

**PORT AUTHORITY TRANS-HUDSON CORPORATION**

**MINUTES**

**Thursday, June 28, 2018**

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**MINUTES of the Meeting of Port Authority Trans-Hudson Corporation held Thursday,  
June 28, 2018 at 150 Greenwich Street, City, County and State of New York**

**PRESENT:**

**NEW JERSEY**

Hon. Kevin J. O'Toole, Chairman  
Hon. Richard H. Bagger  
Hon. Kevin P. McCabe  
Hon. Raymond M. Pocino

Richard Cotton, President  
Michael E. Farbiarz, Counsel

Arnaz Ali  
James K. Allen Jr.  
Krystal Armenti  
Nicholas Armenti  
Adam L. Barsky  
Luke S. Bassis  
Justin E. Bernbach  
John Bilich  
Vincent J. Borst Jr.  
Benjamin M. Branham  
Molly C. Campbell  
Edward T. Cetnar  
Steven J. Coleman  
Nicole Crifo  
Jennifer Davis  
Clarelle D. DeGraffe  
John C. Denise  
Michael P. Dombrowski  
Karen E. Eastman  
Diannae C. Ehler  
Amy H. Fisher  
Kevin Frick  
Ann M. Georgas  
Mercedes Guzman  
Richard Hallquist  
Linda C. Handel  
Mary Lee Hannell  
Howard G. Kadin  
Christopher Kerrigan  
Cristina M. Lado  
Huntley A. Lawrence

**NEW YORK**

Hon. Jeffrey H. Lynford, Vice Chairman  
Hon. Leecia R. Eve  
Hon. Daniel J. Horwitz  
Hon. George T. McDonald

Andrea C. Leconte  
 Carmela Loffio  
 John A. Malles  
 Stephen Marinko  
 Ronald Marsico  
 Michael G. Massiah  
 Daniel G. McCarron  
 Elizabeth M. McCarthy  
 James E. McCoy  
 Camille T. Moglia  
 Christopher J. Mohr  
 Nicholas Natole  
 Ricardo Pachon  
 Steven P. Plate  
 Suchetha Premchan  
 Anthony Puleo  
 Alan L. Reiss  
 Jessica Russ  
 Aaron F. Sherbourne  
 Beth E. Siegel  
 Peter D. Simon  
 Mark Spector  
 James A. Starace  
 Debra M. Torres  
 Derek H. Utter  
 Christine M. Weydig  
 Brenda V. Wright Rice  
 Cheryl A. Yetka

Guests:

Edmund Caulfield, Associate Counsel, Authorities Unit, Office of the Governor of New Jersey  
 Michael Wojnar, Assistant Secretary for Transportation, Office of the Governor of New York

Speaker:

Joseph Dominiczak, Railway Independent  
 Transit Union

Topic:

Status of Collective Bargaining

The public meeting was called to order by Chairman O'Toole at 12:23 p.m. and ended at 1:55 p.m. Director McCabe was present for a portion of the public meeting. The Board also met in executive session prior to the public session. Director LaBarbera was present most of the executive session.

#### **Report on Prior Meeting's Minutes**

Copies of the Minutes of the meeting of December 7, 2017 were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on December 8, 2017. The time for action by the Governors of New York and New Jersey had expired at midnight on December 22, 2017.

## **PATH – RAIL VEHICLE PROCUREMENT – EXERCISE OF OPTION TO PURCHASE ADDITIONAL RAILCARS**

It was recommended that the Board authorize: (a) the expenditure of \$66 million, inclusive of associated consultant costs and agency allocations, for the purchase of 22 additional railcars under the existing negotiated agreement (the Contract) with Kawasaki Rail Car, Inc. (Kawasaki); and (b) the President of Port Authority Trans-Hudson Corporation (PATH) to: (1) exercise a negotiated option, in accordance with the terms and conditions of the Contract, to purchase an additional 22 railcars, at an estimated cost of \$2.38 million per car, exclusive of an allowance for extra work (if necessary); and (2) extend the duration of, and increase, by an estimated \$1.1 million, the amount of an existing agreement with LTK Engineering Services/Parsons Transportation Group, Inc., a joint venture (LTK/PTG), for program management services in support of the railcar procurement program.

At its September 10, 2003 meeting, the Board authorized a project, at an estimated cost of \$809 million, for: (1) the purchase of 246 new railcars to replace the PA-1, PA-2 and PA-3 PATH railcar fleet and the disposition of the replaced railcars; (2) the rehabilitation or replacement of the current class of 94 PA-4 railcars; (3) the renovation of the Harrison Car Maintenance Facility and maintenance equipment to support the new and/or rehabilitated railcars; and (4) Phase I of the Signal System Replacement Program, which includes preliminary engineering, design, testing, evaluation, and demonstration of modern signal system technologies.

On March 31, 2005, the Board authorized the award of a contract to Kawasaki for the design, manufacture, testing, and delivery of 340 new PA-5 railcars, at an estimated contract amount of \$499 million, exclusive of any extra or net cost work.

On August 5, 2010, the Board authorized the President of PATH to exercise a negotiated option, in accordance with the terms and conditions of the PATH rail vehicle procurement contract with Kawasaki, to purchase ten railcars, at an estimated cost of \$15 million.

In 2016, PATH ridership reached a record of 78.6 million passengers, and the PATH system currently carries more than 297,000 passengers on an average weekday, with continued growth expected over the next decade. Procurement of additional railcars would enable PATH to more fully benefit from the implementation of communications-based positive train control (PTC) technology that is part of the Signal System Replacement Program, thereby increasing system-wide capacity by approximately 19 percent, or 7,480 passengers per hour during the peak travel periods.

On December 7, 2017, the Board authorized the President of PATH to enter into a negotiated agreement with Kawasaki to purchase 50 railcars, within the project authorized amount of \$150 million, subject to the Board's notification of the final terms of the agreement, the majority of which are based on the terms and conditions of the 2005 contract. The agreement provides for a negotiated cost of \$2.63 million per car, including start-up costs, exclusive of an allowance for extra work (if necessary). Under the agreement, Kawasaki is expected to deliver the 50 railcars starting in 2021 and ending in 2022. Exercise of the option for the additional 22 railcars now would enable their delivery to begin immediately following delivery of the 50<sup>th</sup> railcar in 2022, and finish by end of the first quarter of 2023.

The purchase of the 22 railcars would enable PATH to begin operation of a nine-car train service on the Newark to World Trade Center service line as early as 2022, and would increase capacity by approximately 13 percent during peak demand periods, to accommodate the anticipated growth in passenger demand. The combined benefits of communications-based PTC, the 50 railcars previously authorized, and the proposed 22 additional railcars are a 23 percent increase in system-wide capacity.

LTK/PTG was selected through a publicly advertised Request for Proposals (RFP) process to provide technical and administrative professional services for analysis of the Railcar and Signal System Replacement Program in 2001, at an estimated cost of \$7.2 million. In conjunction with the procurement of 246 new railcars authorized by the Board in September 2003, a RFP to provide program management services was publicly advertised. An agreement with LTK/PTG was authorized in April 2005, at an estimated cost of \$25.1 million. Subsequently, an increase of \$800,000 in the contract amount was authorized in August 2015, to ensure continuity of these services to support the implementation of the PATH Railcar Procurement Project. As part of its December 2017 authorization of the purchase of 50 additional railcars, the Board authorized an extension and \$5.6 million increase in the amount of the agreement with LFK/PTG. Because LTK/PTG is familiar with the previous railcar procurement project, as well as the technical and program management issues in connection therewith, it has been deemed the most qualified source to provide the essential program management services associated with the current project. LTK/PTG has agreed to maintain existing terms, conditions and rates in the contract, adjusted for annual inflation.

Pursuant to the foregoing report, the following resolution was adopted, with Directors Bagger, Eve, Horwitz, Lynford, McDonald, O'Toole and Pocino voting in favor. Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that the expenditure of \$66 million, inclusive of associated consultant costs and agency allocations, for the purchase of 22 additional railcars for the Port Authority Trans-Hudson Corporation (PATH) rail system, under the existing negotiated agreement with Kawasaki Rail Car, Inc. (Kawasaki), be and it hereby is authorized; and it is further

**RESOLVED**, that the President be and he hereby is authorized, for and on behalf of PATH, to: (1) exercise the option in the negotiated agreement with Kawasaki to purchase an additional 22 railcars at a purchase price of \$2.38 million each; and (2) extend the duration of and increase, by an estimated \$1.1 million, the amount of an existing agreement with LTK Engineering Services/Parsons Transportation Group, Inc., a joint venture, for program management services in support of the railcar procurement program; and it is further

**RESOLVED**, that the form of all contracts, agreements and other documents in connection with the foregoing shall be subject to the approval of Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by Counsel or his authorized representative.

## **PATH – REPLACEMENT OF TRACKS IN OPEN AREAS – PROJECT AUTHORIZATION**

It was recommended that the Board authorize: (1) a project to replace tracks and associated track infrastructure, equipment and appurtenances on the Port Authority Trans-Hudson Corporation (PATH) rail system located in Kearny, New Jersey that incurred latent damage as a result of Superstorm Sandy, and to install a crossover located between the Amtrak flyover to the west approach of the Hackensack River Lift Bridge, at a total estimated project cost of \$67.7 million; and (2) the President of PATH to retain architectural and engineering services, under an existing competitively procured consulting agreement with Jacobs Civil Consultants, Inc., to: (a) perform final design services; (b) prepare contract documents; and (c) perform support services during construction of the project, at an estimated amount of \$1.5 million (the cost of which is included in the overall total project cost).

As a result of Superstorm Sandy, Tracks G, H, and P, and associated infrastructure between the Amtrak flyover and the west approach of the Hackensack River Lift Bridge in Kearny sustained significant latent salt damage. The replacement of four damaged turnouts and two sections of track totaling approximately 8,000 feet, including ballast and ties, is required. These sections of track are critical to PATH service, as they are the main tracks for the Newark to World Trade Center (WTC) line and provide access to the Harrison Car Maintenance Facility.

In addition to the replacement of damaged track components, the project scope includes installation of a crossover and supporting infrastructure to allow for a quick restoration of service on the Newark to WTC line, in the event of future damage to this section of track. This crossover also would allow for smaller sections of track to be taken out of service for maintenance purposes while maintaining necessary headways to accommodate ridership. Supporting infrastructure necessary for the operation of the crossover to be installed as part of the project would include a signal bungalow and power infrastructure. The replacement railroad ties to be installed would be made of concrete, to enhance resiliency. Both the crossover and the signal bungalow would be placed at an elevation above the base flood elevation. It may be necessary to close Tracks G, H and P for a limited weekend period to complete the installation.

It is anticipated that up to 90 percent of the eligible costs of the project would be recoverable through a grant from the Federal Transit Administration. Eligibility for federal reimbursements and grants would necessitate that contracts be awarded in compliance with federal procurement guidelines.

Pursuant to the foregoing report, the following resolution was adopted, with Directors Bagger, Eve, Horwitz, Lynford, McDonald, O'Toole and Pocino voting in favor. Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that a project to replace tracks and associated track infrastructure, equipment and appurtenances on the Port Authority Trans-Hudson Corporation (PATH) rail system located in Kearny, New Jersey that incurred latent damage as a result of Superstorm Sandy, and to install a crossover to be located between the Amtrak flyover and the Hackensack River Lift Bridge, at a total estimated project cost of \$67.7 million, be and it hereby is authorized; and it is further



**RESOLVED**, that the President be and he hereby is authorized, for and on behalf of PATH, to retain architectural and engineering services from Jacobs Civil Consultants, Inc., from an existing competitively procured consultant agreement, to: (1) perform final design services; (2) prepare contract documents; and (3) perform support services during construction of the foregoing project, at an estimated total amount of \$1.5 million (the cost of which is included in the overall total project cost); and it is further

**RESOLVED**, that the President be and he hereby is authorized, for and on behalf of PATH, to take action with respect to construction contracts, other contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing project, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

**RESOLVED**, that the form of all contracts, agreements and other documents in connection with the foregoing project shall be subject to the approval of Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by Counsel or his authorized representative.

## **AUTHORIZATION FOR PATH TO PARTICIPATE IN TRANSCOM, INC. FOR 2019-2023**

It was recommended that the Board authorize: (1) the continued membership of Port Authority Trans-Hudson Corporation (PATH) in TRANSCOM, Inc. (TRANSCOM), a not-for-profit corporation organized to undertake regional transportation programs, for a five-year period commencing on January 1, 2019; and (2) the Director/General Manager, PATH to enter into an agreement or agreements with TRANSCOM's other members for PATH to continue to participate in TRANSCOM programs and operations, and to serve on TRANSCOM's Board of Trustees during such five-year period, and to provide for financial contributions, including, but not limited to: (a) financial contributions toward PATH's continued membership in TRANSCOM, in an estimated amount of \$945,000 for the five-year period from 2019 through 2023; and (b) contributions toward operations and maintenance of TRANSCOM's Open Reach regional transportation management and information software, at an estimated cost of \$97,000.

TRANSCOM originally was created in 1986 as a three-year demonstration program focused on enhancing the region's transportation management capabilities, and by 1989 TRANSCOM had become a permanent regional institution. Other TRANSCOM members include the Connecticut Department of Transportation, the State of New York Metropolitan Transportation Authority (MTA), MTA Bridges and Tunnels, MTA New York City Transit, New Jersey Department of Transportation, New Jersey State Police, New Jersey Transit Corporation, New Jersey Turnpike Authority, New York City Department of Transportation, New York City Police Department, New York State Bridge Authority, New York State Department of Transportation, New York State Police, New York State Thruway Authority, and The Port Authority of New York and New Jersey (Port Authority). Both the Port Authority and PATH are represented on TRANSCOM's Board of Trustees, by the Director, Tunnels, Bridges and Terminals, and the Director/General Manager of PATH, respectively.

At its special meeting of December 4, 2013, the Committee on Operations, acting for and on behalf of the Board pursuant to the By-Laws, authorized, among other things, the Director/General Manager, PATH to enter into an agreement providing for PATH's continued membership in TRANSCOM for a five-year period from 2014 through 2018, at a maximum total contribution by PATH of \$716,220, and for the Director/General Manager to serve on TRANSCOM's Board of Trustees during such five-year period.

A companion item is being submitted to the Port Authority's Board of Commissioners requesting authorization to provide for the Port Authority's continued participation in TRANSCOM for the 2019-2023 period, and financial contributions toward such membership.

Authorization of PATH's continued participation in TRANSCOM would enable TRANSCOM to continue its regional transportation coordination and technology development programs, and ensure that PATH's regional transportation leadership role is advanced. TRANSCOM's services to PATH, its other members and the region include:

- Regional Interagency Transportation Monitoring and Incident Management through TRANSCOM's Operations Information Center, which collects and disseminates real-time regional information on highway and transit conditions, incidents, construction and special events, 24 hours a day.

- Regional Interagency Construction Coordination, to avoid restricting capacity on parallel or intersecting roadways or transit lines.
- Intelligent Transportation Systems (ITS) Program that enables members, including the Port Authority and PATH, to benefit from implementing transportation management technologies, including regional transportation information systems across modes, jurisdictions and states.
- TRANSCOM's TIMED system, to relay real-time travel times and average speeds and to detect incidents.
- TRANSCOM's new OpenReach regional architecture, which integrates member agencies' ITS systems to enable electronic sharing of real-time operating conditions, information and facility video feeds, and archived data, among agency operations centers. The system also provides feeds for public traveler information, including the New York and New Jersey 5-1-1 traveler information systems.

Pursuant to the foregoing report, the following resolution was adopted, with Directors Bagger, Eve, Horwitz, Lynford, McCabe, McDonald and O'Toole voting in favor. Director Pocino recused and did not participate in the consideration of, or vote on, this item. Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that the continued membership of Port Authority Trans-Hudson Corporation (PATH) in TRANSCOM, Inc. (TRANSCOM) for a five-year period commencing on January 1, 2019 and ending on December 31, 2023, be and it hereby is authorized; and it is further

**RESOLVED**, that the Director/General Manager, PATH, be and he hereby is authorized, for and on behalf of PATH, to enter into an agreement or agreements with TRANSCOM's other members for PATH to continue to participate in TRANSCOM programs, operations and to serve on TRANSCOM's Board of Trustees during such five-year period, and to provide for, including, but not limited to: expending: (1) an estimated amount of \$944,955 for PATH's financial contribution toward its continued membership in TRANSCOM for the five-year period from 2019 through 2023; and (2) an estimated amount of \$97,000 toward operations and maintenance of TRANSCOM's Open Reach regional transportation management and information software; and it is further

**RESOLVED**, that the form of all contracts, agreements and other documents in connection with the foregoing shall be subject to the approval of Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

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Counsel