



**Testimony of Liz Marcello, Reinvent Albany
To Bridges and Tunnels Committee of the MTA
Regarding Gateway Towers, Budgeting and Procurement**

September 25, 2017

Good afternoon, I am Liz Marcello, Campaign Director of Reinvent Albany. We advocate for more transparent and accountable state government --- including for state authorities like the MTA.

First, I want to thank you for your service. Reinvent Albany appreciates that you, the MTA board, are volunteers and are given large amounts of complex policy and budget information to review on your own.

That said, this board has a fiduciary duty to the MTA and people of New York to fully examine and understand the matters before it, and to be fully informed before approving contracts and spending. Being fully informed means that the MTA board should know the total cost of projects and establish project budgets.

Does it? To date, this committee has approved \$47 million of spending for tasks related to building and installing decorative Gateway

Towers at entrances to bridges and tunnels. However, Gateway Towers do not exist as a single Project and do not have a single or individual budgets. Further, in June board materials, Gateway Towers Tasks were budgeted at \$20 million and in September \$47 million.

How much will these Towers ultimately cost the people of New York? \$75 million, \$100 million? Does this Committee know?

Earlier this month, Reinvent Albany filed a complaint with the Authorities Budget Office asking ABO to determine whether the board of the MTA have fulfilled their fiduciary duty in matters related to the NY Crossings initiative.

We asked whether the board fully examined and understood what it was funding before approving contract amendments for Gateway Towers, and questioned how the board can approve large expenditures without having a total, final budget target.

Additionally, we asked ABO to investigate whether the MTA board and staff approved contracts related to NY Crossings in a manner that is consistent with the MTA's procurement rules. Specifically, did the board and staff follow Article III part B5 of the rules, which requires a resolution by the Board when a Rider is made to an existing General Contract, and a

determination by the Board that includes the reasons why it is in the public interest to amend an existing contract instead of securing a service or product through a competitive process.

Lastly, we asked ABO to look at MTA's dubious practice of describing generations of contract amendments as "competitively" awarded. Our complaint uses the tens of millions in Gateway Towers expenses as examples of Tasks that have nothing to do with the original contract requirements.

We filed this complaint because we believe there is something fundamentally wrong with how this board approves contracts and expenditures. You vote to approve contracts without setting a budget for NY Crossings or its component costs, including the decorative Gateway Towers, which have already cost \$47 million, yet have no cap.

Thank you.