



Metropolitan Transportation Authority

# September 2024

**MTA Board Action Items**



# **MTA Board Meeting**

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

**Wednesday, 9/25/2024  
9:00 AM - 12:00 PM ET**

## **1. PUBLIC COMMENT PERIOD**

## **2. MTA 2025-2029 CAPITAL PROGRAM**

*MTA 2025-2029 Capital Plan - Page 4*

## **3. PRESENTATIONS**

## **4. APPROVAL OF MINUTES**

### **MTA and MTA Agencies Regular Joint Committee and Board Meeting Minutes for July 31, 2024**

*MTA and MTA Agencies Regular Joint Committee and Board Meeting Minutes, July 31, 2024  
- Page 6*

## **5. COMMITTEE ON CAPITAL PROGRAM**

### **Procurement Items**

*C&D Procurements - Page 17*

## **6. COMMITTEE ON METRO-NORTH RAILROAD & LONG ISLAND RAIL ROAD (no items)**

## **7. COMMITTEE ON NYCT & BUS**

*Procurement Staff Summary - Page 26*

## **8. COMMITTEE ON MTA BRIDGES & TUNNELS OPERATIONS (no items)**

## **9. COMMITTEE ON FINANCE**

### **Action Items**

#### **i. All Agency Investment Guidelines Amendment**

*All Agency Investment Guidelines Amendment - Page 34*

### **Procurement Items**

*MTAHQ Procurement Report - Page 48*

#### **i. Competitive Procurements**

**Real Estate Items**

**i. Real Estate Agenda and Staff Summaries**

*Real Estate Agenda and Staff Summaries - Page 62*

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

**11. EXECUTIVE SESSION**

# Staff Summary

<b>Subject</b> MTA 2025-2029 Capital Program
<b>Department</b> MTA Construction & Development
<b>Department Head Name</b> Tim Mulligan, Deputy Chief Development Officer
<b>Department Head Signature</b>
<b>Project Manager/Division Head</b> Stephen A. Berrang, Senior VP, C&D Program Oversight
<b>Project Manager/Division Head Signature</b>

<b>Date</b> September 25, 2024
<b>Department</b> MTA HQ Financial Services
<b>Department Head Name</b> Olga Chernat, Deputy Chief, Financial Services
<b>Department Head Signature</b>
<b>Project Manager/Division Head</b> Tiana Grimes, Acting Director, Capital Funding Management
<b>Project Manager/Division Head Signature</b>

Board Action					
Order	To	Date	Approval	Info	Other
1	Board	9/25/24			

Internal Approvals			
Order	Approval	Order	Approval
5	Chair and CEO		
4	Chief of Staff		
3	Chief Development Officer		
2	Chief Financial Officer		
1	Legal		

**Purpose:**

To obtain MTA Board approval of the proposed MTA 2025-2029 Capital Plan presented herein and to authorize the MTA to submit the \$65.400 billion Capital Program Review Board (CPRB) portion of it to the CPRB for its review and approval, in accordance with Public Authorities Law §1269-b, as well as the \$3.000 billion non-CPRB portion proposed by MTA Bridge and Tunnels (B&T).

**Discussion:**

The proposed 2025-2029 Capital Plan includes critical investments to rebuild, improve, and expand the MTA system. The plan will enable the MTA to continue to provide frequent and reliable service by putting the system on a path to state of good repair, including investments in railcars, power, and signals. The plan will also improve the customer experience, with investments in accessibility, stations, and modern fare gates, and take action on climate change, including resilience and sustainability initiatives.

New York City Transit (NYCT) and Staten Island Railway (SIR): \$47.386 billion. NYCT and SIR will build on successful initiatives of the 2020–2024 Capital Plan by continuing to expand ADA station accessibility to at least 60 stations and by installing modern Communications-Based Train Control (CBTC) signaling on at least 75 miles of the subway system. The plan also includes renewals at ten stations and component investments at over 200 others, including replacement of existing elevators and escalators. Next generation turnstiles will enhance accessibility and passenger flow while improving fare compliance. Investments in over 65 power substations will ensure the reliability of our aging power infrastructure. Other state-of-good repair (SGR) work, includes 60 miles of mainline track replacement, repair of a substantial portion of above and below ground subway and elevated line structures. Rehabilitation and enhancement of pump rooms will better prepare the subway system against extreme weather events. Funding is included for new railcars to replace the R62 and R68 fleets that are reaching the end of their useful lives. Cyclical bus replacement will continue, including the addition of 500 electric buses to our zero-emission fleet (ZEF), alongside 1,761 new clean diesel and Compressed Natural Gas (CNG) ones. Significant yard and depot investments will include addressing the Livonia and 240<sup>th</sup> Street Shops.

Long Island Rail Road (LIRR): \$6.005 billion. LIRR will invest over \$660 million in the new M9A fleet while also replacing locomotives. Accessibility enhancements at at least four stations, achieving 98% system accessibility, combined with numerous station renewals are planned; Mets-Willets Point, Douglaston, Bellerose, Cold Spring Harbor, and East New York stations are among the candidate ADA locations; Floral Park and Port Washington will undergo renewals. In addition to normal cyclical track replacement, up to six power substation renewals are planned. Bridge rehabilitation and painting will take place at over 35 locations, including the Wreck Lead Bridge to Long Beach. Signal upgrades will be performed on the Montauk and Port Jefferson branches and interlocking improvements are planned in support of the Jamaica Capacity initiative.

Metro North Railroad (MNR): \$6.005 billion. MNR will purchase over \$1 billion of new M9A railcars along with new locomotives for West of Hudson service and new coaches. An accessibility project at Wakefield will join seven “hollow-core” platform station renewals on the Harlem line. Another ADA project at Ludlow on the Hudson line is also planned. Track replacement and structural work will expand with an additional in-house track crew and a new emphasis on right-of-way drainage improvements and rock slope remediation. Significant signal investments on the Hudson Line from Croton-Harmon to Poughkeepsie are also proposed.

# Staff Summary

MTA Bus Company (MTAB): \$454 million. MTAB will continue to replace rolling stock as it reaches their end of its useful life, with the purchase of 243 new buses. Depot improvements are also planned.

MTA Interagency: \$300 million. Interagency categories include MTA Police (MTAPD) projects, where a district office modernization is planned, and MTA Construction and Development (MTA C&D). MTA C&D will provide Capital Program administration and support, along with planning initiatives.

MTA Major Projects and Expansion: \$5.250 billion. The proposed 2025-2029 Capital Plan includes funding for the Interborough Express (IBX) and critical state-of-good repair investments at the Grand Central Trainshed and Terminal as part of the MTA's Grand Central Artery Initiative.

MTA Bridge &Tunnels (B&T): \$3.00 billion. B&T will focus its 2025-2029 Capital Plan efforts on Structures and Utilities with two new cable de-humidification projects for the Throgs Neck and Bronx-Whitestone Bridges, along with new fire suppression systems at the Hugh Carey and Queens Midtown Tunnels.

### **Funding Sources:**

The proposed 2025-2029 Capital Plan is expected to be funded with a mix of federal, state, regional, city, and MTA sources. Identified funding sources include federal grants, which are estimated at approximately \$14 billion based on funding levels for the 2020-2024 Plan, and \$13 billion of MTA and Triborough Bridge & Tunnel Authority (TBTA) Bonds, which are proposed to support 19% of the proposed 2025-2029 Capital Plan. Historically, the State and City have also provided capital appropriations in support of past MTA capital plans. An additional \$8 billion of capital appropriations would be available assuming the same percentage of core investments as in the 2020-2024 Plan. The MTA will work with its funding partners to secure additional sources to fully fund the 2025-29 Plan.

### **Alternatives:**

Submission of a program to the CPRB on or before October 1st is required by Public Authorities Law § 1269-b. Without CPRB approval, the MTA will not have a 2025-2029 Capital Plan.

The 2025-2029 Capital Plan is critical to ensure the safety, reliability, and longevity of the transit system, improve the customer experience, enhance resiliency, and expand the MTA's network to meet the growing mobility needs of the region.

### **Recommendation:**

It is recommended that the MTA Board approve the proposed MTA 2025-2029 Capital Plan of \$68.400 billion and authorize the MTA to submit the \$65.400 billion CPRB portion to the CPRB for its review and approval.

**Joint Minutes 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, Metro-North Commuter Railroad Company,  
MTA Construction and Development Company, the MTA Bus Company and  
the First Mutual Transportation Assurance Company  
Regular Board Meeting Minutes  
Wednesday, July 31, 2024  
9:00 a.m.  
2 Broadway  
New York, NY 10004**

The following Board Members were present (*\*Attended remotely*):

**Hon. Janno Lieber, Chair & CEO**  
**Hon. Andrew Albert**  
**Hon. Jamey Barbas\***  
**Hon. Samuel Chu**  
**Hon. Daniel Garodnick**  
**Hon. Marc Herbst**  
**Hon. David Jones**  
**Hon. Meera Joshi**  
**Hon. Blanca Lopez**  
**Hon. David Mack**  
**Hon. Haeda B. Mihaltses**  
**Hon. Dr. John-Ross Rizzo**  
**Hon. John Samuelsen\***  
**Hon. Lisa Sorin**  
**Hon. Isabel Midori Valdivia**  
**Hon. Neal Zuckerman**

The following Board Member was absent:

**Hon. Michael Fleischer**

The following alternate non-voting members were present:

**Hon. Gerard Bringmann**  
**Hon. Norman Brown**  
**Hon. Randolph Glucksman**  
**Hon. Vincent Tessitore, Jr.\***

Paige Graves, General Counsel, Laura Wiles, Chief of Staff, John McCarthy, Chief External Relations & Policy, Lisette Camilo, Chief Administrative Officer, Kevin Willens, Chief Financial Officer, Carl Hamann, Acting Chief Safety Officer, Demetrius Crichlow, Interim President, NYCTA, Sr. Vice President Subways, NYCT, Frank Annicaro, Sr. Vice President, NYCT DOB /MTA Bus Company, Catherine Rinaldi, President, Metro-North Railroad, Rob Free, President, LIRR, Catherine Sheridan, President, TBTA, Jamie Torres-Springer, President, MTA C&D, Anita L. Miller, Chief Labor Relations, Quemuel Arroyo, Chief Accessibility Officer, Shanifah Rieara, Senior Advisor for Communications and Policy/Chief Customer Officer, Lucille Songhai, Assistant Director Government Affairs, Government and Community Relations, also attended the meeting.

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, Metro-North Commuter Railroad Company, the MTA Construction and Development Company, the MTA Bus Company, and the First Mutual Transportation Assurance Company.

Unless otherwise indicated, these minutes reflect items on the agenda of the Board of the Metropolitan Transportation Authority, the 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, Metro-North Commuter Railroad Company, the MTA Construction and Development Company, and the First Mutual Transportation Assurance Company.

Chair Lieber called to order the July 2024 Board meeting.

A recorded audio public safety announcement was played.

## **1. PUBLIC SPEAKERS' SESSION.**

The MTA Moderator announced that the following public speakers will speak either live virtually or in-person.

The MTA Moderator reminded public speakers of the rules of conduct and the two-minute speaking limit. The Moderator reminded speakers of the warning beep when 30 seconds remain to conclude their remarks. The Moderator advised that the public comments will be recorded, published to the MTA website, and available for MTA Board Members' review.

The following public speakers commented (\*live virtual comments):

Gian Pedulla, private citizen  
Lisa Daglian, Executive Director, PCAC  
Jeremiah Gonzalez, private citizen  
Marco Hemken, Riders Alliance  
Michael Gaynor, private citizen  
Debra Greif, private citizen

Kirby Kersels, Families for Safe Streets  
Christopher Greif, private citizen  
Jason Anthony, LIRR ADA Task Force\*  
Rachael Fauss, Senior Policy Advisor, Reinvent Albany\*  
Andy Pollack, Passengers United\*  
Sharada Veerubhotla, private citizen\*  
Michael Ring, Disabled In Action  
Jean Ryan, President, Disabled In Action  
Liam Jeffries, Riders Alliance/Transportation Alternatives  
Paul Medvetsky, Field Organizer, Riders Alliance  
Francis Byrd, Riders Alliance  
Kevin Kelly, Transportation Alternatives  
Arthur Schwartz, General Counsel, Center for Independence of the Disabled of  
New York (CIDNY)  
Talya Schwartz, Open Plans  
Suzanne Simmons, WeAct  
Christine Willis, Riders Alliance  
Glen Baksh, Riders Alliance  
Cassandra Martinez, private citizen  
Kathleen Collins, Disabled In Action  
Dr. Sharon McLennon-Wier, Executive Director, Center for Independence of the Disabled of  
New York (CIDNY)  
Iris Kelly, Disabled In Action  
Gordon Lee, WeAct  
Michael-Luca Natt, Sunrise Movement  
Samuel Santeaella, Riders Alliance

The Moderator announced that the allotted time for the public speakers' comments session had been reached and asked the remaining registered speakers to stand by as the agency transitioned to a separate live recording session.

Chair Lieber announced that the recorded comments will be distributed to the MTA Board and posted to the Board meeting web page and on YouTube.

Refer to the video recording of the meeting produced by the MTA and maintained in MTA records for the list of other speakers and the content of speakers' statements.

## **2. EXECUTIVE SESSION.**

Upon motion duly made and seconded, the Board voted to convene an Executive Session, in accordance with the Public Officers Law, Section 105(1)(f), to discuss a labor matter.

### **3. PUBLIC SESSION RESUMES.**

Upon motion duly made and seconded, the Board voted to reconvene in public session.

### **4. CHAIR LIEBER'S REMARKS.**

Chair Lieber thanked everyone for attending the MTA Board meeting, and especially acknowledged the public's participation and the Board Members for their dedication during a long and challenging committee session on Monday. Chair Lieber noted that this is the last meeting before the summer break, with the Board reconvening in late September to tackle a very busy fall season, and he stated that Chief of Staff Laura Wiles will provide some of the highlights of the fall agenda later in the meeting.

Chair Lieber stated that one of the agency's key achievements is the recovery of ridership, which has increased by 50% since he became Chair three years ago. The Chair stated that it is a positive sign that people are choosing to use transit for work, personal trips, and leisure, particularly during nights and weekends, and he attributed the increase in ridership to improved quality of service and a growing sense of safety in the system, thanks to strong partnerships with Governor Kathy Hochul, Mayor Eric Adams, and the NYPD.

Chair Lieber stated that while subway crime continues to receive extensive media coverage, it constitutes only 2% of overall NYC crime, and crime rates in the subway system have decreased by 7% from last year and 12% compared to pre-COVID levels. Additionally, 2024 has seen the lowest number of felony crimes per day in the subway system since 2010.

Chair Lieber discussed several major capital projects that the MTA has successfully completed or advanced, including the LIRR Third Track, Grand Central Madison, and various tunnel rehabilitation projects, such as the Rutgers Tunnel and the 63rd Street F Train Tunnel. The Chair also praised the expansion of ADA (Americans with Disabilities Act) accessibility projects and improvements in the Access-A-Ride system, which has seen a 20% increase in ridership and customer satisfaction has reached 78%, the highest it has ever been.

Chair Lieber stated that the MTA is now facing new and historic challenges. Since the temporary pause on congestion pricing was announced, the agency has been meticulously reprioritizing its Capital Program, with many projects being deferred, including additional ADA stations and new signaling systems. Chair Lieber emphasized the importance of redirecting funds to maintain the system's State of Good Repair, at least until Albany resolves the \$15 billion funding shortfall for the Capital Program, and he noted that later in the meeting Chief Financial Officer Kevin Willens and Deputy CFO Jaibala Patel will provide financial updates.

Despite these difficulties, Chair Lieber reported that yesterday he received notice that Governor Hochul has allocated \$53 million in new State resources to continue utility relocation work for the Second Avenue Subway project, which had been put on hold because of the congestion pricing pause. The Chair expressed confidence in the Governor's commitment to funding the Capital Program, either through congestion pricing or other means,

and he reiterated the MTA's readiness to implement congestion pricing if and when the required approvals are forthcoming.

Chair Lieber noted that the agency is advancing many other projects, including MTA C&D's aggressive advancement of projects like re-signaling the G train using Communications-Based Train Control (CBTC).

Chair Lieber noted that service performance across the system is described as excellent, with subway on-time performance at 84% and Long Island Rail Road and Metro-North Railroad achieving 96% and 98% on-time performance, respectively. Even during the weeks in July where there were extreme heat events, subway on-time performance remained at 82%. Chair Lieber highlighted how the MTA's investments in infrastructure and operations have paid off, preventing major disruptions and ensuring reliable service.

On the financial side, Chair Lieber stressed that the MTA has been able to deliver significant service improvements while achieving cost savings. Despite running more trains and buses, the agency's budget is 3% lower in real terms than it was before the pandemic, which has been achieved by cutting \$400 million from the operating budget without resorting to layoffs or service cuts.

Chair Lieber stated that fare and toll evasion remain a significant challenge, and he outlined efforts that the agency is taking to combat fare evasion, particularly on commuter railroads, where evasion rates have dropped by 30% thanks to improved enforcement and data-driven strategies. At MTA Bridges and Tunnels, a crackdown on drivers with unpaid tolls has reduced the number of unbillable transactions by more than 10%, and Chair Lieber noted that the agency now has the authority to take big unpaid toll bills directly to judgment, allowing the NYC Sheriff to impound vehicles of those who owe large sums.

Chair Lieber acknowledged the progress in reducing fare evasion on subways, including the deployment of hundreds of gate guards and reengineering of turnstiles to make it harder for people to jump over or bypass them. While enforcement is key, the Chair underscored the importance of ensuring that fare evasion is not a crime of poverty; and he highlighted the success of the Fair Fares program, which provides discounted fares for low-income New Yorkers.

Looking ahead, Chair Lieber announced plans to introduce new turnstiles across the subway system and continue addressing bus fare evasion, which is nearing 40%. The Chair stated that although it is not feasible to place a police officer on every bus, the MTA is exploring new strategies to reduce fare evasion on buses without overly relying on enforcement. The Chair acknowledged the frustration of law-abiding riders who witness fare evasion, and he emphasized the need to address it.

Chair Lieber stated that the OMNY contactless fare payment system is another area of progress, with more than half of subway riders now using the system to tap in. The Chair revealed that students will soon begin tapping with their own OMNY cards, which will offer

them 365-day access to the transit system, fostering their independence and encouraging lifelong use of public transit.

The Queens Bus Network Redesign is nearing completion, and Chair Lieber noted that the plan has involved 74 public events as part of an unprecedented outreach effort. Unlike earlier versions of the plan, this redesign assumes growth in service, particularly in areas where demand warrants it. Chair Lieber also mentioned efforts to improve service for West of Hudson customers, including investments in ferries, which have seen a significant increase in ridership.

Chair Lieber stressed the importance of continued investment in the MTA's infrastructure to ensure the system's long-term viability. The current 2020-2024 Capital Program has made significant strides, including improvements in ADA accessibility, elevator and escalator replacement, and modern signaling. However, the Chair stated that much more remains to be done, particularly in rolling stock, power systems, and resiliency against climate change.

Chair Lieber expressed optimism that decision-makers in Albany will understand the need for continued investment and he warned against excessive borrowing, which could burden the operating budget and lead to service cuts, layoffs, or fare hikes. The MTA is too important to the region's economic, environmental, and social future to allow it to fall into disrepair, and Chair Lieber pledged to fight for the necessary funding and investment to keep the system moving forward and ensure it serves future generations of New Yorkers.

The Chair introduced Laura Wiles, Chief of Staff, to present the MTA's Fall Agenda.

Chief of Staff Laura Wiles presented an overview of the MTA's Fall Agenda, which included the following:

- 2025-2029 MTA Capital Plan updates
- 2025 Budget and 4-Year Financial Plan Adoption
- Bi-annual Fare and Toll increases
- Queens Bus Network Redesign Project
- Implementation of Fare and Toll initiatives
- Gate Guards initiative
- Bus enforcement project
- Security camera installations
- SCOUT Team deployment
- OMNY vending machines, student cards, reduce fare, Fair Fares program.

In addition, Laura Wiles introduced and welcomed the new Criminal Justice Advocate Kathryn Falasca and MTA Creative Director Sean Field.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for the details of Chair Lieber's and Laura Wiles' remarks.

General Counsel Paige Graves confirmed a quorum of the Board Members in attendance.

Chair Lieber noted that in Executive Session the Board discussed and voted on an employment matter.

The Chair introduced CFO Kevin Willens to present the financial forecast.

**5. CHIEF FINANCIAL OFFICER'S PRESENTATION OF 2024 MID-YEAR FORECAST, 2025 PRELIMINARY BUDGET AND JULY FINANCIAL PLAN 2024-2028.**

MTA CFO Kevin Willens presented the MTA 2024 Mid-Year Forecast, 2025 Preliminary Budget and the July Financial Plan 2024-2028 to the Finance Committee and MTA Board members. Jaibala Patel, Deputy Chief Financial Officer, discussed the potential impacts of the congestion pricing pause on the operating budget and provided an update on the 2024 operating efficiencies.

Copies of the Mid-Year Forecast, Preliminary Budget, and July Financial Plan were distributed to Board members.

Chair Lieber thanked Kevin Willens and Jaibala Patel for their presentations and invited the Board discussion.

The details of the presentations and Board members' comments and discussion with respect thereto are included in the videotape of the meeting produced by the MTA and maintained in MTA records and the documents are available on MTA.info.

Chair Lieber acknowledged Disability Pride Month and the progress made in accessibility.

**6. APPROVAL OF MINUTES.**

Upon motion duly made and seconded, the Board approved the Joint Minutes of the MTA and MTA Agencies Regular Board meeting held on June 26, 2024.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records for the details.

**7. TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY COMMITTEE.**

Board Member Mack stated that there is one action item for Board consideration and approval:

A. Action Item.

1. Adopt the revised toll violation enforcement regulations and authorize the President of the Authority or her designee to take all steps necessary and desirable to establish and implement the revised regulations as described in the Staff Summary and related attachments.

Upon a motion duly made and seconded, the Board unanimously voted to adopt the action item.

Refer to the staff summary and documentation filed with the records of this meeting for the details on this item.

**8. LONG ISLAND RAIL ROAD/METRO-NORTH RAILROAD COMMITTEE.**

Board Member Marc Herbst reported that there are no items to report for Board approval for the Long Island Rail Road and Metro-North Committee.

**9. NEW YORK CITY TRANSIT AND BUS COMMITTEE.**

Board Member Mihaltses reported that there are no items to report for Board approval for the New York City Transit and Bus Committee.

**10. MTA C&D COMMITTEE.**

Upon a motion duly made and seconded, the Board approved the Capital Program item listed below. Refer to the staff summary and Capital Program Committee minutes filed with the records of this meeting for the details on this item.

Board Member Daniel Garodnick reported one contract modification action for Board Approval totaling \$1.9 million dollars.

**11. MTA COMMITTEE ON FINANCE.**

A. Action Items.

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

1. Updated MTA and TBTA Bond Refunding Policy. Approved the Refunding Policy, that will apply to 2024 refunding previously authorized by the Multiple Series Refunding Bond Supplemental Resolutions and which will be executed after the approval of the Refunding Policy and shall continue in effect without any further action by the Board, until the Board shall have amended, modified or repealed the Refunding Policy.
2. TBTA Special Obligation Resolution Authorizing Real Estate Transfer Tax Revenue Obligations (TBTA Capital Lockbox Fund) for Submission to the Capital Program Review Board (“CDRB”). Authorized officers (as defined in the Real Estate Transfer Tax Obligation Resolution) the authority to discuss the provisions of the annexed resolution with rating agencies of their choosing, financial advisors, underwriters and others and

make the suggested revisions thereto in order to achieve maximum creditworthiness for the benefit of the transit and commuter financing program. Further the Board approved the Real Estate Transfer Tax Obligation Resolution and authorized submission of the Real Estate Transfer Tax Obligation resolution, as the same may be revised, to the CPRB for review and approval.

B. Procurement Items.

Upon a motion duly made and seconded, the Board approved the procurement item listed below. The specifics are set forth in the staff summaries and documentation filed with the meeting materials. Board member Haeda Mihaltses voted in opposition to items # 4 and #5 below.

1. Cigna Health and Life Insurance Company – NYCTA and MaBSTOA Dental Benefits Plan – No. 430645. Approved a competitively negotiated personal services contract to Cigna Health and Life Insurance Company to provide dental benefits services to the MTA on behalf of NYCTA and 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 for a period of performance for five years (January 1, 2025-December 31, 2029), which includes two, 1-year options.
- 2-3. Greystone Management Solutions/Venture NY Property Management LLC – Real Estate Services – Nos. 23000-0100 / 23000-0200. Approved the award of two All-Agency competitively negotiated personal services contracts: (i) Greystone Select Inc., d/b/a Greystone Management Solutions, to provide tenant management, lease administration, design and construction oversight, and transaction management; and (ii) Venture NY Property Management LLC to provide easement oversight and property management services for the MTA Real Estate Department.
- 4-5. Spinoso Management Group, LLC / Jones Lang LaSalle Incorporated (“JLL”) – Grand Central Terminal (“GCT”) and Grand Central Madison (“GCM”) Retail Management – Nos. 22916 / 13112-0100. Approved the award of a competitively negotiated personal services contract to Spinoso Management Group, LLC to provide retail property management services for GCT and GCM; and approved the extension of the current contract with JLL for up to 10 weeks to enable the transition from JLL to Spinoso.
6. Guardian Service Industries, Inc. – Custodial Services for Real Estate Management Facilities – No. 23040-000. Approved the award of a competitively negotiated, miscellaneous service contract to Guardian Services Industries, Inc. to provide custodial services for the MTA facilities.
7. Initium Softworks – Document Management System and Digitization of Files – 900000000004736. Approved the award of an all-agency competitively negotiated miscellaneous services contract to develop and implement a document management system for MTA’s Occupational Health Services Department.

C. Real Estate Items.

Upon a 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.

**Transactional Action Items**

**Metropolitan Transportation Authority**

1. Lease agreement with Starbucks Corporation for a retail unit in 2 Broadway, New York, N.Y.

**New York City Transit Authority.**

2. License agreement with CC Vending, Inc. for vending machines at various subway stations.
3. License agreement with Wells Fargo Bank, N.A. for ATMs at 14 St. Union Square Station, 34 St. Herald Square, Gun Hill Road Station and Jackson Heights Roosevelt Avenue/74<sup>th</sup> Street Stations.
4. Amendment of the lease with Greater Jamaica Development Corp. for a relocated Jamaica Bus Terminal.

**Metro-North Railroad**

5. Lease agreement with Bagel Train Brewster LLC for retail space in the Brewster Station Building, Brewster, N.Y.
6. Acquisition of 3876-3880 Park Avenue from 1049 Ogden Realty Co., LLC in connection with the MNR Claremont Substation Project, Bronx, N.Y.

**Long Island Rail Road**

7. License agreement with Consolidated Edison for vacant land adjacent to the LIRR Freight line at 789 E. 91<sup>st</sup> Street, Brooklyn, N.Y.

**12. AUDIT COMMITTEE.**

Board Member David Jones reported that there are five (5) reports for full Audit Board Approval, and he stated that the Audit Committee met, discussed, accepted and recommended the items, however a quorum of members was not present for the formal approval.

Upon a motion duly made and seconded the Board approved the items listed below. Refer to the Audit Committee minutes of this date for the details of these items.

1. 1<sup>st</sup> Quarter 2024 Financial Statements
2. Pension Audits
3. Single Audit Report
4. Management Letter Report
5. Review of the MTA Inspector General’s Office

Chair Lieber reiterated that in Executive Session the Board discussed and voted on an employment matter.

**13. ADJOURNMENT.**

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 12:09 p.m.

Respectfully submitted,

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

\_\_\_\_\_  
Haley Stein  
Vice President,  
General Counsel and Secretary  
Long Island Rail Road Company

\_\_\_\_\_  
Mariel A. Thompson  
Assistant Secretary  
NYCT

\_\_\_\_\_  
Evan Eisland  
General Counsel and Secretary  
MTA C&D

\_\_\_\_\_  
Paul L. Friman  
General Counsel  
and Corporate Secretary  
TBTA

\_\_\_\_\_  
Victoria Clement  
Assistant Secretary  
MTAHQ

## **Contracts Department**

**Evan Eisland, Executive Vice President and General Counsel**

**PROCUREMENT PACKAGE  
September 2024**

## PROCUREMENTS

The Procurement Agenda this month includes 3 actions for a proposed expenditure of \$ 9.6 M.

# Staff Summary

<b>Subject</b> Request Authorization for Several Procurement Actions					
<b>Contracts Department</b>					
Evan Eisland, Executive Vice President and General Counsel					
<b>Board Action</b>					
Order	To	Date	Approval	Info	Other
1	Capital Program Committee	9/23/24	X		
2	Board	9/25/24	X		

<b>Date:</b> September 20, 2024			
<b>Internal Approvals</b>			
	Approval		Approval
X	Deputy Chief Development Officer, Delivery	X	President
X	Deputy Chief Development Officer, Development	X	Executive Vice President & General Counsel

## Purpose

To obtain the approval of the Board to award several procurement actions and to inform the Capital Program Committee of these procurement actions.

## Discussion

### Schedules Requiring Majority Vote

I. Modifications to Purchase and Public Work Contracts	1	\$	7,964,000
SUBTOTAL	1	\$	7,964,000

MTA Construction & Development proposes to award Ratifications in the following category:

### Schedules Requiring Majority Vote

K. Ratification of Completed Procurement Actions	2	\$	1,682,977
SUBTOTAL		\$	1,682,977
<b>TOTAL</b>	<b>3</b>	<b>\$</b>	<b>9,646,977</b>

## Budget Impact

The approval of these procurement actions will obligate operating and capital funds in the amounts listed. Funds are available in the capital program and operating budgets for these purposes.

## Recommendation

That the procurement actions be approved as proposed. (The items are included in the resolution of approval at the beginning of the Procurement Section.)

## **MTA Construction & Development**

### **BOARD RESOLUTION**

**WHEREAS**, in accordance with Sections 559, 2879, 1209 and 1265-a of the Public Authorities Law and the All Agency General Contract 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 Service Contract Procurement Guidelines and the All Agency General Contract 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.

**September 2024**

**LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL**

**Procurements Requiring Majority Vote:**

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

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

- |           |  |                     |                                      |
|-----------|--|---------------------|--------------------------------------|
| <b>1.</b> | <b>Restani Construction Corp.<br/>Contract No. GFM-526</b> | <b>\$ 7,964,000</b> | <b><u>Staff Summary Attached</u></b> |
|-----------|--|---------------------|--------------------------------------|

MTA Construction and Development requests that the Board approve a modification to increase certain repair quantities and extend the term of the contract for as-needed roadway repairs for all MTA Bridges and Tunnels bridges and roadways.

# Staff Summary

## Schedule I: Modifications to Purchase and Public Work Contracts

Item Number: 1

<b>Vendor Name (&amp; Location)</b> Restani Construction Corporation (Astoria, New York)
<b>Description</b> Authority Wide Roadway Repairs
<b>Contract Term (including Options, if any)</b> 72 Months (December 31, 2018 – December 31, 2024)
<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive
<b>Solicitation Type</b> <input 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 Dept/Div &amp; Dept/Div Head Name:</b> Delivery, Joe Keane, SVP & Chief Engineer, B&T Business Unit

<b>Contract Number</b> GFM-526	<b>AWO/Modification #</b> 6
<b>Original Amount:</b>	\$ 43,570,540
<b>Prior Modifications:</b>	\$ 0
<b>Prior Budgetary Increases:</b>	\$ 0
<b>Current Amount:</b>	\$ 43,570,540
<b>This Request:</b>	<b>\$ 7,964,000</b>
<b>% of This Request to Current Amount:</b>	18%
<b>% of Modifications (including This Request) to Original Amount:</b>	18%

### Discussion:

The Contract provides for Roadway Repairs on an as-needed unit price basis for all MTA Bridges and Tunnels (“B&T”) bridges and roadways. MTA Construction and Development Company (“C&D”) requests that the Board approve Modification No. 6 for an interim reconciliation of Contract unit price items, including increases to certain repair quantities as well as extending the term of the Contract by seven months.

The Contract provides unit prices and estimated quantities for different types of repair that may be needed, including asphalt milling & paving, concrete pavement repair & replacement, roadway joint sealing, installation of pavement line striping and pothole repairs, which are directed on an as needed basis. The Contract was awarded with a 4-year term and was extended to six years at no additional cost under previous modifications. The quantities for the above-named repair categories have now been depleted and various other quantities require reconciliation based on actual usage to date.

Award of a replacement contract is anticipated in mid-2025, making it necessary to extend this Contract and increase the quantities of certain repair categories to maintain a State of Good Repair of MTA B&T bridges and roadways. The increased quantities provided for in this modification are proportional to the annual usage of these items over the Contract’s duration. There is no increase to the unit prices for the various repair items and a review by C&D determined that the Contract pricing is still favorable to the MTA.

The Contractor submitted its cost proposal in the amount of \$7,964,000, utilizing the existing Contract unit prices. Accordingly, the Contractor’s proposal is considered fair and reasonable. This modification also includes an extension of the Contract term by 212 calendar days from December 31, 2024, to July 31, 2025.



# Staff Summary

## Schedule K: Ratification of Completed Procurement Actions

Item Number: **2**

<b>Vendor Name (&amp; Location)</b> Urban EcoSpaces, Inc. (Bayside, New York)
<b>Description</b> Node House Roof Replacement
<b>Contract Term (including Options, if any)</b> 18 Months (February 2, 2023 – October 2, 2024)
<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive
<b>Solicitation Type</b> <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification
<b>Funding Source</b> <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:
<b>Requesting Dept/Div &amp; Dept/Div Head Name:</b> Delivery, Mark Roche, Deputy Chief Development Officer

<b>Contract Number</b> MN146606	<b>AWO/Modification #</b> 01
<b>Original Amount:</b>	\$ 1,075,000
<b>Prior Modifications:</b>	\$ 0
<b>Prior Budgetary Increases:</b>	\$ 0
<b>Current Amount:</b>	\$ 1,075,000
<b>This Request:</b>	\$ <b>113,519.90</b>
<b>% of This Request to Current Amount:</b>	10.6%
<b>% of Modifications (including This Request) to Original Amount:</b>	10.6%

### DISCUSSION:

The Contract, awarded under the MTA’s Small Business Mentoring Program, provides for the replacement of the roofs of 23 Metro-North Railroad Communications Node Houses. Node Houses are small prefabricated concrete structures that provide shelter for communications equipment. MTA Construction and Development Company (“C&D”) requests that the Board ratify Modification No. 01 to the Contract to furnish and install additional roofing components.

In the fall of 2023, after three of the 23 roofs were installed, bubbling was observed in the membranes of the newly installed roofs. Installation was halted and an investigation conducted to determine the cause of the bubbling. Although the original contract specifications for the roof were reviewed and approved by a roofing expert and the roofing manufacturer, it was determined that the climate control necessary to maintain the equipment in the Node Houses created an unanticipated accumulation of moisture in the roof area, necessitating changes to the roof design, including the addition of a vapor barrier, cover boards and an alternate membrane.

This modification will pay for the difference in cost between installing a roof with the modified specifications versus the original specifications at the 20 locations where no work was done before the problem was discovered. This modification will also pay for the replacement of the roofs in the first three locations where work was completed prior to the problem being determined.

To take advantage of existing track outages and favorable temperatures, authorization was obtained on March 28, 2024, to allow the Contractor to commence work up to a not-to-exceed amount of \$75,000 to install the roofs with modified specifications on the 20 node houses where no was previously performed, which work is complete. The work of replacing the roofs at the first three node houses, where roofs conforming to the original specification, remains to be completed.

The Contractor submitted a cost proposal in the amount of \$115,845.14. Negotiations resulted in agreement of a lump sum price of \$113,518.90 which is considered fair and reasonable.

# Staff Summary

## Schedule K: Ratification of Completed Procurement Actions

Item Number: **3**

<b>Vendor Name (&amp; Location)</b> Schindler Elevator Corporation (Morristown, New Jersey)
<b>Description</b> Post Revenue Service Maintenance Extension
<b>Contract Term (including Options, if any)</b> 168 Months (September 27, 2010 – July 28, 2024)
<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"/> Non-competitive
<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 Dept/Div &amp; Dept/Div Head Name:</b> East Side Access, Judith Kunoff, SVP and Program Executive

<b>Contract Number</b> VM014	<b>AWO/Modification #</b> 46
<b>Original Amount:</b>	\$ 24,077,558
<b>Prior Modifications:</b>	\$ 36,423,240.25
<b>Prior Budgetary Increases:</b>	\$
<b>Current Amount:</b>	\$ 62,288,179.25
<b>This Request:</b>	\$ <b>1,569,456.21</b>
<b>% of This Request to Current Amount:</b>	2.5%
<b>% of Modifications (including This Request) to Original Amount:</b>	158%

### DISCUSSION:

Contract VM014 (the “Contract”) provided for the fabrication, installation and maintenance of the escalators and elevators in Grand Central Madison (“GCM”). The Contract also provided for off-site storage of three escalators slated for installation at the future 48<sup>th</sup> Street entrance. MTA Construction and Development (“C&D”) requests that the Board ratify a modification to extend the Contract for up to seven additional weeks for a not-to-exceed amount of \$1,569,456.21, that allowed the VM014 Contractor to continue to support the operation and maintenance of the escalators and elevators while these duties transitioned to a long-term maintenance contract.

A long-term contract for the operation and maintenance of GCM was awarded on July 2, 2024. The contractor for that contract needed ten weeks to mobilize, necessitating continuance of the maintenance program carried out by the VM014 Contract. The continuation of these services was critical to maintaining the elevators and escalators in GCM and providing timely response to service issues. In order to prevent service interruption, authorization was obtained from the President of MTA C&D to continue interim maintenance during the period July 29, 2024 to September 15, 2024. Operation and maintenance of the escalators and elevators was turned over to the long-term maintenance contractor on September 15, 2024.

The VM014 Contractor agreed to maintain its current crew size and continued providing services during the seven-week extension of the Contract at a reduced weekly rate of \$224,208.03, for a total amount not to exceed \$1,569,456.21, which is considered fair and reasonable.

# **New York City Transit Procurements**

**Louis Montanti**, MTA Deputy Chief Procurement Officer – Procurement Operations

## PROCUREMENTS

The Procurement Agenda this month includes 2 actions for a proposed estimated expenditure of \$6.0M.

<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	09/23/24			
2	Board	09/25/24			

September 20, 2024			
<b>Department</b>			
<b>Department Head Name</b>			
<b>Department Head Signature</b>			
<b>Internal Approvals</b>			
	<b>Approval</b>		<b>Approval</b>
	President NYCT	X	Pres. MTA Bus/SVP DOB
X	Deputy CFO	X	VP Paratransit
X	Law	X	Diversity/Civil Rights

<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 NYC Transit Committee of these procurement actions.

**DISCUSSION**

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

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

<u>Schedules Requiring Two-Thirds Vote:</u>	<u># of Actions</u>	<u>\$Amount</u>
Schedule B: Competitive Request for Proposals	1	\$ TBD M
<u>Schedules Requiring Majority Vote:</u>		
Schedule H: Modifications of Personal/Miscellaneous Service Contracts	1	\$ 6.0 M
<b>SUBTOTAL</b>	<b>2</b>	<b>\$ 6.0 M</b>

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

<b>TOTAL</b>	<b>2</b>	<b>\$ 6.0 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.

**SEPTEMBER 2024**

**LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL**

***Procurements Requiring Two-Thirds Vote:***

**B. Competitive Requests for Proposals (Solicitation of Purchase and Public Work Contracts)**  
(Staff Summaries required for items estimated to be greater than \$1,000,000.)

- |   |                              |                                      |
|---|------------------------------|--------------------------------------|
| <b>1. Contractor to be determined</b><br><b>Contract Term to be determined</b><br><b>Contract# TBD</b>                | <b>Cost to be determined</b> | <b><i>Staff Summary Attached</i></b> |
| Issue a competitive Request for Proposal for the procurement of a Paratransit Camera Security System for NYC Transit. |                              |                                      |

***Procurements Requiring Majority Vote:***

**H. Modifications to Personal Service Contracts and Miscellaneous Service Contracts Awarded as Contracts for Services**  
(Staff Summaries required for items estimated to be greater than \$1,000,000.)

- |   |                    |                                      |
|---|--------------------|--------------------------------------|
| <b>2. Feigi Taub Halberstam Audiology &amp; Speech Pathology d/b/a Omni Rehab</b><br><b>Five years base + 2-year Options</b><br><b>Contract# 6%29162.3</b>  | <b>\$6,000,000</b> | <b><i>Staff Summary Attached</i></b> |
| Contract for eligibility assessment services for Paratransit; Modification to establish an assessment center at 3 Stone Street in the borough of Manhattan. |                    |                                      |

<b>Item Number: 1</b>			
<b>Department, Department Head Name:</b> MTA Deputy Chief Procurement Officer, Louis A. Montanti			
<b>Internal Approvals</b>			
<b>Order</b>	<b>Approval</b>	<b>Order</b>	<b>Approval</b>
1	Procurement		
2	X Law		
3	Deputy CFO		
4	VP Paratransit		
5	President, NYCT		

<b>SUMMARY INFORMATION</b>	
<b>Vendor Name</b> RFP Authorizing Resolution	<b>Contract No.</b> TBD
<b>Description</b> Purchase of Paratransit Camera Security System	
<b>Total Amount:</b> TBD	
<b>Contract Term (including Options, if any)</b> TBD	
<b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" 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**

To request that the Board declare competitive bidding impractical or inappropriate for the procurement of a Paratransit Camera Security System (“PCSS”) for NYC Transit and that it is in the public interest to issue a competitive Request for Proposals (“RFP”) pursuant to New York State Public Authorities Law, Section 1209, subdivision 9(g).

**Discussion**

The Public Authorities Law, Section 1209, subdivision 9(g) permits NYC Transit to use the competitive RFP process in lieu of competitive bidding to award contracts based on a formal evaluation of characteristics such as quality, delivery, and cost against stated selection criteria. NYC Transit is desirous of utilizing such a procedure with respect to the procurement of a PCSS.

The PCSS consists of a series of cameras to be installed on each of the MTA’s Paratransit-owned vehicles operated by the primary carriers to capture video images, which will be wirelessly uploaded along with a system health report for use in managing data and ensuring proper operation of the on-board equipment. This process will assist Paratransit in enhancing the safety and security of its operators and customers as well as address operational issues in real time to enhance customer service and the customer experience. Additionally, the PCSS will allow NYC Transit to view post-accident and incident video to evaluate the circumstances surrounding the accident or incident should a complaint or legal claim be filed.

Utilizing the RFP process will allow NYC Transit to select the proposal(s) that offers the best overall value through negotiations and evaluation based on criteria that reflect the critical needs of the Authority. By utilizing the RFP process for the acquisition of the PCSS, NYC Transit will be able to (1) weigh factors such as overall project price, overall quality of proposer and product; (2) negotiate specific contract terms, such as warranty and payment terms; (3) negotiate technical matters as deemed appropriate; and (4) include any other factors that NYC Transit deems relevant to its operation. Upon completion of the RFP process, NYC Transit will obtain Board approval prior to making an award.

**Alternative**

Issue competitive Invitations for Bid. Not recommended, given the complexity of this procurement and the advantages offered by the RFP process.

**Impact on Funding**

It is anticipated that this project will be 100 percent locally funded.

**Recommendation**

That the Board declare competitive bidding impractical or inappropriate for the procurement of a PCSS and that it is in the public interest to issue a competitive RFP pursuant to New York State Public Authorities Law, Section 1209, subdivision 9(g) for NYC Transit

**Item Number: 2**

<b>Vendor Name (Location)</b> Feigi Taub Halberstam Audiology & Speech Pathology d/b/a Omni Rehab (Brooklyn, New York)	<b>Contract Number</b> 6%29162	<b>AWO/Mod. #</b> 3
<b>Description:</b> Eligibility Assessment Services for Paratransit and Reduced Fare	<b>Original Amount:</b> \$ 5,153,978 Base \$ 2,274,012 Option	
<b>Contract Term (including Options, if any)</b> 5-year Base Term: January 7, 2022–January 6, 2027 2-year Option (if exercised): January 7, 2027–January 6, 2029	<b>Prior Modifications:</b> \$ 0	
<b>Option(s) included in Total Amount?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a	<b>Current Amount:</b> \$ 5,153,978	
<b>Procurement Type</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	<b>This Request: \$ 3,414,298</b> \$1,782,000 Base \$1,632,298 Option	
<b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	<b>% of This Request to Current Amount:</b> 66.3%	
<b>Funding Source</b> <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	<b>% of Modifications (including This Request) to Original Amount:</b> 66.3%	
<b>Requesting Department:</b> Paratransit, Rachel Cohen Acting VP		

**Discussion:**

NYC Transit is seeking Board approval to modify Contract 6%29162 with Feigi Taub Halberstam Audiology & Speech Pathology, P.C. d/b/a Omni Rehab (“Omni”) to provide eligibility assessments for Paratransit in the total estimated amount of \$3,414,298 (\$1,782,000 for the base award and \$1,632,298 for the option years). The eligibility assessment center, established for 3 Stone Street in lower Manhattan, is anticipated to open on October 1, 2024. The base contract period for this modification runs concurrent with the original base term (through January 6, 2027) with an option to extend the term for up to two additional years.

NYC Transit provides origin-to-destination, demand responsive, shared-ride paratransit service for disabled individuals who meet the eligibility criteria set forth in the Americans with Disabilities Act. This service is provided through Access-A-Ride (“AAR”), which is managed and operated by the Department of Paratransit (“Paratransit”). The Eligibility Assessment Service contracts provide Paratransit with an independent eligibility recommendation based on an assessment of an applicant’s disability and how it may or may not prevent their use of fixed-route transportation. These contracts are also utilized to provide NYC Transit with eligibility assessments for its reduced-fare program.

In July 2021, Request for Proposal (“RFP”) 354071 was competitively solicited with the intent of providing assessment centers throughout the five boroughs of New York City. The December 2021 Board approved the awards of three, 5-year, estimated quantity, miscellaneous service contracts to Gramercy Park Physical Therapy (“Gramercy”), Theradynamics Rehab Management, LLC (“Theradynamics”), and Omni. Each contract included an option to extend the term for up to two additional years. Gramercy was awarded a contract to operate an eligibility assessment center in the borough of Staten Island; Theradynamics in the boroughs of Brooklyn, Queens, and the Bronx; and Omni in the borough of Brooklyn. A Manhattan eligibility assessment center was not awarded at the time of the RFP because a suitable facility could not be identified.

NYC Transit is modifying Omni’s current Eligibility Assessment Services contract to add a facility in the borough of Manhattan to provide AAR assessments only. As it does for operating the Brooklyn assessment center, Omni will provide licensed medical staff (trained by Paratransit’s Eligibility Determination Unit) to evaluate applicants of AAR via an interview and/or performance of a functional assessment and provide Paratransit with a detailed report of their findings to assist NYC Transit in determining applicant eligibility for the program. Additionally, it should be noted that the 3 Stone Street location to be utilized by Omni is building space currently leased by the MTA. The decision to utilize MTA-leased space was prompted by the lack of adequate, affordable, and available space for an eligibility assessment center in Manhattan.

In May 2022, Modification 1 to Omni's Contract adjusted the quantities for the Brooklyn Price Schedule to properly reflect 60 percent of the estimated quantities for Brooklyn per the Contract award. In May 2024, Modification 2 to Omni's Contract added the Triborough Bridge and Tunnel Authority as an authorized User of the Contract in preparation for Individual Disability Exemption Plan Assessment Services, which is currently on hold.

Pricing is based on a per-assessment rate for each assessment category (e.g., Interview Only/Interview and Functional/Cognitive). Through negotiations, the average price per assessment for the base term is \$110, and \$113.35 for the option period. MTA's Cost/Price Unit performed an analysis and deemed the average price per assessment for both the base and option periods to be fair and reasonable.

NYC Transit has utilized Omni as its Brooklyn Assessment Center location for approximately years. Paratransit's Project Manager states that Omni successfully provides independent assessments by their trained medical professionals and responds to inquiries in a swift and appropriate manner. All required reporting is submitted in a timely fashion in accordance with the service contract.

The NYC Transit Controller's Office performed an updated financial analysis of Omni and found it to be financially qualified to perform the work.

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

The contract awarded to Omni resulting from this procurement was evaluated to determine the necessity and appropriate scope, if any, of cybersecurity requirements, including any requirements under federal, state, and local law and regulations. Omni has certified compliance with the MTA's cybersecurity requirements.

**M/W/DBE Information**

The Department of Diversity and Civil Rights ("DDCR") established M/WBE goals of 15 percent Minority and 15 percent Women-owned businesses to Eligibility Assessment contracts. Omni continues to work with DDCR to attain the assigned goals through utilization of both the Brooklyn and Manhattan locations.

# Staff Summary

<b>Subject</b> MTA All Agency Investment Guidelines Revision	<b>Date</b> September 23, 2024
<b>Department</b> CFO/Treasury	<b>Vendor Name</b>
<b>Department Head Name</b> Kevin Willens, Chief Financial Officer	<b>Contract Number</b>
<b>Department Head Signature</b>	<b>Contract Manager Name</b>
<b>Project Manager/Division Head</b> Scott Gerstner, Director Cash and Investment Management/Olga Chernat, Deputy Chief, Financial Services	<b>Table of Contents Ref #</b>

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	9/23	X		
2	Board	9/25	X		

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

**PURPOSE:**

The MTA Treasury Department (the “Department”) is seeking Board approval to revise the MTA All Agency Investment Guidelines (the “Investment Guidelines” or “Guidelines”) to provide authorization to invest in money market funds that meet the definition of “Government Money Market Fund” under the SEC’s Rule 2a-7<sup>1</sup> under the Investment Company Act of 1940.

**DISCUSSION:**

The MTA All Agency Investment Guidelines establish parameters for investing MTA’s operating and capital program funds and define the types of securities the MTA Treasury Department is authorized to invest in. The revised MTA All Agency Investment Guidelines will authorize investments in money market funds that meet the definition of “Government Money Market Fund” under Rule 2a-7 under the Investment Company Act of 1940, provided such money market funds do not impose any liquidity fees or suspend redemption. To qualify as “Government Money Market Fund” under Rule 2a-7, money market funds are required to invest at least 99.5% of their assets in cash or securities issued or guaranteed by the United States or certain U.S. governmental agencies or instrumentalities and/or repurchase agreements that are collateralized fully by U.S Treasury and U.S. government securities. The authorization of Government Money Market Funds provides a flexible alternative option for the MTA Treasury to invest funds into short-term securities issued or guaranteed by the United States in addition to purchasing such investments directly in the market and allows for the excess cash sweep into Government Money Market Funds to enhance investment returns on the funds.

**ALTERNATIVES:**

The Board could determine that the MTA All Agency Investment Guidelines remain in effect without change, and the MTA Treasury Department’s investment into securities issued or guaranteed by the United States be limited to the direct purchase of such securities. This alternative is not advised as it limits the staff’s ability to manage the portfolio to maximize investment returns while safeguarding the investment portfolio’s principal.

**RECOMMENDATION:**

It is recommended that the MTA Board approve the revised Investment Guidelines.

<sup>1</sup> 17 CFR 270.2a-7] under the Investment Company Act of 1940 [15 U.S.C. 80a-1 et seq.] (“1940 Act”).

MTA ALL AGENCY  
INVESTMENT GUIDELINES  
Operating and Capital Program Funds

WHEREAS the Treasury Department of the Metropolitan Transportation Authority manages the investment of the operating and capital program funds of the Metropolitan Transportation Authority (MTA), The Long Island Rail Road Company (LIRR), the Metro-North Commuter Railroad Company (MN), the Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA), the Metropolitan Suburban Bus Authority (MSBA), the New York City Transit Authority (NYCTA), the Staten Island Rapid Transit Authority (SIRTOA), the Grand Central Madison Concourse Operating Company (GCMCO) and the Triborough Bridge and Tunnel Authority (TBTA) (collectively the related entities), and

WHEREAS the investment of funds are regulated by the New York State Public Authorities Law, the State Comptroller's Investment Guidelines for Public Authorities, and in accordance with the Bond Resolutions of the MTA and TBTA ,

BE IT RESOLVED, that the following investment guidelines be adopted by the related entities.

## I. GENERAL GUIDELINES

1. The MTA Treasury Department (Treasury) shall be responsible for the execution and management of all operating and capital program investment activity for each of the related entities. The Treasury Department will report to the Director of Finance.
2. Federal Statutory Requirements, New York State Statutory Requirements, and Bond Resolutions of the related entities supercede these guidelines.
  - a. Federal Statutory requirements include compliance with any existing or future statute or administrative ruling that may affect the tax-exempt status of related entities' debt.
  - b. New York State statutory requirements include, but not limited, to the following sections:
    - i. Public Authorities Law Sections 1265(4) (MTA), 1204(19) (Transit Authority) and 553(21) (TBTA)
    - ii. Public Authorities Law Section 2925 Investment of funds by public authorities and public benefit corporations; general provisions
    - iii. State Finance Law Article 15 – EXCELSIOR LINKED DEPOSIT ACT
3. Authorized Investment Obligations will be limited to the following:
  - a. obligations of the state or the United States government,
  - b. obligations the principal and interest of which are guaranteed by the state or the United States government,
  - c. money market funds that meet the definition of “Government Money Market Fund” under the SEC’s Rule 2a-71 under the Investment Company Act of 1940, and do not impose any liquidity fees or suspend redemptions,
  - ~~e.d.~~ certificates of deposit of banks or trust companies in this state, secured, if the authority shall so require, by obligations of the United States or of the state of New York of a market value equal at all times to the amount of the deposit,
  - ~~d.e.~~ banker’s acceptances with a maturity of ninety days or less which are eligible for purchase by the federal reserve banks and whose rating at the time of purchase is in the highest rating category of two nationally recognized independent rating agencies, provided, however, that the amount of banker’s acceptances of any one bank shall not exceed two hundred fifty million dollars,
  - ~~e.f.~~ obligations of any bank or corporation created under the laws of either the United States or any state of the United States maturing within two hundred seventy days, provided that such obligations receive the highest rating of two nationally recognized independent rating agencies and, provided further, that no more than two hundred fifty million dollars may be invested in such obligations of any one bank or corporation,
  - ~~f.g.~~ as to any such moneys held in reserve and sinking funds, other securities in which the

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1 17 CFR 270.2a-71 under the Investment Company Act of 1940 [15 U.S.C. 80a-1 et seq.] (“1940 Act”).

- trustee or trustees of any public retirement system or pension fund has the power to invest the monies thereof pursuant to article four-a of the retirement and social security law, each such reserve and sinking fund being treated as a separate fund for the purposes of article four-a of the retirement and social security law,
- ~~g.~~h. notes, bonds, debentures, mortgages and other evidences of indebtedness, issued or guaranteed at the time of the investment by the United States postal service, the federal national mortgage association, the federal home loan mortgage corporation, the student loan marketing association, the federal farm credit system, or any other United States government sponsored agency, provided that at the time of the investment such agency or its obligations are rated and the agency receives, or its obligations receive, the highest rating of all independent rating agencies that rate such agency or its obligations, provided, however, that no more than two hundred fifty million dollars or such greater amount as may be authorized for investment for the state comptroller by section ninety-three of the state finance law may be invested in the obligations of any one agency,
  - ~~h.~~i. general obligation bonds and notes of any state other than the state, provided that such bonds and notes receive the highest rating of at least one independent rating agency, and bonds and notes of any county, town, city, village, fire district or school district of the state, provided that such bonds and notes receive either of the two highest ratings of at least two independent rating agencies,
  - ~~i.~~j. mutual funds registered with the United States securities and exchange commission whose investments are limited to obligations of the state described in paragraph (a) of this subdivision, obligations the principal and interest of which are guaranteed by the state described in paragraph (b) of this subdivision, and those securities described in paragraph (h) of this subdivision and that have received the highest rating of at least one independent rating agency, provided that the aggregate amount invested at any one time in all such mutual funds shall not exceed ten million dollars, and, provided further, that the authority shall not invest such funds, accounts or other monies in any mutual fund for longer than thirty days,
  - ~~j.~~k. financial contracts in a foreign currency entered into for the purpose of minimizing the foreign currency exchange risk of the purchase price of a contract with a vendor chosen through competitive process for the acquisition of capital assets for the benefit of the capital program of the Triborough bridge and tunnel authority or either the transit or transportation capital programs, and
  - ~~k.~~l. repurchase agreements with any dealer or bank, which agreement is secured by any one or more of the securities described in clauses (a), (b) or (g) above, which securities shall (A) at all times have a market value of not less than the full amount held or invested pursuant to the agreement and (B) be delivered to a Bank as defined in clause (i) or (ii) of the definition thereof, as custodian, that is independent from the dealer or bank with whom the repurchase agreement is executed.

4. Bank shall mean any (i) bank or trust company organized under the laws of any state of the United States of America, (ii) national banking association, (iii) savings bank or savings and loan association chartered or organized under the laws of any state of the United States of America, or (iv) federal branch or agency pursuant to the International Banking Act of 1978 or any successor provision of law, or domestic branch or agency of a foreign bank which branch or agency is fully licensed or authorized to do business under the laws of any state or territory of the United States

of America.

5. Trading Authorization – The board delegates to the Chairman and the Executive Director, acting individually, the power to authorize certain individuals to buy and sell securities and enter into investment agreements on behalf of the related entities. The trading authorization will take the form of attachment A to these guidelines.
6. Investment Limitations – All dollar limitations for investment will be based on the original cost of the investment including accrued interest purchased at the time of investment.

## **II. CUSTODIAN**

1. All Investment Obligations and collateral is to be held by a custodian who is not a party to the Investment Obligation.
2. A custodian must meet either of the following three criteria:
  - a. A bank as the term is defined in either clauses (i) or (ii) in section I.4 of these guidelines, and which the MTA Board has adopted a resolution establishing the bank as a depository of the MTA or any of its related entities.
  - b. A bank appointed as a trustee under a specific MTA board resolution.
  - c. A bank designated as a trustee by an authorized officer who has been delegated the authority by the MTA Board to appoint a custodian as part of a specific transaction.
3. Each bank acting as a custodian, except for a custodian established for a specific transaction, must have the following capabilities;
  - a. Daily electronic reporting of all investment and cash activity,
  - b. Acceptance of electronic instructions to buy, sell, deliver or receive securities,
  - c. Acceptance of electronic instructions to transfer funds, and
  - d. Electronic Access to current Investment Inventory position statements.
4. The Treasury Department will maintain at least \$100 million of its portfolio with a separate emergency custodian bank. The purpose of this deposit is in the event that the MTA's main custodian cannot execute transactions due to an emergency outside of the custodian's control, the MTA has an immediate alternate source of liquidity. Securities held in the separate emergency custodian bank are subject to the following conditions;
  - a. The securities will be included in the MTA portfolio, and
  - b. All security activity in the emergency custodian bank will be governed by these guidelines.

### **III. REPURCHASE AGREEMENTS**

1. An executed Master Repurchase Agreement, approved as to form by the MTA General Counsel, must be executed between the dealer or bank and the MTA. The Director of Treasury is authorized to execute the agreement on behalf of the related entities.
  - a. A dealer must be listed on the "LIST OF THE GOVERNMENT SECURITIES DEALERS REPORTING TO THE MARKET REPORTS DIVISION OF THE FEDERAL RESERVE BANK OF NEW YORK", published by the Federal Reserve Bank of New York.
  - b. Agreements currently signed with firms meeting the requirements contained in the current Investment Guidelines will remain in effect.
  
2. The market value of the collateral must at all times be not less than the principal amount of the repurchase agreement plus the accrued interest of the repurchase agreement. MTA Treasury will use as its primary source its mark-to-market report based upon the prior day closing prices.
  - a. A mark- to- market of the collateral will be done each morning. The market value will include the accrued interest on the collateral securities.
  - b. For repurchase agreements having a term of more than 1 business day, if the market value of the collateral is less than 102%, rounded to the nearest 1%, additional collateral must be delivered to the MTA's custodian.
  - c. For the purpose of the mark- to- market calculation, the market value for all repurchase agreements with any one dealer, having a maturity of more than 1 business day, may be aggregated against the total collateral requirement for all of the repurchase agreements, having a maturity of more than 1 business day, with the one dealer.
  - d. The Treasury Department may waive the requirement for additional collateral if the amount of additional collateral is less than \$100,000.00 and the market value, as determined in the daily mark to market referred to in subsection (a) of this section, of the collateral held by the MTA's custodian is greater than the sum of the principal amount of the repurchase agreement plus the accrued interest of the repurchase agreement.
  - e. On the purchase date, which is the date on which the repurchase agreement is entered into, the Treasury Department will test a minimum of 20% of the repurchase agreements to ensure that the collateral being delivered is sufficient for the repurchase agreement.
  - f. For overnight, including weekends and holidays, repurchase agreements, the Treasury Department will be responsible for monitoring dealer performance and will take corrective action with regard to chronic problems. Such corrective action will consist of notifying in writing the dealer who has developed a pattern of not providing adequate collateral. If the problem persists, the Treasury Department will discontinue doing business with the dealer.
  - g. For repurchase agreements longer than overnight, including weekends and holidays, the Treasury Department will contact any under collateralized dealer and require additional collateral or the return of cash as required in the written repurchase agreement. Request for additional collateral should be made by 10:00AM.

- h. In the event of a dispute, a revised mark-to-market report may be used based upon current day pricing provided by a 3<sup>rd</sup> party, such as Bloomberg LLP. Documentation for such a revised report will consist of a screen pricing out of each collateral security at the current bid price plus the accrued interest on the collateral security.

Nothing in these guidelines prohibit entering into 3<sup>rd</sup> party repurchase agreements if the custodian meets the above criteria and all segregation requirements for the MTA funds are maintained.

- 3. Dealer limits for repurchase agreements are to be determined by a tier level based on a firm's capital.
  - a. The tier levels are:
    - 1st Tier - \$1,000.0 million or more in capital
    - 2nd Tier - \$200.0 to \$999.9 million in capital
    - 3rd Tier - Less than \$200.0 million in capital
  - b. Capital will be defined as the sum of the firm's equity plus subordinated long-term debt. If the dealer is a wholly owned subsidiary of another dealer, and is included in a consolidated balance sheet of the parent broker, the parent's capital will be the basis for determining the capitalization. If the parent organization is not primarily a dealer/broker type of firm, but does have a major portion of its revenues generated by other than security type transactions, the parent's capital will not be included. This would exclude firms owned by insurance companies, and other non-security investment institutions. Only audited financial statements will be used for determining the firm's capital.
    - i. Capital for a bank or dealer owned by a bank shall mean the bank's equity only.
    - ii. The capital of those holding companies which are foreign based cannot be applied for the purpose of determining capitalization except and unless the holding company has provided an unconditional guarantee in writing and any necessary supporting documents in a form acceptable to the MTA General Counsel against any losses incurred as a result of the domestic subsidiary being unable to fulfill its Contractual Obligations with the MTA.
    - iii. Only audited financial statements will be used for determining a firm's capital.
  - c. The total maximum exposure for repurchase agreements to any Dealer/Banks will be limited by Tier as follows for any one day:
    - 1st Tier - \$300.0 million
    - 2nd Tier - \$250.0 million
    - 3rd Tier - amount of firm's capital
- 4. Investment in repurchase agreements will be further governed by the following operational requirements:

- a. The Treasury Department will maintain a record of the results of its monitoring of overnight repurchase agreement collateral for each dealer.
- b. All repurchase agreements shall be in the form of cash versus delivery.
- c. The MTA Treasury Department will determine the final maturity of repurchase agreements based upon cash needs of the Authority.
- d. A minimum of three solicitations will be made prior to the awarding of any repurchase agreement. The award of the investment will be made in order of the highest yields, and in accordance with the exposure constraints established in Section III.3. A written record of the quotes received and awards made will be maintained by the Treasury Department.

#### **IV. SECURITY PURCHASES AND SALES**

1. The direct purchase of investment obligations securities covers the purchase of securities listed in sections I.3.a, b, d, e, g and h above.
2. All securities will be delivered to a designated MTA Custodian against cash payment. Delivery instructions will be sent to the MTA Custodian electronically or via telecopied letter signed by an authorized signer
3. A minimum of three (3) bids or offers will be solicited for direct purchases or sales of securities. The award will be based on lowest cost for purchases or highest price for sales. A written record of the quotes received will be maintained by the Treasury Department.
4. Nothing in this section prohibits the use of electronic trading screens, provided that the requirements of III.2 and III.3 are met.
5. The authority may participate directly in US Treasury government security auctions. This participation takes the form of placing an order through one of the dealers listed on the "LIST OF THE GOVERNMENT SECURITIES DEALERS REPORTING TO THE MARKET REPORTS DIVISION OF THE FEDERAL RESERVE BANK OF NEW YORK", published by the Federal Reserve Bank of New York. The award of securities is determined by the results of the auction process, and is based on the rates received and the amount of securities offered for sale. The pricing results of the auction are published, and such published notices will be included in the record of the trade.

## **V. REPORTING REQUIREMENTS**

1. The Treasury Department will prepare reports as scheduled by the Finance Committee's work plan, investment reports covering the investment activity of all MTA Treasury Department funds. These reports will contain a detailed listing of all broker activity for the period. A listing of dealers with whom the MTA does repurchase agreements including limits set for each broker, will also be included.
2. An annual investment report shall be submitted to the Finance Committee consisting of the following:
  - a. Investment Guidelines and amendments to those guidelines since the last report, and an explanation of the guidelines and amendments.
  - b. Investment income for the year.
  - c. List of total fees, commissions or other charges paid to each investment banker, broker, agent, dealer, custodian bank and adviser rendering investment associated services to the MTA.

Following receipt of approval of the Board, copies of the annual report shall be submitted to:

1. State Division of the Budget
2. State Department of Audit and Control
3. State Senate Finance Committee
4. Assembly Ways and Means Committee

## **VI. PORTFOLIO MANAGERS**

1. Due to the various portfolio requirements of the MTA, it may be advantageous to structure a specific portfolio and contract with outside portfolio managers for the management of these funds. The awarding of a portfolio management contract will be controlled by the MTA's procurement policy covering personal services contracts. The criteria for awarding these contracts will include, but not limited by, the following provisions:
  - a. Experience of the portfolio manager.
  - b. Concepts and ideas for the management of the funds, including the identification of an appropriate benchmark for the portfolio.
  - c. The ability to provide regular and timely reports, consistent with internal reporting requirements of the MTA All Agency Investment Guidelines.
  - d. Fees
  - e. Capitalization and financial strength of the firm.
  
2. Each portfolio manager will be required to operate within the structure of these guidelines except for the reporting requirement of competition with regards to the purchase and sale of securities. This exception is made because it would be impossible to monitor compliance. In addition, an outside manager would also have to comply with the following:
  - a. All transactions will be made from an MTA controlled Custody Account on a cash vs. delivery basis.
  - b. All Bank Statements and Broker advices will be mailed to the Comptroller for the MTA.
  - c. The MTA will designate to the custodian the representatives of the portfolio manager authorized to conduct business on behalf of the MTA.

## **VII. MISCELLANEOUS**

The following guidelines will also be adhered to with regard to the investment of MTA Operating and Capital Program Funds.

1. **AUTHORIZATION** - The Chairman and the Executive Director, or any person or persons who may from time to time be designated in writing by either the Chairman or the Executive Director, may purchase or sell securities and/or enter into repurchase agreements for the MTA and its related entities.
2. **BANK RECONCILIATIONS** - All bank confirmations and statements will be addressed to the Comptroller. The Comptroller will be responsible for all investment custody account reconciliations.
3. **INDEPENDENT AUDITOR** - The MTA's independent auditor will include as part of its annual audit a statement on the compliance of the investment activity with these investment guidelines.
4. **INVESTMENT DECISIONS** - All investment decisions will also meet the following requirements:
  - a. Safeguard the Investment Principal.
  - b. Meet expected cash flow requirements.
  - c. Maximize yield.
5. **CONFLICTS OF INTEREST** - MTA's policy regarding conflicts of interest shall be followed regarding the investment of funds. Business may not be transacted with any institution or dealer of which an MTA Board Member, senior agency official, or any other officer or employee authorized to participate in the selection of such institution or dealer is an officer, a director or a substantial stockholder.
6. **BROKER ADVICES** - All broker advices will be mailed to the Treasury Department for safekeeping. All broker advices will be made available by the Treasury Department to the Comptroller and Audit Department as requested.
7. **STOCK TRANSACTIONS** - Due to the reorganization of mutual insurance firms into stock firms, the MTA and its related entities receive stock in reorganized corporations. The Chairman and the Executive Director, or any person or persons who may from time to time be designated in writing by either the Chairman or the Executive Director, may sell this stock for the MTA and its related entities.
  - a. If the corporation has a stock buy back plan that will purchase the stock, the stock will be sold using the plan.
  - b. If the corporation does not have a stock buy bank plan, the Treasury Department will solicit commission fee bids from at least 3 members of the MTA's senior underwriting management firms. The firm with the smallest commission will be

awarded the sale trade. In case of a tie, the trade may be divided among the firms with the same commission fee bid.

- c. Proceeds from the sale of the stock will be distributed back to the related entities in proportion to the shares of securities and/or enter into repurchase agreements originally owned by each of the related entities.



# MTA Headquarters Procurements

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

## PROCUREMENTS

The Procurement Agenda this month includes 4 actions for a proposed estimated expenditure of \$3,036M.

<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	09/23/24			
2	Board	09/25/24			

September 20, 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	4	\$ 3.04 B
<b>SUBTOTAL</b>	<b>4</b>	<b>\$ 3.04 B</b>

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

<b>TOTAL</b>	<b>4</b>	<b>\$ 3.04 B</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.

**SEPTEMBER 2024**

**LIST OF COMPETITIVE 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.)

- |  |  |   |
|--|--|---|
| <p><b>1-2. CaremarkPCS Health, LLC</b></p> <p><b>Five-year base includes two, 1-year Options<br/>Through December 31, 2024<br/>Contract #s 428062 / 6000020</b></p>  | <p><b>\$2,726,200,000 (not to exceed)<br/>\$14,700,000</b></p> | <p><b><i>Staff Summary Attached</i></b><br/>↓</p> |
| <p>Award of a contract to provide pharmacy benefit management services. Also, add additional funding (6000020) for the continued provision of pharmacy benefits for NYC Transit, MTA Bus, and SIRTOA employees, retirees, and their dependents for the remainder of year 2024.</p>   |  |   |
| <p><b>3. Cigna Health and Life Insurance</b></p> <p><b>Five years, includes two, 1-year Options<br/>Contract # 9000031</b></p>   | <p><b>\$208,900,000 (not to exceed)</b></p>                    | <p><b><i>Staff Summary Attached</i></b></p>       |
| <p>Award of a contract to provide health care benefits, inclusive of medical and prescription coverage, for non-represented and represented Metro-North Railroad employees and their dependents residing in Connecticut.</p>   |  |   |
| <p><b>4. Sedgwick Claims Management Services, Inc</b></p> <p><b>Six years, includes three, 1-year Options<br/>Contract # 15868</b></p>   | <p><b>\$86,851,000 (not to exceed)</b></p>                     | <p><b><i>Staff Summary Attached</i></b></p>       |
| <p>Award of a contract to provide NY Workers' Compensation Program Third-Party Administrator and related services to the MTA, NYC Transit, Staten Island Rapid Transit Operating Authority, Manhattan and Bronx Surface Transit Operating Authority, Long Island Bus, and MTA Bus Company and, at the option of the MTA, the Triborough Bridge and Tunnel Authority.</p> |  |   |

# Staff Summary

<b>Item Numbers: 1–2</b>			
<b>Department, Department Head Name:</b> Deputy Chief Benefit Admin Officer Stephen Scholl			
<b>Internal Approvals</b>			
<b>Order</b>	<b>Approval</b>	<b>Order</b>	<b>Approval</b>
1	Procurement		
2	Legal		
3	DDCR		
4	CFO		

<b>SUMMARY INFORMATION</b>	
<b>Vendor Name</b> CaremarkPCS Health, LLC	<b>Contract Nos.</b> 428062 6000020
<b>Description:</b> Pharmacy Benefits Manager	
<b>Total Amount: (not to exceed) \$2,740,900,000</b>	
<b>Contract 428062: \$2,726,200,000</b> <small>(\$1,441,900,000 base + \$1,284,300,000 for two 1-year Options)</small> <b>Contract 6000020: \$14,700,000</b>	
<b>Contract Term (including Options, if any)</b> January 1, 2025–December 31, 2029	
<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 checked="" type="checkbox"/> Yes <input 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**

Board approval is sought to award a competitively negotiated personal service contract to CaremarkPCS Health, LLC (“CVS Health”) to provide pharmacy benefit management services. Under this contract, CVS Health will administer prescription drug benefits for eligible plan members from NYC Transit, MTA Bus, and Staten Island Rapid Transit Operating Authority (“SIRTOA”). The period of performance is five years (January 1, 2025–December 31, 2029), which includes two, 1-year options to extend the contract at the MTA’s sole discretion. The total contract price, inclusive of options, is an amount not-to-exceed \$2,726,200,000. The Board is also requested to authorize the MTA Assistant Deputy Chief Procurement Officer to approve the exercise of Options 1 and 2.

Board approval is also sought to add additional funding in the amount of \$14.7 million to Contract 6000020 for the continued provision of pharmacy benefits for NYC Transit, MTA Bus, and SIRTOA employees, retirees, and their dependents for the remainder of year 2024. This additional funding will be added to the original competitively negotiated personal service contract with CVS Health. The 2024 estimates were adjusted upward in order to reflect an increase in enrollment and more utilization of higher-cost drugs.

**Discussion**

The contract with the current benefits provider, CVS Health, expires on December 31, 2024. The performance of CVS Health’s services is monitored quarterly during the term of the current contract; MTA project management has found its performance satisfactory. Pharmacy Benefit Managers (“PBM”) are third-party administrators of prescription drug programs and are primarily responsible for processing and paying prescription drug claims. By aggregating prescription drug purchases, PBMs can negotiate favorable rebates and discounts on behalf of their clients. Transport Workers Union (“TWU”) Local 100 and Local 106, Amalgamated Transit Union Local 726 and Local 1056, Subway Surface Supervisors Association, represented employees of MTA Bus Company and Staten Island Railway, as well as NYC Transit operating employees are able to receive pharmacy benefits through this contract. In all, approximately 155,000 employees, retirees, and their dependents are covered under this program.

The proposed contract consists of two plans: (1) a commercial plan that primarily serves members ineligible for Medicare; and (2) an Employer Group Waiver Plan (“EGWP”), which serves Medicare-eligible members, taking advantage of financial incentives for employers made available through the Affordable Care Act.

A two-step Request for Proposals (“RFP”) procurement process was utilized: Step 1, the prequalification step, identified firms that met the MTA’s minimum requirements for a contract award; and 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 administer the pharmacy plans; (2) offering of PBM plans similar to those 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 national network of providers meeting the minimum access standards. Three firms submitted responses: CVS Health, Keenan Pharmacy Services, and Optum Rx. All three met the prequalification requirements of Step 1, and subsequently, asked to submit proposals for Step 2 of the RFP. One proposal was received from CVS Health. Keenan and Optum respectfully chose not to move forward with Step 2.

A selection committee (“SC”) was assembled with personnel from MTAHQ Deputy Chief of Employee Benefits, Senior Director of Labor Relations, MTAHQ Assistant Director of Economic Analysis, MTAHQ Manager of Benefits Administration, and a representative for TWU Local 100. The CVS Health proposal was evaluated based on the proposer’s experience with similar accounts; experience and expertise in maintaining a large network of retail pharmacies; mail-order and specialty pharmacy programs; ability to match currently utilized pharmacies and plan design; administrative and reporting capabilities; network access; both customer service programs; clinical programs; strength of the implementation plan; IT support for all functions; diversity practices; and cost.

MTA was assisted in this RFP process by Mercer Health & Benefits LLC (“Mercer”), a benefit advisory consultant. Mercer prepared solicitation documents, financial modeling, and pricing analysis as well as other support services and additionally, performed an analysis of disruption to plan members due to: (1) changes in copays associated with difference in formularies; and (2) members geographic proximity to network pharmacies. In support of the review and analysis of proposal, Mercer utilized its proprietary financial model to (1) evaluate the detailed pricing provided by CVS Health; and (2) project the net plan costs over five years.

Using its proprietary financial model, Mercer evaluated the initial, revised, and Best and Final Offer (“BAFO”) pricing of both for Commercial and EGWP plans compared to the industry benchmarks. The projected 2025 cost of \$424.8 million is 1 percent or \$4.4 million lower when compared to the 2024 expected cost of \$429.2 million. The total five-year estimated costs, net of guaranteed rebates and EGWP revenue, is \$2,726,200,000 for CVS Health. This estimate includes an annual claim and rebate trend (increase) of 11 percent to forecast the overall contract estimate. When comparing the initial CVS Health proposal to the final negotiated cost, a five-year total cost avoidance of \$94.7 million is projected. This cost avoidance has been achieved due to improvements in pricing terms such as higher discount guarantees, which effectively lower pricing for drugs and provide higher rebates.

Accordingly, based on market benchmarks and comparison with current contract pricing, the final price has been found to be fair and reasonable. In addition, annual market checks were negotiated in the contract to review the future years’ discounts and rebates compared to market benchmarks. The annual market check allows for the MTA to keep pace with any improvements in market pricing.

After a thorough review of the CVS Health proposal, oral presentations, and BAFO analysis, the SC recommended CVS for award as it offered the best value to the MTA.

Negotiation of commercial terms and conditions have been substantially completed with the exception of a few remaining items 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 CVS Health’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.

## **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.

## **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; these are benefits NYC Transit must provide its employees.

## **Recommendation**

To award a competitively negotiated personal service contract to CVS Health to administer prescription drug benefits.

# Staff Summary

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

<b>SUMMARY INFORMATION</b>	
<b>Vendor Name</b> Cigna Health and Life Insurance	<b>Contract No.</b> 9000031
<b>Description:</b> Metro-North Railroad Health Benefits	
<b>Total Amount:</b> \$208,900,000 (\$108,000,000 base + \$100,900,000 Option years)	
<b>Contract Term (including Options, if any)</b> January 1, 2025–December 31, 2029	
<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 checked="" type="checkbox"/> Yes <input 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**

Board approval is sought to award a competitively negotiated, personal service contract to Cigna Health and Life Insurance (“Cigna”) to provide health care benefits, inclusive of medical and prescription coverage for non-represented and represented employees, and their dependents. The period of performance is five years (January 1, 2025–December 31, 2029), which includes two, 1-year options to renew at the MTA’s sole discretion, for a total not-to-exceed amount of \$208.9 million, itemized as \$43.6 million for stop-loss fees, \$1.9 million for admin fees, and \$163.4 million for projected claims. The Board is also requested to authorize the MTA Assistant Deputy Chief Procurement Officer to approve the exercise of Options 1 and 2.

**Discussion**

This contract covers the provision of health benefits to Metro-North Railroad (“MNR”) represented and non-represented employees/retirees and their dependents residing in Connecticut. MNR currently has a health maintenance organization (“HMO”) program provided by ConnectiCare, Inc. (“ConnectiCare”), which covers approximately 2,700 members. Also included are all required HMO services through a single provider and, consistent with prior practice, prescription drug coverage. The current contract awarded to ConnectiCare (#15324) expires on December 31, 2024.

A two-step Request for Proposal (“RFP”) process was used to issue a successor contract, starting with a prequalification step to identify firms that met the minimum requirements. The prequalified firms then received the detailed RFP package.

The Step 1 prequalification requirements for the medical plans included (1) certifications and licenses required to underwrite or administer group medical plans in Connecticut; (2) a current contract offering a medical plan in Connecticut with a minimum of three employer groups, each with 5,000 or more eligible employees and retirees; and (3) at least 10 years of experience administering and/or insuring employer-sponsored medical plans in Connecticut. The prequalification requirements for the prescription benefits included (1) certifications and licenses required to underwrite or administer group prescription drug plans in Connecticut; (2) a current prescription drug plan in Connecticut with a minimum of three employer groups, each with 5,000 or more eligible employees and retirees; and (3) at least 10 years of experience administering and/or insuring employer-sponsored prescription drug plans in Connecticut.

Four firms submitted responses to Step 1 (prequalification process): Anthem HealthChoice Assurance, Inc. d/b/a Anthem Blue Cross and Blue Shield (“Anthem”); Cigna; ConnectiCare; and MagnaCare. The RFP allowed for both fully insured and self-insured plan options. Cigna and ConnectiCare proposed both options, whereas Anthem only proposed for the self-insured plan. MagnaCare did not submit a Step 2 (technical) proposal.

The evaluation criteria for the RFP were: (1) proposer's responsiveness to the RFP and its demonstration of a clear understanding of the objectives and constraints of the undertaking as described in the RFP documents; (2) the proposer's relevant experience, staffing, proven account management, organizational stability, and references; (3) administrative services capabilities, including billing policies and procedures, online capabilities, member service hours, foreign language accommodations, regulatory compliance (e.g., HIPAA), reporting capabilities, and strength of implementation plan; (4) network access and provider disruption minimization; (5) the cost to the MTA based on proposer's submission and discount analysis; and (6) proposer's diversity practices.

The MTA used Mercer Health & Benefits LLC ("Mercer"), a benefits consulting firm, to assist with the preparation of solicitation documents, financial modeling, and pricing analysis as well as providing other support services.

The Selection Committee ("SC") consisted of the MTAHQ Deputy Chief of Employee Benefits, MNR Human Resources Business Partner, and the MNR Executive Director of Management & Budget. Cigna, ConnectiCare, and Anthem were invited for oral presentations, further review of their technical proposals, negotiations, and were then requested to submit Best and Final Offers ("BAFOs"). Subsequent to requesting BAFOs, ConnectiCare withdrew its proposal from the RFP process.

BAFOs were received from Cigna for both the fully and self-insured options and from Anthem for self-insured only. Self-insured proposals included stop-loss insurance coverage to limit MTA's liability and protect the organization from the financial impact of high-cost claims (claimants over \$150,000). Mercer performed the financial analyses on the BAFOs received. The projected self-insured estimates for the five-year term from Anthem and Cigna was \$214.1M and \$208.9M respectively, for a difference of \$5.2M or 2.5 percent. Cigna was the only proposer for the fully insured option in the estimated amount of \$222.6M projected over the five-year term. For comparison, Cigna's self-insured estimated cost was \$13.7M, or 6.6 percent less when compared to Cigna's fully insured option. The self-insured estimates developed by Mercer include a projected trend increase for each category as follows: medical claims trend of 9 percent, Rx claims of 12 percent, and stop loss 30 percent for years 2–5. Once cost was incorporated into the SC's evaluation, Cigna was ranked first for both options by the SC.

The SC convened and voted unanimously to recommend Cigna's self-insured option as the recommendation for award, since it offered the lowest cost and best value to the MTA based on the evaluation criteria for this procurement.

Based on the foregoing, the competitively negotiated pricing is deemed to be fair and reasonable.

Cigna has not provided medical benefits services for MTA in the past but has been awarded other contracts with MTA e.g. dental benefits. Cigna's performance on different contracts with MTA has been satisfactory.

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. No new SAI has been identified.

## **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.

## **Impact on Funding**

The contract is funded by MNR operating budget.

## **Alternatives**

1. Perform all services in-house. This alternative is not feasible since performing these functions in house would require the hiring of additional full and part-time employees, including associated overhead costs, which would not be cost effective.
2. Do not approve award of the contract. This alternative is not recommended; these are benefits MNR must provide its employees.

## **Recommendation**

Award a competitively negotiated personal service contract to Cigna to provide health care benefits inclusive of medical and prescription coverage for MNR non-represented and represented employees, retirees, and their dependents who reside or work in the state of Connecticut.

# Staff Summary

<b>Item Number: 4</b>			
<b>Department, Department Head Name:</b> Paige Graves, General Counsel, MTA Legal Department David Farber, General Counsel, NYCT and MTA Bus			
<b>Internal Approvals</b>			
<b>Order</b>	<b>Approval</b>	<b>Order</b>	<b>Approval</b>
1	Procurement		
2	Legal		
3	DDCR		
4	CFO		

<b>SUMMARY INFORMATION</b>	
<b>Vendor Name</b> Sedgwick Claims Management Services, Inc. (Sedgwick)	<b>Contract No.</b> 15868
<b>Description:</b> NY Workers' Compensation Program Third-Party Administrator Services	
<b>Total Amount: \$86,851,000</b>  \$51,616,000 base + \$35,235,000 option years	
<b>Contract Term (including Options, if any)</b> Three years plus three 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:**

Board approval is sought to award a competitively procured and negotiated personal service contract to Sedgwick Claims Management Services, Inc. (“Sedgwick”) to perform, in its capacity as a third-party administrator (“TPA”), claims administration and ancillary services for the NYS Workers’ Compensation program of the Metropolitan Transportation Authority (“MTA”), New York City Transit Authority (“NYC Transit”), the Staten Island Rapid Transit Operating Authority (“SIRTOA”), Manhattan and Bronx Surface Transit Operating Authority (“MaBSTOA”), MTA Bus Company (“MTA Bus”), and at the MTA’s election, the Triborough Bridge and Tunnel Authority (“TBTA”)<sup>1</sup> (collectively, the “MTA Agencies”). The contract is for an initial term of three years with three 1-year options to extend for a total not-to-exceed amount of \$86,851,000, comprised of a not-to-exceed amount of \$51,616,000 for the initial term and a not-to-exceed aggregate amount of \$35,235,000 for the three option years, if exercised.

**Discussion:**

In addition to Workers’ Compensation claims administration services, the contract includes several ancillary services such as medical bill review, managed care/medical case management, and claim investigation and litigation services. The contract also includes the provision of a Certified Preferred Provider Organization (“CPPO”), which is a PPO certified by the New York State Department of Health to provide diagnosis, treatment, and rehabilitation services to employees covered by New York State Workers’ Compensation law for work-related injuries and illnesses, provided that the CPPO services would not commence until all approvals required by applicable law have been obtained. All contract services are hereinafter referred to collectively as the “Services.”

Employees of the MTA Agencies are covered by NYS Workers’ Compensation Law. There are approximately 5,000 Workers’ Compensation claims made by MTA Agency employees each year. The MTA Agencies are self-insured for all Workers’ Compensation benefits and costs. Except for TBTA, the MTA Workers’ Compensation program is currently self-administered. The total amount of NYC Transit Workers’ Compensation benefits and costs (excluding program administration costs) during the past five calendar years has been steadily increasing and exceeded \$240 million in 2023.

<sup>1</sup>This contract will also cover the administration of legacy claims belonging to the former Long Island Bus (“LIB”). As of the contract effective date, TBTA claims are not included in the contract scope because TBTA’s small Workers’ Compensation program is already administered by a third-party (non-Sedgwick) administrator; however, the MTA may elect to add them at any time during the contract term.

Workers' Compensation claims administration and ancillary services principally consist of claims intake, review, and evaluation; claims-related investigations; benefits payments; managing return-to-work processes; providing managed care services, which include medical case management and coordination to help ensure that employees are receiving effective and appropriate medical services; and claims litigation services.

The MTA Agencies' Workers' Compensation program is primarily administered by the Workers' Compensation Unit (the "WC Unit") of the MTA Legal Department. The WC Unit has approximately 40 employees, which is down from over 60 employees in 2018, and is currently supported by several vendors. The principal services performed by such vendors are described as medical bill review and payments; consultant claims examiners; CPPO services; telephonic intake of claims; independent medical examination services; and claims litigation services. These services, combined with the other more limited services currently performed by vendors for MTA Workers' Compensation program administration, are collectively referred to as the "Vendor Services."

The MTA's self-administration of its Workers' Compensation programs has long been hampered by a shortage of staff due to hiring and retention challenges coupled with budgetary constraints, inadequate, cumbersome claims administration IT systems, lack of training capacity and expertise, and paper-based processes. Despite the best efforts and commitment of WC Unit staff, all of this has resulted in suboptimal claims handling.

There are also significant financial ramifications. It is difficult for the understaffed and under-resourced WC Unit to proactively identify and take advantage of appropriate opportunities to deny ("controvert") claims outright, and/or controvert their nature, extent, and duration based on fact investigations, statistical analysis, and independent medical examinations, and/or use industry best practices to ensure that claimants return to work once they are fit for duty.

In late 2022, Guidehouse was engaged to review the MTA's Workers' Compensation program and recommend short-<sup>2</sup> and long-term strategic initiatives. Their principal recommendation was that the program should be outsourced to a TPA for the reasons discussed in this document. This recommendation is corroborated by the fact that the Port Authority, Massachusetts Bay Transportation Authority, Southeastern Pennsylvania Transportation Authority, and Washington Metropolitan Area Transit Authority all utilize TPAs to administer their Workers' Compensation programs.

Guidehouse estimated that outsourcing program administration to a TPA would result in annual reduction of \$20 million or more in Workers' Compensation program benefits and costs as compared to current costs. Additionally, the cost of the contract services themselves will be substantially offset by a rightsizing of the WC Unit over time.

A two-step process, comprised of a Request for Qualifications ("RFQ") followed by a Request for Proposals ("RFP"), was used for this procurement. The RFQ specified that proposers meet the following minimum qualifications: (1) be a New York State licensed TPA; (2) have handled a minimum of 40,000 Workers' Compensation claims per calendar year for each of the past five years; and (3) have administered a minimum of 4,000 Workers' Compensation claims per calendar year for at least one particular client for each of the past three years.

Ten firms submitted responses to the RFQ, eight of which were deemed qualified: Broadspire Services, Inc. ("Broadspire"); Constitution State Services LLC; CorVel Enterprise Comp, Inc. ("CorVel"); ESIS, Inc.; Gallagher Bassett Services, Inc.; Helmsman Management Services LLC; Sedgwick; and TRISTAR Claims Management Services, Inc. ("TRISTAR"). The RFP was then issued to the eight qualified firms only; four submitted proposals: Broadspire, CorVel, Sedgwick, and TRISTAR.

The RFP required each firm to submit proposals based on two different pricing models: (1) time and materials ("TM") for claims administration; and (2) a one-time fee per claim for administration of the claim during the entire contract term ("Per Claim Price") (also known as a "Life of Contract" price). In both pricing models, ancillary services were priced separately from claims administration. Also, firms were given the opportunity to submit different Per Claim Prices for claims made after the contract commencement date ("New Claims") and for pre-existing claims, the administration of which would be taken over by the TPA as part of the Services ("Legacy Claims"). For each pricing model, firms were also required to submit one proposal that included the provision of a CPPO and a separate proposal that did not.

<sup>2</sup>Several of these short-term internal changes have been successfully implemented over the past 18 months.

Both pricing models provided that 10 percent of certain amounts payable under the contract to the TPA would be contingent upon compliance with specified performance standards.

The Selection Committee (“SC”) for this RFP was comprised of one senior staff member from each of the WC Unit, MTA Department of Risk & Insurance Management, and the Office of the NYC Transit President. The SC’s analysis of the proposals was supported by staff from several other MTA Departments and Guidehouse and its subconsultant, all as technical advisors. The evaluation criteria, in order of importance, were: (1) proposed approach; (2) proposed staffing plan; (3) cost; (4) proposer qualifications; and (5) diversity practices.

Based on the review and evaluation of the initial technical and price proposals, the SC recommend proceeding with Broadspire, CorVel, and Sedgwick. After obtaining revised proposals and answers to questions submitted by the SC, the SC requested best and final offers (“BAFOs”) from CorVel and Sedgwick based on the quality of their technical proposals. The initial set of price proposals from all proposers ranged from \$96.6 million to \$195.9 million. The BAFOs from Sedgwick and CorVel were substantially less, ranging from \$73.9 million to \$117.3 million for the various award scenarios.

The SC determined that Sedgwick’s proposal using the Per-Claim Price model, in the total not-to-exceed amount of \$86,851,000 for the six-year term inclusive of the three option years (the “Selected Proposal”), was the most advantageous to the MTA based on the selection criteria. The Selected Proposal offers an integrated approach that combines data-driven technology and continuous innovation with a strong clinical focus to improve outcomes, reduce lost time, and manage medical costs. Sedgwick will also supply a fully integrated claims management system and use of their public entity data set for benchmarking and identifying opportunities for program improvement.

Sedgwick is a leading global provider of technology-enabled risk, benefits, and integrated business solutions and has been providing Workers’ Compensation claims handling services for 54 years. In addition, Sedgwick’s book of business is comprised of a number of New York-based clients and other clients comparable to the MTA, including large and complex governmental entities, clients with unionized workforces, and transit agencies. Sedgwick also has demonstrated experience in managing a transition from self-administration of a Workers’ Compensation program to a TPA model.

For the Per-Claim Price model, Sedgwick’s total price for the six-year term of the contract is \$86.9 million, compared to CorVel’s proposed price of \$111.8 million. The two principal components of this price difference were a lower Per Claim Price for Legacy Claims and a lower price to provide managed care services. Sedgwick’s initial Per-Claim Price proposal was \$118 million, which was reduced to \$86.9 million through negotiations and the BAFO process, which equates to a savings of 26 percent. The Per-Claim Price and total cost of the Selected Proposal are consistent with the independent cost estimates developed prior to the beginning of this procurement.

Based on the foregoing, the competitively negotiated pricing is deemed to be fair and reasonable.

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. Sedgwick has already agreed to the applicable cybersecurity requirements, which will be included in the contract.

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

The Department of Diversity and Civil Rights established 15 percent MBE, 15 percent WBE, and 6 percent SDVOB participation goals for this RFP. Sedgwick submitted an MWBE/SDVOB utilization plan that meets the MWBE/SDVOB goal requirements.

### **Impact on Funding**

The costs of the contract will be funded from the savings that will be achieved as a result of the administration of the Workers’ Compensation program pursuant to the contract, as described herein, as well as by the repurposing of funds currently budgeted for Workers’ Compensation related vendor services that will be replaced by the contract services.

### **Alternatives**

Do not award the contract and continue to self-administer the MTA Agencies’ Workers’ Compensation programs. This alternative is not recommended due to the reasons set forth herein.

### **Recommendations**

Approval of the award of a competitively procured and negotiated personal service contract to Sedgwick to provide the Services.

**SEPTEMBER 2024**  
**MTA REAL ESTATE**  
**MTA C&D TRANSIT ORIENTED DEVELOPMENT**  
**MTA C&D ADVERTISING & CUSTOMER EXPERIENCE**  
**ACTION ITEMS FOR BOARD APPROVAL**

**TRANSACTIONAL ACTION ITEMS**

Metropolitan Transportation Authority

License agreement with Municipal Credit Union for the installation and maintenance of ATMs at various bus facilities and MTA Headquarters

License agreement with Clear Channel Outdoor, LLC for billboard advertising on MTA agency properties.

MTA Long Island Rail Road

Grant of permanent and temporary easements to National Railroad Passenger Corporation for the East River Tunnel 1 and 2 Rehab project at the Sunnyside Yard in Queens, NY

Lease agreement with SNH Medical Office Properties Trust for medical and administrative offices at 200 Old Country Road, Mineola, NY

MTA Metro-North Railroad

Conveyance of property interests to Hudson Harbor LLC in support of an 88-unit multifamily TOD in Tarrytown, NY

Acquisition of property interests from the Village of Pleasantville in support of the Harlem and Hudson Power Improvements project

# Staff Summary

<b>Subject</b> <b>LICENSE AGREEMENT WITH THE MUNICIPAL CREDIT UNION FOR THE INSTALLATION AND MAINTENANCE OF ATMS AT VARIOUS NYCT AND BUS FACILITY LOCATIONS AND MTA HEADQUARTERS</b>
<b>Department</b> <b>REAL ESTATE</b>
<b>Department Head Name</b> <b>DAVID FLORIO</b>
<b>Department Head Signature</b>
<b>Project Manager Name</b> <b>RAYMOND SMYTH</b>

<b>Date</b> <b>SEPTEMBER 25, 2024</b>
<b>Vendor Name</b>
<b>Contract Number</b>
<b>Contract Manager Name</b>
<b>Table of Contents Ref. #</b>

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	09/23/24	X		
2	Board	09/25/24	X		

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

AGENCY: Metropolitan Transportation Authority (“MTA”) and New York City Transit (“NYCT”)

LICENSEE: Municipal Credit Union (“MCU”)

LOCATIONS:

Agency	Location Name	Location Address	Location Borough
MTA HQ	MTA Headquarters	2 Broadway	New York
NYCT	Kingsbridge Depot	4069 10th Ave	New York
NYCT	Gun Hill Depot	1910 Bartow Ave	Bronx
NYCT	West Farms Depot	1100 E 177th St	Bronx
NYCT	Westchester Yard	1311 Waters Place	Bronx
NYCT	207 St Yard	3961 10th Ave	New York
NYCT	Coney Island Yard	2556 McDonald Ave	Brooklyn
NYCT	Rail Control Center	806-814 9th Ave	New York
NYCT	East New York Depot	25 Jamaica Ave	Brooklyn

USE: The installation, operation, and maintenance of ATMs at NYCT, MTA Bus Facilities, and MTA Headquarters

ACTION REQUESTED: Authorization to enter into one or more license agreement(s) with MCU for the installation, operation and maintenance of ATMs

TERM: Ten (10) Years

# Staff Summary

## FINANCE COMMITTEE MEETING LICENSE AGREEMENT WITH THE MUNICIPAL CREDIT UNION FOR THE INSTALLATION AND MAINTENANCE OF ATMS AT VARIOUS NYCT AND BUS FACILITY LOCATIONS AND MTA HEADQUARTERS

COMPENSATION:

License Year	Annual Rent (Per Location)	Total Annual Rent (All Locations)	Escalations
1	\$18,000.00	\$162,000.00	3%
2	\$18,540.00	\$166,860.00	3%
3	\$19,096.20	\$171,864.00	3%
4	\$19,669.09	\$177,021.00	3%
5	\$20,259.16	\$182,331.00	3%
6	\$20,867.00	\$187,803.00	3%
7	\$21,493.00	\$193,437.00	3%
8	\$22,137.00	\$199,233.00	3%
9	\$22,904.00	\$206,136.00	3%
10	\$23,591.00	\$212,319.00	3%

COMMENTS:

On February 12, 2024, MTA Real Estate issued a Request for Proposal (“RFP”), seeking an ATM operator to provide services encompassing the furnishing, installation, maintenance, and management of ATMs at the various MTA employee facilities listed above. One proposal was received from MCU.

MCU submitted their response on March 13, 2024, providing proposals for all nine (9) of the above-referenced Locations. The Locations will be delivered to MCU in as-is condition, with MCU assuming responsibility for all required and any optional improvements. Throughout the term, MCU will be responsible for ongoing maintenance and necessary repairs for all ATMs. MCU will be required to make timely repairs, whether routine or extensive, and to keep the Locations and ATM machines in good working condition. Furthermore, pursuant to the terms of the RFP, the MTA may offer MCU the option to install additional ATMs at other MTA employee facilities. The terms of any additional ATMs, including, but not limited to, compensation, shall be subject to review and approval of the MTA.

The proposed compensation structure for the ten (10) year term is consistent across all nine (9) locations, as outlined in the compensation table above. A security deposit equivalent to one (1) month of license fees based on the first year of the base term of the license for each location will be requested, totaling \$13,500.

Based on the foregoing, MTA Real Estate requests authorization to enter into a license agreement on behalf of NYCT and MTA with MCU under the above-described terms and conditions.

# Staff Summary

<b>Subject</b> <b>LICENSE AGREEMENT WITH CLEAR CHANNEL OUTDOOR, LLC FOR BILLBOARD ADVERTISING ON MTA AGENCY PROPERTIES</b>
<b>Department</b> <b>C&amp;D PLANNING, ADVERTISING &amp; PROMOTIONS</b>
<b>Department Head Name</b> <b>FREDERICKA CUENCA</b>
<b>Department Head Signature</b>
<b>Project Manager Name</b> <b>LUCY ZACHMAN</b>

<b>Date</b> <b>SEPTEMBER 25, 2024</b>
<b>Vendor Name</b>
<b>Contract Number</b>
<b>Contract Manager Name</b>
<b>Table of Contents Ref. #</b>

Board Action					
Order	To	Date	Approval	Info	Other
1	Metro-North	09/23/24		X	
2	Finance Committee	09/23/24	X		
	Board	09/25/24	X		

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

AGENCY: MTA New York City Transit, MTA Long Island Rail Road, MTA Metro-North, MTA Bridges & Tunnels (the "Agencies").

CONCESSIONAIRE: Clear Channel Outdoor, LLC ("Clear Channel" or "CCO")

ACTIVITY/USE: Award of an exclusive license (collectively, the "Concession") to manage advertising on billboards along rights-of-way, on trestles and bridges, at depots and yards, and on the exterior walls or roofs of buildings, all on property owned or operated by one of the Agencies (the "Billboards"). The Billboards fall into two categories: (1) those that are owned by one of the Agencies ("Agency-Owned Billboards") and (2) those that are owned by various outdoor advertising companies (each a "Landlease") that are permitted to erect billboards on Agency property ("Landlease Billboards").

ACTION REQUESTED: Board authorization to enter into a new license agreement with Clear Channel Outdoor, LLC to be the new Billboard Concessionaire (the "New Concession Agreement").

TERM: 15 years: 11/1/2024 – 10/31/2039

COMPENSATION: CCO has agreed to pay each year of the term the larger of:

- 1) For Agency-Owned Billboards, revenue share of 80.0% of gross revenue subject to priority recoupment of capital expenses attributable to conversion to digital or installation of new static or digital billboards solely from incremental revenues attributable to each converted or new installation made by Clear Channel with MTA's consent; and 100% of revenues from Landlease

# Staff Summary

## FINANCE COMMITTEE MEETING LICENSE AGREEMENT WITH CLEAR CHANNEL OUTDOOR, LLC FOR BILLBOARD ADVERTISING ON MTA AGENCY PROPERTIES (Cont'd)

Page 2 of 2

Billboards; or

- 2) Minimum Annual Guarantee (MAG) which is \$26M in year 1, which amount will be reset via an increase in each subsequent year by CPI with a floor of 0% and a maximum of 3%; or
- 3) 75% of gross revenue net of capex recoupment of the prior year.

### COMMENTS:

In 2023, the MTA received \$21 M in revenue from this Concession. The inventory generating this revenue includes 319 locations.

	Static Billboards	Digital Billboards	Trestle	Walls	Total
LIRR	18	1	112	3	134
MNR	32	2	11		45
NYCT	77	12		13	102
<b>Total</b>	<b>111</b>	<b>15</b>	<b>123</b>	<b>16</b>	<b>281</b>
<b>Landlease</b>					<b>38</b>
<b>Grand Total</b>					<b>319</b>

The Concessionaire will maintain, sell, and display the advertising on the Agency-Owned Billboards. The Landlease Billboards are maintained and operated by the respective Landlessees, pursuant to agreements that the Concessionaire will continue to manage on behalf of the applicable Agencies.

Revenue from digital inventory generates nearly half of the revenue and it is projected to continue to generate increased revenue compared with static. In recognition of the increased investment necessary to construct and maintain these digital assets, this Concession has a longer term than our previous concession.

Proposals were submitted by five companies: Outfront, Clear Channel, Lamar + New Traditions (joint proposers), First Media, and JCDecaux. First Media proposed on only a portion of the inventory. The remaining proposers all included minimum annual guarantees in addition to a revenue share of gross revenues.

Clear Channel proposed both the highest MAG with annual CPI increases and the highest revenue share at 80% of Agency-Owned Billboard revenue.

Based on the foregoing, MTA C&D Planning requests authorization to enter into the New Concession Agreement with Clear Channel Outdoor, LLC.

# Staff Summary

<b>Subject</b> <b>GRANT OF PERMANENT AND TEMPORARY EASEMENT AGREEMENTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION FOR INSTALLATIONS RELATING TO EAST RIVER TUNNEL REHABILITATION WORK AT THE SUNNYSIDE YARD IN QUEENS, NY</b>
<b>Department</b> <b>REAL ESTATE</b>
<b>Department Head Name</b> <b>DAVID FLORIO</b>
<b>Department Head Signature</b>
<b>Project Manager Name</b> <b>XAVIER CARRERA</b>

<b>Date</b> <b>SEPTEMBER 25, 2024</b>
<b>Vendor Name</b>
<b>Contract Number</b>
<b>Contract Manager Name</b>
<b>Table of Contents Ref. #</b>

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	09/23/24	X		
2	Board	09/25/24	X		

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

**AGENCY:** MTA Long Island Rail Road (“LIRR”)

**LICENSEE:** National Railroad Passenger Corporation (“Amtrak”)

**LOCATION:** Sunnyside Yard, Long Island City, New York 11101  
 Block 72, Lot 200 and Block 71, Lot 9

**PERMANENT EASEMENTS:** #1: 6,370 square feet (surface & subsurface)  
 #2: 16,911 square feet (surface & subsurface)  
 #3: 457 square feet (aerial)  
 (together the “Permanent Easements”)

**TEMPORARY EASEMENTS:** #1: 17,117 square feet (surface)  
 #2: 10,142 square feet (surface)  
 (together the “Temporary Easements”)

**USE:** Installation of signal houses, traction, and signal power duct banks and manholes; installation of cable bridge; and a construction work area (the “Work”).

**ACTION REQUESTED:** Authorization to execute an agreement with Amtrak for the requested Permanent Easements and the Temporary Easements.

**TERM:** Permanent Easements duration: Perpetual  
 Temporary Easements duration: Until the earlier to occur of: (i) Forty-one (41) months (or such longer duration as approved by LIRR), and (ii) completion of the Work.

**COMPENSATION:** \$4,790,000 total; \$2,930,000 for the Permanent Easements and \$1,860,000 for the Temporary Easements

## **GRANT OF PERMANENT AND TEMPORARY EASEMENT AGREEMENTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION FOR EAST RIVER TUNNEL REHABILITATION WORK AT THE SUNNYSIDE YARD IN QUEENS, NY**

Page 2 of 2

### COMMENTS:

Amtrak will perform rehabilitation work to East River Tunnels 1 and 2 at the Sunnyside Yard in Queens. A large portion of the Sunnyside Yard is owned by Amtrak; however, Amtrak requires use of a portion which is owned by LIRR and is requesting the Permanent Easements and Temporary Easements, as listed above. Amtrak requires the Permanent Easements for the installation of signal houses, traction and signal power duct banks and manholes, and a cable bridge. Amtrak requires the Temporary Easements to perform the work in the Permanent Easements.

The proposed compensation is based on fair market value of \$4,790,000 pursuant to an appraisal and appraisal review as required by the Uniform Relocation Assistance and Real Property Acquisition Policies for Federal and Federally Assisted Programs Act of 1970 Federal Regulation, 49 U.S.C.A.24101(4).

Based on the foregoing, MTA Real Estate requests authorization to enter into easement agreement(s) for the Temporary Easements and Permanent Easements with Amtrak in form(s) to be approved by MTA Legal, on behalf of the LIRR, under the above-described terms and conditions and on such other terms and conditions deemed necessary or desirable by MTA and LIRR.

# Staff Summary

<b>Subject</b> <b>LEASE AGREEMENT WITH COUNTRY ROAD MINEOLA LLC FOR LIRR EMPLOYEE ASSISTANCE PROGRAM AND OFFICE OF HEALTH SERVICES AT 200 OLD COUNTRY ROAD, MINEOLA, NY</b>	<b>Date</b> <b>SEPTEMBER 25, 2024</b>
<b>Department</b> <b>REAL ESTATE</b>	<b>Vendor Name</b>
<b>Department Head Name</b> <b>DAVID FLORIO</b>	<b>Contract Number</b>
<b>Department Head Signature</b>	<b>Contract Manager Name</b>
<b>Project Manager Name</b> <b>ANDREW D GREENBERG</b>	<b>Table of Contents Ref. #</b>

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	09/23/24	X		
2	Board	09/25/24	X		

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

**AGENCY:** MTA Long Island Rail Road (“LIRR”)  
**LESSOR:** Country Road Mineola LLC  
**LOCATION:** 200 Old Country Road, Mineola, New York  
**PREMISES:** Portion of the Lower level– approximately 346 rentable sq. ft.  
 Portion of the 2nd Floor – approximately 9,022 rentable sq. ft.  
 Portion of the 4th Floor – approximately 2,556 rentable sq. ft.  
 Total Premises: Approximately 11,924 rentable sq. ft.  
**USE:** Premises to be used for the LIRR Office of Health Services (“OHS”) and Employee Assistance Program (“EAP”) medical and administrative office requirements.  
**ACTION REQUESTED:** Authorization to enter into a lease agreement in support of the LIRR EAP and OHS operational needs  
**TERM:** Ten (10) years from possession date  
**RENEWAL OPTIONS:** Two five (5) year renewal options at a rent calculated at 3% greater than the escalated rent at lease expiration for the first option and at 95% of the fair market value for the second option period.  
**BASE RENT:** Partial 2nd and 4th floor spaces - \$31.75 per sq ft. - \$367,601.50 per annum  
 Portion of Lower Level - \$14.50 per sq. ft. - \$5,017 per annum  
 Tenant receives 3 months’ free rent concession (months 2-4).  
**REAL ESTATE TAXES:** The LIRR pays its proportionate share of increases in the building’s real estate taxes over a 2025 base tax year with no increases until the first anniversary following rent commencement  
**OPERATING EXPENSES:** 3.0% increases in base rent per year

## FINANCE COMMITTEE MEETING

### LEASE WITH COUNTRY ROAD MINEOLA LLC FOR LIRR EAP AND OHS MEDICAL AND ADMINISTRATIVE OFFICES 200 OLD COUNTRY ROAD, MINEOLA NY (Cont'd)

Page 2 of 2

UTILITIES:	Electricity is on a rent inclusion basis at \$3.65 per sq. ft. per annum. Lessor provides heat and air conditioning to the LIRR's air-handlers
LESSOR WORK:	Lessor will be required to provide turn-key alterations and improvements per LIRR-approved plans and specifications at Lessor's cost and expense ("Lessor's Work"). The LIRR will be required to reimburse Lessor for the cost of IT, data, and telecom installation as additional rent over initial 5 years of the Term with a maximum cost not to exceed \$350,000
POSSESSION:	Upon delivery of the Premises with Lessor's Work substantially complete.
MAINTENANCE AND REPAIRS:	Lessor is responsible for all exterior and structural repairs except if caused by the LIRR's negligence. The LIRR is responsible for interior non-structural repairs to the Premises.
CLEANING:	Lessor shall provide daily cleaning per a specification, at its cost and expense.
PARKING:	Lessor will provide approximately 55 complimentary automobile parking spaces in the building parking lot.
SECURITY DEPOSIT:	None.

#### COMMENTS:

The LIRR is seeking approximately 11,924 square feet of new space for its OHS medical facilities and EAP program at 200 Old Country Road, Mineola ("200 OCR"). Currently, the OHS and EAP offices occupy a combined area of approximately 11,000 square feet in three condominium units at 300 Old Country Road, Mineola ("300 OCR"). After 15 years at 300 OCR, the space no longer meets the operational needs of OHS and EAP and requires repairs. In addition, the individual condominium owners are demanding 5-year lease renewals, and two of the three condominium owners are requiring payments of any future condominium assessment with no limits.

CBRE, the MTA's real estate broker, identified 200 OCR as the only viable option. 200 OCR already has built medical and administrative offices, it is closer to the LIRR's Mineola Station, and the Lessor, an institutional quality real estate investment trust, will provide alterations and improvements at its cost and expense on a "turnkey" basis.

The annual cost per square foot at 200 OCR is less than renewing at 300 OCR, considering all factors. It is important to note that the space at 200 OCR is approximately 1,000 square feet greater than at 300 OCR allowing for expansion, accommodating new hires, and consolidating space from the LIRR Hillside Facility, with the total cost to relocate due to the additional square footage only marginally greater. Additionally, if needed, the 200 OCR Lessor has proposed up to approximately 11,000 square feet of swing space at a cost of just \$3.65 per square foot for electricity (one optional swing space, if needed, for approx. 5,461 sq. ft would be at a rental rate of \$36.93 per square foot until 12/31/24 and then reduced to \$3.65 per square foot for electricity).

Based on the foregoing, MTA Real Estate requests authorization for the LIRR to enter into a lease agreement with Country Road Mineola LLC for use of the Premises by LIRR OHS and EAP under the above-described terms and conditions.

# Staff Summary

<b>Subject</b> <b>GROUND LEASE OF PORTION OF PARKING LOT LOCATED AT 2 DEPOT PLAZA, TARRYTOWN, NEW YORK, AND RELATED ACCESS AND PROPERTY IMPROVEMENTS</b>
<b>Department</b> <b>TRANSIT ORIENTED DEVELOPMENT</b>
<b>Department Head Name</b> <b>ROBERT PALEY</b>
<b>Department Head Signature</b>
<b>Project Manager Name</b> <b>NICHOLAS ROBERTS</b>

<b>Date</b> <b>SEPTEMBER 23, 2024</b>
<b>Vendor Name</b>
<b>Contract Number</b>
<b>Contract Manager Name</b>
<b>Table of Contents Ref. #</b>

Board Action					
Order	To	Date	Approval	Info	Other
1	Metro-North	09/23/24		X	
2	Finance Committee	09/23/24	X		
3	Board	09/25/24	X		

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

**AGENCY:** Metropolitan Transportation Authority (“MTA”) and MTA Metro-North Railroad (“MNR”)

**GRANTEE:** Hudson Harbor Station, LLC (“Hudson Harbor”), an affiliate of National Resources Acquisitions, LLC, a Delaware limited liability company, owned or controlled by Joseph Cotter and Lynne M. Ward

**LOCATION:** 2 Depot Plaza, Tarrytown, New York (the “MTA Property”)

**ACTIVITY:** Ground lease of ± 25,000 square feet of the MTA Property (the “Leased Premises”) pursuant to a triple net lease for a base term of 49 years with two 15-year renewal options (Years 50 – 64 and Years 65 – 79) for a total lease term of 79 years (the “Ground Lease”), and the acquisition of improved and expanded access easements for the MTA Property.

**ACTION REQUESTED:** Authorization to (i) conditionally designate Hudson Harbor as the successful proposer under the RFP (as defined below), and (ii) negotiate and enter into (a) the Ground Lease for the Leased Premises upon the terms and conditions set forth therein, (b) a design and construction agreement providing for the design and construction by Hudson Harbor of certain parking, roadway and drive aisle improvements benefitting the MTA Property, (c) access easements providing MTA/MNR with improved and expanded permanent access to the MTA Property and Yard and the northbound platform of the Tarrytown Station, and (d) such documents reasonably necessary or appropriate to consummate the Ground Lease and the other actions required of Hudson Harbor in connection therewith (collectively, the “Transaction Documents”).

**COMPENSATION:**

- (a) Base Rent: \$1,016,770 (net present value, discounted at 6%). The initial annual Base Rent of \$37,350 will escalate by 15% every 5 years during the term of the Ground Lease and will reset to not less than 95% of fair market value upon the commencement of each of the renewal terms.
- (b) In-Kind Compensation: (i) permanent easements providing for improved and expanded access to the MTA Property, including the Yard and the northbound platform of MNR’s Tarrytown Station, and (ii) improvements benefitting the MTA Property, including repaving, striping and lighting and the perpetual maintenance of the portion of the Parking Lot (as defined below) to be retained by MTA, at Hudson Harbor’s expense.

## COMMENTS:

The MTA Property is an approximately 21-acre lot in the immediate vicinity of MNR's Tarrytown Station (the "Station"). Comprised largely of the Hudson Line right of way, the MTA Property also includes land improved by: (i) an unpaved and unstriped MNR parking lot located at the northeastern end of the MTA Property (the "Parking Lot"), (ii) an MNR layover yard at the southern end of the MTA Property (the "MNR Yard"), and (iii) a roadway connecting Depot Plaza, a public street located to the north of the MTA Property, to the Parking Lot and the MNR Yard (the "Access Drive"). Hudson Harbor owns the property to the west of the MTA Property (the "Development Site"), which was recently rezoned by the Village of Tarrytown (the "Village") for transit-oriented development (the "TOD Zoning"). Hudson Harbor intends to develop the Development Site under the TOD Zoning as an 88-unit multi-family housing project with community artist workshops and galleries on its ground floor (the "Project"). The TOD Zoning requires that the Project contain at least 105 tenant parking spaces. To satisfy in part the TOD Zoning parking requirements for the Project, Hudson Harbor has proposed to ground lease from MTA the portion of the existing Parking Lot that will become the Leased Premises and improve the Leased Premises with 37 parking spaces dedicated for tenant parking at the Project (the "Dedicated Tenant Parking").

MTA Transit Oriented Development ("TOD") and MNR view Hudson Harbor's proposal to lease the Leased Premises for Dedicated Tenant Parking as an opportunity to facilitate transit-oriented development, obtain unfettered 24/7 use of the Access Drive, improve ADA accessibility to the Station, obtain at no expense improvements to the portion of the Parking Lot to be retained by MTA for MTA/MNR's exclusive use, including repaving, striping and lighting, and the perpetual maintenance of the portion of the Parking Lot to be retained by MTA by the proposer at its own expense, and generate revenue for the MTA Capital Program. TOD therefore issued a Request for Proposals ("RFP") in accordance with the Public Authorities Law for a proposer to ground lease the Leased Premises and to require, as partial consideration therefor, that the successful proposer grant to MTA the improved and expanded access easements and construct and maintain the improvements benefiting the MTA Property described above.

Hudson Harbor was the only respondent to the RFP. Hudson Harbor proposed to pay MTA an annual base rent for the Leased Premises of \$36,000, subject to the rent escalations and rent adjustments referenced above. The net present value of the ground rent payable during the initial term of the Ground Lease equals or exceeds the fair market value of the Leased Premises as determined by an independent appraisal obtained by TOD. Hudson Harbor also agreed to grant to MTA/MNR the improved and expanded access easements and undertake the required improvements benefiting the MTA Property at Hudson Harbor's sole cost and expense, including maintenance.

Based on the foregoing, TOD requests Board authorization to (i) conditionally designate Hudson Harbor as the successful proposer to the RFP, and (ii) negotiate, execute and deliver the Transaction Documents, upon the terms and conditions set forth above and other such terms and conditions as the Chief Development Officer or such officer's designee deems necessary or appropriate to consummate the Ground Lease of the Leased Premises to Hudson Harbor, effectuate the grant by Hudson Harbor of the improved and expanded access easements and provide for the construction and maintenance by Hudson Harbor of the improvements benefiting the MTA Property described above.

# Staff Summary

<b>Subject</b> <b>ACQUISITION OF PROPERTY INTERESTS FROM THE VILLAGE OF PLEASANTVILLE IN SUPPORT OF THE HARLEM AND HUDSON POWER IMPROVEMENTS PROJECT, PLEASANTVILLE SUBSTATION</b>
<b>Department</b> <b>REAL ESTATE</b>
<b>Department Head Name</b> <b>DAVID FLORIO</b>
<b>Department Head Signature</b>
<b>Project Manager Name</b> <b>GARRETT BURGER</b>

<b>Date</b> <b>SEPTEMBER 25, 2024</b>
<b>Vendor Name</b>
<b>Contract Number</b>
<b>Contract Manager Name</b>
<b>Table of Contents Ref. #</b>

Board Action					
Order	To	Date	Approval	Info	Other
1	Metro-North	09/23/24		X	
2	Finance Committee	09/25/24	X		
3	Board	09/25/24	X		

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

**AGENCY:** MTA Metro-North Railroad (“MNR”)

**SELLER / GRANTOR:** Village of Pleasantville (“the Village”)

**LOCATION:** North Side of Manville Road between Washington Avenue and Metro-North’s Harlem Line (Adjacent to 2 Washington Avenue and 44 Washington Avenue), Pleasantville, NY 10570

**PREMISES:**

- 1) Fee acquisition of a 5,570± square foot parcel identified on the Westchester County tax maps as Section 106.6, Block 1, Lot 52
- 2) Permanent easement on and over a 2,584± square foot portion of a parcel identified on the Westchester County tax maps as Section 106.6, Lot 51

**USE:** Construction, operation, maintenance, and access to a new electrical substation

**ACTION REQUESTED:** Authorization to acquire the Premises through negotiated agreement.

**COMPENSATION:** \$410,000

**COMMENTS:**

In support of the Harlem and Hudson Power Improvements Project - Pleasantville Substation (the “Project”), Metro-North seeks to construct a new electrical substation in the Village of Pleasantville in order to strengthen the traction power system on the Harlem Line. In furtherance of the Project, the MTA is seeking to acquire the Premises cited above.

The Premises is owned by the Village of Pleasantville and comprise both a fee parcel (the “Fee Parcel”) and a permanent access easement (the “Access Easement”). The Fee Parcel is a vacant lot with an approximately 25 x 26 foot paved area that contains a trash compactor in support of an adjacent commercial property. As part of the conveyance, the Village will retain a permanent easement over the compactor enclosure. The access easement is located within an adjacent municipal parking lot and will not cause any existing parking spaces to be eliminated.

**FINANCE COMMITTEE MEETING  
ACQUISITION OF PROPERTY INTERESTS FROM THE VILLAGE OF PLEASANTVILLE IN SUPPORT OF  
THE HARLEM AND HUDSON POWER IMPROVEMENTS (PLEASANTVILLE SUBSTATION) PROJECT  
(cont'd)**

Page 2 of 2

MTA Real Estate initiated negotiations with the Village in early 2024 and in April 2024 obtained an independent appraisal of the Premises. The appraised value is \$410,000, and the Village has accepted this amount for the fee parcel and access easement.

Based on the foregoing, MTA Real Estate is requesting authorization to proceed with the acquisition of the Premises by negotiated agreement pursuant to the above-described terms and conditions.