

CONTRACT SOLICITATION NOTICE/PROJECT OVERVIEW

MTA C&D IS NOW ADVERTISING FOR THE FOLLOWING:

SSE EVENT#: 0000342645

OPENING/DUE DATE: 03/18/2021

TYPE OF SOLICITATION: RFI/ RFP

DOCUMENT AVAILABILITY DATE: 02/18/2021

SOLICITATION TITLE: MS21001 Request for Information and Request for Proposals for Operation and Maintenance of Infrastructure and Structures Supporting Long Island Rail Road Access into Grand Central Terminal: Rail Facilities, Passenger Facilities, and Retail Development and Management

DESCRIPTION: MTA Construction & Development Company (“MTA C&D”) is seeking information and proposals for one or more qualified service providers to operate and maintain infrastructure and related structures supporting The Long Island Rail Road Access (“LIRR”) into the new east midtown terminal (the “East Midtown Terminal”) located within Grand Central Terminal (“GCT”), and the rail facilities, passenger facilities, and retail development and management. There are three distinct scopes of work for this contract: (i) master tenant; (ii) facility maintenance and operations; and (iii) rail infrastructure maintenance and operations.

Funding: 100% Operating

Goals: WBE TBD; MBE TBD; SDVOB TBD

Est \$ Value: Over \$100M

Contract Term: TBD

*****PLEASE SEE THE ATTACHED PROJECT OVERVIEW FOR ADDITIONAL INFORMATION*****

(X) PRE-BID CONFERENCE LOCATION: TBD

DATE: TBD

TIME: TBD

(X) SITE TOUR LOCATION: TBD

DATE: TBD

TIME: TBD

FOR MORE INFORMATION, PLEASE CONTACT:

PROCUREMENT REPRESENTATIVE: Fabrizio Raho

EMAL:
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REQUIREMENTS TO PARTICIPATE

DATA UNIVERSAL NUMBERING SYSTEM (DUNS) NUMBER: ALL VENDORS MUST HAVE A DUN & BRADSTREET DUNS NUMBER IF THEY WISHTO PARTICIPATE IN THIS PROCUREMENT. VENDORS WHO DO NOT HAVE A DUNS NUMBER CAN REGISTER ONLINE AT WWW.MYDNB.COM. TO OBTAIN ONE FREE OF CHARGE. YOU MUST STATE THAT THE NUMBER IS REQUIRED FOR SAM (SYSTEM FOR AWARD MANAGEMENT)

SYSTEM FOR AWARD MANAGEMENT (SAM): VENDORS ARE ALSO REQUIRED TO REGISTER WITH SAM, A FEDERAL VENDOR DATABASE USED TO VALIDATE VEDNDOR INFORMATION, BEFORE REQUESTING BID DOCUMENTS. YOU CAN VISIT THEIR WEBSITE AT www.sam.gov TO REGISTER. A DUNS NUMBER IS REQUIRED FOR REGISTRATION.

*******WE CANNOT PROCESS DOCUMENT REQUESTS WITHOUT A MTA BIDDER/SUPPLIER NUMBER. PLEASE ACCESS THE MTA VENDOR PORTAL, WWW.MYMTA.INFO, TO REGISTER AS A BIDDER*******

GENERAL INFORMATION

- a. In February 2021, MTA Construction and Development Company (“MTA C&D”) issued Phase One (the RFI portion) of Procurement – MS21001 Operation and Maintenance of Infrastructure and Structures Supporting Long Island Rail Road Access into Grand Central Terminal: Rail Facilities, Passenger Facilities, and Retail Development and Management. Capitalized terms used but not defined in this Addendum No. 3 (also known as Phase Two) shall have the meaning set forth in Phase One or the exhibits or Appendices hereto, as applicable. To the extent there is any inconsistency between Phase One and this Phase Two, this Phase Two shall control. In response to Phase One, potential Proposers submitted responses to the questions provided in Article I, Part C of Phase One (the “Phase One Answers”). On October 20, 2021 the MTA’s Board of Directors voted unanimously to approve the creation of Grand Central Madison Concourse Operating Company (“MTA Manager”) previously identified in Phase One as MTA Subsidiary. MTA Manager will be delegated the right and obligation to operate and maintain certain portions of the ESA Project (now known as the “EMT Project”).
- b. MTA C&D is now seeking Proposals for one or more qualified service providers to operate and maintain infrastructure and related structures supporting LIRR’s access into the new east midtown terminal (the “East Midtown Terminal”) located adjacent to and below Grand Central Terminal (the “EMT Project”), and to perform retail development and management services for the new passenger concourse being constructed as part of the East Midtown Terminal (such concourse, the “Madison Concourse”). There are now two (2) distinct scopes of work for this RFP: (i) the master lease scope of work (the “Retail Scope of Work”) to be performed by the “Master Lessee” pursuant to the “Master Lease”; and (ii) the facility maintenance and operations scope of work (the “Facilities Scope of Work”) to be performed by the Facilities Maintainer pursuant to the “Facilities O&M Agreement”) (each, a “Scope of Work” and collectively, the “Scopes of Work”; the services provided pursuant to the Scopes of Work, the “Work”; and the contract vendee that performs each Scope of Work, individually and collectively, the “Service Provider”) (the MTA Group elected to remove the Rail Scope of Work from the RFP). The Master Lease and the Facilities O&M Agreement are each, a “Contract” and together the “Contracts.” For clarity, this Addendum No. 3 formally removes the Rail Scope of Work from this RFP and, as a result, MTA C&D is formally changing the title of this RFP to “Request for Proposals for Contract – MS21001 Operation and Maintenance of Infrastructure and Structures Supporting Long Island Rail Road Access into East Midtown Terminal: Passenger Facilities and Retail Development and Management.”
- c. MTA Manager will be responsible for the oversight and contract management of the Service Provider during the term of each Contract and each Contract is expected to be awarded by MTA (as fee owner of the EMT Project) and MTA Manager as the MTA Group member with control and custody of the EMT Project. Although the Scopes of Work include great detail, they are subject to modification, addition and/or deletion – if any, to be issued by addenda hereto. Additionally, certain exhibits and schedules to be attached to the final Contracts are being completed and will similarly be issued via addenda. In particular, Exhibit U to the Facilities O&M Agreement, which includes Key Performance Indicators, Incentives and Disincentives, is also subject to modification by addendum (including to add in the incentive and disincentive regime).
- d. MTA C&D’s preference is to award the Contracts to a single Service Provider for both Scopes of Work (although in all events there will be two (2) separate Contracts – the Master Lease for the Retail Scope of Work; and the Facilities O&M Agreement for the Facilities Scope of Work). Accordingly, and notwithstanding Section 2.2(b) of Phase One, Proposers are required to submit Proposals on both Scopes of Work. However, Proposers may also submit a second, alternative Proposal, which only includes one (1) Scope of Work. For the avoidance of doubt, any Proposals which only include a Proposal for a single Scope of Work and do not include both Scopes of Work will be declared non-responsive. For the avoidance of

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doubt, any reference in this RFP or any of the Appendixes hereto to a “bid” or “Bid” shall refer in each case to each Proposer’s Proposal.

- e. Facilities Scope of Work.
- i. *The Proposer selected to perform the Facilities Scope of Work will enter into the Facilities O&M Agreement with MTA and MTA Manager. The Facilities O&M Agreement is attached hereto as Appendix C. The Facilities O&M Agreement sets forth the basic business, legal and contractual relationship between the MTA Group and the Facilities Maintainer. Proposers should carefully review the Facilities O&M Agreement to understand the key economic and risk drivers of this RFP.*
 - ii. *The Facilities’ Concept of Operations (“Facilities’ CONOPS”) is attached as Appendix D to this Phase Two. The Facilities’ CONOPS sets forth the basic operating background for the Facilities Scope of Work, how it is to be performed, when it is supposed to be performed and under what circumstances. It also specifies required staffing levels and requirements. Proposers should carefully review the Facilities’ CONOPS to understand the general requirements of the Facilities Maintainer in performing the Facilities Scope of Work.*
 - iii. *The Facilities Technical Scope of Work (“TSOW”) is attached as Appendix E to this Phase Two, and the technical appendices to the TSOW are attached as Appendix E-1 to this Phase Two. The TSOW, including the technical appendices, sets forth the specific technical scopes of work that must be performed as the Facilities Scope of Work. Proposers should carefully review the TSOW to understand the specific requirements of the Facilities Scope of Work.*
 - iv. *Upon execution of the Facilities O&M Agreement, the Facilities’ CONOPS will be attached as an exhibit, and the TSOW will be attached as an exhibit to the Facilities’ CONOPS.*
- f. Retail Scope of Work. The Proposer selected to perform the Retail Scope of Work will enter into a Master Lease with MTA and MTA Manager. The Master Lease will set forth the business, legal and contractual relationship between the MTA Group and the Master Lessee. The Master Lease will be issued to the selected Proposer and is not attached as an appendix to this Phase Two. Attached as Appendix F to this Phase Two is the Retail Scope of Work, which sets forth the basic business, legal and operating requirements of the Master Lessee, to be included in the Master Lease.

PROCUREMENT PROCESS

Through the evaluation of the Proposals submitted in response to this Phase Two, MTA C&D intends to ultimately select a single Proposer whose Proposal, in MTA C&D’s sole discretion, represents the best value to the MTA Group. While price will be a factor in the evaluation, technical approach, experience and other qualitative factors will also be considered in determining best value, as set out in this RFP. MTA C&D reserves the right to select one Proposer for the Retail Scope of Work and a different Proposer for the Facilities Scope of Work, but that is not MTA C&D’s preference.

EVALUATION PROCESS

Part 1: Initial Pass/Fail Evaluation

- a. MTA C&D will first evaluate each Proposal on a pass/fail basis for responsiveness of the Proposal to the RFP requirements. The initial pass/fail review will include the following:
 - i. the Proposal was submitted at the required location on or before the Proposal Due Date and time;
 - ii. each volume of the Proposal fully meets the applicable requirements of the RFP; and
 - iii. the Proposal is otherwise responsive, including compliance of the technical proposal with all relevant established codes and criteria.
- b. Nothing in this Section limits any ability of MTA C&D to determine any Proposal is non-compliant, or any Proposer is disqualified, and to cease further evaluation of the relevant Proposal as provided for in this Section or otherwise in accordance with the reserved rights. MTA C&D may waive irregularities in a proposal if it determines that doing so is in the best interest of the MTA Group. Such a waiver will not

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modify any remaining solicitation requirements. MTA C&D also reserves the right to seek modified proposals at any stage in the RFP process.

Part 2: Substantive Evaluation of Proposals

a. General Approach

- i. For those Proposers who pass the initial pass/fail evaluation, MTA C&D will substantively evaluate each Proposal by considering the merits of the submission, including any modifications to either Scope of Work included in such Proposal on the basis of best value in accordance with Section 14.
- ii. When evaluating a Proposal, MTA C&D may consider any component of that Proposal in its evaluation of any of the substantive evaluation criteria referenced below. In addition, any component of a Proposal may be used for the evaluation of more than one criteria.

b. Technical Proposal Evaluation – Facilities Scope of Work

MTA C&D will evaluate the written Technical Proposal submitted by each Proposer for the Facilities Scope of Work. A technical evaluation will be established for each Proposer, based on the following criteria in descending order of importance:

i. Technical Approach:

1. **Facilities Scope of Work:** Each Proposer will be evaluated on its organizational and technical ability to inspect, maintain, repair, replace and operate a full range of Facility Assets. The Proposer will be assessed on its demonstrated ability to execute a comprehensive asset management plan that extends, eliminates backlogs and avoids service disruptions. The Proposer's overall approach to the concept of operations and its ability to innovate systems maintenance, applying new technologies and to contain costs while optimizing infrastructure life cycles, improving productivity and eliminating waste will be evaluated. The Proposer should have demonstrated experience in asset management and provide evidence of asset-management solutions and results.
2. **CDRL Plans:** The Proposer will be evaluated on its summaries/outlines of the CDRL Plans in response to Exhibit 5 to the Facilities' CONOPS and including how such plans satisfy the Facilities TSOW and demonstrate an ability to mobilize by the Revenue Service Date and perform in accordance with the O&M Standards and the Operating Standard.
3. **Management, Organization Structure and Staffing Plan:** The Proposer will be evaluated on the details of its approach to the management associated with the Facilities Scope of Work. Descriptions of prior similar projects, including those with major public transportation facilities, will be considered. Experience profiles for key management personnel will be evaluated, as will staffing levels to meet project requirements. The completeness of the organization chart will be evaluated as it relates to communication protocols and covering all aspects of the project. The Proposer will also be evaluated on its staffing plan for all positions, labor structure and union interface, and that workforce training will be conducted in a manner that incorporates relevant MTA requirements.
4. **System Safety:** The Proposer will be evaluated on its ability to successfully integrate safety into all management, training and work plans and has designated safety plans and processes that are in full compliance with all applicable laws, rules and regulations. The Proposer will also be evaluated on its plan to provide an integrated approach to customer, employee and public safety and hazard reduction, as well as its ability to handle safety incidents, develop incident reduction programs in partnership with MTA, and establish a culture of continuous learning relative to accident and incident reduction. The Proposer must also demonstrate an ability to interface with regulatory safety entities and suggest a process to do so. Past safety performance will also be considered and the Proposer's safety record over the last five (5) years will be assessed. Included in this assessment will be a five (5)-year overview of accident fatalities, accident injuries, employee on-duty casualties, and other calamities or significant incidents as well as

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- any claims made in connection therewith.
5. Customer Service: The Proposer will be evaluated on its approach to customer service and innovating the customer experience, including a demonstrated experience in managing large passenger service.
- ii. Past Experience and Performance:
 1. Proposer (including any Team Member) will be evaluated on its qualifications and experience, and demonstrated ability to perform the Facilities Scope of Work in an efficient manner in accordance with the O&M Standards and the Operating Standard. Proposer will also be evaluated on its ability to perform in accordance with the performance standards in this RFP. This will include information regarding Proposer's experience with safely and reliably providing services of a similar scope and magnitude.
 2. Proposer will be evaluated on its Key Personnel's qualifications and experience, and demonstrated ability to perform the Facilities Scope of Work in an efficient manner in accordance with the O&M Standards and the Operating Standard. Proposer will also be evaluated on its Key Personnel's ability to perform in accordance with the performance standards in this RFP. This will include information regarding Proposer's Key Personnel's experience with safely and reliably providing services of a similar scope and magnitude.
 - iii. Preparedness for Performing the Facilities Scope of Work: Each Proposer will be evaluated on its demonstration that such Proposer and its team members' other commitments and contractual obligations will not impair or adversely impact their performance under the Contract. This includes the Service Provider's ability to commence performance of the Facilities Scope of Work in advance of the revenue service date.
 - iv. Diversity Practices: The Proposer will be evaluated on its plans to meet the MBE/WBE/SDVOB goals for this Contract and its past compliance with subcontracting provisions for MBE/WBE/SDVOB.
- c. Proposal Evaluation - Master Lease
 - i. Minimum Qualifications

Proposers must provide detailed evidence that they have the necessary experience and capability to fulfill the scope and all relevant conditions as set forth in this RFP. At a minimum, MTA C&D prefers Proposers that meet or exceed the following criteria:

 1. Have a proven track record of ten (10) or more years of comparable experience in the developing, leasing, managing, constructing and operating of multi-unit food and retail projects in a transit hub, retail shopping center, mall or similar outlet with high customer traffic.
 2. Have a net worth of at least fifteen times (15x) the Master Lease's annual rent, with at least five times (5x) of the annual rent available in liquid assets. To the extent that a Proposer's rent proposal only includes percentage rent during the first five (5) or more years of the term, then the financial tests shall be based on the fifth (5th) year's pro forma rent.
 - ii. MTA C&D's selection criteria include financial strength, management expertise, business plan and track record of the Proposer and the improvements proposed – therefore the RFP will require the completion of an extensive Proposal. MTA C&D will review and evaluate the technical proposals as follows:
 1. Business Experience: Proposers will be evaluated based on their business experience at other similar transit-oriented locations and/or high-traffic retail environments.
 2. Financial Qualifications: The financial capacity and creditworthiness of the Proposer and any proposed guarantor. MTA C&D seeks to assure that the costs of all of the improvements to be undertaken by the successful proposer will be met, a smooth and uninterrupted operation will be maintained, and rent obligations under the Master Lease will be timely fulfilled.
 3. Concept Development and Leasing Plan: Review of the initial leasing concept/merchandising plan, along with a strategy for identifying, attracting, and securing retail and food concepts for

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retail space throughout the term of the Master Lease. Attached to this document is a recommended merchandising plan commissioned by the MTA C&D which is intended to provide general guidance to all Proposers.

4. Design and Project Execution: Review of conceptual design, including schematic drawings of proposed improvements to the stores (required) and Common Area (optional, based on Proposer's proposed scope). The quality of the drawings and their adherence to any specifications outlined in the RFP, including costs, will be evaluated.
 5. Operation and Management Plan: Review of the following:
 - a. Proposer's organizational chart, including the person who will be designated as the MTA C&D's primary contact;
 - b. Marketing plan including, but not limited to, a social media strategy;
 - c. Daily operations plan;
 - d. Delivery plan;
 - e. Waste management plan; and
 - f. Level of personal involvement of principal(s) in the operation.
- iii. MTA C&D, in its sole discretion, will select the Proposal that when considering all the evaluation criteria as a whole, will best serve the overall interests of MTA and MTA Manager. Additionally, MTA C&D reserves the right to consider criteria other than the foregoing evaluation criteria, and to assign to each of the above and to any other criteria such weights as MTA C&D in its absolute discretion determines.
 - iv. MTA C&D may at any time exclude Proposals that, in the sole and absolute discretion of MTA C&D, are deemed to fail to comply with the requirements of this RFP and/or to fall outside of the competitive range.
 - v. MTA C&D will review all Proposals for completeness and compliance with the terms and conditions of this RFP. MTA C&D may, at any stage of the RFP process, request from any or all of the Proposer's additional materials, clarification, confirmation, or modification of any submitted Proposal, including any Proposal that is incomplete or nonconforming. Except at the request or with the consent of the MTA C&D, (which shall be granted or withheld in the sole and absolute discretion of the MTA C&D) Proposers will not be entitled to change their Retail Proposals once submitted.
 - vi. All determinations as to the completeness or compliance of any proposal, or as to the eligibility or qualification of any Proposer, will be within the sole and absolute discretion of MTA C&D.
 - vii. MTA C&D may in its discretion consider Proposals that would entail material deviations from the Retail Scope of Work provided that they demonstrably provide additional value to MTA C&D and/or MTA Manager and are consistent with the EMT Project's goals. Alternative development Proposals will only be considered from Proposers that also submit plans that are fully compliant with the terms as set forth in the Retail Scope of Work.
- d. Cost and Rent Proposal Evaluation

MTA C&D's evaluation of the sealed cost/price Proposals will be based on reasonableness, completeness, and realism, as appropriate. Evaluation criteria includes:

 - i. Submittal of proposed prices and rent for the Facilities Scope of Work and the Retail Scope of Work.
 - ii. MTA C&D will compare the price and rent proposals to MTA C&D's estimate and determine the reasonableness of the Proposal by performing a price or cost analysis.
 - iii. Any offer that is materially unbalanced may be rejected. A materially unbalanced offer is one that is based on prices that are significantly overstated for some items and understated for other items.
 - iv. With respect to the Retail Scope of Work, MTA C&D will evaluate the amount, timing and certainty of rent payments to the MTA Manager proposed over the term of the Master Lease.
 - e. Negotiations
 - i. After evaluating the Technical and Cost and Rent Proposals, the evaluations will be considered by MTA C&D. Negotiations will then be conducted with one or more Proposers. MTA C&D, in its

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- sole discretion, may elect to conduct negotiations with more than one Proposer it deems is within a competitive range.
- ii. MTA C&D may request additional cost/price and rent proposals from the Proposer(s) during negotiations. Once negotiations are complete, MTA C&D may request a best and final offer (BAFO) from the Proposer(s).
 - iii. After negotiations are complete and a BAFO is received and reviewed, MTA C&D will select the Proposer who, in MTA C&D's sole discretion, represents the best value to the MTA Group. While price will be a factor in the evaluation, technical approach, experience and other qualitative factors will also be considered in connection with this determination.
 - iv. MTA C&D reserves the right to negotiate all terms of any transaction with any Proposer. If negotiations cannot be concluded successfully with any conditionally designated Service Provider, MTA C&D may choose to negotiate with other Proposers, to terminate the selection process, or to begin a new selection process.
- f. Final Selection
- The Contract will be awarded to the Proposer whose BAFO is deemed to provide the best value to the MTA Group, which determination will be made in MTA C&D's sole discretion.

PROPOSER TEAM MEMBERSHIP

Subject to the restrictions and qualification on Proposer team membership and on the inclusion of Major Participants and Key Personnel:

- a. no Major Participant will participate on more than one Proposer team;
- b. no Affiliate of any Major Participant will participate on another Proposer's team;
- c. Affiliated entities will not participate on separate Proposer teams;
- d. no individuals serving a Key Personnel role on one Proposer team will serve any role on another Proposer team; and
- e. no firm that employs one or more of the individuals named as Key Personnel on one Proposer team will serve any role on another Proposer team.