



Deval L. Patrick, Governor
Timothy P. Murray, Lt. Governor
Richard A. Davey, Secretary & CEO



MBTA

BOARD MEETING OF OCTOBER 5, 2011

At the call of the Chair, a meeting of the Board of Directors of the Massachusetts Bay Transportation Authority was held at Ten Park Plaza, Offices of the Board, Third Floor, Boston, Massachusetts, on Wednesday, October 5, 2011 at 1:00 p.m.

There were present: Messrs. Jenkins, Alvaro and Whittle and the Misses Loux and Levin, being all members of the Board.

Also in attendance were: the Secretary, Mr. Davey, the Acting General Manager, Mr. Davis, and Messrs. Kelley, and Wallace, Miss Estey, Special Counsel and Miss Fallon, Acting Recording Secretary to the Board.

The Chairman, Mr. Jenkins, presided.

Chairman Jenkins called the 1052nd Open Meeting to order.

Board of Directors

John R. Jenkins, Chair • Ferdinand Alvaro, Jr. • Elizabeth Levin • Janice Loux • Andrew Whittle

The Chairman announced the start of the public comment period and introduced the first speaker, Steven Kaiser, Association of Cambridge Neighborhoods. Commented on the contracts on the agenda and he talked about the funding issues and how we will fund these contracts. We need to come up with ideas and suggestions on how to get us out of this funding crisis. He submitted a sheet with five suggestions on how to do fundraising. His suggestions are a gas tax, proposals for land sales, the fiber optic cables along the railroad lines, energy efficiencies at the MBTA and looking for cost savings. The second part is the history of debt and how it was resolved in the past.

Marylyn McNab commented on items on the agenda that will benefit the disabled community. First one Assembly Square Station and the second is the Vertical Transportation Maintenance contract. She believes that station will be a showcase station. She asked the board to approve this item. The other item is number 7 which she supports because it focuses on the maintenance of the elevators. She expresses her happiness how you are able to call and check to see if your station's elevators are working and they even give you suggestions on where to go to get to your destination. She applauds the MBTA for the great improvement.

The next speaker Dan Manning, one of the lawyers for the ADA Disability case spoke on Item #7. He gave a brief history of before the settlement of the

case and how it was almost impossible to use the system because of the elevators that were out. He gave the example of all the elevators that were needed on some trips. If any one of these elevators was out of service the person couldn't make the trip.

The next speaker is Mayor Joe Curatone from Somerville. He wanted to speak in support of Item #5 for the Assembly Square Station. He said that this project will unlock millions of dollars of tax revenue, jobs and unlock economic development. This is the critical piece for these improvements. He would like to urge the Board to approve.

The next speaker is Chris Hart, technical advisor BCIL Agreement, he wanted to acknowledge the folks for their efforts on the elevators improvements. We should move to the next round of additional elevator rehabilitations. We would like to get to the point of 100% uptime.

Chairman Jenkins closes public comment period and moves onto the agenda.

Chairman Jenkins moves to the next item on the agenda, the approval of the minutes from the September 2, 2011 Board Meeting. A motion was made and the minutes were approved.

The next item on the agenda is the approval of the Recording Secretary

position. Director Levin gave a brief summary of the results of the interview process for the Recording Secretary position. The recommendation by the Labor and Compensation Committee Subcommittee was for Paula Fallon to be voted Recording Secretary.

On motion, duly made and seconded, it was

VOTED: That the Acting General Manager and Rail & Transit Administrator, be and hereby is, authorized to execute in the name and on behalf of the Authority, and in a form approved by the General Counsel, the appointment of Paula Fallon as Recording Secretary of the MassDOT and MBTA Board of Directors.

The next item is the Acting General Manager's report given by Jonathan Davis. In safety he is pleased to announce Ron Nickle started as the MBTA's Chief Safety Officer on Monday, September 12. In his short time at the T, Ron has reorganized the Safety Department into "Leadership Teams" that will observe, listen to, track, analyze, resolve, and work with MBTA personnel in a proactive collaborative manner on safety initiatives. He has implemented a Leadership Team structure to better integrate safety within the organization and improve system safety processes. Ron has also established "Leadership Groups" consisting of members from various departments. These groups will facilitate roundtables and exchanges about safety initiatives and directives. They will begin discussions about bus operator and right-of-way safety and

beginning development of an OSHA compliance system safety program. Over the next few months, Ron will be moving forward with an improved Safety Performance Measurement System, which will allow us to more effectively conduct trend analyses, perform root cause assessments, develop lesson-learned case studies, and carry out regular audits and observations. He is also planning to utilize “Industry Safe”, which is safety management software that LA Metro, Greater Cleveland Regional Transit Authority, and others are using to measure the success of their safety programs. I am excited about the things I see Ron doing to improve safety here at the MBTA. Ron Nickle said he is thrilled to be here and is excited about working here.

Next the General Manager spoke on customer service. The MBTA held a public meeting on Monday relative to The RIDE program and the use of in-person assessments to determine eligibility. Approximately 200 customers, service providers, and other interested parties attended. A general overview of in-person assessments was given by MBTA staff and eligibility experts which was followed by moderated small group discussions to answer questions and receive comments from the attendees. Initial feedback was quite positive and we will consider the comments as we continue to develop the in person assessment program.

In Fiscal Responsibility the General Manager is pleased to report that ridership continues to increase and as a result fare revenue is up

3.6% or \$2.7M over August year to date last year. The start of the Fiscal 2013 Budget process was discussed at the Finance Committee meeting on September 27th. Facing a \$161 million deficit everything is on the table for discussion. The authority is working with the Central Transportation Planning Staff to examine the current fare structure and service levels. Working with the Rider Oversight Committee, recommendations regarding a change in fares, fare structure and service levels will be evaluated. CTPS will develop a report that identifies revenue and ridership impacts as well as air quality and environmental justice impacts on any proposed changes to fares and service. This report will be made available to the public prior to holding any public workshops which are anticipated to be held in late December and January. The Authority is committed to a thorough and open public dialogue. The fiscal 2013 budget development and resolution will be a continuing topic of discussion at each of the upcoming Finance Committee meetings through completion and recommendation to the Board in the Spring of 2012.

In innovation he is pleased to announce the MBTA received the APTA “Innovation Award for demonstrating innovative concepts in the provision of transportation services” for our open data initiative. As a result of this initiative, more than 40 apps have been created to answer the age-old question, “Where’s

the bus? Thanks to this exciting initiative, the MBTA is leading the industry in providing information to our customers. The MBTA continues to move forward to provide customers with improved information. In the coming weeks, we will begin allowing customers to choose the trip planner that they would like to use on MBTA.com. In addition to the MBTA-built trip planner, we will start offering Google as an option. As the board knows, we are a leader in working with third parties to provide information to our customers. This update will bring many of Google's innovations directly to customers using MBTA.com. We are still on schedule to release an updated mobile website later in the month. Over recent months, we have seen phenomenal growth in the use of our mobile site and we are excited about the new offering.

On Employees the Operations and the MBTA Customer Employee Response Team hosted the first Light Rail Employee Award Ceremony on September 29th. A total of 28 awards were given out to employees who "Take Pride in their Stations" and one employee received the "Break Through Leader" award. Operations and Engineering Maintenance Departments continue their commitment to hold roundtables for their employees. On September 20 operations hosted a "mixed craft" roundtable with hub monitors, customer service ambassadors and inspectors at 45 High Street; On September 22, operations hosted roundtables for the Blue and Green Line employees at the Orient Heights and Riverside facilities respectively. Engineering & Maintenance held a day shift roundtable this morning in Charlestown. I have continued the former GM's

tradition of hosting a lunch with employees. I held my first lunch on September 21 with 15 employees from various departments including bus operations, the Green Line, customer service and engineering and maintenance. The primary topic of discussion was automated fare collection policies and procedures. I was also pleased that Director Levin was able to attend and participate in the discussion. On September 29th the Security Department held an employee recognition ceremony where 40 individuals from 12 departments were presented with plaques thanking them for their outstanding contributions in the design and installation of security projects throughout the Authority.

The General Manager wanted to give special recognition to two employees who do extraordinary work every day but on September 17 their actions contributed to preventing a fatality or serious injury to a customer. That day at Park Street Station, Red Line Inspector Roberto Russell was doing his job monitoring service and customers on the platform. Inspector Russell observed a male customer fall into the pit as a train approached the station. Inspector Russell immediately notified the operations control center. He also signaled to the oncoming train to stop immediately. By his quick actions, the train was stopped. Inspector Russell then assisted in getting the injured customer out of the pit area to safety. By his actions and attention to duty, Inspector Russell prevented the possibility of a life threatening injury or worse to the customer. Roberto Russell has worked for the authority for 7 years and began his career as

a part time Train Attendant. He has held a variety of positions and more recently is training to become a Red Line Supervisor. At the same time, Operation Control Center Dispatcher Gary John was dispatching the Red line when he noticed the crowd starting to grow on the Red Line platform. He immediately put an over the air message to warn trains to use caution when entering Park Street Station. Gary's keen eye noticed a passenger fall in the southbound pit as the train entered the station. He instinctively transmitted over the radio instructions to the incoming train to stop. Gary also played a critical role in both shutting power off immediately to ensure the safety of the passenger and his coworkers who jumped in the pit to rescue the customer. Gary John has worked for the authority for 22 years. He has worked in numerous positions before becoming a Rapid Transit Line Dispatcher. He has been an exemplary employee throughout his career. Roberto and Gary's quick actions not only contributed to saving a passengers life but illustrates the critical part each employee plays in ensuring the MBTA is a safe transit system. Their dedication and enthusiasm is greatly appreciated and is a prime example of our employees being our greatest resource.

The next item on the agenda is item number 4 the approval for a contract with Barletta Heavy Division. Ed Hunter, Acting General Manager of Design and Construction presented this item. This item requests the Board of Directors to award and authorize the Acting General Manager and Rail & Transit

Administrator to execute MBTA Contract No. S09CN10 entitled “Blue Line Modernization Project – Orient Heights Station, East Boston, MA” with Barletta Heavy Division, Inc. for a sum not to exceed \$27,064,561.00.00 which consists of a base award of \$26,314,561.00 and two (2) add alternates totaling \$ 750,000, with a duration of twenty eight (28) months from the date of Notice to Proceed. Add alternate 1 is for a solar panel system for \$ 600,000 and add alternate 2 is for a green roof on the train operators building, for \$150,000.

This contract is for the reconstruction of Orient Heights Station and has a total project budget of \$50,874,555.00. This contract will allow for the reconstruction of Orient Heights Station, and will make the station fully accessible to all passengers, as well as make large scale improvements to modernize the station. This work is necessary to comply with ADA regulations to provide accessibility to all MBTA patrons as well as to comply with current state codes and MBTA standards.

Orient Heights Station was constructed in 1952. It is not an accessible station, and has deteriorated significantly over the last many years.

The work in this contract includes: installation of a new overhead pedestrian bridge, installation of 4 elevators and 2 escalators to make the station fully accessible, new stairs, accessible platforms, new mechanical and power systems, a renovated Train Operations Building, and site improvements including new landscaping, sidewalks, and a passenger pick-up and drop off area which removes double parked cars and busses on Bennington Street.

The Orient Heights Station Project has been designed to be consistent with the MassDOT GreenDOT policy. The project will include energy efficient heating equipment, high efficiency windows, machine-room less elevators, lighting control system, low-flow fixtures, LEED-certified benches and finishes, solid surface counter tops and tile in the Train Operations Building, sustainably harvested hardwoods, and no-VOC paint. In addition to these design elements, the MBTA will be installing a 100kW solar panel system on the canopy roofs. This system could generate enough energy to supply 20% of the station peak power needs. Lastly, drainage improvements will be made at the site and a green roof will be installed on the Train Operations Building to pre-treat stormwater runoff before entering the on-site drainage system. In addition, modifications will be made to the Orient Heights platform to remove an operational restriction to better accommodate the use of 6 car trains. The MBTA has recently rehabilitated or reconstructed all of the stations on the Blue Line under the Blue Line Modernization Program. Orient Heights is the last of the stations to be modernized under this program.

The construction duration is 28 months with a 6.5 month station shutdown. The planned construction completion is winter/spring of 2014. During the 6.5 month station shutdown timeframe, trains will travel through the station with the exception of 13 planned weekend line shutdowns that will occur in that period. There are an additional 3 weekend line shutdowns that will occur outside the timeframe of the 6.5 months station shutdown for a total of 16 weekend

shutdowns. The major benefit of the station shutdown plan is to make the station ADA accessible 14-16 months after the start of construction. During the station shutdown period the MBTA will implement a bussing plan that has been coordinated with Operations and City representatives from Boston and Winthrop. Local bus service is maintained and the Station Parking lot remains open. During the station shutdown period, weekday shuttle busses will run from Orient Heights Station to Wood Island Station. Weekday Winthrop busses, through a private carrier (Paul Revere), will bus from Winthrop directly to Wood Island Station. During the weekend line shutdowns, MBTA shuttle busses will continue to run from Orient Heights Station to Wood Island Station, while Winthrop busses will run directly to Airport Station. On June 22, 2011, the Authority advertised this contract for bids. Forty – three (43) firms received plans and specifications. On August 16, 2011, the Authority opened bids for the contract and five (5) bids were received. Barletta Heavy Division, Inc. was the lowest responsible and eligible bidder with a contract bid of a sum not to exceed \$26,314,561.00. A pre-award meeting was held at the Project Office, with the low bidder, on August 28, 2011 to review the scope of the contract work and costs submitted by the contractor, to ensure that they have a clear understanding of the contract work, and that the contractor has adequate manpower to start and complete the work within the required contract duration. AECOM USA, Inc. the design consultant for this contract, has reviewed the bids received and recommends that the Authority accept the bid submitted by Barletta Heavy Division, Inc., which at

\$26,314,561.00 is 6% lower than the design engineer's combined estimate of \$27,852,649.00. Funds for this effort are temporarily available from within MBTA Revenue Bond Funds, Grant No. L33223. The Project anticipates FTA funds for 80% of the cost of this effort with a 20% MBTA Revenue Bond Fund match. The Disadvantaged Business Enterprise (DBE) participation goal on this contract is 17%. Included in this contract is \$4,475,000.00 (17%) DBE participation as follows: Saugus Construction Corp. \$2,250,000.00 (structural steel) and Eastwind Corp. \$2,225,000.00 (concrete and site work).

It is recommended that the Board of Directors award and authorize the Acting General Manager and Rail & Transit Administrator to execute this contract with Barletta Heavy Division, Inc. for a sum not to exceed \$26,314,561.00.

Director Alvaro asked if we have looked at tax credits on sustainability initiatives. It might be an area where we could recognize some meaningful deductions in construction expenditures by selling those tax credits to developers. Jonathan Davis stated that we have not but it certainly is something we could look at in the future. Director Whittle said he was glad to see the solar panels. Secretary comments that it is an opportune time to include GreenDOT into our facilities. One thing Director Whittle suggests is to add more of the information of the arrangements into the summaries. Chairman Jenkins asked how many jobs would this job create over the period of the construction. Mr. Hunter answered that about 294 jobs on a yearly basis. The Chairman also asked about the project anticipating FTA funds. Jonathan Davis stated we are in

the process of filing the grant but it has already been appropriated. He stated that the money is available. Director Levin hopes that there is a process in place for when the station is closed so we can get information from customers for future use when we close stations. Ed Hunter said we have done it before at Science Park and it went well. Chairman Jenkins noted that he will always ask how many jobs will be created in the future.

On motion, duly made and seconded, it was

VOTED: That the Acting General Manager and Rail & Transit Administrator, be and hereby is, authorized to execute in the name and on behalf of the Authority, subject to the approval of the Massachusetts Department of Transportation (MassDOT) and in a form approved by the General Counsel, a contract with Barletta Heavy Division, Inc. for MBTA Contract No. S09CN10, entitled “Blue Line Modernization Project-Orient Heights Station, East Boston, MA,” for a sum not to exceed \$27,064,561.00 including Alternates Nos. 1 and 2, based upon a schedule of lump sum and allowance bid prices, said contractor being the lowest responsible and eligible bidder in response to requests for sealed proposals.

The next item on the agenda was the approval for a contract with S&R Construction Co., Inc., on “Construction Services for the Assembly Square Station, Orange Line” presented by Ed Hunter. This item requests the Board of Directors to award and authorize the Acting General Manager and Rail & Transit Administrator to execute MBTA Contract No. S32CN01, entitled “Construction Services for the Assembly Square Station, Orange Line,” with S&R Construction Co., Inc., dba S&R Construction Enterprises for a sum not to exceed \$29,229,184.00, with a completion date of 33

months from the date of the Notice to Proceed. This project is for the construction of the "Assembly Square Station, Boston, MA" that has a total project budget of \$56,500,000.00. This action will authorize S&R Construction Co., Inc., dba S&R Construction Enterprises to provide Construction Services to construct a new station called Assembly Square Station on the Orange Line between the existing Wellington and Sullivan Square Stations. The project consists of a single center island platform, relocation of existing Orange Line tracks to accommodate the platform, track signals and communication system upgrades, 4 ADA accessible elevators, 2 escalators and stairs, and a pedestrian bridge to access the station across Foley Street. The project has been designed to be consistent with the MassDOT GreenDOT policy. The station has been designed to include energy efficient heating equipment, high efficiency glazing, machine-room less elevators, lighting control system, low-flow fixtures, no-Volatile Organic Compound (VOC) paint and Forestry Stewardship Council (FSC) certified wood. The orientation and layout of the station has a small footprint and maximizes day-lighting with the use of glazing. The station has also been designed to minimize the amount of pavement and impervious surfaces so as to minimize storm water discharge issues. Lastly, the MBTA will be installing a green roof on the platform canopy to pre-treat storm water runoff before entering the on-site drainage system. The Assembly Square Station project is planned and

designed as an economic development catalyst for transforming the one-time industrial and rail yard district named for the Ford Motor Company assembly plant that operated at the site until 1979. Although located just 2.5 miles north of downtown Boston in a high-volume commuter corridor surrounded by densely populated communities, Assembly Square for decades has been physically isolated and marked by blight conditions. With improved access to transit via a new Orange Line station and a developer contribution of \$15 million toward the station project as a condition of approval, the City of Somerville has approved plans by Federal Realty Investment Trust (FRIT) for a mixed-use, transit-oriented development known as “Assembly Row” that will be developed on a 66.5-acre portion of the district. This multi-phase development—the largest current Transportation Oriented Development (TOD) initiative in Greater Boston—consists of approximately 2,100 residential units, 1.79 million square feet of office space, 0.78 million square feet of retail space, a multiplex cinema, and a 160-room hotel. Infrastructure work including roadway construction began this past year and first phase residential development is expected to get underway in 2012. The purpose of this infill station project is to create convenient, high-capacity rail transit access to Assembly Row and East Somerville neighborhoods. By expanding travel mode choices, the station will support Smart Growth in two ways: it will enable the Assembly Row development to be built and it will mitigate

congestion in the I-93/Routes 28-38 corridor by a transit alternative for trips that would otherwise be made by car. According to transportation modeling studies completed by Central Transportation Planning Staff for the MBTA, by 2030 Assembly Square Station will attract 4,800-5,400 daily boardings; between 1,400 and 2,000 trips will be diverted from cars to transit, resulting in a reduction of 9,100 to 14,000 vehicle-miles traveled (VMT) on an average weekday. The construction duration is 33 months. The planned construction completion is Fall (September) 2014. A total of \$56.5 million has been identified for the project from public and private sources. On May 2, 2011 the Authority advertised this contract for bids. On August 24, 2011, the Authority opened bids for the contract and nine (9) Bids were received. S&R Construction Company, Inc., dba S&R Construction Enterprises was the lowest responsible and eligible bidder with a contract bid of a sum not to exceed \$29,229,184.00. The Disadvantaged Business Enterprise (DBE) participation goal to be maintained throughout the life of this contract, including all amendments is 18%. The DBE participation is \$6,180,303.65 (21.14%). A pre-award meeting was held at the Project Office, with the low bidder, on August 31, 2011 to review the scope of the contract work and costs submitted by the contractor, to ensure that they have a clear understanding of the contract work, and that the contractor has adequate manpower to start and complete the work within the required contract duration. AECOM USA,

Inc., the design consultant for this contract, has reviewed the bids and recommends that the Authority accept the bid submitted by S&R Construction Company, Inc., dba S&R Construction Enterprises, which at \$29,229,184.00 is 13% lower than the design engineer's estimate of \$33,463,133.00. No MBTA funds will be used on this Project. It is recommended that the Board of Directors award and authorize the Acting General Manager and Rail and Transit Administrator to execute this contract with S & R Construction Company, dba S & R Construction Enterprises for a sum not to exceed \$ 29,229,184.00. On May 2, 2011 the Authority advertised this contract for bids. On August 24, 2011, the Authority opened bids for the contract and nine (9) Bids were received. S&R Construction Company, Inc., dba S&R Construction Enterprises was the lowest responsible and eligible bidder with a contract bid of a sum not to exceed \$29,229,184.00. The Disadvantaged Business Enterprise (DBE) participation goal to be maintained throughout the life of this contract, including all amendments is 18%. The DBE participation is \$6,180,303.65 (21.14%). A pre-award meeting was held at the Project Office, with the low bidder, on August 31, 2011 to review the scope of the contract work and costs submitted by the contractor, to ensure that they have a clear understanding of the contract work, and that the contractor has adequate manpower to start and complete the work within the required contract duration.

AECOM USA, Inc., the design consultant for this contract, has reviewed the bids and recommends that the Authority accept the bid submitted by S&R Construction Company, Inc., dba S&R Construction Enterprises, which at \$29,229,184.00 is 13% lower than the design engineer's estimate of \$33,463,133.00. No MBTA funds will be used on this Project. It is recommended that the Board of Directors award and authorize the Acting General Manager and Rail and Transit Administrator to execute this contract with S & R Construction Company, dba S & R Construction Enterprises for a sum not to exceed \$ 29,229,184.00.

Director Alvaro asked who pays if the project is over budget. Director Levin noted that Assembly Square area borders areas that are not walkable. She would like to make sure the developer keeps sidewalks in the abutters open and available.

On motion, duly made and seconded, it was

VOTED: That the Acting General Manager and Rail & Transit Administrator, be and hereby is, authorized to ratify in the name and on behalf of the Authority, subject to the approval of the Massachusetts Department of Transportation, and in a form approved by the General Counsel, a contract with S&R Construction Company, Inc., dba S&R Construction Enterprises, entitled "Construction Services for the Assembly Square Station, Orange Line," for a sum not to exceed \$29,229,184.00 based upon a schedule unit, lump sum and allowance bid prices, said contractor being the lowest responsible and eligible in response to requests for sealed proposals.

The next item number 6 on the agenda is presented by Robert

Johnson, Director of Materials. Mr. Johnson requests approval of a contract for bus cleaning. The contract funding request covers the one year base, plus the one year option. This full service, recurring cleaning contract will commence November 1, 2011.

An Invitation for Bids was sent to 52 bidders and advertised. The Invitation divided the bus service area consisting of nine garages, into a north and south group, and allowed bidders to quote on one or both groups. S.J. Services Inc. submitted the lowest bid for both areas. This contract will provide complete interior cleaning of our 1,000 buses. The scope of work includes all materials, supplies and equipment necessary for daily routine maintenance tasks such as sweeping floors, damp wiping bus interiors, removing graffiti and trash. Once per month, a complete vehicle interior wash is performed. Surfaces washed include ceilings, floors, walls, windows and window sills, lighting fixtures, seats, step wells, baseboards and the operators' area. A manager is assigned to each group, and a foreperson to each garage. A number of enhancements to the specification have been made. We have added end of line, in the field, cleaning at several key areas; Mattapan, Haymarket, Forest Hills, and Dudley. In addition, the new contract requires steam cleaners at all locations. The DBE participation goal for this procurement is 15%. S.J. Services will meet this goal by purchasing supplies from Heritage Supply and using Done Right Building Services for labor. Both companies are

SDO certified DBE's. I recommend that an award be made to S. J. Services Inc. in the amount of \$5,182,216. Chairman Jenkins asked why don't they put the dollars into the DBE amounts. Mr. Johnson stated that he will do that coming forward. They are committed to the goal even though the amounts are not there.

On motion, duly made and seconded, it was

VOTED: That the Acting General Manager and Rail & Transit Administrator, be and hereby is, authorized to execute in the name and on behalf of the Authority, subject to the approval of the Massachusetts Department of Transportation, and in a form approved by the General Counsel, a contract with S.J. Services Inc., of Danvers, Massachusetts, for cleaning buses assigned to nine MBTA garages over an estimated one-year period, with an option for a one-year extension, at a total cost not to exceed \$5,182,216.00; said company being the lowest responsive and responsible bidder in response to an Invitation for Bids.

The next item on the agenda is the request for the Authority to enter into a contract with KONE. John Martin, Supervisor for Engineering and Maintenance presented the item to the Board. This contract is a three year contract to provide Vertical Transportation Maintenance over a three-year period, with two one-year options, at a total price not to exceed \$37,157,577.00. The contract will provide routine preventive and emergency corrective maintenance to the 178 elevators and 176 escalators that service the MBTA system. The contractor will provide a workforce of twelve dedicated teams during the week, and three teams on

weekends. Preventative maintenance is performed on a monthly, quarterly and annual basis. Funds for this procurement have been provided in the MBTA's FY2012 Operating Budget and will be requested for future budgets. In house work is not feasible under current union agreements. I recommend the Board of Directors approve to execute a contract with KONE, Inc., to provide Vertical Transportation Maintenance over a three-year period, with two one year options, at a total price not to exceed \$37,157,577.00; said company being the lowest responsive and responsible bidder in response to an Invitation for Bids.

Jonathan Davis noted that the program has been a success and now we get a report on a daily basis of how the elevators and escalators are working. The Secretary also noted that it is important to spend this money. The previous contract was smaller but there was significant change orders. The Secretary is much happier today with the company than he was twelve months ago. The Chairman asked what the price increase was from the last contract. John Martin replied that it was 10 million but really only 3 million when you add in the price overages from the last contract. Jonathan noted that we have added stations and other areas to the contract. The Secretary stated that the contract we had before was very narrow. The team looked at that scope and came back with an honest scope. The contract awarded before was at \$ 27million but the Authority paid \$34 million. The Chairman stated then that we shouldn't

see these overages in this contract. John Martin replied that it was correct although they did create a small contingency just in case. Director Loux commented that the last time we bid this out we couldn't get 7 bidders so why now do we have so many bidders. John Martin responded that we opened up the procurement to the smaller companies for one reason or another they didn't want to take it on. Director Loux asked who is called if it is not an entrapment. Director Loux gave the example of if there is a holiday and an elevator is down who is called. John responded that they will call KONE and they will send someone out at the earliest possible time. John answered it is a full time service technician. Director Whittle asked why are the estimates are so high. The estimates are based on the current wage tables with an escalation that was built into the wage tables along with the overage. Jonathan Davis added that there were more than one bidders interested as well as the amount of investments we have made in the equipment over the last several years. With the maintenance and scheduled replacement it is slightly lower. Director Whittle stated that the in house estimate was lower and Jonathan responded that we didn't have faith in the people who gave the original in house estimate. Director Alvaro stated then what the relevance of the estimate is if we don't have faith in them. Director Alvaro would like to know how much it would cost to do this in house. John Martin stated that they did research with New York and DC took those numbers and split the numbers to come up with the

estimate. Jonathan Davis wanted to clear up that the \$54 million is an estimate to come under the same structure as today. John Martin stated that Local 4 was not interested in working in this capacity. Director Alvaro stated we are not to see change orders. Director Loux stated that the last contract had narrow focus. She is concerned that there is a history of this company not doing well. The Director would like a better summary along with a comparative analysis on how they have approved from last time. Director Alvaro asked that they come back with an in house estimate that they have confidence in.

On motion, duly made and seconded, it was

TABLED

The next item on the agenda is the authorization to enter into a lease with Samuel & Associates Hingham II LLC. for an approximate 3.85 acre portion of the 17.61 acre parcel of land located at MBTA's Hingham Shipyard Commuter Parking Lot. This item was tabled from last month.

On motion to take it off the table, duly made and seconded.

Mark Boyle, Assistant General Manager of Real Estate and Development presented this item. He has come back with the value of the property if it were sold. The current value of the land if sold out right would be \$3.5 million. This was done through an independent appraiser. A lease

would yield of \$9.9 million over 30 year lease. Also the lessee will be responsible for maintaining the remainder of the parking lot saving the MBTA money. Director Alvaro noted that all his questions were answered at the subcommittee meeting and would support this item.

On motion, duly made and seconded, it was

VOTED: That the Acting General Manager and Rail & Transit Administrator, be and hereby is, authorized to execute in the name and on behalf of the Authority, and in a form approved by the General Counsel, a thirty (30) year lease with two (2) ten (10) year option terms with Samuels & Associates Hingham II LLC, for the lease of approximately 3.85 acres of land located at Hingham Shipyard Commuter Parking Lot in Hingham, Massachusetts, for first year annual base rent of \$62,500.00 per acre of Demised Premises as determined by a survey or about \$240,625.00, to be increased by 12.5% on each subsequent fifth year anniversary of the last rent increase, over the term of the lease. Said lease and any other necessary instruments and documents shall contain such other terms and conditions as determined to be necessary and/or advisable by the General Counsel.

On motion, duly made and seconded, it was unanimously

VOTED: To adjourn the 1052 Open Meeting.

DOCUMENTS RELIED ON AT THE MEETING

Minutes of September 7, 2011

Letter from speaker Steven Kaiser

General Manager's Report

Paula Fallon's Resume

Letter from Labor and Compensation Board

Staff Summaries:

Items 4 through 8