

November 2020

MTA Board Action Items



MTA Board Meeting
2 Broadway, 20th Floor Board Room
New York, N.Y. 10004
Wednesday, 11/18/2020
10:00 AM - 12:00 PM ET

1. PUBLIC COMMENT PERIOD

2. APPROVAL OF MINUTES

MTA and MTA Agencies Committee & Regular Meeting Joint Minutes - October 28, 2020

MTAHQ

NYCT/MaBSTOA/SIRTOA/MTA Bus Company

MTA Metro-North Railroad

MTA Long Island Rail Road

MTA B&T

MTA Construction & Development

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3. CFO PRESENTATION ON MTA 2021 FINAL PROPOSED BUDGET AND NOVEMBER FINANCIAL PLAN 2021-2024 (Materials distributed separately)

4. MTA OTHER BUSINESS

Authorization to commence Fare and Toll Hearings

2021 Fare and Toll Changes Staff Summary - Page 26

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

MNR Procurements Report (no items)

LIRR Procurements Report (no items)

MTA C&D Procurements Report

MTA C&D Procurements - Page 27

i. Non-Competitive (no items)

ii. Competitive

MTA C&D Competitive - Page 31

iii. Ratifications (no items)

6. COMMITTEE ON NYCT & BUS

NYCT & Bus Procurements Report

Procurement Cover, Staff Summary and Resolution - Page 34

i. Non-competitive

Non-Competitive - Page 39

ii. Competitive (no items)

iii. Ratifications (no items)

iv. C&D Procurements

C&D Procurements - Page 46

7. COMMITTEE ON MTA BRIDGES & TUNNELS OPERATIONS

B&T Procurements (no items)

8. COMMITTEE ON FINANCE

Action Item

i. MTA Payroll Mobility Tax Obligation Resolution and Authorization of Supplemental Resolution (Resolutions available in Exhibit Book and MTA.Info)

Board Authorization of MTA Payroll Mobility Tax Obligation Resolution - Authorization of Supplemental Resolution to Issue \$2.9 Billion to MLF (Resolution in the Exhibit Book and MTA.Info) - Page 52

Information Item

i. 2019-2020 Station Maintenance Receivable

Station Maintenance Billing Update - Page 55

MTAHQ Procurements Report

MTAHQ Procurement Report - Page 58

i. Non-Competitive (no items)

ii. Competitive

MTAHQ Competitive Procurements - Page 61

iii. Ratification (no items)

Real Estate Items

Real Estate Agenda and Staff Summaries - Page 63

i. Real Estate Agenda and Staff Summaries

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

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

Minutes

2 Broadway

New York, NY 10004

Wednesday, October 28, 2020

10:00 a.m.

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

Hon. Patrick Foye, Chairman & CEO

Hon. Jamey Barbas

Hon. Frank Borelli

Hon. Victor Calise

Hon. Lorraine Cortés-Vázquez

Hon. Michael Fleischer

Hon. Randolph Glucksman

Hon. Rhonda Herman

Hon. David Jones

Hon. Linda Lacewell

Hon. Kevin Law

Hon. Robert W. Linn

Hon. David Mack

Hon. Haeda B. Mihaltzes

Hon. Robert F. Mujica

Hon. Lawrence Schwartz

Hon. Vincent Tessitore, Jr.

Hon. Neal Zuckerman

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

Hon. Andrew Albert

Hon. Norman Brown

Hon. John Samuelson

The following staff members attended in person or by videoconference:

Mario Péloquin, Chief Operating Officer, Thomas J. Quigley, General Counsel, Robert Foran, MTA Chief Financial Officer, Paul Fama, MTA Chief People Officer, Anthony McCord, MTA Chief Transformation Officer, Patrick Warren, MTA Chief Safety Officer, Sarah E. Feinberg, Interim President, NYCT, Craig Cipriano, Acting President, MTA Bus/Senior Vice President, NYCT Department of Buses, Janno Lieber, MTA Chief Development Officer, MTA

Construction & Development, Phillip Eng, President, Long Island Rail Road, Catherine Rinaldi, President, Metro-North Railroad, Daniel DeCrescenzo, Acting President, TBTA, Kuvershen Ayer, Chief Procurement Officer, David Florio, Director, R.E. Operations, Leasing & Acquisitions, Michele Woods, Auditor General, Carolyn Pokorny, MTA Inspector General, Abbey Collins, Chief Communications Officer, Monica Murray, Chief Administrative Officer, NYCT President's Office, Subash Iyer, Special Counsel for Ethics, Risk and Compliance.

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

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

1. CHAIRMAN FOYE'S OPENING REMARKS.

Chairman Foye stated that in observance of Breast Cancer Awareness month, everyone present at today's meeting at 2 Broadway is wearing a pink mask. The Chairman acknowledged the senior leadership staff and many other MTA staff members who have distributed masks, and most recently pink masks, on the subways and the railroads. Chairman Foye stated that, thanks to the State and City of New York, MTA has distributed five million masks to its customers, and will continue this distribution. The Chairman credited Sarah Meyer, Senior Vice President & Chief Customer Officer, as being the inspiration for what is known as the "Mask Force".

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

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

Thomas Quigley, MTA General Counsel, conducted the roll-call and confirmed the presence of a quorum. Board Members Cortes-Vasquez and Mujica, who were unable to respond during roll-call due to technical difficulties, were present for the meeting.

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

Chairman Foye noted that speakers for the public comment period were able to register on Monday, October 26, 2020 and send in their video or voice comments. The Chairman noted that the first thirty minutes of speakers' comments will be delivered at today's meeting and comments made by other speakers will be published to the MTA website.

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

2. PUBLIC SPEAKERS SESSION.

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

The following sixteen (16) speakers commented by videoconference during the public speakers' session. Refer to the video recording of the meeting produced by the MTA and maintained in MTA records for the content of speakers' statements, and to MTA.info for comments made by other public speakers.

Senator Brad Hoylman, NYS Senate
Assemblymember Debra Glick, NYS Assembly
Councilmember Keith Powers, NYC Council
Councilmember Ydanis Rodriguez, NYC Council
Sheila Binesh, PCAC
Lisa Daglian, Executive Director, PCAC
Matt Kamper, Passengers United
Larry Rubinstein, LIRRCC
Rachel Fauss, Reinvent Albany
Mary Parisen Lavelle, CURES
Anyuta Zelikson, INAYA
Chris Timbrell, Café Grumpy
Anthony Cirone, LI-LAC CHOCOLATES
Jason Anthony, Passengers United
Aleta Dupree, private citizen
Andy Pollack, Passengers United

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3. CHAIRMAN FOYE'S REMARKS.

Chairman Foye thanked everyone for joining this month's virtual meeting of the MTA Board.

The Chairman noted that at this year's Board meetings, he has asked for a moment of silence to acknowledge and remember members of the MTA family who passed away as a result of contracting the coronavirus, and the Chairman stated that the agency will continue that observance today. Chairman Foye invited President Eng to say a few words about the loss of a LIRR employee.

President Eng thanked Chairman Foye and stated that it is with a heavy heart that he announced that on October 1st the LIRR lost its second employee to COVID-19, Kyle Fulcher. Kyle joined the LIRR family in 2003 as a Maintenance of Equipment Electrician and member of the International Brotherhood of Electrical Workers. President Eng stated that, most recently, Kyle shared his expertise with others as a Training Specialist and proud member of the Transportation Communications Union, devoting his time to teaching others in the advancement of their careers.

President Eng stated that while the LIRR mourns the loss of Kyle, the agency is forever grateful for having had the opportunity to work with and know him.

President Eng asked for a moment of silence in honor of our colleague and friend, Kyle Fulcher, noting that his wife Tamara, son Kaden and his family and friends are in our thoughts and prayers.

Chairman Foye stated that the MTA will continue to remember and mourn those lost this year to the virus, and will continue to honor their dedication and service during this crisis.

Chairman Foye stated that as the ongoing COVID-19 public health crisis continues, the MTA remains intensely focused on continuing to mitigate risk for its employees and customers with the agency's nation-leading response. With the weather turning colder, and health experts warning of a possible second wave in New York as the virus continues to spread throughout the nation, the Chairman stated that the MTA continues to monitor the situation in the region and in the agency, and to prepare so that the MTA can continue to respond flexibly and effectively to any new conditions as they arise. Chairman Foye stated that the New York City region was hard hit by the virus the first time around, and the lessons learned since March are now guiding the MTA's plans and preparation.

Chairman Foye stated that while the rate of positive cases in the region is still relatively low, the MTA remains concerned about the possibility of asymptomatic spread. The Centers for Disease Control and Prevention estimates that up to 40 percent of infections are asymptomatic, which is why the MTA is now taking the added precaution of offering

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voluntary COVID-19 screenings to its frontline employees at field locations and health facilities – a first of its kind initiative for the transit agency.

Chairman Foye stated that the testing locations will be determined by MTA Occupational Health Services (“OHS”) based on cluster data from the NYS Department of Health and operational priorities. Second, testing will be offered to employees scheduled to visit a Medical Assessment Center – there are 3 at NYCT—or an OHS facility for Metro-North and LIRR, serving those and Bridges and Tunnels employees.

Finally, the Chairman stated that this program complements the MTA’s existing partnership with Northwell Health-GoHealth to provide free rapid testing at urgent care centers across the metropolitan region. Chairman Foye stated that employees should head to one of the designated locations if they feel sick, and he reminded everyone that if they do not feel well, they should stay home. Chairman Foye stated that it is critical that everyone does their part to keep themselves and their colleagues healthy. Chairman Foye thanked Chief Safety Officer Patrick Warren and his team, and the agency presidents and their teams for getting the program up and running.

Chairman Foye stated that the MTA is fast approaching the 15 million mask mark for distributing free masks in the MTA system. Chairman Foye stated that 10 million masks have gone to the MTA’s amazing and dedicated workforce, with the rest made available to customers at stations and on buses, and LIRR and Metro-North as well, thanks to contributions from the State of New York and New York City.

Chairman Foye thanked the MTA’s Chief Procurement Officer Kuvesh Ayer for leading the mask distribution efforts, and Sarah Meyer for creating the “Mask Force”. The Chairman also thanked everyone for wearing a mask and keeping themselves and those around them healthy. Chairman Foye stated that he knows that wearing a mask is the single most important thing we can do to protect ourselves, each other and the agency’s employees while riding mass transit.

Chairman Foye recognized five heroic LIRR employees whose heroic actions saved a man who fell onto the tracks and became stuck while trying to free himself. The Chairman stated that the employees’ quick thinking and years of experience helped save a life. The Chairman commended Gregory Hartley, Kevin Rattigan, Larry Woods, Stacy Augustine and Shelwyn Hendy for their courage and bravery.

Chairman Foye state that, while the MTA remains focused on safety as its top priority, in responding to the ongoing pandemic, the agency continues toward a steep fiscal cliff that awaits without additional federal funding. Ridership continues to be down significantly, affecting revenues, and CFO Robert Foran and his team are hard at work on the November Financial Plan. However, the Chairman stated that without federal aid, the prognosis has changed, and the MTA faces a five-alarm fire and a fiscal tsunami.

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Chairman Foye stated that last month he reported that economists were studying just how much of an impact the MTA has on regional GDP and job creation, and just how much economic value and how many jobs would be destroyed if the MTA had to undertake the hard options that were discussed at the August meeting and subsequently. The Chairman stated that the full report, prepared by the NYU Rudin Center for Transportation and Appleseed, a preeminent economic consulting firm, will be available shortly. However, the Chairman stated that he wanted to share a few highlights of the report.

Chairman Foye stated that the Rudin and Appleseed report estimates that a reduction in MTA service – of up to 40% on subways and up to 50% on the railroads, as laid out in August – and the associated reduction in positions, along with a delay or elimination of capital spending next year, would have an enormous negative impact on the region – resulting in as many as 450,000 lost jobs by 2022, a reduction of \$50 billion in annual earnings, and an annual reduction of approximately \$65 billion in the regional GDP. The Chairman stated that those losses would recur each year for as long as these drastic service cuts and layoffs continue.

The Chairman stated that in short for an investment of \$12 billion from the federal government in the MTA, the agency could avoid the loss of over \$65 billion in GDP and the loss of up to 450,000 jobs, including over 8,000 MTA workers per year. That federal investment would generate more than a 5-to-1 return and accelerate the regional and national recovery from this ongoing crisis.

Chairman Foye stated that this should be a no-brainer on Capitol Hill. However, instead of desperately needed aid, at this moment the MTA is facing indifference from Republican leadership in Washington. The Senate has not acted on HEROES 2.0 despite the best efforts of Speaker Pelosi, Minority Leader Schumer and the New York congressional delegation. Chairman Foye stated that the Federal Emergency Management Agency has cut the MTA's COVID reimbursement, as if disinfecting transit and other public facilities isn't critical to protecting public health, which is outrageous and reeks of callous disregard.

The Chairman stated that if the MTA and its agencies do not receive substantial additional federal aid, the results will be catastrophic. As have been repeatedly expressed, the MTA must balance its budget, and there are no easy ways to bridge a massive gap of this size. Chairman Foye stated that the hard options that the MTA face have been described– the possibility of draconian service cuts, widespread layoffs, and delaying or slashing the agency's historic \$51.5 billion Capital Program, and the possibility of a sharp increase in fares and tolls above schedule, as discussed in August.

Chairman Foye stated that the agency is now beginning the standard process of reviewing the MTA's fare and toll policy, which has occurred biennially since 2010. A critical part of this process, this year and every year, are robust analyses of equity impacts of any proposed policy. The Board will be discussing these issues at the November and December Board meetings later this year.

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Chairman Foye stated that the bottom line is that nobody at the MTA wants to take any of these drastic actions. It would be unspeakable for thousands of incredible MTA workers, who have heroically kept the city moving throughout the pandemic, heroes moving heroes, to lose their jobs. Not to mention the terrible position any reduction in service creates for all the MTA's customers– including essential workers, who will lose out on a reliable commute when they need it most. Chairman Foye stated that New York deserves better.

The Chairman noted that many of the first responders and essential workers on the subways, buses, LIRR and Metro-North, are people of color and working people with low incomes who do not have the ability to travel to their jobs, school or healthcare appointments by car, and do not have the option to work remotely or work by Zoom.

Chairman Foye stated that Senate Republicans need to act now so the MTA can get back on track. Even with depressed ridership, the MTA is still the largest transportation system in the region, with nearly 3 million daily customers now on its subways and buses – serving more riders than its peer agencies in Boston, Philadelphia and Washington carried before the pandemic, combined. The MTA must survive for these riders, and the millions more who will eventually return to the system.

The New York region contributes significantly to the national economy– generating nearly 10% of national GDP, and it is no secret that transit and the MTA are the economic engine that powers this region. The Chairman stated that the road to economic recovery for the State, City, region and the nation will not be paved with asphalt, but with the train tracks and busways that run through our communities. It is not only an economic issue, but it is an equity issue, an investment in and commitment to the customers and communities served by the MTA.

Chairman Foye stated that the MTA is not only the engine that powers the regional economy, but it is also the sturdy fiber that knits this region together– connecting every corner of the region from Inwood and Co-Op City to Ronkonkoma and White Plains, and north and south and east and west of those locations, and creating the literal pathways to opportunity along the way, by connecting New Yorkers to schools, jobs, social and cultural activities, health care and more. The Chairman stated that Washington cannot stand by and strand the millions of customers that the MTA continues to serve, for the sake of our collective rebound from this crisis. The Chairman stated that our leaders on Capitol Hill in the U.S. Senate cannot miss the moment.

With respect to commitment to innovation, Chairman Foye stated that while we know that common sense measures like wearing a mask are critical to reducing human-to-human transmission of the virus, it has not stopped the MTA from pursuing innovative new paths to keep its system safe. Under the leadership of Chief Innovation Officer Mark Dowd, the MTA is partnering with federal agencies to study and leverage new technology, modeling and data to help us adapt to the reality of post-pandemic mobility.

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Chairman Foye stated that it is critical to have alignment at all levels of government as the COVID crisis continues to evolve. The results of this work can serve as a model for transportation agencies nationwide, which is a win for everyone.

Chairman Foye stated that the MTA is also continuing to look to the private sector for ideas and opportunities to improve public health security. Together with the Transit Innovation Partnership, the MTA launched the COVID-19 Response Challenge over the summer. The winners have since been announced, and their cutting-edge technologies tackle issues ranging from air purification to new disinfection technologies. The next step with these companies is to move forward with a proof of concept, which is exactly what the MTA is doing. The Chairman thanked Rachel Haot, Executive Director of Transit Innovation Partnership, and her organization for their work on the Challenge. The Chairman also thanked the Transit Innovation Partnership for their help in developing the MTA's groundbreaking new digital subway map in beta alongside Sarah Meyer's team and the design firm Work & Company. Chairman Foye stated that this was an enormous undertaking, MTA's first major map redesign in four decades, and it will go a long way in improving the customer experience for years to come.

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

4. CHIEF SAFETY OFFICER'S PRESENTATION.

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

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

5. CHIEF FINANCIAL OFFICER'S PRESENTATION.

Robert Foran, Chief Financial Officer, provided an update on the MTA's Finances.

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

6. CHIEF DEVELOPMENT OFFICER'S PRESENTATION.

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

CDO Lieber reported that C&D has completed seven accessible station projects in the past few months, including most recently Bedford Park Boulevard in the Bronx, and

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Bedford Avenue, in Williamsburg, Brooklyn. He further noted that he was joined by several elected officials at the opening of these facilities, including Congressman Adriano Espaillat, the lone New York City Representative on the House Transportation & Infrastructure Committee in Washington.

CDO Lieber also reported that C&D's \$2.4 billion acceleration program, which was announced with Governor Cuomo back in June of this year, is hitting its stride, with 90% of all of the projects that were identified for award having been committed, and two-thirds of the construction that was underway having been completed. CDO Lieber reminded the Board that the acceleration program includes the complete track replacement on the Archer Avenue portion of the E line past Jamaica. The work was originally planned for later in the capital program, but C&D took advantage of the current low ridership to complete the work faster, taking the E line out of service in the impacted area and providing alternative services. CDO Lieber went on to state that C&D has been able to get this done by working with the community, elected officials and the community board.

The CDO went on to state that the focus of this month's CPOC report is infrastructure and that the MTA's Independent Engineering Consultant was available for questions. CDO Lieber reported that C&D's Infrastructure Group is doing a terrific job of managing the MTA's existing projects that transitioned over to C&D in connection with the agency consolidation, while also adopting the new C&D management and delivery system. The Infrastructure Group has a total of 275 projects with a total value in excess of \$10 billion and is headed by Kerry Donovan who served as NJ Transit's Chief of Construction. CDO Lieber further reported that two large projects are nearing completion – the Long Island Rail Road Mid-Suffolk Yard in Ronkonkoma, which is being built in conjunction with the East Side Access project and is achieving substantial completion this week, for which Program Executives Glenn Mistler, Steve Schneider and the rest of their team received congratulations; and the Morris Park Diesel Locomotive Shop, which will be completed next month. CDO Lieber noted that these are two major C&D projects that are achieving their completion dates timely.

CDO Lieber also highlighted two other major projects that are being handled under the new C&D management and delivery system – New York City Transit's 207th St. and the Coney Island Yard projects. At the 207th St. Yard, the project team has consolidated six different projects under a single Project Chief Executive Officer ("Project CEO"), with one construction management operation doing the oversight. This consolidation resulted in a cost savings to C&D by ensuring tight coordination and piggybacking on outages. In addition, this project is on budget and on schedule, while in the past yard projects tended to run long and be expensive.

CDO Lieber further reported that the Coney Island Yard is a huge project and is under the leadership of a very capable Project CEO, Deirdre Harvey. The yard is 100 acres and stores 1,800 subway cars. CDO Lieber noted that this is a very complicated sequencing project that involves constructing a seawall and infrastructure while the rail yard remains

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operational. CDO Lieber reported that this four-and-a-half-year project is on budget. CDO Lieber noted that C&D lost a month or two, but the agency will make that up and get back on schedule.

CDO Lieber reported that C&D has managed to keep all of these projects moving forward and adapted its management approach, but the lack of support from Congress continues to have a dramatic effect on the MTA's Capital Program. The CDO reminded the Board that, as he has stated in the past, C&D expected to award over \$13 billion of new capital work this year, but will wind up ending the year awarding under \$5 billion of new capital work, and a chunk of that is work advanced through the acceleration program. CDO Lieber noted that this provides an idea of the sense of the scale of the deceleration of our historic Capital Program, which can only be turned around when CFO Foran and the rest of the MTA's financial team receive the necessary help from Washington.

Board Member Glucksman inquired as to why the Archer Avenue extension, which was opened in 1988, has the need for such a major reconstruction. CDO Lieber responded that the track was in bad shape. It was a direct fixation track system built during the early days of the use of such a system and eroded very quickly. It needed to be repaired because it had the potential to become a safety issue, as it was causing trains to operate at reduced speed and was affecting throughput. The CDO reported that the work is on schedule and that he worked closely with New York City Transit President Feinberg to ensure the project meets their needs. CDO Lieber further noted that due to the low ridership, the impacts are manageable.

Board Member Glucksman also inquired as to whether the 63rd St. extension is going to have the same problem. CDO Lieber responded that he did not have current information on this and would look into it.

Board Member Albert inquired as to whether the track on the J/Z level of the Archer Avenue Extension is in similarly bad shape. CDO Lieber responded that this had been discussed at least once and as far as the MTA knows, it is not.

Board Member Calise thanked CDO Lieber for starting his report on accessibility and continuing to push projects in these difficult times. Board Member Calise noted that he hopes the MTA receives federal funding to increase the work it can perform. He also stated that the MTA should let him know if there is anything that he can do to help. CDO Lieber responded that the MTA is grateful for Board Member Calise continuing to help to the MTA highlight the successes and pushing the accessibility program forward.

CDO Lieber also reported that an Executive Session to discuss Capital Security Projects was on the CPOC Work Plan for this month, but that it is not a part of the public agenda as it was handled in an earlier briefing to the CPOC Committee.

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B. Procurement Items.

CDO Lieber presented C&D's procurement package for the Joint Railroad and the New York City Transit and Bus Committees.

Joint Railroad Committee:

CDO Lieber presented C&D's procurement package for the Joint Railroad Committee. Upon a motion duly made and seconded, the Board:

Approved the award of a competitively solicited design-build contract (6355) design-build contract to provide a new prefabricated substation building at the Long Island Railroad ("LIRR") Ocean Avenue location on the Babylon Branch in Rockville Centre to T. Moriarty and Son, Inc. (TMS) in the amount of \$17,853,400 and a duration of two years and four months.

A copy of the Resolution and the Staff Summary for the above item is filed with the records of the Regular Board Meeting of the MTA of this date.

New York City Transit and Bus Committee:

Upon a motion duly made and seconded, the Board:

Approved the award of a modification (No. 1) to Contract P36444 for the pump room controls upgrades for the 53rd Street Tube that spans between the 53rd Street Station in Manhattan and the Court Square-23rd Street Station in Queens associated with the E/M line in the amount of \$8,600,000.

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

7. APPROVAL OF MINUTES.

Upon motion duly made and seconded, the Board approved the Minutes of the Joint Committee and Board meeting of the MTA and MTA Agencies held on September 23, 2020.

8. METRO-NORTH RAILROAD AND LIRR JOINT COMMITTEE.

A. LIRR President Phillip Eng's Report.

President Eng reported on enhanced cleaning and disinfecting efforts across the Railroad to keep customers safe. He stated that we are encouraging the use and deploying

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enforcement of face coverings through aggressive messaging and distribution of masks and hand sanitizers at stations, ticket windows and on trains. President Eng stated that our most recent survey of more than 5,000 travelers, conducted on our trains and in stations, showed a mask compliance rate at 97%. He thanked those who continue to help keep everyone safe by wearing masks.

President Eng stated that in addition to our enhanced cleaning effort, as the MTA recently announced, Metro North and LIRR are piloting and testing a new multi-stage air purification system for our train cars, and are the first in North America to test this. This new technology has been certified by an EPA approved facility to effectively kill 99.998% of airborne viruses, including COVID-19. President Eng observed that our current systems continuously filter and circulate air, ensuring that every five minutes, or 12 times an hour, outside fresh air has fully replaced the air from within the car.

President Eng, reporting on the laser train, stated that while our region is getting ready to enjoy a peak leaf fall season, we've had issues in the past with the slippery pectin left on our rails when leaves are crushed by passing trains. President Eng stated that last year, we unveiled the laser train, a world-wide industry first that uses lasers to blast off and eliminate pectin, leaving a smooth, clean rail behind so our trains can operate safely with improved On-Time Performance ("OTP").

President Eng stated that over the past year, we've been working on taking this technology even further. He is proud to announce that for this fall season, working with the manufacturer, LPS, we've increased the speed of these laser trains to 25 miles per hour, up from 15 miles per hour. President Eng stated that we've built on the successes from last year, and with increased speed and a second laser train added, we are covering our entire territory, more than 600 miles of track, every two days. As our laser trains operate nightly, this means we're proactively taking on low adhesion to enhance safety and reliability and achieve cost savings by reducing flat wheel occurrences.

President Eng stated that while it is early in the season, we have already seen this past month, several days of misty mornings with near zero slip-slide events; he estimated that conservatively, we've prevented 60 to 100 cars from being taken out of service with flat wheels. President Eng stated that this is invaluable as we battle the pandemic and seek cost savings using technology with long lasting benefits. President Eng commended Chief Mechanical Officer Craig Daly and his team for a job well done.

President Eng, reporting on ridership, stated that our current ridership levels have steadily grown over the last several months: weekdays now are at 28% of our normal levels, exceeding the projected levels of 22.5%. President Eng observed that the statistic that gives him even more optimism is our weekend ridership -- up to half of our pre-pandemic customers have returned on the weekends. That's tells us that while many of our customers continue to work from home, there is a significant portion of our customers who are using the rails again to get to where they want to go on weekends for leisure travel. President Eng stated that to him, that's a positive sign that when people need to

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travel, they are using the railroad again, knowing that it is the most convenient way to travel our region, and that they can do so safely. President Eng stated that he's proud to say that for the customers who are taking our trains, we're getting them where they need to go on time and safely. In September, our OTP hit 97.7%.

President Eng stated that one of the major contributing factors to all these statistics is our workforce, rising to the occasion and continuing to deliver State of Good Repair and infrastructure improvements during these unprecedented times.

President Eng reported that our crews installed concrete ties and new rail from Divide 1 in Hicksville, going west; in September, more than 15,000 concrete ties were installed, totaling 5.84 miles of track. President Eng observed this was extremely productive and cost-effective, accomplished while piggybacking on the Third Track weekend outages, where we installed new high-speed switches for the new Nassau 3 Interlocking, as part of the LIRR Expansion Project.

Regarding Positive Train Control ("PTC"). President Eng stated that he is proud of the team led by Debbie Chin for their continued progress. We remain on schedule and he is confident that we will be in compliance with the Federal Railroad Administration ("FRA") deadline before the end of this year. President Eng stated that the work at Harold with Amtrak is progressing. The safety plan is in the final stages of review and approval by the FRA and with 305 route miles, or 96% of our system running in PTC.

President Eng stated that on October 7, LIRR and MTA Construction & Development ("C&D") announced the completion of the first phase of upgrades at Lynbrook Station. The elevated station now features two island platforms, new platform canopies, new platform waiting rooms, and LED lighting, creating a new, bright, welcoming environment.

President Eng observed that the upgrades at this station are the result of the partnerships and teamwork that allow the LIRR to connect communities, and work with community leaders and elected officials who understand the importance of taking action. President Eng stated that he is thankful for Governor Cuomo's leadership and his bold vision regarding infrastructure rebuilding, and he's proud of our workforce and small business contractors for working through the challenges of these unprecedented times as we strive to improve the quality of life on Long Island.

President Eng stated that on the weekend of October 3rd and 4th, LIRR crews supported a Design-build team led by C&D in the grade crossing elimination at School Street, significantly improving our safety and train reliability through this critical stretch. President Eng stated that this elimination has special meaning to him and the LIRR, as School Street was the site of a horrific accident in February 2019.

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President Eng stated that grade crossing eliminations go hand in hand with our grade crossing safety initiatives, where we install flexible delineators across our system. He is proud that our industry-first partnership with WAZE went global with this initiative.

President Eng stated that there are more details on the items he discussed and other reports in the Committee Book.

In closing, President Eng thanked all LIRR employees and all other essential workers and reminded everyone of the vital importance to remain vigilant so we can continue to protect one another in our ongoing fight against COVID-19. President Eng stated that we're sticking together at the Railroad and across the MTA and that he can't thank the workforce enough as we continue to provide the safe and reliable service in support of our economic recovery. President Eng also thanked all our customers and employees for continuing to wear masks.

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

B. Joint Information Items.

- 2021 Preliminary Budget (Public Comment)
- LIRR/MNR PTC Project Update

C. LIRR Information Item.

- November Timetable Change & Trackwork Programs

D. Other LIRR Committee Items.

- Minutes of the Joint Metro-North and Long Island Rail Road Committee Meeting held on September 23, 2020
- LIRR 2020 Work Plan
- LIRR Safety Report
- Police Report – LIRR
- LIRR Operations, Performance Metrics, Finance, Ridership, and Capital Program Reports

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

President Rinaldi reported that September service delivery operated above goal at 98.5% with year-to-date service delivery 3.6% better than in 2019. With ridership down a little more than 77%, Metro-North continues to provide a reduced schedule. President Rinaldi

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reported that Metro-North is carrying nearly 23% of pre-COVID ridership, with the counts steadily increasing 7.2% in the six weeks after Labor Day. The Hudson Line is down a little more than 74%, carrying 26% of pre-COVID ridership, the Harlem Line is down 76.9%, carrying 23.1% of pre-COVID ridership, and the New Haven Line is down 78%, carrying 22% of pre-COVID ridership.

Weekend ridership has recovered more than weekday ridership. Across the system, weekend ridership is down 54.7%, and Metro-North is carrying nearly 45.3% of pre-COVID weekend ridership levels. The Hudson Line is only down 34%, carrying nearly 66% of pre-COVID weekend ridership, and attained 72% of pre-COVID ridership this past Saturday with people sightseeing and visiting the Hudson Valley. The Harlem Line is down 58%, carrying 42% of pre-COVID weekend ridership and the New Haven Line is down 62%, carrying 38% of pre-COVID weekend ridership.

President Rinaldi also reported that West of Hudson service delivery operated above goal at 96.6% with year-to-date service delivery at 95%. Ridership recovery was slightly lower than East of Hudson, down approximately 80%. Pascack Valley ridership is down 78%, carrying approximately 22% of pre-COVID ridership, and Port Jervis ridership is down approximately 82%, carrying approximately 18% of pre-COVID ridership.

Reporting on Positive Train Control (“PTC”), President Rinaldi confirmed that 100% of Metro-North’s tracks are in full PTC operability and Metro-North remains on schedule to have full PTC functionality across the railroad by the end of this year. All Hudson Line, Harlem Line, and Danbury Branch trains are operating in PTC. Technicians are bringing PTC software to the New Haven Line’s M8 electric cars, which will allow New Haven Line trains to enter PTC operations at the end of November. President Rinaldi thanked Metro-North employees Anish Gandhi and Dwight Sowden for keeping the momentum going through the end of the year, at which time all trains will be operating with PTC. Board Member Albert asked for an update on the status of PTC on the Waterbury Branch. President Rinaldi explained that the FRA has granted a “Main Line” track exemption and the Waterbury Branch had not previously been signaled so it is on a separate parallel path. Metro-North is in the process of installing the signal system as well as the PTC overlay on the Waterbury Branch and expects that work to be finished next year.

As more customers return to Metro-North trains, President Rinaldi remarked that they want to be confident that Metro-North is doing everything it can to keep them safe and healthy. Earlier this month, Metro-North began testing a new revolutionary air purification system that can kill COVID-19 and virtually all other viruses. In two HVAC units of a Metro-North car, Metro-North is testing this new technology that purifies air inside rail cars using an electrical field that generates a wave of ionized particles. These waves can kill not only the COVID-19 virus, but the standard flu and other bacteria that cause the common cold. Even particulate matter like diesel exhaust can be filtered out. The railroads will evaluate its effectiveness and if this pilot proves successful, it will be widely adopted by Metro-North and the Long Island Rail Road, and will be poised for an expansion to the New York City subway.

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President Rinaldi stated that this new technology complements the work Metro-North has already been doing to keep riders and employees safe during this public health crisis. Metro-North's amazing cleaners are in the system 24/7 executing an unprecedented program for disinfecting train cars and stations. Metro-North has deployed dozens of station ambassadors across 30 stations, on platforms, and in terminals to monitor ridership, distribute masks, and assist with loading and customer information. Hand sanitizer dispensers and floor decals to assist customers with social distancing have been installed at all stations. Metro-North has also added vending machines that sell personal protective equipment at twelve additional stations for a total of twenty-four stations now with PPE vending machines. Metro-North will also be deploying these machines in Grand Central by the end of the year.

President Rinaldi reported that within the next two weeks Metro-North will be launching an update to the TrainTime app that will enable passenger counts of M-7 train cars, allowing riders to more efficiently social distance. Metro-North will be bringing this functionality to the M-8 fleet later this year, to be followed by the coach fleet. President Rinaldi stated that the most important thing Metro-North can do is encourage all customers to wear a mask while traveling. She expressed gratitude that most customers already wear a mask and remarked that Metro-North needs to do everything it can to ensure 100 percent compliance.

President Rinaldi announced that the American Public Transportation Association (APTA) recently awarded the Grand Central Terminal Fire Brigade with its 2020 Rail Safety Certificate of Merit for Commuter/Intercity Passenger Rail. October is National Fire Safety Month and a good time to revisit workplace fire safety and prevention. The GCT Fire Brigade serves as the first line of defense for fire and life safety emergencies inside GCT to ensure Metro-North can provide safe and reliable service for customers and employees. Their dedication is one of the many reasons Metro-North is one of the safest commuter railroads in the country. President Rinaldi stated that she was proud of the entire Metro-North organization as APTA has now recognized Metro-North three out of the last five years for its safety programs. She thanked APTA for recognizing the outstanding efforts of this dedicated group of employees.

President Rinaldi reported that Metro-North crews remain hard at work every day and have made considerable progress this year in maintaining and improving the system. As the Track Report for the 3rd quarter on the agenda reflects:

- 34,350 railroad ties have been replaced;
- 6 miles of new rail has been installed;
- 1,308 rail joints have been welded;
- 30 track switches have been replaced;
- 6 grade crossing pads have been renewed; and
- 71 miles of track has been resurfaced.

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President Rinaldi thanked the Metro-North employees for their continued dedication and tireless efforts during these challenging times.

Board Member Zuckerman commented on his recent experiences riding Metro-North and stated that he felt very safe. He also congratulated President Rinaldi on the successful implementation of PTC. He commented on the need to address emerging safety problems in Cold Spring related to the influx of visitors to Breakneck Ridge and other Hudson Valley trails.

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

B. Joint Information Items.

- 2021 Preliminary Budget
- PTC Project Update

C. Metro-North Information Items.

- Track Program Quarterly Update
- Customer Survey on COVID-19

D. Other Metro-North Committee Items.

- Minutes of the Joint Metro-North and Long Island Rail Road Committee Meeting held September 23, 2020
- Metro-North 2020 Work Plan
- Metro-North Safety Report
- MTA Police Report – Metro-North
- Metro-North Operations, Performance Metrics, Finance, Ridership, and Capital Program Reports

9. NYCT INTERIM PRESIDENT SARAH FEINBERG'S PRESENTATION.

A. NYCT's President's Report:

Interim President Feinberg wished the NYCT subway system a happy 116th birthday and remarked that the system looks better than ever thanks to the cleaners and crews.

Feinberg thanked Pat Warren and the Office of Occupational Health Services and Labor

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Relations and others who have come together to implement the COVID-19 testing program. She said she meets with NYCT employees weekly, usually in the form of Town Hall meetings, and by far the issues she hears about the most are the Agency's financial situation and COVID-19, whether it is related to PPE, our leave policies or anxiety about social distancing and other related topics. Interim President Feinberg explained that pandemic fatigue is a very real thing felt by NYCT as well as New York as a whole, and there is a sense that people are tired of being vigilant and careful. She stressed, however, that we are in a moment when it is more important than ever to be vigilant. Feinberg again commended Pat Warren and others for setting up the COVID-19 testing program, which she said will not only be tremendously helpful in identifying problematic areas and hot spots, but will assist generally with anxiety as we deal with a second wave.

Interim President Feinberg discussed the additional steps NYCT has taken to address COVID-19 since the first wave, including working closely with MTA's Real Estate group in order to identify and use additional space for employees near some of NYCT's facilities. Feinberg explained that NYCT has many enclosed spaces like break rooms, and while we have added as much as we could in real time such as bringing in and using empty buses or trains for more space, such a solution is not ideal in every circumstance. She stated that adding real estate has been very helpful and where NYCT cannot obtain real estate it tries to bring in trailers to some of these locations to provide additional space. Feinberg noted, however, that since we cannot bring in trailers everywhere, there will inevitably be areas where NYCT continues to use an empty bus or train for additional space.

Interim President Feinberg also discussed NYCT's continuation of the many other actions being taken to address COVID-19, such as providing PPE to employees and customers, which includes the mask force initiative led by Sarah Meyer and her team. She commented that NYCT has learned a lot from the first wave and is trying to get ahead as much as possible in anticipation of a second wave. Feinberg thanked the men and women who show up every day to move the City and commended their diligence and dedication to sticking with such critical work during the next wave.

Interim President Feinberg then addressed a few troubling incidents that occurred in the system over the last few weeks, including two incidents of riders being pushed onto the tracks. She stated that NYCT has consistently urged the NYPD, in partnership with NYCT, to do more to have a consistent and active presence in the subway system. She noted that the only way for everyone to stay safe and secure in the system is for NYPD to work closely together with NYCT to make that happen. Relatedly, Feinberg recapped last month's announcement that for the first time NYCT is collecting its own real time data and is specifically sharing such data related to worker assaults and vandalism is on the safety and security website. She added that NYCT plans to share additional data and will continue to provide updates in that regard.

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Interim President Feinberg then asked if there were any questions. Details of Board member questions and discussions and further details on Interim President Feinberg's presentation are contained in the video recordings produced and maintained by the MTA.

B. Procurement Report

Competitive: Upon motion duly made and seconded, the Board approved competitive procurements requiring a majority vote (Schedule I in the Agenda). Details of the above items are set forth in staff summaries, copies of which are on file with the records of the meeting of the Board of MTA NYC Transit /Staten Island Rapid Transit Operating Authority/MTA Bus Company.

Board member comments and questions and any discussions pertaining to these items are contained in the video recordings are produced and maintained by the MTA.

10. **TBTA ACTING PRESIDENT DANIEL DeCRESCENZO'S REPORT.**

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

Mr. DeCrescenzo opened his remarks by stating that while traffic levels continue to increase at TBTA facilities, in September paid traffic was 13.6% lower than in the same period last year, and preliminary figures through October indicate that traffic declined by 13.1% compared to the same period last year. Mr. DeCrescenzo stated that TBTA employees are preparing for the snow season by prepping the fleet, reviewing snow routes, and providing refresher training as needed. He also thanked TBTA employees for their outstanding contributions in helping the region by continuing to address the COVID-19 pandemic and by keeping traffic flowing safely and smoothly, while also keeping each other as safe as possible at the workplace. Finally, Mr. DeCrescenzo recognized and thanked TBTA members of the Mask Force who have helped to distribute masks to the public and, more recently, by handing out pink masks to raise breast cancer awareness.

With the tremendous drop off in LIRR commuter ridership, Commissioner Law asked if traffic at the QMT has increased due to commuters using their cars to commute. Mr. DeCrescenzo responded that compared to 2019 traffic levels, the QMT traffic is down as compared to the HLC traffic and other facilities where traffic levels are higher and closer to 2019 traffic levels. Commissioner Law commented that perhaps that is due to commuters driving to a certain point and then using the subway and Commissioner Albert commented that commuters may also be using other crossings to enter Manhattan. With regard to defaced and covered/obstructed license plates, Commissioner Brown asked how much revenue is lost and what is being done to address those issues. Mr. DeCrescenzo stated that the toll collection system reads through most of the covered/obstructed license plates and only a very small percentage of revenue is lost. Bridge and Tunnel law enforcement personnel and the New York State Police actively look for defaced and covered/obstructed license plates and stop these vehicles. In

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addition, Mr. DeCrescenzo stated that the back office investigates these vehicles to identify them and track them down through the DMV. For the next meeting, Commissioner Brown requested information on the number of vehicles with defaced, covered/obstructed license plates. Commissioner Glucksman commented that there are a lot of vehicles that only have a rear license plate. Mr. DeCrescenzo stated that in New York vehicles are required to have both front and rear license plates and missing license plates are also something that law enforcement officers at TBTA facilities look for and address.

B. Procurements

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

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

11. MTA COMMITTEE ON FINANCE.

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

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

1. ABC Engineering of New York PC d/b/a Benesch Engineering – Railway Highway Crossings Consultant Services – No. 15483. Approved the award of a competitively negotiated, personal services contract to provide safety assessments of railway crossings for Long Island Railroad and Metro-North Railroad on an as-needed basis.
2. Cubic Transportation Systems, Inc. – New Fare Payment System, One Metro New York – No. A-32024, Modification No. 6. Approval to exercise pre-negotiated options under the New Fare Payment System (“OMNY”) contract to provide OMNY equipment, spare parts, and media for MTA Long Island Rail Road and Metro-North Railroad.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for details of Mr. Ayer's summary of the procurement items.

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

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

Long Island Rail Road / MTA Construction & Development

1. Development and construction agreement with Vornado Realty Trust for New York Penn Station LIRR Train Hall Renovation, Phase 2 concourse improvements and an amendment to the Capital Program to approve the addition of \$40 million drawn from various programs to the LIRR 2015-19 Program

Metropolitan Transportation Authority

2. Second temporary new change to MTA Real Estate's leasing and licensing policies to allow for the re-negotiation of existing leases and licenses with remaining terms.

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

12. **AUDIT COMMITTEE**. Michele Woods, Auditor General, presented the Audit Report and a summary of the Audit action items.

Refer to the Audit Committee's minutes of this date, for the details of the reports and the items approved by the Board, and to the video recording of the meeting, produced by the MTA and maintained in MTA records, for the further details.

13. **INSPECTOR GENERAL'S REPORT**. MTA Inspector General, Carolyn Pokorny, presented the MTA IG's activities report.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for the details of Inspector General Pokorny's report and for the Chairman's and Board Members comments and discussion.

14. **ADJOURNMENT**.

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 12:28 p.m.

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Respectfully submitted,

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

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

Mariel A. Thompson
Assistant Secretary
NYCTA

David K. Cannon
Assistant Secretary
MTA C&D

Julia Christ
Senior Vice President
General Counsel and Secretary
TBTA

Victoria Clement
Assistant Secretary
MTAHQ

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Staff Summary

Subject 2021 Fare/Toll Changes
Department Chief Financial Officer
Department Head Name Robert Foran
Department Head Signature
Project Manager Name Mark Young

Date NOVEMBER 18, 2020
Vendor Name N/A
Contract Number N/A
Contract Manager Name N/A
Table of Contents Ref # N/A

Board Action					
Order	To	Date	Approval	Info	Other
1	Board	11/18/2020	x		

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

Purpose:

To seek Board authorization to proceed with the steps necessary to consider proposals for fare and toll changes, including the issuance of public notices and the holding of virtual public hearings to elicit public comment on such proposals.

Discussion:

In accordance with Board policy governing financial planning and the budget process, in November 2020, the Chairman and his designees present to the Board the MTA 2021 Final Proposed Budget and November Financial Plan 2021-2024 (“Financial Plan”).

Although the submission of the Financial Plan in November is informational, Board authorization is sought to commence the process for considering fare and toll changes, implementation of which the Financial Plan anticipates in March 2021. The fare and toll process includes the issuance of public notices and the holding of public hearings to elicit public comments on the proposals. Due to the COVID-19 pandemic, the MTA will convene these public hearings virtually on Zoom, with a livestream available on the MTA’s 2020 Fare and Toll Hearing website. Information is also posted on the MTA website, and the public may submit comments by email, letter, or phone. After the virtual public hearings have been held, specific proposed fare tariff and toll changes requiring Board authorization will be submitted to the Board for approval prior to implementation.

Recommendation:

It is recommended that the MTA Board authorize the Chairman and his designees to take the necessary steps, including publishing any required notices and conducting any required public hearings, in order to complete the administrative process necessary in advance of the Board’s consideration of the fare and toll pricing changes.

PROCUREMENT PACKAGE
November 2020



The picture above depicts a Long Island Rail Road passenger train traversing the Wreck Lead Bridge. The Wreck Lead Bridge carries passenger rail traffic on the Long Beach Branch over Reynolds Channel and connects LIRR service from Island Park to the City of Long Beach. This month's agenda includes a procurement action for the award of a construction contract to rehabilitate the moveable mechanical components of the bridge.

PROCUREMENT

The Procurement Agenda this month includes one procurement action for a proposed expenditure of \$2.9M.

Staff Summary

Subject		Request for Authorization to Award a Procurement Action			
Department		Contracts			
Department Head Name David K. Cannon					
Department Head Signature <i>David K. Cannon</i>					
Board Action					
Order	To	Date	Approval	Info	Other
1	MNR & LIRR Joint Committee	11/18/2020	X		
2	Board	11/18/2020	X		

Date: November 5, 2020			
Internal Approvals			
	Approval		Approval
	Executive Vice President & General Counsel		President
	Deputy Chief Development Officer, Development		

PURPOSE:

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

DISCUSSION:

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

<u>Schedules Requiring Two-Thirds Vote</u>	<u># of Actions</u>	<u>\$ Amount</u>
Schedule C Competitive Requests for Proposals (Award of Purchase/Public Work Contacts)	1	\$2,949,000
TOTAL	1	\$2,949,000

Budget Impact:

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

Recommendation:

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

MTA Construction & Development

BOARD RESOLUTION

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

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

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

NOW, the Board resolves as follows:

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

NOVEMBER 2020



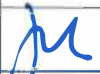

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

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

- | | | | |
|-----------|--|--------------------|--------------------------------------|
| 1. | Kiewit Infrastructure Company
Contract No. 6354
Two Hundred Seventy-Five Days | \$2,949,000 | <u>Staff Summary Attached</u> |
|-----------|--|--------------------|--------------------------------------|

MTA Construction and Development seeks Board approval to award a competitively solicited contract for the mechanical rehabilitation of the Wreck Lead Bridge.

Dept & Dept Head Name: Delivery/M. Roche 					
Div & Div Head Name: LIRR Business Unit/P. Dietlin					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	MNR & LIRR	11/18/2020	X		
2	Board	11/18/2020	X		
Internal Approvals					
	Approval		Approval		
	Deputy Chief, Development		President		
	Vice President, Contracts		Executive Vice President & General Counsel		
SUMMARY INFORMATION					
Vendor Name Kiewit Infrastructure Co.			Contract Number 6354		
Description Mechanical Rehabilitation of Wreck Lead Bridge					
Total Amount \$2,949,000					
Contract Term 275 days					
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A					
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive					
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:					
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:					

PURPOSE/RECOMMENDATION

To obtain approval of the Board to award a competitively solicited contract for the mechanical rehabilitation of the Wreck Lead Bridge to Kiewit Infrastructure Co. in the amount of \$2,949,000 and a duration of 275 days.

DISCUSSION

Wreck Lead Bridge is a single leaf rolling lift thru-truss bascule bridge that carries passenger rail traffic on the Long Beach Branch of the Long Island Rail Road (“LIRR”) over Reynolds Channel. It is part of the viaduct structure between Island Park and Long Beach, New York. The bascule bridge is 108 feet long and was originally constructed in 1970 and served the Charlotte Harbor and Northern Railway in Florida. In 1986 the bascule bridge was relocated from Florida and installed in its current location and has been in operation since 1988. The span hinges up out of the way so that boats can pass under the bridge. The bridge has experienced operational reliability issues and in recent years these reliability issues have been increasing, causing greater negative impacts to LIRR operations. Accordingly, Contract 6354 requires the selected contractor to provide for a mechanical rehabilitation and associated electrical upgrades of the movable bridge components to improve bridge reliability by rehabilitating the upper and lower span locks and installing a new centering device with the appropriate capacity.

The MTA Board granted approval to use the Request for Proposal (“RFP”) method to solicit qualified firms that are capable of mechanical rehabilitation and associated electrical upgrades of the movable bridge components at its March 2019 meeting. On March 28, 2020, the RFP for this contract was publicly advertised in the New York State Contract Reporter, the N.Y. Post, and on the MTA website, and the RFP was released. In response to the RFP, proposals were received from the following entities: Kiewit Infrastructure Co. (“Kiewit”) and Posillico Inc.

The proposals were evaluated and scored by a Technical Evaluation Committee (“TEC”) consisting of members from LIRR Engineering, Program Management, and Strategic Initiatives. Using the pre-established selection criterion set forth in the RFP, the Committee evaluated each proposer’s: technical approach; ability to meet schedule; company and key personnel qualifications and experience. Following the TEC’s review, both firms were invited to provide an oral presentation to gain a greater understanding on each company’s technical approach and their overall understanding of the project. Following the Oral Presentations, the TEC finalized their technical scores. The cost proposals and diversity questionnaire were rated separately and the technical, diversity and cost scores were then combined. Based on the results, Kiewit was identified as the top ranked proposer, its technical proposal fully meeting the requirements of the RFP. In addition, Kiewit’s price was significantly lower than the price of the other proposer.

Kiewit provided an initial cost proposal of \$3,099,000. A cost and scope analysis was completed, and negotiations were held with Kiewit to address various cost-savings initiatives and scope clarifications. As a result of the negotiations, Kiewit offered a Best and Final Offer, which provided an overall price reduction of \$150,000 (4.85%), and the final cost of \$2,949,000 is determined to be fair and reasonable.

In connection with a previous contract awarded to Mass Electric Company, Inc. (an affiliate of Kiewit), Mass Electric and Kiewit were found to be responsible notwithstanding significant adverse information pursuant to the All-Agency Responsibility Guidelines and such responsibility finding was approved by the MTA Chairman and Chief Executive Officer in consultation with the MTA General Counsel in January 2014. In addition, as a result of the review of Kiewit's responsibility since the prior contract award, new significant adverse information was identified concerning a Kiewit affiliate, Jett Industries, Inc., and Kiewit was found to be responsible notwithstanding such new significant adverse information and the award of the contract is subject to the approval of such responsibility finding by the MTA Chairman and Chief Executive Officer in consultation with the MTA General Counsel. Award of this Contract will not be made until such approval is received.

D/M/WBE/SDVOB INFORMATION

The MTA Department of Diversity and Civil Rights (DDCR) has established a 15%/15%/6% M/WBE/SDVOB goal for this contract. Kiewit has submitted a plan that meets the goal requirements. Kiewit has not completed any MTA contract with D/M/WBE/SDVOB goals; therefore, no assessment of its performance can be determined at this time.

IMPACT ON FUNDING

Funding for this project is included in the LIRR portion of the MTA's 2020-2024 Capital Program Budget.

ALTERNATIVES

There are no alternatives, as the LIRR does not have the ability to undertake the Rehabilitation of Wreck Lead Bridge with in-house forces.



Procurement and Supply Chain

Louis A. Montanti, Acting Senior Vice President

PROCUREMENTS

The Procurement Agenda this month includes 3 actions for a proposed expenditure of \$47.6M.

Subject	Request for Authorization to Award Various Procurements				
Department	Procurement & Supply Chain – NYCT				
Department Head Name	Louis A. Montanti				
Department Head Signature	<i>Louis A. Montanti</i>				
Project Manager Name	Rose Davis				
Board Action					
Order	To	Date	Approval	Info	Other
1	Committee	11/18/20			
2	Board	11/18/20			

November 10, 2020			
Department			
Department Head Name			
Department Head Signature			
Internal Approvals			
	Approval		Approval
X	President NYCT	X	Pres. MTA Bus/SVP DOB
X	SVP Operations Support	X	Subways
	Capital Prog. Management		Diversity/Civil Rights
X	Law		

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

PURPOSE

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

DISCUSSION

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

<u>Procurements Requiring Two Thirds Vote:</u>	<u># of Actions</u>	<u>\$ Amount</u>
Schedule A: Non-Competitive Purchases and Public Work Contracts	2	\$ 30.0 M
• Vapor Stone Rail Systems \$ 22.0 M		
• Westcode Incorporated \$ 8.0 M		
 <u>Schedules Requiring Majority Vote:</u>		
Schedule G: Miscellaneous Service Contracts	1	\$ 17.6 M
• Clever Devices LTD. \$ 17.6 M		
SUBTOTAL	3	\$ 47.6 M

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

NYC Transit proposes to award Competitive procurements in the following categories: NONE	
MTA Bus Company proposes to award Competitive procurements in the following categories: NONE	
MTA Bus Company proposes to award Ratifications in the following categories: NONE	
NYC Transit proposes to award Ratifications in the following categories: NONE	
TOTAL	3 \$ 47.6 M
<p>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.</p> <p>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.</p> <p>RECOMMENDATION: That the purchases/contracts be approved as proposed. (Items are included in the resolution of approval at the beginning of the Procurement Section.)</p>	

BOARD RESOLUTION

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

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

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

NOW, the Board resolves as follows:

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

NOVEMBER 2020**LIST OF NONCOMPETITIVE PROCUREMENTS FOR BOARD APPROVAL****Procurements Requiring Two-Thirds Vote:****A. Noncompetitive Purchases and Public Work Contracts**

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

- | | | |
|---|---------------------|--------------------------------------|
| 1. Vapor Stone Rail Systems | \$22,000,000 | <u>Staff Summary Attached</u> |
| Contract# None | | |
| Omnibus approval for the purchase of replacement door operator parts, monitoring and diagnostic parts, and HVAC subway car parts. | | |
| 2. Westcode Incorporated | \$8,000,000 | <u>Staff Summary Attached</u> |
| Contract# 297468 | | |
| Parts Pricing Agreement Contract for the purchase of replacement air brake, door operator, and HVAC subway car parts. | | |

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

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

- | | | |
|--|---------------------|--------------------------------------|
| 3. Clever Devices LTD | \$17,623,963 | <u>Staff Summary Attached</u> |
| Contract# W32573 | | |
| Award of a four-year contract for the provision of software maintenance and support related to the Intelligent Vehicle Network system. | | |

Item Number: 1

Vendor Name (Location) Vapor Stone Rail Systems a division of Wabtec Corp. (Plattsburg, New York)	Contract Number NONE	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Description Omnibus approval for the purchase of replacement door operator parts, monitoring and diagnostic parts, and HVAC parts.	Total Amount: \$22,000,000 (est.)	
Contract Term (including Options, if any) December 14, 2020–December 13, 2023	Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a	Requesting Dept./Div., Dept./Div. Head Name: Procurement & Supply Chain, Louis Montanti	
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Noncompetitive		
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Omnibus Sole-Source Approval		

Discussion:

This is an omnibus approval request for items identified as obtainable only from Vapor Stone Rail Systems a division of Wabtec Corp. (“Vapor”) which will eliminate the need to advertise and prepare individual procurement staff summaries for Board approval for each individual procurement greater than \$1 million. NYC Transit is not obligated to generate any purchase orders pursuant to an omnibus approval. Any purchases made under this approval will be made pursuant to paragraph 9(b) of Public Authorities Law 1209, which allows for purchases of items that are available from only a single responsible source to be conducted without competitive bidding.

This omnibus approval is for the purchase of replacement door operator parts, monitoring and diagnostic parts; heating, ventilating, and air-conditioning; and other sole-source parts supplied by Vapor. There are approximately nine items with an anticipated spend over \$1 million which will be covered by this omnibus. (Note: There are almost 6,000 items identified as obtainable only from Vapor for the following reasons: (1) sole pre-qualified item on the Qualified Products List and not available from any distributors or other sources; (2) publicly advertised within a 12-month period without an acceptable alternate supplier; or (3) proprietary to Vapor. The items greater than \$100,000 up to and including \$1 million will be purchased under a separate omnibus approval, which requires the President’s approval for which the anticipated spend of each contract is within the informal procurement threshold.)

These omnibus items are advertised a minimum of once every 12 months to seek competition. A list of Vapor’s sole-source items, as well as NYC Transit’s intention to purchase items on the list without competitive bidding, is available for download from the NYC Transit website at any time, by any prospective vendor. These sole-source replacement parts will be used by the Division of Car Equipment (“DCE”) for Scheduled Maintenance System (“SMS”) and normal maintenance for 4,859 subway cars in the NYC Transit fleet (all subway cars with the exception of the 660 Kawasaki-built R160 cars and the 750 R46 cars).

The existing Vapor omnibus approval was approved for \$28 million by the Board in December 2017 and expires December 13, 2020. During the term of the existing omnibus, an additional \$3 million was added due to greater-than-anticipated expenditure within the timeframe of the omnibus as a result of new and modified SMS work scope and forecast changes.

Procurement performed an analysis on the items with the estimated dollar value over \$1 million that are expected to be purchased over the next three years. Of the nine items, five have comparative price history and represent 58.75 percent, or \$10,627,560, of the total dollar value of \$18,088,409 of the 12 contracts issued under the existing omnibus approval. A comparative price analysis of these five items revealed no annual weighted average price change. This compares favorably with the Producer Price Index used for the analysis over the same time period, which revealed an annual average increase of 1.25 percent. NYC Transit’s Cost Price Analysis Unit reviewed and concurred that the comparative price analysis of the pricing offered by Vapor is fair and reasonable.

During the term of the new omnibus approval 15 R62A, 760 R142, 115 R142A, 212 R143, and 308 R188 subway cars will undergo a six-year overhaul, and 210 R62, 260 R62A and 375 R160 subway cars will undergo a 12-year overhaul. Based on these forecasts, it is anticipated that DCE will require approximately \$22 million for the purchase of sole-source items greater than \$1 million from Vapor under this omnibus approval.

Procurement, with the concurrence of DCE, believes that the dollar amount requested will be sufficient to procure all sole-source materials that exceed \$1 million from Vapor for the next three-year period. Procurement and DCE will continue to research alternate sources of supply wherever possible. Pricing for any noncompetitive procurement is established by requesting a quotation for each item from Vapor on an as-required basis. All items are subject to a cost and/or price analysis and a determination that the price is fair and reasonable.

Both Long Island Rail Road and Metro-North Railroad currently have a long-term parts pricing agreement with the Wabtec companies collectively which is due to expire November 2021. NYC Transit's strategic approach is to combine its requirements with the railroads to leverage the overall spend. An MTA-wide parts pricing agreement will facilitate reduced procurement lead times and expedited material delivery, as well as replace the need to have an omnibus approval for Vapor sole-source items in the future. Procurement is currently working with the Wabtec family of companies which includes Vapor to develop this parts pricing agreement with specific prices for sole-source high usage and/or high dollar items prior to the expiration of this new omnibus approval in 2023.

Item Number: 2

Vendor Name (Location) Westcode Incorporated (Chadds Ford, Pennsylvania)
Description Parts Pricing Agreement Contract for the purchase of replacement air brake, door operator, and HVAC subway car parts
Contract Term (including Options, if any) Five Years
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Noncompetitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole-Source Parts Pricing Agreement

Contract Number 297468	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Total Amount:	\$8,000,000 (Est.)
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept./Div., Dept./Div. Head Name: Procurement & Supply Chain, Louis Montanti	

Discussion:

Approval is requested to award a five-year parts pricing agreement contract for sole-source replacement air brake, door operator, and heating, ventilation, and air-conditioning (“HVAC”) parts to Westcode Incorporated (“Westcode”) in an estimated total amount of \$8 million. This contract will improve purchasing process efficiencies by reducing the number of transactions and provide for the timely purchase of various items identified as obtainable only from Westcode for the following reasons: sole pre-qualified item on the Qualified Products List and not available from any distributors or other sources; publicly advertised within a 12-month period without an acceptable alternate supplier; or proprietary to Westcode. The award of this contract will be made pursuant to paragraph 9(b) of Public Authorities Law 1209, which allows for purchases of items that are available from only a single responsible source to be conducted without competitive bidding.

These sole-source replacement parts will be used by the Division of Car Equipment for Scheduled Maintenance System (“SMS”) and normal maintenance for 2,974 subway cars (air brake and door operator parts for 750 R46 cars; door operator parts for 130 R32 cars; and HVAC parts for 220 R142A, 212 R143, and 1,662 R160 cars) in the NYC Transit fleet. During the term of this contract, it is projected that 1,144 subway cars (392 R46, 220 R142A, 212 R143 and 320 R160) will undergo a six-year SMS, and 1,001 R160 subway cars will undergo a 12-year SMS.

In the past, an omnibus approval was used by NYC Transit to purchase sole-source parts from Westcode. This approval eliminated the need to prepare individual procurement staff summaries and seek Presidential approval for each individual procurement greater than \$100,000 up to and including \$1 million, and Board approval for each individual procurement greater than \$1 million. There is an existing Westcode omnibus approval for \$3 million that was approved by the Board in November 2016 and expires on December 31, 2020. The \$3 million was established by applying historical pricing to the then current as well as projected forecasted quantities of material for the term of the omnibus. Pricing was established during the omnibus term by requesting a quotation for each item from Westcode on an as-required basis; and then performing a cost and/or price analysis to determine that the price is fair and reasonable.

The current approach is to award this five-year parts pricing agreement contract to Westcode where specific pricing has already been established for most of the items that are expected to be purchased during the five-year term. The award of this contract will facilitate reduced procurement lead times and expedited material delivery, and will replace the need to have an omnibus approval for Westcode sole-source items.

The resulting parts pricing agreement contract will be an estimated quantity contract without limitations on the quantity of orders. The quantity of each item is only an estimate, not guaranteed, and NYC Transit has the option to increase or decrease the quantity as required during the contract period. NYC Transit is not obligated to accept any or all of the quantities on this contract. Additional items for which Westcode is the sole supplier may be added during the term of the contract.

All of the existing Westcode sole-source items in the NYC Transit system will be covered by this contract. A list of Westcode sole-source items, as well as NYC Transit's intention to purchase these items without competitive bidding, is available for download from the NYC Transit website at any time, by any prospective vendor. Additionally, NYC Transit publicly advertised its intention to award this five-year parts pricing agreement contract on a sole-source basis. In order to obtain an efficient and manageable price schedule, NYC Transit reviewed historical data, forecasts, and projections for the five-year term. The items in the price schedule represent the majority of the items to be purchased during the five-year term.

Westcode submitted proposed unit pricing for the items in the price schedule for the five-year term. Westcode's pricing was analyzed by taking into account its cost data, NYC Transit's historical pricing data, historical market labor overhead, and projected specific market segment inflation, then negotiated and ultimately, upon agreement on final pricing, determined to be fair and reasonable. The total price includes firm fixed pricing for the items in the price schedule for the first three years, after which there will be a one-time 3 percent increase for years four and five. A price analysis was performed by comparing the prior unit prices to the proposed unit prices through the end of the contract period and applying the estimated projected quantities to both which resulted in a weighted annualized increase of 2.8 percent, which is within range of the U.S. Macroeconomic Forecasts for Transportation Equipment (as of August 2020).

Pricing for any additional sole-source item, without the aforementioned firm fixed pricing, will be established by requesting a quotation from Westcode on an as-required basis, and each item is subject to a cost and/or price analysis and a determination that the price is fair and reasonable. Procurement will continue to research alternate sources of supply wherever possible. If successful, the item will be removed from this contract and purchased competitively.

Both Long Island Rail Road and Metro-North Rail Road declined to join this contract because the items they procure from Westcode are not sole source to Westcode; therefore, the items are solicited competitively.

Item Number: 3

Vendor Name (Location) Clever Devices LTD (Woodbury, New York)
Description Software Warranty, Maintenance and Support Services for Clever Devices Intelligent Vehicle Network System
Contract Term (Including Options, if any) January 1, 2021–December 31, 2024
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Noncompetitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole Source

Contract Number W32573	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total Amount (Including Options): \$17,623,963	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept./Div., Dept./Div. Head Name Department of Buses, Craig Cipriano	

Discussion:

It is requested that the Board declare, pursuant to the All-Agency Service Contract Procurement Guidelines, that a competitive selection process is inappropriate due to the existence of a single responsible source, and approve the award of a four-year noncompetitive miscellaneous service contract to Clever Devices LTD (“Clever Devices”) for the provision of software maintenance and support services related to the Intelligent Vehicle Network (“IVN”) system in the estimated total amount of \$17,623,963. Clever Devices is the manufacturer of the hardware and software and does not have any authorized agents to provide the required items and services.

The IVN system was originally purchased by NYC Transit and MTA Bus Company (“MTABC”) in 2008 through a sole-source procurement in order to address concerns associated with the active high-temperature regeneration exhaust process (used on buses with EPA 2007 and later-model diesel engines) which generates extremely high exhaust temperatures. After extensive analysis and evaluation, NYC Transit and MTABC strategically determined to use the IVN system to automatically disable and enable the regeneration process based on geographic location. The IVN system was also used to provide automated public service announcements and assist in the development of maintenance strategies through the collection and upload of data from key systems (e.g., engine, transmission, multiplex, exhaust system controls, hybrid propulsion system, brakes, doors, air conditioning and electrical) when buses return to the depot. In 2016, the IVN system was modified by Clever Devices at the request of NYC Transit to make it an open platform onto which NYC Transit and MTABC have subsequently installed applications developed by the NYC Transit and its third-party developers (e.g. Traffic Signal Priority and Automated Passenger Counters). It should also be noted that the IVN system is interconnected with the New Bus Radio System and the New Fare Payment System, both of which are currently being deployed across the entire bus fleet.

Since 2008, specifications for all new buses purchased for NYC Transit and MTABC have included the IVN system. As of October 7, 2020, there were 4,792 buses in service equipped with the IVN system. It is anticipated that the entire fleet will be outfitted with IVN units by the end of 2021 through the New Bus Radio System project and new buses deliveries.

This contract requires Clever Devices to provide software maintenance, system configuration and optimization services as well as field and hardware support services. In addition, Clever Devices will provide Open IVN application certification, deployment and software maintenance services; the Open IVN software platform allows NYC Transit and MTABC to leverage the existing computer hardware and software platform for use by competitively procured or NYC Transit developed third-party software applications for emerging technologies. Clever Devices will also provide the software development services required to create custom views in the Computer Aided Dispatch software being delivered with the New Bus Radio System in order to mimic the functionality of the existing software utilized by dispatchers to track the location of buses in revenue service.

Clever Devices submitted its initial proposal, which included the existing scope of work as well as a number of enhancements and upgrades to the Computer-Aided Dispatch / Automatic Vehicle Location system being delivered under the New Bus Radio System project. Procurement, NYC Transit – Department of Buses (“DOB”), and Clever Devices worked together to reduce and refine the scope of work in response to the ongoing fiscal crisis resulting in a number of enhancements and upgrades being deferred and/or eliminated. Following these revisions, Clever Devices submitted a proposal in the total amount of \$19,254,884. Prior to negotiations, Clever Devices provided cost information for review by MTA’s Internal Audit group. Negotiations were then conducted between Procurement, DOB, Clever Devices and the Cost Price Analysis Unit, which focused on general and administrative expenses, overhead, profit, and labor rates. Subsequent to these negotiations, Clever Devices submitted its Final Proposal in the amount of \$17,623,963. The prices in this Final Proposal have been deemed fair and reasonable based on the combination of repeated negotiations resulting in price reductions, a cost review and recommendations by MTA Audit Services. Savings of \$1,630,921 (8.5 percent) were achieved.

This contract is subject to review and approval of the Office of the New York State Comptroller, and an award will not be made prior to this approval.

Contracts

Stephen Plochochi, Senior Vice President, Contracts



The photo depicts new trackwork, including new railroad ties, contact rail and running rail, that was recently replaced as part of Phase 1 of the Mainline Track Replacement Program along the Staten Island Railway in 4 sections between Huguenot and Clifton Stations that was part of Contract T-80280.

PROCUREMENTS

The Procurement Agenda this month includes one procurement action for a proposed expenditure of \$11.75M

Staff Summary

Subject Request for Authorization to Award Various Procurement Actions					
Department Contracts					
Department Head Name & Title Steve Plochochi, Sr. Vice President					
Department Head Signature 					
Board Action					
Order	To	Date	Approval	Info	Other
1	NYCT & Bus Committee	11/18/2020	X		
2	Board	11/18/2020	X		

Date: November 5, 2020			
Internal Approvals			
	Approval		Approval
	Executive Vice President & General Counsel		President
	Deputy Chief Development Officer, Development		

PURPOSE

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

DISCUSSION

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

Schedules Requiring Majority Vote

K. Ratification of Completed Procurement Actions

	<u>1</u>	<u>\$11,750,000</u>
TOTAL	1	\$11,750,000

Budget Impact:

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

Recommendation:

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

MTA Construction & Development

BOARD RESOLUTION

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

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

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

NOW, the Board resolves as follows:

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

NOVEMBER 2020

LIST OF RATIFICATIONS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

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

(Staff Summaries required for items requiring Board Approval)

1. **Tracks Unlimited LLC**
Contract No. T-80280.16

\$11,750,000

Staff Summary Attached

MTA Construction and Development requests the Board ratify a retroactive modification to the contract for the replacement of an additional 7,187 linear feet of mainline track on the Staten Island Railway.

Schedule K - Ratification of Completed Procurement Actions

Staff Summary

Item Number: 1

Vendor Name (Location) Tracks Unlimited, LLC (Mountainside, NJ)
Description Mainline Track Rehabilitation and Clifton Yard Switch Reconfiguration in the Borough of Staten Island
Contract Term (including Options, if any) December 28, 2018 – October 27, 2020
Option(s) included in Total Amt? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:
Requesting Dept./Div., Dept./Div. Head Name: Delivery/Mark Roche

Contract Number T-80280	AWO/Mod. #s 16
Original Amount:	\$ 44,427,000
Prior Modifications:	\$ 730,277
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 45,157,277
This Request:	\$ 11,750,000
% of This Request to Current Amt.:	26%
% of Modifications (including This Request) to Original Amount:	28%

Discussion:

This retroactive modification is for the replacement of an additional 7,187 linear feet of mainline track on the Staten Island Railway.

This contract is for the replacement of 22,889 linear feet of mainline track and for the reconfiguration of tracks in the Clifton Yard associated with the construction of the new Clifton Shop. The work includes installation of new tracks, hardwood crossties, switches, contact rails and ducts.

This contract represents the first of two phases for the replacement of mainline track on the Staten Island Railway in order to maintain a State of Good Repair. Contract T-80282 (Phase II) includes the replacement of an additional 50,089 linear feet of mainline track. The design-build package for the contract is currently in development and anticipated to be awarded in the fourth quarter of 2021, assuming funding availability.

This modification will accelerate 7,187 linear feet of the most critical sections of the mainline track from Phase II, leaving the balance for replacement by in-house forces or other third-party contractors as funding becomes available. Advancing this work by Modification will permit this critical work to start approximately 18 months earlier with an experienced contractor that has an effective team and equipment already mobilized in place. In addition, performing this work during the current period of lower ridership will reduce the inconvenience to the riding public.

The contractor submitted a cost proposal of \$12,154,073. Negotiations resulted in the agreed upon lump sum price of \$11,750,000 which has been determined to be fair and reasonable. This agreement also includes an excusable and non-impactable time extension extending the Substantial Completion Date from October 27, 2020 to September 30, 2021.

The President approved a retroactive waiver to procure long-lead track materials and the Contractor was issued a Directive to Proceed on October 27, 2020 for the not to exceed amount of \$3,000,000.

Staff Summary

Subject
Approval of MTA Bond Resolutions Authorizing Financings of COVID-19 Lost Revenues and Increased Costs
Department
Finance
Department Head Name
Robert E. Foran, Chief Financial Officer
Department Head Signature
Project Manager Name
Patrick J. McCoy, Director, Finance

Date
November 18, 2020
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	11/18/20	X		
2	Board	11/18/20	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal		

PURPOSE:

In response to MTA’s severe and unprecedented revenue losses and increased operating costs arising from the COVID-19 pandemic, recent legislation authorized MTA to issue up to \$10 billion in total obligations during calendar years 2020, 2021 and 2022 to offset such decreases in revenue (including lost taxes, fees, charges, fares and tolls) or increases in operating costs (the “COVID-19 Lost Revenues and Increased Costs”). For a variety of reasons, including the possibility that, in the absence of additional Federal, State and City financial assistance, MTA may have to issue a substantial amount of obligations to finance the COVID-19 Lost Revenues and Increased Costs, the MTA Finance Department has provided for the development of senior lien and second lien bond resolutions secured by Payroll Mobility Tax Receipts (“Mobility Tax Receipts”) and the Aid Trust Account Receipts (“ATA Receipts” and collectively with the Mobility Tax Receipts, the “PMT Receipts”) to permit the issuance of obligations by MTA to finance COVID-19 Lost Revenues and Increased Costs of the MTA agencies and TBTA. In accordance with the legislation authorizing the issuance of such bonds, such bond resolutions are not required to be approved by the MTA Capital Program Review Board (“CPRB”) for such purposes.

The Mobility Tax Receipts and the ATA Receipts were authorized by the State beginning in 2009 and provided to MTA with the expectation of creating a new, additional highly rated bond credit; in the interim, such receipts have been used as supplemental revenues securing the Transportation Revenue Bonds, including revenue anticipation notes to finance working capital. The ability to secure MTA obligations with first and second liens on such receipts is expected to be beneficial to the marketing effort of PMT obligations.

SUMMARY OF PROPOSAL:

MTA is seeking approval of the attached (1) MTA Payroll Mobility Tax Obligation Resolution and Annexes (collectively, the “MTA PMT Resolution”), (2) MTA PMT Supplemental Resolution (the “MTA PMT New Money Supplemental Resolution”) that provides for the issuance of up to \$2,907,280,000 of senior lien or second lien obligations to finance the COVID-19 Lost Revenues and Increased Costs as authorized by the MTA Act, (3) MTA PMT Bond Anticipation Note Supplemental Resolution that provides for the issuance of up to \$2,907,280,000 of bond anticipation notes (“MTA PMT BANs”) that can be sold in anticipation of the issuance of MTA PMT Bonds and MTA PMT Refunding Obligations, including the sale of such MTA PMT BANs to the Municipal Liquidity Facility LLC (“MLF”) and similar federal and State programs, and (4) MTA PMT Refunding Obligations Supplemental Resolution that provides for the issuance at any time of refunding obligations to refund, refinance or restructure outstanding MTA PMT BANs and MTA PMT Bonds.

Staff Summary

CREDIT HIGHLIGHTS OF PROPOSED MTA PMT OBLIGATIONS

- Senior and Subordinate Liens Revenue Pledge: Mobility Tax Receipts and ATA Receipts.
- Debt Service Set-Aside: Monthly 1/5th interest and 1/10th principal.
- Additional Bonds Test: At least [2.0x] Senior Maximum Annual Debt Service and at least [1.50x] aggregate Maximum Annual Debt Service with details and level of coverage requirement to be delegated to staff prior to initial issuance based upon rating agency discussions, investor feedback and market conditions.
- MTA PMT Resolution authorizes bonds for COVID-19 Lost Revenues and Increased Costs.
- After monthly set-aside, excess pledged revenues are available for debt service on Transportation Revenue Bonds and then transit and commuter operating expenses.
- Non-impairment covenant of State in MTA Act.

DISCUSSION AND BACKGROUND:

In 2009, legislation was enacted to provide MTA with the receipts generated by (1) a payroll mobility tax imposed within the MTA Commuter Transportation District (the “MCTD”) and (2) supplemental motor vehicle license and registration fees within the MCTD, a fifty-cent tax per certain taxicab rides originating in New York City and a supplemental tax on the cost of automobile rentals within the MCTD. In 2011, the State made changes to the Payroll Mobility Tax that reduced the amount available to MTA from the imposition of that tax and provided for the State’s payment to MTA through the State’s budget of moneys to offset a portion of the amounts lost due to the Payroll Mobility Tax reductions. The State’s offset funds are not being pledged to the payment of the MTA PMT BANs or MTA PMT Bonds. MTA’s expectation since 2009 has been to create a separate highly rated bond credit secured by the Mobility Tax Receipts and the ATA Receipts and to reduce reliance on the Transportation Revenue Bond Resolution.

It is important that MTA preserve the ability to finance for these purposes on a tax-exempt basis. To maintain the ability of MTA to finance on such tax-exempt basis, consistent with Federal tax law, the MTA Board periodically adopts reimbursement resolutions. Federal tax law requires that official action that sets forth the issuer’s intent to spend tax-exempt bond proceeds on a project must be taken by an issuer that wants to reimburse itself from tax-exempt bond proceeds for costs that were funded from another source of revenue. A copy of the reimbursement resolution submitted for Board adoption is also attached hereto.

The documents attached hereto provide for the future submission to the CPRB of the attached bond resolutions, as well as substantially similar bond resolutions of TBTA, that will authorize MTA to issue obligations under the attached senior and subordinate resolutions, and that will authorize TBTA to issue parity obligations under its senior and subordinate resolutions, to finance transit and commuter capital projects under CPRB-approved capital programs. However, the legal authority for MTA and TBTA to issue such parity obligations for transit and commuter capital projects will not become effective until approved by the CPRB and a subsequent approval by the MTA and TBTA Boards.

MTA BOARD ACTION:

MTA is seeking to approve the following documents in substantially the form presented to the MTA Board at this meeting:

- MTA PMT Resolution; and
- Separate Supplemental Resolutions (collectively, the “MTA PMT Supplemental Resolutions”) authorizing senior lien and second lien new money obligations (“MTA PMT Bonds”), bond anticipation notes (“MTA PMT BANs”) and refunding obligations (“MTA PMT Refunding Obligations”), including providing for the following:
 - The issuance of MTA PMT Bonds and MTA PMT BANs in an amount not to exceed \$2,907,280,000 and MTA Refunding Obligations relating thereto to refund, refinance and restructure the MTA PMT Bonds and MTA PMT BANs under the MTA PMT Resolution, in one or more series from time to time,
 - Issuance of such MTA PMT Bonds, MTA PMT BANs and MTA Refunding Obligations in competitive or negotiated public sales, including to the MLF and similar federal and State programs, by direct placement or in connection with a revolving credit or other loan agreement, and
 - Parity Obligations and other Parity Debt in an amount sufficient to secure any Credit Facilities entered into in connection with the issuance of the MTA PMT Bonds, MTA PMT BANs and MTA Refunding Obligations

Staff Summary

With respect to the above-referenced financial transactions, MTA Board approval is also sought:

(a) delegating authority to the Chairman, the Chair of the Finance Committee, the Chief Financial Officer or the Director, Finance of MTA to make revisions to the MTA PMT Resolution and the MTA PMT Supplemental Resolutions as necessary or convenient, including to incorporate revisions requested by the rating agencies and others, and to award the obligations either pursuant to a competitive bid or to members (or entities related to such firms) of the Board-approved MTA underwriting syndicate and the MLF and similar federal and State programs, and to execute and/or deliver in each case, where appropriate: Notices of Sale and bid forms; Purchase Agreements with underwriters and/or other purchasers; Direct Purchase Agreements; Revolving Credit Agreements or other Loan Agreements; Official Statements and other disclosure documents; Continuing Disclosure Agreements and related filings; Remarketing Agreements and Firm Remarketing Agreements; Dealer and Broker/Dealer Agreements; Issuing and Paying Agent and Tender Agent Agreements; Credit Facilities and related Parity Reimbursement Obligations and Parity Debt; Investment Agreements; and Deposit Account Control Agreements with financial institutions to accept deposits, make transfers or withdrawals from the accounts and subaccounts established under, or in connection with, the resolutions. Any such documents will be in substantially the form of any document previously entered into by MTA for previous issues, with such changes as approved by any one or more of the foregoing officers;

(b) authorizing such officers to terminate, amend, supplement, replace or extend any such documents, including Credit Facilities (and related Parity Reimbursement Obligations and Parity Debt), as they shall deem advisable, and to take such other actions as may be necessary or desirable to effectuate the issuance of bonds, notes, commercial paper or other form of indebtedness and other financial transactions set forth above, on behalf of MTA, and to submit the MTA PMT Resolution in such form as is approved by such officers, as well as substantially similar bond resolutions of TBTA, to the CPRB as discussed above for the issuance of bonds for transit and commuter capital projects, subject to the subsequent approval by the MTA and TBTA Boards of such bond resolutions; and

(c) authorizing such officers to seek proposals for the appointment of a trustee and paying agent(s) and other fiduciaries and consultants necessary for the purposes of the MTA PMT Resolution and the activities thereunder.

The MTA Board is also requested to approve the attached reimbursement resolution.

ALTERNATIVES:

There are no other reasonably cost-effective alternatives currently available to finance COVID-19 Lost Revenues and Increased Costs compared to the proposed MTA PMT Resolutions and the attached reimbursement resolution.

RECOMMENDATION:

It is recommended that the MTA Board authorize the above-referenced resolutions and documents and all other actions described above, including the execution and delivery of such other documents, and the taking of all other actions, from time to time deemed necessary or desirable by such officers in connection therewith, including the selection of a trustee and paying agent and other fiduciaries and consultants thereunder that meets the requirements of the resolutions, in order that MTA can begin to issue obligations to finance COVID-19 Lost Revenues and Increased Costs. The authorization to issue the bonds, notes or other obligations and take other related actions described in the MTA PMT Resolution and the MTA PMT Supplemental Resolutions and the reimbursement resolution shall continue as provided by law without any further action by MTA until terminated by MTA.

Staff Summary

Subject 2019-2020 Station Maintenance Receivable						Date November 1, 2020			
Department Chief Financial Officer						Vendor Name			
Department Head Name Robert E. Foran						Contract Number			
Department Head Signature						Contract Manager Name			
Project Manager Name Noemi Lopez						Table of Contents Ref #			
Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
1	Finance Com.	11/18/20				1	Legal		
2	Board	11/18/20							

Narrative

The MTA billed the counties and the City of New York for station maintenance for the period 04/01/19 – 03/31/20 based on a statutory formula, which incorporates an annual CPI adjustment factor.

Under Section 1277 of the Public Authorities Law, if a municipality fails to make a full payment of the amounts owed the MTA, the Chief Executive Officer of the MTA or such other person as the Chairman shall designate and shall certify to the State Comptroller for the collection of the amount due and owing.

The attached schedule shows the Station Maintenance billings and collections as of September 30, 2020.

The balance due of \$50,782 from Nassau County was approved by Nassau County’s Legislature on 9/21/20 and payment is anticipated by the end of November.

The balance due of \$56,169 from Rockland County was approved by the Rockland County Executive and payment is anticipated by the end of November.

**METROPOLITAN TRANSPORTATION AUTHORITY
STATION MAINTENANCE RECEIVABLE AS OF 9/30/20**



	<u>AMOUNT BILLED</u>	<u>AMOUNT RECEIVED</u>	<u>BALANCE DUE</u>
NEW YORK CITY	\$ 99,182,453	\$ 99,182,453	\$ 0
NASSAU	30,996,873	30,946,091	50,782
SUFFOLK	19,105,197	19,105,197	0
WESTCHESTER	21,422,245	21,422,245	0
DUTCHESS	2,553,820	2,553,820	0
PUTNAM	998,710	998,710	0
ORANGE	528,314	528,314	0
ROCKLAND	56,169	0	56,169
TOTAL	<u>\$174,843,781</u>	<u>\$174,736,830</u>	<u>\$ 106,951</u>

**Metropolitan Transportation Authority
Station Maintenance Period Ending September 30, 2020**

2020	New York	Nassau	Suffolk	Westchester	Rockland	Dutchess	Orange	Putnam	
Date	City	County	County	County	County	County	County	County	Total
Billed Amount	\$ 99,182,453	\$ 30,996,873	\$ 19,105,197	\$ 21,422,245	\$ 56,169	\$ 2,553,820	\$ 528,314	\$ 998,710	\$ 174,843,781
Billed %	56.73%	17.73%	10.93%	12.25%	0.03%	1.46%	0.30%	0.57%	100.00%
Receipts:									
September 2020	\$ 99,182,453	\$ 30,946,091	\$ 19,105,197	\$ 21,422,245		\$ 2,553,820	\$ 528,314	\$ 998,710	\$ 174,736,830
									\$ -
									\$ -

Balance due

September 30, 2020	\$ -	\$ 50,782	\$ -	\$ -	\$ 56,169.00	\$ -	\$ -	\$ -	\$ 106,951.00
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PROCUREMENTS

The Procurement Agenda this month includes 1 action for a proposed expenditure of \$187.3 M.

Staff Summary

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

Date November 12, 2020
Vendor Name Various
Contract Number Various
Contract Manager Name Various
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance	11/18/20	X		
2	Board	11/18/20	X		

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

PURPOSE:

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

DISCUSSION:

MTAHQ proposes to award Competitive procurements in the following categories:

Schedules Requiring Majority Vote:

Schedule H: Modification to Personal Service & Miscellaneous Service Contracts

	<u># of</u>	<u>\$</u>	<u>Amount</u>
	<u>Actions</u>		
	1	\$	187,300,000
SUBTOTAL	<u>1</u>	<u>\$</u>	<u>187,300,000</u>
TOTAL	<u>1</u>	<u>\$</u>	<u>187,300,000</u>

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

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

BOARD RESOLUTION

METROPOLITAN TRANSPORTATION AUTHORITY

WHEREAS, in accordance with Section 1265-a and Section 120 of the Public Authorities Law and the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive purchase and public work contracts, and the solicitation and award of request for proposals in regard to purchase and public work contracts; and

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

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

NOW, the Board resolves as follows:

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

NOVEMBER 2020

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

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

(Approvals/Staff Summaries required for substantial change orders and change orders that cause the original contract to equal or exceed \$1M.)

- | | | |
|---|--|--------------------------------------|
| 1. Aetna Life Insurance Company
Medical Health Benefits Program
Contract No. 15118-0100, Modification No. 2
Base Amount = \$4,272,030,000
Current Contract Value = \$4,272,030,000
Proposed New Contract Value = \$4,459,330,000 | \$187,300,000
(not-to-exceed) | <u>Staff Summary Attached</u> |
|---|--|--------------------------------------|

Board approval is sought to modify a previously Board-approved, competitively negotiated personal service contract with Aetna Life Insurance Company (Aetna) to continue to provide medical health benefits for certain NYC Transit, MTA Bus Company (MTABC) and Staten Island Railway (SIRTOA) employees, retirees and their dependents. This Modification includes a 12-month extension and additional funding of \$187,300,000.

Staff Summary

Schedule H: Modifications to Personal Service & Miscellaneous Service Contracts

Item Number:

Page 1 of 1

Vendor Name (& Location): Aetna Life Insurance Company (Hartford, CT)	Contract Number: 15118-0100	AWO/Modification # 2
Description: Medical Health Benefits Program	Original Amount:	\$4,272,030,000
Contract Term (including Options, if any): January 1, 2017 through December 31, 2021	Prior Modifications:	\$0
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Prior Budgetary Increases:	\$0
Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	Current Amount:	\$4,272,030,000
Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	This Request:	\$187,300,000
Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	% of This Request to Current Amount:	4.4%
Requesting Dept/Div & Dept/Div Head Name: Human Resources/Anita Miller	% of Modifications (including This Request) to Original Amount:	4.4%

PURPOSE:

Board approval is sought to award a Modification to a previously Board-approved, competitively negotiated personal service contract with Aetna Life Insurance Company (Aetna) to continue to provide medical health benefits for certain NYC Transit, MTA Bus Company (MTABC) and Staten Island Railway (SIRTOA) employees, retirees and their dependents. This Modification No. 2 includes a 12-month extension and additional funding of \$187,300,000.

DISCUSSION:

In September 2016, the Board approved the award of a competitively negotiated personal service contract to Aetna for three years starting January 1, 2017 with two one-year options, in an amount not-to-exceed \$4,272,030,000, to provide medical health benefits programs. Under this contract, Aetna provides medical benefits for approximately 146,000 employees and dependents, and retirees of the Transport Workers Union Local 100, Amalgamated Transit Union Locals 726 and 1056, Subway Surface Supervisors Association, Transit Supervisory Organization Local 106 and United Transportation Union Local 1440, per their respective collective bargaining agreements with NYC Transit, MTABC and SIRTOA. Modification No. 1 exercised the first of the two one-year options. This Modification No. 2 exercises the remaining one-year option for the 2021 plan year for Aetna to continue to provide the following medical plans for the aforementioned population: Preferred Provider Organization (PPO), Exclusive Provider Organization (EPO), Point-of-Service (POS), Dental Maintenance Organization (DMO) and Medicare Advantage (MA). With the exception of the small population of participants in the fully-insured MA plan, NYC Transit pays Administrative Services Only (ASO) fees to Aetna to 1) provide and administer the network of physician and hospital providers, and 2) process claims, the actual costs of which are passed on to NYC Transit. Medical claims represent approximately 94.3% of the spend, while the balance is Aetna's ASO fees and fully-insured premiums.

AON Consulting Inc. (Aon) analyzed Aetna's provider discounts and ASO fees. The analysis showed that Aetna's discounts remain the highest among major health insurers servicing New York-based employers. Furthermore, Aetna's ASO fees remain similarly competitive against ASO fees that are charged to similarly situated employers in New York City and New York State. Negotiations for this Modification No. 2 yielded the following savings: 1) Aetna agreed to forego a contractually entitled 3% increase to its ASO fee, a savings valued at almost \$1 million; 2) Aetna has agreed to 0% premium increase to its 2021 fully-insured MA plan, whereas its recent claims experience indicated an increase of approximately 34.7%, which, in turn, represents a savings of \$8.24 million. Aetna has met all performance guarantees and provided satisfactory service throughout the term of the contract to date. Based on the foregoing analysis and negotiations, Aetna's discounts and fees, therefore, remain fair and reasonable.

This Modification No. 2 includes a request for additional funding in the estimated net amount of \$187,300,000, which is broken down as follows: growth in enrollment (plus \$288.2 million), plan enhancements (plus \$53.9 million), MA premium increases (plus \$39.4 million), lower per employee claims (minus \$123.5 million) and lower claims due to COVID-19 (minus \$70.6 million). Aon's analysis assumed that COVID-19 will have overall 0% impact on year 2021 claims, with a range from -4% to +4%.

A background search and review of the documents submitted by Aetna have disclosed no significant adverse information within the meaning of the All-Agency Responsibility Guidelines. Having evaluated all of the available facts, Procurement finds that Aetna remains responsible for award.

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

MTA LONG ISLAND RAIL ROAD

License Agreement for retail space located in Lynbrook, New York with Creative Arts Space for Kids, d/b/a CASK

Subdivision and exchange of Long Island Rail Road property interests located at 161 Second Street, Mineola, New York, and Lalezarian Property LLC property interests located at 85 Willis Avenue, Mineola New York

Amendment of the Master Lease and related agreements to facilitate improvements to the Level A Concourse at Penn Station, New York, New York

MTA NEW YORK CITY TRANSIT

License with Ruchita Patel for a travel/convenience retail operation in the Steinway Street Station, Queens Boulevard Line, Queens, New York

METROPOLITAN TRANSPORTATION AUTHORITY

Amendment of lease with Rosen's Café, LLC for a café located in 2 Broadway, New York, New York

Amendment of license with Kamlesh, Inc. for a retail unit in the lobby of 2 Broadway, New York, New York

MTA METRO-NORTH RAILROAD

Amendment of lease amendment with Stazione PKSL, LLC for the Peekskill Station, Peekskill, New York

Staff Summary

Subject LICENSE AGREEMENT WITH CASK FOR RETAIL SPACE IN LYNBROOK, NEW YORK
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature
Project Manager Name SELINA STORZ

Date NOVEMBER 18, 2020
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	11/18/20	X		
2	Board	11/18/20	X		

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

AGENCY: MTA Long Island Rail Road ("LIRR")
LICENSEE: Creative Art Space for Kids, d/b/a CASK ("CASK")
LOCATION: 48D Atlantic Avenue, Lynbrook, New York 11563
ACTIVITY: License of retail space for an art studio
ACTION REQUESTED: Authorization to enter into a license agreement
TERM: 5 years, subject to termination on 60 days' notice with no cost.
COMPENSATION: \$20,245.00 for year 1, with 3% annual increases throughout the 5-year term

COMMENTS:

MTA Real Estate offered the Location pursuant to an RFP in August 2019 for which CASK was the only proposer. CASK is the incumbent and a tenant in good standing. CASK, at its sole costs and expense, will be responsible for improving, operating and maintaining the Location, in addition to providing liability and insurance coverage. The net present value (NPV) for the 5 year term is \$89,349.23.

Based on the foregoing, MTA Real Estate requests authorization for LIRR to enter into a license agreement with Creative Arts Space for Kids, d/b/a CASK on the above-described terms and conditions.

Staff Summary

Subject 161 2nd STREET MINEOLA PROPERTY SWAP
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature
Project Manager Name JOHN COYNE

Date NOVEMBER 18, 2020
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	11/18/20	X		
2	Board	11/18/20	X		

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

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

COUNTERPARTY: Lalezarian Properties LLC, or a wholly-owned subsidiary thereof (“Lalezarian”)

LOCATION: 161 Second Street, Mineola, New York, and 85 Willis Ave, Mineola, New York

ACTIVITY: Exchange of property interests between a subdivision of LIRR property located at 161 Second Street, Mineola, New York, for a subdivided portion of property owned by Lalezarian located at 85 Willis Ave, Mineola, New York.

ACTION REQUESTED: Approval of Terms and Authorization to Execute and Deliver Transaction Documents

COMPENSATION: None, exchange of comparably-valued property interests

COMMENTS:

As part of the Main Line Expansion Project, the New York State Department of Transportation conveyed to LIRR the property located at 161 Second Street, Mineola, New York, (the “LIRR Parcel”) for the purpose of constructing a new structured parking facility. The LIRR Parcel is adjacent to a property owned by Lalezarian identified as 85 Willis Avenue, Mineola, New York (the “Lalezarian Parcel”). The LIRR Parcel currently has frontage only facing Second Street, while the Lalezarian Parcel has frontage on both Second Street and Willis Avenue.

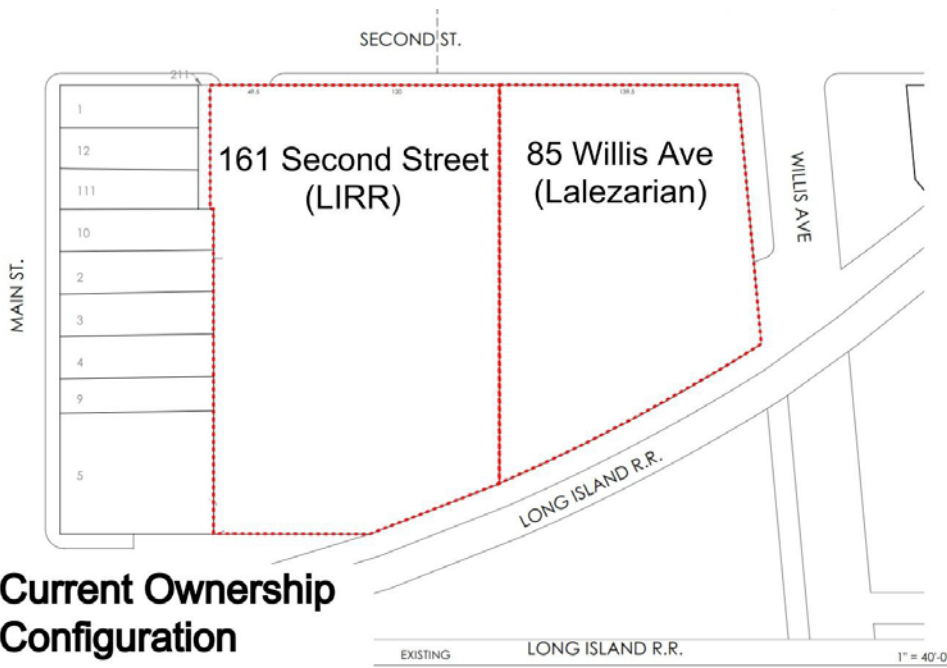
The Lalezarian Parcel is located directly adjacent to the portion of Willis Avenue where MTA C&D is currently constructing an underpass beneath the LIRR right of way, to eliminate the existing at-grade crossing of Willis Avenue and the LIRR Main Line, as part of the Main Line Expansion Project. Lalezarian asserts that the underpass, and the work associated with it, will have significant adverse impacts on the development of its property, notably in connection with access.

The current configuration of both properties, and the proximity of the Lalezarian parcel is shown in the map, below:

Staff Summary

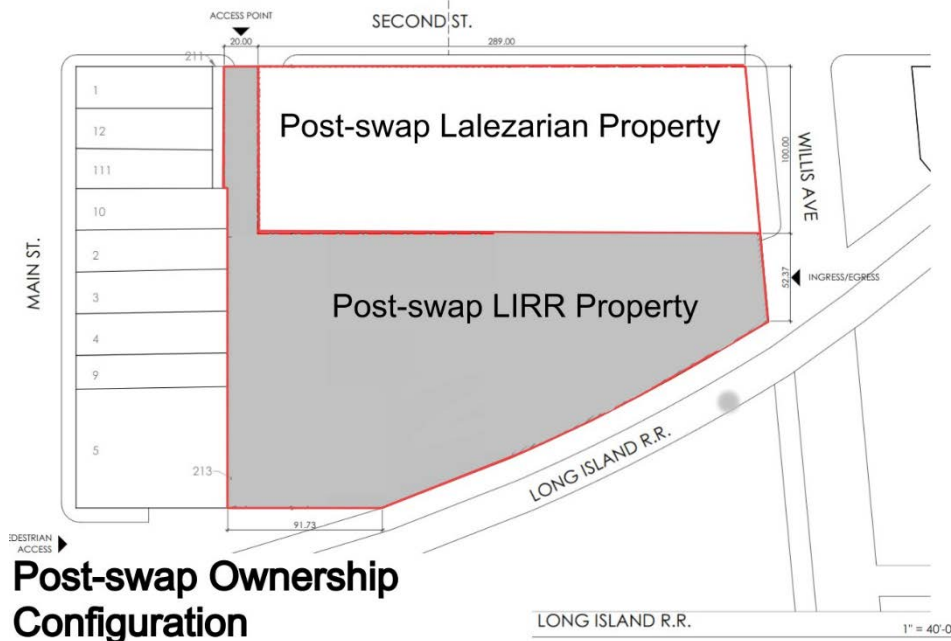
FINANCE COMMITTEE MEETING

161 2nd STREET MINEOLA PROPERTY SWAP (Cont'd.)



Current Ownership Configuration

To mitigate (i) the alleged adverse impacts that will be caused by the MTA/LIRR underpass work and (ii) avoid potential litigation between the parties both of which would increase costs to LIRR, Lalezarian proposed a subdivision of the LIRR Parcel and the Lalezarian Parcel, and a transfer of a portion of the Lalezarian Parcel to LIRR in exchange for a transfer of a portion of the LIRR Parcel to Lalezarian. This property exchange or swap would result in a reconfiguration of both the LIRR Parcel and Lalezarian Parcel as follows:



Post-swap Ownership Configuration

FINANCE COMMITTEE MEETING

161 2nd STREET MINEOLA PROPERTY SWAP (Cont'd.)

Page 3 of 3

The LIRR Parcel currently contains 31,946 square feet (not including an 11,183 square foot portion that will ultimately be transferred to the Village to be dedicated as a roadway providing a means of ingress to/egress from the LIRR structured parking facility). The size of the LIRR Parcel after the proposed exchange would be 34,357 square feet, an increase in size of 2,411 square feet. The value of the LIRR Parcel in its current configuration, as determined by a third-party appraisal, is \$1,800,000. The value of the LIRR Parcel after the proposed exchange, as estimated by a third-party appraisal, would be \$1,925,000, an increase in value of \$125,000. The configuration of the LIRR Parcel after the proposed exchange would be suitable, if not preferable, to construct the structured parking facility at no additional cost.

In sum, MTA emerges from the transaction with property that has greater aggregate value, and is able to proceed with construction of two important components of the LIRR Main Line Expansion Project (both the Willis Avenue underpass and the contemplated structured parking facility) without the risk of delay and additional expense associated with possible litigation between the parties arising out of the current configuration of their respective properties.

Based on the foregoing, MTA C&D recommends (i) approval of the terms of this property-exchange transaction as outlined above, and (ii) authorizing MTA C&D to execute and deliver a purchase and sale agreement with Lalezarian consistent with such terms, along with such deeds, affidavits, real property transfer tax forms, and other agreements and instruments as MTA C&D deems necessary or appropriate to effectuate the transaction described herein.

Staff Summary

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

Date NOVEMBER 18, 2020
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	11/18/20	X		
2	Board	11/18/20	X		

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

AGENCY: Metropolitan Transportation Authority (“MTA”), MTA Construction & Development (“MTAC&D”), and MTA Long Island Rail Road (“LIRR” and together with MTA and MTAC&D, the “MTA Parties”)

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

ACTIONS REQUESTED: Authorization to enter into a Relocation and Reimbursement Agreement (the “Relocation Agreement”) with One Penn Plaza, LLC (“Vornado”) and into an amendment (the “Lease Amendment”) and together with the Relocation Agreement, the “Transaction Documents”) to the Lease between LIRR and Vornado for Concourse level retail space (“Master Lease”) to effectuate portions of the transactions contemplated by the previously authorized Memorandum of Understanding with Vornado (the “MOU” and the transactions contemplated thereunder, the “Project”) and to further incentivize the creation of a high-quality, transit-oriented retail program on the Concourse level.

COMPENSATION: Approximately \$100,000,000 of VNO Costs (as defined below), to be applied as a recurring rent reduction against the rents payable by Vornado under the Master Lease; provided that MTA shall have the right, but not the obligation, to prepay a portion of VNO Costs of up to approximately \$11 million.

In the event MTA terminates the Project, MTA shall be obligated to compensate Vornado for the Termination Costs (as defined below).

COMMENTS:

In 2019, the Board authorized MTACC (now MTAC&D) and LIRR to enter into the MOU, which provided for, among other things, a new street level entrance into the Concourse from 33rd Street (the “New LIRR Entrance”) and the widening of, and improvements to, the Concourse (the “Concourse Widening”), to be delivered in two phases under Development Agreements with Vornado as our developer. The goals of these capital improvements are to improve emergency egress, address pedestrian overcrowding, and improve the passenger experience in the Concourse and Station. The Concourse improvements will also require the reconfiguration and expansion of back-of-house spaces for current LIRR operations and future Metro-North/Penn Access operations.

In May 2019, the Board authorized MTAC&D to enter into the Entrance Development Agreement with Vornado, which was subsequently executed. Vornado then executed a Design-Build agreement with Skanska Civil USA (“Skanska”) to perform

Staff Summary

FINANCE COMMITTEE MEETING PENN – LIRR CONCOURSE IMPROVEMENTS (Cont'd.)

the work. Construction of the new entrance is in progress, on schedule and within budget, with completion expected this December.

MTAC&D has completed preliminary design of the Concourse improvements and Skanska has been selected as the design-builder following Vornado's receipt of design-build proposals in July 2020. In October 2020, the Board authorized MTAC&D to enter into the Development Agreement for the second phase of the Project. Vornado and Skanska will enter into a Design-Build Agreement for the Concourse improvements concurrently with the execution of the Development Agreement for the second phase of the Project.

In July 2020, the Board authorized the MTA Parties to enter into a letter agreement with Vornado (the "Phase 2A Letter Agreement") and an amendment to the Master Lease (the "Phase 2A Amendment") pursuant to which, among other things, Vornado granted MTA certain easements required for the Project and MTA granted Vornado certain property rights in connection with the Concourse improvements. The Board also authorized LIRR to enter into an amendment to the Lease between LIRR and Vornado for back of house operations space within 1 Penn Plaza, New York, NY (the "Operations Lease").

As contemplated in the MOU, certain real estate actions are necessary to implement the Concourse improvements and further incentivize the creation of a high-quality, transit-oriented retail program on the Concourse. The MTA Parties and Vornado desire to enter into the Transaction Documents to effectuate the agreements contemplated by the MOU.

The Transaction Documents provide for the following:

- a. As contemplated by the MOU, upon MTA's request, Vornado will terminate the retail leases within the approximately 15,000 SF portion of the Station fronting on the north side of the Station (the "Concourse Widening Strip") in order to permit the Concourse to be widened into the Concourse Widening Strip.
- b. Following the termination of such retail leases, in accordance with the Development Agreement and Design-Build Agreement for the second phase of the Project, Vornado will cause Skanska to demolish the improvements within the Concourse Widening Strip and perform the balance of the construction work for the second phase of the Project, including the reconfiguration of the retail spaces on the north and south sides of the Concourse and the work required to deliver to LIRR its reconfigured premises under LIRR's Operations Lease with Vornado.
- c. In connection with the Concourse Widening, Vornado's current premises under the Master Lease will be relocated from the Concourse Widening Strip to approximately 22,000 SF of retail space on the south side of the Concourse (the "South Side Space") (although the MOU estimated that the South Side Space would consist of 19,000 SF, based on further developments to the plans for the Concourse Widening, the South Side Space now consists of approximately 22,000 SF) and the "income producing areas" under the Master Lease will be updated accordingly so that the MTA Parties shall receive percentage rent with respect to the South Side Space. Additionally, in order to ensure a consistent retail program on the Concourse level of the Station, as contemplated by the MOU, the Master Lease Amendment shall provide that, in the event that MTA wishes to take any space currently fronting on the Concourse or the Exit Corridor, as shown on Exhibit E to the MOU, that is currently used by MTA and convert the same to retail use for any period of time during the term of the Master Lease, Vornado shall have an option to incorporate such space into its premises under the Master Lease at the fair market rent (as master leased space).
- d. The MTA Parties will acquire an easement to locate new HVAC equipment, ductwork and a shared exhaust and intake chimney in the Building known as Two Penn Plaza to better service the widened Concourse at no additional cost to MTA.
- e. Commencing upon the MTA Parties' request for Vornado to terminate the retail leases within the Concourse Widening Strip, all fixed, percentage and other additional rent payable by Vornado under the Master Lease shall be abated for a period to be agreed upon, but not greater than nine months following the completion of the second phase of the Project.

Staff Summary

FINANCE COMMITTEE MEETING PENN – LIRR CONCOURSE IMPROVEMENTS (Cont'd.)

- f. In consideration of the costs to be incurred by Vornado in connection with the Project, MTA shall pay Vornado the following (collectively, the “VNO Costs”): (a) termination payments paid to the retail tenants with leases terminated at the MTA Parties’ request, (b) the lost revenue under the retail leases terminated at MTA’s request, (c) out-of-pocket costs and expenses incurred by Vornado in connection with the demolition of the existing improvements in the Concourse Widening Strip and other portions of the Station or One Penn Plaza and in connection with the performance of work required to make portions of One Penn Plaza located on the north side of the Concourse available to LIRR as contemplated by the Operations Lease, (d) out-of-pocket costs and expenses incurred by Vornado in connection with obtaining vacant possession of LIRR’s premises under the Operations Lease, (e) out-of-pocket costs and expenses incurred by Vornado in connection with the relocation, reconfiguration and/or reconstruction of the retail premises and ancillary storage premises on the north and south sides of the Concourse and egress and service corridors serving such retail premises, and (f) the costs to Vornado to re-lease the reconfigured retail on the north and south sides of the Concourse. The VNO Costs shall accrue interest at 6% per annum from the date that Vornado actually incurred or paid the underlying amount until the date such VNO Costs are capitalized into the Recurring Rent Reduction (as defined below) (collectively, the “VNO Capitalized Costs”). Vornado’s current estimate of the aggregate VNO Capitalized Costs is \$100,000,000. To the extent that the actual VNO Costs are less than the estimated VNO Costs, then the VNO Costs shall be adjusted such that MTA shall receive the benefit of one-quarter (25%) of such cost savings.
- g. As set forth in the MOU, the MTA Parties shall compensate Vornado for the VNO Capitalized Costs through a recurring rent reduction (the “Recurring Rent Reduction”) to be applied against the rents payable by Vornado under the Master Lease. The Recurring Rent Reduction shall be an annual amount equal to 6% of the VNO Capitalized Costs less the amount of the annual increase in net operating income to Vornado resulting from the relocation of Vornado’s premises under the Master Lease from the Concourse Widening Strip to the South Side Space.
- h. MTA shall have the right to terminate the Project upon notice to Vornado. If MTA terminates the Project, the Master Lease will be amended to re-lease the majority of the Concourse Widening Strip to Vornado and to remove the South Side Space from Vornado’s premises, and the MTA Parties and Vornado shall terminate certain easements within One Penn Plaza and Two Penn Plaza to the extent such easements are not required following termination of the Project. In addition, MTA shall be required to pay Vornado, as a termination payment: (i) all VNO Costs incurred prior to MTA’s termination of the Project, (ii) 24 months of lost revenue with respect to the terminated retail leases, subject to extension if Skanska does not timely vacate the North Side, (iii) the out-of-pocket costs required to restore the Concourse Widening Strip and affected portions of One Penn Plaza, (iv) the costs to Vornado to re-lease any terminated retail leases, and (v) \$13,600,000, which amount is the MTA Parties’ and Vornado’s agreed-upon value for removing the portion of the Concourse Widening Strip required for the New LIRR Entrance from Vornado’s premises under the Master Lease. The Termination Costs shall accrue interest at 6% per annum from the date on which the underlying amount is actually incurred or paid. The Termination Costs (together with the interest accrued thereon) shall be payable by the MTA Parties either as a lump-sum or as a recurring rent reduction.

LIRR has \$170 million in the capital program to support this project and has executed an MOU with the NYS Division of the Budget for the State to provide an additional \$424 million.

Based on the foregoing, MTA Real Estate requests authorization to enter into the Transaction Documents, based on the above terms and conditions, and to enter into such other supplemental agreements to effectuate the same.

Staff Summary

Subject LICENSE AGREEMENT WITH RUCHITA PATEL AT THE STEINWAY STREET STATION
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature
Project Manager Name MICHAEL T. THADATHIL

Date NOVEMBER 18, 2020
Vendor Name
Contract Number
Contract Manager Name
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1	Finance Committee	11/18/20	X		
2	Board	11/18/20	X		

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

AGENCY: MTA New York City Transit ("NYCT")
LICENSEE: Ruchita Patel
LOCATION: Steinway Street Station, Queens Boulevard Line, Queens; retail concession space built against the subway station wall on the north mezzanine level in the unpaid / free zone near Booth N315
ACTIVITY: License of a retail convenience store
ACTION REQUESTED: Authorization to enter into a license agreement
TERM: Ten years, terminable at will by NYCT on 60 days' prior written notice, with no cost
SPACE: Approximately 105 square feet
COMPENSATION: \$6,000 in Year 1 with 3% annual escalations thereafter

<u>Year</u>	<u>Annual</u>	<u>Monthly</u>	<u>% Increase</u>	<u>Per Sq. Ft.</u>
1	\$6,000.00	\$500.00		\$57.14
2	\$6,180.00	\$515.00	3.0%	\$58.86
3	\$6,365.00	\$530.42	3.0%	\$60.62
4	\$6,556.00	\$546.33	3.0%	\$62.44
5	\$6,753.00	\$562.75	3.0%	\$64.31
6	\$6,955.00	\$579.58	3.0%	\$66.24
7	\$7,164.00	\$597.00	3.0%	\$68.23
8	\$7,379.00	\$614.92	3.0%	\$70.28
9	\$7,600.00	\$633.33	3.0%	\$72.38
10	\$7,828.00	\$652.33	3.0%	\$74.55

COMMENTS:

The Location was publicly offered pursuant to a Request for Proposals ("RFP") in July 2019, seeking an operator for a 10-year revocable license term. The RFP required a renovation of the space. In response to the RFP, the only proposal was submitted by Ms. Ruchita Patel.

Staff Summary

FINANCE COMMITTEE MEETING

LICENSE WITH RUCHITA PATEL AT STEINWAY STREET STATION (Cont'd.)

At a 7% discount rate, the present value of the compensation proposed by Ms. Patel is \$47,521. In addition, Ms. Patel proposes to invest approximately \$20,000 in capital improvements. Although Ms. Patel's offer is below the independent Broker's Opinion of Value received by MTA Real Estate, MTA Real Estate believes that the proposed transaction will yield to NYCT the fair market value, taking into account: (i) the immediate and continuing value of permanent improvements that the Licensee will pay for; and (ii) that the retail space was competitively bid with at least one motivated potential licensee, which serves as reliable evidence of the true fair market value.

Ms. Patel has an acceptable credit history and sufficient financial resources to complete the required renovation and pay the compensation offered.

Based on the foregoing, MTA Real Estate requests authorization for NYCT to enter into a license agreement with Ruchita Patel, prepared in a form approved by MTA Legal, on the above-described terms and conditions.

Staff Summary

Subject AMENDMENT OF LICENSE AGREEMENT WITH ROSEN'S CAFÉ, LLC AT 2 BROADWAY, NEW YORK, NY
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature
Project Manager Name ANDREW GREENBERG

Date NOVEMBER 18, 2020
Vendor Name
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Contract Manager Name
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AGENCY: Metropolitan Transportation Authority ("MTA")
LICENSEE: Rosen's Café, LLC ("Rosen's")
LOCATION: Portion of the Broad Street entrance and lobby at 2 Broadway, New York, NY
ACTIVITY: Amendment of license agreement
ACTION REQUESTED: Authorization and approval of terms to amend the license agreement
SPACE: Approximately 1,371 square feet of retail space
CURRENT TERM: Original license term expires March 31, 2021
COMPENSATION: Current monthly license fee: \$13,238.00 through March 31, 2021
 Amended monthly license fee = \$2,000 per month from August 1, 2020 - March 31, 2021 plus 10% of annual sales above \$200,000.
 License fee abatement for months of April – July 2020 = \$52,952.00 (\$13,238 per month for four months)

COMMENTS:

Rosen's serves as an important amenity to MTA employees at 2 Broadway with price controls in their license agreement for the benefit of the MTA Agencies' building employees. Since re-opening in July, Rosen's has experienced a 75-80% reduction in sales, which is consistent with the drop in the building's population. It is seeking to restructure their current license agreement to account for the reduced building occupancy.

While Rosen's does derive some revenue from external Broad Street customers, the MTA Police Department closed the Broad Street entrance due to security concerns, thereby impacting that element of their business.

In order for Rosen's to continue with its operation, they are requesting a four-month abatement of the monthly license fee for the period April 2020 through July 2020. Rosen's is further requesting that the monthly license fee to be reduced from \$13,238 to \$2,000 (which represents 15% of the current base monthly license fee) and will pay to the MTA an additional

Staff Summary

**FINANCE COMMITTEE MEETING
AMENDMENT OF LICENSE AGREEMENT WITH ROSEN'S CAFÉ, LLC AT
2 BROADWAY, NEW YORK, NY**

payment of 10% of annual sales above a breakpoint of \$200,000. Rosen's will also repay rent due for the months of August, September and October 2020 over the remaining agreement term.

Based on the foregoing, MTA Real Estate requests authorization to amend the license based on the above described terms and conditions.

Staff Summary

Subject AMENDMENT TO LEASE WITH KAMLESH, INC. FOR A RETAIL CONCESSION IN 2 BROADWAY
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature
Project Manager Name ANDREW GREENBERG

Date NOVEMBER 18, 2020
Vendor Name
Contract Number
Contract Manager Name
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3	Chief Financial Officer		

AGENCY: Metropolitan Transportation Authority ("MTA")
 LESSEE: Kamlesh, Inc. ("Kamlesh")
 LOCATION: Retail concession in the lobby of 2 Broadway, New York, NY
 ACTIVITY: Amendment of lease
 ACTION REQUESTED: Approval of lease amendment
 ABATEMENT TERM: May 1, 2020 through August 31, 2020
 COMPENSATION: Abatement of \$22,204.40 (\$5,373.24 monthly rent + \$179.11 monthly utility for 4 months).

COMMENTS:

Kamlesh operates the 2 Broadway lobby concession which provides grab and go snacks and drinks for MTA employees and visitors. Kamlesh closed in April due to the NYS COVID mandated closure and re-opened in July but has not paid rent from May 2020 through August 2020 (the lease expiration), citing an 85-90% reduction in sales due to reduced building occupancy.

MTA Real Estate proposes a four-month abatement be granted for the period May 2020 to August 2020. This proposed rent abatement will permit the tenant to continue his operations on a month to month basis until such time as MTA Real Estate markets it anew.

Based on the foregoing, MTA Real Estate requests authorization to proceed with an amendment to the lease on the above described terms and conditions.

Staff Summary

Subject AMENDMENT OF LEASE WITH STAZIONE PKSL, LLC FOR PEEKSKILL STATION
Department REAL ESTATE
Department Head Name JOHN N. LIEBER
Department Head Signature
Project Manager Name NEIL MASTROPIETRO

Date NOVEMBER 18, 2020
Vendor Name
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AGENCY: MTA Metro-North Railroad ("Metro-North")
LESSEE: Stazione PKSL, LLC ("Stazione")
LOCATION: Peekskill Station building at 300 Railroad Avenue, Peekskill, NY
ACTIVITY: Amendment of lease
ACTION REQUESTED: Authorization and approval of terms to amend lease

AMENDED RENT: For the lease's five-year option period only, amendment of the escalation provision from a Fair Market Value appraisal to continued annual 3% increases

COMMENTS:

The lease, effective February 1, 2017, was approved by the MTA Board in July 2016.

Due to a prolonged plan review/approval process, Stazione took possession of the building in January 2019 and commenced construction. Within 2 weeks of taking possession, a sprinkler pipe burst causing significant water damage. While the tenant's insurance policy paid on the claim, the damage to the ceiling, walls and fixtures increased the cost of the tenant's original scope of work. These elements, which are historic, must be replaced using like-kind materials. Additionally, the tenant has incurred additional expenses for plan submittals and approvals from Metro-North and the New York State Historic Preservation Office.

Stazione remains committed to completing the construction and opening during the 1st quarter of 2021. Stazione has been paying rent since February 2018. In consideration of their additional time and expenses, Stazione requested that in lieu of the Fair Market Value reset for Option Period commencing in lease year 11, the Lease be amended to reflect 3% annual increases starting after Lease Year 1 through the end of the Option Period (Lease Year 15). Amending the lease accordingly will provide Stazione with financial certainty and enable them to offset the significant capital expenses invested in the station building.

Based on the foregoing, MTA Real Estate requests authorization for Metro-North to amend the lease on the terms described above.