



# MTA Headquarters Procurements

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

## PROCUREMENTS

The Procurement Agenda this month includes 3 actions for a proposed estimated expenditure of \$63.3M.

<b>Subject</b> Request for Authorization to Award Various Procurements					
<b>Department</b> MTA Procurement					
<b>Department Head Name</b> Lisette Camilo					
<b>Department Head Signature</b> <i>Lisette Camilo</i>					
<b>Project Manager Name</b> Rose Davis					
<b>Board Action</b>					
<b>Order</b>	<b>To</b>	<b>Date</b>	<b>Approval</b>	<b>Info</b>	<b>Other</b>
1	Committee	01/29/24			
2	Board	01/31/24			

January 26, 2024			
<b>Internal Approvals</b>			
	<b>Approval</b>		<b>Approval</b>
	CAO		
	Legal		
	CFO		

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

**PURPOSE**

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

**DISCUSSION**

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

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

<u>Schedules Requiring Majority Vote:</u>	<u># of Actions</u>	<u>\$ Amount</u>
Schedule F: Personal Service Contracts	2	\$ 40.0 M
Schedule H: Modifications to Personal/Miscellaneous Service Contracts	1	\$ 23.3 M
<b>SUBTOTAL</b>		<b>\$ 63.3 M</b>

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

<b>TOTAL</b>	<b>\$ 63.3 M</b>
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**COMPETITIVE BIDDING REQUIREMENTS:** The procurement actions in Schedules A, B, C, and D are subject to the competitive bidding requirements of PAL 1209 or 1265-a relating to contracts for the purchase of goods or public work. Procurement actions in the remaining Schedules are not subject to these requirements.

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

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

## **BOARD RESOLUTION**

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

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

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

NOW, the Board resolves as follows:

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

**JANUARY 2024**

**LIST OF NONCOMPETITIVE PROCUREMENTS FOR BOARD APPROVAL**

**Procurements Requiring Majority Vote:**

**F. Personal Service Contracts**

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

1. **International Business Machines Corp.**                      \$40,000,000 (aggregate)                      *Staff Summary Attached*
2. **Accenture LLP**  
    **Three-year base + two 1-year Options**  
    **Contract# 0009000033**  
        Award of multiple retainer contracts to provide consulting services for Kronos Systems  
        Integration and Implementation.

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

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

3. **DiRAD Technologies, Inc.**                                      \$23,311,582                                      *Staff Summary Attached*  
    **10 years, two months**  
    **Contract# 90000000003754 AWO 2**  
        Modification to a contract to implement Contact Center as a Service to Paratransit, in order to  
        expand the existing implementation.

**Schedule F: Personal Service Contracts**

<b>Item Number</b>			
<b>Department:</b> MTA IT, Rafail Portnoy			
<b>Internal Approvals</b>			
<b>Order</b>	<b>Approval</b>	<b>Order</b>	<b>Approval</b>
1	Procurement	6	CFO
2	IT		
3	Security		
4	DDCR		
5	Legal		

<b>SUMMARY INFORMATION</b>	
<b>Vendor Name(s)</b> International Business Machines Corp. Accenture, LLP	<b>Master Contract</b> 0009000033
<b>Description</b> UKG Consulting & Implementation Retainer Services	
<b>Total Amount:</b> <b>\$40,000,000 (est. aggregate)</b>	
<b>Contract Term (including Options, if any)</b> Three Years plus two 1-year Options	
<b>Option(s) included in Total Amount?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
<b>Renewal?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	
<b>Solicitation Type</b> <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
<b>Funding Source</b> <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

**Purpose**

MTA Headquarters is seeking Board approval to award two competitively negotiated personal service contracts to provide consulting services for Kronos Systems Integration and Implementation. Retainer contracts will be awarded to International Business Machines Corporation (“IBM”) and Accenture LLP (“Accenture”). The contracts are for a period of three years with two 1-year options to be exercised at the discretion of the MTA IT Chief Technology Officer. The estimated aggregate budget is \$40 million. Zero-dollar contracts will be awarded to pre-qualified firms with no guarantee of spend amount.

These firms will, on an-as needed basis, assist the MTA with planning, design, migration to, testing, and implementation of the UKG Dimensions timekeeping platform. Retained firms will compete and awarded consulting services on a task-order basis.

**Discussion**

The MTA requires consulting services to help migrate its production UKG Workforce Central (“WFC”) Software as a Service (“SaaS”) platform to UKG Dimensions SaaS platform. This is a time-sensitive project, as UKG has announced that its WFC has reached its end of life and will no longer be licensed and supported as of December 31, 2025. Effective January 1, 2026, it will only support and maintain UKG Dimensions. MTA’s WFC is a complex implementation with multiple instances of timekeeping by agency. The migration to Dimension will include consolidation to one single instance, standardizing timekeeping processes and implementing interfaces to various source systems to simplify and optimize timekeeping across the MTA. Additional consulting services for additional system modules or timekeeping enhancements is anticipated after go-live of Dimensions.

UKG’s Dimensions product runs in a cloud environment compliant with the highly secured Federal Government standards (FedRAMP High Impact level). The system backs up every file to be updated and can be recovered from a duplicate environment taken every six hours. Backups are immutable. The system also complies with the current data security and privacy laws established under the General Data Protection Regulation and relevant standards set forth by the International Organization for Standardization.

A Request for Proposals (“RFPs”) was issued on October 5, 2023, to retain consulting and integration firms to upgrade MTA’s current end-of-life platform to Dimensions. A copy of the RFP was requested by 18 channel partners authorized in UKG systems integration and implementation. Three firms submitted proposals: (1) IBM, (2) Accenture, and (3) Raj Technologies. A Selection Committee (“SC”), consisting of the MTA Deputy Chief of IT Workforce Products, Deputy Chief for Financial Operations, Auditor General, Deputy Chief Administrative Officer, and Director of MTA Strategic Initiatives was established to review the proposals. The selection criteria, as set forth in the RFP, included (1) providing evidence of being a member of the UKG Partner Network; (2) five-plus years of demonstrated experience with Dimensions implementation; (3) staff expertise and availability and, project schedule; and (4) pricing.

## Schedule F: Personal Service Contracts

Having two or more firms will create a pool of pre-qualified firms with deep experience and knowledge to capably assist the MTA with the migrations process and ensure that the MTA will be ready to go live with Dimensions by January 1, 2026, and provide post-implementation services, as needed.

The SC determined IBM and Accenture technically qualified to perform the Dimensions System Integration work because of their in-depth technical, and years of, experience in helping large clients similar to MTA migrate to UKG Dimensions. Both were invited for oral presentations and negotiations. Raj Technologies was not selected as its technical proposal lacked sufficient experience in leading UKG Dimensions implementations of the size and scale required by MTA.

Procurement negotiated an average price reduction of 10 percent from IBM's original proposed rates and 10 percent reduction from Accenture's original proposed rates. IBM's negotiated hourly labor rates range from \$173 to \$270 and are 22 to 29 percent lower than the established Office of General Services ("OGS") contract rates and 35 percent lower than the Federal General Services Administration contract rates. IBM's all-inclusive hourly labor rates are fixed for the three-year base term with a year-over-year increase for option years ranging from 4 to 7 percent. Accenture's negotiated hourly labor rates range from \$99 to \$375.50 and are in line with other MTA Board-approved established rates under the Enterprise Asset Management Contract as well as the OGS contract rates for similar titles. Accenture's all-inclusive hourly labor rates are fixed for the entire contract period including the option years. The MTA IT Department and the MTA Procurement Department have deemed all pricing and terms fair and reasonable for both retained firms that provided MTA with best value.

The contracts have been evaluated to determine the necessity and appropriate scope, if any, of cybersecurity terms and conditions and requirements, including any under federal, state, and local law and regulations. The Authority is working with both IBM and Accenture to include applicable cybersecurity terms and conditions and requirements in the contracts prior to being awarded.

Both IBM and Accenture have certified that pursuant to EO 16 they are not doing business in Russia.

In connection with a previous contract awarded to IBM, IBM was found to be responsible notwithstanding significant adverse information pursuant to the All-Agency Responsibility Guidelines, and such responsibility finding was approved by the MTA Chairman/CEO, in consultation with the MTA General Counsel, on July 25, 2016.

In connection with the pending award of this contract to be Accenture, Accenture has been found to be responsible notwithstanding significant adverse information pursuant to the All-Agency Responsibility Guidelines, and such responsibility finding was approved by the MTA Chief Administrative Officer, in consultation with the MTA General Counsel, on January 19, 2024.

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

The MTA Department of Diversity and Civil Rights (DDCR) has established no MBE, WBE, or SDVOB goals due to the lack of certified firms in the marketplace with required experience and expertise with UKG Dimensions and timekeeping best practices for these retainer contracts.

### **Impact on Funding**

The total estimated aggregate value for the retainer contracts of \$40 million will be funded by MTA IT's Operating budget.

### **Alternatives**

Perform services in-house: This alternative is not feasible since MTA neither has the bandwidth nor the experience in UKG Dimensions implementation and integration.

Do not approve award: This would place the MTA without a timekeeping system when WFC is sunset by December 31, 2025, which will result in disruptions to resource management, financial operations, and employee payment. This alternative is not advisable.

### **Recommendation**

It is recommended that the Board approve the award of multiple competitively negotiated personal service contracts to IBM and Accenture to provide consulting services for Kronos Systems Integration and Implementation.

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



**Item Number: 3**

<b>Vendor Name (Location)</b> DiRAD Technologies, Inc (Clifton Park, New York)	
<b>Description</b> Implement Contact Center as a Service to Paratransit	
<b>Contract Term (including Options, if any)</b> August 16, 2021–August 15, 2031	
<b>Option(s) included in Total Amount?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a	
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	
<b>Solicitation Type</b> <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	
<b>Funding Source</b> <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
<b>Requesting Department</b> MTA Information Technology, Raf Portnoy	

<b>Contract Number</b>	<b>Modification #</b>
900000000003754	2
<b>Original Amount:</b>	\$ 7,211,102
<b>Prior Modifications:</b>	\$ 914,945
<b>Prior Budgetary Increases:</b>	\$ 0
<b>Current Amount:</b>	\$ 8,126,047
<b>This Request:</b>	\$ 23,311,582 (estimated)
<b>% of This Request to Current Amount:</b>	287%
<b>% of Modifications (including This Request) to Original Amount:</b>	336%

**Discussion:**

MTA Headquarters (“MTAHQ”) is seeking Board approval to modify an all-agency competitively negotiated miscellaneous services contract (“Contract”) with DiRAD Technologies (“DiRAD”) to expand the existing MTA implementation of Contact Center as a Service (“CCaaS”) to include New York City Transit’s Paratransit Department’s Contact Center in the estimated value of \$23,311,582.

In March 2021, the MTA Board approved an award to DiRAD to facilitate transforming the three technologically obsolete customer call centers and three other unoptimized employee call centers into a modernized, operationally efficient, multi-channel MTA Contact Center platform by implementing a cloud-based services technology: Genesys’ Contact Center as a Service (“CCaaS”), otherwise known as Genesys Cloud. Ten proposals were received when the Contract was solicited, with the solicitation including information for proposers of the MTA’s intent to expand the use of this platform. The Contract award allowed adding future call centers as needed where DiRAD would also provide annual license subscriptions, training, and recurring maintenance and technical support. The Contract was modified on November 19, 2022, to add necessary services for enhanced self-service options, security; and to optimize contact center designs, flow, and operations, in the amount of \$914,945, for a total contract value to date of \$8,126,047.

CCaaS, the new standard in the customer service industry, allows large organizations such as the MTA to be nimble, resilient, and recover quickly when unexpected events arise. Pursuant to the contract, DiRAD implemented a single, standardized enterprise contact center technology platform that is scalable and accommodates for future expansion and growth. The Genesys Cloud is recognized by Gartner’s Magic Quadrant research report as a leader in the CCaaS marketplace with a solution to serve contact center needs such as integrations, customer service analytics, and automation.

This proposed modification to add Paratransit’s Contact Center to the Contract is estimated to cost \$23,311,582 for the remainder of the contract term. The Paratransit Contact Center is available to customers requesting Paratransit services 24/7/365, handling about 9 million calls each year with about 670 simultaneously active representatives and 80 supervisors. This represents the peak staffing necessary to maintain its mandated service levels. Located in Long Island City, the Paratransit Contact Center currently uses on-premise technology purchased in 2016, which is now at or nearing the end of its service life. The existing hardware, which can no longer be upgraded or expanded, lacks crucial emergency redundancy. Continuing to use this aging infrastructure poses a significant risk of equipment failure, which could severely disrupt essential services for the Accessible community.

This transition will bring about various efficiencies for Paratransit’s business operations. Screen recordings will improve training and reduce data entry errors, enhancing performance across departments. Intelligent routing introduces automation that aids in adhering to service-level agreements without constant manual oversight. Power BI, an interactive data visualization software product, will be used for process and reporting enhancements, significantly saving time. Real-time alerting will ensure swift responses to call center issues, thereby boosting operational agility. Integrated evaluations will substantially streamline the management of the mandated quality assurance program. Furthermore, the future integration of the scheduling system with the advanced capabilities of the Genesys Interactive Voice Response system further enables these operational efficiencies.



Combined, these enhancements will improve the overall productivity of Paratransit operations and potentially lead to additional savings. When completed, the MTA is expecting to eliminate about \$1.2 million annually, or about \$8.4 million over the contract period. This includes the current spend on supporting existing on-premise contact center systems and the associated telecommunications costs.

The contract price of \$185 per concurrent license per month is 20 percent lower than Genesys' current published price of \$230/license/month. The contract price is also 11 percent below the current price established by the NYS Office of General Services of \$207/license/month. The current market price for this technology has increased by 24 percent compared to the year 2021 Contract rate. MTA has avoided this increase by negotiating to maintain the same established contract rate of \$185/license/month negotiated in 2021. Notably, the Contract rate is also 37 percent lower than Verizon's OTI contract rate of \$294 for a similar CCaaS configuration of an alternative Gartner recognized CCaaS leader NICE. This modification will provide a total of 900 licenses: 750 concurrent CCaaS licenses required by Paratransit, and an additional 150 licenses to allow for growth across all MTA Agencies. The number of concurrent licenses can be reduced as needed and cost adjusted with an annual true-up. DiRAD's price of \$23,311,582 for this modification reflects an overall reduction of \$391,565 in software licensing.

This modification will also provide continued professional services that are crucial to manage complex projects such as chatbot development and enhancing integrations and will allow for a rapid response and support surge across multiple MTA departments.

This Contract has been evaluated to determine the necessity and appropriate scope, if any, of cybersecurity requirements, including any requirements under federal, state, and local law and regulations. The MTA is working with DiRAD to include applicable cybersecurity terms and conditions and requirements, prior to issuance of the modification.

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

**Impact on Funding**

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

**Recommendation**

It is recommended that the Board approve the award of this modification to the all-agency contract to implement CCaaS for the Paratransit Contact Center in the estimated amount of \$23,311,582.