has no further involvement with the matter because of recusal or reassignment.

(b) Unsolicited

MTA Employees who receive an unsolicited post-government employment-related communication from a non-governmental individual or entity that has a specific pending matter before the Employee cannot pursue employment with the non-governmental entity or individual unless the following occurs:

- (a1) they recuse themselves from the matter and any further official contact with the entity or individual and
- (b2) they wait 30 days from such recusal to enter into post-government employment communications with the entity or individual.

(c) Notification

MTA Employees must promptly notify their supervisor and Agency ~~ethics officer~~ **Ethics Officer** of such outside employment related communications whether or not they intend to pursue the post-government employment opportunity.

In the event of such notification of a solicitation and Employee's desire to pursue the solicitation, the Employee's supervisor is obligated to advise such supervisor's superiors, in writing, up to and including the Department Head, of the Employee's desire to pursue the solicitation and the ~~managers~~ **manager's** intention to establish recusal procedures, if practical, to reassign the individual or to refuse reassignment.



(d) Recusal

Recusal procedures shall be applied only if practical and in the best interests of the applicable MTA Agency. Reassignment shall be refused when the manager determines that reassignment would be impractical or inappropriate. The manager may not take action with respect to notifying the Employee of such manager's decision until approved by the Department Head. If recusal procedures are not practical and in the best interests of the applicable MTA Agency or if reassignment is refused, the Employee is prohibited from pursuing the solicitation.

Exception: This provision does not apply to employment negotiations with other government agencies.

Remember: The higher the level of responsibility which an Employee holds within an MTA Agency, the greater the number of matters which are likely to be deemed as specific pending matters before him or her. Employees should take an expansive view as to the existence of possible conflicts when deciding whether to give notice as described in this Section.

The following are examples of the application of the employment negotiation procedures:

Example 1: A Deputy Vice President in the Department of Capital Program Management at NYCT who receives an unsolicited job offer from a Prohibited Source with specific pending matters before such Employee may not negotiate for such position without full compliance with the notice, approval, and recusal procedures set forth above.

Example 2: A manager at LIRR whose duties include procurement is approached by a firm with which he or she has a specific pending matter and told "if you ever decide to leave the LIRR we have a place for you in our firm." The LIRR manager must notify his or her supervisor and ethics officer of this conversation because it would be considered a communication intended to solicit employment.

Section 5.04 Notice of Future Employment Restrictions

An ~~employee~~**Employee** who provides notice of leaving service at an MTA Agency, either by retirement or resignation, or whose employment is terminated, will receive a memorandum summarizing the future-employment restrictions of the Ethics Law and of this Code. All Employees in management and non-represented titles and Employees in certain represented titles designated by the applicable MTA Agency may be required to sign a certification stating that the policies outlined in the memorandum have been complied with, and to state the name of a new employer, if applicable.

Exception: From time to time, the Future-Employment restrictions have been legislatively modified to permit exceptions to these policies when Employees are laid off. An Employee



in such a position should consult with the applicable Agency Ethics Committee if there is a question of whether such exceptions are in force.

Chapter 6: Financial Disclosure

Section 6.01 Covered Employees

Employees must file an Annual Statement of Financial Disclosure if such Employee:

- (a) Has a gross salary within the preceding calendar year that exceeded the annual salary of state employees at the SG-24 job rate as of April 1 of the year in which the Annual Statement of Financial Disclosure is to be filed, unless specifically exempted in accordance with the State Ethics in Government Act; or
- (b) Regardless of income, holds a Policy-Making Position.

Notes:

- (a) The Joint Commission on Public ~~Integrity~~ **Ethics** is required to make Annual ~~Statement~~ **Statements** of Financial ~~Disclosures~~ **Disclosure** available to the public upon request, except as to values and amounts, and except to the extent the reporting individual has obtained a ruling from the Joint Commission on Public ~~Integrity~~ **Ethics** preventing or limiting public disclosure.
- (b) Each MTA Agency shall ~~establish~~ **prepare** a list of Employees in Policy-Making Positions and shall, during February of each year, **and** notify the Joint Commission on Public ~~Integrity~~ **Ethics** of the identity of all such titles and persons required to file **an** Annual Statement of Financial ~~Disclosures~~ **Disclosure** with the Commission. Procedures shall also be established for identifying to the Joint Commission on Public ~~Integrity~~ **Ethics** all Employees newly subject to the filing requirements by reason of having assumed Policy-Making Positions. The Joint Commission on Public ~~Integrity~~ **Ethics** may be asked to render advisory opinions or issue guidelines for such determinations.
- (c) The Annual Statement of Financial Disclosure solicits various items of information concerning the finances and employment of the Employee, the Employee's spouse, and unemancipated children.

Exceptions:

- (a) Non-policy making Employees, or their bargaining or other representatives, may request that the Joint Commission on Public ~~Integrity~~ **Ethics** grant exemptions, either in whole or in part, from the reporting requirements. Appeals from denials of such an exemption are to be made to the Joint Commission on Public ~~Integrity~~ **Ethics**.
- (b) Employees who are required to file an Annual Statement of Financial Disclosure based on their gross salary but do not hold Policy-Making Positions may be entitled to an



exemption from the financial disclosure requirements, on the grounds that the public interest does not require disclosure and that the Employee is not involved with the discretionary, Business, or regulatory activities of the applicable MTA Agency.

(c) Employees may seek an exemption from any requirement to report one or more items of information pertaining to the financial status of their spouse or unemancipated child. An Employee may also request deletion of portions of information called for on the Annual Statement of Financial Disclosure form that could otherwise be publicly disclosed. Grounds supporting such requests are that the spouse or child (where applicable) objects to providing the information necessary to make such disclosure and that such information would have no material bearing on the discharge of the reporting Employee's duties.

Section 6.02 Dates for Filing and Related Penalties

(a) Employees required to file pursuant to Section 6.01 must file their Annual Statement of Financial ~~Disclosures~~**Disclosure** by May 15th of each year, **or within thirty (30) days of a covered Employee's appointment or promotion**, whichever is later. An Employee may indicate with respect to any item of the Annual Statement of Financial Disclosure that information with respect thereto is lacking and will be supplied in a supplemental statement to be filed no later than the seventh (7th) day following the date to which that Employee could have received an automatic extension to file their income tax returns for that year. The **Joint** Commission on Public ~~Integrity~~**Ethics** may also grant hardship applications.

(b) If an Employee fails to file the Annual Statement of Financial Disclosure **as required** or omits relevant information, he or she shall be subject to discipline, up to and including dismissal. In addition, criminal or civil penalties may be imposed as set forth in Chapter 9 below.

Chapter 7: Books And Records

Section 7.01 Accuracy and Completeness of Financial Records

(a) Employees who are involved in the preparation of the MTA Agency's financial records must ensure that the accounting and financial records of their MTA Agency meet the highest standards of accuracy and completeness. Reporting accurate and complete information about the MTA Agency's financial condition is an essential responsibility of all Employees.

(b) If you have reason to believe that any of the MTA Agency's financial records are not being maintained in an accurate or complete manner, you are expected to report this immediately to your **Agency's** General Counsel's Office, **or Chief Compliance Officer or** your Agency's Chief Financial Officer, **or** the Auditor General, ~~or the Chief Compliance Officer.~~

Section 7.02 Financial Statements And Accounts

Employees who are involved in the preparation of the MTA Agency's financial statements must do so according to generally accepted accounting principles and other applicable accounting standards



and rules, so that the statements fairly and completely reflect the operations and financial condition of the MTA Agency.

Chapter 8: Other Ethics Issues

Section 8.01 Nepotism

It is the policy of the MTA Agencies to ensure that all job opportunities at MTA Agencies are based on merit and qualifications. Employees are prohibited from participating in any hiring or employment decision relating to a family member. If a hiring or employment matter arises relating to a family member, then the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter. There will be no preferential treatment for family members of current Employees and/or union officials.

MTA Agencies must ensure that contracting opportunities are based only on merit and qualifications. There will be no preferential treatment for family members of current or former Employees and/or union officials. Employees are prohibited from taking part in any contracting decision: (i) relating to a family member; or (ii) relating to any entity in which either they or a family member is an officer, director or partner, or in which a family member owns or controls 10% or more of the stock (or 1% or more if in the case of a corporation whose stock is regularly traded on an established securities exchange) of such entity. If a contracting matter arises relating to a family member, then the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.

An MTA Employee ~~can not~~cannot participate in any decision to invest MTA funds in any security of any entity in which that employee or any relative of that ~~employee~~Employee has a financial interest, is an underwriter, or receives any brokerage, origination or servicing fees.

MTA Employees should consult with their Agency's Human Resources Department to determine their Agency's policy for avoiding Nepotism. Any such avoidance of Nepotism policy must be consistent with this Section of the Code.

Section 8.02 Business Relationships between Employees

MTA managers and supervisors are prohibited from hiring MTA Employees ~~that~~whom they directly or indirectly supervise or manage to work for or with them as full-time, part-time, or temporary employees or as consultants in any outside business entity.

Section 8.03 Financial Transactions between Employees

MTA managers and supervisors are prohibited from engaging in financial transactions with MTA Employees ~~that~~whom they directly or indirectly supervise or manage. MTA managers and supervisors may not obtain or use or attempt to use the credit of any MTA Employee ~~that~~whom they directly or indirectly supervise or manage as applicant, maker, co-signer, or endorser of any credit instrument in any connection with a loan or similar transaction.



Section 8.04 Prohibition Against the Use of MTA Property

MTA's names, logos, supplies, equipment, computers, personnel, and other resources may not be utilized for non-governmental purposes, including for personal purposes or for outside activities of any kind except as may be specifically authorized herein:

- a) Official stationery may not be used for non-governmental purposes, nor may MTA resources be used to mail personal correspondence. The designation "personal" on MTA Agency stationery means only that the contents are meant for the personal viewing of the addressee and not that the sender is acting unofficially. All letters and other written materials printed on such official stationery are considered official, and thus the designation "unofficial" has no meaning and may not be used.
- b) Under no circumstances may MTA mail, postage, internal office mail, or inter-city couriers be used for non-governmental purposes.
- c) MTA telephones may not be used for non-governmental long-distance calls, except for toll-free calls, collect calls, and calls billed to a personal telephone number. MTA telephones may be used for incidental and necessary personal local calls that are of limited number and duration and do not conflict with the proper exercise of the duties of the MTA employee.
- d) MTA computers may be used for incidental and necessary personal purposes, such as sending personal electronic mail messages, provided that such use is in a limited amount and duration and does not conflict with the proper exercise of the duties of the MTA employee.
- e) MTA vehicles shall be used for official business or incidental use associated with official business away from an ~~employee~~ **Employee's** official work station. Individuals who are authorized by their Agency to use a vehicle for personal purposes shall keep records of such use, and the value of such personal use shall be calculated and reported as personal income to such individual for tax purposes.

Any Agency policy regarding use of MTA property must be consistent with or more restrictive ~~than~~ than this Section of the Code.

Chapter 9: Discipline/Penalty for Violation of this Code or State Ethics Laws

Section 9.01 General

Employees who violate any provision of the State Ethics Laws or of this Code may be subject to disciplinary action consistent with that administered for violations of the rules and regulations of the applicable MTA Agency, ~~including~~ up to and including termination.



Section 9.02 Civil Penalties

A violation of Public Officers Law Sections 73(2), (3), (4), (5), (7), (8), (12), and Sections 73-a, may result in the Joint Commission on Public ~~Integrity~~ Ethics imposing a civil penalty of up to forty thousand dollars (\$40,000) and the value of any gift, compensation, or benefit received as a result of such violation. These sections include but are not limited to prohibitions concerning gifts, future employment, and financial interests in MTA contracts as well as obligations in connection with the filing of Annual Statements of Financial Disclosure.

A violation of Public Officers Law Sections 74 may result in the Joint Commission on Public ~~Integrity~~ Ethics imposing a civil penalty of up to ten thousand dollars (\$10,000) and the value of any gift, compensation, or benefit received as a result of such violation.

Section 9.03 Criminal Penalties

A violation of Public Officers Law Section 73(2), (3), (4), (5), (7), (8), ~~(12)~~, and Section 73-a, may result, in lieu of civil penalties; the Joint Commission on Public ~~Integrity~~ Ethics referring the violation to the New York State Attorney General or local prosecutor for criminal prosecution as a Class A misdemeanor, punishable by imprisonment for up to one year and a fine up to one thousand dollars (\$1,000).



APPENDIX A: Contact Information for each Agency's Honoraria Disclosure Unit

MTA Headquarters

Michael Amrick

212-878-7422

MTA New York City Transit

Barbara Jansen

347-643-8101

MTA Long Island Rail Road

John Curcio

718-558-8297

MTA Long Island Bus

~~John Mallios~~

Patricia McDonnell

516-542-0100 x4430

MTA Metro-North Railroad

~~Richard Bernard~~

Gregory Bradley

212-340-4933 **2172**

MTA Bridges and Tunnels

Catherine Sweeney

646-252-7421

MTA Capital Construction

Anthony D'Amico

646-252-4200

MTA Bus Company

~~Cheryl Hartell~~

~~516-542-0100 x4429~~

Robin Bergstrom

646-252-8590

*To obtain a current list, ~~you can~~ **please** call the Helpline at 888-U-ASK MTA or go to the MTA Intranet Home Page and click Compliance.*



APPENDIX B: Form for Annual Report of Receipt of Honoraria

ANNUAL REPORT OF HONORARIUM

Employee's Name _____

Title _____

Department/Division _____

Office Phone # _____

Source of Honoraria	Date Received	Nature of Activity	Description of Event	Location of Activity	Amount Received
Madison Avenue Baseball Group	1/1/05	Speech on Baseball Trivia	Annual Baseball Conference	Cooperstown, NY	\$500

If you need additional space, complete and sign a separate Annual Report of Honorarium form. Separate forms must be attached and submitted at the time.

- The above organizations do not do business with my Agency
- The service was not part of my individual duties
- Service was performed on other than work time or was charged to accrued leave
- Agency resources were not used to prepare or deliver service
- My Agency did not reimburse my travel expenses

Employee Signature _____ Date: _____

This form ~~can~~may be obtained from your Agency's Honoraria Disclosure Unit or the MTAHQ Intranet Home Page by clicking on the word Compliance and following the links.



APPENDIX C: AGENCY ETHICS COMMITTEE CONTACT INFORMATION

MTA Headquarters

Lamond Kears

646-252-1329

MTA New York City Transit

~~David Goldenberg~~

Carl Copertino

718-694-5454 4866

MTA Long Island Rail Road

John Curcio

718-558-8297

MTA Long Island Bus

~~Cheryl Hartell~~

516-542-0100 x4429

Robin Bergstrom

646-252-8590

MTA Metro-North Railroad

Seth Cummins

212-340-4933

MTA Bridges and Tunnels

~~Bob O'Brien~~

Margaret Terry

646-252-7617 7619

MTA Capital Construction

~~Veronique Hakim~~

Evan Eisland

646-252-4274

MTA Bus Company

~~Cheryl Hartell~~

516-542-0100 x4429

Robin Bergstrom

646-252-8590

To obtain a current list ~~you can~~, please call the Helpline at 888 U ASK MTA or go to the MTA Intranet Home Page and click Compliance.



Metropolitan Transportation Authority

BOARD MEMBERS'

CODE OF ETHICS

INTEGRITY

ACCOUNTABILITY

COMPLIANCE

TRANSPARENCY

Adopted by the Board ~~December~~
~~2009~~November 16, 2011

As Board Members of the MTA, we have been entrusted with the responsibility of overseeing the operation of an organization that serves more than 2.4 billion people on its subways, buses and railroads and almost 300 million people on its bridges and tunnels each year. The MTA is committed to fostering a climate of transparency and the highest ethical standards in its operations and in its dealings with the public. In accordance with the Public Authorities ~~Accountability Act of 2005~~ Law, the MTA Board is required to adopt a Board Member Code of Ethics that reflects these goals. The Board Member Code of Ethics is intended to provide guidance with respect to applicable laws and standards governing ethical conduct and help Board Members recognize and deal with ethical issues that they may confront in their capacity as Board Members.

The principal source of most New York State law governing the ethical conduct of Board Members is Section 74 of the Public Officers Law of the State of New York, which establishes certain rules with respect to conflicts of interest. Copies of this statute are available from the Joint Commission on Public Integrity Ethics directly (www.nyethics.com) or from the MTA Corporate Compliance Department. Under this section, no Board Member "should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his duties in the public interest."

Board Members are encouraged to bring questions about particular circumstances that may implicate the State Ethics Law or one or more of the provisions of this Code to ~~me~~ the Chairman or to either the MTA General Counsel or the Chief Compliance Officer.

Each MTA Board Member brings his or her unique personal experiences and perspectives to bear in making official decisions on behalf of the MTA as a whole. We have a duty to exhibit high standards of integrity and commitment in the performance of our official duties. I am proud of the tremendous progress that MTA has made in improving its corporate governance practices, and this Board Member Code of Ethics reaffirms and memorializes MTA's commitment to the highest ethical standards in the manner in which it conducts its official business.

Andrew M. Saul **Jay H. Walder**
Acting Chairman and Chief Executive Officer

Chapter 1: DEFINITIONS/STRUCTURE

Section 1.01

Definitions

As used in this Code, capitalized terms, except where it is clear by the context that another meaning is intended, shall have the following meanings:

Annual Statement of Financial Disclosure means the financial disclosure statement required to be filed with the Joint Commission on Public ~~Integrity~~ Ethics by certain public employees and board members under the State Ethics in Government Act, Public Officers Law Section 73-a.

Board Member means the Chairman or any of the individuals appointed to serve as a Member of the Board, both voting and non-voting, of the Metropolitan Transportation Authority. All Board Members also serve *ex officio* as members of MTA New York City Transit, Manhattan and Bronx Surface Transit Operating Authority, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Long Island Bus, MTA Bus Company, MTA Capital Construction Company, the Staten Island Rapid Transit Operating Authority, the First Mutual Transportation Assurance Company, MTA Bridges and Tunnels, and all future affiliated or subsidiary entities of the MTA. All of such entities are hereinafter collectively referred to as the MTA.

Business means any activity, paid or unpaid, by a Board Member or any individual, firm, company, corporation or other entity, wherein the goal or objective is obtaining monetary income or other things of value or operating an enterprise. Such activity may be for profit or not-for-profit.

Code means this MTA Board Member Code of Ethics.

Confidential Information means information, whether or not set forth in writing, that is available to a Board Member only because of such Member's position and which is treated by the MTA as being confidential or which the Board Member has reason to believe is confidential. Information does not have to be formally labeled "confidential" to be confidential. Confidential information includes information disclosed during an executive session of the MTA Board.

Compensation means any money, thing of value or financial benefit conferred, directly or indirectly, in whatever form, in return for services rendered or to be rendered. With regard to matters undertaken by a firm, corporation or association, compensation shall mean net revenues, as defined in accordance with generally accepted accounting principles.

Employment means performance of services, for or on behalf of any entity or individual, to obtain economic or other material benefit.

Family Member means (i) a Board Member's Spouse, Domestic Partner, Child or Sibling; (ii) a person who is a direct descendant (or the spouse of a direct descendant) of a Grandparent of the Board Member or a Grandparent of the Board Member's Spouse or Domestic Partner; or (iii) a person living in the same household as an Board Member. ~~means any person living in the same household as an MTA Board Member, domestic partner, and any person who is a direct descendant of that MTA Board Member's Grandparents or the spouse of such descendant.~~

Fundraising means the raising of funds for an organization through solicitation of funds or sale of items or participation in the conduct of an event.

Gift means the transfer, without equivalent consideration, of any thing or benefit, tangible or intangible, having more than nominal value, including, but not limited to, loans, forbearance, services, travel, gratuities of any kind, favors, money, meals, refreshments, entertainment, hospitality, promises, tickets to entertainment or sporting events, weekend trips, golf outings, loans of equipment, or other thing or benefit. (See definition of "Items of Nominal Value" below.)

Items of Nominal Value means items such as mugs, key rings, calendars, pens and the like that are of minimal value unless such items are being given under circumstances where it reasonably can be inferred that such item was intended to influence the Board Member in the performance of such Board member's official duties. For purposes of determining the value of, an item of nominal value, the Commission on Public Integrity has advised that the value is not deemed reduced in value by virtue of it being embossed or otherwise marked with a company logo, identification, or advertising.

Joint Commission on Public Ethics means the Commission established within the New York Department of State under Section 94 of the New York Executive Law.

New York State Agency means any New York State department, or division, board, commission, or bureau of any state department, any public benefit corporation, public authority, or commission at least one of whose members is appointed by the Governor, or the State University of New York, or the City University of New York, including all their constituent units except community colleges of the State University of New York and the independent institutions operating statutory or contract colleges on behalf of the State. All MTA Agencies are New York State Agencies for purposes of this Code.

Participation in the Conduct of an Event means active and visible participation in the promotion, production or presentation of the event and includes serving as honorary chairperson or committee member or sitting at the head table during the event. The term does not mean the mere attendance at the event, provided the Board Member's attendance is not being used by the non-profit to promote the event.

Prohibited Source means:

- (a) a Vendor, including any person or non-governmental seller of goods or services, bidder, proposer, consultant, contractor, trade, contractor or industry association, or any other person/entity with which the MTA is doing business, as well as those persons and business entities who have expressed an interest in doing business with the MTA, or who have a history of doing business with the MTA in the recent past;
- (b) a tenant or licensee of the MTA; and
- (c) another individual or non-governmental entity who, on its own behalf or on behalf of another non-governmental entity: (1) is regulated by the MTA, (2) appears before the MTA on other than ministerial matters, (3) lobbies or attempts to influence the MTA's procurements or positions on legislation or regulation, (4) is involved in litigation adverse to the MTA and no final order has been issued, or (5) has received or applied for funds from the MTA within the preceding year.

Representative Capacity means the representation of the interests of a client or other person pursuant to an agreement express or implied, for compensation for services.

Regulatory agency shall mean the banking department, insurance department, state liquor authority, department of agriculture and markets, department of education, department of environmental conservation, department of health, division of housing and community renewal, department of state (other than the division of corporations and state records), department of public service, the industrial board of appeals in the department of labor and the department of law (other than when the attorney general or his agents or employees are performing duties specified in Section Sixty-Three of the Executive Law such as investigation, prosecution and defense of actions in which the State is interested).

Solicitation means any request, invitation, or suggestion (oral or written) made under circumstances where it reasonably could be concluded that the individual or entity receiving same is being asked to, or is expected to, comply with a request, invitation, or suggestion.

~~**Commission on Public Integrity** means the Commission established within the New York Department of State under Section 94 of the New York Executive Law.~~

State Ethics Law means New York Public Officers Law ~~Section~~ Sections 73-a, 74 and the rules and regulations promulgated there under as may be amended or modified by the New York State Legislature.

Section 1.02 Training

Under the Public Authorities Accountability Act of 2005, all new Board Members are required to participate in an orientation program to familiarize new members with their legal, fiduciary, financial, and ethical responsibilities. Existing Board Members are required to participate in continuing education regarding their ethical and fiduciary obligations.

Board Members must complete a comprehensive ethics training course within three months of becoming subject to the financial disclosure requirements of Public Officers Law Section 73-a and shall attend continuing ethics training every three years.

Section 1.03 Ethics & Financial Disclosure Questions

All Board members are required to complete the Annual Statement of Financial Disclosure. Questions concerning the Annual Statement of Financial Disclosure may be directed to the Chairman, the MTA General Counsel, or the MTA Chief Compliance Officer, who may direct you to the ~~New York~~ Joint Commission on Public ~~Integrity~~ Ethics.

Any questions regarding this Code may be directed to the Chairman or to the MTA General Counsel, or the MTA Chief Compliance Officer. Any general question regarding the State Ethics Law may also be directed to the Joint Commission on Public ~~Integrity~~ Ethics.

~~The Commission on Public Integrity website contains numerous guidance and reference documents. The Commission on Public Integrity can provide guidance on specific issues, often by phone, and otherwise by rendering written informal and formal opinions.~~

Chapter 2: DUTIES

Section 2.01 Confidentiality

The State Ethics Law requires Board Members to maintain the confidentiality of Confidential Information entrusted to them by the MTA and any other confidential information about the MTA that comes to them, from whatever source, in their capacity as Board Members, except when disclosure is authorized or legally mandated. A Board Member shall not use Confidential Information to further his or her own interest. Board Members are expected to maintain this confidentiality both while Board Members and after their services to the MTA have ended.

Section 2.02 Compliance with Laws, Rules and Regulations

Board Members shall comply with all applicable laws, rules and regulations applicable to the MTA.

Section 2.03 Encouraging The Reporting of Any Illegal or Unethical Behavior

Board Members shall encourage ethical behavior and take steps to ensure that the MTA: (a) encourages Employees to report violations of laws, rules, regulations or the MTA's Code of Ethics to appropriate personnel; and (b) encourages Employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation.

Section 2.04 Duty to Disclose

Board Members shall promptly report any violation or possible violation of this Code, as well as any actual or potential violation of laws, regulations, or policies and procedures to the Chairman or the Chairman of the Audit Committee.

Section 2.05 Corporate Directorships or Board Memberships

In order to protect against conflicts of interest in violation of the State Ethics Law, Board Members should inform the Chairman or the Chairman of the Audit Committee prior to accepting a position as a director, officer, or board member of a corporation or charitable organization. The Chairman or Chairman of the Audit Committee, as the case may be, may direct the Chief Compliance Officer, as needed, to review the business of the company or organization to determine whether a conflict of interest exists between the MTA and the Company and to advise, as necessary, on steps to address any such conflict.

Section 2.06 Law Firm and Other Professional Association

The State Ethics Law provides that Board members are not permitted to accept other employment that will impair the independence of judgment in the exercise of their official duties. Accordingly, Board Members should inform the Chairman or the Chairman of the Audit Committee prior to affiliating with a law firm, accounting firm or other business that provides services to the MTA. The Chairman or Chairman of the Audit Committee, as the case may be, may direct the Chief Compliance Officer, as needed, to determine whether a conflict of interest exists between the MTA and the Company and to advise, as necessary, on steps to address any such conflict.

Chapter 3: GIFTS, EVENTS, RECEPTIONS, AND MEALS

Section 3.01 Gifts

The State Ethics Law provides that Board members should not by their conduct give reasonable basis for the impression that any person can improperly influence them or enjoy their favor in the performance of their official duties. In the Code of Ethics applicable to its employees, MTA has adopted a zero-tolerance policy for Gifts ~~as has the State Governor, in issuing Executive Order No. 1 of 2007.~~ The defined term "Gift" does not include items of truly nominal value. (See definitions of "Gifts" and "Items of Nominal Value"). Board members are required to adhere to the zero-tolerance policy on gifts, as contained in the MTA Code of Ethics.

As is the case with employees, Board Members may accept Gifts from employees of a Prohibited Source if these Gifts are reflective of a personal relationship independent of the relationship between the Prohibited Source and the MTA.

Section 3.02 Reporting Gift or Gift Offers

A Board Member to whom a Gift is offered or given arising out of his or her affiliation with MTA shall promptly report such offer or Gift either to the Chairman or to the Chairman of the Audit Committee. Board Members should promptly return Gifts to the person or entity giving the Gift.

Section 3.03 Business Meals

It is possible that Board Members may receive invitations for business meals from Prohibited Sources. To the extent that those invitations arise out of the Board Member's affiliation with MTA, such invitations should be viewed with caution because acceptance of such invitations may create the impression that they can be improperly influenced in the performance of their official duties. Board Members may accept free, modest meals in the course of and for the purpose of conducting MTA Agency business at a Prohibited Source's facility or when attending a seminar or conference in connection with MTA business and meals or refreshments are provided to all participants.

Section 3.04 Awards, Plaques and Honors

Awards and plaques publicly presented in recognition of a Board Member's service to the MTA may be accepted. However, Board Members should notify the Chairman or the Chairman of the Audit Committee prior to accepting such an award, plaque, or honor presented by a Prohibited Source. The Board Member or their designee(s) may attend functions sponsored and paid for by Prohibited Sources when attendance is related and appropriate to that attendee's official duties or when the purpose of attendance is the performance of a ceremonial or other function that is appropriate to that attendee's official duties with ~~their~~ the MTA Agency. In such cases, however, the Board Member shall provide advance written notice of such invitation to the Chairman or to the Chairman of the Audit Committee.

Chapter 4: CONFLICTS OF INTEREST

Section 4.01 Financial or Business Interest

In order to preserve independence of judgment in the exercise of their official duties, Board Members shall not have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, or accept any non-governmental employment, which is in substantial conflict with the proper discharge of the Board Member's duties in the public interest.

Section 4.02 Unwarranted Privileges

Board Members shall not use or attempt to use their official position to secure unwarranted privileges or exemption for the Board Member or others.

Section 4.03 Undue Influence

Board Members' conduct should not give reasonable basis for the impression that any person can improperly influence the Board Member or unduly enjoy the Board Member's favor in the performance of the Board Member's official duties, or that the Board Member is affected by the kinship, rank, position or influence of any party or person.

Section 4.04 Course of Conduct

Board Members should endeavor to pursue a course of conduct which will not raise suspicion among the public that they are likely to be engaged in acts that are in violation of the Board Members' trust.

Section 4.05 Recusal/Conflict of Interest

Board Members must not only avoid conflicts of interest with the MTA but also even the appearance of a conflict. If a Board Member believes he or she has an actual or potential conflict of interest with the MTA on a particular matter, or if the Board Member becomes aware that he or she has an actual or potential conflict of interest on a particular matter during a Committee or Board meeting, the Board Member shall promptly notify the Chairman of the Board or the Chairman of the Committee and shall immediately recuse themselves from further consideration of or action on such matter.

NOTE: **Recusal** requires that the Board Member not participate in any discussion, decision or vote by the Board or Committee that in any way relates to the matter that gives rise to the conflict of interest. Whenever practicable, the Board Member must leave the Board room until any discussion about the matter that gives rise to the conflict of interest has concluded.

Section 4.06 Financial Interest

No Board Member or firm or association of which such Board Member is a member, or corporation, ten per cent or more of the stock of which is owned or controlled directly or indirectly by such Board Member, shall sell any goods or services to the MTA, unless such goods or services are provided pursuant to an award of contract after public notice and competitive bidding or after a competitive request for proposal process. For the purposes of this paragraph, the term "services" shall not include employment as an employee.

This paragraph shall not preclude a firm, association or corporation from selling goods or services to the MTA if the interested Board Member did not participate in any way on behalf of any party in the bidding, solicitation or negotiation process, does not share in the net revenues derived from that sale and does not participate in the decision to award the contract.

Except as permitted above, no Board Member shall be in any way or any manner interested, directly or indirectly, in any contract made by the MTA.

No Board Member, pursuant to ~~Paterson~~ Executive Order, ~~No. 7~~, may make or offer to make any monetary contribution to the campaign of the Governor, or to any political campaign committee organized by or for the specific benefit of the Governor.

No Board Member may request or demand that any other person make or offer to make any monetary contribution to the campaign of the Governor, or to any political campaign committee organized by or for the specific benefit of the Governor.

Section 4.07 Compensation

No Board Members, other than in the proper discharge of official duties as a Board Member of the MTA or as an officer or employee of a federal, state or local government or agency, shall receive, directly or indirectly, or enter into any agreement, express or implied, for any compensation for the appearance or rendition of services by the Board Member or another in relation to any case, proceeding, application or other matter before the MTA.

A Board Member who is a member, associate, retired member, of counsel to, or shareholder of, any firm, association or corporation which is appearing or rendering services, with or without compensation, in connection with any matter before, or transacting any business with, the MTA shall not communicate as to the merits of such cause with an officer (including another Board Member) or employee of the MTA, without first disclosing the nature and extent of his or her interest in the matter before, or business being transacted with, the MTA.

Section 4.08 Appearance before MTA

A Board Member may appear before the MTA (i) in a representative capacity on behalf of an employee organization, a federal, state or local government or agency, or a transportation advocacy organization or (ii) in connection with a ministerial action.

Section 4.09 Nepotism in Hiring and Contracting

No person who has served as a Board Member shall take part in any hiring or employment decision relating to a family member. If such matter arises, the Board Member must notify the Chairman and recuse themselves from any discussions or decisions related to that matter.

No person who has served as a Board Member shall take part in any contracting decision: (1) relating to a family member: or (2) relating to any entity in which a family member is an officer, director or partner, or in which a family member owns or controls 10% or more of the stock of such entity. If such matter arises, the Board Member must notify the Chairman and recuse themselves from any discussions or decisions related to that matter.

Section 4.010 Prohibition Against the Use of MTA Property

MTA supplies, equipment, computers, personnel, and other resources may not be utilized for non-governmental purposes, including for personal purposes or for outside activities of any kind. This prohibition includes but is not limited to the following:

- a) Official stationery may not be used for non-governmental purposes, nor may MTA resources be used to mail personal correspondence. The designation "personal" on MTA stationery means only that the contents are meant for the personal viewing of the addressee and not that the sender is acting unofficially. All letters and other written materials printed on such official stationery are considered official, and thus the designation "unofficial" has no meaning and may not be used.
- b) Under no circumstances may MTA mail, postage, internal office mail, or inter-city couriers be used for non-governmental purposes.
- c) MTA telephones may not be used for non-governmental long-distance calls, except for toll-free calls, collect calls, and calls billed to a personal telephone number. MTA telephones may be used for incidental and necessary personal local calls that are of limited number and duration and do not conflict with the proper exercise of the duties of the MTA Board Member.
- d) MTA computers may be used for incidental and necessary personal purposes, such as sending personal electronic mail messages, provided that such use is in a limited amount and duration and does not conflict with the proper exercise of the duties of the MTA Board Member.
- e) No Board Member shall use the MTA's name, their official title, position or authority in any fundraising activity unless authorized by MTA's Chief Compliance Officer. Authorization ~~may be~~ may be granted only if the fundraising is in furtherance of the MTA's mission and does not create an appearance of or any actual conflict of interest. A Board Member may engage in fundraising in a personal capacity provided they do not use their title, position or authority to further their fundraising activities and do not personally solicit funds from MTA employees or from persons known to the Board Member to be a Prohibited Source.

Chapter 5: POST BOARD SERVICE RESTRICTIONS

Section 5.01 Two-Year Post Service Bar

No person who has served as a Board Member shall, within a period of two years after the termination of such service, appear or practice before the MTA or receive compensation for any services rendered by such former Board Member on behalf of any person or any non-governmental firm, corporation, association or other entity in relation to any case, proceeding or application or other matter before the MTA.

Section 5.02 Lifetime Bar

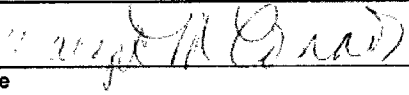
No person who has served as a Board Member shall, after the termination of such service, appear, practice, communicate or otherwise render services before the MTA or receive compensation for any such services rendered by such former, Board Member on behalf of any person or any non-governmental firm, corporation, association or other entity in relation to any case, proceeding, application or transaction with respect to which such person was directly and personally concerned during the period of his or her service.

Exception: The restrictions contained in this paragraph shall not apply to any appearance, practice, communication or rendition of services before the MTA, or to the receipt of compensation for any such services rendered by a former Board Member, which is made while carrying out official duties as an elected official or employee of a federal, state or local government or one of its agencies.

Section 5.03 Waiver of Post Service Bar

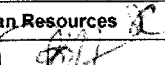



To the extent permitted by law, nothing contained in this Code shall be construed or applied to prohibit the MTA, at any time, from contracting with or hiring any former Board Member to provide services to the MTA for a specific matter in circumstances in which contracting with or hiring such former Board Member would be in the public interest due to such former Board Member's specialized knowledge of the matter and the efficient and cost-effective results that contracting with or hiring such former Board Member would produce.

Staff Summary

Subject Bereavement Policy
Department Human Resources
Department Head Name Margaret M. Connor
Department Head Signature 
Project Manager Name Jesse Crawford

Date November 16, 2011
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Governance	11/14/11	X		
2	Board	11/16/11	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Human Resources 		
2	Legal 		
3	Chief Compliance Officer 		
4	Chief of Staff 		

Purpose:

To obtain Board authorization of revisions to the Bereavement Policy.

Discussion:

The Board approved an All-Agency Bereavement Policy in 2006. The Policy has been reviewed by Human Resources. Adoption of a revised Bereavement Policy is proposed, containing the following minor substantive changes:

1. This revision incorporates new definitions for parent, sibling and family member, which more accurately reflect the current practice of providing bereavement leave in the case of the death of a domestic partner's family members, as required by N.Y. Civil Rights Law Section 79-n; and
2. This revision would require bereavement leave to be taken within 30 days of the death of a family member. This would accommodate individuals who are responsible for international obligations.

Copies of the existing and proposed revised Bereavement Policies are annexed.

Recommendation:

It is recommended that the Board adopt the annexed revised policy with respect to Bereavement.

All Agency Policy Directive

BEREAVEMENT POLICY

Policy Number	Responsible Agency/Department	Effective Date	Page
11-019	Human Resources	TBD	Page 1 of 4

I. PURPOSE

This policy directive sets forth the bereavement policy of the Metropolitan Transportation Authority ("MTA") and its subsidiary and affiliated agencies for the employees indicated below. The MTA understands that an employee may require time off from work in the event of the death of a family member for activities resulting from such an occurrence, including but not limited to making funeral arrangements, attending a wake, visitation, a funeral and burial, and other related obligations or activities.

II. SCOPE

This policy applies to:

- (a) all full-time non-represented employees of MTA, MTA Long Island Rail Road, MTA Capital Construction, MTA Bridges and Tunnels, MTA Bus Company, MTA Long Island Bus, and all future subsidiary/affiliated entities of the MTA and
- (b) all full-time management employees and employees receiving managerial benefits as defined by MTA Metro-North Railroad, MTA New York City Transit, Manhattan and Bronx Surface Transit Operating Authority ("MaBSTOA") and the Staten Island Rapid Transit Operating Authority ("SIRTOA").

This policy does not apply to persons who accept employment on a seasonal, temporary, per diem, or part-time basis, or to interns at any of the above agencies.

III. DEFINITIONS

1. Non-Represented Employees: Those individuals who are not:
 - (a) covered under a collective bargaining agreement negotiated between a MTA Agency and a labor union or
 - (b) represented by a certified or recognized bargaining representative.
2. MTA Agency: Any of the following: Metropolitan Transportation Authority, MTA New York City Transit, Manhattan and Bronx Surface Transit Operating Authority, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Long Island Bus, MTA Bus Company, MTA Capital Construction, the Staten Island Rapid Transit

All Agency Policy Directive

BEREAVEMENT POLICY

Policy Number	Responsible Agency/Department	Effective Date	Page
11-019	Human Resources	TBD	Page 2 of 4

Operating Authority, MTA Bridges and Tunnels and all future subsidiary/affiliated entities of the MTA.

3. Agency Head: Chairman and Chief Executive Officer, MTA; President, MTA Bridges and Tunnels; President, MTA Bus Company; President, MTA Capital Construction, President, MTA Long Island Bus, President, MTA Long Island Rail Road; President, MTA Metro-North Railroad; and President, MTA New York City Transit (including MaBSTOA and SIRTOA).
4. Family Member: Employee's spouse, Domestic Partner, child, sibling, parent, parent-in-law, grandparent, grandchild or Domestic Partner's parents.
5. Domestic Partner: An individual residing with an employee of a MTA Agency who has demonstrated to the satisfaction of the MTA Agency concerned that he/she has completed official registration and/or has filed an affidavit of domestic partner status with any appropriate governmental agency or the satisfactory equivalent.
6. Child (children): A biological or adopted child, foster child, step-child, legal ward or a child of an employee standing in loco parentis (i.e. in place of a parent), or the child of an employee's Domestic Partner.
7. Parent: A biological or adopting parent, foster parent, step-parent, legal guardian (ward), or an individual standing in loco parentis (i.e. in place of a parent).
8. Sibling: A biological, adoptive, foster, half or step-brother or sister.
9. Active Service: Where an employee is regularly reporting to work and receiving regular pay. An employee is not in "Active Service" if he or she is on an extended leave of absence, such as a short-term or long-term disability leave, a workers' compensation leave or a long-term unpaid leave.

IV. POLICY

Allocation

1. Each employee in Active Service covered by this policy will be allotted up to five work days bereavement leave per occurrence to be taken within 30 days of the death of the Family Member.

All Agency Policy Directive

BEREAVEMENT POLICY

Policy Number	Responsible Agency/Department	Effective Date	Page
11-019	Human Resources	TBD	Page 3 of 4

2. Full-time employees on a reduced work schedule on a temporary basis (e.g., less than a full-time work week as determined by the applicable MTA Agency) will be credited with a bereavement leave allotment proportionate to the reduced schedule that the employee works.
3. There is no limit to the number of times that bereavement leave may be granted to an employee. However, it is incumbent upon the employees' supervisor and/or management to monitor usage.

Usage

1. Bereavement leave may be used upon the death of the employee's Family Member.
2. When an employee uses bereavement leave, he/she must provide, upon return to work supporting documentation as required by the applicable MTA Agency.

General

1. This policy takes precedence over all other policies of any MTA Agency concerning bereavement leave. Employees of one MTA Agency who are working at, or on behalf of, another MTA Agency will follow the day-to-day practices relative to bereavement leave of the agency to which they are assigned.
2. The MTA may cancel or modify this policy at its discretion at any time without prior notice.
3. Any violation of the terms or conditions of this policy may lead to disciplinary action, up to and including dismissal.

V. PROCEDURE

This policy will be administered by the head of Human Resources at each MTA Agency.

The head of Human Resources at the applicable agency may grant exceptions to this Policy Directive under extraordinary circumstances.

The Agency Head at each MTA Agency is hereby delegated the responsibility and authority

All Agency Policy Directive

BEREAVEMENT POLICY

Policy Number	Responsible Agency/Department	Effective Date	Page
11-019	Human Resources	TBD	Page 4 of 4

to establish procedures for the implementation and management of this policy. Such procedures shall include procedures for tracking utilization of bereavement leave.

VI. FORMS, EXHIBITS, ATTACHMENTS AND SCHEDULES

There are no forms, exhibits, attachments and schedules to this policy directive.

ALL-AGENCY POLICY DIRECTIVE

Policy #
11-019

Issue Date
7/1/97

Rev. Date

MTA ALL-AGENCY BEREAVEMENT POLICY

Effective January 1, 1997

Approved By:

Michael Vaccari
Michael Vaccari, General Counsel

Date

Marc Shaw
Marc Shaw, Executive Director

Date

Policy #
11-019Issue Date
7/1/97

Rev. Date

MTA ALL-AGENCY BEPEAVEMENT LEAVE POLICY

I. PURPOSE and OBJECTIVE

This policy establishes bereavement leave allocation and usage for all classes of employees of MTA Headquarters and its Constituent Agencies (with the exception of Long Island Bus), as listed in the "Scope" section below, effective January 1, 1997. It is intended to provide a consistent approach across the entire MTA family to the establishment and use of bereavement leave.

II. SCOPE

This policy applies to the classes of individuals of the following MTA Constituent Agencies:

MTA Headquarters: All non-represented employees.

Bridges & Tunnels: All full-time non-represented employees.

Long Island Rail Road: All Management, Professional and Administrative (MPA) employees, and represented employees who receive MPA benefits.

Metro-North Railroad: Includes all management employees and persons in technically covered TCU positions.

New York City Transit: All management employees.

Staten Island Railway: All management employees.

This policy does not apply to persons hired on a seasonal, temporary, per diem, or part-time basis, or interns.

III. DEFINITIONS

- I. "Non-Represented Employees" are those individuals who are not covered under a collective bargaining agreement negotiated between an MTA Constituent Agency and a labor union. For the purposes of this policy, it includes the individual classifications of employees listed in Section II, above.

ALL-AGENCY POLICY DIRECTIVE

Policy #	Issue Date	Rev. Date
11-019	7/1/97	

III. DEFINITIONS (cont.)

2. For the purposes of this policy, "Department Heads" are those managers with the lead responsibility for an operating or administrative function within an agency.
3. For the purposes of this policy, "MTA Constituent Agencies" are: MTA headquarters; MTA Bridges and Tunnels; MTA Long Island Rail Road; MTA Metro-North Railroad; MTA New York City Transit; and MTA Staten Island Railway.
4. For the purposes of this policy, "Agency Head" is defined as: The Executive Director, MTA; the President, MTA Bridges and Tunnels; the President, MTA Long Island Rail Road; the President, MTA Metro-North Railroad; the President, MTA New York City Transit; and the General Manager, MTA Staten Island Railway.
5. For the purposes of this policy, "Domestic Partner" is defined as an individual residing with an employee of an MTA Constituent Agency who has demonstrated to the satisfaction of the agency concerned that he/she has completed official registration and/or has filed an affidavit of domestic partner status with the appropriate Federal, State or local governmental office or the satisfactory equivalent.
6. For the purposes of this policy, "Child (children)" is defined as a biological or adopted child, foster child, stepchild, legal ward, or a child of an employee standing in loco parentis (i.e., in place of a parent).
7. For the purposes of this policy, "Active Service" is defined as a status whereby the employee reports to work on a regularly scheduled basis, or is in regular pay status.

IV. FUNCTIONAL RESPONSIBILITIES

This policy will be administered by the Human Resources Department Heads at each MTA Constituent Agency.

The MTA Director of Human Resources is responsible for administration of this policy within MTA Headquarters and for providing interpretation to the MTA Constituent Agencies as required.

Exceptions to this policy must be recommended by the applicable MTA Constituent Agency Human Resources Director and approved in writing by the Agency Head, or his/her designee.

The MTA Executive Director may grant written exceptions to this policy, in circumstances deemed by the Executive Director to warrant special consideration, without the recommendation of the applicable agency's Director of Human Resources.

ALL-AGENCY POLICY DIRECTIVE

Policy #
11-019Issue Date
7/1/97

Rev. Date

V. POLICY STATEMENT**Allocation**

1. Each employee in Active Service covered by this policy will be allotted up to five (5) consecutive work days bereavement leave per occurrence.
2. Full-time employees placed on a reduced work schedule (e.g., in part-time service) will be credited with a bereavement leave allotment proportionate to the reduced schedule that the employee works.
3. There is no limit to the number of times that bereavement leave may be granted to an employee. However, it is incumbent upon the employee's supervisor and/or management to monitor usage.

Usage

1. Bereavement leave may be used for death of: the employee's spouse or Domestic Partner, child, sibling, parent, parent-in-law, grandparent and grandchild.
2. When an employee utilizes bereavement leave he/she is expected to provide the appropriate documentation required by the applicable agency upon return to work.

General

1. This policy is to be coordinated with the MTA's All-Agency Policy Directive titled "Domestic Partners" and any applicable Federal, State or City laws or policies affecting bereavement leave.
2. This policy takes precedence over all other policies of any MTA Constituent Agency concerning bereavement leave. Employees of one MTA Constituent Agency who are working at, or on behalf of, another MTA Constituent Agency will follow the day-to-day practices relative to bereavement leave of the agency to which they are assigned.
3. The MTA may cancel or modify this policy at its discretion at any time without prior notice.
4. Any violation of the terms or conditions of this policy may lead to disciplinary action, up to and including dismissal.

VI. PROCEDURE

The Agency Head at each MTA Constituent Agency is hereby delegated the responsibility and authority to establish procedures for the implementation and management of this policy. Such procedures shall include mechanisms for tracking utilization of bereavement leave.

VI. FORMS, EXHIBITS and ATTACHMENTS

The forms and documentation required by the applicable MTA Constituent Agency are to be used in the administration of this policy.

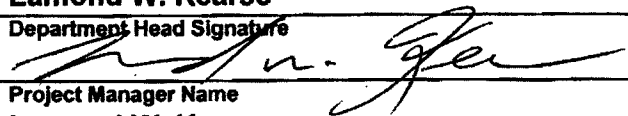
There are no attachments to this Policy Directive.

Staff Summary






Metropolitan Transportation Authority

Page 1 of 1

Subject Enterprise Risk Management and Internal Control Guidelines
Department Corporate Compliance
Department Head Name Lamond W. Kearse
Department Head Signature 
Project Manager Name Lamond W. Kearse

Date November 16, 2011
Vendor Name N/A
Contract Number N/A
Contract Manager Name N/A
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Audit	11/14/11			
2	Board	11/16/11			

Internal Approvals			
Order	Approval	Order	Approval
1	Legal 		
2	Corporate Compliance 		
3	Chief of Staff 		

Purpose:

To seek Board approval of proposed Enterprise Risk Management and Internal Control Guidelines.

Discussion:

These guidelines replace MTA All Agency Policy Directive 11-008 Accountability & Internal Control issued June 8, 1990. The purpose of these guidelines is to establish an effective system of internal controls for the Authority which complies with the requirements of the New York State Government Accountability, Audit and Internal Control Act of 1999 and is consistent with the Standards for Internal Control in New York State published by the Office of the State Comptroller, the Guidelines issued by the Independent Authority Budget Office, and the Commission of Sponsoring Organizations of the Treadway Commission standards.

These Guidelines, which are more detailed than Policy Directive 11-008, among other things, (1) provide a common nomenclature for each of Agencies relating to assessing risk, (2) create a single set of risk evaluation criteria for all of the Agencies, (3) establish consistent testing requirements based upon overall risk ranking, (4) establish minimum standards for vulnerability assessments and (5) describe the role and responsibilities of the Enterprise Risk Management Committee.

Recommendation:

It is recommended that the Board adopt the proposed Enterprise Risk Management and Internal Control Guidelines.



METROPOLITAN TRANSPORTATION AUTHORITY

ENTERPRISE RISK MANAGEMENT AND INTERNAL CONTROL GUIDELINES

Pursuant to Public Authorities Law Section 2931

Adopted by the Board on November 16, 2011

These guidelines apply to the Metropolitan Transportation Authority ("MTA"), the New York City Transit Authority, the Long Island Rail Road Company, The Metro-North Commuter Railroad Company, Staten Island Rapid Transit Operating Authority, Metropolitan Suburban Bus Authority, Manhattan and Bronx Surface Transit Operating Authority, MTA Capital Construction, MTA Bus Company, Triborough Bridge and Tunnel Authority, and to all future affiliated or subsidiary agencies of the MTA (each of which is referred to severally and together, as the "Authority").

Article I. Purpose of Guidelines

The purpose of these guidelines is to establish an effective system of internal controls for the Authority which complies with the requirements of the New York State Government Accountability, Audit and Internal Control Act of 1999 ("the Act") amending Public Authorities Law ("PAL") Sections 2930 through 2932, and is consistent with the Standards for Internal Control in New York State published by the Office of the State Comptroller ("Comptroller Standards"), Guidelines issued by the Independent Authority Budget Office ("IABO"), and the Commission of Sponsoring Organizations of the Treadway Commission ("COSO") standards.

Article II. Requirements of the Act

In compliance with the requirements of PAL Section 2931 the MTA Board is required to:

1. Establish and maintain for the Authority guidelines for a system of internal control that are in accordance with the Act and internal control standards;
2. Establish and maintain for the MTA a system of internal controls and a program of internal control review. The program of internal review shall be designated to identify internal control weaknesses, identify actions that are needed to correct these weaknesses, monitor the implementation of the necessary corrective actions and periodically assess the adequacy of the Authority's ongoing internal controls;
3. Make available to each member, officer and employee a clear and concise statement of the generally applicable managerial policies and standards with which he or she is expected to comply. Such statement shall emphasize the importance of effective internal controls to the Authority and the responsibility of each member, officer and employee for effective internal control;

4. Designate an internal control officer who shall report to the head of the Authority to implement and review the internal control responsibilities established pursuant to this section; and
5. Implement education and training efforts to ensure that Board Members, officers and employees have achieved adequate awareness and understanding of internal control standards and, as appropriate, evaluation techniques.

Article III. Guidelines Maintenance

These guidelines replace MTA All Agency Policy Directive 11-008 Accountability & Internal Control issued June 8, 1990.

These guidelines are subject to annual review by the Audit Committee. In advance of submission of these guidelines for such review, the Enterprise Risk Management Committee ("the Committee" defined in Article IV(B)) shall be responsible for preparing any proposed revisions to the guidelines necessary to ensure that they continue to be in compliance with the Act and consistent with the Comptroller standards, IABO guidelines and COSO standards.

Article IV. System of Internal Controls and Program of Internal Control Review

Section A. Enterprise Risk Management/Internal Controls

Enterprise Risk Management ("ERM")/Internal Controls is defined as a process conducted by management and other personnel, applied across the Authority, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Strategic - high-level goals, aligned with and supporting Authority's mission
- Operations - effective and efficient use of the Authority's resources
- Reporting - reliability of reporting
- Compliance - compliance with applicable laws, regulations and policies

The definition reflects certain fundamental concepts regarding ERM/Internal Control management. ERM/Internal Control management is:

- An ongoing and flowing process throughout the Authority
- Effected by people at every level within the Authority
- Applied in developing and implementing strategy
- Applied across the Authority, at every level and in all areas of responsibility
- Designed to identify potential risks that, if they occur, will affect the Authority

ERM/Internal Controls consists of eight interrelated components. These components are:

1. Control Environment – The internal environment encompasses the tone of the Authority, and sets the basis for how risk is viewed and addressed by employees, including risk management philosophy, integrity and ethical values, and the environment in which they operate.
2. Objective Setting – Objectives must exist before management can identify potential events affecting their achievement. Internal control management ensures that management has in place a process to set objectives and that the chosen objectives support and align with the Authority's mission.
3. Event Identification – Internal and external events affecting achievement of Authority's objectives must be identified, distinguishing between risks and opportunities.
4. Risk Assessment – Risks are analyzed by, considering likelihood and impact, as the basis for computing the overall risk rating. The vulnerability of the Authority to various risks determines how they should be managed.
5. Risk Response – Management evaluates the available risk response options (avoiding, accepting, reducing or sharing) and selects the strategy that optimizes the cost-benefit goals of the Authority.
6. Control Activities – Policies and procedures are established and implemented to ensure that the risk responses strategy is established and effectively executed.
7. Information and Communication – Relevant information is identified, analyzed, and communicated in a form and timeframe that enable employees to effectively carry out their responsibilities.
8. Monitoring – Internal Controls are monitored and modifications made as necessary. Monitoring is accomplished through ongoing management activities, separate periodic evaluations, or both.

Section B. Enterprise Risk Management Committee

The Enterprise Risk Management Committee ("the Committee") has the authority and responsibility for ensuring compliance by the Authority with the Act, Comptroller Standards, IABO guidelines and COSO standards. In addition, the Committee has authority to oversee the ERM program as it relates to those Business Processes and

their associated risks and controls that occur between multiple Agencies.

Authority Internal Control Officers or their designees serve on the Committee, which is chaired by the MTA Chief Compliance Officer. The Committee will meet as needed but generally not less than every six months to review and suggest improvements to the ERM program.

Section C. Vulnerability Assessments

Part 1. Components

Vulnerability (Risk) Assessments ("VA") is an analysis of the potential exposure to a thing going wrong, what can happen if it does, and what controls, if any, are or should be in place to manage risk. The VA also defines how often and when controls are to be tested. Each VA must at a minimum contain the following:

- Identification of key business processes
- Objectives of each business process
- Risks to those objectives
- Effect and likelihood (in the absence of controls) of risks occurring and an overall vulnerability rating
- Controls in place to manage each risk to an acceptable level
- Testing frequency (based on vulnerability rating)
- Testing schedule (approximately when each control will be tested during a particular cycle)

Part 2. Controls

Controls will be classified as key, subordinate, secondary, or monitoring.

Key Controls -an internal control that is assessed by management that provides reasonable assurance that material errors will be prevented or detected in a timely manner and that without which the business process will break down.

Subordinate Controls- those internal controls that are utilized to supplement key controls. Subordinate controls can be compensating, mitigating or redundant as it relates to the key control.

Secondary Controls – those controls which are not key or subordinate controls.

Monitoring Controls - those controls that are not designed to mitigate risk but are designed to monitor non-critical business process risks.

Part 3. Assessing Risk Effect, Probability, and Overall Risk Rating

Risk within a business process is the inherent potential for events to occur that will negatively impact that business process, its objectives, and/or related activities. Vulnerability within a business process can be assessed by defining what negative event can reasonably occur (risk), evaluating their significance (effects) and estimating the likelihood that they can happen (probability). When assessing the effect if the risk occurs the following categories should be used in determining level of significance.

Significance Rating	Evaluation Criteria
<i>High (5)</i>	Will cause a failure of the business process to meet its objectives, or cause objective failure in other activities, which will, in turn, cause or expose the Authority to significant financial losses, interruptions in operations, failure to comply with laws and regulations, major waste of resources, failure to achieve stated goals, etc.
<i>Med High (4)</i>	May cause a failure of the business process to meet a significant part of its objectives, or impact the objectives of other activities, which may, in turn, expose the Authority to unacceptable financial losses, reductions to or ineffectiveness of operations, non-compliance with laws and regulations, sizable waste of resources, etc.
<i>Medium (3)</i>	May cause a failure of the business process to meet part of its objectives, which may, in turn, expose the Authority to unacceptable financial losses, inefficient operations, non-compliance with laws and regulations, waste of resources, etc.
<i>Medium Low (2)</i>	May cause the business process, or other activities, not to meet part of its objectives which, may, in turn, expose the Authority to potentially unacceptable financial losses, less effective or efficient operations, some non-compliance with laws and regulations, waste of resources, etc.
<i>Low (1)</i>	Unlikely to cause the activity not to meet part of its objectives. If the activity does not meet part of its objective, this, in turn, may cause or expose the Authority to potentially unacceptable financial losses, less efficient operations, some non-compliance with laws and regulations, less efficient use of resources, etc.

When assessing the likelihood the risk will occur the following categories should be used in determining level of likelihood.

Likelihood Rating	Evaluation Criteria (Assumes No Controls in Place)
<i>Extreme (5)</i>	Reasonable assumption that this risk will almost certainly occur
<i>High (4)</i>	Reasonable assumption that this risk will likely, but not certainly, occur
<i>Medium (3)</i>	Reasonable assumption that this risk may occur
<i>Low (2)</i>	Reasonable assumption that this risk will likely not occur
<i>Negligible (1)</i>	Reasonable assumption that this risk will not occur

The overall risk rating is used to identify the relative importance and required testing of each control. For ease of assessing, the impact of each risk multiply the numeric values associated with the significance rating and the likelihood rating to determine a relative overall risk rating to each risk: Effect x Probability = Vulnerability

Overall Risk Rating				
Very High (25-20)	High (19-16)	Medium (15-9)	Low (8-4)	Very Low (3-1)

Section D. Control Testing

The frequency of performing an internal control test is determined by the overall risk rating. Risks with very high or high overall risk rating are considered to be more critical than those in lower categories given that controls are used to manage risks to acceptable levels. Therefore controls over high risk activities must be tested more frequently. The Authority's testing cycle is classified as follows:

Vulnerability	Control Test Cycle
<i>Very High</i>	Annually (Minimum)
<i>High</i>	Not less than Every 2 years
<i>Moderate</i>	Not less than Every 3 years
<i>Low</i>	Not less than Every 4 years
<i>Very Low</i>	Not less than Every 5 years

Each Business Process Owner along with their Authority Internal Control Officer is responsible for creating test instructions. Test instructions should contain at a minimum the standard which will be used to judge the control, the methods which will be utilized to test the control, the sample size and test period. In addition the test instructions should include criteria for what constitutes passing versus failing of any given test.

Business Process Owners must maintain records, both electronic and paper, for each test. The records must include when the test was performed, by whom, what was tested, how it was done, scope (period of time covered), number of records reviewed, personnel involved, personnel interviewed, actions observed, errors found, conclusions and corrective action plans to be implemented. Records must be maintained at a minimum through at least one internal control review cycle (1-5 years) or as required by Authority's records retention policy.

The Committee shall establish standards for testing for the ERM business processes.

The Business Process Owners must provide proof of testing, including copies of all testing records at the request of the MTA Chief Compliance Officer, the Authority ICO for their respective Agency, MTA Audit Services, or the MTA Inspector General Office. Failure to provide testing documentation must be reported to the Chief Compliance Officer and the Agency President.

Section E. Internal Control Review and Assessment

The Authority shall conduct an annual Internal Control Review and Assessment ("ICRA") which is an examination and evaluation of the Authority's system of internal controls to ascertain whether adequate controls exist to:

- Encourage adherence to Authority's policies and procedures
- Promote operational efficiency and effectiveness
- Safeguard assets
- Create and maintain a safe environment for employees and customers
- Ensure reliability of accounting data

The results of the ICRA, at a minimum, reaffirms that there is reasonable assurance that controls are functioning as intended.

Based upon the result of the ICRA, the Authority's shall complete, as part of its Annual Report, an annual assessment of the effectiveness of internal control structures and procedures. The assessment is a written statement from the MTA Chief Compliance Officer setting forth the Authority has conducted a formal, documented process to assess the effectiveness of its internal control structure and procedures, and indicating whether or not the internal controls are adequate.

Section F. Certification and Summary Reports

The Chairman/Chief Executive Officer on behalf of the Authority shall complete a signed certification and summary report that the Authority's internal control program is compliant with the Act. In support of this certification each Agency President shall also sign a certification and summary report that their Agency is compliant with the Act.

Section G. Corrective Action Plans

If any control should fail the Control Testing or ICRA process, described in Section D and E above, a corrective action plan must be initiated. The corrective action plans will at a minimum list the severity of the issue as either:

- Material Weakness
- Significant Deficiency
- Deficiency
- Documentation Only

This corrective action plan shall also include:

- Actions to be undertaken
- Persons responsible for those actions
- Resources required to complete the corrective action
- Date corrective actions were completed or date by which they are expected to be achieved

Article V. Generally Applicable Managerial Policies and Standards

The Chief Executive Officer or Executive Director of the Authority, together with Agency Presidents shall prepare and disseminate annually a statement emphasizing the tone at the top, the importance of effective internal controls and the responsibility of each officer and employee for effective internal controls. This statement should list the name and contact number of the Authority Internal Control Officer for their respective Agency and any other individuals who can be contacted for further information on internal controls.

Managerial policies and procedures for the performance of specific functions shall be articulated in administrative manuals, employee handbooks, job descriptions and applicable policy and procedure manuals. While it is not necessary for all employees to possess all manuals, employees should be provided with, or have access to, applicable policies and procedures for their position.

Each Agency shall establish procedures for policy lifecycle management, including but not limited to the creation, approval, maintenance, storage, monitoring and review of

Agency specific policies and procedures. MTA Corporate Compliance shall establish procedures for all agency policy lifecycle management, including but not limited to the creation, approval, maintenance, storage, monitoring and review of All Agency Policy Directives and Guidelines.

Article VI. Designation of an Internal Control Officer

The MTA Chief Compliance Officer shall serve as Internal Control Officer for the Authority and shall report to the Chairman and Chief Executive Officer of the Authority or his/her designee. The Chief Compliance Officer shall implement and review the internal control responsibilities established by these guidelines to ensure compliance by the Authority.

Each MTA Agency President shall appoint an Authority Internal Control Officer, who shall report to the Agency President or to his/her designee within the executive office

Article VII. Implementation of Education and Training Programs

Senior management and employees responsible for specific functions relating to the Authority's internal control program must attend recurring internal control training.

The training will utilize the standardized Training Manual for Internal Controls developed by the Committee as well as the Office of the New York State Comptroller's Internal Control Guide-Compliance Road Map. Agencies may augment this guide, if necessary, to provide specialized instruction.

The Committee shall determine at a minimum which classification of employees should attend internal control training, including the method, content and frequency of such training.

Article VIII. MTA Audit Services

In order to maintain independence, MTA's Auditor General and MTA Audit Services shall not directly or indirectly manage the Authority's ERM/Internal Control program. MTA Audit Services shall evaluate the Authority's internal controls and operations, identify internal control weaknesses that have not been corrected and make recommendations to correct those weaknesses.