



Testimony of Rachael Fauss, Reinvent Albany

Before MTA Finance Committee

March 25, 2019

Recommendations

**Comply with Competitive Bidding Requirements – Including for hiring
Reorganization Consultant.**

Move MTA Fiscal Year to Better Align with NYS Budget.

Good afternoon. I am Rachael Fauss, Senior Research Analyst for Reinvent Albany. We advocate for more transparent and accountable state government, including for state authorities like the MTA.

I am here today to:

1. Note our concerns regarding the proposed use of a non-competitive contract for a MTA reorganization plan to be developed by June 2019 totaling \$2.3 million for AlixPartners on page 32 of your materials.¹ The justification provided relies on a proposed requirement in the Governor's Executive Budget which has not yet been enacted, as budget negotiations are continuing this week, and which the Senate and Assembly have stricken from both of their one-house bills. Why wasn't this contract competitively bid?
2. Reiterate our support to move the MTA's fiscal year to better align with the state budget calendar. We look forward to hearing the staff's report on this issue, and hope that the MTA will advance this proposal to a vote in the coming months.

¹ http://web.mta.info/mta/news/books/pdf/190325_1245_Finance.pdf

Regarding the contract to retain a consultant for a MTA reorganization plan, we are concerned that a non-competitive process is being used and justified by a proposal that as it stands now seems unlikely to be retained, given action by the Senate and Assembly in their one-house budget bills. We do not know if this rationale has been used to justify non-competitive bidding in the past, but this practice should not continue. The Governor including an item in his proposed budget is not an excuse for the MTA to ignore competitive bidding requirements. The MTA's logic here is bizarre. If the Governor's budget proposes a subway tunnel to Chicago, does the MTA staff get to sole source it? Why?

Regarding the proposal to move the fiscal year, while we would have preferred to review the proposal before this meeting to provide more informed commentary, we ask that you consider the following issues in evaluating this proposal:

1. The change could be made further in the future, when potential costs related to this one-time shift can be mitigated, such as when there is no planned fare and toll increase. There is plenty of time to consider how to make best to make this change, which we support.
2. We hope that the staff report notes what cost savings could be produced by this change. For example, the MTA staff will not need to re-forecast the budget or issue revenue anticipation notes, which would offset one-time costs.

Thank you for your consideration.