

Staff Summary

Item Number: 1			
Department, Department Head Name: Deputy Chief Benefit Admin Officer Stephen Scholl			
Internal Approvals			
Order	Approval	Order	Approval
1	Procurement		
2	Legal		
3	DDCR		
4	CFO		

SUMMARY INFORMATION	
Vendor Name Cigna Health and Life Insurance Company	Contract No. 430645
Description: NYCTA and MaBSTOA Dental Benefits Plan	
Total Amount: \$57,796,000 (\$32,706,000 base + \$25,090,000 Option years)	
Contract Term (including Options, if any) January 1, 2025–December 31, 2029	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

Purpose

Board approval is sought to award a competitively negotiated personal services contract to Cigna Health and Life Insurance Company (“Cigna”) to provide dental benefits services to the Metropolitan Transportation Authority (“MTA”) on behalf of NYC Transit and the Manhattan and Bronx Surface Transit Operating Authority (“MaBSTOA”) for represented active employees, retirees, and their dependents from various unions including the Subway Surface Supervisors Association (“SSSA”) and the Transit Supervisors Organization (“TSO”) of TWU Local 106. The period of performance is five years (January 1, 2025–December 31, 2029), which includes two, 1-year options. The total contract price, inclusive of options, is an amount not-to-exceed \$57,796,000. The Preferred Provider Organization (“PPO”), valued at \$46,861,000, is itemized as \$1,562,000 for administration fees to Cigna and \$45,299,000 for claims costs that are passed on to the MTA and included in the total contract value. The Dental Health Maintenance Organization (“DHMO”) is valued at \$10,935,000, based on the May 2024 enrollment. The Board is also requested to authorize the MTA Assistant Deputy Chief Procurement Officer to approve the exercise of Options 1 and 2.

Discussion

NYC Transit and MaBSTOA currently offer two different plan design options: a PPO and a DHMO administered by Cigna for a population of approximately 11,700 active and retired employees plus their dependents for approximately 24,500 total members covered. The MTA issued a Request for Proposals (“RFP”) with the goal to select a best-in-class dental benefit service provider that would deliver optimal member experience, empower members to make optimal dental choices, and improve the overall health of the covered population. The MTA subsidizes the full cost of dental plans for employees, retirees, and their eligible dependents. Participants are responsible only for the payment of applicable deductibles, copayments, nonparticipating provider charges and the like, as well as any services not covered by the insurance program.

A two-step RFP procurement process was utilized. Step 1, the prequalification step, identified firms that met the MTA’s minimum requirements for a contract award of dental benefits in fully insured and / or self-insured plans. In Step 2, prequalified firms received the detailed RFP package. The Step 1 prequalification requirements for the plan providers included: (1) certifications and licenses required to underwrite or administer the dental plans; (2) offering of dental PPO and/or DHMO plans similar to the plans sought in this RFP (e.g., with a minimum of three employer groups, each with 20,000+ eligible employees and retirees, and overall current plan membership of over 1 million participants); and (3) maintaining a network of providers meeting the minimum access standards in the tristate area (New York, New Jersey, and Connecticut), Pennsylvania, Florida, and North and South Carolina. Five firms submitted responses: Anthem Blue Cross Blue Shield (“Anthem”), Cigna, EmblemHealth (“Emblem”), Healthplex Inc. (“Healthplex”), and Metropolitan Life Insurance Company (“MetLife”). All met the prequalification requirements of Step 1.

These five firms were then asked to submit proposals for Step 2 of the RFP. The MTA received four proposals in response to Step 2 of the RFP (Healthplex did not submit). The RFP allowed proposals for both fully insured and self-insured plan options for PPO and fully insured for DHMO. For the PPO, Anthem proposed only the self-insured PPO option, the other three, Cigna, Emblem, and MetLife, submitted proposals for both insured and self-insured options. For the DHMO, Cigna submitted two different network coverages, Cigna Dental Access Network and Cigna Dental Access Plus Network. The Cigna Dental Access Plus Network is the broader of the two networks. Emblem submitted a Dental Exclusive Provider Organization (“DEPO”) as an alternative to the DHMO that was eliminated by the Selection Committee (“SC”) based on technical evaluations.

MTA engaged Mercer Health & Benefits LLC (“Mercer”), a benefits consulting firm, to assist with the RFP process. Mercer assisted with the preparation of solicitation documents and provided financial modeling and pricing analyses, as well as other support services. The Segal Company (Eastern States), Inc., also a benefits consulting firm, was engaged to assist in the evaluation of the technical responses, network provider disruption, as well as deviation and takeover issues.

The evaluation criteria included the following, in order of priority: (1) cost to the MTA based on proposer’s submission and discount analysis; (2) proposer’s ability to replicate the requested plan designs; (3) network access and provider disruption minimization; (4) proposer’s available resources to administer the contract including portal capabilities, account team, call center and relevant experience; (5) responsiveness to the RFP and the proposer’s demonstration of a clear understanding of the objectives and constraints of the undertaking as described by the RFP documents; and (6) proposer’s diversity practices.

Pricing was requested and received on a self- and fully insured basis for the PPO plan, whereas fully insured pricing was requested for the DHMO plan. The Selection Committee (“SC”), comprised of representatives from Human Resources, Collective Bargaining-Labor Relations, and the presidents of TSO and SSSA, utilizing the evaluation criteria, ranked Cigna’s self-insured PPO, MetLife’s fully insured PPO, and Cigna’s fully insured Access Plus Network DHMO the highest.

The cost estimates were developed by Mercer. For the fully insured proposals, Mercer used the latest enrollment (May 2024) by plan and rates provided by each vendor to develop costs. For the self-insured proposal, Mercer used the latest enrollment (May 2024) by plan, historical claim experience, the vendor administration fees and expected network discounts to develop costs.

The five-year self-insured PPO cost with Cigna is projected to be \$46,861,000. By comparison, MetLife’s fully insured PPO cost proposal was \$47,784,000, or \$923,000 higher. The SC recommended Cigna for award of the PPO, given the projected lower cost. Cigna’s proposed cost for DHMO Access Network and DHMO Access Network Plus was \$10,267,000 and \$10,935,000 respectively, or a difference of \$668,000 over the five-year contract term. The SC’s evaluation resulted in recommending the DHMO Access Network Plus because of its broader network and ability to offer the best value to the MTA. Based on the foregoing, the competitively negotiated pricing is deemed fair and reasonable.

Negotiation of commercial terms and conditions have been substantially completed with the exception of a few remaining items that the parties are currently working to finalize. However, there does not appear to be any remaining terms and conditions to be negotiated that would impact Cigna’s current price.

This contract has been evaluated to determine the necessity and appropriate scope, if any, of cybersecurity requirements, including any requirements under federal, state, and local law and regulations. Any applicable cybersecurity requirements, to the extent required, shall be included in the contract terms and conditions prior to award.

In connection with the review of Cigna’s responsibility pursuant to the All-Agency Responsibility Guidelines, Cigna was found to be responsible notwithstanding significant adverse information, and such responsibility finding was approved by the Chief Administrative Officer in consultation with the MTA General Counsel on July 23, 2024.

M/W/DBE Information

The MTA Department of Diversity and Civil Rights (DDCR) has established zero percent MWBE/SDVOB goals on this contract because the participant data and benefit contract provisions are considered highly sensitive and confidential in nature. Subcontracting to third parties would increase the risk and exposure of confidential information.

Staff Summary

Impact on Funding

The contract is funded by NYC Transit's operating budget.

Alternatives

Do not approve award of the contract. This alternative is not recommended because these are benefits that NYC Transit must provide its employees.

Recommendation

To award a competitively negotiated personal services contract to Cigna to provide PPO and DHMO benefits.

Staff Summary

Item Number: 2-3			
Department, Department Head Name: MTA Procurement, Lisette Camilo			
Internal Approvals			
Order	Approval	Order	Approval
1	Procurement		
2	Real Estate		
3	Administration		
4	DDCR		
5	Legal		
6	CFO		

SUMMARY INFORMATION	
Vendor Names Greystone Management Solutions Venture NY Property Management LLC	Contract Nos. 23000-0100 23000-0200
Description Real Estate Services	
Total Amounts:	
Greystone: \$83,689,111 Base: \$42,764,923 Option 1: 19,857,435 Option 2: \$21,066,753	
Venture: \$2,372,030 Base: \$1,557,235 Option 1: \$395,359 Option 2: \$419,436	
Contract Term (including Options, if any) August 1, 2024–July 31, 2033	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input checked="" type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

Purpose

To recommend the Board approve the award of two All-Agency competitively negotiated estimated quantity personal services contracts: 23000-0100 to Greystone Select Inc., d/b/a Greystone Management Solutions (“Greystone”) in the estimated amount of \$83,689,111 (\$42,764,923 for the base term, \$19,857,435 for Option 1, and \$21,066,753 for Option 2) to provide tenant management, lease administration, design and construction oversight, and transaction management; and 23000-0200 to Venture NY Property Management LLC (“Venture”) in the estimated amount of \$2,372,030 (\$1,557,235 for the base term, \$395,359 for Option 1, and \$419,436 for Option 2) to provide easement oversight and property management services for the MTA Real Estate Department for a five-year base term plus two, 2-year options (August 1, 2024–July 31, 2033). The Board is also requested to authorize the MTA Assistant Deputy Chief Procurement Officer to approve the exercise of Options 1 and 2.

Discussion

These All-Agency services contracts will continue to provide tenant management / lease administration services for all tenants managed throughout the MTA System (excluding Grand Central Terminal) by MTA Real Estate. Services under these contracts include: (1) tenant management (billing and collections, lease administration, insurance monitoring, Yardi Database Management) covering the MTA-wide property database, within which exist over 3,000 leases of multiple sizes and complexities; (2) design and construction services including enforcement of plan review, code compliance, and alignment of lessees’ and licensees’ plans with MTA’s Retail Design Guidelines that are part of the given lease or license; (3) property management services funded through the Capital Program, overseeing properties temporarily until control is assumed by the design/builder; (4) subway entrance easement oversight; and (5) transaction management staffing (responsible for leasing and licensing of property, as well as acquisitions for Capital Program and operating needs) to augment in-house personnel.

Staff Summary

In order to continue the current management services, a Request for Proposals (“RFP”) was publicly advertised. Approximately 21 firms attended the Pre-Proposal Conference; proposals were received from two firms: Greystone and Venture. Procurement subsequently canvassed potential proposers to determine reasons for the lack of responsiveness to the RFP. Responses included (1) not in the prospective service provider’s area of expertise; (2) could not be competitive due to the magnitude of the scope; and (3) insufficient resources to satisfy the contract.

After evaluating the proposals received, the Selection Committee (“SC”), composed of representatives from MTA Real Estate, Long Island Rail Road Public Affairs, NYC Transit Facilities, and Metro-North Railroad, unanimously determined Greystone to be best-suited to perform the tenant management/lease administration/transaction management functions, and Venture to best perform the easement and property management functions.

Negotiations were conducted with both Greystone and Venture. As a result, Greystone’s overhead rate was reduced from 165 percent to 155.83 percent, which will remain fixed for the five-year base term and increase to 160 percent for the four option years. The profit markup was also reduced from 16.5 percent to 8 percent for all nine years. The contract pricing for Years 1 and 2 will remain fixed, while pricing for Years 3–9 will be increased by 3 percent annually. These negotiated terms reduced Greystone’s initial cost proposal of \$107,310,892 to \$83,689,111, a total savings of \$23,621,781 or 22 percent. Venture’s cost proposal of \$2,551,332 for easement and property management was negotiated down to \$2,372,030, a total savings of \$179,302 or 7 percent.

Based on the above, the cost for the renewal contracts (includes pricing for the four option years) is deemed to be fair and reasonable.

Regarding Venture: The contract has been evaluated to determine the necessity and appropriate scope, if any, of cybersecurity requirements, including any requirements under federal, state, and local law and regulations. Any applicable cybersecurity requirements, to the extent required, shall be included in the contract terms and conditions prior to award.

Regarding Greystone: The contract has been evaluated to determine the necessity and appropriate scope, if any, of cybersecurity requirements, including any requirements under federal, state, and local law and regulations. Any applicable cybersecurity requirements, to the extent required, shall be included in the contract terms and conditions prior to award.

Greystone and Venture have both certified that pursuant to EO 16, they are not doing business in Russia.

M/WBE and SDVOB Information

Goals of 15 percent MBE, 15 percent WBE, and 6 percent SDVOB participation were established by the MTA Department of Diversity and Civil Rights for this contract. Greystone and Venture have identified firms to meet the contract goals.

Impact on Funding

Funding is available under the MTA Real Estate Operating budget and MTA Capital Budget, as applicable, for property management requirements. Most of the operating budget components are billed to the Agencies whose tenants and real estate matters are managed on behalf of MTA Real Estate. Funding for the option years will be based on MTA Board–approved budgets for MTA Real Estate.

Alternatives

None. The Real Estate Portfolio must be maintained with no interruption in services. MTA does not have the internal resources available to perform these services in-house.

Recommendation

To award two competitively negotiated estimated quantity personal services contracts: 23000-0100 to Greystone and 23000-0200 to Venture for Real Estate Services.

Staff Summary

Item Number: 4-5				SUMMARY INFORMATION	
Department, Department Head Name: MTA Procurement, Lisette Camilo				Vendor Name Spinoso Management Group, LLC Jones Lang LaSalle Incorporated (JLL)	Contract Nos. 22916 13112-0100
Internal Approvals				Description GCT and GCM Retail Manager	
				Total Amount: Spinoso: \$115,165,227 (est.) (Base: \$59,943,317 + Option 1: \$26,848,499 + Option 2: \$28,373,411) JLL Transition Cost: \$3,405,027	
Order	Approval	Order	Approval	Contract Term (including Options, if any) September 1, 2024–August 31, 2029, w/two 2-year extension Options	
1	Procurement	6	CFO	Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
2	Real Estate			Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
3	Administration			Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	
4	DDCR			Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
5	Legal			Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

Purpose

To recommend the Board approve the award of a competitively negotiated estimated quantity personal services contract to Spinoso Management Group, LLC (“Spinoso”) to provide retail property management services for Grand Central Terminal (“GCT”) and Grand Central Madison (“GCM”) for a five-year period (September 1, 2024–August 31, 2029) with two, 2-year renewable options to be exercised at the MTA’s discretion. The nine-year estimated cost of \$115,165,227 (\$59,943,317 for the base term, \$26,848,499 for Option 1 and \$28,373,411 for Option 2) consists of \$32,349,801 for Spinoso’s management fees and salaries, and \$82,815,426 for subcontracting and pass-through costs such as facility repairs, janitorial services, security, and retail utilities. The Board is also requested to authorize the MTA Assistant Deputy Chief Procurement Officer to approve the exercise of Options 1 and 2.

The current contract with the incumbent, Jones Lang LaSalle Incorporated (“JLL”), will be extended for up to 10 weeks (through November 8, 2024) to enable the transition from JLL to Spinoso. The estimated cost for the 10-week transition is up to \$3,405,027, out of which \$1,829,631 is attributable to an ongoing Capital project for GCT ductwork. The remaining \$1,575,396 will cover JLL’s management fees, salaries, subcontracts, and pass-through costs. The subcontracts and pass-through costs will flow through JLL’s contract for the first six weeks of the transition and then flow through Spinoso’s contract for the last four weeks of the transition.

Discussion

Under this contract, Spinoso will provide lease administration and enforcement; tenant management, retail operations, design and construction, marketing and promotions, specialty leasing, sponsorships and event sales and management, custodial and building engineering services associated with public-facing retail amenities and public common areas, event areas, and nonpublic support spaces (tenant common areas and storage spaces) within GCT and GCM; and business and financial management, which includes planning and budgeting all aspects of retail management.

Staff Summary

In order to continue these essential services, a Request for Proposals (“RFP”) was publicly advertised. Approximately 15 firms attended the Pre-Proposal Conference; proposals were then received from five firms: Spinoso, Coldwell Banker Richard Ellis Group Inc. (“CBRE”), JLL (the incumbent), DMA Associates/GFP Real Estate (“DMA/GFPRE”), and Iware. The firms were evaluated based on their (1) responsiveness to the RFP and demonstration of a clear understanding of the objectives and constraints of the undertaking, experience, and qualifications; (2) ability to perform the services required; (3) experience and qualifications of the key personnel assigned and their ability to appropriately staff the team; (4) diversity practices; and (5) cost proposal.

After evaluating the proposals, the Selection Committee (“SC”), composed of representatives from MTAHQ Real Estate, Metro-North Railroad Maintenance of Way, and GCT Stations Operations, recommended four of the five firms (Spinoso, CBRE, JLL, and DMA/GFPRE) be invited for oral presentations. Upon conclusion of the oral presentations, the SC determined that Spinoso and CBRE were the most technically qualified to perform this work and requested Procurement to proceed with negotiations with both Spinoso and CBRE.

As a result of negotiations, the original nine-year cost of \$34,245,700 proposed by Spinoso, which consists of management, personnel, and revenue-generating fees, was reduced to \$32,349,801, a total savings of \$1,895,899 or 6 percent. This was primarily achieved through a reduction of the management fee from 2.75 percent to 2.10 percent and a reduction in the revenue-generating fee from 10 percent to 8 percent. The proposed salaries are subject to an escalation of 2 percent per year. The BAFO received from Spinoso is 15 percent less than the BAFO received from CBRE. Based on the above, the negotiated costs are considered fair and reasonable. The SC’s evaluation resulted in recommending Spinoso because retail management is its core business, and its proposal offered the best value to the MTA.

Spinoso is a privately held company whose core business is providing property management services for enclosed malls and large-scale retail centers. Founded in 2009 and headquartered in Syracuse, New York, Spinoso currently manages, as either owner/investor (3) or third-party manager (38), 41 retail properties across the country ranging in size from 450,000–1.6 million square feet. Spinoso’s expressed vision for revenue generation resonated with the team, and their executive management intends to make GCT and GCM the crown jewels of their portfolio.

Regarding Spinoso: The contract is under evaluation to determine the appropriate scope of cybersecurity requirements, including any requirements under federal, state, and local law and regulations. Any applicable cybersecurity requirements shall be included in the contract terms and conditions prior to award.

Regarding JLL: The contract has been evaluated to determine the necessity and appropriate scope, if any, of cybersecurity requirements, including any requirements under federal, state, and local law and regulations. Any applicable cybersecurity requirements, to the extent required, were included in the contract terms and conditions prior to award.

M/WBE/SDVOB Information

Mandatory goals of 15 percent MBE, 15 percent WBE, and 6 percent SDVOB participation were established by the MTA Department of Diversity and Civil Rights for this contract.

Impact on Funding

Funding is available under the Operating budget for GCT and GCM. Funding for the option years will be based on Board-approved operating budgets for MTA Real Estate for GCT and GCM.

Alternatives

Perform the services in-house: This is not a feasible alternative as the MTA does not possess the internal resources to provide these services.

Do not approve award of the contract: This is not practical. Retail property management is required for the day-to-day operation of GCT and GCM.

Schedule G: Miscellaneous Service Contracts

Item Number: 6

Vendor Name (Location) Guardian Service Industries, Inc. (New York, New York)	Contract Number 23040-000	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Description Custodial Services for Real Estate Managed Facilities	Total Estimated Amount: \$87,031,421 (\$50,426,901 base + \$36,604,520 Option years)	
Contract Term (including Options, if any): August 1, 2024–July 31, 2029	Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a	Requesting Department: MTA Real Estate, David Florio	
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: Sole-Source		

Discussion:

MTA Headquarters is seeking Board approval to award a competitively negotiated, miscellaneous services, estimated quantity contract to Guardian Services Industries, Inc., (“Guardian”) in the amount of \$87,031,421 for a five-year period (three-year base contract with two, 1-year options), commencing August 1, 2024, to provide custodial services for the MTA facilities below. The Board is also requested to authorize the MTA Assistant Deputy Chief Procurement Officer to approve the exercise of Options 1 and 2.

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. 2 Broadway, Manhattan 2. 420 Lexington Avenue, Manhattan 3. 525 North Broadway, North White Plains 4. 144-41 94th Avenue, Queens 5. 48 East 50th Street, Pocket Park Commons, Manhattan 6. 33-01 Northern Blvd, Queens 7. 33-00 Northern Blvd, Queens 8. 14 Perlin Lane, Dutchess 9. 24 South MacQuesten Parkway, Westchester 10. 110 West Suffolk Avenue, Suffolk | <ol style="list-style-type: none"> 11. 421 8th Avenue, Manhattan 12. One Station Road, Orange County 13. 7-11 Beekman Street, Dutchess 14. 70 Southside Place, Westchester 15. 331 Bay Street, Staten Island 16. 1825 Park Avenue, Manhattan 17. 177 Livingston Street, Brooklyn 18. 130 Livingston Street, Brooklyn 19. 300 Old Country Road, Nassau 20. 33 Williams Place, Brooklyn |
|--|---|

The MTA has contracted CBRE as its property manager for designated properties. CBRE is responsible for all aspects of property management including maintenance, cleaning, security, building systems operations, landscaping, and the implementation of capital projects. As stipulated in the MTA-CBRE contract, when conducting a procurement as MTA’s purchasing agent, CBRE is required to follow MTA’s procurement guidelines under the oversight of MTA Procurement.

The proposed contract is essential for maintaining custodial and janitorial services at the specified MTA facilities. It was procured in accordance with the aforementioned guidelines. Although CBRE conducted the procurement, the Selection Committee (“SC”) consisted of representatives from MTA Real Estate and NYC Transit.

A Request for Proposals (“RFP”) was publicly advertised; proposals were received from seven firms: ABM Industries Incorporated (“ABM”); Alliance Maintenance (“Alliance”); Guardian; JayHerns Cleaning Services, LLC; LV Maintenance Sanitizing and Cleaning Services; Nelson Services Systems, Inc.; and Quality Building Services (“QBS”). The proposals were evaluated based on: (1) responsiveness to the RFP; (2) experience and qualifications of supervisory and back-office personnel; (3) prior experience providing similar services; (4) cost; and (5) M/WBE status as a quantitative factor. After initial technical reviews, the SC determined proposals from Alliance, Guardian, ABM, and QBS to be the most technically qualified based on their demonstrated understanding of the scope of work, detailed staffing plans, and the quality of the proposed staff. The four firms were shortlisted and invited to oral presentations.

Following oral presentations, ABM was no longer under consideration. The SC requested MTA Procurement to negotiate with the remaining three firms, Guardian, Alliance, and QBS, and to make an award to the firm that offers the best value.

Schedule G: Miscellaneous Service Contracts



After a series of negotiations, the three proposers were instructed to submit their Best & Final Offer (“BAFO”). The SC unanimously determined that Guardian’s BAFO provided the best value to the MTA. Guardian’s BAFO, in the amount of \$87,031,421 is \$470,887 or 0.538 percent less than its initial proposal and 13.1 percent less than QBS’s BAFO in the amount of \$100,135,628. The third shortlisted firm, Alliance, was the highest in cost at \$103,714,095.

Based on the competitive negotiation, Guardian’s BAFO is deemed fair and reasonable.

Guardian is the current incumbent for custodial services at some of the locations and has provided commendable service throughout the duration of their current contract. Their performance has been particularly noteworthy during the Covid-19 pandemic, where they ensured high standards of cleanliness and safety.

The contract has been evaluated to determine the necessity and appropriate scope, if any, of cybersecurity requirements, including any requirements under federal, state, and local law and regulations. Any applicable cybersecurity requirements, to the extent required, shall be included in the contract terms and conditions prior to award.

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

MBE/WBE Information

The MTA Department of Diversity and Civil Rights (DDCR) established 15 percent MBE and 15 percent WBE goals based on the original CBRE Property Management Contract, to which Guardian will become a subcontractor. Guardian will be submitting an M/W/DBE utilization plan to meet the 30 percent goal. CBRE/Guardian is meeting the current M/WBE/SDVOB goal requirements and will continue to work with DDCR to achieve the goals through the duration of the contract.

Impact on Funding

Funding for this contract is included in the MTA Real Estate facilities operating budget. Funding for the option years will be based on Board-approved operating budgets for MTA Real Estate.

Alternatives

None recommended. MTA lacks available in-house personnel to perform the scope of work associated with this contract.

Recommendation

It is recommended that the Board approve the award of a miscellaneous services estimated quantity contract to Guardian to provide custodial services.

Schedule G: Miscellaneous Service Contracts

Item Number: 7

Vendor Name (Location) Initium Softworks (Lake Mary, Florida)	Contract Number 900000000004736	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Description Document Management System and Digitization of Files	Total Estimated Amount: \$1,972,093 (estimate)	
Contract Term (including Options, if any): 5 Years plus three 1-year Options	Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a	Requesting Department: IT Product Management	
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: Sole-Source		

Discussion:

MTA Headquarters is requesting Board approval to award an All-Agency competitively negotiated miscellaneous services contract to Initium Softworks (“Initium”), formerly MTS Software Solutions, to develop and implement a Document Management System (“DMS”) for MTA’s Occupational Health Services (“OHS”) Department, in the estimated amount of \$1,972,093 for up to an eight-year period (five-year base + three, 1-year options). The Board is also requested to authorize the MTA Assistant Deputy Chief Procurement Officer to approve the exercise of the three 1-year options pending the approval of funding.

This contract will provide automation of OHS’s current manual processing of medical records as well as digitize the data capture and electronic storage of paper records. Initium will develop and implement a DMS and complete the digitization of approximately 71,000 medical charts in a two-phased approach. In Phase 1, Initium will provide the DocuWare System, encompassing all necessary implementation, configuration, project management, training, maintenance, and related services in order to capture, track, and store electronic documents efficiently. In Phase 2, Initium will convert hard-copy paper documents from approximately 71,000 medical charts into digitized files in a system involving scanning, storing, and capturing key document fields, ensuring that each digitized file is optimized for easy retrieval and seamless integration into the established DocuWare System.

Within MTA’s Department of Safety and Security, OHS performs limited medical screenings and evaluations for certain employees and candidates for employment, maintaining medical records for each screening or evaluation performed. OHS seeks to transition from existing manual records to a digitized and automated medical record system that will enable (1) employees to upload their documents directly via an online portal and/or web forms; review, approve, and categorize documents; (2) workflow applications for tracking record requests while reducing turnaround times and minimizing manual tasks; (3) consolidation of records at seven medical assessment centers operated by the MTA; and (4) expedited record retrieval. Once established, OHS seeks the conversion of approximately 71,000 medical charts (each containing varying numbers of pages) to be systematically scanned and stored capturing key data fields including document type for standard categorization and retrieval.

A Request for Proposals (“RFP”) was released on October 5, 2023, with notices to multiple potential proposers. Proposals were received from 14 vendors: 314e Corporation; Aptimized LLC; CS Transportation Consulting; FedCap Rehabilitation Services; Glitra Corporation; Hyland Software, Inc.; Integration Innovation, Inc. (“i3”); International Business Machines Corporation; Imagework Technologies Corp.; Initium; Maverick Quantum Inc. (“Maverick”); Netlink Software Group of America, Inc.; Stellar Services Inc.; and Unique Comp Inc. (“Unique”).

A Selection Committee (“SC”), comprised of representatives from MTAHQ, IT, and the OHS Office, was tasked with evaluating the proposals. The evaluation was based on a set of selection criteria established in the RFP that included vendor expertise and experience, past performance, project timeline, and costs. After evaluation of the technical proposals, the SC, based on best fit for the requirements, shortlisted the following: i3, Initium, Maverick, and Unique. Oral interviews and software demos were held with the shortlisted vendors, and following, the SC deemed Maverick and Initium the most technically capable with implementation approaches consistent with the MTA’s expectations. Based on negotiations and Best and Final Offers (“BAFOs”) from Maverick and Initium, the SC unanimously determined Initium to be the most technically qualified based on it receiving the highest scores.

Schedule G: Miscellaneous Service Contracts



Initium’s BAFO was the lowest of the two shortlisted proposers. Negotiations further yielded a 16 percent reduction (\$378,562) from Initium’s original proposed cost of \$2,350,656 (to \$1,972,093), which is 36 percent lower than Maverick’s BAFO of \$3,072,553. The SC deemed the pricing submitted by Initium as fair and reasonable, and provides the best value to the MTA.

Initium’s BAFO includes a one-time fee to scan up to 71,000 medical charts, each containing 50 to 500-plus pages. This work includes scanning, removing all staples/paper clips, inserting breaks to upload in appropriate batches of related documents (e.g. multiple pages of personal physician documentation to be uploaded as a combined record), and coding each upload to the assigned document types. This one-time fee is equivalent to \$0.03 per prepared, categorized, and uploaded page, which is exceptionally low compared to the industry average of \$0.25 per page. The need for future scans will be dramatically minimized as all future medical and compliance records will be uploaded to DocuWare or submitted electronically by MTA employees receiving services by OHS.

After the Initium system is implemented, the MTA anticipates the elimination of overtime and file storage costs by an estimated amount of \$1.3 million. These two costs will no longer be incurred in the future.

The eight-year estimated contract value is \$1,972,093, as set forth below:

Phase 1: Document Management System	Implementation Cost	One-Time	\$87,200
Phase 2: Documentation Conversion	Scanning 71,000 Charts	One-Time	\$403,296
	Annual Software Subscription Cost	Year 1	\$154,900
	↓	Year 2	\$162,644
	↓	Year 3	\$170,814
	↓	Year 4	\$179,432
	↓	Year 5	\$188,527
	Option Years	Year 6	\$198,120
		Year 7	\$208,241
		Year 8	\$218,919
	Total (including Options)		\$1,972,093

Annual software subscription fees include a 4.8 percent year-over-year increase.

Initium is a seasoned corporation with a proven track record in the field of document management systems and digitization. Since 1981, Initium has specialized in providing guidance and support for companies seeking to improve existing or develop new automation solutions for their processes. Initium has recently established similar contracts with agencies including the State of Delaware, specifically the Delaware Department of Health and Social Services and the New Jersey Schools Development Authority.

	Deliverables	Estimated from Start Date
Phase 1: Document Management System	Requirements Gathering (BRD)/Integrations	3 Months
↓	System Creation & Configuration/Workflows/Forms Development	4 Months
↓	End-User/Admin Training/Documentation	6 Months
↓	UAT	8 Months
↓	Go Live	10 Months
Phase 2: Documentation Conversion	Approximately 71,000 charts	7 Months

The contract has been evaluated to determine the necessity and appropriate scope, if any, of cybersecurity requirements, including any requirements under federal, state, and local law and regulations. Any applicable cybersecurity requirements, to the extent required, shall be included in the contract terms and conditions prior to award.

M/W/DBE Information

There are no DDCR goals assigned to this contract.

Impact on Funding

Funding is provided by the MTA IT Operating Budget.