Corporate Governance Committee Meeting

March 2014

Committee Members
T. Prendergast, Chairman
F. Ferrer, Vice Chairman
J. Ballan
A. Cappelli
M. Lebow
S. Metzger
J. Molloy
M. Pally
D. Paterson
A. Saul
J. Sedore, Jr.
MEETING AGENDA

MTA CORPORATE GOVERNANCE COMMITTEE

March 24, 2014 - 3:00 p.m.

347 Madison Avenue
Fifth Floor Board Room
New York, New York

AGENDA ITEMS

Public Comment Period

Approval of Minutes

Page

1. Approve Safety Committee Charter (Action Item)

2. Review and Approve Revised Governance Principles (Action Item)


4. Review and Approve Procurement Guidelines (Action Item)

5. Review and Approve Revised Travel and Business Expense Policy (Action item)
MINUTES OF THE MEETING
MTA Corporate Governance Committee
February 24, 2014
347 Madison Avenue
New York, New York

The following MTA Corporate Governance Committee members were present:
  Hon. Thomas F. Prendergast, Chairman
  Hon. Fernando Ferrer, Vice Chair
  Hon. James Ballan
  Hon. Michael Lebow
  Hon. John Molloy
  Hon. James Sedore, Jr.

The following MTA Corporate Governance Committee members were absent:
  Hon. Allen P. Cappelli
  Hon. Susan Metzger
  Hon. Mitchell Pally
  Hon. David Paterson
  Hon. Andrew Saul

MTA Board member Hon. Robert C. Bickford also attended the meeting.

The following MTA staff attended the meeting:
  Catherine Rinaldi, Chief of Staff
  Jerome Page, General Counsel
  Lamond W. Kearse, Chief Compliance Officer

Chairman Prendergast called the February 24, 2014 meeting of the MTA Corporate Governance Committee to order at 3:35 p.m.

Public Comments Period

There were no speakers in the public comments portion of the meeting.

Approval of Minutes

Upon motion duly made and seconded, the Committee approved the minutes of the Committee meeting held on July 22, 2013.

1. Review and Approval of 2014 Committee Work Plan

   Upon motion duly made and seconded the Committee approved the 2014 Committee Work Plan.
2. **Discussion on Safety**

The Chairman noted that, at his request, the chairs of the operating committees requested that the respective Agency Presidents give presentations on their Agency’s safety programs. The purpose of the presentations was to give Committee members a broader understanding of MTA’s safety endeavors.

The Chairman advised the Committee that he was reconstituting the Safety Committee and establishing the position of senior safety officer. The position will ensure adequate resources are directed toward safety and coordinate safety activities between Headquarters and the Agencies.

The Chairman stated that after meeting with the Agency Presidents it was decided that the senior safety officers at each would report directly to the Agency President and not have any other responsibilities.

3. **Review and Approval of Revisions to MTA Code of Ethics**

Chief Compliance Officer Lamond Kearse presented the committee with a staff summary setting forth proposed changes to the MTA Code of Ethics. The proposed changes codify certain current practices and establish additional “best practice” controls over how MTA manages outside activity approvals. Mr. Kearse noted that the proposed revisions incorporate a new section entitled “Certifications,” which codifies the current practice of new hires signing an acknowledgement for the Code of Ethics as well as strengthens it by requiring periodic recertification.

In addition, the proposed revisions to the Code of Ethics would require that an employee designated as a policy maker who has previously had one or more outside activities approved certify every three years that there has been no material change in circumstances that would require a reevaluation of the outside activity approval.

Upon motion duly made and seconded, the Committee recommended Board approval of amendments to the MTA All Agency Code of Ethics.

3. **Review and Approval of Revisions to Committee Charters: Finance and Governance**

Mr. Kearse presented the Committee with a staff summary setting forth proposed minor technical amendments to the Finance and Corporate Governance Committee charters. The Finance committee charter would be modified to make explicit that the MTA’s Chief Procurement Officer is authorized to submit proposed procurements to the Committee. The Governance Committee would be modified to remove an out-of-date provision that restricts membership on the Committee to non-employees of the MTA.

Upon motion duly made and seconded, the Committee recommended Board approval of the proposed revisions to the Finance and Corporate Governance Committee Charters.
4. **Review of MTA Whistleblower Protection Policy**

Mr. Kearse stated that MTA Whistleblower Protection Policy had been reviewed and there were no recommended changes to the Policy at this time.

5. **Discussion of Board Committee Schedule**

Chief of Staff Catherine Rinaldi noted that often committee meetings exceed the allotted time. Ms. Rinaldi presented the Committee with multiple committee calendar meeting options with their respective advantages and disadvantages. The options included (1) no changes to current schedule or formats; (2) begin committee meetings earlier on Monday; (3) retain current schedule, but allot more time to each meeting; (4) retain current schedule, but shorten regular presentations at Committee meetings; and (5) move some committee meetings to the week preceding the Board meeting.

The Committee discussed the advantages and disadvantages of these and other options.

**Adjournment**

Upon motion duly made and seconded, Chairman Prendergast adjourned the February 24, 2014 meeting of the Corporate Governance Committee at 4:03pm.

Respectfully submitted

Lamdond W. Kearse  
MTA Chief Compliance Officer
Subject
Establishment of Safety Committee and Revisions to Governance Guidelines

Date
March 26, 2014

Department
Corporate Compliance

Vendor Name
N/A

Department Head Name
Lamond W. Kearse

Contract Number
N/A

Department Head Signature

Contract Manager Name
N/A

Project Manager Name
Lamond W. Kearse

Purpose:
To seek Board approval of the Safety Committee Charter and revisions to the Governance Guidelines.

Discussion:
Each Committee of the Board has a charter which sets forth the purpose, authority, and key responsibilities of the Committee and also contains language regarding scheduling and conduct of Committee meetings.

Last month, the Chairman announced that he intended to recreate a Safety Committee which would meet at least quarterly to monitor safety programs of the MTA and each of its subsidiaries and constituent agencies. In addition, the Committee will monitor the implementation of the annual safety goals and act as forum for the open discussion of safety issues among representatives from the MTA and each of its subsidiaries and constituent agencies.

As a committee of the Board, the Safety Committee should have a Board approved charter that reflects the mission and authority of the Safety Committee.

In addition, the listing of Board committees contained in the MTA Governance Guidelines is updated to reflect the establishment of a Safety Committee.

Recommendation:
That the Board take the following Action:

1. Adopt the proposed Safety Committee Charter and
2. Adopt the revisions to the Governance Guidelines.
The Metropolitan Transportation Authority

SAFETY COMMITTEE

This Charter for the Safety Committee was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the “MTA”), on March 26, 2014.

I. PURPOSE

The Safety Committee (the “Committee”) shall assist the Board Chair and the Board by reviewing, providing guidance, and making recommendations with respect to safety on an MTA-wide basis.

II. COMMITTEE AUTHORITY

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates). The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

III. COMMITTEE MEMBERSHIP

The Committee shall consist of 3 or more members of the Board and shall include the Board Chair, the chairs of each operating committee of the Board, and each member of the Board recommended for appointment to the Board by a labor organization. All other members of the Committee shall be appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an ex officio member of the Committee. The Board Chair shall appoint the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

IV. COMMITTEE MEETINGS

The Committee shall meet on a regularly-scheduled basis at least 4 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings and records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.
The Committee may request that any member of the Board, the Chief Safety Officer, the Auditor General, any officer or staff of the MTA, or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The Chief Safety Officer shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to safety on an MTA-wide basis, (2) provide the chairperson of the Committee with all information regarding safety on an MTA-wide basis that is material to the Committee’s monitoring and oversight of safety on an MTA-wide basis, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing safety on an MTA-wide basis.

V. COMMITTEE REPORTS.

The chairperson of the Committee shall report on the Committee’s proceedings, and any recommendations made.

VI. KEY RESPONSIBILITIES

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

1. Monitor the implementation of the annual safety goals and programs of the MTA and each of its subsidiaries and constituent agencies;

2. Monitor the safety record of the MTA and each of its subsidiaries and constituent authorities, including by selecting and reviewing key safety indicators;

3. Provide a forum for the open discussion of safety issues among representatives from the MTA and each of its subsidiaries and constituent agencies;

4. Facilitate the identification of approaches and solutions that address MTA-wide safety issues;

5. Review and assess the adequacy of this Charter annually;

6. Conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter; and

7. Report regularly to the Board Chair and Board on Committee findings and recommendations and any other matters the Committee deems appropriate.
or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.
METROPOLITAN TRANSPORTATION AUTHORITY

GOVERNANCE GUIDELINES

The following mission statement and governance guidelines, as amended, have been recommended by the Governance Committee and approved by the Chairman and a majority of the members of the MTA Board and, along with the laws of the State of New York, the MTA By-laws, the by-laws of certain MTA subsidiaries and component units, and the charters and key practices of certain Committee of the Board, provide the framework for the governance of the MTA and its subsidiaries and component units. The Chairman and the Governance Committee will review these guidelines and other aspects of MTA governance annually or more often if deemed necessary.

Adopted by the Board March 26, 2014

Committee Book Page 9 of 92
Mission Statement of the Metropolitan Transportation Authority

The Metropolitan Transportation Authority ("MTA") preserves and enhances the quality of life and economic health of the region we serve through cost-efficient provision of safe, on-time, reliable and clean transportation services.

The MTA is the public benefit corporation of the State of New York responsible for an integrated mass transportation system for the City of New York and Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester counties. The statutory purposes set forth in the MTA enabling act are:

"the continuance, further development and improvement of commuter transportation and other services related thereto within the metropolitan commuter transportation district, including but not limited to such transportation by railroad, omnibus, marine and air, in accordance with the provisions of this title. It shall be the further purpose of the authority, consistent with its status as the ex officio board of both the New York city transit authority and the triborough bridge and tunnel authority, to develop and implement a unified mass transportation policy for such district." (Public Authorities Law §1264(1))

Governance Guidelines

These Governance Guidelines apply to MTA and the other public benefit corporations under common control of MTA (collectively with MTA, the "MTA Agencies"). The MTA Agencies consist of:

Metropolitan Transportation Authority
Triborough Bridge and Tunnel Authority
New York City Transit Authority
Manhattan and Bronx Surface Transit Operating Authority
The Long Island Rail Road Company
Metro-North Commuter Railroad Company
Staten Island Rapid Transit Operating Authority
Metropolitan Suburban Bus Authority
MTA Bus Company
MTA Capital Construction Company
First Mutual Transportation Assurance Company

1. Functions of the MTA Chairman/Chief Executive Officer.
   (a) The Chairman of the MTA shall be primarily responsible for providing leadership to the MTA Board in performing oversight of the senior management in the effective and ethical management of the MTA Agencies’ integrated mass transportation system. The Chairman, inter alia, convenes and presides over Board meetings, establishes Board committees and appoints committee members and chairs, and shall serve as the principal liaison between MTA management and the Board.

   (b) The Chairman, pursuant to statute, is the chief executive officer of the Authority and shall have responsibility to discharge the executive and administrative functions and
powers of the Authority. In discharging the executive and administrative functions and powers of the Authority, the Chairman shall, inter alia, be responsible for (i) managing the day-to-day operations of the MTA’s integrated mass transportation system, (ii) coordinating the development and approval by the Board of long term strategy for the maintenance and expansion of that system, (iii) overseeing and providing appropriate direction to the President of each of the MTA’s constituent Agencies and (iv) appointing, disciplining, and removing officers or employees.

2. **Functions of the MTA Board.** The Board shall meet no less than 11 times a year at which the Board shall review and discuss reports by management on the performance of the MTA, its plans and prospects, as well as immediate issues facing the MTA. Board members are expected to attend all scheduled meetings of the Board and meetings of Committees on which they serve. The entire Board shall be responsible for the general oversight of the Authority’s senior management in furtherance of the effective and ethical management of the entire MTA, as required by law. In addition to this general responsibility, the entire Board (with the assistance of Committees of the Board as appropriate) shall also perform a number of specific functions, including

(a) providing counsel and oversight on the evaluation, development and compensation of senior management. When determining compensation for the Chairman/Chief Executive Officer, the Board, as required by law, shall act without the participation of the Chairman/Chief Executive Officer;

(b) reviewing, approving and monitoring fundamental financial and business strategies and major actions, including fundamental financial and management controls;

(c) assessing major risks facing the MTA and reviewing options for the mitigation of these risks;

(d) ensuring processes are in place for maintaining the integrity of the MTA, including the integrity of the financial statements of the MTA (and the financial statements of the MTA subsidiaries or component units that are required by law to issue separate financial statements), the integrity of the MTA’s compliance with law and ethics (including by adopting and updating codes of ethics applicable to MTA directors, officers and employees that at a minimum incorporate the standards established in section seventy-four of the Public Officers Law), the integrity of the MTA’s relationships with customers and suppliers, and the integrity of the MTA’s relationship with the public at large;

(e) establishing written policies and procedures on personnel including policies protecting employees from retaliation for disclosing information concerning acts of wrongdoing, misconduct, malfeasance, or other inappropriate behavior by an employee or board member of the authority; investments; travel; the acquisition of real property; the disposition of real and personal property; and the procurement of goods and services; and
(f) adopting a defense and indemnification policy and disclose such plan to any and all prospective board members.

3. **Functions of Senior Management**: The Chairman/Chief Executive Officer serves ex officio as the chair and chief executive officer of each of affiliated and subsidiary MTA Agencies and is responsible for appointing such other officials and employees (including, in his or her discretion, an Executive Director) as he or she determines is necessary and appropriate. These other officials and employees serve under the direction and at the pleasure of the Chairman/Chief Executive Officer. The Presidents of the MTA’s constituent Agencies, pursuant to the direction of the Chairman/Chief Executive Officer, are primarily responsible for the general management and operations of such constituent Agencies.

4. **Committees of the Board**. The Chairman has established the following Committees to assist him and the Board in discharging their responsibilities: (1) the Audit Committee; (2) the Committee on Finance; (3) the Committee on Operations of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority, the Staten Island Rapid Transit Operating Authority and the MTA Bus Company; (4) the Committee on Operation of the Metro-North Commuter Railroad; (5) the Committee on Operation of the Long Island Rail Road; (6) the Committee on Operations of the Triborough Bridge and Tunnel Authority; (7) the Committee on Capital Program Oversight; (8) the Diversity Committee; and (9) the Corporate Governance Committee; and (10) the Safety Committee. The current charters and key practices of these Committees shall be maintained on the MTA website. The Committees may hold meetings in conjunction with the entire Board, as appropriate.

5. **Self-Assessment**. The Board, as a whole, and each of the Committees, individually, will perform an annual self-assessment. The Board will be requested to provide their assessments of the effectiveness of the Board, as a whole, and of the Committees on which they serve. The individual assessments will be organized and summarized for discussion with the Board and the Committees.

6. **Setting Agendas for Meetings of the Board**. The Chairman shall be responsible for the agenda of the Board meetings. Upon the request of the Chairman, an Agency President shall report to the Board regarding that Agency’s operations, finances, and performance (with specific reference to the benchmarks established for that Agency) since the last time such Agency President reported to a meeting of the Board. The Chairman, or Committee chair as appropriate in consultation with the Chairman, shall determine the nature and extent of information that shall be provided regularly to Board members before each scheduled Board or Committee meeting. Committee chairs shall report to the entire Board for approval the matters discussed or recommended at Committee meetings as appropriate. Board members are urged to make suggestions for agenda items, or additional pre-meeting materials, to the Chairman, or the appropriate Committee chair at any time.

7. **Ethics and Conflicts of Interest**. The Chairman, Board members and the other officers and employees of the MTA are expected to act ethically at all times, to acknowledge their adherence to the policies comprising the MTA All-Agency and MTA Board Members
Codes of Ethics and to comply in all respects with the Codes of Ethics. If an actual or potential conflict of interest arises for an MTA Board Member, the MTA Member shall promptly inform the Chairman. All Board members will recuse themselves from any discussion or decision affecting their personal or commercial interests. Other than in such instances where jurisdiction over a conflict matter lies with the New York State Joint Commission on Public Ethics, the Board shall resolve any unresolved conflict of interest question involving the Chairman, a Vice Chairman, an MTA Member, the Auditor General, or an Agency President, and the Chairman shall resolve any unresolved conflict of interest issue involving any other officer of the MTA. If a significant conflict exists and cannot be resolved, the MTA Board Member should resign.

8. **Oversight of Significant MTA Policies.** The Board shall ensure that the MTA has policies addressing significant issues, and shall regularly review and, as appropriate, suggest changes or additions to, all such statements of significant MTA policy. Each statement of a significant MTA policy should be published in an accessible manner.

9. **Access of Senior Management to the Board.** Senior management are encouraged to, from time to time, bring managers into meetings of the Board who (a) can provide additional insight into the items being discussed because of personal involvement in these areas, an/or (b) are managers with future potential that the senior management believes should be given exposure to the Board.

10. **Access to Independent Advisors.** The Board or any Committee thereof shall have the right at any time to retain independent outside financial, legal or other advisors.

11. **MTA Member Orientation.** Each new MTA Board member shall, within three months of appointment as an MTA Board member, spend a day at MTA headquarters for personal briefing by the Chairman and other senior management on the MTA’s strategic plans, its financial statements, and its key policies and practices. In addition, within one year of appointment, each new MTA Board member must participate in State-approved training regarding their legal, fiduciary, financial and ethical responsibilities. The Chief Executive Officer, the MTA General Counsel and Chief Compliance Officer shall be responsible for providing additional orientation materials and programs for new Board members, as appropriate. MTA Board members shall participate in such continuing training as may be required to remain informed of best practices, regulatory and statutory changes relating to the effective oversight of the management and financial activities of the MTA and to adhere to the highest standards.
### Purpose:

To obtain Board approval of the MTA’s mission statement and performance measurement Report and to authorize submission of the annexed 2013 Mission Statement and Performance Measurement Report to the State Authorities Budget Office.

### Discussion:

Section 1269-f and Section 2824-a of the Public Authorities Law require MTA annually to reexamine its mission statement and selected performance measurement indicators and to submit a report based on the performance indicator results from the previous year to the State Authorities Budget Office.

The MTA and its Board engage in oversight of agency operating performance throughout the year. The Board, through its transit, rail and bridge/tunnel operation committees, closely monitors agency operating performance. Each operating agency reports its most recent performance data in posted monthly reports and in committee books distributed in advance of public MTA operating committee meetings, which are conducted at least eight times a year. At these public meetings, operating agency results are reviewed and discussed by Board members and agency senior staff. In addition, presentations focused on particular areas of performance are made by the agency staff to the Board operating committees periodicially through the year~ in accordance with the work plan schedule of each operating committee. The MTA website also contains a “Performance Dashboard” for each of the MTA operating agencies, updated monthly, summarizing the agencies’ leading performance measurements.

The attached report (the “2013 Mission Statement and Performance Measurement Report”) compiles the MTA mission statement and the measurements from 2013 for the performance indicators listed in the MTA mission statement. The operating agencies have each submitted, within the Report, a summary that evaluates agency performance on the applicable indicators in the past year. The Report also contains a copy of the MTA mission statement, to facilitate the Board’s annual review.

### Recommendation:

It is recommended that the MTA Board approve the annexed 2013 Mission Statement and Performance Measurement Report for submission to the Authorities Budget Office.
Metropolitan Transportation Authority
Mission Statement, Measurements, and Performance Indicators Report Covering Fiscal Year 2013

In Compliance with New York State Public Authorities Law §1269-f and §2824-a

Submitted as Part of the MTA 2013 Annual Report to the Governor
Note
Because of the timing of this report, the performance indicators against which the MTA agencies measure their performance are preliminary and subject to subsequent reconciliation and adjustment as data is finalized over the course of the year. For that reason, some of the 2012 data that was reported in last year’s report has been adjusted, and our 2013 performance is being measured against this more recent and accurate data, even if it differs only slightly from the data in last year’s report. Similarly, our 2013 preliminary data is also subject to subsequent adjustment, and our 2014 report will similarly measure performance against the most recent and accurate data available.
MTA Mission Statement

The Metropolitan Transportation Authority (MTA) preserves and enhances the quality of life and economic health of the region it serves through the cost-efficient provision of safe, on-time, reliable, and clean transportation services.

Stakeholder Assessment

The main stakeholders of the MTA are its customers; the businesses, residents, and taxpayers of our service area and the State; the MTA’s employees and unions; and its government partners. A set of goals for each group has been defined, along with performance indicators to measure the attainment of these goals.

<table>
<thead>
<tr>
<th>MTA Goals</th>
<th>Performance Indicators</th>
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</thead>
<tbody>
<tr>
<td>Ensure our customers’ safety</td>
<td>✅ Customer injury rates</td>
</tr>
<tr>
<td></td>
<td>✅ Bus collision rate</td>
</tr>
<tr>
<td>Provide on-time and reliable services</td>
<td>✅ On-time performance (subway and commuter railroads)</td>
</tr>
<tr>
<td></td>
<td>✅ Subway wait assessment</td>
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<tr>
<td></td>
<td>✅ Bus trips completed</td>
</tr>
<tr>
<td></td>
<td>✅ Mean distance between failures</td>
</tr>
<tr>
<td>Provide services to people with disabilities</td>
<td>✅ Elevator availability</td>
</tr>
<tr>
<td></td>
<td>✅ Escalator availability</td>
</tr>
<tr>
<td></td>
<td>✅ Bus passenger wheelchair lift usage (does not include paratransit)</td>
</tr>
<tr>
<td></td>
<td>✅ Paratransit ridership</td>
</tr>
<tr>
<td>Repair, replace, and expand transportation infrastructure</td>
<td>✅ Capital Program commitments</td>
</tr>
<tr>
<td></td>
<td>✅ Capital Program completions</td>
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</tbody>
</table>
### Businesses, Residents, and Taxpayers

The businesses, residents, and taxpayers in our service area want the MTA to spend its resources efficiently and appropriately, while enhancing the mobility of the region.

<table>
<thead>
<tr>
<th>MTA Goals</th>
<th>Performance Indicators</th>
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<tbody>
<tr>
<td>Perform services in an efficient manner</td>
<td>✓ Farebox operating ratio</td>
</tr>
<tr>
<td></td>
<td>✓ Operating cost per customer</td>
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<td></td>
<td>✓ Total support to mass transit</td>
</tr>
<tr>
<td>Maximize system usage</td>
<td>✓ Ridership</td>
</tr>
<tr>
<td></td>
<td>✓ Traffic volume</td>
</tr>
<tr>
<td>Repair, replace, and expand transportation infrastructure</td>
<td>✓ Capital Program commitments</td>
</tr>
<tr>
<td></td>
<td>✓ Capital Program completions</td>
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</tbody>
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### Employees and Unions

Our employees and unions expect a safe workplace, skills training relevant to their roles, and opportunities for growth.

<table>
<thead>
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<th>MTA Goals</th>
<th>Performance Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensure our employees’ safety</td>
<td>✓ Employee lost time and restricted duty rate</td>
</tr>
<tr>
<td>Maintain a workforce that reflects the regional availability of all races, nationalities, and genders for our industry</td>
<td>✓ Female representation in MTA workforce</td>
</tr>
<tr>
<td></td>
<td>✓ Minority representation in MTA workforce</td>
</tr>
</tbody>
</table>

### Government Partners (Federal, State, and Local Governments)

Our government partners expect us to enhance regional mobility by providing excellent service, while spending our resources in a cost-effective and appropriate manner.

<table>
<thead>
<tr>
<th>MTA Goals</th>
<th>Performance Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide on-time and reliable services</td>
<td>✓ On-time performance (subway and commuter railroads)</td>
</tr>
<tr>
<td></td>
<td>✓ Subway wait assessment</td>
</tr>
<tr>
<td></td>
<td>✓ Bus trips completed</td>
</tr>
<tr>
<td></td>
<td>✓ Mean distance between failures</td>
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<td>✓ Capital Program commitments</td>
</tr>
<tr>
<td></td>
<td>✓ Capital Program completions</td>
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</tbody>
</table>
### MTA New York City Transit ("NYCT")

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>2012 Actual</th>
<th>2013 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Service Indicators</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-Time Performance – Terminal</td>
<td>83.7%</td>
<td>80.5%</td>
</tr>
<tr>
<td>Subway Wait Assessment</td>
<td>79.0%</td>
<td>80.3%</td>
</tr>
<tr>
<td>Elevator Availability – Subways</td>
<td>97.7%</td>
<td>97.3%</td>
</tr>
<tr>
<td>Escalator Availability – Subways</td>
<td>96.2%</td>
<td>95.8%</td>
</tr>
<tr>
<td>Total Ridership – Subways</td>
<td>1,654,582,265</td>
<td>1,707,555,714</td>
</tr>
<tr>
<td>Mean Distance Between Failures – Subways (miles)</td>
<td>162,138</td>
<td>153,382</td>
</tr>
<tr>
<td>Mean Distance Between Failures – Staten Island Railway (miles)</td>
<td>74,773</td>
<td>71,313</td>
</tr>
<tr>
<td>On-Time Performance – Staten Island Railway</td>
<td>93.1%</td>
<td>94.7%</td>
</tr>
<tr>
<td>% of Completed Trips – NYCT Bus</td>
<td>98.9%</td>
<td>99.26%</td>
</tr>
<tr>
<td>Total Paratransit Ridership – NYCT Bus</td>
<td>9,343,283</td>
<td>9,266,385</td>
</tr>
<tr>
<td>Bus Passenger Wheelchair Lift Usage – NYCT Bus</td>
<td>1,416,967</td>
<td>1,446,813</td>
</tr>
<tr>
<td>Total Ridership – NYCT Bus</td>
<td>667,910,621</td>
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<td>Mean Distance Between Failures – NYCT Bus (miles)</td>
<td>4,546</td>
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<td><strong>Safety Indicators</strong></td>
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<tr>
<td>Customer Injury Rate – Subways (per million customers)</td>
<td>2.79</td>
<td>2.96</td>
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<td>Customer Accident Injury Rate – NYCT Bus (per million customers)</td>
<td>1.14</td>
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<td>Collisions with Injury Rate – NYCT Bus (per million vehicle miles)</td>
<td>6.60</td>
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<td>Employee Lost Time and Restricted-Duty Rate (per 100 employees)</td>
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<td>17.3%</td>
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<td>73.9%</td>
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<td>Farebox Operating Ratio</td>
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<td>Operating Cost per Passenger</td>
<td>$2.87</td>
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<td><strong>Capital Program Indicators</strong></td>
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<tr>
<td>Commitments in $ Millions (% of planned value)</td>
<td>$2,287 (58%)</td>
<td>$2,563 (100%)</td>
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<tr>
<td>Completions in $ Millions (% of planned value)</td>
<td>$2,560 (86%)</td>
<td>$1,542 (75%)</td>
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</table>
MTA GOAL: Ensure Customer Safety
PERFORMANCE INDICATORS: Customer Injury Rate

The 2013 customer injury rate for the NYCT Department of Subways was 2.96 per million customers, up from 2.79 in 2012. This increase, however, follows a steady decline in customer injuries, from 3.33 in 2009. NYCT Subways remains committed to continuing the long-term decline in customer injuries. In 2013, Subways advanced the recently introduced “Safety Culture Task Force” in order to evaluate the ways in which organizational culture impacts customer safety.

NYCT Bus saw a 0.6-percent increase in its customer accident injury rate in 2013, as compared to 2012. By continuing the current Bus Accident Safety Improvement Coordination System (BASICS), NYCT Bus has been able to maintain performance with an extremely minimal increase. The BASICS program and other safety initiatives should continue to improve the safety habits of bus operators.

NYCT Bus saw a 14.4-percent increase in its collision injury rate in 2013, as compared to 2012. Based upon an analysis of driver performance, NYCT Bus’s combined safety initiatives focus on driver performance in the bus stop area, including such basic procedures as scanning mirrors, observing the area around the bus, pulling into and out of bus stops properly, and positioning the bus correctly in the bus stop.

NYCT Bus continues to incorporate relevant accident findings into its safety and training initiatives. Additionally, NYCT, in joint agreement with all represented labor unions, continues to emphasize a “zero-tolerance” policy banning cell phones and other electronic devices for bus operators on duty.
NYCT, cont.

MTA GOAL: Provide On-Time and Reliable Services
PERFORMANCE INDICATORS: On-Time Performance, Mean Distance Between Failures, Subway Wait Assessment, Bus Trips Completed

NYCT Subways wait assessment improved from 79 percent in 2012 to 80.3 percent in 2013. Wait assessment, which measures regularity of service, is the primary customer service indicator. NYCT Subways employs strategies to maintain regular intervals between trains, even if those strategies lead to a decline in on-time performance (OTP). In general, subway passengers are impacted more by the regularity of service along a route than by the time a particular train arrives at the final destination, as relatively few riders travel all the way to the end of most subway lines.

NYCT Subways’ OTP declined from 83.7 percent in 2012 to 80.5 percent in 2013. There are two main causes. First, ridership is increasing, which means even a small delay can multiply rapidly due to crowding on board trains and at stations. Second, NYCT is aggressively increasing system maintenance on the right-of-way. Critical inspections and maintenance of tracks and signals require having workers on the tracks while trains are running. For safety reasons, trains must slow down as they pass workers on the tracks.

The subway “mean distance between failures” (MDBF) fell from 162,138 miles in 2012 to 153,382 in 2013.

At the Staten Island Rapid Transit Operating Authority (SIRTOA), OTP increased from 93.1 percent in 2012 to 94.7 percent in 2013. SIRTOA’s MDBF fell from 74,773 miles in 2012 to 71,313 miles in 2013. This decline has been attributed to a rail fleet nearly 40 years old.

As a result of its continuing focus on maintenance, NYCT Bus saw an 8.7-percent increase in MDBF in 2013, achieving a record-setting MDBF of 4,941 miles for the year. The percentage of “bus trips completed,” which depends on both vehicle and operator availability, also increased.
NYCT, cont.

from 98.9 percent to 99.26 percent in 2013. The increase is primarily attributable to improved bus performance.

**MTA GOAL: Provide Services to People with Disabilities**
**PERFORMANCE INDICATORS: Elevator Availability, Escalator Availability, Bus Passenger Wheelchair Lift Usage, Paratransit Ridership**

NYCT elevator and escalator availability exceeded the agency’s goals of 96.5 percent and 95.2 percent, respectively, for nine straight quarters. Elevator availability declined slightly from 97.7 percent in 2012 to 97.3 percent in 2013, and escalator availability declined slightly from 96.2 percent in 2012 to 95.8 percent in 2013. Despite the modest decline, 2013 elevator and escalator availability still outperformed both 2010 and 2011, and it continues to meet aggressive availability targets.

Wheelchair ridership at NYCT Buses increased by 2.1 percent in 2013 to a total of 1.45 million passengers. The agency’s new low-floor buses provide easier boarding and more reliable service for wheelchair passengers, contributing to the increase in wheelchair ridership.

NYCT Paratransit’s Access-A-Ride requests for service and “no show” customers remained relatively unchanged in 2013, resulting in a slight decrease in annual ridership.

**MTA GOAL: Repair, Replace, and Expand Transportation Infrastructure**
**PERFORMANCE INDICATORS: Capital Program Commitments and Completions**

NYCT committed nearly $2.6 billion of its Capital Programs funds in 2013, representing 100 percent of the 2013 total commitment goal. This is significantly higher than the 58 percent of goal awarded in 2012. In terms of the number of projects committed, 173 projects were awarded versus 119 planned, representing 145 percent of the planned goal, as compared to the 116 projects out of 142 planned projects, or 82 percent, during the previous year.
NYCT, cont.

This performance is based on a number of projects that were added during the year, including the acceleration of track work and the ‘split out’ of component work from larger projects. It also includes commitments to Superstorm Sandy recovery projects.

NYCT achieved capital project completions in 2013 worth over $1.5 billion, or 75 percent of the year’s $2.0 billion completion goal. This compares with an 86-percent completion value in 2012. In terms of the number of projects, NYCT completed 75 percent of 152 planned projects for 2013, versus 72 percent of 174 planned projects in 2012. Overall, NYCT’s Capital Program completions fell short of the agency’s 2013 goal by about $500 million. Notable delays in 2013 capital project completions included the replacement of segments of the Track and Switch Program ($122 million), the rehabilitation of Culver Viaduct Underside ($50 million), repair of Smith-9th Street and 4th Avenue stations ($41 million), and acceptance of 2,273 paratransit vehicles ($36 million).

NYCT’s farebox operating ratio improved in 2013, going from 56.4 percent of operating costs in 2012 to 59.1 percent in 2013. The 2013 “operating cost per passenger” was $2.87, unchanged from 2012.

NYCT Subways continued to experience strong subway ridership in 2013, surpassing total rides for the previous year and the system’s peak ridership in the 1950s, with some lines now running near peak levels for much of the day. Total subway ridership increased by over 50 million rides from the previous year to over 1.71 billion rides in 2013.

NYCT Bus ridership increased 1.4 percent in 2013 to 677 million riders, continuing to show improvement over previous years.
Employee “lost time” injury rates at NYCT Subways increased from 2.46 to 2.82 per 100 employees in 2013. This is due to a disproportionate increase in “falls, slips, and trips” as well as “overexertion,” which represents approximately 40 percent of total NYCT Subways lost time accidents annually.

NYCT Subways is aggressively expanding safety programs for employees, including new safety communications, safety audits, training, and accident investigations. The agency is advancing its recently introduced “Safety Culture Task Force,” which is charged with evaluating the ways in which organizational culture impacts employee safety.

In addition, NYCT Subways significantly expanded the FASTRACK program, which provides a safer working environment for maintenance and repair crews by curbing train operations in work areas. The employee “lost time” injury rate under FASTRACK was less than half of the overall rate.

NYCT Bus saw a 5.8-percent improvement in the employee lost-time accident rate over the previous year. This extends a positive trend following the successful implementation of several NYCT Bus safety programs. An oversight group maintains a focus on preventing injuries through increased safety awareness campaigns, as well as a focus on the root causes of incidents leading to injuries.

In addition, NYCT Bus and MTA Bus have continued major initiatives aimed at protecting all bus operators from assault, including oversight by an executive task force, enhanced training, and the ongoing installation of bus operator shields.
Female representation agency-wide continues to be below the estimated percentage of women available for work within NYCT’s recruiting area. A contributing factor is the low percentage of women who apply for what are generally considered nontraditional jobs. NYCT will continue to increase its outreach and recruitment efforts to improve female representation within its workforce. The percentage of minority representation, which grew slightly in 2013, from 73.9 percent to 74.5 percent, exceeds the estimated percentage of minorities available for work within NYCT’s recruiting area.
MTA Long Island Rail Road ("LIRR")

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>2012 Actual</th>
<th>2013 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Service Indicators</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-Time Performance</td>
<td>94.3%</td>
<td>93.5%</td>
</tr>
<tr>
<td>Elevator Availability</td>
<td>97.4%</td>
<td>98.3%</td>
</tr>
<tr>
<td>Escalator Availability</td>
<td>72.6%</td>
<td>95.5%</td>
</tr>
<tr>
<td>Total Ridership</td>
<td>81,753,411</td>
<td>83,384,250</td>
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<tr>
<td>Mean Distance Between Failures (miles)</td>
<td>194,382</td>
<td>205,890</td>
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<tr>
<td><strong>Safety Indicators</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Injury Rate (per million customers)</td>
<td>6.41</td>
<td>5.94</td>
</tr>
<tr>
<td>Employee Lost Time and Restricted-Duty Rate (per 200,000 worker hours)</td>
<td>2.61</td>
<td>3.16</td>
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<tr>
<td><strong>Workforce Indicators</strong></td>
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<td></td>
</tr>
<tr>
<td>Female Representatives in LIRR Workforce</td>
<td>15.7%</td>
<td>16.0%</td>
</tr>
<tr>
<td>Minority Representatives in LIRR Workforce</td>
<td>32.7%</td>
<td>33.6%</td>
</tr>
<tr>
<td><strong>Financial Indicators</strong></td>
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</tr>
<tr>
<td>Farebox Operating Ratio</td>
<td>47.5%</td>
<td>49.5%</td>
</tr>
<tr>
<td>Operating Cost per Passenger</td>
<td>$15.02</td>
<td>$15.37</td>
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<tr>
<td><strong>Capital Program Indicators</strong></td>
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</tr>
<tr>
<td>Commitments in $ Millions (% of planned value)</td>
<td>$291.64 (120%)</td>
<td>$785.80 (137%)</td>
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<tr>
<td>Completions in $ Millions (% of planned value)</td>
<td>$292.80 (110%)</td>
<td>$76.30 (89%)</td>
</tr>
</tbody>
</table>

**MTA GOAL: Ensure Customer Safety**

**PERFORMANCE INDICATORS: Customer Injury Rate**

The LIRR experienced a significant decrease in customer injuries in 2013. Compared to 2012, the total number of customer injuries decreased by 5.5 percent, while the customer injury rate (based on injuries per 1 million rides) decreased by 7.3 percent. This decrease in customer injuries is particularly positive in view of the significant growth in ridership. Much of this success can be attributed to the LIRR’s “Be Train Smart/Don’t Become a Statistic” safety information campaign, which will remain an integral part of LIRR’s safety program in 2014.
**LIRR, cont.**

**MTA GOAL: Provide On-Time and Reliable Services**

**PERFORMANCE INDICATORS: On-Time Performance, Mean Distance Between Failures**

The LIRR’s on-time performance (OTP) for 2013 was 93.5 percent, a decline of 0.8 percent from the previous year. The decline in OTP was primarily attributable to post-Sandy recovery, ongoing difficulties in the East River Tunnels, and various weather-related or customer-related incidents. To address the tunnel issues, the LIRR is coordinating closely with Amtrak on the East River Tunnel signal system and infrastructure restoration project, which includes track and drainage improvements. Major post-Sandy work is also underway on the hard-hit Long Beach Branch.

The agency’s 2013 “mean distance between failures” (MDBF) exceeded the goals set for each of the LIRR fleets, and set a new record at 205,890 miles, a nearly 6-percent improvement over the 2012 MDBF of 194,382 miles. This increase was largely attributable to the continued efforts of the LIRR’s reliability-centered maintenance program; performance-improvement teams; and initiatives targeting the performance of the entire fleet.

**MTA GOAL: Provide Services to People with Disabilities**

**PERFORMANCE INDICATORS: Elevator Availability, Escalator Availability**

Elevator availability rose to 98.3 percent in 2013, up 0.9 percent from the previous year. More dramatic results were achieved in the category of escalator availability, which jumped to 95.5 percent, up 22.9 percent from last year. Much of that success was due to the refurbishment of older escalator, an effort begun in 2012 and completed in 2013. Eleven LIRR escalators underwent major rehabilitations, resulting in a significant but temporary decline in escalator availability during 2012. The rehabilitations included updated safety sensors, new or refurbished steps, new step chains, new brake assemblies, and new comb plates and controllers. The LIRR’s Elevator and Escalator Operations group, staffed with certified "Qualified Elevator-Escalator Inspectors," further reduced the frequency of breakdowns through preventive maintenance and improved response times.
The LIRR’s 2013 capital commitments totaled over $785 million. Commitments that exceeded the annual goal included the Shea Yard improvements; replacement of the Port Washington substation; work related to the implementation of positive train control (PTC); the second Main Line track; the Wyandanch parking facility; Sutphin Blvd. Bridge protection; and right-of-way fencing.

The railroad’s 2013 capital completions totaled more than $76 million. Among the major completions during the year were three bridge rehabilitations on the Montauk Branch; the Queens Blvd. Bridge rehabilitation; two new elevators at Queens Village Station; the direct fixation track fastening system on the Massapequa Park viaduct; and the exterior rehabilitation of the century-old Jamaica Station building.

The LIRR’s farebox operating ratio increased from 47.5 percent in 2012 to 49.5 percent in 2013. This increase was driven by an increase in farebox revenue due to ridership growth. However, the increase was almost equal to cost increases—in particular, those annual costs relating to pensions, fringe benefits, and electric power.

The LIRR’s operating cost per passenger increased from $15.02 in 2012 to $15.37 in 2013. The increase stemmed largely from higher costs relating to pensions, fringe benefits, and electric power, mitigated by the increase in ridership.
LIRR, cont.

**MTA GOAL: Maximize System Usage**

**PERFORMANCE INDICATORS: Ridership**

LIRR ridership rose from 81.7 million customers in 2012 to 83.4 million in 2013, a 2-percent increase. A steadily improving economy and popular new service to the Barclays Center in Brooklyn contributed to ridership growth for the second consecutive year, as did the restoration of half-hourly weekend service on the Port Washington Branch, improved summer service to the Hamptons, and new weekend trains on the Ronkonkoma Branch.

Overall, the LIRR operated 10,000 more trains in 2013 than in 2012. The total number of passengers carried by the LIRR in 2013 represents the seventh highest annual ridership tally for the LIRR over the last 60 years, similar to the 83.6 million riders in 1950 and approaching the peak of 91.8 million in 1949. In 2014, the LIRR will pursue continued ridership growth, further expanding off-peak service to accommodate increasing demand.

**MTA GOAL: Ensure Our Employees' Safety**

**PERFORMANCE INDICATORS: Employee Lost Time and Restricted-Duty Rate**

After a record-breaking decrease in employee injuries during the previous year, 2013 proved challenging for LIRR in terms of employee accidents and injuries. The rate of employee “lost-time and restricted duty” injuries (based on injuries per 200,000 worker hours) increased by 21 percent, while the total number of employee injuries rose by approximately 9 percent. The greatest number of employee accidents fell under the category of “slip, trip, and falls,” and the category that experienced the greatest increase in incidents over 2013 was “material handling.” LIRR is currently reviewing the data and related circumstances to determine potential mitigation strategies.
During 2013, the percentage of female representation in LIRR’s workforce increased from 15.7 percent to 16 percent. The percentage of minority representation also increased from 32.7 percent to 33.6 percent. These gains can be attributed to the LIRR’s aggressive efforts to reach and recruit qualified women and minorities.

The percentage of minority representation exceeds the estimated percentage of minorities available in LIRR’s recruitment area. The percentage of female representation continues to fall below the estimated percentage of women available for work in the recruitment area. Despite LIRR’s recruitment efforts, many of the positions that became available in 2013 are considered nontraditional jobs for women and, as a result, a low percentage of the applicants for these positions were women.
MTA Metro-North Railroad ("Metro-North")

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>2012 Actual</th>
<th>2013 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Service Indicators</strong></td>
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<tr>
<td>On-Time Performance (East of Hudson)</td>
<td>97.6%</td>
<td>94.8%</td>
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<tr>
<td>On-Time Performance (West of Hudson)</td>
<td>97.1%</td>
<td>96.5%</td>
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<tr>
<td>Elevator Availability</td>
<td>98.9%</td>
<td>98.2%</td>
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<td>Escalator Availability</td>
<td>94.2%</td>
<td>93.2%</td>
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<tr>
<td>Total Ridership</td>
<td>82,953,628</td>
<td>83,378,506</td>
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<tr>
<td>Total Ridership on Connecting Services Provided by MNR Contractors</td>
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<td>Mean Distance Between Failures (miles)</td>
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<tr>
<td>Customer Injury Rate (per million customers)</td>
<td>2.74</td>
<td>4.85</td>
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<td>Employee Lost Time and Restricted-Duty Rate (per 200,000 worker hours)</td>
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<td><strong>Workforce Indicators</strong></td>
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<td>Female Representatives in MNR Workforce</td>
<td>12.6%</td>
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<td>Farebox Operating Ratio</td>
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<td>Operating Cost per Passenger</td>
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<td>$13.01</td>
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<td>Commitments in $ Millions (% of planned value)</td>
<td>$293 (71%)</td>
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<tr>
<td>Completions in $ Millions (% of planned value)</td>
<td>$214 (83%)</td>
<td>$199.5 (124%)</td>
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</table>

**MTA GOAL:** Ensure Customer Safety

**PERFORMANCE INDICATORS:** Customer Injury Rate

After a number of operating incidents during 2013, two of which resulted in injury and loss of life, the Federal Railroad Administration (FRA) began an intensive 60-day review of Metro-North’s operations and its adherence to safety rules and practices. The results of this review were released in a report on March 14, 2014. In addition to specific recommendations targeted to segments of the operating departments of the railroad, the FRA identified three overarching
Metro-North, cont.

safety concerns that affect all facets of Metro-North: 1) an overemphasis on on-time performance; 2) an ineffective Safety Department and poor safety culture; and 3) an ineffective training program. Metro-North has already taken steps to improve its prioritization of safety, starting with the reorganization its Safety Department to focus solely on safety. Further improvements to programs and protocols designed to address any shortcomings in employee and customer safety, as well as reliability and communications, will be implemented throughout the course of 2014.

Customer injuries at Metro-North increased in 2013 from 2.74 to 4.85 per million customers. This increase was due largely to two derailments involving revenue trains. The derailments at Bridgeport, CT, and Spuyten Duyvil, NY, accounted for 196 of the 397 customer injuries in 2013. Immediately after the Bridgeport derailment, Metro-North retained the Transportation Technology Center, Inc. (TTCI)—the noted research affiliate of the American Association of Railroads (AAR)—to assess and improve track maintenance and inspection programs. Metro-North also increased track inspections using specialized, high-tech equipment and ramped up safety efforts through infrastructure and right-of-way improvements.

After the Spuyten Duyvil derailment, Metro-North implemented signal-system modifications at the Spuyten Duyvil curve that now enable the onboard system to enforce speed limits automatically. Similar modifications were completed at four other critical curves (Yonkers on the Hudson Line, White Plains on the Harlem Line, Jenkins curve in Bridgeport, and the Port Chester curve on the New Haven Line), and at one of five moveable bridges on the New Haven Line (Peck Bridge). Modifications on the four remaining bridges will be made in 2014. As an added measure, Metro-North posted speed-limit signs at the critical curves. These improvements followed directives issued by Governor Cuomo and by Emergency Order 29 of the FRA.

In its regular customer safety programs, Metro-North continued to disseminate safety information and reminders directly to the public through customer publications, social media, and the MTA website.
Metro-North, cont.

**MTA GOAL: Provide On-Time and Reliable Services**

**PERFORMANCE INDICATORS: On-Time Performance, Mean Distance Between Failures**

Metro-North’s systemwide on-time performance (OTP) for 2013 totaled 94.8 percent, a significant drop from 97.6 percent for the previous year. Several factors contributed to the OTP decrease. These included the May 17, 2013, derailment and collision of two New Haven Line trains near Bridgeport, CT; the July 18, 2013, derailment of a CSX freight train in the Bronx; a six-month right-of-way improvement project along a six-mile stretch in the Bronx; and the September 25 failure of a 138,000 volt Con Edison feeder cable in an eight-mile section of the New Haven Line. Regular train service was not restored until October 7. In addition, OTP was impacted by the December 1, 2013, derailment near Spuyten Duyvil Station, which resulted in speed reductions at 33 locations both east and west of the Hudson, as directed by Governor Cuomo and the FRA.

In 2013, Metro-North’s fleet attained a “mean distance between failure” (MDBF) of 156,615 miles versus a goal of 155,000 miles. The condition of equipment and the number of cars available for service continue to improve to meet Metro-North’s record ridership growth. The railroad commits a significant amount of funding to the revitalization of its fleet by purchasing new equipment and by remanufacturing selected cars, coaches, and locomotives.

**MTA GOAL: Provide Services to People with Disabilities**

**PERFORMANCE INDICATORS: Elevator Availability, Escalator Availability**

At 98.2 percent, Metro-North’s elevator availability remained at a high service level. The railroad’s focus on escalator repairs, particularly in Grand Central Terminal, resulted in a 93.2-percent escalator availability for 2013, well above the goal of 90 percent. Metro-North undertook plans to replace all eleven escalators in Grand Central with a new, heavy-duty model designed to handle the terminal’s high pedestrian traffic. Replacements will begin in 2015 to be completed by 2018.
Metro-North, cont.

In addition to ensuring that elevators and escalators are functioning as intended, Metro-North posts the current status of station elevators and escalators online to provide customers with up-to-date information.

**MTA GOAL: Repair, Replace, and Expand Transportation Infrastructure**

**PERFORMANCE INDICATORS: Capital Program Commitments and Completions**

Metro-North’s Capital Program commitments and completions for 2013 came in at 122 percent and 124 percent of the year’s goal, respectively, an increase of 51 percent and 41 percent of goal in 2012. Commitments that exceeded the annual goal included Grand Central Terminal leaks remediation work, rehabilitation of the Harlem River Lift Bridge, the West-of-Hudson track program, and work related to Positive Train Control (PTC).

Capital program completions that exceeded the annual goal in 2013 included the acceptance of the new M8 cars, along with power improvements and the rebuilding of retaining walls on the Harlem and Hudson lines.

**MTA GOAL: Perform Services in an Efficient Manner**

**PERFORMANCE INDICATORS: Farebox Operating Ratio, Operating Cost per Passenger**

Metro-North’s 2013 farebox operating ratio of 58.9 percent was 2.4 percent lower than that of the previous year. Both revenues and expenses increased year-over-year, but at different rates. The revenue increase reflects the highest East-of-Hudson ridership in Metro-North’s history, as well as fare increases in New York and Connecticut. The growth in 2013 expenses reflects inflationary factors, the initiative of a three-year infrastructure improvement program, and the recovery and repair costs from the year’s service disruptions.

The 2013 cost per passenger of $13.01 is $1.09 higher than in 2012. Though Metro-North saw a 6-percent increase in the number of passengers carried in 2013, that favorable passenger growth was offset by the 2013 cost increases described above.
Metro-North, cont.

MTA GOAL: Maximize System Usage
PERFORMANCE INDICATORS: Ridership

Metro-North’s annual East-of-Hudson ridership for 2013 was the highest in the railroad’s history, at 81.8 million, surpassing the previous East-of-Hudson record of 81.5 million rides in 2008. This is an increase of 0.7 percent above calendar-adjusted levels for 2012. Combined 2013 ridership on the East-of-Hudson and West-of-Hudson markets was 83.4 million.

The Harlem Line was the fastest growing line in 2013, with 26,949,667 riders, marking a 1.2-percent increase over the previous year. The New Haven Line was up 0.5 percent in 2013, recording its highest ridership ever with 38,975,052 customers. This represents an increase of more than 175,000 rides over the previous year and an increase of more than 1 million annual rides since 2008. The Hudson Line grew 0.3 percent in 2013 and carried 15,877,559 customers.

Commutation ridership on East-of-Hudson Lines grew 1.8 percent in 2013, reflecting the strengthening regional economy, while non-commutation ridership decreased 1 percent, due to a variety of factors, including weather and major service disruptions.

Ridership in the West-of-Hudson territory, including the Port Jervis and Pascack Valley lines, declined 2.3 percent to 1,576,227 rides in 2013. While not as pronounced as in previous years, the continued decline in West-of-Hudson ridership reflects a customer base that has been slow to recover since Hurricanes Sandy and Irene and remains well below a peak ridership of 2.1 million in 2008.

The three Metro-North-operated connecting services (Haverstraw-Ossining Ferry, Newburgh-Beacon Ferry, and Hudson Rail Link) decreased slightly during 2013. Combined ridership on the three services was approximately 543,500, a decrease of 1.2 percent from 2012. Ridership increased by 2 percent on the Haverstraw-Ossining Ferry and by 0.5 percent on the Hudson Rail Link, but decreased by 13.5 percent on the Newburgh-Beacon Ferry.
Metro-North, cont.

MTA GOAL: Ensure Our Employees’ Safety
PERFORMANCE INDICATORS: Employee Lost Time and Restricted-Duty Rate

Metro-North’s employee “lost time and restricted-duty” rate for 2013 was 2.43 reported incidents per 200,000 worker hours, a 38.9-percent increase from 2012. A number of operating incidents during 2013 caused a dramatic increase in the railroad’s employee and customer injuries.

All four of the 2013 incidents, two of which resulted in injury and loss of life, are under investigation by the National Transportation Safety Board (NTSB), as well as the FRA and Metro-North. In addition to these accident investigations, Metro-North has been fully engaged in external reviews by the FRA and the MTA Blue Ribbon Panel on Safety. Once they are completed, the railroad will implement the findings and recommendations from these external reviews.

Work has begun with the FRA and Metro-North’s labor organizations to set up a Confidential Close Call Reporting System. This measure will allow employees to anonymously report safety concerns without fear of reprisal. Metro-North is the first commuter railroad in the country to agree to fully implement this program throughout its operations and anticipates successfully negotiating the required Implementing Memorandum of Understanding (IMOU) with the FRA and at least one labor organization by June 1, 2014.

Metro-North also developed an integrated system that provides significantly more protection for employees working on the tracks. The Enhanced Employee Protection System puts the control or the “key” in the hands of the roadway worker in the field and reduces the potential for human error.

Metro-North’s System Safety Program Plan (SSPP) will be revised by June 1, 2014. A communication and training program for all employees based on the revised SSPP will be developed and implemented by the end of 2014.
Metro-North, cont.

In addition to these measures, the railroad initiated a quarterly “Safety Stand-Down” program, re-emphasizing to all employees that safety is the most important factor in railroad operations, and that all employees must operate and communicate effectively with safety as the ultimate goal.

MTA GOAL: Maintain a Workforce that Reflects Regional Availability of All Races, Nationalities, and Genders

PERFORMANCE INDICATORS: Female and Minority Representation in the Workforce

Metro-North’s minority workforce representation of 35 percent exceeds the estimated availability of minorities in a majority of its Equal Employment Opportunity (EEO) job categories. Female workforce representation of 13 percent falls below the estimated availability for women in a majority of its EEO job categories. The railroad will continue its outreach and recruitment efforts to attract qualified women and minorities.
MTA Bridges and Tunnels ("Bridges and Tunnels")

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>2012 Actual</th>
<th>2013 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Service Indicators</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Traffic</td>
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<td>284,508,928</td>
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<tr>
<td><strong>Safety Indicators</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collisions with Injury Rate (per million vehicles)</td>
<td>0.89</td>
<td>0.99</td>
</tr>
<tr>
<td>Employee Lost Time Rate (per 200,000 work hours)</td>
<td>4.3</td>
<td>6.0</td>
</tr>
<tr>
<td><strong>Workforce Indicators</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female Representation in B&amp;T Workforce</td>
<td>21.3%</td>
<td>21.56%</td>
</tr>
<tr>
<td>Minority Representation in B&amp;T Workforce</td>
<td>50.7%</td>
<td>50.84%</td>
</tr>
<tr>
<td><strong>Financial Indicators</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E-ZPass Market Share</td>
<td>81.0%</td>
<td>83.3%</td>
</tr>
<tr>
<td>Total Support to Transit ($ millions)</td>
<td>$892.7</td>
<td>$1,004.6</td>
</tr>
<tr>
<td><strong>Capital Program Indicators</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitments in $ Millions (% of planned value)</td>
<td>$477.3 (83%)</td>
<td>$274.0 (85%)</td>
</tr>
<tr>
<td>Completions in $ Millions (% of planned value)</td>
<td>$359.3 (126%)</td>
<td>$84.0 (163%)</td>
</tr>
</tbody>
</table>

**MTA GOAL:** Ensure Customer Safety

**PERFORMANCE INDICATOR:** Customer Injury Rate

Bridges and Tunnels reported 288 customer accidents with injuries in 2013, an increase from 252 in 2012. As a result, the number of accidents with injuries per million vehicles increased from 0.89 in 2012 to 0.99 in 2013.

The agency continues to make safety its top priority through safety training and protocols, monitoring and enforcement of speed limits, and laws against driving while intoxicated, as well as through interdepartmental reviews of all accidents.
In 2013, Bridges and Tunnels made 134 task commitments to Capital Program projects, well above its goal of 102 task commitments. While the agency exceeded the number of planned commitments, the total value of the awards was $274.0 million. This represents 85 percent of the 2013 goal, as compared to $477.3 million and 83 percent of the goal committed in 2012. The actual awards in 2013 were $49.6 million less than their planned values, primarily due to favorable market conditions.

Major project commitments in 2013 included: substructure and underwater scour protection at the Marine Parkway Bridge; bus and high occupancy vehicle (HOV) ramp improvements, and steel repairs and concrete rehabilitation, as well as painting of the lower level ramps at the Verrazano-Narrows Bridge; and repairs to the Bronx toll plaza deck on the Robert F. Kennedy Bridge.

The value of Capital Program projects completed in 2013 totaled $84.0 million, versus planned completions of $51.4 million, representing 163 percent of the 2013 goal. In 2012, by comparison, a total of $359.3 million was completed, representing 126 percent of goal. Major projects completed in 2013 included: the replacement of the upper level sidewalk, curb stringers and roadway lighting, and painting, as well as structural rehabilitation on the Henry Hudson Bridge; and suspended-span steel repairs and painting on the Throgs Neck Bridge.

A total of $1,004.6 million in surplus revenue from Bridges and Tunnels was provided for MTA transit services in 2013.
Bridges and Tunnels, cont.

MTA GOAL: Maximize System Usage
PERFORMANCE INDICATORS: Traffic Volume

Bridges and Tunnels saw a total of 284.5 million crossings in 2013, an increase of about 0.6 percent or 1.8 million more crossings than in 2012. The increase may be attributable to a normalization of traffic following 2012 decreases in the wake of Superstorm Sandy. Overall E-ZPass usage in 2013 increased to 83.3 percent from 81.0 percent in 2012.

MTA GOAL: Ensure Our Employees’ Safety
PERFORMANCE INDICATORS: Employee Lost Time and Restricted-Duty Rate

Bridges and Tunnels experienced 90 lost-time injuries in 2013, an increase from 70 in 2012. This represented an increased injury rate in 2013, from 4.3 to 6.0 per 200,000 work hours.

Analysis of the injury accidents, which were overwhelmingly “slips, trips, and falls,” did not reveal any pattern or hazardous condition. The agency’s Health and Safety (H&S) staff is working closely with facility managers and has increased safety inspections. The H&S staff is now stationed at all facilities to promote a closer relationship with each facility’s workforce. Employee safety programs include roll-call discussions on injury prevention, safety meetings, safety audits, safety interactions, and incident investigations by supervisory personnel.

Bridges and Tunnels has invited unions to participate in a partnership to reduce injuries and address specific safety concerns. In addition, bi-monthly “safety stand-down” lunchtime meetings with employees refocus attention on safety concerns. In addition, Bridges and Tunnels contracted with several nationally recognized safety experts in 2013 to provide a comprehensive review of the agency’s safety culture.
The percentage of overall minority representation in the Bridges and Tunnels workforce exceeds estimated availability reflecting 80 percent of minorities available within the relevant labor market, serviced by the MTA operating agencies, based on the U.S. Census. Female representation is below estimated availability.

Bridges and Tunnels is continuing aggressive outreach and recruitment efforts to attract females to take applicable civil service examinations for job categories that represent the bulk of the workforce, and for managerial positions where there is underutilization of protected classes.
MTA Bus Company ("MTA Bus")

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>2012 Actual</th>
<th>2013 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Service Indicators</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of Completed Trips</td>
<td>98.83%</td>
<td>99.05%</td>
</tr>
<tr>
<td>Bus Passenger Wheelchair Lift Usage</td>
<td>58,582</td>
<td>67,424</td>
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<tr>
<td>Total Ridership</td>
<td>120,877,799</td>
<td>124,951,185</td>
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<tr>
<td>Mean Distance Between Failures (miles)</td>
<td>5,300</td>
<td>5,548</td>
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<tr>
<td><strong>Safety Indicators</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Accident Injury Rate (per million customers)</td>
<td>1.24</td>
<td>0.98</td>
</tr>
<tr>
<td>Collisions with Injury Rate (per million vehicle miles)</td>
<td>5.39</td>
<td>4.94</td>
</tr>
<tr>
<td>Employee Lost Time Rate (per 100 employees)</td>
<td>8.67</td>
<td>6.49</td>
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<tr>
<td><strong>Workforce Indicators</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female Representation in MTA Bus Workforce</td>
<td>12.4%</td>
<td>12.4%</td>
</tr>
<tr>
<td>Minority Representation in MTA Bus Workforce</td>
<td>69.4%</td>
<td>70.2%</td>
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<tr>
<td><strong>Financial Indicators</strong></td>
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</tr>
<tr>
<td>Farebox Operating Ratio</td>
<td>35.9%</td>
<td>39.3%</td>
</tr>
<tr>
<td>Operating Cost per Passenger</td>
<td>$4.47</td>
<td>$4.58</td>
</tr>
<tr>
<td><strong>Capital Program Indicators</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitments in $ Millions (% of planned value)</td>
<td>$23.5 (51%)</td>
<td>$16.1 (21%)</td>
</tr>
<tr>
<td>Completions in $ Millions (% of planned value)</td>
<td>$84.5 (65%)</td>
<td>$88.3 (88%)</td>
</tr>
</tbody>
</table>

**MTA GOAL: Ensure Customer Safety**

**PERFORMANCE INDICATORS: Customer Injury Rate**

MTA Bus saw a 21-percent decrease in its customer accident injury rate in 2013, as compared to 2012. By continuing the Bus Accident Safety Improvement Coordination System (BASICS) begun in 2012 and improving the basic safety habits of bus operators, the agency has been able to sustain a favorable safety trend.
MTA Bus, cont.

The collision injury rate decreased by 8.3 percent in 2013 from the previous year. Based on accident analysis, the agency’s 2013 safety initiatives focused on basic operating procedures in bus stop areas, including scanning mirrors, observing all sides of the bus, pulling into and out of bus stops properly, and positioning the bus correctly in the bus stop. These efforts succeeded in reversing last year’s negative trend.

MTA Bus continues to incorporate relevant accident findings into its safety and training initiatives. Additionally, MTA Bus, in a joint agreement with all represented labor unions, continued to emphasize a “zero-tolerance” policy banning cell phones and other electronic devices for bus operators on duty.

Recently, the agency successfully negotiated an accident review system (ARS) with the MTA Bus Transit Workers Union and intends to negotiate ARS procedures with the remaining MTA labor unions.

MTA GOAL: Provide On-Time and Reliable Services
PERFORMANCE INDICATORS: Mean Distance Between Failures, Bus Trips Completed

MTA Bus had a “mean distance between failures” (MDBF) of 5,548 miles in 2013, which represents an increase of 4.75 percent from the 2012 MDBF of 5,300 miles. As the result of a strong focus on maintenance, MTA Bus continued the improvement in MDBF performance begun in 2012.

The number of trips completed depends on the availability of both buses and bus operators. The percentage of trips completed increased to 99.05 percent in 2013 from 98.83 percent in 2012, primarily attributable to improved bus performance.
MTA Bus, cont.

MTA GOAL: Provide Services to People with Disabilities

PERFORMANCE INDICATORS: Bus Passenger Wheelchair Lift Usage

Wheelchair ridership on MTA buses was 67,424 passengers in 2013, an increase of 15.4 percent from the 2012 result of 58,582 passengers. New low-floor buses that provide easier boarding and more reliable service for wheelchair passengers contributed to the increase in ridership.

MTA GOAL: Repair, Replace, and Expand Transportation Infrastructure

PERFORMANCE INDICATORS: Capital Program Commitments and Completions

MTA Bus committed $16.1 million in capital project funds in 2013. This represents 21 percent of planned commitments, compared to 51 percent committed in 2012. The planned commitments not achieved in 2013 consist of various small facility projects that fell behind schedule, and a bus purchase that was delayed due to its contingency upon a larger scaled NYCT Bus purchase.

In terms of the number of projects committed, 4 out of 11 planned projects, or 40 percent, were awarded in 2013, compared to 5 out of 10 planned projects, or 50 percent, in 2012. Notable 2013 commitments included the award of the security upgrades at the Eastchester and LaGuardia depots and the acquisition of non-revenue service vehicles.

In 2013, MTA Bus completed $88.3 million in capital projects. This represents 88 percent of the value of planned completions for the year, as compared to 65 percent of planned completions in 2012.

Notable completions for the year included the purchase of 89 CNG buses ($41.8 million), a roof and ventilation system at the JFK Depot ($9.5 million), and a roof and ventilation system at the Far Rockaway Depot ($7.1 million) that was scheduled for completion in 2014. The shortfall in 2013 is primarily a result of delays to the parking lot upgrade at the JFK and Baisley Park depots and the security upgrades at the Eastchester and LaGuardia depots.
MTA Bus, cont.

MTA GOAL: Perform Services in an Efficient Manner
PERFORMANCE INDICATORS: Farebox Operating Ratio, Operating Cost per Passenger

The farebox operating ratio was 39.3 percent in 2013, up from 35.9 percent in 2012. Fare collections from increased ridership and fares in 2013 were largely offset by increased operating expenses, primarily attributable to higher pension, health and welfare costs and claims, as well as materials and supplies.

The operating cost per customer was $4.58 in 2013, as compared to $4.47 in 2012. The $0.11 increase was the result of increased operating costs.

MTA GOAL: Maximize System Usage
PERFORMANCE INDICATORS: Ridership

Total MTA Bus ridership increased by 3.4 percent in 2013 to 125.0 million riders, as compared to 120.9 million riders in 2012, continuing the growth trend seen in previous years.

MTA GOAL: Ensure Our Employees' Safety
PERFORMANCE INDICATORS: Employee Lost Time and Restricted-Duty Rate

MTA Bus saw a 25.1-percent improvement in the employee lost-time accident rate in 2013 over 2012. The successful implementation of several safety programs at MTA Bus amplified the previous year’s positive trend. An oversight group maintains a focus on preventing injuries through increased safety awareness campaigns, as well as a focus on the root causes of incidents leading to injuries.

In addition, NYCT Bus and MTA Bus have continued major initiatives aimed at protecting MTA bus operators from assault, including oversight by an executive task force, enhanced training, and the ongoing installation of bus operator shields.
MTA GOAL: Maintain a Workforce that Reflects Regional Availability of All Races, Nationalities, and Genders

PERFORMANCE INDICATORS: Female and Minority Representation in the Workforce

Female representation agency-wide continues to be below the estimated percentage of women available to work within MTA Bus's recruiting area. MTA Bus will continue to increase its outreach and recruitment efforts to improve female representation within its workforce. The percentage of minority representation, which increased slightly in 2013, from 69.4 percent to 70.2 percent, exceeds the estimated percentage of minorities available to work within MTA Bus's recruiting area.
MTA Capital Construction ("MTACC")

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>2012 Actual</th>
<th>2013 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Workforce Indicators</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female Representatives in MTACC Workforce</td>
<td>28.2%</td>
<td>36%</td>
</tr>
<tr>
<td>Minority Representatives in MTACC Workforce</td>
<td>51.6%</td>
<td>51%</td>
</tr>
<tr>
<td><strong>Capital Program Indicators</strong></td>
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</tr>
<tr>
<td>Commitments in $ Billions (% of planned value)</td>
<td>$1.176 (56%)</td>
<td>$1,346 (79%)</td>
</tr>
<tr>
<td>Completions in $ Millions (% of planned value)</td>
<td>$1,744 (91%)</td>
<td>$1,832 (61%)</td>
</tr>
</tbody>
</table>

**MTA GOAL: Repair, Replace, and Expand Transportation Infrastructure**

**PERFORMANCE INDICATORS: Capital Program Commitments and Completions**

MTACC had a total commitment goal of $1.70 billion in capital funds for 2013, of which approximately $1.35 billion, or 79 percent, was awarded. The shortfall resulted primarily from the delay in award of the first systems package on East Side Access.

Notable MTACC commitments in 2013 included Second Avenue Subway’s 72rd Street and 86th Street finishes contracts; and the East Side Access Manhattan South Structures and Westbound Bypass contracts, the latter of which is the first major construction contract funded by the Federal Railroad Administration’s High Speed Intercity Passenger Rail Program.

MTACC’s goal for capital project completions in 2013 was $3.00 billion, of which $1.83 billion, or 61 percent, was achieved. The shortfall was primarily due to scope transfers and change orders added to existing contracts which shifted out the schedule, the largest occurring on the East Side Access Queens Bored Tunnels contract. Notable completions during the year included the East Side Access Manhattan tunneling contracts; and the heavy civil work at Second Avenue Subway’s 96th Street Station.
MTACC, cont.

MTA GOAL: Maintain a Workforce that Reflects Regional Availability of All Races, Nationalities, and Genders

PERFORMANCE INDICATORS: Female and Minority Representation in the Workforce

The percentage of female representation exceeds the estimated availability of women available for work within the MTACC recruitment area. The percentage of minorities falls below the estimated availability of minorities within a few job categories. MTACC will continue its outreach and recruitment efforts to attract qualified minority candidates.
Purpose:
To obtain Board approval of the MTA’s All Agency Procurement Guidelines and All Agency Guidelines for Procurement of Services.

Discussion:
Public Authorities Law Section 2879 requires the MTA to annually review and approve its All Agency Procurement Guidelines and All Agency Guidelines for Procurement of Services. These guidelines were last revised by the Board at its July 2013 meeting.

There are no proposed revisions to either guidelines.

Recommendation:
It is recommended that the MTA Board re-approve the annexed All Agency Procurement Guidelines and All Agency Guidelines for Procurement of Services.
ALL AGENCY PROCUREMENT GUIDELINES

These guidelines apply to the Metropolitan Transportation Authority ("MTA"), the New York City Transit Authority ("Transit"), the Long Island Rail Road Company ("LIRR"), The Metro-North Commuter Railroad Company ("MNCRR"), Staten Island Rapid Transit Operating Authority ("SIRTOA"), Manhattan and Bronx Surface Transit Operating Authority ("MaBSTOA"), MTA Capital Construction ("MTACC"), MTA Bus Company ("MTA Bus"), and to the Triborough Bridge and Tunnel Authority ("Bridges and Tunnels") insofar as they are consistent with the provisions of law applicable to Bridges and Tunnels (each of which is referred to severally and together, as the "Authority").

Article I - Applicability of Guidelines

This policy applies to i) purchase contracts for supplies, materials or equipment ("purchase contracts"); ii) public work contracts ("public work contracts"); and iii) leases of equipment with or without an option to purchase, computer software licenses and maintenance agreements, printing contracts (where editorial services do not predominate), and to any other contract which is not otherwise classified under these guidelines or the All Agency Guidelines for Procurement of Services ("miscellaneous procurement contracts"). In the event a proposed contract contains elements of more than one type of contract under these Guidelines or the All Agency Guidelines for Procurement of Services, the elements which predominate shall determine the type of contract for purposes of both Guidelines.

Article II - Delegation of Authority

The Chairman, the presidents of the Authorities, or the designated representative or representatives thereof (each defined for purposes of these guidelines as an "Authorized Officer") are hereby empowered with respect to purchase contracts, public work contracts, and miscellaneous procurement contracts to be entered into by the respective Authority acting on its own behalf or as agent for MTA, as follows:

A. to establish procedures which shall be competitive to the extent deemed practicable by the Authorized Officer, for the award of purchase contracts estimated to involve the expenditure of $15,000 or less and public work contracts estimated to involve the expenditure of $25,000 or less;

B. to establish procedures for the award of miscellaneous procurement contracts regardless of the estimated expenditure, which procedures shall provide for Board approval of the award if the contract provides for the estimated expenditure of more than $25,000 and is not awarded pursuant to sealed competitive bidding. A majority of the members of the Board in attendance at a meeting at which a quorum is present shall be required to approve the resolution authorizing such award;
C. for purchase contracts estimated to involve the expenditure of more than $15,000 and public work contracts estimated to involve the expenditure of more than $25,000:

1. to determine the criteria for the evaluation of bids which may include but are not limited to unit or aggregate amount bid, life cycle costs or savings (including but not limited to costs or savings associated with installation, energy use, maintenance, operation, salvage and disposal), discounts and costs of maintenance and inspection services;
2. to determine whether a contract required to be advertised in the New York State contract reporter is exempt from such requirement on the basis of a need to award the contract on an emergency or critical basis;
3. to advertise for, solicit and open bids;
4. to record the name of each bidder and the amount(s) bid;
5. to determine the lowest responsive and responsible bidder, including, in the event two or more responsible bidders submit identical bids which are the lowest bids, to award the contract to any of such bidders or obtain new bids from such bidders;
6. to reject all bids when it is determined to be in the public interest to do so;
7. to award the contract.

D. to determine whether a bidder or prospective bidder should be ineligible to act or bid as a contractor or act as a subcontractor for a fixed or indefinite period of time with respect to contracts of the Authority in question.

E. in addition to the other authorizations set forth elsewhere in this document, to establish guidelines governing the qualifications of bidders for public works and public contracts, and to fix the standards for the prequalification of bidders entering into such contracts, for the East Side Access Project in accordance with Section 1265-a.2(c) of the Public Authorities Law.

Article III - Award of Contracts Without Competitive Bidding

A. A purchase contract estimated to involve the expenditure of more than $15,000 and a public work contract estimated to involve the expenditure of more than $25,000 may be awarded without competitive bidding under the circumstances set forth below, provided that the Authorized Officer recommends such an action and the Board adopts a resolution declaring competitive bidding to be impractical or inappropriate and states the reasons therefore, and summarizes any negotiations that have been conducted. Except in a situation specified in Article III (A) (1), such resolution shall be approved by two-thirds of the members of the Board then in office. A declaration under Article III (A) (1) shall require approval by a majority of the members of the Board in attendance at a meeting at which a quorum is present.
1. The existence of an emergency involving danger to life, safety or property which requires immediate action and cannot await competitive bidding; or when the item to be purchased is essential to the efficient operation of or the adequate provision of service and, as a consequence of an unforeseen circumstance, such purchase cannot await competitive bidding. Competitive bidding is hereby declared to be impractical and inappropriate in any of the foregoing situations where an Authorized Officer must take appropriate action and cannot await action by the Board; provided, however, that notice of such action shall be given to the Board at its next scheduled meeting together with a statement of the reasons for such action and a request for ratification by the Board.

2. The item to be purchased is available only from a single responsible source provided, however, that a notice of the Authority's intent to purchase such item without competitive bidding shall be posted on the Authority's website, and, if bids have not been solicited for such item within the preceding twelve months, a notice must be published pursuant to Article VI(A) hereof. Any notices required by this paragraph shall set forth the Authority's intent to purchase the item without competitive bidding because the item is available from only one source and invites any firm which believes it can provide the item to so inform the Authority and to provide the Authority with additional information which confirms that it can supply the item.

3. Competitive bids are solicited and
   a. no responsive bid is received; or
   b. only a single responsive bid is received, and the Authorized Officer rejects the bid.

4. With respect to a product or technology, the Authority wishes to:
   a. experiment with or test it;
   b. experiment or test a new source for it; or
   c. evaluate its service or reliability.

   Such a contract may not be awarded until at least thirty days after the date the Board has declared competitive bidding to be impractical or inappropriate.

5. The item is available through an existing contract between a vendor and any of the following and the resolution adopted by the Board includes a determination that, and the reasons, why, it is in the public interest to do so:
a. An Authority or any other public authority provided such contract had been awarded through a process of competitive bidding or a competitive request for proposals;
b. The State of New York, The City of New York, or (except for Transit and MaBSTOA) the County of Nassau.

It is hereby determined that competitive bidding is inappropriate and, because of the likelihood that a competitive process will not result in better commercial terms, that it is in the public interest to purchase an item through an existing contract of the State of New York, The City of New York or an Authority, where price and other commercial terms specified in such contract are satisfactory to the Authorized Officer. Such a determination shall be documented in writing by the Authorized Officer.

6. The Authority determines that it is in the public interest to award the contract through a competitive request for proposals ("RFP") in accordance with the procedures set forth in Article IV. For purposes of this subsection, a competitive RFP shall mean a method of soliciting proposals and awarding a contract on the basis of a formal evaluation of the characteristics which are deemed relevant to the Authority's operations, such as quality, cost, delivery schedule and financing, against stated selection criteria. Where the RFP involves the purchase or rehabilitation of rail cars, transit cars or buses, the selection criteria may also include the extent to which the performance of all or a portion of the contract will involve the use of sites within the State of New York or the use of goods produced or services provided within the State of New York.

B. Under the MTA Small Business Mentoring Program, a non-federally funded public work contract that is designated by the Authority as a small business mentoring program contract within the meaning of Section 1265-b(1)(e) of the Public Authorities Law, may be awarded in accordance with the provisions of Section 1265-b of the Public Authorities Law, notwithstanding any other provision of law or these guidelines. A public work contract that is partially or wholly federally funded, subject to Department of Transportation regulations and estimated to involve an expenditure of not more than $3 million, may be awarded pursuant to the MTA Small Business Federal Program established under 49 CFR 26.39 in accordance with the competitive procedures established under that Program, notwithstanding any other provision of law or these guidelines. The Chairman or his designee is authorized to designate which eligible public work contracts shall be small business mentoring program or small business federal program contracts.

C. A contract, in an amount not to exceed $200,000 for the purchase of goods, for public works or for a miscellaneous procurement that is not federally funded, may be awarded pursuant to Section 2879(3)(b)(i) of the Public Authorities Law without competitive bidding or other formal competitive process, notwithstanding any other provision of law or these guidelines, where either (i) the contract

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involves goods or technology that are recycled or remanufactured or (ii) the proposed award is to a small business concern or a certified minority or women-owned business enterprise ("MWBE"). The Chairman or his designee shall determine which contracts are appropriate for such types of procurements in consultation with the Authorized Officer of the appropriate agency. In the case of contracts that are designated pursuant to Section 2879(3)(b)(i) for award to eligible small business concerns or MWBEs, there shall be notice of the proposed contract on the Authority website inviting responsive bids or proposals from qualified small business concerns and MWBEs. Notice of such procurement shall also be provided to identified organizations that represent or regularly notify small business concerns or MWBEs of the type of procurement opportunity that is the subject of the award. Awards pursuant to Section 2879(3)(b)(i) shall be made to the bidder or proposer determined to have submitted the bid or proposal that is most advantageous to the Authority, price and any other relevant factors considered. An award proposed to be made to a bidder or proposer other than the lowest responsible, responsive bidder or proposer shall require approval by a majority of the Board at which a quorum is present. The Chairman or his designee, in consultation with the Authorized Officer of the appropriate agency, may reject all offers and withdraw the designation of a contract as one to be awarded pursuant to Section 2879(3)(b)(i) if the Chairman or his designee determines that an award will result in the payment of an unreasonable price or otherwise not be advantageous to the Authority.

Article IV - Requests for Proposals

A contract authorized pursuant to Article III (A)(6) may be awarded after the issuance of an RFP in the following manner:

A. Public notice shall be given of the RFP in accordance with the procedures specified in Article VI(A) and (B). In addition to the information required under Article VI(C), the public notice must include a statement of the selection criteria. Such notice shall also be provided to professional and other organizations that represent or regularly notify certified MWBEs of the type of procurement opportunity that is the subject of the RFP. The Authority may engage in a selection process involving multiple steps such as requests for qualifications, requests for technical proposals and requests for quotations. After the publication of the notice, any or all of the selection criteria specified in the advertisement may be changed, provided that, if the change is material, proposers and potential proposers who, prior to the deadline for the receipt of proposals, have expressed an interest in the RFP, shall be informed of the change and afforded the opportunity to modify their proposals.
B. After receipt of the proposals, an Authority may:

1. change the selection criteria provided that, if the change is material, all proposers are informed of the change and afforded the opportunity to modify their proposals;
2. request that any of the proposers make a presentation. If it does so, it is not required to afford such opportunity to all proposers;
3. negotiate with any of the proposers. If it does so, it is not required to negotiate with all proposers;
4. reject any proposal at any time; and
5. reject all proposals, in which event the Authority may decide to take no further action, solicit new proposals or solicit bids.

C. A contract may be awarded pursuant to an RFP only after adoption of a resolution by a 2/3 vote of the Board members then in office (the "award resolution").

The award resolution:

1. must be recommended to the Board by the Authority's Authorized Officer;
2. must identify all proposers;
3. must set forth the substance of the proposals received;
4. must, as applicable, summarize the negotiation process including the opportunities, if any, available to proposers to present and modify their proposals; and
5. must set forth the criteria upon which the selection was made.

D. The award resolution may be adopted simultaneously with or subsequent to the adoption of the resolution declaring that competitive bidding is impractical or inappropriate because it is in the public interest to use the RFP process specified in the opening paragraph of Article III hereof (the "RFP authorizing resolution"), provided that, if the RFP authorizing resolution and the RFP award resolution are adopted simultaneously or within less than thirty days of each other, the contract may be executed by the Authority no less than thirty days after the adoption of the RFP authorizing resolution.

Article V - Qualified Products Lists ("QPL")

The Board hereby determines that for reasons of efficiency, economy, compatibility or maintenance reliability, there is a need for standardization as to various supplies, materials and equipment which are purchased by the Authorities and authorizes the establishment of a qualified products list ("QPL") identifying such supplies, materials and equipment as hereinafter provided. A purchase contract for an item which has been included on a QPL duly established and maintained by an Authority, may be entered into by that Authority as hereafter set forth:

A. The Authorized Officer of the Authority determines as to a specific item that, for reasons of efficiency, economy, compatibility or maintenance reliability, there is a need for standardization.
B. The QPL is reviewed no less than two times per year. The purpose of this review is to evaluate whether to add or delete items or vendors to or from the QPL.

C. A notice is published by the Authority no less than one time per year in a general circulation newspaper and in the New York State contract reporter which:

1. advertises the existence of the QPL;
2. states that the QPL is available for public inspection; and
3. specifies the name and address of the Authority's office which may be contacted in regard to the procedure for the compilation of the QPL.

D. A contract for an item on the QPL may be awarded:

1. without competitive bidding if only one source for the item is specified on the QPL;
2. by competitive sealed bidding but without advertising provided the invitation to bid is sent to all vendors listed on the QPL for the particular item;
3. by competitive sealed bidding after advertising the bid pursuant to Article VI (A) of these procedures.

E. Two or more Authorities may utilize the same QPL provided that such Authorities jointly comply with the provisions of this Article.

Article VI - Advertising

Except as provided in subsection D of this Article and Article II(C)(2), in those instances where advertising is required under these Guidelines:

A. For purchase contracts in the actual or estimated amount in excess of $15,000 for all Authorities and for public work contracts in the estimated amount in excess of $25,000, the advertisement shall be published at least once in a newspaper of general circulation in the area served by the Authority and in the New York State contract reporter provided that, if the contract is to be awarded without the solicitation of competitive bids or RFP, the timing of the publication in the New York State contract reporter shall be determined by an Authorized Officer;

B. The first publication shall be no less than fifteen business days prior to the planned bid opening date and the second publication shall be within a reasonable period prior to the planned bid opening date.

C. The advertisement must contain, as applicable, a statement of: (i) the time and place where bids received will be publicly opened and read; (ii) the name of the contracting Authority; (iii) the contract identification number; (iv) a brief description of the public work supplies, materials, or equipment sought, the location where work is to be performed, goods are to be delivered or services
provided and the contract term; (v) the address where bids or proposals are to be submitted; (vi) the date when bids or proposals are due; (vii) a description of any eligibility or qualification requirement or preference; (viii) a statement as to whether the contract requirement may be fulfilled by a subcontracting, joint venture or co-production arrangement; (ix) any other information which the Authority deems useful to potential contractors; and (x) the name, address, and telephone number of the person to be contacted for additional information. In addition, if a purchase contract is involved, the advertisement in the New York State contract reporter shall also include a statement as to whether the goods sought had in the immediately preceding three year period been supplied by a foreign business enterprise as that term is defined in Article 4-C of the Economic Development Law.

D. Advertisement in a general circulation newspaper and in the New York State contract reporter is not required if the Authority regularly purchases the particular supplies, material or equipment and bids are solicited from a list of potential suppliers for the item which has been established and maintained as set forth in Article VII hereof.

E. In addition to the above advertisements, the Authority shall provide notice to professional and other organizations that regularly notify certified MWBEs of the type of procurement opportunity that is the subject of the solicitation.

Article VII - Contractor Outreach

The Authority shall encourage firms to be interested in competing for Authority contracts. The Authority shall do so in the following manner:

A. Suppliers Lists for Purchase Contracts: The Authority shall compile a list of potential sources of supplies, materials or equipment which it regularly purchases. Such list must be compiled in accordance with the following procedures:

1. Advertisements must be periodically placed in one or more publications which are likely to be read by manufacturers, suppliers and others who deal in the item including firms which may be minority or woman owned businesses, which set forth a general description of categories of items which are regularly procured by the Authority and invites firms to advise the Authority in writing of their interest in being placed on the suppliers list for specific items or categories of items.

2. A periodic effort:

   i) must be undertaken to identify potential bidders for the item who are not on the list including minority or woman owned businesses. Such effort shall include the use of the Authorities’ websites, use of appropriate publications, including those that serve minority and women’s business
communities, other sources of information, and cooperation with federal, state and local agencies and other Authorities. Where appropriate, a print or electronic letter shall be sent to a new potential bidder which invites it to request that it be added to the list and, if it does not wish to be added, requests that it indicate why.

ii) where appropriate, must be undertaken to identify firms which have not responded to bids or expressed an interest in remaining on a list. An effort should be made to contact such firms to determine why they have not bid, whether they are interested in remaining on the list and, if not, why not. A firm may be deleted from the list where it requests deletion, or where the circumstances indicate that it is unlikely that the firm is interested in remaining on the list.

3. The Authority will maintain lists of qualified and certified MWBEs, including professional firms that have expressed an interest in doing business with the Authority and ensure that such lists are updated regularly. The Authority will also consult the lists of certified MWBEs maintained by the New York State Department of Economic Development (“DED”).

4. An advertisement must be placed quarterly in the State Register and in the New York State contract reporter.

5. In the event it is not practicable to maintain a suppliers list for a specific item, such item shall be included in a broader category or other appropriate classification which reasonably includes the item, and a suppliers list shall be maintained with respect to the category or classification.

B. Capital Program Purchase and Public Work Contracts: The Authority shall place an advertisement in the New York State contract reporter no less than four times per year which sets forth a general list of anticipated capital program purchase contracts and public work contracts, and the address of the Authority’s office which may be contacted in order to be afforded the opportunity to compete for such contracts and for other Authority contracts. Advertisements will also be placed in publications that serve minority and women’s business communities.

Article VIII – Minority/Women Owned and Disadvantaged Business Enterprises

The potential exists for disadvantaged/minority/women owned business enterprise involvement in Authority contracts. The Authority shall use its best efforts to maximize the utilization, as applicable, of DBEs under the Authority’s federal program, and MBEs/WBEs under the New York State program set forth in Public Authorities Law §2879, Article 15-A of the Executive Law and these guidelines.
A. The MTA Chief Diversity Officer ("Chairman’s Designee") is responsible for overseeing the programs established by the MTA to promote and assist: i) the participation by certified MWBEs in procurement opportunities and facilitation of the award of procurement contracts to such enterprises; ii) the utilization of certified MWBEs as subcontractors and suppliers to Authority prime contractors; and iii) the utilization of partnerships, joint ventures ("JVs") or other similar arrangements between certified MWBEs and prime contractors. The Chief Diversity Officer reports directly to the Chairman in connection with the responsibilities set forth herein, and will participate in the procurement process either directly or through his or her designees.

B. For contracts awarded pursuant to these Guidelines, the Authority shall establish appropriate goals for participation by certified MWBEs and for the utilization by prime contractors of MWBEs as subcontractors and suppliers. Statewide numerical participation target goals will be established by the Authority based on the findings of the New York State 2010 Disparity Study, or any subsequent New York State Disparity Study.

C. The Authority will conduct procurements in a manner that enables the Authority to achieve the maximum feasible portion of the goals set pursuant to Article VIII (B) above, including by taking the following actions: i) establishing measures and procedures to ensure that certified MWBEs are given the opportunity for maximum feasible participation in the performance of Authority contracts and to assist in the identification of those contracts that are best suited for which certified MWBEs may best bid to actively and affirmatively promote and assist their participation in the performance of Authority contracts so as to facilitate the Authority’s achievement of the maximum feasible portion of the MWBE goals; ii) designating the New York State Division of Minority and Women-owned Business Development ("DMWBD") to certify and decertify MWBEs for purposes of these guidelines; iii) setting forth in each contract solicitation the expected degree of MWBE participation based on potential subcontracting opportunities and the availability of certified MWBEs to respond competitively to those opportunities; iv) providing to prospective contractors in writing, or by identifying a link to a specific web site, a current list of MWBEs; v) with regard to joint ventures, allowing a bidder to count toward meeting its MWBE participation goal, the MWBE portion of the joint venture; vi) waiving a contractor’s obligation relating to MWBE participation after a showing of good faith efforts to comply with the participation goal; and vii) verifying that MWBEs listed in a successful bid or proposal are actually participating to the extent listed in the project for which the bid or proposal was submitted. In implementing its MWBE programs, the Authority will also consider, where practicable: i) the severability of construction projects and other bundled contracts; ii) the implementation of a program that will enable the Authority to evaluate each contract to determine the appropriateness of the goal pursuant to the New York State 2010 Disparity Study, or any subsequent New York State Disparity Study;
iii) compliance with the requirements of any federal law concerning opportunities for any MWBEs which effectuates the purpose of this section; and iv) consultation of the most recent disparity study.

**Article IX - Change Orders**

A. A change order which exceeds the lesser of $750,000 or $250,000 in the event such change order exceeds 15% of the adjusted contract value, may be entered into by an Authorized Officer, upon the approval of the Board pursuant to a resolution adopted in accordance with Article IX hereof. The submission to the Board shall include an explanation of the need for the change order. All other change orders shall be approved by an Authorized Officer; provided that a change order over $250,000 must be approved by the Authority president or his or her designee. For purposes of this Article, the "adjusted contract value" shall mean the original amount of the contract plus the aggregate amount of all prior change orders (whether or not approved by the Board). This provision applies to all contracts subject to these Guidelines, including budget adjustments to estimated quantity contracts previously approved by the Board which exceed the threshold.

B. Notwithstanding the foregoing, an Authorized Officer may enter into a change order in any of the following situations as determined by an Authorized Officer:

1. The existence of an emergency; or
2. There is a risk of a substantial increase in cost or delay if prompt action is not taken.

C. The Chief Operating Officer shall establish policies with respect to the delegation of responsibilities set forth in this Article.

**Article X - Form of Board Resolution**

A. Except as otherwise required in Article III and Article IV(C), the procedure for the adoption by the Board and the format of a resolution pursuant to this policy shall be determined by the MTA Chairman. Provided, however, that any Board resolution sought pursuant to these Guidelines shall (i) identify the contract by vendor; (ii) briefly describe the substance of the contract; (iii) specify all the information required under the applicable provisions of this policy; and (iv) specify the estimated or actual cost to the Authority.

B. To the extent practicable, the request for the resolution shall first be submitted to the standing committee of the Board responsible for the Authority.

C. The MTA Chairman may modify the procedures in this Article for all Authorities.
Article XI - Miscellaneous

A. Any provision of this policy may be waived by the Chairman, an Authority President, or the Board except to the extent prohibited by law. A waiver may also be in the form of a ratification.

B. No Board Committee action or Authority policy, other than one approved by the Chairman, shall be inconsistent with these Guidelines.

C. An Authority may not divide or split any contract or series of contracts for the purpose of avoiding the requirements of these Guidelines.

D. If prior to the commencement of an Authority fiscal year, an Authorized Officer reasonably anticipates that, during the next fiscal year, the Authority will expend, in the aggregate, in excess of fifteen thousand dollars for a series of purchase contracts for the same or substantially similar good: i) such requirement shall be met pursuant to a requirements contract awarded pursuant to the applicable provisions of these guidelines; or ii) each such contract shall be awarded pursuant to the provisions of Article II(C), III, IV, V or Article VII of these Guidelines.

E. If prior to the commencement of an Authority fiscal year, an Authorized Officer reasonably anticipates that, during the next fiscal year, the Authority will expend, in the aggregate, in excess of twenty-five thousand dollars for a series of contracts for same or substantially the same type of public work: i) such requirements shall be met pursuant to a requirements contract awarded pursuant to the provisions of Article II(C), III, or IV or a procedure determined by an Authorized Officer to be comparable to Article V or VII of these Guidelines; or ii) each such contract shall be awarded pursuant to the provisions of Article II(C), III, or IV or a procedure determined by an Authorized Officer to be comparable to Article V or VII.

F. Nothing in these Guidelines shall preclude the Authority from accepting bids or proposals in an electronic format, to the extent permitted by law.

G. A contract awarded by an Authority pursuant to these Guidelines may provide that the contract includes the requirements of one or more other Authorities.

H. The Authority shall prepare a publicly available report no less frequently than annually, summarizing procurement activity by the Authority for the period of the report in accordance with the reporting requirements of Section 2879(6) of the Public Authorities Law.

I. These guidelines are intended for the guidance of officers and employees of the Authority only. Nothing contained herein is intended or shall be construed to confer upon any person, firm or corporation any right, remedy, claim or benefit under, or by reason of, any requirement or provision hereof.
ALL AGENCY GUIDELINES FOR
PROCUREMENT OF SERVICES

These guidelines apply to the Metropolitan Transportation Authority ("MTA"), the New York City Transit Authority ("Transit"), the Long Island Rail Road Company ("LIRR"), the Metro-North Commuter Railroad Company ("MNCRR"), Staten Island Rapid Transit Operating Authority ("SIRTOA"), Manhattan and Bronx Surface Transit Operating Authority ("MaBSTOA"), MTA Capital Construction ("MTACC"), MTA Bus Company ("MTA Bus") and to the Triborough Bridge and Tunnel Authority ("Bridges and Tunnels") insofar as they are consistent with the provisions of law applicable to Bridges and Tunnels (each of which is referred to as the "Authority").

Article I-Applicability of guidelines

This policy applies to contracts for services. A contract for services is either a personal service contract or a miscellaneous service contract.

A. Personal services contracts generally involve retaining a consultant who specializes in one of the following:

(1) Legal
(2) Financial
(3) Accounting
(4) Auditing
(5) Management
(6) Human Resources
(7) Investment
(8) Bonds
(9) Planning
(10) Analysis
(11) Training
(12) Data Processing
(13) Computer Systems
(14) Statistics
(15) Research
(16) Public and corporate relations
(17) Architecture
(18) Engineering
(19) Surveying
(20) Labor Relations
B. A miscellaneous service contract is any contract for service which is not a: i) personal service contract; ii) public work contract; or iii) a miscellaneous procurement contract. Examples include but are not limited to contracts for guard service, custodial service and maintenance work performed by laborers, workers or mechanics which does not result in a substantial improvement to a building or other fixed asset.

C. In the event a proposed contract contains elements of more than one type of contract under these guidelines or the All Agency Procurement Guidelines, the elements which predominate shall determine the type of contract for purposes of both Guidelines.

Article II - Delegation of Authority

The Chairman, the presidents of the Authorities or the designated representative or representatives thereof (each defined for purposes of these guidelines as an "Authorized Officer") are hereby empowered with respect to service contracts to be entered into by his/her respective Authority acting on its own behalf or as agent for the MTA, as follows:

A. to implement these guidelines.

B. to establish procedures which shall be in accordance with these guidelines to the extent deemed practicable by the Authorized Officer, for the award of: (i) a miscellaneous service contract estimated to involve the expenditure of $15,000 or less; and (ii) a personal service contract estimated to involve the expenditure of $25,000 or less, provided that the contract shall be advertised, Board approval of the award obtained and reported if otherwise required under these guidelines.

C. to determine whether a miscellaneous service contract shall be awarded pursuant to the provisions of these guidelines or the provisions of the All Agency Procurement Guidelines, provided that, notwithstanding the vote otherwise required by the All Agency Procurement Guidelines, the vote of approval of a majority of the members of the Board present at a meeting at which a quorum is present shall in any event be required for the award of the following miscellaneous service contracts:

i) Without regard to whether or not the contract was awarded pursuant to
sealed competitive bidding, the actual or estimated amount of the contract is $15,000 or more and the services will be rendered over a period in excess of one year.

ii) Without regard to the period of performance of the services, the miscellaneous service contract provides for the expenditure of more than $25,000 and was not awarded pursuant to sealed competitive bidding.

**Article III - Policy**

It is the policy of the Authority to contract for personal and miscellaneous services when, because of factors such as timing, costs, qualifications or the nature of the services to be rendered, it is more beneficial for such services to be contracted for than performed by employees of the Authority.

Contractors shall be selected on a competitive basis except when competition is not required pursuant to these Guidelines or is waived as impractical or inappropriate.

**Article IV - Advertising**

A. Regardless of the selection process used, notice of a contract for the acquisition of services of any kind in the actual or estimated amount of $15,000 or more shall be published at least one time in New York State Contract Reporter, except as provided in paragraph C of this Article. The publication shall be no less than fifteen business days prior to the planned date on which a bid or proposal is due, provided that if the contract is to be awarded without bids or proposals and advertising is required, the timing of the publication shall be determined by an Authorized Officer.

B. The notice must contain, as applicable, a statement of: i) the name of the contracting Authority; ii) the contract identification number; iii) a brief description of the services sought, the location where services are to be provided and the contract term; iv) the address where bids or proposals are to be submitted; v) the date when bids or proposals are due; vi) a description of any eligibility or qualification requirement or preference; vii) a statement as to whether the contract may be fulfilled by a subcontracting, joint venture or co-production arrangement; viii) any other information which the Authority deems useful to potential contractors; ix) the name, address and the telephone number of the person to be contacted for additional information; and x) a statement as to whether the services sought had, in the immediately preceding three year period, been supplied by a foreign business enterprise as that term is defined in Article 4-C of the Economic Development Law.

C. The advertisement is not required under the following circumstances:

i) In the event of an emergency or critical need for the services as determined by an Authorized Officer;
ii) The contract is re-bid or re-solicited for substantially the same services within forty-five business days after the date bids or proposals were originally due;

iii) The contract is awarded to a not-for-profit provider of human services;

iv) The contract is awarded pursuant to the provisions of Article V(C)(1) or (2) (single or unique source) of these Guidelines.

D. In addition to the above advertisements, the Authority shall provide notice to professional and other organizations that regularly notify certified minority and women owned business enterprises (“MWBEs”) of the type of procurement opportunity that is the subject of the solicitation.

Article V - Selection of Personal Services Contractors

A. Requirements

The following are the requirements to be followed for selection of contractors for personal services, except for: i) contracts for architectural, engineering, and survey services (which are subject to paragraph B); ii) contracts equal to or less than $25,000 (which may be entered into pursuant to the provisions of this paragraph or pursuant to procedures established by an Authorized Officer which shall be competitive to the extent deemed practicable by the Authorized Officer); and iii) contracts for services for which a competitive selection process is inappropriate pursuant to the provisions of paragraph C.

1. The Division/Department of the Authority requiring the services shall prepare a written statement containing a description of the services, the reasons why they are required, and the required or estimated schedule or duration of the services.

2. A request for proposals ("RFP") to perform the required services shall be sent to three or more firms to assure competition, including any DBE/WBE/MBE firms selected to receive the RFP pursuant to applicable Authority or New York State DBE/WBE/MBE programs, unless there are only two qualified firms or unless competition is waived as hereinafter provided. The RFP or notice thereof shall also be provided to professional and other organizations that represent or regularly notify certified MWBEs of the type of procurement opportunity that is the subject of the RFP notice.

3. The RFP shall describe the services to be performed, any completion dates or time requirements, DBE/WBE/MBE requirements, if applicable, and the criteria to be utilized by the Authority in evaluating proposals and shall contain a requirement for a cost proposal and the date, time and place when proposals must be received.
4. The Authority may select one or more proposers with which to negotiate after evaluation of the proposals received. The award shall be made to the proposer or proposers whose proposal(s) will be the most advantageous to the Authority, price, qualifications and other factors considered, using the evaluation criteria specified in the RFP as the basis for the decision.

B. Architectural-Engineering and Survey Contracts

1. In the procurement of architectural, engineering and surveying services, the Authority shall determine whether to comply with the RFP procedures set forth in paragraph A or the "Brooks" method set forth in this paragraph, provided that if federal assistance is involved, the decision shall take into account applicable federal requirements.

2. The Authority shall encourage professional firms engaged in the lawful practice of the profession to submit an annual statement of qualifications and performance data. For each proposed project identified in accordance with Article V(A)(1), the Authority shall evaluate current statements of qualifications and performance data on file with the Authority. If desired and to the extent appropriate if federal assistance is involved, the Authority may conduct discussions with three or more professional firms regarding anticipated design concepts and proposed methods of approach to the assignment.

3. The Authority shall then evaluate whether a modification to the written statement prepared in accordance with subparagraph 1 of Paragraph A is appropriate, and shall then comply with the provisions of subparagraphs 2 and 3 of Paragraph A.

4. The Authority shall select from the proposals submitted, in order of preference, based upon the criteria established by the Authority, no less than three professional firms deemed to be the most highly qualified to provide the services required.

5. The Authority shall negotiate a contract with the highest qualified professional firm for architectural, engineering or surveying services at compensation which the Authority determines in writing to be fair and reasonable. In making this decision, the Authority shall take into account the estimated value of the services to be rendered, the scope, complexity, and professional nature thereof. Should the Authority be unable to negotiate a satisfactory contract with the professional firm considered to be the most qualified, at a fee it determines to be fair and reasonable, negotiations with that professional firm shall be formally terminated. The Authority shall then undertake negotiations with the second most qualified professional firm. Failing accord with the second most qualified professional firm, the Authority shall formally terminate negotiations.
The Authority shall then undertake negotiations with the third most qualified professional firm. Should the Authority be unable to negotiate a satisfactory contract with any of the selected professional firms it shall select additional professional firms, in order of their competence and qualification and it shall continue negotiations in accordance with this subparagraph until an agreement is reached.

6. The provisions of this paragraph B shall apply only to engineering, architectural, or surveying services contracts in excess of $25,000.00. Contracts for engineering, architectural or surveying services involving lesser amounts may be entered into pursuant to the provisions of this paragraph or pursuant to procedures established by an Authorized Officer which shall be competitive to the extent deemed practicable by the Authorized Officer.

C. It is hereby determined that a competitive selection process is inappropriate and that a competitive process shall not be required in the following instances:

1. When the services are obtainable from one source only.
2. When the provider of the services has unique or otherwise outstanding qualifications.
3. When an emergency or other circumstances exist which make competition impracticable or inappropriate.
4. Legal Services.

D. Pursuant to Section 2879(3)(b)(i) of the Public Authorities Law, a contract in an amount not to exceed $200,000, that is not federally funded, for personal services or miscellaneous services may be awarded without competitive procedures otherwise required by law or these Guidelines, where the proposed award is to a small business concern or a certified minority or women-owned business enterprise (“MWBE”). Contracts may be designated for solicitation and award pursuant to Section 2879(3)(b)(i) by the Chairman or the Chairman’s designee in consultation with the Authorized Officer of the appropriate agency. In the case of contracts that are designated pursuant to Section 2879(3)(b)(i) for award to eligible small business concerns or MWBEs, there shall be notice of the proposed contract on the Authority website inviting responsive bids or proposals from qualified small business concerns and MWBEs. Notice of such procurements shall also be provided to identified organizations that represent or regularly notify small business concerns or MWBEs, of the type of procurement opportunity that is the subject of the award. Awards pursuant to Section 2879(3)(b)(i) shall be made to the bidder or proposer determined to have submitted the bid or proposal that is most advantageous to the Authority, price and any other relevant factors considered. An award proposed to be made to a bidder or proposer other than the lowest responsible, responsive bidder or proposer, shall require approval by a majority of the Board at a meeting at which a quorum is present; in addition, the approval of the Board is required in any other instance in which it is required by law. The Chairman or his designee, in consultation with the Authorized Officer...
of the appropriate agency, may reject all offers and withdraw the designation of a contract as one to be awarded pursuant to Section 2879(3)(b)(i) if the Chairman or his designee determines that an award will result in the payment of an unreasonable price or otherwise not be advantageous to the Authority. The requirements of Article IV and of Article V(B) shall not apply to contracts awarded in accordance with Section 2879(3)(b)(i).

E. The Chairman, President, General Counsel, or Chief Procurement Officer of the Authority, or such individuals as they may designate, may give verbal authorization to contractors or consultants to commence the performance of contracts entered into pursuant to the provisions of this paragraph E, where prior written agreement is impracticable, provided, however, that the contract shall be reduced to writing as soon as practicable. Prior to issuing a verbal authorization for a federally assisted contract, consideration should be given to the steps which may be taken to assure that federal assistance is not jeopardized.

Article VI – Minority/Women Owned and Disadvantaged Business Enterprises

The potential exists for disadvantaged/minority/women owned business enterprise involvement in personal service and miscellaneous service contracts. The Authority shall use its best efforts to maximize the utilization, as applicable, of DBEs under the Authority's federal program, and MBEs/WBEs under the New York State program set forth in Public Authorities Law §2879, Article 15-A of the Executive Law and these guidelines.

A. The MTA Chief Diversity Officer ("Chairman’s Designee") is responsible for overseeing the programs established by the MTA to promote and assist: i) the participation by certified MWBEs in procurement opportunities and facilitation of the award of procurement contracts to such enterprises; ii) the utilization of certified MWBEs as subcontractors to Authority prime contractors; and iii) the utilization of partnerships, joint ventures ("JVs") or other similar arrangements between certified MWBEs and prime contractors. The Chief Diversity Officer reports directly to the Chairman in connection with the responsibilities set forth herein, and will participate in the procurement process either directly or through his or her designees.

B. For contracts awarded pursuant to these Guidelines, the Authority shall establish appropriate goals for participation by certified MWBEs and for the utilization by prime contractors of MWBEs as subcontractors and suppliers. Statewide numerical participation target goals will be established by the Authority based on the findings of the New York State 2010 Disparity Study, or any subsequent New York State Disparity Study.

C. The Authority will conduct non-federally funded procurements in a manner that enables the Authority to achieve the maximum feasible portion of the goals set pursuant to Article VI(B) including taking the following actions: (i) establishing measures and procedures to ensure that certified MWBEs are given the opportunity for maximum feasible participation in the performance of Authority
contracts and to assist in the identification of those contracts that are best suited for which certified MWBEs may best bid to actively and affirmatively promote and assist their participation in the performance of Authority contracts so as to facilitate the Authority’s achievement of the maximum feasible portion of the MWBE goals; (ii) designating the New York State Division of Minority and Women-owned Business Development (“DMWBD”) to certify and decertify MWBEs for purposes of these guidelines; (iii) setting forth in each contract solicitation the expected degree of MWBE participation based on potential subcontracting opportunities and the availability of certified MWBEs to respond competitively to those opportunities; (iv) providing to prospective contractors in writing or by identifying a link to a specific web site a current list of MWBEs; (v) with regard to JVs, allowing a bidder to count toward meeting its MWBE participation goal, the MWBE portion of the JV; (vi) waiving a contractor’s obligation relating to MWBE participation after a showing of good faith efforts to comply with the participation goal; and (vii) verifying that MWBEs listed in a successful bid or proposal are actually participating to the extent listed in the project for which the bid or proposal was submitted. The Authority will also consider, where practicable: (i) the severability of service requirements and other bundled service contracts; (ii) the implementation of a program that will enable the Authority to evaluate each contract to determine the appropriateness of the goal pursuant to the New York State 2010 Disparity Study, or any subsequent New York State Disparity Study; (iii) compliance with the requirements of any federal law concerning opportunities for any MWBEs which effectuates the purpose of this section; and (iv) consultation of the most recent disparity study.

Article VII-Types of Provisions to be Contained in Service Contracts

A. The following types of provisions shall be contained in all personal services contracts, except that it is not necessary to include any provision which is inapplicable or unnecessary because of the nature or duration of the services to be performed, the location or locations where they are to be performed or the type of compensation being paid.

1. Description of Services
2. Compensation
3. Time for Performance or date of completion
4. Liability of Contractor or Consultant; Indemnification of Authority
5. Reports of Contractor or Consultant
6. Ownership of Plans, Drawings or Other Products of the Performance of the Services
7. Assignments; Subcontracts
8. Maintenance of Records, Accounts
9. Right of Authority to Inspect and/or Audit Books and Records of Contractor or Consultant
10. Insurance Requirements
11. Termination
12. Monitoring of the Performance of Services
13. Use of Authority Supplies, Facilities or Property
14. Use of Authority Personnel

15. All Provisions required to be included in Authority contracts by Federal, State or Local Laws, Ordinances, Codes, Rules or Regulations.

16. Such modifications and additions as are appropriate in light of the specific circumstances presented.

B. To the extent practicable, a verbal authorization to commence work and a writing which is not intended to constitute the final agreement, at a minimum shall:

1. Describe the services to be performed;
2. Specify the amount of compensation to be paid or the rates or fees which will be utilized to determine such compensation; and
3. Specify a date for completion or the anticipated duration of the services (except in instances where the nature of the services makes an estimate of the time required impossible or impracticable or where the contract is a retainer for the performance of services over an extended period of time on an "as-needed" basis and contains provisions allowing termination by the Authority at any time without cause).

C. Miscellaneous service contracts shall contain those provisions of paragraph A and of other standard forms of contract deemed appropriate by an Authorized Officer.

Article VIII - Responsibilities of Services Contractors

A service contractor shall have the following responsibilities:

A. To perform the contract in accordance with its terms;
B. To perform the services required under the contract competently, efficiently, in a timely manner, at a reasonable cost and in a manner which is satisfactory to the Authority; and
C. To cooperate with the Authority personnel who are directing, supervising or monitoring the performance of the services or who are assisting in their performance.

Article IX - Contracts Involving Former Officers or Employees of the Authority

The Authority may enter into contracts with any Authority's former officers or employees or with firms employing such officers or employees only to the extent permitted by Public Officers Law §73.

Article X - Monitoring of Service Contracts

The Division/Department of the Authority requiring the services shall be responsible for monitoring the performance of the contract to assure that the contract is performed in accordance with its terms.
Article XI Reporting of Service and Purchase Contracts

A. Each Division/Department of an Authority shall maintain records, for each fiscal year, of the following contracts entered into by the Authority at the request of such Division/Department: i) personal service contracts in the actual or estimated amount of $15,000 or more; ii) miscellaneous service contracts in the actual or estimated amount of $15,000 or more; and iii) purchase contracts in an actual or estimated amount of $15,000 or more.

B. The Authority’s Authorized Officer shall designate a Division or Department which shall be responsible for preparing a report at the end of each fiscal year with respect to the foregoing contracts. With respect to each such contract, the report shall contain the following information:

1. Name of Contractor;
2. Short description of the services involved;
3. Amounts paid pursuant to the contract as of the end of such fiscal year;
4. The selection process used;
5. Status of the contract;
6. If it was exempt from advertising in the New York State Contract Reporter pursuant to Article IV(C) of these Guidelines:
   i) a statement to that effect; and
   ii) the basis for such exemption; and
7. Whether the contract was entered into with a New York State business enterprise or a foreign business enterprise, as those terms are defined in Public Authorities Law § 2879.
8. Whether the contract was entered into with a New York State certified minority or women-owned business enterprise.
9. Referrals to and penalties imposed by the Director of DMWBD pursuant to Executive Law § 316.

C. Each Authority shall submit a copy of such report to the board of the Authority upon its completion.

Article XII-Personal Service Contracts Requiring Approval of the Board

The following personal service contracts shall require the approval of the Board of the Authority by resolution approved by a majority of the members present at a meeting at which a quorum is in attendance and shall be reviewed by the Board on an annual basis:

A. Personal Service Contracts of all Authorities except for Bridges and Tunnels: All personal service contracts entered into by an Authority in the actual or estimated amount of $20,000 or more;
B. Personal Service Contracts of Bridges and Tunnels: All personal services contracts entered into by Bridges and Tunnels in the actual or estimated amount of $15,000 or more where the services will be rendered over a period in excess of one year; and

C. Miscellaneous service contracts: See Article II(C) of these guidelines.

**Article XIII—Change Orders**

An Authority may enter into a change order or amendment to a personal service or miscellaneous service contract provided that approval of the Board of the Authority by a resolution approved by a majority of the members present at a meeting at which a quorum is in attendance, shall be required in the following circumstances:

A. The contract did not equal or exceed the applicable monetary or durational threshold for board approval set forth in Article XII or Article II of these guidelines and the applicable threshold is equaled or exceeded as a result of the change order or amendment. This provision applies to all contracts subject to these Guidelines, including budget adjustments to estimated quantity contracts previously approved by the Board which exceed the threshold.

B. The contract was approved by the Board and the change order or amendment, including any change orders or amendments since Board approval was last obtained, results in a substantial change in the contract as determined by an Authorized Officer. Notwithstanding the foregoing, Board approval of change orders shall only be required if the change order is over $750,000, or over $250,000 if the change order exceeds 15% of the adjusted contract value, provided that a change order over $250,000 must be approved by the Authority president or his or her designee.

C. The miscellaneous service contract was awarded pursuant to the All-Agency Procurement Guidelines and the change order or amendment equals or exceeds the requirements for Board approval under Article IX of the All Agency Procurement Guidelines.

D. Notwithstanding the foregoing, an Authorized Officer may enter into a change order or amendment in any of the following situations as determined by an Authorized Officer,

1. The existence of an emergency; or  
2. The risk of a substantial increase in cost or delay if prompt action is not taken.

E. The Chief Operating Officer shall establish policies with respect to the delegation of responsibilities set forth in this Article.
Article XIV – Miscellaneous

A. Any provision of these guidelines may be waived by the Chairman, an Authority President or the Board, or such individuals as they may designate, except to the extent prohibited by law. A waiver may also be in the form of a ratification. If a contract is federally assisted, prior to issuing a waiver, consideration should be given to the steps which may be taken to assure that federal assistance is not jeopardized.

B. No Board committee procedure or action or Authority policy, other than one approved by the Chairman, shall be inconsistent with these Guidelines.

C. A contract awarded by an Authority pursuant to the provisions of these Guidelines may provide that the contract includes the requirements of one or more other Authorities.

D. An Authority may contract for a service available through an existing contract between a contractor and the State of New York or the City of New York or another Authority if: i) the existing contract was awarded pursuant to a process of competitive sealed bids or a competitive request for proposals; ii) the Authority’s Authorized Officer determines that the price and other commercial terms specified in the contract are satisfactory; and iii) if board authorization would otherwise be required under these Guidelines, the Board adopts a resolution by a majority vote of the members of the Board present meeting at which a quorum is in attendance which sets forth the reasons why a competitive process is impractical or inappropriate and authorizes the Authority to enter into the contract.

E. These Guidelines are intended for the guidance of officers and employees of the Authority only. Nothing contained herein is intended or shall be construed to confer upon any person, firm or corporation any right, remedy, claim or benefit under or by reason of any requirement or provision thereof.

F. Nothing contained in these Guidelines shall be deemed to alter, affect the validity of, modify the terms of or impair any contract or agreement made or entered into in violation of, or without compliance with, the provisions of these Guidelines.

G. Where applicable federal, state or local laws, ordinances, codes, rules or regulations contain requirements which are in conflict with or which impose greater obligations upon the Authority than these Guidelines, then such requirements shall take precedence over those contained herein.

H. The Authority shall prepare a publicly available report no less frequently than annually, summarizing procurement activity by the Authority for the period of the report, in accordance with the reporting requirements of Section 2879(6) of the Public Authorities Law.
1. Nothing in these guidelines shall preclude the Authority from accepting bids or proposals in an electronic format, to the extent permitted by law.
Purpose:

To obtain Board authorization of proposed revisions to the All-Agency Travel and Business Expense Policy.

Discussion:

Pursuant to Public Authority Law Section 2824, Board members of state authorities are required to establish written policies and procedures on policies regarding travel. The MTA All-Agency Travel and Business Expense Policy was last revised in July 2013.

Based upon a recent review, several revisions to the Policy are proposed. These revisions would allow reimbursement for business meals during the period of an emergency declared by the Governor of the State of New York or the MTA Chairman or during a weather event requiring an employee to be on duty. In addition, in order for business meals to be reimbursable in emergency situations, the policy would require the approval of either the Agency Head or the MTA Chief of Staff. Finally, these revisions would limit the reimbursement amount for business meals to the per diem meal allotment for that location.

Recommendation:

It is recommended that the Board approve the proposed revisions to the All-Agency Travel and Business Expense Policy.
All Agency Policy Directive

TRAVEL AND BUSINESS EXPENSE

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I. PURPOSE

The purpose of this All-Agency Policy Directive is to establish a standardized policy for employees of MTA Headquarters and its Constituent Agencies (collectively, to be referred to as the “Authority”) when incurring, recording, approving and claiming reimbursement for eligible travel and business expenses.

II. SCOPE

This Policy Directive applies to all employees of the MTA including MTA Headquarters (including the Business Service Center), MTA Long Island Rail Road, MTA Capital Construction, MTA Bridges and Tunnels, MTA Bus Company, MTA Metro-North Railroad, MTA New York City Transit, and all future subsidiary/affiliated entities of the MTA.

III. DEFINITIONS

1. Agency Head: An “Agency Head” is defined as including: the Chairman/Chief Executive Officer and Agency Presidents.

2. Authorized Signer: An individual who has been granted the authority to approve employee expense documents and travel authorization requests.

3. Business Meal: A meal (breakfast, lunch, dinner, or other) whereby the attendees’ principal function is to conduct Authority business and a meal of the type considered a business meal under Section 1V(A)(6)(b).

4. Constituent Agencies: For the purposes of this policy, the group of agencies referred to as “Constituent Agencies” include: MTA Long Island Rail Road; MTA Metro-North Commuter Railroad; MTA New York City Transit; MTA Staten Island Railway; MTA Bridges and Tunnels; MTA Capital Construction; MTA Bus Company and all future subsidiary/affiliated entities of the MTA.

5. Foreign Travel: Travel outside the Continental United States is considered “Foreign Travel.”
6. **Local Travel:** Travel inside the New York Metropolitan area is considered “Local Travel.”

7. **Official Station:** A location within 35 miles of the office where an employee is regularly assigned is her/her “Official Station.”

8. **Out-of-Area Travel:** Travel outside the New York Metropolitan area or an employee’s Official Station; and beyond the boundaries of the States of New York, New Jersey and Connecticut is considered “Out-of-Area Travel.”

9. **Per Diem Allowance:** A payment made to reimburse, without receipts, the personal meal expenses of an Authority employee, payable under certain conditions on days when the employee is in travel status is a “Per Diem Allowance.”

10. **Travel Status:** An employee who travels outside his/her Official Station for at least three consecutive hours on Authority business on a regular workday, authorized holiday or weekend is in “Travel Status.” Employees of the Long Island Rail Road and Metro-North Commuter Railroad must see “SPECIAL NOTE”, below, for proper determination of travel status designation.

**SPECIAL NOTE:**

Long Island Rail Road employees must travel outside of their Official Station and outside of the Borough of Queens and the Counties of Nassau and Suffolk to be considered in any type of travel status.

Metro-North Commuter Railroad employees must travel at least 35 miles beyond Metro-North territory to qualify for any type of travel status designation.

**IV. POLICY**

**A. GENERAL**

1. **Policy Authority:** This policy takes precedence over all other policies of any MTA Constituent Agency regarding reimbursement of employee travel and business expenses.
2. Categories of Expenditures: This policy instruction covers the general categories of expenditures related to business travel and meal expenses, such as, transportation, lodging, per diem meals, business meals, and other miscellaneous expenses.

3. Actual and Necessary Expenses: Reimbursement for travel and business expenses will be made only for actual and necessary expenses incurred in the performance of official duties and upon submission of properly documented and approved employee expense reports as outlined in this policy instruction.

4. Travel Arrangements through Travel Agent: Except as set forth herein, employees must make all arrangements for lodging and transportation (excluding local travel) through the Authority’s official Travel Agent. Amtrak train tickets may be purchased directly from Amtrak without use of the Travel Agent provided such tickets are purchased at a widely available discount rate. Employees can make lodging reservations directly at a location if they are attending conferences, seminars or meeting at that location and the travel agent is unable to book alternative lodging that is cost effective (after taking into account the cost of travel to alternative lodging). Travel arrangements secured by any other means must be fully explained and justified in writing by the employee and approved according to the Agency-specific procedures covered in Section V.

5. Discounted, No Cost or Reimbursed Travel: Prior to accepting discounted or no cost travel arrangements or travel arrangements reimbursed by a source other than MTA, Employees should review Sections 2.01, 3.03, and 3.08 of the MTA All Agency Code of Ethics or consult their Agency Ethics Officer.

6. Emergency Situations:
   a. During an emergency situation or under extraordinary circumstances, expenses which normally would be disallowed may be considered for reimbursement. The employee must provide a complete explanation of the emergency and the need for the expense, and obtain approval from the respective Agency Head or his/her designee. This documentation must be submitted along with the employee’s expense report.

   b. In addition to the general discretion provided in paragraph a above, during the
period of an emergency declared by the Governor of the State of New York or the MTA Chairman or a weather event requiring the employee to be on duty as determined by the employee’s supervisor, meals for Authority employees who are required to be on duty during such emergency period or weather event are considered “business meals” that are reimbursable pursuant to Section IV (F) with the approval of the Agency Head or the MTA Chief of Staff. A description of the emergency and the reason why the employee was required to be on duty must be included with the expense report. Such meal expenses are reimbursed at actual cost; however, the reimbursable cost per person shall not exceed the per diem meal allotment for that location.

B. AUTHORIZATION

1. General: All employee travel and business expense reports must be approved by the employee’s Supervisor or, if the Supervisor is not authorized to approve such expenses, by the next highest individual in the employee’s chain of command designated as the Authorized Signer to approve expense documents.

2. Expense Reports of Agency Heads: Travel and business expense reports of Agency Heads must be approved by the MTA Chairman/CEO or his/her designee.

3. Reports Covering Business Meals for More than One Employee: Travel and business expense reports covering business meals for more than one employee must be submitted by the highest-ranking employee and approved according to this policy.

4. Expenditures Requiring Prior Approval: All business travel must be approved in advance. Requests for travel must be made by an employee by completing an Agency-designated travel request form. In addition, prior approval is required for cash advance requests; expenses to be directly billed to the Authority; interview and relocation expenses; and other special circumstances as described in this policy instruction. See the respective section of this policy to determine the approval requirements.

C. METHODS OF PAYMENT
1. **Payment by Employees:** Employees are expected to pay for their business and travel expenses at the time they are incurred. Payment in advance is permitted if necessary to secure reservations and/or advantageous rates.

2. **Direct Billing:** Direct billing to the Authority is permitted when advantageous to the Authority. Arrangements for direct billing are subject to prior approval. See Section V, Agency-specific procedures for the required approvals.

3. **Cash Advances:** An Employee may request a cash advance to cover anticipated business and travel expenditures eligible for reimbursement under this policy instruction. No cash advances will be granted for interview and relocation expenses. Requests for cash advances must be made using an Agency-designated form and must be approved according to the Agency-specific procedures. Cash advances needed for out-of-area travel must be approved by the Agency Head, or designee.

   Cash advances will be disbursed through payroll. Refunds of unused portions of cash advances from employees will be accepted only by personal check, money order, or bank check. Cash will not be accepted.

   If the trip is canceled or postponed, appropriate documentation must be filed and the cash advance must be returned within five business days of notification of the cancellation or postponement.

4. **Credit Cards:** Employees who have been authorized to purchase goods and services for business and travel purposes with an Authority credit card must account for these purchases by filing expense reports. Expense reports must be filed even in those instances when no additional business expenses are incurred. Authority credit cards are not to be used for personal items.

D. **DOCUMENTATION**

1. **Use of Travel Request Form:** Plans for travel must be documented and requested, in specific detail, by the employee on an Agency-designated travel request form.

2. **Use of Expense Report Form:** Travel and business expenses must be reported on
an Agency-designated employee expense report form.

3. **Actual Expenditures:** Unless specifically exempted herein, all reimbursements for employee expenses must be based on actual expenditures and must be supported by receipts or other acceptable documentation.

4. **Acceptable Documentation:** Acceptable documentation may include ticket stubs; paid receipts; invoices indicating dates and amounts of payment; original cardholder’s copies of validated credit card charge vouchers; or copies of the employee’s canceled checks. With the exception of canceled checks, original documents, not copies, must be submitted.

5. **Statement of Purpose:** A specific statement of the business purpose must be included on the employee’s expense report. General statements such as “on official business,” “by direction of supervisor,” or “in connection with duties as director of division” will not suffice.

6. **Conventions and Conferences:** Travel vouchers for expenses incurred when attending conventions and conferences must be supported by program literature setting forth the opening and closing dates of the convention.

7. **Documentation of Authorization:** Copies of any documents approved by an appropriate Agency official authorizing the travel must be attached to the employee’s expense report.

8. **Cash Advances:** Cash advances must be requested using the appropriate BSC cash advance request form. The approved form must be attached to the expense report along with related schedules and other documentation.

9. **Separate Reports:** Separate reports should be filed for each business trip. Requests for reimbursement for different types of expenses (local business meals; business travel and out-of-town business meals; interview and relocation expenses) should be submitted on separate employee expense report forms.

10. **Timeliness of Report Submission:** Employee expense reports must be submitted in accordance with the time frames established by the respective Agency Head or
E. TRAVEL (GENERAL POLICY)

1. Official Business: Reimbursement for travel and business expenses of employees will be made only for actual and necessary expenses in the performance of official duties upon proper documentation.

2. Out-of-Area Travel: Employees who are planning out-of-area travel for business must obtain prior written approval of their respective Agency Head or his/her designee. Employees, who usually travel to Washington, D.C. or other out-of-area locations, should request blanket approval from their Agency Head or his/her designee. Out of area travel costing more than $1,500 or by an Agency Head requires the prior written approval of MTA’s Chief of Staff.

3. Travel: Except as provided above in Section IV. A.4, all Authority business travelers must make arrangements for all lodging and transportation needs (excluding local travel) through the Authority’s official Travel Agent. Travel must be by the most cost effective route reasonably possible, and must be by either coach, economy, or equivalent discount fare unless (a) the trip is of an emergency nature and coach, economy or equivalent discount fares are not available; or (b) a business purpose necessitates late night and/or over-night travel or requires continuous air travel in excess of six hours in duration. Any travel by other than coach, economy, or equivalent fare must be approved in writing in advance by the Agency Head or his/her designee. Unless so approved, an employee shall assume any extra expense incurred.

It is important that travelers make airline reservations as much in advance as possible to secure the lowest possible fare.

F. BUSINESS MEALS (TRAVEL AND NON-TRAVEL STATUS)

1. Business Purpose: Business meal expenses are reimbursable only when the principal purpose of the meeting or meal is to transact Authority business. Business meetings should, whenever possible, be scheduled in such a way as to
avoid the need to provide meals for those in attendance. A statement of the business purpose must be set forth on the expense report.

2. Attendance: A list of attendees present at the business meal must be included with the expense report.

The cost of food at a business meeting attended only by Authority employees must be approved by an Agency Head or his/her direct reports and the MTA Chief of Staff to be eligible for reimbursement. If a business meal involves consultants and/or contractors hired by the Authority, prior approval of the Agency Head is required to be eligible for reimbursement.

3. Responsibility to Report Meals: Business meal expenses must be reported by the highest-ranking employee in attendance.

4. Documentation: Original receipts must be attached to the travel and business expense report.

5. Maximum Allowance: Business meal expenses are reimbursed at actual but reasonable cost; however, such cost per person can not exceed the per diem meal allotment for that location.

G. PER DIEM MEAL ALLOWANCE (DOMESTIC TRAVEL)

1. Eligibility: Employees in travel status are eligible for a per diem allowance (or a portion thereof) to cover certain meals, subject to the following limits on time of departure and return:

When departing from home or office at the beginning of a trip before the following hours:

- Breakfast: 6:00 a.m.
- Dinner: 6:00 p.m.

When returning to home or office at the conclusion of a trip after the following hours:
TRAVEL AND BUSINESS EXPENSE

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Breakfast 8:00 a.m.
Dinner 8:00 p.m.

Foreign travelers should see Foreign Travel Expense section for per diem allowance discussion.

2. Ineligibility within Employee’s Official Station: No per diem meal allowance shall be allowed while an employee is within his or her official station or place of residence, regardless of the departure or arrival times of a particular trip.

3. Ineligibility of Meal Reported as Business Meal: An employee who has been included in an employee expense report requesting reimbursement for a business meal is not eligible for a per diem allowance for the same meal.

4. Documentation: The per diem allowance is payable upon approval of an employee expense report. No receipts are required. The per diem allowance pertains only to an employee’s personal meal expenses; business meals involving non-MTA Headquarters or Constituent Agency personnel are discussed in Section IV-F.

5. Maximum Allowance: The Authority uses the maximum allowable per diem meal allowances for domestic travel set by U.S. General Service Administration (GSA). Links to current and prior year GSA rates as well as other travel related information can be found on MTA’s intranet at [www.mtahq.org/travel/index.html](http://www.mtahq.org/travel/index.html). GSA rates are established based upon a fiscal year beginning October 1. Authority employees must use the rates that were in effect during the date of travel. (Example: if you travel on November 1, 2013 use the GSA rate that would be in effect on that date which would be for fiscal year 2014)

6. It is the policy of the Authority that lunch expenses while in domestic travel status shall remain the obligation of the employee.

7. An employee who has been included in a business meal for which reimbursement is sought under the employee expense policy is not eligible for a per diem allowance for the same meal.
G. TRANSPORTATION

1. Intercity Travel: (Plane, Train, or Bus)
   a. Travel must be arranged through the authorized MTA Travel Agency except as authorized above in Section IV.A.4. Travel generally shall be by either coach, economy, or equivalent discount fare. All other travel at rates other than coach, economy, or equivalent rates must be approved in advance by the Agency Head or his/her designee to secure reimbursement.
   b. The employee must attach the passenger’s portion of used tickets and must return any unused tickets.

2. Local Travel: (Mass Transit, Taxicabs, etc.)
   a. The use of established mass transit lines is encouraged.
   b. If it is necessary to use taxicabs, receipts must be submitted for expenses of $10 or more (including tips).
   c. If receipts are not available for individual taxicab rides or mass transit fares of $10 or more, the employee must explain the circumstances when submitting his/her expense report.

3. Automobiles
   a. Official Cars: If travel by an automobile is required, employees are encouraged to use official vehicles. The MTA All-Agency Policy, 11-037, regarding use of official automobiles must be followed.
   b. Personal Cars: Employees, with approval of their supervisors, will be reimbursed for the use of personal cars at the mileage rate established at intervals by the Authority. This mileage rate, as calculated, includes costs for depreciation, gasoline, oil, maintenance and repairs, and insurance. The current mileage rate can be found on the BSC Travel and Expense Reimbursement Form.
c. **Tolls and Parking Fees:** Tolls and parking fees are reimbursable at actual cost. Receipts must be submitted for expenses of $10 or more. Long-term parking fees (4 or more consecutive days) must be justified as cost effective and reimbursement for long-term fees requires pre-approval.

4. **Rental Cars**

   a. **Justification:** Car rental expenses will not be reimbursed unless cost savings based on alternative modes of transportation and/or business necessity can be substantiated. Compact cars should be chosen unless a larger car is justified.

   b. **Arrangements:** If an employee has been approved to use a rental car while on a business trip, arrangements to rent a car must be made through the Authority’s official Travel Agent.

   c. **Documentation:** The signed car rental agreement, other appropriate receipts and the justification must be submitted with documentation.

   d. **Drop-Off Charges:** Drop-off charges for one-way rentals should be avoided, if possible, by obtaining a vehicle assigned to the destination city. Advance reservations and/or early inquiry will assist in obtaining such vehicles.

   e. **Insurance:** When renting a car in a domestic location, collision insurance and third-party liability insurance coverage available through the car rental company should not be selected and will not be reimbursed. Employees are covered for any accidents that occur through:

      MTA Self Insurance
      Risk Management
      347 Madison Avenue
      New York, New York 10017

      This address should be given to the rental car agency if it is requested.

      When renting a car in a foreign location, employees are advised to purchase collision insurance and third-party insurance coverage if available through the
rental company. These insurance costs are reimbursable to the employee.

f. **Weekly or Discount Rates:** If the use is sufficiently long to justify a weekly or other discount rate, efforts should be made to secure such a rate.

I. **LODGING**

1. **Official Business:** Hotel and motel room expenses shall be reimbursed when incurred in the conduct of official business.

2. **Arrangements:** Reservations for hotel/motel stays should be made through the Authority’s official Travel Agent.

3. **Government Rates:** State or Government discount rates shall be secured whenever possible.

4. **Weekly or Monthly Rates:** If the stay is sufficiently long to justify a weekly or monthly rate, efforts should be made to secure such rates.

5. **Documentation:** Original hotel bills and receipts for hotel and motel room expenses must be attached to the travel and business expense report.

6. **Tax-Exemption:** Lodging accommodations on official business are exempt from payment of occupancy tax in New York State. In addition, Metro-North Commuter Railroad employees are exempt from paying occupancy tax in the State of Connecticut. Employees will not normally be reimbursed for any ineligible taxes included in their bills for lodging. Employees can obtain tax exemption forms to supply to vendors from their respective Agency Comptroller’s Office (Accounts Payable Manager).

7. **Advance Payment:** Requests for a check from MTA Headquarters or a Constituent Agency to make an advance payment for hotel accommodations or registration fees must be made by submitting the applicable agency form to the Agency Comptroller and approved in advance.

8. **Ineligible Costs:** When the cost of lodging has been included in the cost of a
program reimbursable under this policy, no reimbursement will be made for lodging substituted at additional cost.

9. **Maximum Allowance:** Lodging costs are reimbursed at actual but reasonable cost.

J. **EXTENDED OR WEEKEND STAYS; TRAVELING WITH SPOUSE OR OTHERS**

1. **Extended or Weekend Stays:** Any extension of business travel to include weekends or any days prior or following the minimum time necessary to accomplish Authority business is subject to prior written approval. Such approval must be attached to the related employee expense reports. If such an extension will result in increased costs for the Authority, prior approval must be requested from the respective Agency Head or his/her designee. Reimbursement for meals and lodging for authorized extended or weekend stays would apply.

2. **Extensions Resulting in Cost Savings:** If the extension of business travel beyond the normal length of time necessary will result in overall savings to the Authority when all costs are considered, an analysis of the cost savings using the lowest rates available must be included in the request for approval of the extension. Expenses incurred during the extended portion of trip will be reimbursed only when savings to the Authority can be substantiated.

3. **Traveling with Spouse or Others:** Expenses incurred on behalf of a spouse or other person who is not involved in the conduct of Authority business, or expenses incurred while on vacation or personal leave, will not be reimbursed. Such expenses should be deducted from the related expense reports.

K. **TELEPHONE AND SIMILAR SERVICES**

1. **Business Calls and Similar:** Employees will be reimbursed for all business calls, telegrams, express mail, facsimile transmissions, or similar expenditures required in the performance of their official duties. Receipts for these expenses must be included as supporting documentation with the employee’s expense report.

2. **Personal Calls:** Reimbursement for personal telephone calls is limited to two per
day while in travel status. The calls must be reasonable in length in order to obtain full reimbursement.

L. FOREIGN BUSINESS TRAVEL

1. Foreign travelers can use a per diem rate for reimbursement of meals and incidental travel costs such as laundry and dry cleaning. The Authority uses the foreign travel per diem rates of the U.S. State Department. The rates are available from the MTA Comptroller’s Department or from the following Internet website: http://aoprals.state.gov/web920/per_diem.asp Reimbursement for partial day travel should follow the same allocation method as defined for the domestic per diem allowance.

2. Other allowable expenses related specifically to foreign travel include the cost of passports and visas, the cost of immunizations and inoculations (if required or recommended), the cost of car rental insurance coverage, travelers’ check fees, currency exchange fees, travel fees and taxes, and airport fees and taxes.

3. It is important that all currency exchange transactions are supported by documentation which reflects the exchange rates used for the transactions. Acceptable documentation will include the exchange rate per the credit card statement or, if not available, the Wall Street Journal rate on the last day of the trip.

4. Lodging costs are reimbursed at actual but reasonable cost.

M. OTHER REIMBURSABLE EXPENSES

Expenses not specifically listed in the preceding paragraphs shall be reimbursable when incurred for business purposes as follows:

1. Laundry and Dry Cleaning: On domestic trips lasting more than three days, employees will be reimbursed for the actual cost of such services when incurred and paid for after the third day in travel status. Foreign travelers are reimbursed for laundry and dry cleaning costs through the per diem allowance which includes a portion of the rate for incidental cost items.
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2. **Baggage Checking and Tips**: Baggage checking, tips, and normal gratuities are reimbursable. Tips related to another expense such as meals, taxi fare, etc. should be reported in the total cost of the related expenses.

3. **Other Miscellaneous Expenses**: Reimbursement for any other category of expenditures is subject to the interpretation of the Agency Comptroller.

**N. INTERVIEW & RELOCATION EXPENSES**

Employees and job candidates eligible for the reimbursement of certain travel, lodging, meal, or other expenses pursuant to the All-Agency Interview and Relocation Policy (11-001) should refer to that policy instruction for further details. Nothing in the Travel and Business Expense Policy shall be interpreted as in any way superseding or mitigating the requirements of the Interview and Relocation Policy.

**O. UNALLOWABLE EXPENSES**

The following categories of expenditures are eligible for reimbursement only on an exceptional basis, or under the special circumstances outlined in this policy instruction.

1. **Direct Billing**: No employee may incur business expenses to be billed directly to the Authority, except for the authorized use of Authority credit cards for air travel or gasoline, or as otherwise authorized in advance.

2. **Expenses Incurred on Behalf of Spouse or Others**: The costs of travel, lodging, meals, or other expenses for a spouse, dependent, or other person who is not performing official Authority business and who accompanies an employee on a business trip are not reimbursable.

3. **Personal, Recreational or Entertainment Expenses**: Costs incurred for personal, recreational or entertainment purposes, or while on vacation or personal leave, even when such leave has been approved as an extension of approved business travel, are not reimbursable.
4. **Commuting Costs:** Transportation costs incurred for commuting between the employee’s residence and official work station are not reimbursable.

5. **Expenses Eligible for Third-Party Recovery:** Business expenses which are legitimately recoverable from a third-party are not reimbursable. Such expenses and recovery must be explained on the employee’s expense report.

6. **Personal Losses:** Reimbursement is not allowed for losses of personal property or the loss of funds or tickets.

7. **Substituted Lodging:** Costs for this item included in a seminar or other package is not allowed.

8. **Clothing, Valet Service, and Similar:** Reimbursement for clothing, toiletries, barbering, or similar personal goods or services is not allowed. Laundry and dry cleaning or valet services are reimbursed at actual cost for domestic trips only after an employee has been in travel status for at least three consecutive days, as explained in Section IV-M.1., and as part of the per diem allowance for foreign trips.

9. **Alcoholic Beverages:** The cost of alcoholic beverages, of any kind, are not reimbursable.

10. **Personal Car Expenses:** Repairs or maintenance costs of any kind are not reimbursable. Expenses for gasoline, motor oil and other automobile fluids are not reimbursable. These types of expenses are included when the standard mileage rate of reimbursement is calculated and determined.

11. **Insurance, Fines and Fees:** Reimbursement is not allowed for personal credit cards fees, fines for traffic/parking violations, third-party liability insurance on automobile rentals, or travel insurance.

P. **RESPONSIBILITIES**

1. **Agency Comptrollers:** Each Agency Comptroller is responsible for overall administration of this Policy Directive for his/her respective agency, and for
ensuring that all expenditures included in employee expense reports are in accordance with Authority policy.

2. **MTA Comptroller**: The MTA Comptroller is responsible for administration of this policy for MTA Headquarters, for providing policy interpretation to the Constituent Agencies, and for establishing effective reimbursement rates.

3. **Agency Heads**: Exceptions to this policy may be approved in writing by the respecting Agency Head or his/her designee based on the recommendation of the Agency Comptroller.

4. **MTA Chairman and Chief Executive Officer**: The MTA Chairman/CEO or his/her designee has the authority to grant exceptions to this policy without the recommendation or approval of another Agency Head in circumstances deemed by the MTA Chairman/CEO to warrant special consideration.

5. **Authorized Signers**: Authorized Signers are responsible for informing their staffs of this policy instruction; for controlling expenditures by careful examination of travel requests and expense reports; and for insuring that only reasonable expenses actually incurred and directly related to Authority business are reported.

6. **All Employees**: Employees are responsible, prior to incurring any expenses or submitting expense reports, for seeking appropriate authorization from their supervisors and/or clarification from their respective Agency Comptroller’s Office of any exceptional circumstances or expenditures.

V. **ADDITIONAL REQUIREMENTS**

MTA Headquarters and each of its Constituent Agencies shall issue Agency-specific procedures consistent with this Policy Directive for the recording and claiming of reimbursement for eligible employees travel and business expenses.