



Metropolitan Transportation Authority

October 2020

MTA Board Action Items



MTA Board Meeting

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

Wednesday, 10/28/2020
10:00 AM - 12:00 PM ET

1. PUBLIC COMMENT PERIOD

2. APPROVAL OF MINUTES

MTA and MTA Agencies Committee & Regular Meeting Joint Minutes - September 23, 2020

MTAHQ

NYCT/MaBSTOA/SIRTOA/MTA Bus Company

MTA Metro-North Railroad

MTA Long Island Rail Road

MTA B&T

MTA Construction & Development

MTA and MTA Agency Joint Committee and Regular Minutes - September 23, 2020 - Page 4

3. COMMITTEE ON METRO-NORTH RAILROAD & LONG ISLAND RAIL ROAD

MNR Procurements Report (no items)

LIRR Procurements Report (no items)

MTA C&D Procurements Report

MTA C&D Procurements - Page 26

i. Non-Competitive (no items)

ii. Competitive

MTA C&D - Competitive - Page 30

iii. Ratifications (no items)

4. COMMITTEE ON NYCT & BUS

NYCT & Bus Procurements Report

Procurement Cover, Staff Summary and Resolution - Page 33

i. Non-Competitive (no items)

ii. Competitive

Competitive - Page 38

iii. Ratifications (no items)

iv. C&D Procurements

C&D Procurements - Page 42

5. COMMITTEE ON MTA BRIDGES & TUNNELS OPERATIONS (no items)

6. COMMITTEE ON FINANCE

MTAHQ Procurements Report

MTAHQ Procurement Report - Page 48

i. Non-Competitive (no items)

ii. Competitive

MTAHQ Competitive Procurements - Page 51

iii. Ratification (no items)

Real Estate Items

i. Real Estate Agenda and Staff Summaries

Real Estate Agenda and Staff Summaries - Page 56

7. FIRST MUTUAL TRANSPORTATION ASSURANCE CO (FMTAC) (no items)

**Joint Committee and Board Meeting of the Metropolitan Transportation Authority,
the New York City Transit Authority, the Manhattan and Bronx Surface Transit
Operating Authority, the Staten Island Rapid Transit Operating Authority, the
Metropolitan Suburban Bus Authority, the Triborough Bridge and Tunnel Authority,
the Long Island Rail Road Company, the Metro-North Commuter Railroad Company,
MTA Construction & Development, the MTA Bus Company and
the First Mutual Transportation Assurance Company**

Minutes

2 Broadway

New York, NY 10004

Wednesday, September 23, 2020

10:00 a.m.

The following Board Members were present in person or by videoconference:

Hon. Patrick Foye, Chairman & CEO

Hon. Jamey Barbas

Hon. Frank Borelli

Hon. Victor Calise

Hon. Lorraine Cortés-Vázquez

Hon. Michael Fleischer

Hon. Randolph Glucksman

Hon. Rhonda Herman

Hon. David Jones

Hon. Linda Lacewell

Hon. Kevin Law

Hon. Robert W. Linn

Hon. David Mack

Hon. Haeda B. Mihaltses

Hon. Robert F. Mujica

Hon. Lawrence Schwartz

Hon. Vincent Tessitore, Jr.

The following alternate non-voting members were present by videoconference:

Hon. Andrew Albert

Hon. Norman Brown

Hon. John Samuelsen

The following Board Member was absent:

Hon. Neal Zuckerman

The following staff members attended in person or by videoconference:

Mario Pélouquin, Chief Operating Officer, Thomas J. Quigley, General Counsel, Robert Foran, MTA Chief Financial Officer, Paul Fama, MTA Chief People Officer, Anthony McCord, MTA Chief Transformation Officer, Patrick Warren, MTA Chief Safety Officer, Sarah E. Feinberg, Interim President, NYCT, Craig Cipriano, Acting President, MTA Bus/Senior Vice President, NYCT Department of Buses, Janno Lieber, MTA Chief Development Officer, MTA Construction & Development, Phillip Eng, President, Long Island Rail Road, Catherine Rinaldi, President, Metro-North Railroad, Daniel DeCrescenzo, Acting President, TBTA, David Keller, Senior Deputy Budget Director, Kuvershen Ayer, Chief Procurement Officer, David Florio, Director, R.E. Operations, Leasing & Acquisitions, Michael Garner, Chief Diversity Officer, Abbey Collins, Chief Communications Officer, Monica Murray, Chief Administrative Officer, NYCT President's Office.

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

Unless noted otherwise, votes reflected in these minutes are those of each Committee and that of the MTA Board.

1. CHAIRMAN FOYE'S OPENING REMARKS.

Chairman Foye called the meeting to order, and he announced that the MTA regular Board meeting is being held jointly with the Joint Metro-North Railroad and Long Island Rail Road Committee, New York City Transit Committee, Bridges and Tunnels Committee, Finance Committee, Capital Program Oversight Committee, and Diversity Committee.

Chairman Foye stated that the meeting is being conducted remotely via videoconference. The Chairman explained that Governor Cuomo's Executive Order 202.1, which has subsequently been extended, suspends the Open Meetings Law requirements and accordingly any requirements in the MTA By-Laws that meetings are open to in-person attendance by the public and that Board members may participate only in person are also suspended.

Thomas Quigley, MTA General Counsel, conducted the roll-call and confirmed the presence of a quorum.

Chairman Foye stated that later in the meeting, Agency Presidents and staff will submit their agency's report, procurements and actions for a vote, and the Board members' participation in the meeting but silence at the time of a vote will be considered an affirmative vote for the record. The Chairman advised Board members that if any member would like to vote in opposition to or abstain from any action, that Board member should state their name and indicate that.

Chairman Foye noted that speakers for the public comment period were able to register on Monday, September 21, 2020 and send in their video or voice comments. The Chairman noted that the first thirty minutes of speakers' comments will be delivered at today's meeting and comments made by other speakers will be published to the MTA website.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for the details of Chairman Foye's opening remarks.

2. PUBLIC SPEAKERS SESSION.

The MTA Moderator announced that twenty-six (26) speakers were able to register and send in their comments. The first thirty minutes of speakers' comments will be delivered at today's meeting and comments made by other speakers will be published to the MTA website. The MTA Moderator reminded speakers of the two (2) minute speaking limit and that speakers will be alerted when thirty (30) seconds remain to conclude their remarks.

The following fifteen (15) speakers commented by videoconference during the public speakers' session. Refer to the video recording of the meeting produced by the MTA and maintained in MTA records for the content of speakers' statements, and to the MTA website for comments made by other public speakers.

Senator Joseph Addabbo, Jr., NYS Senate
Assemblywoman Stacey Pheffer Amato, District 23
Councilmember Andrew Cohen, NYC Council, District 11
Mayor Thomas Roche, White Plains, N.Y.
Mayor Ralph Ekstrand, Village of Farmingdale
Jeff Lowinger, Cubic Transportation Systems
Jessica Walker, Manhattan Chamber of Commerce
Jack Forbes, V.P. North American Sales, Provost
Jason Anthony, Passengers United
Mo-Yain Tham, Jobs to Move America
Lisa Daglian, PCAC
Rachel Fauss, Reinvent Albany
Matt Kamper, Passengers United
Charlton D'Souza, Passengers United
Garry Douglas, North Country Chamber of Commerce

3. CHAIRMAN FOYE'S REMARKS.

Chairman Foye stated that the MTA appreciates the support of the public speakers, including elected officials and members of the public, for the MTA's campaign for federal funding, and he thanked everyone for joining this month's virtual meeting of the MTA Board.

Chairman Foye stated that while he wishes he had better news to report, the reality is that the MTA's dire financial situation remains unchanged from last month's emergency session. The Chairman stated that the MTA faces an existential threat where enfeeblement is the short-term risk and extinction the worst-case scenario, but the Senate majority has yet to demonstrate that they recognize the seriousness of the situation and have so far shown no desire to address the problem in a meaningful manner.

Chairman Foye stated that inaction seems unlikely to change in the coming weeks, as Washington is now focused on a bitter battle over the upcoming U.S. Supreme Court nomination, following the passing of Justice Ruth Bader Ginsburg. The Chairman stated that Justice Ginsburg exemplified the best of New York – a Brooklyn native and staunch champion for equality who always spoke her mind and tirelessly fought for what is right. Chairman Foye noted that one of the MTA's colleagues, Subash Iyer, previously clerked for the Justice and is in Washington today standing vigil with the Justice's other Supreme Court clerks. Chairman Foye stated that all of the MTA mourns Justice Ginsburg's loss, and he asked for a moment of silence in honor of Justice Ginsburg's memory.

Chairman Foye stated that he would like to start the meeting by recognizing the herculean efforts the MTA's heroic employees have given during this unprecedented public health crisis. The MTA lost 131 family members, each of whom the agency continues to mourn. The women and men of the MTA have moved New York through the depths of this crisis and continue to do so today. Chairman Foye stated that while service reductions and layoffs are a last resort, the looming financial deficits are so near and so large that every way of reducing costs quickly must be a serious consideration.

Chairman Foye stated that, as he previously noted, the MTA is the circulatory system that powers the City, the region and the national economy, and this region contributes nearly 10% of the national economy output.

Chairman Foye stated that the MTA has been working with economists to better understand just how much of an impact the MTA has, and how much the region would be affected if the MTA had to act on some of the draconian options laid out in August. The Chairman stated that a reduction in MTA service and headcount and the continued freeze of the Capital Plan would not only have a direct economic impact on the agency's workers and the customers it serves, but a compounded, dramatic indirect impact, since a significantly curtailed system would make New York a less attractive place to live, work and invest.

The preliminary analysis suggests that the service reductions and layoffs discussed last month could cost the region over 350,000 jobs— most of those in New York City— and nearly \$100 billion in economic activity in 2021. With respect to outside of New York, this could affect as many as 100,000 jobs created since 2011 through the capital expenditures. The projected regional job loss and destruction of economic activity would be an additional loss of nearly 8% of all New York City jobs in August of this year and nearly 10% of economic activity for the year.

Chairman Foye stated that because of this reality, the MTA sent letters last week to its largest vendors—located across the country from Kentucky to Texas to California—explaining that without significant additional federal aid, all current and future contracts are in jeopardy. The MTA’s work with hundreds of medium and smaller suppliers, including minority and women-owned firms, is also at risk.

The MTA’s capital expenditures are among the nation’s largest drivers of economic activity, generating almost \$50 billion in infrastructure investment. Chairman Foye stated that the COVID crisis, however, could stop the MTA in its tracks – devastating local economies in the process. In New York, thousands of good-paying construction jobs would be decimated if the MTA cannot move forward with the historic 2020-2024 Capital Plan.

The Chairman stated that, as he has said countless times before, there is no economic recovery without a healthy MTA, and there is no national recovery without a healthy New York. Chairman Foye stated that the MTA must protect the future of the region by protecting mass transit. Chairman Foye noted that the MTA Capital Plan and expenditures positively benefit every region of this state and almost all 50 states across the country.

With respect to ridership, Chairman Foye stated that, although ridership continues to slowly recover, the MTA’s losses are staggering and historic in nature, outpacing even the Great Depression. Subway ridership fell by 95% in the worst days of the pandemic. By comparison, ridership declined by just 12% by 1933 from the peak prior to the October 1929 Stock Market Crash.

On New York City buses and streetcars, ridership declined approximately 16% from 1929 levels. Today, buses are about 45% below pre-COVID-19 ridership.

The Long Island Rail Road’s ridership, which was flat in 1930, declined by about 7% in 1931 and at its worst was down a third from 1929 passenger levels. LIRR ridership today is still down about 75% from pre-pandemic levels, six months later.

The Metro-North Railroad’s predecessor, the New York Central Railroad, estimated annual Grand Central Terminal ridership was about flat in 1930, and at its lowest point during the Great Depression declined a third from 1929, compared to the startling current 80% decline in ridership on Metro-North Railroad.

Chairman Foye stated that, in short, it is plain to see how the sustained and precipitous drops in ridership post-COVID are a serious consequence and a sign of how deep and lasting an impact the virus has had on the New York economy, and are a direct gut-punch to the agency, since 50% of MTA revenues come from fares and tolls in a “normal” year.

The Chairman stated that it is clear that the COVID-19 pandemic is hitting the MTA harder than any past crisis, and the near-term impact is much steeper. This crisis is reverberating throughout the national economy and impacting states and cities, as well. Chairman Foye stated that it is a crisis of such magnitude and prevalence that only the federal government has the resources to adequately address it.

Without an immediate injection of \$12 billion in federal aid, the MTA has limited options, including drastic service cuts and layoffs, and borrowing options CFO Robert Foran outlined last month. Chairman Foye stated that these are not only difficult options but acting on them would be extremely damaging to the recent progress of the organization. The MTA is required to balance its budget, however. The Chairman stated that, while no decisions have been made, this could mean significant reductions in service and in positions, higher than scheduled fare and toll increases, and significant borrowing, on top of the already frozen Capital Plan. Chairman Foye stated that even if the MTA executes each of these options, it remains billions of dollars short and that reality is not going away until this pandemic goes away, which will not be for a while yet. The Chairman stated that all budget categories have been reviewed and are being reviewed again repeatedly to identify and eliminate any spending that is not essential to providing service or ensuring the safety of customers and employees.

Chairman Foye stated that the MTA has a proven track record of achieving annually recurring cost reductions, trimming \$2.8 billion from the budget over several years, pre-pandemic. Last month CFO Robert Foran outlined an additional \$540 million in savings, and, he expects that number to exceed \$600 million. These reductions would come from cuts in overtime, consultant contracts, and other non-personnel expense reductions – all thanks to the work of the agency Presidents, their colleagues and Chief Operating Officer Mario Pélouin.

Chairman Foye stated that the savings span all agencies, MTA Headquarters included. Overtime will be reduced through 40 separate initiatives, each averaging over \$5 million in savings. These targets will be achieved through tighter management controls, a narrowed focus on essential activities, and reimbursement for special event coverage. Consultant expenses will be reduced by \$115 million in 2021 through more than 50 initiatives, and significant savings are expected from delivering on Transformation. Other non-personnel reductions will save \$210 million in 2021, including changes to non-revenue vehicle fleet management, adjustments to major maintenance and material contracts, and reducing spending across all the agency's activities by purchasing less equipment, furniture, advertising, and more.

With respect to safety, Chairman Foye commented on the serious and concerning recent incidents, including Sunday's A train derailment that put riders at risk, and he stated that the agency is thankful that these episodes were not worse. The Chairman stated that Interim New York City Transit President Sarah Feinberg will report further on this matter shortly.

Chairman Foye noted that it has been over a week since the MTA instituted a \$50 fine for refusing to wear a mask on mass transit, and it has proven to be a valuable tool in encouraging mask usage across our system, which is already at high levels. In thousands of encounters with the public, MTAPD and Bridge and Tunnel officers have issued just one summons– but helped more than 3,200 customers put on a mask or remind them how to wear one correctly. Over the last few months, the Chairman stated that the MTA has distributed well over 3 million masks, which were contributed by the State of New York and City of New York.

In addition, the Chairman stated that the MTA continues to put hundreds of Mask Force volunteers out in the system. The Mask Force program has been a huge success, and it reinforces what the agency has been saying all along, that wearing a mask helps promote public health and masks help protect us all.

Chairman Foye thanked New Yorkers for embracing the MTA's message– that wearing a mask is an act of respect to their fellow commuters and MTA employees. The Chairman stated that the community spirit is deeply appreciated, as everyone continues to come together and respect each other in mitigating the spread of the virus.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for the details of Chairman Foye's remarks.

4. CHIEF SAFETY OFFICER' S PRESENTATION.

Patrick Warren, MTA Chief Safety Officer, provided an update on COVID-19.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for the details of Mr. Warren's presentation.

5. CHIEF FINANCIAL OFFICER'S PRESENTATION.

Robert Foran, Chief Financial Officer, reported on the MTA's Finances.

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

6. CHIEF DEVELOPMENT OFFICER'S PRESENTATION.

A. MTA Construction & Development Operations and CPOC Committee Report.

MTA Chief Development Officer ("CDO") and MTA Construction and Development ("C&D") President Janno Lieber provided an update on the status of the Capital Program.

CDO Lieber provided a quick report on stations, which was the focus of the September CPOC report. The CDO reported that C&D made good progress on a number of station projects and, with the help of New York City Transit Authority ("NYCT") Interim President Sarah Feinberg and her colleagues, has opened five new ADA subway stations: Chambers Street, First Avenue, Bedford Avenue, Astoria Boulevard and 86th St in Brooklyn. CDO Lieber noted that we will be opening Bedford Park Boulevard as an ADA station in the near future.

CDO Lieber reported that C&D has replaced elevators, escalators and other major station components at dozens of stations, including replacing the escalator and stairway combination along with the finishes at the busiest single subway entrance in New York –

42nd Street passage Grand Central Station. CDO Lieber noted that this work was completed several months ahead of schedule.

CDO Lieber also reported on the huge upgrades to the historically dilapidated and chaotic Grand Central Subway Station mezzanine that were made during the pandemic, which resulted in increased circulation space by 30% and vertical access by 40% through the addition of staircases and elevators that provide access to the subway platforms. CDO Lieber noted that, as of last week, the public now has a brand-new entrance to Grand Central due to the recent opening of the One Vanderbilt skyscraper building.

CDO Lieber further reported that by taking advantage of lower ridership, C&D has been able to make huge progress on outage-intensive major projects, such as the Queens Boulevard, 8th Avenue and Culver CBTC, Rutgers Tube rehabilitation, Archer Avenue trackwork and the Eastern Parkway Structures. C&D is getting a ton of work done in large part due to the acceleration initiative set in motion by Governor Cuomo. The CDO noted that this is the first time in history that the MTA is working on three CBTC projects simultaneously. He also acknowledged the NYCT team for this effort, including the tremendous in-house support from NYCT employees.

CDO Lieber also mentioned that the Board may recall that the plan C&D announced back in January was to award ADA work on 39 stations this year as part of our 2020-2024 Capital Plan to award ADA work for 70 stations and to complete work on a number of stations from the 2015-2019 Capital Plan. With the help of Chief Financial Officer Robert Foran's office, C&D has managed to award four new ADA station projects to date, and will be awarding eleven more, nearly all of which are supported by federal funding, which is use-it-or-lose-it money. The CDO further stated that of the 39 stations C&D committed to award at the beginning of this calendar year, 24 will likely not be awarded this year because of financial uncertainty.

CDO Lieber reported that the financial crisis is also hitting the schedule for advancing major projects worth billions of dollars. These projects include Penn Station Access (also known as four new stations in the Bronx that will bring Metro-North into Penn Station), Phase II of the Second Avenue Subway project, and the 100 new electric buses that the MTA has committed to acquire. CDO Lieber noted that this also affects smaller high-impact initiatives like substations and power repairs, communications work and additional non-ADA station repairs. He further stated that all of these projects are essential to keeping the MTA system in good working order or as we refer to it, "State of Good Repair", but the projects are unable to be funded due to the MTA's financial crisis. CDO Lieber made clear that there is no mistake about it -- the pause of the MTA's Capital Program has real consequences and, as the MTA Chairman noted earlier, the MTA is still hoping and expecting that the federal government will step up, but the MTA won't be able to make up all the time it has already lost. CDO Lieber also noted putting off so much critical work puts at risk the reliability and capacity of our nation's premier transit system.

Board Member Calise stated that he was excited to see that some accessible stations are moving forward and hopes to see more in the future. He also acknowledged it is going to be tough if the MTA doesn't receive the requested federal funding, noting that the MTA has been working hard to try to make that happen and that he would continue to work with the MTA to that end. Board Member Calise also noted that there have been some changes at the MTA, and that Alex Elegudin is now working in the Governor's Office and he hopes with that move the MTA will get increased support there. Board Member Calise further acknowledged the NYCT Accessibility Team and the great strides that they made by putting people with disabilities at the forefront. He thanked NYCT, the LIRR and MNR for their efforts and noted that he would like to see accessibility teams at LIRR and MNR as well.

B. Procurement Items.

CDO Lieber presented C&D's procurement items from the Joint Railroad, Transit, and Finance Committees.

Upon a motion duly made and seconded, the Board:

1. Approved the award of a competitively solicited and negotiated design-build contract (CH063) for the installation of track, special track, contract rail and electric traction catenary in support of the Harold Interlocking program for the East Side Access project for the amount of \$66,275,000 and a twenty-seven-month term (Board Member Law recused).
2. Approved the award of a modification (No. 11) to Contract CS086 to accelerate the installation and local testing of the signal equipment and adjust the Contract Milestones for the amount of \$7,260,000.
3. Ratified the award of a retroactive modification (No. 23) to Contract CH058A to construct a portion of the Eastbound Reroute Approach Structure in the Harold Interlocking for the amount of \$3,400,000.
4. Ratified the award of a retroactive modification (No. 16) to Contract A-37124 for accessibility upgrades at the Avenue H Station, located along the Brighton line in Brooklyn for the amount of \$6,400,000, which includes an incentive of \$250,000.
5. Ratified the award of a retroactive modification (No. 69) to Contract S-48005 for the acceleration of work associated with the installation of the Data Communications System ("DCS") equipment and Communications-Based Train Control ("CBTC") equipment for the amount of \$1,700,000, which includes incentives of \$400,000.
6. Ratified the award of a retroactive modification (No. 5) to Contract 17003-0100 to dismantle, retrofit and deliver a semi-automatic drilling robot for testing and performing initial drilling for the amount of \$928,000.

A copy of the Resolutions and the Staff Summaries for the above items are filed with the records of the Regular Board Meeting of the MTA of this date. Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for further details of Mr. Lieber's report and Board Member comments and discussion.

7. MTA CHIEF TRANSFORMATION OFFICER PRESENTATION

Anthony McCord, MTA Chief Transformation Officer provided a transformation update.

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

8. APPROVAL OF MINUTES.

Upon motion duly made and seconded, the Board approved the Minutes of the Joint Committee and Board meeting of the MTA and MTA Agencies held on July 22, 2020 and the Minutes of the MTA Special Board meeting held on August 26, 2020.

9. MTA OTHER BUSINESS.

A. Amended Rules of Conduct. MTA General Counsel Thomas Quigley provided a summary of the Amended Rules of Conduct action for Board approval.

Upon motion duly made and seconded the Board approved amendments to the Rules of Conduct for the New York City Transit Authority (NYCTA), Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA), Staten Island Rapid Transit Operating Authority (SIRTOA), Metro-North Railroad (MNR) and Long Island Rail Road (LIRR), which were first adopted by the MTA as emergency rules in April 2020 and readopted for another 60 days in July.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for Mr. Quigley's summary of the item and Board Members' comments.

10. METRO-NORTH RAILROAD AND LIRR JOINT COMMITTEE.

A. Metro-North President Catherine Rinaldi's Report.

President Rinaldi reported on the impacts of Tropical Storm Isaias, which hit the region on Tuesday, August 4, 2020. Tropical Storm Isaias blew over 300 trees across Metro-North's tracks and catenary systems. As always, the dedicated workforce of Metro-North quickly responded, working day and night. By the following Monday, Metro-North was running a normal schedule, with only the upper Harlem Line left to be restored and returned to service. Out of the entire MTA network, the upper Harlem Line was the hardest hit by the storm, with almost 100 downed trees and branches ensnared in utility wires that run alongside the tracks. Clearing the trees and restoring the utility poles and wiring required coordinated, concentrated, multidisciplinary team efforts. By Saturday,

August 22, 2020, Metro-North resumed service to the final segment of the Harlem Line between Goldens Bridge and Southeast Stations after crews completed repairs to utility poles, tracks, and other infrastructure. Tropical Storm Isaias was a challenge for the region and the efforts of Metro-North's workforce were nothing short of amazing. President Rinaldi commended the Metro-North workforce for a job well done and thanked Metro-North's valued customers for their patience during this time.

Despite these challenges, President Rinaldi reported that service delivery remained high during the month of August with trains operating above goal at 95.7% and year-to-date performance is 3.2% better than in 2019. West of Hudson Service operated below goal at 91.0% with year-to-date performance standing at 94.8%. Metro-North has seen a slight increase in ridership and is now carrying approximately 22% of normal weekday ridership and approximately 40-43% of normal weekend ridership, while providing 62% of normal train service.

Reporting on PTC, President Rinaldi commented that in mid-August, Metro-North implemented mandated wayside PTC operability on the entire system east of the Hudson River. Due to hard work, Metro-North achieved this major milestone and remains on schedule to have full PTC functionality across the railroad by the end of this year. All of Metro-North's diesel trains, as well as all electric trains on the Harlem Line and Hudson Line are operating in full PTC. Technicians are bringing PTC software to the New Haven Line's M8 electric cars, which will allow New Haven Line trains to enter PTC operations in October. President Rinaldi congratulated the Metro-North team for achieving these milestones and encouraged everyone to keep the momentum going through the end of the year. President Rinaldi also reported that the Pascack Valley Line has been approved to, and will soon, enter Extended Revenue Service.

With respect to COVID-19, President Rinaldi reported that Metro-North personnel continue to do all they can to keep the Metro-North system clean and safe. President Rinaldi announced that in partnership with Knorr/Merak, Metro-North will be the first railroad in North America to begin field testing their patented 3-Stage Air Filtration and Purification System for trains. Next week, Metro-North will begin testing this system on an M7 train set for the next 60 days and will evaluate using this technology on Metro-North's entire fleet.

President Rinaldi also reported that other work continues around the railroad as Metro-North advances important infrastructure projects. Earlier this month, Metro-North completed the reconstruction of the 6th Avenue bridge in downtown Mount Vernon, a month ahead of schedule. The new bridge is now open for pedestrians and vehicular traffic. The completion of the 6th Avenue bridge is a symbol of Metro-North's commitment to the people and City of Mount Vernon to have a safe bridge that serves as an artery to the downtown. Additionally, the 10th Avenue bridge is being rebuilt and is expected to open next summer. Construction began on the 3rd Avenue bridge in April and is also expected to be completed next summer.

President Rinaldi stated that Metro-North recently cut over to the new power substation at Riverdale, which is now elevated after the original substation suffered damage during Superstorm Sandy. Metro-North crews also have been busy enhancing the Green Lane grade crossing in Bedford with new concrete pads and have begun installing delineators at all public grade crossings, which will be completed by next summer. Crews also have successfully replaced the four track switches directly south of the Scarsdale Station in less time than originally planned. This improvement will increase the reliability of Harlem Line train service. Maintenance of Way crews have been upgrading Metro-North's infrastructure by replacing 18,000 railroad ties on the New Haven Line, 14,000 on the Danbury Branch, and 8,000 on the Waterbury Branch.

Reporting on National Rail Safety Week, President Rinaldi commented that Metro-North is doing its part to raise awareness of the need for rail safety education and empower the public to keep themselves safe near the railroad. To coincide with Rail Safety Week, Metro-North is launching its 3rd Annual Rail Safety Poster Contest that asks students, from grades pre-K to 12, to create posters illustrating what they believe is most important about rail safety. Additionally, Customer Safety Day (September 23, 2020) is being observed in Grand Central Terminal and features Metro-Man handing out masks to customers. On September 25, 2020, Metro-North is participating in operation #REDOUT for Rail Safety by wearing red shirts to remind everyone to think "safety first" near all tracks, trains, and station platforms.

President Rinaldi further reported that Metro-North recently announced an update to the Metro-North Train Time app that features a real-time train tracking map, a one-tap link to view and purchase tickets via MTA eTix, and the ability to bookmark favorite trips and stations. Customers can also use the app in languages other than English, including Chinese, Italian, Portuguese, Spanish and Yiddish. These updates enhance the customer experience and address the needs of riders as they return to the system. President Rinaldi thanked Metro-North's in-house staff and supporting IT experts who continue to innovate and find ways to make commuting safer and more reliable. These teams are working on another update for the month of October that will enable passenger counts of each car, which will allow riders to more efficiently social distance on trains.

The video recording of the meeting produced by the MTA and maintained in MTA records contains a complete record of President Rinaldi's report. Additionally, the details of the following Metro-North Committee items are contained in reports filed with the records of this meeting:

B. Metro-North Action Item.

- Board approval to enter into a contract to accept up to \$500,000 in a Congestion Mitigation/Air Quality ("CMAQ") grant from the New York State Department of Transportation ("NYSDOT") to improve access to Metro-North stations, covering the period from October 1, 2020 through December 31, 2021.

Upon motion duly made and seconded, the Board approved the foregoing action item. The details of the approved action item are contained in a staff summary and documentation filed with the records of this meeting.

C. Joint Information Item.

- PTC Status Update

D. Metro-North Information Items.

- 2021 Preliminary Budget (Public Comment)
- 2020 Mid-Year Forecast
- Diversity/EEO Report – 2nd Quarter 2020

E. Metro-North Procurements.

- Board approval to award a contract modification in the not-to-exceed amount of \$7,800,000 to the existing miscellaneous service contract with (1) A Yankee Line, Inc.; (2) Community Coach, Inc.; (3) Greater Bridgeport Transit Authority; (4) Leprechaun Lines, Inc.; (5) Peter Pan Bus Line, Inc.; and (6) White Plains Bus Company, Inc. for the continuation of as-needed emergency and scheduled bus service.
- Board approval to award a contract modification for a 20-month time extension and additional funding in the not-to-exceed amount of \$5,000,000 to the existing competitively solicited contract with the firm Ducci Electrical Contractors, Inc., for infrastructure improvements to the Wayside Communications and Signal System.

Upon motion duly made and seconded, the Board approved the foregoing procurements. The details of the approved procurements are contained in staff summaries and documentation filed with the records of this meeting.

F. Other Metro-North Committee Items.

- Minutes of the Joint Metro-North and Long Island Rail Road Committee Meeting held July 22, 2020
- Metro-North 2020 Work Plan
- Metro-North Safety Report
- MTA Police Report – Metro-North
- Metro-North Operations, Performance Metrics, Finance, Ridership, and Capital Program Reports

A. LIRR President Phillip Eng's Report.

President Eng stated that he is proud to announce that yesterday LIRR was recognized by APTA as a recipient of the 2020 Safety and Security Gold Award, their top honor. APTA recognized our industry-leading safety initiatives at grade crossings, including our partnership with Waze, which just launched globally, and our flexible delineators at all of our 294 crossings. President Eng noted that this is the fifth time the LIRR has been recognized with this achievement since APTA began the award in 2013.

President Eng stated that he wants the public to know that we're continuing to welcome back riders to the system and he wants to assure them that it's safe to ride. President Eng stated that we are continuing our robust cleaning and disinfecting protocols. Our customer ambassadors are out at stations and on platforms handing out masks to customers, as well as hand sanitizer. President Eng stated that this morning, he joined our customer ambassadors in Ronkonkoma, accompanied by Gerry Bringmann, Chair of the LIRR Commuter Council, representatives of the Federal Railroad Administration ("FRA") and the MTA Police Department ("MTAPD"), and Vice President – Public Safety Lori Ebbinghausen, as we highlighted National Rail Safety Week. President Eng stated that he is pleased to report mask compliance.

President Eng observed that our ridership figures continue to grow steadily and that we are seeing growth on our weekend ridership at 50% of normal levels. President Eng stated that current riders have told him that they feel comfortable on the train and trust the LIRR to get them where they need to go and back again safely and reliably. President Eng stated that we welcome each and every customer back.

President Eng stated that in June, we launched a newly revamped TrainTime app which shows customers in real-time which car they can enter on a particular train which has the fewest number of people. Earlier this month, we added this real-time loading feature on our diesel fleet; now, 100% of our fleet is outfitted with this technology available in the palm of your hand. President Eng noted that we also recently added another invaluable feature to help customers plan their trips, the historical "load-weight" tool, which updates daily, showing how heavy, or light, ridership was on a particular train over the last week.

President Eng stated that he is proud of the strides we continue to make to improve the customer experience, especially amid this pandemic. He commended the LIRR workforce for their smarts and dedication of our workforce, thanking them for everything they do on a daily basis to keep New York running as we rebuild our economy.

President Eng also thanked our customers who choose to ride with us, the overwhelming majority of whom are following health advice and our rules for wearing masks on public transit. This simple task is helping us keep everyone, customers and employees safe, and goes a long way to get New York back on track.

President Eng then thanked the MTAPD for stepping up enforcement on trains and helping us hand out masks and reminding customers that they are mandatory on trains

and at stations. He stated that we want customers to know that we would much rather hand out masks than fines, which are a last resort. President Eng stated that he is happy to see practically universal mask compliance aboard the trains each day on his commute.

President Eng reported that in August, our On-Time Performance was at 93.3%. He stated that while Tropical Storm Isaias brought more damage and downed trees across our system than did Superstorm Sandy, thanks to our dedicated workforce, we recovered with full service up and running again less than 48 hours after the storm first hit. President Eng observed that this is a true testament to the LIRR teams who rise to every challenge and get the job done, no matter the circumstance.

Reporting on projects, President Eng stated that our workforce has continued vital in-house State-of-Good-Repair work over the past month, including the completion of the concrete tie installation on the Port Washington Branch between Harold and Shea. We are now installing concrete ties on the Main Line between Divide and Nassau 3. Regarding Positive Train Control (“PTC”), President Eng stated that we are still on track to meet the deadline by the end of this year.

President Eng stated that we continue working hand in hand with MTA Construction & Development, delivering major LIRR Expansion work, including the reopening of New Hyde Park Road and the ongoing Nassau 3 Switch replacement. He noted that more details on all these efforts are available in the Committee Book.

In closing, President Eng thanked all our employees, all other essential employees throughout our region and our riders as we jointly make strides in the fight against the pandemic.

B. Joint Information Item.

- PTC Status Update

C. LIRR Information Items.

- 2021 Preliminary Budget (Public Comment)
- 2020 Mid-Year Forecast
- Fall Trackwork Programs
- Diversity/EEO Report – 2nd Quarter 2020

D. LIRR Procurements.

- Board approval of an amendment to previously Board-approved, multi-agency, purchase contracts to add funding in the amount of \$2,500,000 for Plasser American Corporation for replacement parts, equipment upgrades, troubleshooting, repair services and training for various track laying equipment.

- Board approval to award a contract modification in the amount of \$1,948,569 Nouveau Elevator Industries for one additional year to continue to provide essential elevator preventive maintenance and repairs.
- Nouveau Elevator Industries, \$3,680,632 (\$2,499,749 for LIRR and \$1,180,883 for Metro-North) for essential escalator preventive maintenance and repairs.

Upon motion duly made and seconded, the Board approved the foregoing procurements. The details of the approved procurements are contained in staff summaries and documentation filed with the records of this meeting.

E. Other LIRR Committee Items.

- Minutes of the Joint Metro-North and Long Island Rail Road Committee Meeting held July 22, 2020
- LIRR 2020 Work Plan
- LIRR Safety Report
- Police Report – LIRR
- LIRR Operations, Performance Metrics, Finance, Ridership, and Capital Program Reports

The video recording of the meeting produced by the MTA and maintained in the MTA records contains a complete record of President Eng's report, and the details of the LIRR Committee items are contained in reports filed with the records of this meeting.

11. NYCT INTERIM PRESIDENT SARAH FEINBERG'S PRESENTATION.

A. NYCT's President's Report.

Interim President Feinberg discussed an incident that occurred on Sunday, September 20th, just after 8AM, when the Northbound A train derailed at the 14th Street/ 8th Avenue station after hitting debris that had been placed on the track. She expressed how incredibly grateful she was that there were no serious injuries and thanked the NYCT team and the NYPD for their incredible work following the derailment. She commended the teams for restoring service quickly, noting that we were able to re-start local service by bypassing the station immediately following the derailment, and then, incredibly, were able to have regular service back by the Monday morning rush hour. Feinberg explained that this required our team to make significant repairs to the track bed, third rail tracks and signals, and required employees to work throughout the entire day Sunday and Sunday night and into Monday morning. She commented that it was an incredible feat that other systems may not have been able to accomplish so quickly. Further, Feinberg commented that these efforts serve as a reminder, particularly at this point in time, that public servants really rise to the occasion and get us through moments of crises and Monday was a good day for government. Interim President Feinberg also acknowledged the Good Samaritan who leapt into action - Rikein Wilder- who first cleared tracks of debris then alerted MTA personnel to what was happening on the track. Following the

derailment, Mr. Wilder held the person who is believed to have caused the derailment until the police arrived. Feinberg commended him and expressed her gratitude to him for his quick work.

Interim President Feinberg stated that while the specific circumstances surrounding this incident were troubling, they were not particularly unique over the last year as we have seen a troubling increase in worker assaults, vandalism and other concerning incidents in our system. She explained that because our system is so vast and we have such a huge workforce and ridership, that even at this moment in time with significant decrease in ridership, it is hard to know on a daily basis and understand everything that is happening in the system. Feinberg stated that the data that is publicly released and publicly available often does not tell the full story about what is happening in our system. She said that is why over the last summer she directed members of transit team to start pulling on the different threads of available data – not only the data we create but that which is produced by the NYPD and others. Feinberg had all of the data put in one place and ensures that such data is shared with her each day and each week. She further stated that she finds it very helpful to know what is happening on the system on an almost hour-to-hour basis and that such data has been very useful to the Board as well. Feinberg announced that she will start sharing that information publicly on our website, and that while the data is not perfect, it is being improved every week and will be a useful window into our system.

Interim President Feinberg next discussed the issue with the R179 subway cars, noting that earlier in the summer we took the R179 fleet out of service following a third serious issue with the cars. She stated that a panel of outside experts was formed and led by Panel Chair Robert C. Lauby, former Associate Administrator for Railroad Safety and Chief Safety Officer for the Federal Railroad Administration. Feinberg said that the panel has done a huge amount of work this summer, meeting regularly, possibly more than a dozen times, and that NYCT shared with them every piece of information they were interested in and made our teams completely available. She also commented that Bombardier was very cooperative during the process. Feinberg said the work is being done in two phases: Phase 1 is an assessment of what went wrong and how to get the cars back into service; Phase 2 will start now and will help us understand lessons learned from this event and give us recommendations for how to better assure quality in future car procurements. She stated that the Panel has completed Phase 1 and prepared a report that looked at what happened over the last few years with these incidents and made recommendations about to how to get the cars back in service. This report was shared with the Board and the transit committee and can be made available publicly. Feinberg summarized the report, conveying that the Panel agreed that while the three incidents that led us to this point were serious, they were dealt with appropriately by NYCT. More importantly she said the report stipulates that NYCT has done great work to attempt to predict any future issues and address them on the front end. The Panel also made recommendations for reintroducing the fleet which NYCT has been following strictly. Feinberg stated that NYCT is going to be working closely with Bombardier moving forward on software and firmware updates and is directing Bombardier to keep us closely updated. She informed that NYCT would work very closely with the Panel and

Bombardier to detect any failure or issues that come up and address them quickly. She said assuming there are no issues with the cars while in non-revenue service, they will put them into service and continue monitoring them very closely.

Interim Feinberg talked about the last couple of months during which she has been making regular visits to meet with employees, noting that she would have loved to have done the same in March April, May and June but was not able to do so. She stated that she has been having town hall meetings with our employees every other week (with approximately 200 employees or so at a time) and that it has been a good way to reach thousands of employees. She remarked that she is constantly impressed by the caliber, the expertise and dedication of our teams on Buses and Subways and at Headquarters, and expressed what a joy it is to be with them each week and that it is the highlight of her week.

Further details of Interim President Feinberg's presentation and any Board member comments and discussions are contained in the video recordings produced and maintained by the MTA.

12. TBTA ACTING PRESIDENT DANIEL DeCRESCENZO'S REPORT.

A. B&T's President's Report.

Mr. DeCrescenzo opened his remarks by stating that two significant customer-facing improvements began last week. First, MTA Construction and Development started an important new phase of the Throgs Neck Bridge roadway replacement project that will utilize a movable barrier so that TBTA can maintain full peak direction lane capacity, while the more than 60-year-old concrete roadway decks are replaced. The second improvement involves the resumption of the Hugh L. Carey Tunnel's third Brooklyn-bound lane for afternoon rush hour customers, which had had been suspended due to COVID-19 but was restored to reduce travel times for MTA Bus customers and other motorists leaving lower Manhattan.

With regard to increasing traffic levels at TBTA facilities, Mr. DeCrescenzo stated that in July, paid traffic was 19% lower than the same period last year, continuing the recovery from the 65% year-over-year decline in April, and preliminary traffic levels for August indicate that traffic declined by 17% compared to the same period last year.

Finally, Mr. DeCrescenzo thanked TBTA personnel for their outstanding efforts and continued dedication that has enabled TBTA to safely meet customer needs throughout these challenging times. In recognition of the nineteenth anniversary of the September 11, 2001 terrorist attacks, Mr. DeCrescenzo stated that it is especially appropriate to salute emergency responders and other frontline workers who safeguard the traveling public every day and that TBTA is committed to making every effort to provide safeguards to help them continue to perform their essential duties and to protect their families.

B. Procurements.

Mr. DeCrescenzo stated that there are no procurements or action items.

Refer to the video recording of the meeting produced by the MTA and maintained in MTA records for the details of President DeCrescenzo's presentation.

13. MTA COMMITTEE ON FINANCE.

- A. Procurement Items. MTA Chief Procurement Officer Kuvesh Ayer presented a summary of the following procurement items for Board approval.

Upon motion duly made and seconded the Board approved the procurement items listed below. The specifics are set forth in the staff summaries and documentation filed with the meeting materials. Board Members Victor Calise and Linda Lacewell recused themselves from the vote on items #2 and #3 below.

1. Various Contractors – Supply and Distribution of Uniform Garments – No. 249987. Approved the award of competitively negotiated Multi-Agency procurement contracts with Unipro International (New York State-certified WBE), VF Imagewear, Inc., 7th Avenue Trade Apparel, and Tyndale USA, Inc. for the supply and distribution of uniform garments.
2. Metropolitan Life Insurance Company – Life/Accidental Death & Dismemberment, Long-Term, and Short-Term Disability Benefits Insurance – No. 15524. Approved the award of a competitively negotiated, personal services contract with Metropolitan Life Insurance Company (“MetLife”) to provide life/accidental death and dismemberment, long-term and short-term disability benefits for non-represented employees and certain represented and retired employees.
3. Healthplex and Metropolitan Life Insurance Company – MTA All Agencies Dental Benefits Plan – No. 15525. Approved the award of a competitively negotiated, personal services contract to Healthplex and Metropolitan Life Insurance Company (“MetLife”) to provide dental benefits services to the MTA on behalf of the MTA Agencies, predominantly comprised of non-represented employees and retirees and some represented employees and retirees that negotiated these benefits.
4. Masabi, LLC – Mobile Ticketing Program (LIRR/MNR) – No. 15590, Modification No. 5. Approved the extension of a competitively negotiated joint-agency (LIRR & MNR) service contract with Masabi LLC for 34 months from September 1, 2020 through June 30, 2023.

14. DIVERSITY COMMITTEE.

Michael Garner, Chief Diversity and Inclusion Officer, provided a summary of the following action item.

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

1. 2020 Title VI Program. Approved the MTA's 2020 Title VI Program update, in satisfaction of the requirements of the FTA Title VI Circular, 4702.1B.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for the details of Mr. Garner's summary and Board Members' comments.

15. MTA COMMITTEE ON FINANCE (Continued)

- B. Real Estate Items. David Florio, Director, R.E. Operations, Leasing & Acquisitions, presented a summary of the real estate items for Board approval.

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

Metro-North Railroad

1. License agreement with Chappaqua Transportation, Inc. for use of vacant land for non-commuter parking located on vacant land adjacent to Hunts Lane, Chappaqua, N.Y.
2. Amendment to the current Grand Central Terminal Retail Licensing Program policy governing the licensing of retail space in Grand Central Terminal, N.Y.
3. Temporary modification to the Vanderbilt Hall policy governing event rates and charges, Grand Central Terminal, N.Y.

Long Island Rail Road

4. License agreement with Huntington Orange and White Inc. for a taxi parking and dispatch office located at Huntington Station, Huntington, N.Y.
5. License agreement with David Enterprises, Inc. for the use of property for taxi parking located at the Bay Short Station, Bay Shore, N.Y.

6. License agreement with J.T.E. Enterprises Inc. for taxi parking and a dispatch office at the Babylon Station, Babylon, N.Y.
7. License agreement with J.T.E. Enterprises Inc. for taxi parking at the Sayville LIRR Station, Sayville, N.Y.
8. License agreement with Huntington Orange and White, Inc. for tax parking and dispatch office at Hicksville LIRR Station, Hicksville, N.Y.
9. Acquisition of fee simple title property from 80 Willis Avenue, Inc. for use of property located at 80 Willis Avenue (Section 9, Block 417, Lot 1), Village of Mineola, N.Y.
10. License agreement renewal with Eric and Jeffrey Dorf, Dorf Associates, Inc., successor in interest to Dorf Management Organization, Inc, for access, parking and deliveries on a portion of LIRR Montauk (Springfield) Branch right-of-way near 180th Street and Liberty Avenue, Queens, N.Y.
11. Change Order to Contract Number CM3307, New York Penn Station LIRR Train Hall Renovation, Phase 1 33rd Street Entrance (Entrance Development Agreement) with Vornado Realty Trust.

- **Metropolitan Transportation Authority**

12. Lease agreement with 1825 Park Avenue Property Investors III, LLC for office space lease for MTAPD located at 1825 Park Avenue, New York, N.Y.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for details of Mr. Florio's summary and Board Members' comments on the real estate items.

16. ADJOURNMENT.

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 1:09 p.m.

Respectfully submitted,

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

Paige Graves
Vice President,
General Counsel and Secretary
Long Island Rail Road Company

Mariel A. Thompson
Assistant Secretary
NYCTA

David K. Cannon
Assistant Secretary
MTA C&D

Julia Christ
Senior Vice President
General Counsel and Secretary
TBTA

Victoria Clement
Assistant Secretary
MTAHQ

PROCUREMENT PACKAGE
October 2020





The picture above depicts the Long Island Rail Road's Meadowbrook Substation that was constructed utilizing the Design/Build method under Contract 6266. This month's agenda includes a procurement action for the award of a Design/Build contract for the replacement of Long Island Rail Road's Ocean Avenue Substation.

PROCUREMENT

The Procurement Agenda this month includes one procurement action for a proposed expenditure of \$17.85M.

Staff Summary

Subject		Request for Authorization to Award a Procurement Action			
Department		Contracts			
Department Head Name David K. Cannon					
Department Head Signature <i>David K. Cannon</i>					
Board Action					
Order	To	Date	Approval	Info	Other
1	MNR & LIRR Joint Committee	10/28/2020	X		
2	Board	10/28/2020	X		

Date: October 14, 2020			
Internal Approvals			
	Approval		Approval
	Executive Vice President & General Counsel		President
	Deputy Chief Development Officer, Development		

PURPOSE:

To obtain the approval of the Board to award a procurement action and, to inform the Long Island Rail Road Committee of this procurement action.

DISCUSSION:

MTA Construction and Development Company proposes to award a Competitive Procurement in the following category:

	<u># of Actions</u>	<u>\$ Amount</u>
<u>Schedules Requiring Two-Thirds Vote</u>		
Schedule C Competitive Requests for Proposals (Award of Purchase/Public Work Contacts)	1	\$17,853,400
TOTAL	1	\$17,853,400

Budget Impact:

The approval of the procurement action will obligate capital funds in the amount listed. Funds are available in the capital budget for this purpose.

Recommendation:

The procurement action be approved as proposed. (The item is included in the resolution of approval at the beginning of the Procurement Section.)

MTA Construction And Development Company

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 works contracts, and the solicitation and award of request for proposals in regard to purchase and public work contracts; and

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

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

NOW, the Board resolves as follows:

1. As to each purchase and public work contract set forth in annexed Schedule A, the Board declares competitive bidding to be impractical or inappropriate for the reasons specified therein and authorizes the execution of each such contract.
2. As to each request for proposals (for purchase and public work contracts) set forth in Schedule B for which authorization to solicit proposals is requested, for the reasons specified therein, the Board declares competitive bidding to be impractical or inappropriate, declares it is in the public interest to solicit competitive request for proposals and authorizes the solicitation of such proposals.
3. As to each request for proposals (for purchase and public work contracts set forth in Schedule C for which a recommendation is made to award the contract), the Board authorizes the execution of said contract.
4. As to each action set forth in Schedule D, the Board declares competitive bidding impractical or inappropriate for the reasons specified therein, and ratifies each action for which ratification is requested.
5. The Board authorizes the execution of each of the following for which Board authorization is required: i) the miscellaneous procurement contracts set forth in Schedule E; ii) the personal service contracts set forth in Schedule F; iii) the miscellaneous service contracts set forth in Schedule G; iv) the modifications to personal/miscellaneous service contracts set forth in Schedule H; v) the contract modifications to purchase and public work contracts set forth in Schedule I; vi) the modifications to miscellaneous procurement contracts set forth in Schedule J.
6. The Board ratifies each action taken set forth in Schedule K for which ratification is requested.

OCTOBER 2020

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

Schedule C. Competitive request for Proposal (Award of Procurement/Public Works Contract)

- | | | | |
|-----------|---|---------------------|--------------------------------------|
| 1. | T. Moriarty and Son, Inc.
Contract No. 6355
Two Years and Four Months Term | \$17,853,400 | <u>Staff Summary Attached</u> |
|-----------|---|---------------------|--------------------------------------|

MTA Construction and Development seeks Board approval to award a competitively solicited design-build contract to provide a new prefabricated substation building at the Long Island Railroad (“LIRR”) Ocean Avenue location on the Babylon Branch in Rockville Centre.

Dept & Dept Head Name: Delivery/M. Roche						SUMMARY INFORMATION	
Div & Div Head Name: LIRR Business Unit/P. Dietlin						Vendor Name T. Moriarty and Son, Inc.	Contract Number 6355
Board Reviews						Description Design/Build Services for the Replacement of the Ocean Avenue Substation	
Order	To	Date	Approval	Info	Other	Total Amount \$17,853,400	
1	MNR & LIRR	10/28/2020	X			Contract Term Two Years & Four Months	
2	Board	10/28/2020	X			Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A	
						Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Internal Approvals						Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Order	Approval	Order	Approval			Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
	Deputy Chief, Development		President				
	Vice President, Contracts		Executive Vice President & General Counsel				
						Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

PURPOSE/RECOMMENDATION

To obtain approval of the Board to award a competitively solicited design-build contract to provide a new prefabricated substation building at the Long Island Railroad (“LIRR”) Ocean Avenue location on the Babylon Branch in Rockville Centre to T. Moriarty and Son, Inc. (TMS) in the amount of \$17,853,400 and a duration of two years and four months.

DISCUSSION

Contract 6355 is a design-build contract to replace the existing Ocean Avenue traction power substation which is past its useful life. The contract requires TMS to design, fabricate, deliver, assemble (on-site), test and commission a new prefabricated substation building on concrete foundations. The solicitation documents also included an option for the replacement of Bellmore Substation, also past its useful life, however, the option will not be exercised due to funding constraints.

In January 2020, the Request for Proposals (“RFP”) for this contract was publicly advertised in the New York State Contract Reporter, the N.Y. Post, and on the MTA website and the RFP, was released. In response to the RFP, proposals were received from the following entities:

- E-J Electric Installation Co.
- J-Track, LLC and TC Electric, LLC (joint venture)
- Judlau Contracting, Inc. and OHL Systems & Electric, LLC (joint venture)
- Mass Electric Construction Co.
- T. Moriarty & Son, Inc. (TMS)

The proposals were evaluated and scored by a Technical Evaluation Committee (TEC) consisting of members from LIRR Engineering, Program Management and Strategic Initiatives. Using the pre-established selection criterion set forth in the RFP, the Committee evaluated each proposer’s technical approach; qualifications and experience of proposed staff; and qualifications and experience of overall firm. After the TEC evaluated the technical scores, the following proposers (“shortlisted proposers”) were determined to be in a competitive range and were invited to provide an oral presentation on their technical approach:

MTA Draft

- E-J Electric Installation Co.
- Mass Electric Construction Co.
- T. Moriarty & Son, Inc. (TMS)

At the conclusion of the oral presentation, the TEC opened and evaluated the shortlisted proposers' cost proposals. The technical and cost proposal scores were combined resulting in the following ranking of the shortlisted proposers' in order:

- T. Moriarty & Son, Inc. (TMS)
- Mass Electric Construction Co
- E-J Electric Installation Co.

Based on the TEC evaluation, TMS was identified the top ranked proposer. TMS technical proposal demonstrated a thorough and comprehensive understanding of the project and adequately responded to all of the TEC's questions. TMS offered a substation delivery which would require no track outages compared to other proposals received, resulting in cost savings to the MTA and less impacts to the riding public. In addition, the means, methods, and design proposed mitigated many significant project risks compared to the other proposers. Based on these factors, the TEC elected to enter into negotiations with TMS.

TMS provided an initial cost proposal of \$19,515,700. A cost and scope analysis was completed and negotiations were held with TMS to address various cost-savings initiatives and scope clarifications. As a result of the negotiations, TMS offered a Best and Final Offer which provided an overall price reduction of \$1,662,300 (9%), and the final cost of \$17,853,400 is determined to be fair and reasonable.

Background checks were performed by LIRR Procurement and TMS is considered a responsive and responsible firm.

D/M/WBE INFORMATION

The MTA Department of Diversity and Civil Rights (DDCR) has established a 5% DBE goal for this project. TMS has submitted a plan that was approved by DDCR. On previous completed MTA contracts, T. Moriarty and Son, Inc. has achieved the assigned D/M/WBE goals.

IMPACT ON FUNDING

Funding for this Contract is included in the LIRR portion of the MTA's 2015-2019 Capital Program Budget.

ALTERNATIVES

There are no alternatives, since MTA does not have the ability to undertake the design and fabrication of customized substations.



Procurement and Supply Chain

Louis A. Montanti, Acting Senior Vice President

PROCUREMENTS

The Procurement Agenda this month includes 4 actions for a proposed expenditure of \$579.6M.

Subject	Request for Authorization to Award Various Procurements
Department	Procurement & Supply Chain – NYCT
Department Head Name	Louis A. Montanti
Department Head Signature	<i>Louis A. Montanti</i>
Project Manager Name	Rose Davis

October 16, 2020
Department
Department Head Name
Department Head Signature

Board Action					
Order	To	Date	Approval	Info	Other
1	Committee	10/28/20			
2	Board	10/28/20			

Internal Approvals			
	Approval		Approval
<i>[Signature]</i>	President NYCT	<i>[Signature]</i>	Pres. MTA Bus/SVP DOB
<i>[Signature]</i>	SVP Operations Support		Subways
	Capital Prog. Management	X	Diversity/Civil Rights
X	Law		

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

PURPOSE

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

DISCUSSION

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

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

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

Schedules Requiring Majority Vote:

Schedule G: Miscellaneous Service Contracts	4	\$ 579.6 M
	SUBTOTAL	\$ 579.6 M
	TOTAL	\$ 579.6 M

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

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

MTA Bus Company proposes to award Ratifications in the following categories: None

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

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

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

BOARD RESOLUTION

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

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

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

NOW, the Board resolves as follows:

1. As to each purchase and public work contract set forth in annexed Schedule A, the Board declares competitive bidding to be impractical or inappropriate for the reasons specified therein and authorizes the execution of each such contract.
2. As to each request for proposals (for purchase and public work contracts) set forth in Schedule B for which authorization to solicit proposals is requested, for the reasons specified therein, the Board declares competitive bidding to be impractical or inappropriate, declares it is in the public interest to solicit competitive request for proposals, and authorizes the solicitation of such proposals.
3. As to each request for proposals (for purchase and public work contracts) set forth in Schedule C for which a recommendation is made to award the contract, the Board authorizes the execution of said contract.
4. As to each action set forth in Schedule D, the Board declares competitive bidding impractical or inappropriate for the reasons specified therein, and ratifies each action for which ratification is requested.
5. The Board authorizes the execution of each of the following for which Board authorization is required: (i) the miscellaneous procurement contracts set forth in Schedule E; (ii) the personal service contracts set forth in Schedule F; (iii) the miscellaneous service contracts set forth in Schedule G; (iv) the modifications to personal/miscellaneous service contracts set forth in Schedule H; (v) the contract modifications to purchase and public work contracts set forth in Schedule I; and (vi) the modifications to miscellaneous procurement contracts set forth in Schedule J.
6. The Board ratifies each action taken set forth in Schedule K for which ratification is requested.

OCTOBER 2020

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

G. Miscellaneous Service Contracts

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

<ol style="list-style-type: none"> 1. Greenpoint Transit, LLC 2. Arro, Inc. 3. LimoSys, LLC 4. Corporate Transportation Group, Ltd. <p>Three years with an option to extend up to two years Contract #s TBD</p> <p>Award of four, 3-year estimated quantity miscellaneous service contracts for Broker Car Service for Paratransit.</p>	<p>\$132,755,242</p> <p>\$145,184,092</p> <p>\$148,598,586</p> <p>\$153,107,953</p>	<p><u>Staff Summary Attached</u></p> <p>↓</p> <p>↓</p> <p>↓</p>
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Schedule G: Miscellaneous Service Contracts



Item Numbers: 1–4

Vendor Names (Locations) Greenpoint Transit, LLC (Wilmington, Delaware) Arro Inc. (New York, New York) LimoSys LLC (Englewood Cliffs, New Jersey) Corporate Transportation Group Ltd. (Brooklyn, New York)
Description Broker Car Service for Paratransit
Contract Term (including Options, if any): Three years with an option to extend up to two years
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: Negotiation

Contract Number(s) TBD (multiple awards)	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total Estimated Amount:	\$579,645,873
Greenpoint	\$132,755,242
Arro	\$145,184,092
LimoSys	\$148,598,586
CTG	\$153,107,953
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: Department of Buses, Craig Cipriano	

Discussion:

NYC Transit is seeking Board approval to award four, 3-year estimated quantity miscellaneous service contracts for the provision of Broker Car Service for Paratransit Access-A-Ride (“AAR”) customers to Greenpoint Transit, LLC (“Greenpoint”); Arro Inc. (“Arro”); LimoSys LLC (“LimoSys”); and Corporate Transportation Group Ltd. (“CTG”) in the estimated amounts of \$132,755,242; \$145,184,092; \$148,598,586; and \$153,107,953 respectively. Each contractor will receive 25 percent of the estimated trip volume for all boroughs. The base term of each contract is three years with each containing an option to extend the term for up to an additional two years. Board approval will be sought if NYC Transit wishes to exercise its option.

AAR service is provided through two different approaches: dedicated service and non-dedicated service. Dedicated service providers are known as Primary Carriers whose only business is to transport NYC Transit AAR customers using NYC Transit-owned vehicles. Non-dedicated service providers, such as Broker Car Service and e-Hail on-demand, perform AAR service in concert with their existing operations using taxi and for-hire vehicles. The use of non-dedicated service provides cost and operational benefits to NYC Transit in that Paratransit does not directly bear the total responsibility for maintenance and operating costs, as is the case with dedicated service; non-dedicated service providers offer access to a larger vehicle fleet to perform a high volume of trips.

Over the past 10 years, demand for Paratransit trips has skyrocketed from approximately 20,000 per day in 2008, to over 30,000 currently (pre-COVID). Considering the MTA’s fiscal situation, innovative changes to the Paratransit operation were needed to reduce program costs and improve the customer experience. Paratransit, working collaboratively with the Office of Management and Budget, Strategic Initiatives, Systemwide Accessibility, and Procurement, has implemented numerous cost reduction strategies. On the forefront is the strategy to shift the bulk of trips previously assigned to dedicated carriers to non-dedicated carriers (principally to Broker Car Service), as it is the less expensive mode of AAR transportation. Pre-COVID, the allocation of AAR trips was approximately 30 percent dedicated and 70 percent non-dedicated. As part of the continued effort to shift trips to Broker service, it is Paratransit’s aspiration to allocate 75 percent of trips to non-dedicated service over the next three years.

Schedule G: Miscellaneous Service Contracts



In April 2020, Request for Proposal (“RFP”) 310504 was competitively solicited to gain capacity through expanding the pool of Broker providers, increase the use of shared rides, and include power lift–equipped vehicles for oversized and motorized wheelchairs. The Broker model is a fully ADA-compliant mode of paratransit transportation that utilizes contractor(s) to schedule and dispatch prearranged trips for AAR customers through a non-dedicated subcontractor network of taxi, livery, and black car service providers. Unlike the previous Broker contracts, the new Broker contracts will introduce an expanded fleet of wheelchair accessible vehicles (“WAVs”) that utilize power lifts for oversized wheelchairs and scooters. The new contracts also incentivize the Brokers to perform greater than 25 percent of their daily trips as shared rides, while providing lower pricing. Broker pricing has been significantly lower than the Primary Carrier service, which is approximately \$83 per trip.

The evaluation criteria for this RFP, listed in descending order of importance, were as follows: Proposer’s Overall Technical Qualifications regarding relevant experience and demonstrated ability to perform the work including approach and methodology to satisfy performance requirements under the Scope of Work, Overall Price, and Other Relevant Matters. Selection Committee (“SC”) members were drawn from Paratransit, the Department of Systemwide Accessibility, the Department of the Chief Financial Officer, and Procurement.

NYC Transit aggressively canvassed the marketplace for potential new contractors to expand the competitive environment. Twenty-one firms requested the RFP package, of which the following 11 submitted proposals: CTG, LimoSys, Greenpoint, Arro; Curb Mobility LLC (“Curb”); Uber Transit (“Uber”); Alfred Holdings, Inc. (“Alfred”); Premier Paratransit (“Premier”); Concord Limousine, Inc. (“Concord”); Fejost LLC. d/b/a Sentry Management Solutions (“Sentry”); and Operr Group, Inc (“Operr”).

Following the SC’s review of proposals, four proposals were eliminated as the proposers failed to demonstrate their experience and ability to perform the work and/or had shown a disregard for the submission requirements. The remaining seven proposers were invited for oral presentations. After oral presentations, one proposer was eliminated as it informed the SC during oral presentations that it would not comply with the Federal Transit Administration drug and alcohol testing required for this safety-sensitive contract. The SC determined that the remaining six companies (CTG, Arro, Greenpoint, LimoSys, Curb, and Sentry) were technically qualified and were invited to participate in negotiations.

Negotiations focused on the proposers’ demonstrated ability to perform the work including experience, trip capacity, project management team, and overall price. The price proposal was structured to provide rates based on zone to zone combinations, defined by intra-borough and interborough zip codes throughout the five boroughs. Pricing for the base three years is fixed, however, proposers had the opportunity to provide different pricing in the option period. Proposers were asked to submit pricing for three award scenarios: 33 percent, 25 percent, and 20 percent of the total award volume, as it was initially undetermined how many awards (three, four, or five) would be recommended.

Best and Final Offers (“BAFOs”) were received on August 19, 2020. The SC was presented with all three pricing scenarios. Ultimately, the Project Office determined, and the SC concurred, that four awards at 25 percent is the best scenario, as three awards may be too few (in the event one drops out) and five awards may be too many (a smaller allocation of trip assignments would impact the Brokers’ ability to share rides due to a smaller pool of potential shared trip combinations).

The fully loaded Weighted Average Cost Per Trip (“WACPT”) for each proposer is listed below. The overall average WACPT of the four recommended awards are in bold.

BAFO PRICING FOR BASE AND OPTION YEARS:

Proposer	Base Years 1 – 3 Gross Sum Award Amount	WACPT		Option Years 4 & 5 Gross Sum Award	WACPT
Greenpoint	\$132,755,242	\$28.34		\$112,515,580	\$28.91
Arro	\$145,184,092	\$30.99		\$120,602,144	\$30.99
LimoSys	\$148,598,586	\$31.72		\$121,947,896	\$31.34
CTG	\$153,107,953	\$32.68		\$125,597,367	\$32.28
Gross Sum and overall WACPT	\$579, 645, 873	\$30.93		\$480,662,987	\$30.88
Sentry	\$147,705,345	\$31.53		\$130,129,024	\$33.44
Curb	\$153,450,534	\$32.76		\$129,999,668	\$33.41

The SC evaluated the BAFOs in accordance with the evaluation criteria, including the pricing for the option years and unanimously voted to recommend CTG, Arro, Greenpoint, and LimoSys for award, as this combination provides the overall best value. The SC unanimously voted that notwithstanding CTG's higher pricing, CTG's superior technical ranking over all proposers, and its excellent performance record with the Broker program, offset its higher price. Similarly, notwithstanding LimoSys' slightly higher pricing compared to Sentry, LimoSys' higher technical ranking over Sentry's, and its experience and ability to provide access to the largest pool of black car and neighborhood taxis, offset its slightly higher price. Arro has experience with providing AAR service through its work with CTG as a Broker affiliate, as well as performing work under the e-Hail pilot. Additionally, Arro brokers trips to green and yellow taxi providers. Greenpoint is new to NYC Transit AAR work, and brings its expertise in ride sharing, currently performing similar program functions for other city agencies such as LA Metro and King County Metro, as well as pre-scheduled ADA-compliant paratransit service for Hampton Roads Transit in Southern Virginia.

Through negotiations and the competitive nature of this procurement, final pricing from CTG, LimoSys, Arro, and Greenpoint is considered fair and reasonable.

The NYC Transit Controller's Office performed a financial review of all proposers and based on the criteria used, found CTG and LimoSys financially qualified to perform the work of the contract. With respect to Greenpoint and Arro, there is reasonable assurance that these firms are financially qualified to perform the work of the contract, provided that Greenpoint's parent company, Via Transportation, Inc., and Arro's third-party affiliate provide NYC Transit with letters of guarantee. Acceptable letters of guarantee have been furnished by both companies.

The MTA Department of Diversity and Civil Rights has established zero percent MWBE/SDVOB goals on this contract due to the absence of subcontracting opportunities. The drivers who perform these trips are not subcontractors, rather they are independent contractors who have signed up to use the Broker's trip dispatching technology.

The current WACPT for Broker Car Service is \$34. The new WACPT resulting from this RFP is \$30.93, a savings of \$3.07 per trip. This represents a total estimated savings of \$50.5 million for the three base years. Additional savings are anticipated, program-wide, as Paratransit continues to aspire toward 75 percent non-dedicated trips. If the 75 percent is fully realized over the base term of this contract, it is anticipated that additional savings in the range of \$30 to \$35 million will be achieved.

It should be noted that a protest was received from Curb Mobility, LLC, on September 24, 2020, concerning the recommendation of award of these four contracts. Pursuant to NYC Transit's protest procedures, a Protest Officer was assigned. The review has been conducted and the result is that the protest was found to be without merit and all demands for relief were denied. The determination from the Protest Officer has been transmitted in writing to Curb Mobility, LLC.




Construction & Development: Contracts Department

Stephen Plochochi, Senior Vice President

PROCUREMENTS

The Procurement Agenda this month includes one procurement action for a proposed expenditure of \$8.6M

Staff Summary

Subject Request for Authorization to Award a Procurement Action						Date: October 14, 2020			
Department Contracts									
Department Head Name & Title David K. Cannon, Vice President									
Department Head Signature <i>David K. Cannon</i>									
Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other		Approval		Approval
1	NYCT & Bus Committee	10/28/2020	X				Executive Vice President & General Counsel		President
2	Board	10/28/2020	X				Deputy Chief Development Officer, Development		

PURPOSE

To obtain the approval of the Board to award a procurement action and, to inform the New York City Transit Committee of this procurement action.

DISCUSSION

MTA Construction & Development Company proposes to award a Competitive Procurement in the following category:

	<u># of Actions</u>	<u>\$ Amount</u>
<u>Schedules Requiring Majority Vote</u>		
I. Modifications to Purchase and Public Work Contracts	1	\$ 8,600,000
TOTAL	1	\$ 8,600,000

Budget Impact:

The approval of the procurement action will obligate the capital funds in the amount listed. Funds are available in the capital budget for this purpose.

Recommendation:

The procurement action be approved as proposed. (The item is included in the resolution of approval at the beginning of the Procurement Section.)

MTA Construction And Development Company

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 works contracts, and the solicitation and award of request for proposals in regard to purchase and public work contracts; and

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

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

NOW, the Board resolves as follows:

1. As to each purchase and public work contract set forth in annexed Schedule A, the Board declares competitive bidding to be impractical or inappropriate for the reasons specified therein and authorizes the execution of each such contract.
2. As to each request for proposals (for purchase and public work contracts) set forth in Schedule B for which authorization to solicit proposals is requested, for the reasons specified therein, the Board declares competitive bidding to be impractical or inappropriate, declares it is in the public interest to solicit competitive request for proposals and authorizes the solicitation of such proposals.
3. As to each request for proposals (for purchase and public work contracts set forth in Schedule C for which a recommendation is made to award the contract), the Board authorizes the execution of said contract.
4. As to each action set forth in Schedule D, the Board declares competitive bidding impractical or inappropriate for the reasons specified therein, and ratifies each action for which ratification is requested.
5. The Board authorizes the execution of each of the following for which Board authorization is required: i) the miscellaneous procurement contracts set forth in Schedule E; ii) the personal service contracts set forth in Schedule F; iii) the miscellaneous service contracts set forth in Schedule G; iv) the modifications to personal/miscellaneous service contracts set forth in Schedule H; v) the contract modifications to purchase and public work contracts set forth in Schedule I; vi) the modifications to miscellaneous procurement contracts set forth in Schedule J.
6. The Board ratifies each action taken set forth in Schedule K for which ratification is requested.

OCTOBER 2020

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

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

- | | | | |
|-----------|--|--------------------|--------------------------------------|
| 1. | TC Electric, LLC/J-Track, LLC (JV)
Contract No. 36444.1 | \$8,600,000 | <u>Staff Summary Attached</u> |
|-----------|--|--------------------|--------------------------------------|

MTA Construction and Development seeks Board approval to award a contract modification for the pump room controls upgrades for the 53rd Street Tube that spans between the 53rd Street Station in Manhattan and the Court Square-23rd Street Station in Queens associated with the E/M line.

Item Number 1

Vendor Name (Location) TC Electric/J-Track JV (Whitestone, New York)
Description Design-Build Services for Rutgers Tube Rehabilitation
Contract Term (including Options, if any) July 28, 2020 – August 31, 2021
Option(s) included in Total Amt? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive
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: Delivery/Mark Roche

Contract Number P36444	AWO/Mod. #s 1
Original Amount:	\$ 90,500,000
Prior Modifications:	\$ 0
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 90,500,000
This Request:	\$ 8,600,000
% of This Request to Current Amt.:	9.5%
% of Modifications (including This Request) to Original Amount:	9.5%

Discussion:

This modification is for the pump room controls upgrades for the 53rd Street Tube that spans between the 53rd Street Station in Manhattan and the Court Square-23rd Street Station in Queens associated with the E/M line.

The base contract provides for the rehabilitation of systems and components within the Rutgers Tube to achieve a State of Good Repair and make those systems and components more resilient to extreme weather events. The work includes the installation of a cable management rack system for new cables, the installation of cellular infrastructure in the Rutgers Tube to support future cellular service, and required improvements to mechanical, architectural, and track and signals components. At the East Broadway Station, the work includes the installation of ADA components, tile work, and other structural repairs.

The 53rd Street work upgrade is to implement resiliency measures and repair systems and components in the 53rd Street Tube that were damaged as a result of Superstorm Sandy due to the storm surge inflow, which surpassed the existing tunnel pumping capabilities and overwhelmed the entire system. The work includes (1) the installation of deployable weir walls; (2) hardening of the electrical and pump control systems; (3) elevating new systems and components above the design flood elevation where feasible; (4) the installation of a generator platform on Roosevelt Island at the street level; (5) the installation of a generator dunnage on the roof of an existing fan plant; and (6) other associated architectural, structural, and mechanical work.

The 53rd Street work was originally intended as a separate contract and the track outages for this work were expected to begin (on one track at a time) in the second quarter of 2021 and conclude in the second quarter of 2022. Awarding the 53rd Street work as a change order to the Rutgers Tube contract will allow for this work to be performed during 2020 and early 2021 when subway ridership is projected to be significantly reduced due to the COVID-19 pandemic. The outages in 2020 have been scheduled to occur during already-scheduled diversions of service planned for other work. This accelerated approach will impact significantly fewer customers, reduce support costs, and enable completion of this project approximately one full year earlier.

TC Electric-J-Track JV submitted its proposal in the amount of \$11,063,200. Negotiations resulted in the agreed-upon lump-sum price of \$8,600,000, which is considered to be fair and reasonable. Existing dates and obligations associated with the Rutgers Tube work remain unchanged.

In order to obtain the full benefit of this accelerated approach, C&D issued a preliminary modification to the TC Electric-J-Track JV for an amount not to exceed \$1,000,000 to commence the work in the 53rd Street Tube during the previously scheduled outages in October and to order materials with long lead times required for this work. That limited scope is included in the \$8,600,000 submitted for approval.

PROCUREMENTS

The Procurement Agenda this month includes 2 actions for a proposed expenditure of \$44.7 M.

Staff Summary

Subject Request for Authorization to Award Various Procurements
Department MTA Procurement
Department Head Name Kuvershen Ayer
Department Head Signature
Division Head Name

Date October 14, 2020
Vendor Name Various
Contract Number Various
Contract Manager Name Various
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance	10/28/20	X		
2	Board	10/28/20	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Procurement	3	CFO
2	Legal		

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 Competitive procurements in the following categories:

Schedules Requiring Majority Vote:

Schedule F: Personal Service Contracts

Schedule I: Modifications to Purchase and Public Works Contracts

	<u># of</u>	<u>\$</u>	<u>Amount</u>
	<u>Actions</u>		
	1	\$	5,554,483
	1	\$	39,184,026
SUBTOTAL	2	\$	44,738,509
TOTAL	2	\$	44,738,509

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 120 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 works 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.

OCTOBER 2020

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

F. Personal Service Contracts

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

- | | | |
|--|--|--------------------------------------|
| 1. ABC Engineering of New York PC
d/b/a Benesch Engineering
Railway Highway Crossings Consultant Services
Contract No. 15483
Competitively negotiated – 4 proposals – 36 months plus two 1-year options | \$5,554,483
(not-to-exceed) | <u>Staff Summary Attached</u> |
|--|--|--------------------------------------|

Board approval is sought to award a competitively negotiated, personal services contract to provide safety assessments of railway crossings for Long Island Railroad and Metro North Railroad on an as-needed basis.

I. Modifications to Purchase and Public Work Contracts

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

- | | | |
|---|---|--------------------------------------|
| 2. Cubic Transportation Systems, Inc.
New Fare Payment System -
One Metro New York
Contract No. A-32024, Modification No. 6
Base Amount = \$553,827,839
Current Contract Value = \$552,403,960
Proposed New Contract Value = \$591,587,986 | \$39,184,026
(not-to-exceed) | <u>Staff Summary Attached</u> |
|---|---|--------------------------------------|

Board approval is sought to exercise pre-negotiated options under the New Fare Payment System ("OMNY") contract to provide OMNY equipment, spare parts, and media for MTA Long Island Rail Road and Metro-North Railroad ("collectively, the Railroads") in the total amount of \$39,184,026

Staff Summary

Schedule F: Personal Service Contracts

Item Number: 1					
Dept. & Dept. Head Name: Chief Safety Officer, Patrick Warren					
Division & Division Head Name: Director of Employee Health & Safety Programs, Chris Diodato					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	Finance	10/28/20	X		
2	Board	10/28/20	X		
Internal Approvals					
Order	Approval	Order	Approval		
1	Procurement	3	DDCR		
2	CFO	4	Legal		

SUMMARY INFORMATION	
Vendor Name: ABC Engineering of NY, P.C. d/b/a Benesch Engineering	Contract Number: 15483-0100
Description: Engineering Assessment of MTA Railway-Highway Grade Crossings	
Total Amount: \$5,554,483	
Contract Term (including Options, if any) Three years with two-year option	
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 checked="" type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

Narrative:

I. PURPOSE/RECOMMENDATION:

Board approval is sought to award a competitively negotiated personal services contract to ABC Engineering of NY, P.C. d/b/a Benesch Engineering ("Benesch" or "Benesch Engineering") to provide independent multidisciplinary engineering assessments of MTA railway-highway grade crossings on an as-needed basis for a period of three years, with two one-year options to extend, from January 1, 2021 to December 31, 2025 for a maximum not-to-exceed amount of \$5,554,483.

II. DISCUSSION:

The safety of the public and customers is core to the MTA's mission. The two MTA commuter railroads, Long Island Rail Road (LIRR) and Metro-North Railroad (MNR), have a combined total of 450 crossings. To prevent train-automobile accidents and minimize or eliminate hazardous conditions and fatalities at those railway crossings, the MTA has an existing contract with a third-party consultant to perform systematic engineering assessments of these crossings from a safety, signal, and public project perspective. These LIRR and MNR programs result in regular and recurring safety assessments of crossings as well as enhancement projects that are typically coordinated with state and local roadway authorities. Between both railroads, 205 out of the 450 crossings have been assessed under the current contract to actively address internal crossing assessment and upgrade programs.

Although a portion of the railway crossings have already been assessed, all crossings will remain in the scope of work for this successor contract due to evolving safety parameters, and new rules, regulations and technology. To continue these essential safety services, a competitive Request for Proposal (RFP) was publicly advertised. A total of 55 suppliers registered to access the RFP and four firms submitted proposals: AECOM USA, Inc ("AECOM"), Benesch, HNTB New York Engineering and Architecture, P.C. ("HNTB") and RailPros. Inc. ("RailPros"). The firms were evaluated based on their understanding of the requirements, relevant experience in assessing similar type projects, assigned personnel, and cost. The Selection Committee, consisting of representatives focusing on safety from MTA Headquarters, MNR and LIRR ("Committee"), evaluated all submitted proposals. Following the initial proposal review, AECOM, Benesch, and HNTB were invited to provide oral presentations based on their expertise in assessing commuter railway crossings in high density geographic areas, as well as providing solutions and modifications that would make grade crossings safer. Following the oral presentations, the Committee recommended negotiating with AECOM and Benesch based on the expertise of their proposed technical personnel and subcontractors focused on mitigating hazardous conditions.

Based on the evaluation of the technical and final cost proposals of the two proposers, the Committee unanimously recommended Benesch for award as the most technically qualified and cost-efficient firm to perform railway-highway crossing engineering assessments. Benesch's project management team is comprised of individuals with extensive experience in performing the subject scope for various rail transportation agencies, including the MTA. This includes the Program Manager, Project Principal and several other members of the project team who were previously employed with CTC Inc. (the consultant providing services under the existing contract).

Services will be performed on an as-needed basis as required by the MTA project manager. Hourly rates are fixed for the duration of the contract term, including the two-year option period. Payment by the MTA will be made monthly and will be subject to the MTA's acceptance of deliverables completed in the given month.

Due to varying assumptions by proposers, initial cost proposals ranged from \$8M to \$22.6M and were not comparable on a like-for-like basis. Best and final offers (BAFO) were received from Benesch and AECOM following their respective oral presentations and multiple rounds of clarifications requested by MTA project management to align technical and cost assumptions. Benesch's BAFO provided the best price, valuing the work at \$6,588,544 for the five-year contract term. By comparison, AECOM proposed \$12,057,623 for the five-year contract term. Benesch's BAFO is approximately 54% less than AECOM's BAFO.

Additionally, as an incentive to drive efficiencies, a savings of \$637,320 over the five (5) years was offered by Benesch on a fixed price per assessment with 10 crossings per visit minimums, rather than on an hourly basis. Subsequently, Benesch agreed to waive the fixed cost minimum visits requirement. Current price per crossing inspection and assessment under the existing contract with CTC, Inc. is \$6,800; the new price per crossing Benesch has proposed is \$6,300, which represents a 7% savings for this task. Due to this efficiency, Benesch's BAFO for the five-year duration was reduced from \$6,588,544 to \$5,951,223.

Following receipt of BAFOs, MTA Construction & Development's ("C&D") forecasted assessments decreased in the first two years of the contract term due to a reduction in planned capital projects. Instead of requiring 60 assessments per year, C&D anticipates no more than 50 assessments per year during the first two years. As a result, the total assessments required over the entire contract term were reduced from 300 to 280, which lowered the estimated total contract value by \$396,740 from \$5,951,223 to \$5,554,483. Based on the foregoing, Benesch's final price of \$5,554,483 is considered fair and reasonable.

MTA conducted a responsibility review on Benesch and found the firm responsible for award in accordance with the All-Agency Responsibility Guidelines.

III. DBE INFORMATION:

The MTA Office of Diversity and Civil Rights ("DDCR") has established a 20% DBE goal for this contract. Railway Highway Crossing Consultant (Benesch Engineering) submitted a utilization plan that meets the DBE goal requirements. Railway Highway Crossing Consultant (Benesch Engineering) has not complete any MTA contract with MWDBE/SDVOB goals; therefore, no assessment of its performance can be determined at this time.

IV. IMPACT ON FUNDING:

This contract is eligible to be partially funded by grants from the Federal Railroad Administration ("FRA") and Federal Highway Administration ("FHWA") Section 130 grant funds. Both sources of federal grants are administered by the New York State Department of Transportation ("NYSDOT") for the elimination of hazards at railway-highway crossings. In addition, the MTA Safety Management budget will fund inspections and other safety improvements.

V. ALTERNATIVES:

1. Do not approve award of this contract: This is not practical. This contract will enhance the MTA's understanding of the causes and prevention of railroad crossing incidents, and it will further the interaction and cooperation of the MTA railroads with the roadway authorities that have responsibilities for pavement markings, highway signage, and traffic control devices at and near MTA crossings.
2. Perform services in-house. This alternative is not feasible, since performing this specialized project in-house would require full- and part-time employees, including associated overhead costs, which would not be cost effective. This project is managed best by an independent outside firm monitored closely by MTA staff. MTA does not have staff with specialized expertise for these services.

Staff Summary

Schedule I: Modifications to Purchase and Public Work Contracts

Item Number: **2**

Page 1 of 2

Vendor Name (& Location): Cubic Transportation Systems, Inc (San Diego, CA)	Contract Number: A-34024	AWO/Modification # 6
New Fare Payment System - One Metro New York (OMNY)	Original Amount:	\$ 553,827,839
	Options (Total Amount):	\$ 326,268,161
	Total Amount:	\$ 880,096,000
Contract Term (including Options, if any): November 1, 2017–July 31, 2030	Prior Modifications:	\$ (1,423,879)
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Prior Budgetary Increases:	\$ 0
Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	Current Amount:	\$ 552,403,960
Solicitation Type: <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	This Request:	\$ 39,184,026
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:	7.1%
Requesting Dept/Div & Dept/Div Head Name: MTA Fare Payment Program / Alan Putre	% of Modifications (including This Request) to Original Amount:	4.3%

PURPOSE:

Board approval is sought to exercise pre-negotiated options under the New Fare Payment System (“OMNY”) contract to provide OMNY equipment, spare parts, and media for MTA Long Island Rail Road and Metro-North Railroad (collectively, the “Railroads”) in the total amount of \$39,184,026.

DISCUSSION:

OMNY is a design/build project approved by the Board in October 2017 and awarded on November 1, 2017, to Cubic Transportation Systems, Inc. (“Cubic”) through a competitive Request for Proposal (“RFP”) in which Cubic was selected from among four proposers based on a best-value proposal. The contract provides the MTA with a state-of-the-art, integrated, reliable, and convenient contactless fare payment system that will improve the customer experience by replacing disparate legacy systems in use by NYC Transit, MTA Bus, and the Railroads with an integrated next-generation system. The system is an account-based, open payment system based on proven payment industry standards and open architecture principles, allowing customers to pay fares using diverse options, including mobile apps, digital wallets (e.g., Apple Pay, Google Pay, and Samsung Pay), contactless bank cards, and MTA-issued contactless transit cards. When completed, OMNY will provide customers with multiple 24/7 self-service options for managing their accounts and options to purchase and reload fare media online, at local retailers, and at the Railroads and NYC Transit stations.

The RFP for OMNY included the Railroads’ requirements as part of the overall OMNY project, including design, development, and implementation. The design and development of the Railroads’ requirements were awarded as part of the base contract; however, the requirements for equipment and associated spare parts, fare media, and ongoing maintenance of the Railroads’ equipment were included as pre-priced options pending the Railroads securing funding in the 2020–2024 Capital Plan. The Railroads’ pre-priced options that are the subject of this request for approval consist of equipment including vending machines and ticket office machines for the sale of fare media, and other ancillary equipment in the total amount of \$34,058,411 (\$17,951,616 for LIRR and \$16,106,795 for MNR), spare units and spare parts in the amount of \$4,767,940 (\$2,491,484 for LIRR and \$2,276,456 for MNR), and fare media in the amount of \$357,675 covering the Railroad’s needs during the period from implementation through Substantial Completion. The total amount sought for approval is \$39,184,026. Although pricing for the options was negotiated and secured as part of the original competitive RFP and was found fair and reasonable, the MTA contacted Cubic in light of the ongoing economic hardship the MTA is currently experiencing and requested Cubic to consider providing a unilateral price reduction on the options being exercised. Cubic honored its long-term relationship with the MTA as a strategic business partner and offered a price reduction of \$1,000,000, lowering the total price for the options from \$40,184,026 to \$39,184,026.

OMNY includes the following design and implementation phases:

Phase 1: Development of core backend for the system and initial launch of acceptance of contactless open payments using customer-furnished media (contactless bank cards and mobile phones with digital wallets) in some subway stations and buses, which was launched on May 31, 2019.

Phase 2: Completion of the rollout of contactless acceptance to all subway stations and buses, scheduled for completion by the end of December 2020.

Phase 3: Creation of robust retail sales and reload network for MTA-issued contactless transit cards, and introduction of the new OMNY all-agency mobile payment and ticketing app, scheduled for February 2021.

Phase 4: Implementation of new vending machines for NYC Transit and the Railroads, and new Railroad ticket office machines, scheduled for March 2022.

Phase 5: Completion of system implementation and full revenue service acceptance testing of the entire system, scheduled for July 2022.

Successful revenue service acceptance testing will be followed by a nine-month period for removal of legacy equipment, at which point Substantial Completion will be achieved. The base contract includes seven years of system hosting and software support services following Substantial Completion. The contract also includes options for extended support services and additional equipment and media, including equipment for the Railroads (the subject of this approval). OMNY is currently in Phase 2 and has surpassed 21 million taps as of September 30, 2020.

The Railroads' equipment provided under the subject options being exercised will be part of OMNY's Phase 4 implementation and are critical to ensuring timely rollout and completion of that phase. The equipment includes a one-year warranty period from the date of completion of Phase 4. Exercise of the pre-priced options for maintenance of the equipment will be scheduled commensurate with the end-of-warranty period and will be subject to separate Board approval.

OCTOBER 2020
MTA REAL ESTATE
LIST OF REAL ESTATE ACTION ITEMS FOR BOARD APPROVAL

Development and construction agreement with Vornado Realty to facilitate improvements to the LIRR Concourse at Penn Station - Phase II

Second temporary new policy for the re-negotiation of existing leases and licenses that have term remaining

Staff Summary

Subject PENN STATION CONCOURSE IMPROVEMENTS
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature
Project Manager Name PETER MATUSEWITCH

Date OCTOBER 28, 2020
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	10/28/20	X		
2	Board	10/28/20	X		

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

AGENCIES: MTA Construction & Development (“MTA C&D”)
 MTA Long Island Rail Road (“LIRR”)

LOCATION: The LIRR Main Concourse, running approximately beneath 33rd Street, between Seventh and Eighth Avenues (the “Concourse”) and connecting corridors located within a portion of Pennsylvania Station (the “Station”).

ACTIONS REQUESTED: Authorization to enter into a Development Agreement with Vornado Realty Trust (“Vornado”) for New York Penn Station LIRR Train Hall Renovation, Phase 2 – Concourse Improvements (the “LIRR Concourse Improvements Development Agreement”), and amend the capital program to approve the addition of \$40 million drawn from various programs to the LIRR 2015-19 Program.

COMMENTS:

In 2019, the Board authorized MTACC (now MTA C&D) and LIRR to enter into an MOU with Vornado to act as developer for, among other things, a new street level entrance into the Penn Station Concourse from 33rd Street and the widening of, and improvements to, the Concourse. The Board subsequently authorized MTA C&D to enter into an Entrance Development Agreement with Vornado for Phase 1 of the project, which included the new entrance, and Vornado then executed a Design-Build agreement with Skanska Civil USA (“Skanska”) to perform the work. Construction of the new entrance is forecasted for completion in December 2020.

MTA C&D now seeks Board approval to enter into a Development Agreement with Vornado for Phase 2 of the project, which includes the remainder of the Concourse improvements. Phase 2 also integrates certain priority capital work and State of Good Repair (SOGR) work from other MTA agencies in order to reduce disruption to operations and impacts to the public. Those include:

- NYC Transit SOGR work - Replacement of Elevators EL214, EL215, and EL216 and associated Elevator Machine work and Control Area R138 reconfiguration and leak remediation in the 33rd Street sub-passage under 7th Avenue.
- MTAPD priority work – In-building network backbone connectivity between the MTAPD, LIRR and NYCT communications systems and provisions for a UHF 700-800 MHz MTA Police Radio system.
- LIRR SOGR work – Replacement of Elevator P-11; Replacement of Platform 11 stairs – Stairs 11E, 11C, 11M, and 11E; Replacement of mechanical equipment such as air curtains and air

Staff Summary

FINANCE COMMITTEE MEETING PENN STATION CONCOURSE IMPROVEMENTS

handlers and associated work; Boiler replacement including pumps and piping and demolition of existing equipment in the Chiller Plant.

Pursuant to the Phase 2 Development Agreement, Vornado will retain Skanska as the Design-Builder for Phase 2. Vornado selected Skanska, with MTA's participation and concurrence, following a competitive Request For Proposal ("RFP") process.

The terms and conditions of the Phase 2 Development Agreement are substantially the same as the Phase 1 Development Agreement approved by the Board in 2019. In short, Vornado will engage Skanska as the design builder to perform the work in compliance with MTA's basis of design documents. Vornado will achieve substantial completion by March 2, 2023 and will be entitled to incentives for early completion and subject to liquidated damages for non-excusable delay. The agreement includes goals for MBE (15%), WBE (15%) and SDVOB (6%). Vornado is responsible for deficiencies in design and construction of the Concourse Improvements. In addition, the design builder warranty and all extended warranties will run directly to the MTA.

The Phase 2 Development Agreement also includes a task order budget to cover certain specific items of work that still require coordination with work by Vornado on their property but not yet finalized, and work that may or may not prove to conflict with the Penn Station Master Plan currently under development by MTA, Amtrak and New Jersey Transit ("NJT"). The task order budget also includes work that requires coordination with future designs such as work at street level in Plaza 33 in West 33rd Street, work on platform stairs, security system upgrades, additional back of house and ticketing improvements, certain MTA PD District improvements, and preparatory work to enable the implementation of the Penn Station Master Plan.

The Phase 2 Development Agreement also includes the following three Options, which may be exercised by the MTA in its sole discretion but will not be exercised unless and until funding becomes available:

- Option A, in the amount of \$44.7 Million for Main Gate Concourse Improvements, including new finishes, lighting and removing a mechanical mezzanine;
- Option B, in the amount of \$12.5 Million, for replacement of Wood Baffle Ceiling with Static White Luminous Ceiling, a purely architectural change; and
- Option C, in the amount of \$37.75 Million for additional MTA Back of House space in One Penn Plaza.

The negotiated cost of the Vornado Phase 2 Development Agreement is in the amount of \$447.60 million. This amount includes all of the design-builder work (except for the Option scope), the task order budget, and Vornado's developer fee and management costs. This amount also includes a stipend of \$200,000 to be paid to the Picone-Dragados JV for submitting a proposal and participating in the competitive RFP process, and incentives of up to \$6 million, which can only be earned if the Design-Builder is able to reduce the schedule duration from 28 months to 26 months. This result is deemed to be fair and reasonable.

FUNDING:

The award of the Phase 2 Development Agreement will be funded in the following manner:

- \$360 million by the NYS Division of the Budget pursuant to a June 2020 Memorandum of Understanding.
- \$135.6 million of MTA capital funding, which is included in multiple capital programs, is proposed to be provided from the LIRR, MTAPD, MNR, NYCT and MTA Interagency capital programs and this action amends those capital programs accordingly. LIRR's 2015-19 Capital Program will increase by \$40 million in funds to be made available through efficiencies and program savings. Specific capital contributions will be drawn from various capital programs for LIRR (\$10 million), MNR (\$6 million), and MTA Interagency (\$24 million). The \$95 million balance will be drawn from LIRR, NYCT, and MTAPD funds for bundled scope that will remain in their respective agency's capital program. The total of \$136 million is due to rounding. The size of the overall Capital Program Review Board (CPRB) portion of the affected programs remains unchanged.

Based on the foregoing, MTA C&D recommends approval of this agreement.

Staff Summary

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

Date OCTOBER 28, 2020
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

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

AGENCY: All-agencies

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

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

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

COMMENTS:

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

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

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

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

Page 2 of 2

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

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

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

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

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