MTA Finance Committee
Procurement Consolidation Update

June 18, 2018

David N. Ross
Chief Procurement Officer
2017 Highlights

- Moved and integrated 39 NYCT Non-Core Staff and Open Positions to HQ
- NYCT is the last agency
- Assigned All Non-Core Procurements to HQ
- MTA Marketplace
  - Implemented
    - Office Supplies – Staples Advantage (12/16)
    - MRO – Grainger (11/17)
    - IT Hardware, Software and Peripherals – CDW (5/18)
    - IT Hardware, Software and Peripherals – Dell (Q3 2018 Est.)
**Procurement Organization**

- **Chief Procurement Officer**
  - David Ross

- **Acting Director Policy and Procedures**
  - Zena Teich

- **Director Supplier Diversity**
  - Christine Norman

- **DCPO Technology & Telecommunications**
  - Chuck Hansen
  - Procurements of:
    - Software
    - Hardware
    - IT and Telecommunications Service and Maintenance Contracts
    - IT Consulting

- **DCPO Facilities and Real Estate**
  - Izak Cozangi
  - Procurements of:
    - Fuel
    - Maintenance, Repair and Operations (MRO) commodities
    - Facilities
    - Real Estate Management
    - Misc. commodities

- **DCPO Professional Services**
  - Marina Elliot
  - Procurements of:
    - Benefits
    - Legal
    - Finance
    - Consulting
    - Risk Management
    - HR Services

- **DCPO Operations and Support**
  - Mindy Giberstone
  - Procurements of:
    - PeopleSoft Production Support
    - Assist PeopleSoft Users and Vendors/Bidders
    - Reporting
    - Marketplace Implementation and Management

- **DCPO System Wide Contracts Management**
  - May McIntosh
  - Manage / administer over 40 centralized contracts
  - Training in contract management throughout the MTA

- **Oversight of DBE, MWBE and SDVOB Programs**
Order Throughput and Velocity

**Purchase Orders Created**

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<thead>
<tr>
<th>Year</th>
<th>No Sourcing Event</th>
<th>Sourcing Event</th>
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<tr>
<td>2017 (Jan-May)</td>
<td>1591</td>
<td>203</td>
</tr>
<tr>
<td>2018 (Jan-May)</td>
<td>1782</td>
<td>1428</td>
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</table>

**Days to Process**

(REQ Approval-PO Approval)

<table>
<thead>
<tr>
<th>Year</th>
<th>Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 (Jan-May)</td>
<td>62</td>
</tr>
<tr>
<td>2018 (Jan-May)</td>
<td>41</td>
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</table>
Open Requisitions

Periods Ended June 2017 through June 15, 2018

<table>
<thead>
<tr>
<th>Period</th>
<th>B&amp;T</th>
<th>LIRR</th>
<th>MNR</th>
<th>MTA HQ</th>
<th>MTABC</th>
<th>MTACC</th>
<th>NYCT</th>
<th>Total</th>
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<tbody>
<tr>
<td>6/30/2017</td>
<td>35</td>
<td>2049</td>
<td>65</td>
<td>494</td>
<td>65</td>
<td>1</td>
<td>103</td>
<td>2752</td>
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<tr>
<td>9/30/2017</td>
<td>22</td>
<td>683</td>
<td>71</td>
<td>452</td>
<td>71</td>
<td>1</td>
<td>274</td>
<td>1514</td>
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<tr>
<td>12/31/2017</td>
<td>26</td>
<td>535</td>
<td>61</td>
<td>381</td>
<td>61</td>
<td>2</td>
<td>315</td>
<td>1330</td>
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<tr>
<td>3/31/2018</td>
<td>14</td>
<td>515</td>
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<td>245</td>
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<td>1445</td>
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<tr>
<td>6/15/2018</td>
<td>25</td>
<td>453</td>
<td>8</td>
<td>288</td>
<td>8</td>
<td>1</td>
<td>295</td>
<td>1365</td>
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</table>
### MTA Procurement Projected Savings

*Some 2018 savings are carry over savings for the term of the contract

**Total is for all contract years, not just 2017-18*

<table>
<thead>
<tr>
<th>Select Projects Completed 2016- May 2018</th>
<th>2017</th>
<th>2018*</th>
<th>Total**</th>
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<tbody>
<tr>
<td>NYCTA Medical Health Benefits Program RFP</td>
<td>$40.88</td>
<td>$43.28</td>
<td>$231.27</td>
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<tr>
<td>IT Consulting Services RFP</td>
<td>$10.85</td>
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<tr>
<td>IT Hardware RFP</td>
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<tr>
<td>Dental Benefits Contract Extension Negotiations</td>
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<td>Wireless Services RFP</td>
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<td>Security Services RFP</td>
<td>$1.79</td>
<td>$2.43</td>
<td>$12.46</td>
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<tr>
<td>STD/LTD/Life Insurance Benefits RFP</td>
<td>$2.07</td>
<td>$2.07</td>
<td>$10.35</td>
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<tr>
<td>Enterprise Agreement for ESRI Software</td>
<td>$0.20</td>
<td>$1.25</td>
<td>$6.00</td>
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<td>Property Management Services RFP</td>
<td>$0.69</td>
<td>$0.70</td>
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<td>Office Supplies RFP</td>
<td>$0.95</td>
<td>$1.08</td>
<td>$5.42</td>
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<td>Enterprise Agreement for TOAD Software</td>
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<td>Fleet - Vehicle Maintenance Services</td>
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<td>$0.59</td>
<td>$2.94</td>
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<tr>
<td>Fuel RFP</td>
<td>$0.10</td>
<td>$0.31</td>
<td>$1.50</td>
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<td>Investment Portfolio Manager RFP</td>
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<td>$1.33</td>
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<tr>
<td>All-Agency Employee Perception Safety Survey RFP</td>
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<td>$0.34</td>
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<tr>
<td>Real Estate Tenant Management &amp; Accounting RFP</td>
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<td>$0.80</td>
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<tr>
<td>Mentoring &amp; Construction Management for SBDP RFP</td>
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<td>$7.79</td>
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<tr>
<td>OCIP Broker for the Capital Program &amp; Sandy Projects RFP</td>
<td>$0.14</td>
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<td>$0.98</td>
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<tr>
<td>Pension PeopleSoft Phase II Implementation IV&amp;V RFP</td>
<td>$0.16</td>
<td></td>
<td>$0.51</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$76.14</strong></td>
<td><strong>$84.64</strong></td>
<td><strong>$446.19</strong></td>
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Procurement Efficiency Initiatives

- **Auto - Dispatch**
  - Purchase orders automatically dispatch to vendors – *No buyer action may be required.*
  - Used at all agencies.

- **Auto - Sourcing**
  - Specified item(s) are related to a contract (including price and delivery turnaround) so requisitions are automatically sourced to a PO off the contract -- *No action is required.*
  - Suited to inventory purchases or repetitive buys.
  - Implemented at NYCTA and MTA Bus.
Procurement Efficiency Initiatives (cont.)

- **Blanket Purchase Orders**
  - The full amount of contracts (or contract balances) are awarded to purchase orders.
  - Replaces monthly requisitions to render payment.
  - Receipts and invoices are then sufficient to render payment for work.
  - Used at all agencies.

- **Contract Release**
  - Procurement solicits and builds a contract and a PO template that project managers can use to generate individual releases.
  - Replaces monthly requisitions to render payment.
  - Implemented at MNR and LIRR.
Key Contracts Awarded

- Ultra Wide Band/ Communications Based Train Control (CBTC) - (6 Vendors/$20.5M/1.5 yrs)
  - To Improve NYC Transit Subway Signal System
  - Pilot Program –
    - Phases I – Ultra Wide Band
      - Times Square Shuttle
      - 7th Ave. to 4th Ave.
    - Phase II – Ultra Wide Band/CBTC
      - Culver Test Track(Church Ave. to 4th Ave. / 13,000 feet)
  - 8 Contracts Awarded

- MTA’s Governance, Risk and Compliance System ($4.8M/4 yrs)
  - Identify internal control weaknesses, monitor implementation of corrective actions and assesses adequacy of internal controls
Key Contracts Awarded

- IT Service Desk, Asset and License Management (6 vendors/$3.6M/3 yrs)
  - Improve IT Help Incident & Request and Asset Management
  - A cloud-based software as a service (SaaS) solution to control and manage the MTA IT’s hardware, software and communication assets.

- Software License Optimization ($235K/3 mos)
  - Initial step in review of software and license usage by all MTA agencies

- Beacon Countdown Clocks (3 vendors/$4.5M/3 yrs)
  - Governor Cuomo’s initiative to provide MTA riders with real-time countdown subway train arrival information.
  - The eventual deployment of clocks using the latest technology will save over $250 million vis-à-vis the cost estimates that were originally based on the previous technology.
Key Contracts Awarded

- Fuel ($225M/3yrs + two 1-yr options)
  - Gasoline, Kerosene, Diesel (except bus fuel), Ethanol and Heating Fuel
  - Unique fuel requirements
  - Covers multiple Agencies and multiple departments
  - Savings differential achieved by leveraging fuel volumes across all Agencies
- Administrative consolidation
  - Contracts (12 prior contracts became 2)
  - Transaction efficiencies
Key Contracts Awarded

- Advertising and Data Management Platform ($2.9M/5 yrs)
  - Expand MTA’s digital media program and improve aesthetics
  - Digital screen network to increase advertising revenue
  - A network for information distribution to customers

- Master Brokerage Services (8.6M/5 yrs)
  - A variety of specialty and other insurance programs, forensic accounting and advisory services
  - New shared commission structure for property reinsurance that can generate revenue of up to $1.5M in commissions
What’s Next?

- Communication & Internet Services
  - Internet, Telephone and Cable
  - 4 utility providers and various agreements

- Microsoft Enterprise Agreement
  - Consolidate licenses across all agencies
  - Change in our business model of deploying MS Suite

- Intranet Redesign
  - Standardize intranet infrastructure and processes
  - Improve user experience

- Telecommuting Software
  - Test workstation & conference room reservation/telecommuting software
What’s Next?

- Maintenance, Repair and Operations (MRO)
  - 14 categories of items
  - About $25 million in annual spending
  - 1st time combining across all agencies

- Uniforms
  - 1st time combining across all agencies

- Installation and Maintenance of Fire Alarms
  - 1st time combining across all agencies
What’s Next?

- **Support Fleet Maintenance Services**
  - Consolidate and provide for support fleet needs through a network of service providers

- **Benefits Optimization**
  - Coordinate and Leverage the MTA’s buying power through consolidated RFPs and all-agency contracts
  - Currently multiple contracts with limited consolidation in various subcategories

- **Electricity procurement**
  - RFP to create opportunity to competitively procure electricity that is currently provided without competition

- **Human Resources Services**
  - Consolidate agencies’ needs for temporary medical staffing, recruitment
  - Currently multiple contracts with different agencies
What’s Next?

- **Environmental Compliance Services**
  - Combine operating agencies’ environmental regulatory, environmental system safety consulting and testing services
  - Currently multiple contracts and scopes with different agencies

- **Printing Services**
  - Combine all agencies’ printing services requirements

- **Management Consulting**
  - Provide vendor pool of varied services for all agencies to utilize with the best possible rates
What’s Next?

- Contracts Management Training
  - 4 sessions in 2018 through May 31
  - 75 trained
  - 5 more classes planned for 2018
  - 1st time open to all agencies

- Expand System-Side Contract Management oversight responsibilities to include the following:
  - Uniforms
  - Safety Footwear
  - Water