



Metropolitan Transportation Authority

State of New York

February 22, 2019

Re: MTA Enterprise-Wide Cost Reduction Initiative

Dear Vendor,

The MTA is facing steep fiscal challenges – with two credit rating downgrades in 2018 and negative outlooks – and a bleak future financial forecast, with projected operating deficits of nearly \$1 billion in 2022. Accordingly, our Acting Chairman, Fernando Ferrer, has taken immediate action and launched a series of enterprise-wide cost reduction initiatives to control agency costs.

In connection with the cost reduction program, the MTA is requiring all vendors providing professional, technical and advisory services to implement a 10% reduction in the current per-hour unit rate.

We request email confirmation from you by close of business on Friday, March 8, 2019 that you will implement this 10% reduction in the unit rates charged for billed services, per your current agreement(s). If you have multiple professional service contracts with the MTA, the reduction described in this letter applies to all of your current contract rates. Please send this confirmation via email to the attention of MTA Procurement at mtaccr@mtahq.org, with copy to the senior MTA project lead(s) and contract manager(s).

The MTA reserves the right to terminate agreements pursuant to their terms with any vendor that does not commit to comply by March 8, 2019 and implement the cost reduction described in this letter effective March 31, 2019.

If a response is not received by March 8, 2019, the MTA will assume a commitment to comply with this new policy and apply the 10% reduction to invoices received after the implementation date of March 31, 2019.

We look forward to your prompt confirmation.

A handwritten signature in blue ink that reads "Pat Foye".

Patrick J. Foye
MTA President

The agencies of the MTA

MTA New York City Transit
MTA Long Island Rail Road

MTA Metro-North Railroad
MTA Bridges and Tunnels

MTA Capital Construction
MTA Bus Company