

Chris Christie, Governor
Kim Guadagno, Lieutenant Governor
James S. Simpson, Board Chairman
Veronique Hakim, Executive Director


One Penn Plaza East
Newark, NJ 07105-2246
973-491-7000

June 13, 2014

Dear Governor Christie:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the regularly scheduled meetings of the New Jersey Transit Corporation, NJ Transit Rail Operations, Inc., NJ Transit Bus Operations, Inc., NJ Transit Mercer, Inc., and NJ Transit Morris, Inc., Board of Directors held on Wednesday, June 11, 2014.

Sincerely,

Original Signed By

Joyce J. Zuczek
Acting Board Secretary

Enclosures

Honorable Chris Christie
Governor, State of New Jersey
State House
Trenton, NJ 08625

Minutes of the actions taken at the Open Session of the regularly scheduled Board of Directors' meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Wednesday, June 11, 2014.

Present

Joseph D. Bertoni, Acting Chairman
Regina M. Egea, Governor's Representative
Steve Petrecca, Treasurer's Representative
Myron P. Shevell, Board Member
James C. Finkle, Jr., Board Member
Flora M. Castillo, Board Member (By Telephone)

Absent

Bruce M. Meisel, Vice Chairman
Raymond W. Greaves, Board Member

Also Present

Veronique Hakim, Executive Director
Dennis Martin, Acting Vice President/General Manager, Bus Operations
Michael Gaspartich, Deputy General Manager, Rail Operations
Christopher Trucillo, Chief of Police
Warren Hersh, Auditor General
Kathleen M. Sharman, Chief Financial Officer & Treasurer
Penny Bassett Hackett, Acting Assistant Executive Director, Communications & Customer Svc.
Steve Santoro, Assistant Executive Director, Capital Planning & Programs
Alma Scott-Buczak, Assistant Executive Director, Human Resources
Leotis Sanders, Vice President Civil Rights & Diversity Programs
Carlos Ramirez, Assistant Executive Director, Corporate Affairs
Michael Gonnella, Deputy Attorney General
Joyce J. Zuczek, Acting Board Secretary

Acting Chairman Bertoni convened the Open Session at 9:00 a.m. in accordance with the Open Public Meetings Act. Acting Board Secretary Zuczek announced that the Board Meeting was being video recorded.

Acting Chairman Bertoni asked for a motion to adopt the minutes of the May 15, 2014 Board Meeting. A motion was made by Board Member Myron P. Shevell, seconded by Board Member James C. Finkle, Jr. and unanimously adopted.

Public Comments on Agenda Items and Other Matters

There were eleven (11) public speakers whose remarks are summarized below. The subject matter of the public speakers' comments is contained in the video recording of the meeting and available on-line at njtransit.com.

Carol Skiba requested that the commute between Hasbrouck Heights and the PABT be re-evaluated. Passenger waiting lines for Bus Routes 162, 163 and 164, departing from Gate 224, are regularly overcrowded and waits are more than 35 minutes in the evening peak period.

Stephen E. Thorpe addressed the Board regarding train crew safety issues. Mr. Thorpe recommended that alcoholic beverages aboard trains be prohibited with the exception of outbound commuter trains between 4:00 p.m. and 9:00 p.m. and that the Conductors and Assistant Conductors be granted the right to refuse transportation to anyone who is intoxicated. He also recommended that Assistant Conductors in addition to Conductors be provided two-way radios to communicate with the Engineer and Dispatch Center.

Jack May, speaking on behalf of the New Jersey Association of Railroad Passengers (NJ-ARP), requested that discounted Off-Peak fares be reinstated. NJ-ARP proposes that future reduced fares be one-way point-to-point tickets for use only outside peak travel periods, as defined in timetables.

David Peter Alan, speaking on behalf of the Lackawanna Coalition, expressed concern that the materials distributed for the Board Meeting are not timely and should be distributed at least one week in advance of the meeting. He also indicated his disappointment that there is no vote on opening the Board Committee meetings to the public on the June Board agenda. Finally Mr. Alan stated that the change in policy regarding the valid period for Hudson-Bergen Light Rail and River Line tickets was undertaken with no public notice and constitutes a hardship on the riders.

Ben Berry addressed the Board regarding a June 5 incident in which he was involved. On that date he was traveling home with a MyTix ticket that the Conductor questioned as being invalid. Mr. Berry stated that the internet connection was spotty, thus causing him to have problems with the application. Mr. Berry stated that the NJ TRANSIT Police were summoned and he was escorted off the train. Executive Director Hakim apologized to Mr. Berry and directed Customer Service personnel to speak to him about the incident.

Donald Winship, Lackawanna Coalition Director of Communications, discussed improved responsiveness to riders' Twitter comments; a Resolution passed by the Lackawanna Coalition at its June 2, 2014 meeting requesting that NJ TRANSIT increase service to Mount Tabor Station on the Morris & Essex Line – hourly service outside of peak commuting hours and comparable service to that offered at other stations on the line; recommendations for improving the Quiet Car program; spotty cellular connectivity and its effect on activating MyTix e-tickets; and, keeping train crews informed.

Orrin Getz addressed the Board regarding an apparent equipment shortage and its impact on service on the Metro-North express trains operating on the Pascack Valley Line.

Matthew Walters addressed the Board about the improved responsiveness to Twitter comments by riders but noted a lack of response after 5:00 p.m.

Joseph M. Clift requested the Board to schedule a vote at the July 9, 2014 meeting to open all Committee Meetings to the public; provide more detailed information on the Fiscal Year 2015 Operating Budget and Capital Program; provide the potential range of Net Present Value savings from the Grant Anticipation Notes for Certificates of Participation refund; provide justification for the apparent 27 percent increase in bus capacity resulting from the purchase of the 63 CNG buses; and explain why the \$19 million insurance renewal is on the Consent Calendar rather than the Action Calendar.

Morgan Sackman, representing the newly-formed North Jersey Coast Line Coalition, addressed the Board regarding the new Shore Express service and stated that it is a good start. She stated that the North Jersey Coast Line Coalition hopes to meet with the Executive Director in the near future.

Carter Sackman, also with the North Jersey Coast Line Coalition, stated that he is a real estate developer in Asbury Park and views the new Shore Express service as a positive service for the Shore communities.

Although not in attendance at the Board Meeting, **Dawn Catanzaro**, Secretary for the Mount Tabor Camp Meeting Association, sent a letter to the Executive Director requesting that service be increased at Mount Tabor Station on the Morris & Essex Line.

Board Member Comments

There were no Board Member comments.

Advisory Committee Report

Suzanne Mack was unable to attend last month's Board Meeting, which was Chairman Simpson's last meeting. Ms. Mack acknowledged and thanked Chairman Simpson for all of his support and efforts as New Jersey Department of Transportation Commissioner and NJ TRANSIT Board Chairman. Chairman Simpson was uniquely qualified for his dual roles and remarkable responses to crisis situations. Also, the Transit Advocate organizations said great progress has been made under Chairman Simpson's leadership.

Ms. Mack provided the Advisory Committee Report and said the off-peak fare issue should be re-visited. She said social media is important for the real-time communication between the riders and NJ TRANSIT.

Ms. Mack said a budget will be adopted in June and it is remarkable there will not be a fare increase, however, a future stable source of funding is needed and the Advisory Committee has offered their assistance.

Senior Citizen and Disabled Resident Transportation Advisory Report

Mary Ann Mason, Chairwoman of the NJ TRANSIT Senior Citizen and Disabled Resident Transportation Advisory Committee thanked NJ TRANSIT Board of Directors, Acting Chairman Bertoni and Executive Director Hakim for the opportunity to speak.

Over the past five years, the Senior Citizen and Disabled Resident Transportation Assistance Program experienced a 50 percent decline in the level of annual funding from \$36,928,000.00 in 2008 to \$18,256,000.00 in 2015. Casino Revenue funding now represents 25 percent of total county system operating budgets, down from 43 percent in 2008.

For the county community transit systems, the loss of funding has resulted in reductions in essential services to medical facilities, employment and educational destinations for older persons, people with disabilities and members of the general public who are not able to use transit and are not eligible for Medicaid and Access Link transportation services. These systems are also the only local public bus service in some suburban and rural portions of the state.

The Citizen Advisory Committee has reached out to the 21 County Freeholder Boards to advocate for the use of four alternative sources of funding which have enabled a few counties to supplant the loss of Casino Revenue funding and to provide needed matching funds for federal grant programs. These include:

- Generating new revenues by becoming a contracted provider for state agency funded transportation including Medicaid.
- Engaging an advertising broker to generate revenues from on-vehicle advertising.
- Bulk purchase of NJ TRANSIT bus and rail tickets where a portion of a trip can be completed by facilitating a connection to a transit station.
- Implementation of a mandatory fare structure.

With over half of the 21 counties now participating in one or more of these alternative revenue programs, an additional \$2.5 million in annual revenue has been added from these alternative sources to offset the \$16 million annual loss of revenue to the counties. This means local county budgets have made up more than 80 percent of the losses coupled with some reductions in service.

While the new internet gaming revenue will bring replacement funding for some of the losses beginning in Calendar Year 2016, the supplemental funding from internet gaming will not make up for the loss of annual revenue between 2008 and 2016.

The NJ TRANSIT Office of Community Services is working with nine divisions of state government to identify areas where the provision of human service transportation can be reduced by tapping the county community transit systems, thereby generating new revenues for these systems while helping these state agencies to reduce their contract transportation costs. By leveraging the transportation investments made in the these systems and by filling empty seats on existing vehicle runs, a win-win of reducing transportation costs for state agencies while increasing net revenues for the counties can be achieved.

With the population over the age of 65 projected to nearly double from 2010 to 2030, as well as increasing demand from other transportation dependent persons in areas not served by NJ TRANSIT, there is a need to retool the community transit systems to prepare to accommodate the rapidly increasing number of residents, particularly those living in rural and suburban areas of the state, who will become dependent on these systems in the future.

In the months ahead the Committee will continue to update the Board on an issue that is not going away and will become increasingly critical given the demographic imperatives.

Ms. Mason will continue to work with Executive Director Hakim and NJ TRANSIT staff to maintain these needed services.

Board Administration Committee Report

The Administration Committee was briefed on several items which included the cruiser bus purchase in addition to the approval of grant anticipation notes financing, Orange Garage contract for underground storage tanks and the disadvantaged business enterprise program disparity study.

The Committee was also provided with financial and human resources updates.

Board Customer Service Committee Report

The Customer Service Committee discussed the contract amendment for the purchase of 63 compressed natural gas vehicles which will replace aging buses, improve service reliability and reduce operating costs. The new buses will be ADA-compliant and will incorporate technologies to reduce exhaust emissions as required by the Clean Air Act Amendment for buses. The Committee was also provided with a Customer Service Update.

Board Capital Planning, Policy & Privatization Committee

The Capital Planning, Policy & Privatization Committee discussed the operations and maintenance contract award for River Line Light Rail which provides service between Camden and Trenton. In Fiscal Year 2013, this line served 2.86 million customer trips.

In addition, the Committee was briefed on the sole and single source procurement-by-exception waiver authorization. Rail, bus and light rail rolling stock and equipment is manufactured by a small number of producers using proprietary designs to meet performance requirements. The equipment is not mass produced, but manufactured to order.

Executive Director's Monthly Report

National Safety Monthly

Executive Director Hakim said June is National Safety Month and NJ TRANSIT is joining with the National Safety Council and numerous other organizations across the country to observe this occasion. This year's theme, "Safety: It takes all of us," recognizes the vital spirit of

collaboration necessary to effectively promote safe choices around the public transportation network. The safety of the customers, employees and the communities remains a top priority at NJ TRANSIT at all times. Recognizing National Safety Month, Executive Director Hakim said it is fitting that everyone take a brief moment to review some simple, common sense “do’s and don’ts” pertaining to rail, light rail and bus safety, which have been issued in a press release, posted to njtransit.com, and through social media platforms.

These important reminders will further promote a safe environment for customers, employees and for all New Jersey residents and visitors, and Executive Director Hakim encouraged everyone to take a look at those reminders.

Newark Interactive Visitor Center

Executive Director Hakim had the pleasure of joining members of the Greater Newark Convention & Visitors Bureau to unveil an Interactive Visitor Center at Newark Penn Station.

Newark Penn Station is a vital multi-modal transportation hub, serving as a gateway to the City of Newark for the nearly 50,000 NJ TRANSIT customers who pass through the facility to board trains, buses and the Newark Light Rail on a typical weekday, as well as Amtrak, PATH and private carrier bus customers. The installation of a Tourism Assistance Portal (TAP) in the station will allow visitors to explore all that Newark has to offer using a state-of-the-art, interactive touch screen display.

This is a great example of a collaborative effort that will encourage the use of public transportation, stimulate economic activity for area businesses, enhance the experience for visitors to Newark, and serve as an added amenity for NJ TRANSIT customers.

Shore Express

Executive Director Hakim announced the launch of new, weekend rail express service from New York Penn Station and northern New Jersey cities to shore communities along the North Jersey Coast Line.

The new shore service will utilize NJ TRANSIT’s new, dual-powered locomotives to provide a one-seat ride, which will offer greater customer convenience and make the trip down the shore faster and easier than ever before.

Starting June 28, 2014 and continuing through September 1, 2014, four new, roundtrip express trains will be launched on Saturdays, Sundays and holidays between New York Penn Station and Bay Head, supplementing the regular hourly rail shuttle service between Long Branch and Bay Head. Two of these new roundtrips will be geared to beach travelers, with the additional two roundtrips providing service during the early morning and late night timeframes.

The new express service will serve New York Penn Station, Secaucus Junction, Newark Penn Station, Elizabeth, Rahway, Aberdeen-Matawan, Red Bank, Long Branch, Asbury Park, and then all station stops to Bay Head, without having to change trains in Long Branch.

A travel time savings of approximately 25 minutes is expected from the normal travel time between New York and stations such as Belmar, Manasquan and Point Pleasant.

The added express trains are made possible thanks to the North Jersey Transportation Planning Authority, which authorized a \$270,000 allocation through the federal Congestion Mitigation and Air Quality Improvement Program (CMAQ) to fund the new service.

Executive Director Hakim recognized Mary K. Murphy, the Executive Director of the North Jersey Transportation Planning Authority and NJ TRANSIT Chief Planner Rich Roberts for their support, dedication and efforts that made this happen. Detailed schedules will be available June 17, 2014 on njtransit.com.

Wi-Fi Update

Executive Director Hakim said NJ TRANSIT has partnered with Cablevision to offer high-speed wireless internet access to NJ TRANSIT customers to be implemented in a gradual rollout. In January 2014, the initial phase launched at 11 major stations: Hoboken Terminal, Newark Broad Street, Secaucus Junction, Newark Penn Station, New Brunswick, Metropark, Summit, Rahway, Trenton Transit Center, Meadowlands and Montclair State University.

Executive Director Hakim was pleased to announce that Wi-Fi has been added to eight more stations: Belmar, Bradley Beach, Denville, Glen Rock-Main Line, Manasquan, Mount Tabor, Mountain View and Towaco. This is a welcome amenity for customers, and Executive Director Hakim will keep everyone informed as the rollout expands to additional stations, and ultimately, onboard trains.

Executive Director Hakim recently made preliminary comments about the challenging conditions for customers at the Port Authority Bus Terminal and she was pleased to report that work has begun with the Port Authority and the New York City Department of Transportation to develop interim improvements to improve traffic and passenger flow. These ideas include adjusting bus trip origins to areas closer to the terminals. During the past few weeks, this move has resulted in avoiding about 30 to 40 trips from being late. In addition, NJ TRANSIT is working with the Port Authority to reallocate parking spaces within the terminal and gates to improve on-time performance. Currently a field review is underway at key locations in New York and New Jersey to report arrival times and identify traffic diversions in order to work with the Port Authority and New York City Department of Transportation to establish strategies to improve traffic flow and the customer experience. In addition, gate agents will be assigned to provide information to waiting customers based on real-time information.

Superstorm Sandy Recovery

Executive Director Hakim said NJ TRANSIT has come a long way since Superstorm Sandy devastated the region. Across the agency, the entire staff, from the rail, bus and light rail operating divisions, to the NJ TRANSIT Police Department, to capital planning and supporting departments, have been fully engaged in bringing NJ TRANSIT back from Superstorm Sandy while building the system toward future resiliency.

Executive Director Hakim said much of 2013 was dedicated to ongoing recovery from Superstorm Sandy, and she is impressed by what she has learned about the employees' accomplishments in the immediate wake of the storm to restore service throughout the state as quickly as possible, even as colleagues were personally affected by Superstorm Sandy, experiencing severe damage to their homes and automobiles. She commended and thanked everyone and said she is very proud to lead such a dedicated team.

Executive Director Hakim said that same dedication from employees is also evident in the recovery and resiliency work. To sum up the accomplishments thus far and the ongoing efforts, Executive Director Hakim introduced NJ TRANSIT's Assistant Executive Director of Capital Planning and Programs, Steve Santoro.

Mr. Santoro provided a presentation: Superstorm Sandy: Repair, Restore, Resiliency, copy attached. Executive Director Hakim thanked Steve Santoro and all the employees for their hard work on these efforts.

Committee Meetings

Executive Director Hakim noted that the pilot program will continue for the Customer Service and Administration Board Committee meetings to be open to the public.

At Board Member Castillo's suggestion, the next Customer Service Committee meeting will be held at the Trenton Transit Center at 6:00 p.m. on June 19, 2014 to give customers in central New Jersey a convenient opportunity to attend.

Schedules and further information will continue to be provided to the public going forward.

Action Items

Executive Director Hakim introduced Steve Santoro, Assistant Executive Director, Capital Planning & Programs, who presented Action Item 1406-21 for approval.

1406-21: RIVER LINE LIGHT RAIL: OPERATIONS AND MAINTENANCE CONTRACT AWARD

Steve Santoro recommended approval of Item #1406-21. The River Line Light Rail Operations and Maintenance Contract will span a base period of 15 years with one five-year option period. The Contract operator will be responsible for the operations and maintenance of the River Line Light Rail property and equipment. The Contract includes a Capital Asset Replacement Program, the mechanism by which the Contractor meets its obligation to maintain the NJ TRANSIT-owned capital assets in a state-of-good-repair. The Operations and Maintenance and Capital Asset Replacement will be annually adjusted in accordance with the indices set forth in the Contract. The Contract also allows for Performance Payments based upon specific criteria set by NJ TRANSIT related to on-time performance, customer service, safety, light rail vehicle availability and reliability, as well as a provision for risk reduction to the Contractor, a provision that provides assistance to the Contractor for the repair/replacement of items due to vandalism.

This item also includes authorization of funds related to capital improvements to the River Line Light Rail, such as the next generation traction motor design, shop and facility upgrades, and safety initiatives. In addition, the contract calls for an annual savings of more than \$2 million for NJ TRANSIT, and allows for an increased service plan in anticipation of a growing ridership base.

Authorization is requested to enter into a contract with Southern New Jersey Rail Group, LLC of Camden, New Jersey, a wholly-owned subsidiary of Bombardier Transportation, North America, for the Operations and Maintenance of the River Line Light Rail for a period of 20 years (15-year base period plus one five-year option period) at a cost not to exceed \$443,420,739.41, plus annual adjustments in accordance with the indices set forth in the contract, subject to the availability of funds and approval of future operating budgets.

A motion was made by Board Member Flora M. Castillo, seconded by Board Member Myron P. Shevell and unanimously adopted.

Executive Director Hakim introduced Kathleen Sharman, Chief Financial Officer & Treasurer, who presented Action Item 1406-22 for approval.

1406-22: FISCAL YEAR 2015 SOLE AND SINGLE SOURCE PROCUREMENT-BY-EXCEPTION WAIVER AUTHORIZATION

Kathleen Sharman recommended approval of Item #1406-22. Materials and services, which are available from only one source of supply, are exempt from competitive procurement. These sole and single source vendors generally have proprietary control over the manufacture of parts and components and the provision of technical services for NJ TRANSIT equipment and technology.

Rail, bus, and light rail rolling stock and equipment are manufactured by a relatively small number of industrial producers using proprietary designs to meet the particular performance and safety requirements, and physical environment of individual transit systems and railroads. The equipment is not mass-produced, but manufactured to order. Sole source technology vendors have proprietary control over the manufacture of parts, components and services needed for NJ TRANSIT's continued use of technology.

Lists of Fiscal Year 2015 sole/single source vendors are set forth in Exhibit A1 for Replacement Parts and Services, in Exhibit A2 for Computer Hardware and Software, and in Exhibit A3 for Superstorm Sandy Disaster Recovery Program Electrical and Signal Systems. For the purpose of transparency, this list includes all sole and single source vendors that NJ TRANSIT may need to use in the coming fiscal year, regardless of whether they were used in the previous fiscal year. Should a new vendor need to be added to Exhibits A1, A2 or A3 in Fiscal Year 2015 as a result of a newly-identified critical operating need, staff will notify the Board of additional sole source vendors whose aggregate spend exceeds \$250,000.

Authorization is requested to enter into sole or single source procurement-by-exception contracts for the purchase of materials and services from approved vendors set forth in Exhibit A1 (subject to adjustments) to support Bus, Rail, Light Rail, and Headquarters operations at a cost not to exceed \$20,000,000, subject to the availability of funds.

Authorization is requested to enter into sole or single source procurement-by-exception contracts for the purpose of maintaining/upgrading hardware and software systems from approved vendors set forth in Exhibit A2 (subject to adjustments) to support NJ TRANSIT's Information Systems at a total cost not to exceed \$20,000,000, subject to the availability of funds.

Authorization is requested to enter into sole or single source procurement-by-exception contracts for the purchase of materials and service from approved vendors set forth in Exhibit A3 (subject to adjustments) to support the Superstorm Sandy Disaster Recovery Program at a cost not to exceed \$10,000,000, subject to the availability of funds and FTA approval and all other applicable requirements.

This request will cover a 12-month period from July 1, 2014 to June 30, 2015.

Board Member Myron P. Shevell recused from voting on Item #1406-22. A motion was made by Board Member James C. Finkle, Jr., seconded by Board Member Flora M. Castillo and adopted.

Executive Director Hakim introduced Dennis Martin, Acting Vice President & General Manager, Bus Operations, who presented Action Item 1406-23 for approval.

1406-23: CRUISER BUSES: AMENDMENT TO CONTRACT FOR PURCHASE OF 63 COMPRESSED NATURAL GAS (CNG) VEHICLES

Dennis Martin recommended approval of Item #1406-23. The proposed purchase of 63 forty-five foot compressed natural gas (CNG) cruiser buses are intended to replace aging CNG buses, improve service reliability, and reduce operating costs. The new buses will be equipped with wheelchair lifts compliant with the Americans with Disabilities Act and will incorporate technologies to reduce exhaust emissions as prescribed by the Clean Air Act Amendment for buses manufactured after 2013, and will be equipped with other on-board equipment, including a camera system, GPS tracking, and automatic turn-warning announcements and LED interior lighting to enhance safety and security. NJ TRANSIT received a Federal competitive award to partially fund the CNG buses.

Authorization is requested to amend a contract with Motor Coach Industries of Des Plaines, Illinois, to exercise an option for the purchase of 63 forty-five foot compressed natural gas buses at a cost not to exceed \$41,490,351.00, plus five percent for contingencies, for a total contract authorization of \$103,562,508.47, which includes the prior authorization, subject to the availability of funds.

A motion was made by Board Member Myron P. Shevell, seconded by Board Member James C. Finkle, Jr. and unanimously adopted.

Executive Director Hakim introduced Dennis Martin, Acting Vice President & General Manager, Bus Operations, who presented Action Item 1406-24 for approval.

1406-24: ORANGE GARAGE: CONTRACT FOR UNDERGROUND STORAGE TANK REPLACEMENT

Dennis Martin recommended approval of Item #1406-24. This contract will provide for the removal of six underground storage tanks and their replacement with two underground diesel fuel storage tanks, and related piping and distribution systems as well as the installation of above-ground tanks at Orange Garage. The existing tanks are single-walled, and are nearing the end of their projected service life. They will be replaced with state-of-the-art double-walled tanks and piping. In addition, a bus testing ground known as a “brake pad” will be installed to test bus brakes in connection with New Jersey Department of Transportation inspections. This project brings fuel storage at Orange Garage to current industry standards and will enhance fueling efficiency and bus safety.

Authorization is requested to enter into a contract with Aurora Environmental, Inc. of Union Beach, New Jersey, to provide construction services for the Orange Garage Underground Storage Tank Replacement project at a cost not to exceed \$994,325.00, plus five percent for contingencies, subject to the availability of funds.

Board Member Shevell asked if there are any environmental issues with the property and Mr. Santoro said they do not expect any environmental issues.

A motion was made by Board Member Myron P. Shevell, seconded by Board Member James C. Finkle, Jr. and unanimously adopted.

Executive Director Hakim introduced Kathleen Sharman, Chief Financial Officer & Treasurer, who presented Action Item 1406-25 for approval.

1406-25: APPROVAL OF GRANT ANTICIPATION NOTES FINANCING TO REFUND OUTSTANDING CERTIFICATES OF PARTICIPATION AND APPROVAL OF SELECTION OF SENIOR MANAGING UNDERWRITER FOR THE GRANT ANTICIPATION NOTES

Kathleen Sharman recommended approval of Item #1406-25. Adoption of this Item and the attached Resolution will allow NJ TRANSIT, in consultation with the Office of the State Treasurer and the Office of the Attorney General, to refund all or a portion of NJ TRANSIT’s outstanding Senior Lien and Subordinated Lien Certificates of Participation (“COPs”) through the issuance of Grant Anticipation Notes. The Grant Anticipation Notes will be payable from and secured by future Federal Section 5307 grant receipts from the Federal Transit Administration. The transaction is structured to produce cash flow relief in Fiscal Year 2015 in

accordance with the Governor's Fiscal Year 2015 Budget Message. The refunding is anticipated to generate overall savings and net present value savings without extending the final maturity date of the original obligations which is consistent with the Treasurer's three-pronged refunding test.

Authorization is requested to adopt the attached Resolution authorizing the Grant Anticipation Notes for the purpose of refunding all or a portion of the outstanding Certificates of Participation and to approve the selection of Merrill, Lynch, Pierce, Fenner & Smith Incorporated to act as Senior Managing Underwriter for the Grant Anticipation Notes. Authorization is also requested to take all actions necessary to consummate the sale of the Grant Anticipation Notes including, but not limited to, the negotiation and execution of all documents, payment of principal and interest on the Notes, the payment of underwriting discount, the payment of all costs related to the issuance of the Grant Anticipation Notes including trustee, legal, rating agency, printing, and other expenses and the approval of all parameters for their issuance as set forth in the Resolution.

A motion was made by Board Member Myron P. Shevell, seconded by Board Member Flora M. Castillo and unanimously adopted.

Consent Calendar

Executive Director Hakim requested approval of the Consent Calendar.

1406-26: CORPORATE INSURANCE PROGRAM ANNUAL RENEWAL

Authorization to revise and renew the Risk Management Insurance Program and to include services necessary to administer the Program, which includes Excess Liability, All-Risk Property, Workers' Compensation, Terrorism, Business Travel Accident, Employment Practices Liability, Directors' & Officers' Liability, various Executive Risk, Pollution Legal Liability, Life and Accidental Death & Dismemberment, Long-Term Disability and other coverages as needed for the period July 1, 2014 through June 30, 2015 at an annual cost not to exceed \$19,000,000, plus five percent for contingencies, subject to the availability of funds and adoption of the Fiscal Year 2015 Operating Budget.

1406-27: NJ TRANSIT DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM DISPARITY STUDY

Authorization to enter into a procurement by exception (PBE 14-014) contract with the Regents of the University of Minnesota, to retain Dr. Samuel Myers, Professor of the Roy Wilkins Center for Human Relations & Social Justice Hubert H. Humphrey Institute of Public Affairs, to conduct statistical and anecdotal research on small, minority-owned, women-owned and disadvantaged business enterprises, as it relates to the availability, utilization and experiences of these firms, to determine evidence of discrimination in, and the degree to which discrimination impacts contracting opportunities for these firms (also known as a

“disparity study”), at a cost not to exceed \$490,487, plus five percent for contingencies, subject to the availability of funds.

1406-28: ANNUAL NOTICE OF MEETINGS

Adopt the Annual Notice of Meetings, Exhibit A, for all of the Board of Directors’ meetings during Fiscal Year 2015. Disseminate the Annual Notice of Meetings in accordance with the provisions of the Open Public Meetings Law, P.L. 1975, c.231.

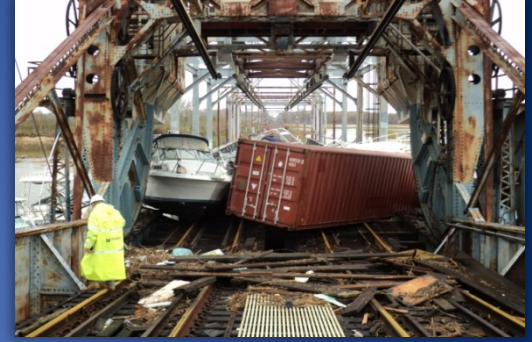
1406-29: ANNUAL BOARD DESIGNATIONS AND BOARD COMMITTEE MEMBERSHIP SELECTION

Designate Bruce M. Meisel as Vice Chairman of the NJ TRANSIT Board of Directors to serve a term through June 30, 2015. Adopt the membership of the Board Committees as set forth in Exhibit A.

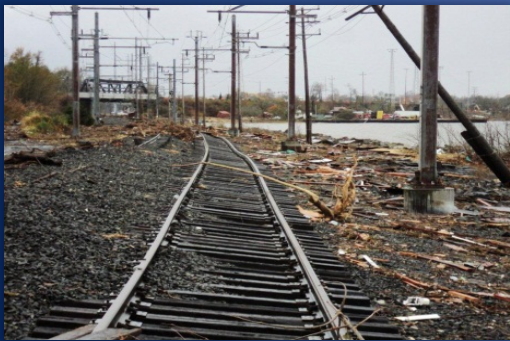
The Consent Calendar was moved by Board Member Myron P. Shevell, Board Member James C. Finkle, Jr. seconded it and unanimously adopted.

Adjournment

Since there were no further comments or business, Acting Chairman Bertoni called for adjournment and a motion to adjourn was made by Board Member Myron P. Shevell., seconded by Board Member Flora M. Castillo and unanimously adopted. The meeting was adjourned at approximately 10:40 a.m.



SUPERSTORM SANDY: Repair, Restore, Resiliency



**FRANK R.
LAUTENBERG
SECAUCUS JUNCTION**

GLADSTONE LINE

**NEWARK LIGHT
RAIL**

**NORTHEAST
CORRIDOR**

**Rail: Main, Bergen,
Pascack Valley Line.
Morris/Essex Line.
Raritan Valley Line.
Atlantic City Line, Bus,
Access Link
Police**

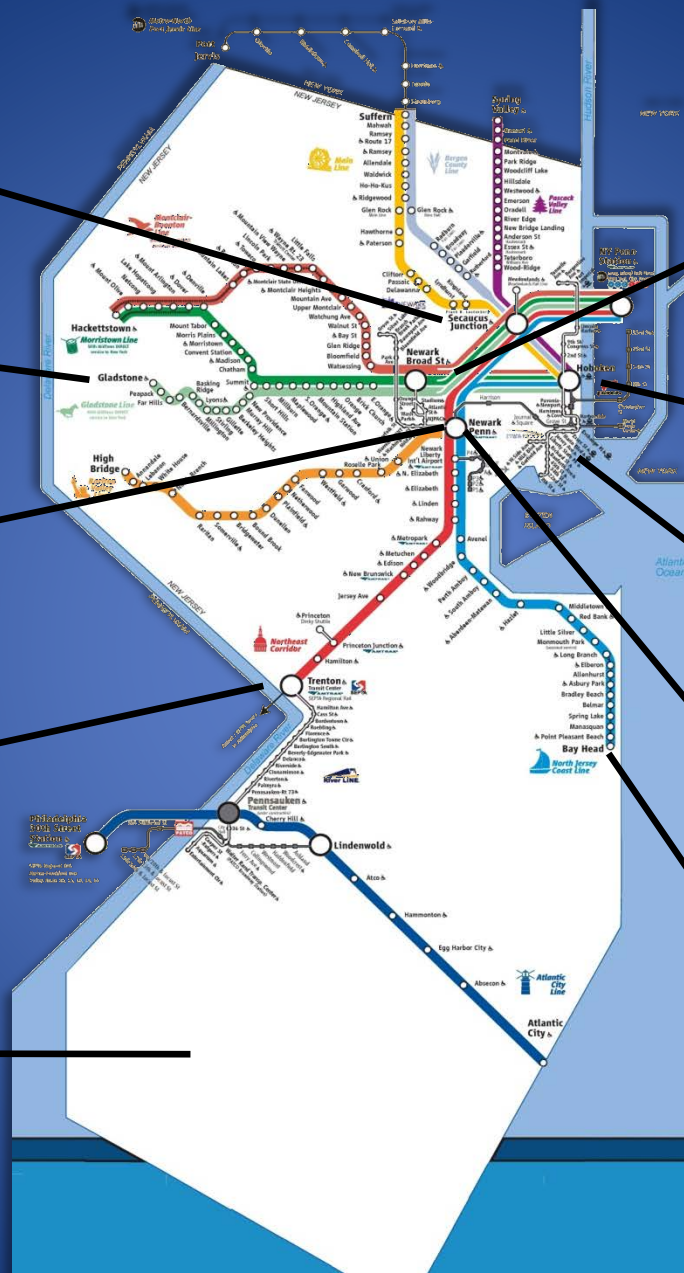
**MMC/ROC
MAINTENANCE
FACILITY**

**HOBOKEN TERMINAL,
YARD, FERRIES**

**HUDSON BERGEN
LIGHT RAIL**

**FERRY STREET BUS
MAINTENANCE
FACILITY**

**NORTH JERSEY COAST
LINE**

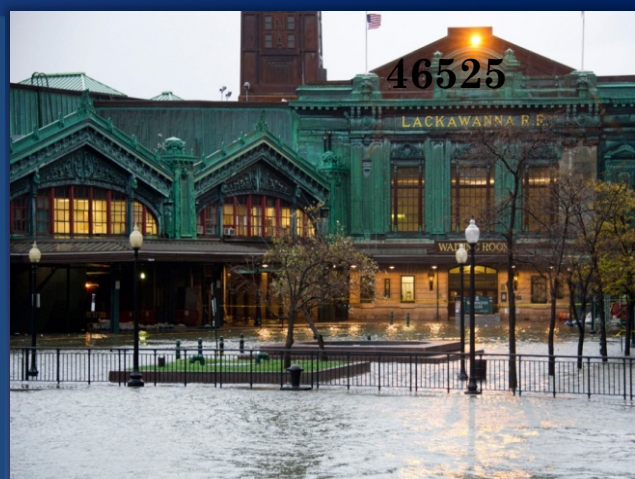
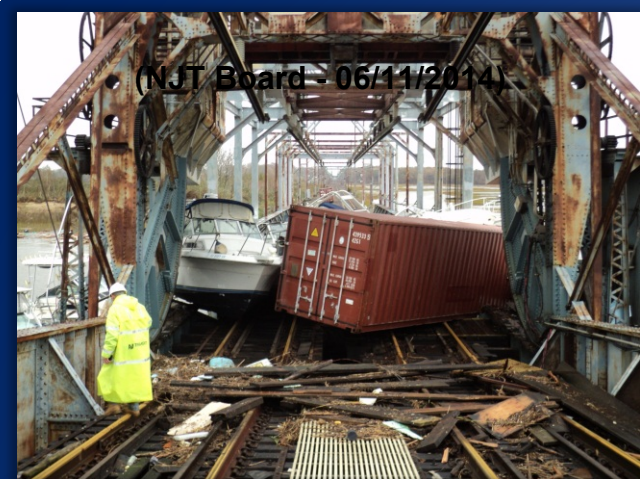


(NJT Board - 06/11/2014)

46525

LACKAWANNA R.R.

WAYNE ST. BRIDGE



Repair and Restore

Identify damaged infrastructure, deploy resources to effect immediate repairs and make service restoration a priority.

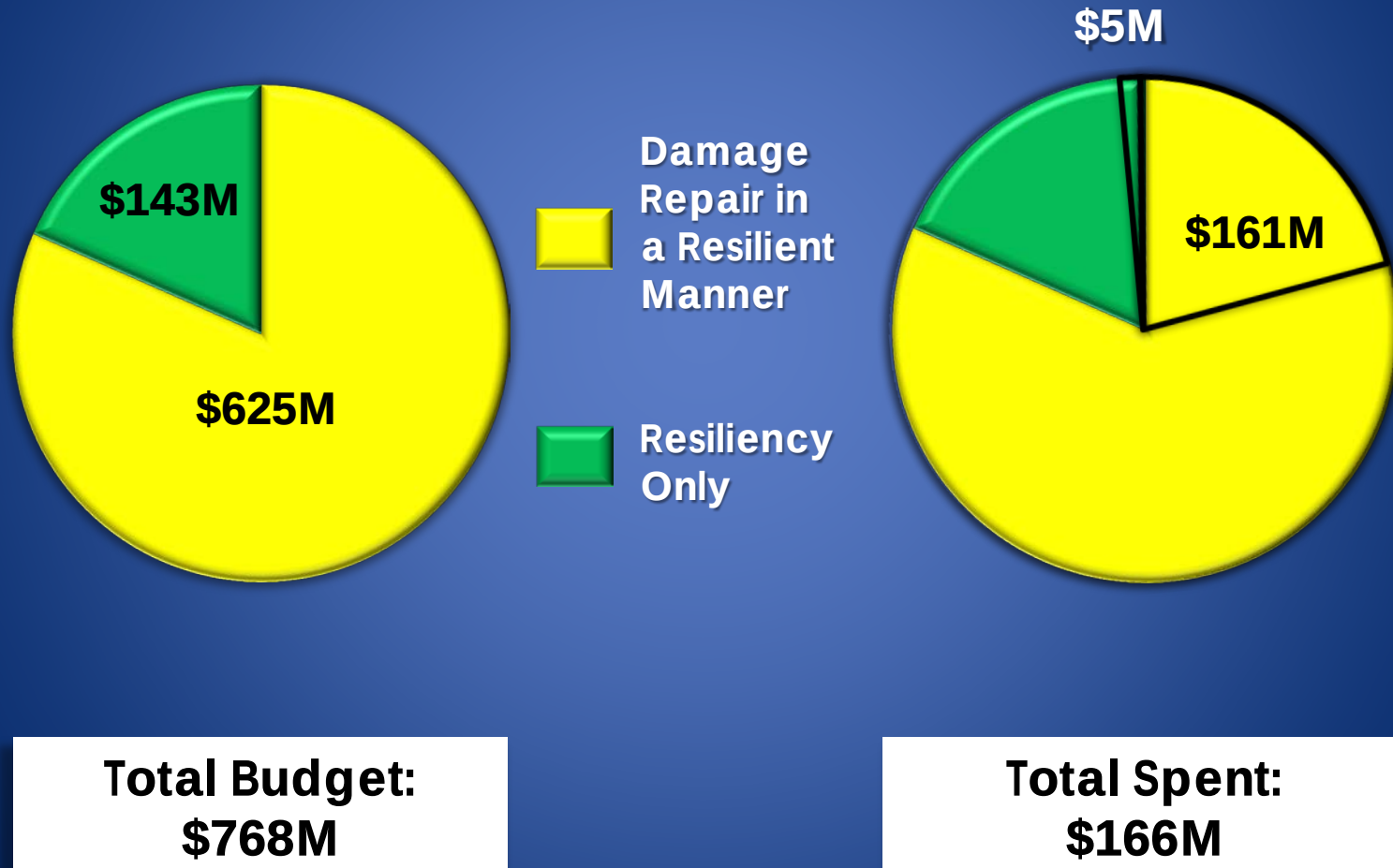
Protect

Implement near term protection measures.

Resiliency

Incorporate designs and materials that resist and survive weather events

Program Budget & Expended



Program Dimensions

6

Funding Sources

12

Program Areas

90

Projects Identified

100s

Purchase Orders

Documentation on NJTransit.com
“Superstorm Sandy Recovery Progress”

Program Accomplishments

- **Program, Scope, Schedule and Budgets Established**
- **Management Structure in Place**
- **Program Support and Design Firms Engaged**
- **Accountability Officer and Oversight Functions Established**
- **Funding Sources Identified: FTA, TTF, Insurance**
- **Storm Preparedness and Near-Term Asset Protection**

NJ TRANSIT

Comprehensive Emergency Management Plan



FY2014

NJTPD

EMERGENCY PREPAREDNESS

Planning Mission - OEM

- All Hazards
- Whole Community

NJT CEMP

- Comprehensive Emergency Management Plan

Training and Exercise

- TEEX
- Multi-Agency, Multi-Discipline,
- Multi-Jurisdictional

Improved Communications

- Interoperability
- New 700 Band Radio - internal



(NJT Board - 06/11/2014)

46531



EMERGENCY OPERATIONS CENTER



SUBSTATIONS

Building 9

Mason



YARDS, SHOPS & OPERATIONS CENTER

Rail Operations Center



LIGHT RAIL

NLR: Tunnel Protection

HBLR: Signals Interlocking CIH





RAIL EQUIPMENT STORAGE

Linden & Garwood Train Storage Yards (Safe Havens)



ROLLING STOCK FOR SERVICE

Budget Approximately \$120M

Type	Total Fleet	Vehicles Damaged	Returned to Service	Available for Service	Available Percentage
Rail Cars	1113	248	238	1103	99%
Locomotives	210	72	62	200	95%
Total Fleet	1323	320	300	1303	98%



FERRIES

Weehawken: Slips Dredging



HOBOKEN TERMINAL

Public Restrooms

Ticket Office/ Customer Service

Tenant & Retail Space



(NJT Board - 06/11/2014)

46539

SUBSTATIONS

Budget Approximately \$180M

Mason

Building 9

Hoboken Yard B

Depot/Observer

Henderson Street

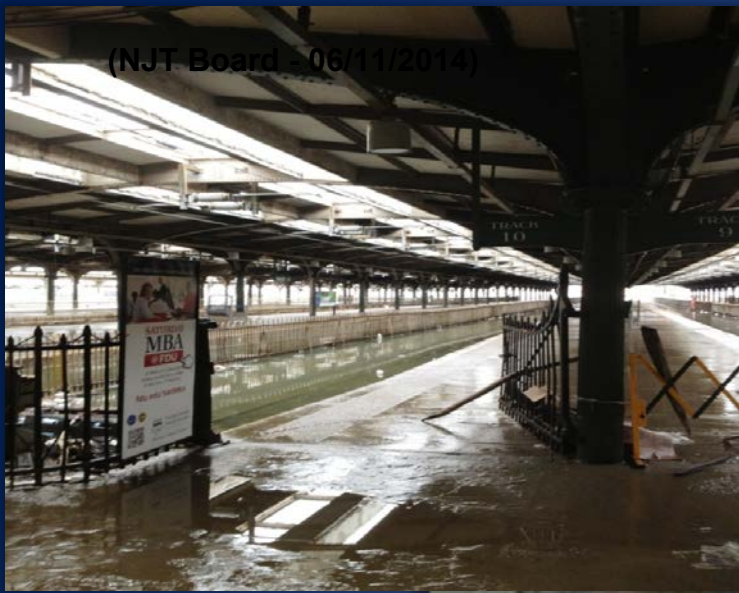
Bay Head

Maplewood



(NJT Board - 06/11/2014)

46540



HOBOKEN TERMINAL
Budget Approximately \$85M

Heating System

Signal Equipment to Terminal Tower

Power Distribution System

Signal Transformers



YARDS, SHOPS & OPERATIONS CENTER

Budget Approximately \$65M

MMC Perimeter Protection

MMC Backup Generator

Rail Operations Center

Bay Head Yard

Raritan Yard

(NJT Board - 06/11/2014)

46542



STATIONS

Budget Approximately \$5M

Secaucus Transfer

Northeast Corridor

North Jersey Coast

Raritan Valley

Main/Bergen & Pascack Valley

Morris & Essex & Montclair-Boonton





BRIDGES

Budget Approximately \$40M

Brielle Draw: Walkway, Signal, Scouring

Navesink River Bridge: Scouring

Morgan Draw: Controls, Deck, Generator

River Draw: Beams, Lighting, Switches, Motors,

Oceanport Draw: Mechanical system



(NJT Board - 06/11/2014)

46544

TRACK AND RIGHT-OF-WAY
Budget Approximately \$80M

M&E Signals

NJCL Embankment

NJCL Signals

Gladstone Catenary

PVL Signal Bungalow



(NJT Board - 06/11/2014)

46545

LIGHT RAIL

Budget Approximately \$40M

NLR

**Emergency Systems, Signals,
Drainage**

Ventilation

Elevators

HBLR

Signals Interlocking CIH

Cables

Elevator, Track

Yard & Shop Wheel True

Yard & Shop Roof



Repair and Restore

Identify damaged infrastructure, deploy resources to effect immediate repairs and make service restoration a priority.

Protect

Implement near term protection measures.

Resiliency

Incorporate designs and materials that resist and survive weather events

NEW JERSEY TRANSIT CORPORATION
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NJ TRANSIT RAIL OPERATIONS, INC.
NJ TRANSIT MERCER, INC.
NJ TRANSIT MORRIS, INC.
REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS

JUNE 11, 2014

MINUTES	PAGE
➤ CALL TO ORDER	-
➤ APPROVAL OF MINUTES OF PREVIOUS MEETINGS	46551
➤ PUBLIC COMMENTS ON AGENDA ITEMS AND OTHER MATTERS	-
➤ BOARD MEMBER COMMENTS	-
➤ ADVISORY COMMITTEE REPORT	-
➤ SENIOR CITIZEN AND DISABLED RESIDENT TRANSPORTATION ADVISORY	-
➤ BOARD COMMITTEE REPORTS	-
*Customer Service Committee	
*Administration Committee	
*Capital Planning, Policy and Privatization Committee	
➤ EXECUTIVE DIRECTOR'S MONTHLY REPORT	46552

ACTION ITEMS

1406-21	RIVER LINE LIGHT RAIL: OPERATIONS AND MAINTENANCE CONTRACT AWARD	46570
	Authorization to enter into NJ TRANSIT Contract No. 13-015 with Southern New Jersey Rail Group, LLC of Camden, New Jersey, a wholly-owned subsidiary of Bombardier Transportation, North America, for the Operations and Maintenance of the River Line Light Rail between the cities of Camden and Trenton for a period of 20 years (15-year base period plus one five-year option period) at a cost not to exceed \$443,420,739.41, plus annual adjustments in accordance with the indices set forth in the contract, subject to the availability of funds and approval of future operating budgets.	
1406-22	FISCAL YEAR 2015 SOLE AND SINGLE SOURCE PROCUREMENT-BY-EXCEPTION WAIVER AUTHORIZATION	46578
	Authorization to enter into sole or single source procurement-by-exception contracts for the purchase of materials and services from approved vendors set forth in Exhibit A1 (subject to adjustments) to support Bus, Rail, Light Rail, and Headquarters operations at a cost not to exceed \$20,000,000, subject to the availability of funds. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2014 to June 30, 2015.	

NEW JERSEY TRANSIT CORPORATION
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Authorization to enter into sole or single source procurement-by-exception contracts for the purpose of maintaining/upgrading hardware and software systems from approved vendors set forth in Exhibit A2 (subject to adjustments) to support NJ TRANSIT's Information Systems at a total cost not to exceed \$20,000,000, subject to the availability of funds. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2014 to June 30, 2015.

Authorization to enter into sole or single source procurement-by-exception contracts for the purchase of materials and service from approved vendors set forth in Exhibit A3 (subject to adjustments) to support the Superstorm Sandy Disaster Recovery Program at a cost not to exceed \$10,000,000, subject to the availability of funds and FTA approval and all other applicable requirements. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2014 to June 30, 2015.

1406-23 CRUISER BUSES: AMENDMENT TO CONTRACT FOR PURCHASE OF 63 COMPRESSED NATURAL GAS (CNG) VEHICLES 46593

Authorization to amend NJ TRANSIT Contract No. 13-029 with Motor Coach Industries (MCI), of Des Plaines, Illinois, to exercise an option for the purchase of 63 forty-five foot Compressed Natural Gas (CNG) buses at a cost not to exceed \$41,490,351.00, plus five percent for contingencies, for a total contract authorization (which includes the prior authorization for 84 Motor Coach Industries (MCI) Compressed Natural Gas (CNG) buses) of \$103,562,508.47, subject to the availability of funds.

1406-24 ORANGE GARAGE: CONTRACT FOR UNDERGROUND STORAGE TANK REPLACEMENT 46599

Authorization to enter into NJ TRANSIT Contract No. 14-027x with Aurora Environmental, Inc. of Union Beach, New Jersey, to provide construction services for the Orange Garage Underground Storage Tank Replacement project at a cost not to exceed \$994,325.00, plus five percent for contingencies, subject to the availability of funds.

1406-25 APPROVAL OF GRANT ANTICIPATION NOTES FINANCING TO REFUND OUTSTANDING CERTIFICATES OF PARTICIPATION AND APPROVAL OF SELECTION OF SENIOR MANAGING UNDERWRITER FOR THE GRANT ANTICIPATION NOTES 46604

Authorization for NJ TRANSIT to adopt the attached Resolution authorizing the Grant Anticipation Notes for the purpose of refunding all or a portion of the outstanding Certificates of Participation and to approve the selection of Merrill, Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") to act as Senior

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Managing Underwriter for the Grant Anticipation Notes and authorizes the Chairman, the Executive Director, the Chief Financial Officer and Treasurer, the Secretary or their designees to take all actions necessary to consummate the sale of the Grant Anticipation Notes including, but not limited to, the negotiation and execution of all documents, payment of principal and interest, the payment of underwriting discount, the payment of all costs related to the issuance of the Grant Anticipation Notes including trustee, legal, rating agency, printing, and other expenses and the approval of all parameters for the issuance of the Grant Anticipation Notes as set forth in the attached Resolution. The Grant Anticipation Notes are authorized pursuant to N.J.S.A. 27:25-5(w).

CONSENT CALENDAR

1406-26 CORPORATE INSURANCE PROGRAM ANNUAL RENEWAL

46617

Authorization to revise and renew the Risk Management Insurance Program and to include services necessary to administer the Program, which includes Excess Liability, All-Risk Property, Workers' Compensation, Terrorism, Business Travel Accident, Employment Practices Liability, Directors' & Officers' Liability, various Executive Risk, Pollution Legal Liability, Life and Accidental Death & Dismemberment, Long-Term Disability and other coverages as needed for the period July 1, 2014 through June 30, 2015 at an annual cost not to exceed \$19,000,000, plus five percent for contingencies, subject to the availability of funds and adoption of the FY2015 Operating Budget.

1406-27 NJ TRANSIT DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM DISPARITY STUDY

46621

Authorization to enter into a procurement by exception (PBE 14-014) contract with the Regents of the University of Minnesota, to retain Dr. Samuel Myers, Professor of the Roy Wilkins Center for Human Relations & Social Justice Hubert H. Humphrey Institute of Public Affairs, to conduct statistical and anecdotal research on small, minority-owned, women-owned and disadvantaged business enterprises, as it relates to the availability, utilization and experiences of these firms, to determine evidence of discrimination in, and the degree to which discrimination impacts contracting opportunities for these firms (also known as a "disparity study"), at a cost not to exceed \$490,487, plus five percent for contingencies, subject to the availability of funds.

1406-28 ANNUAL NOTICE OF MEETINGS

46626

Adopt the Annual Notice of Meetings (Exhibit A) for all of the Board of Directors' meetings during Fiscal Year 2015.

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
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REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS
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1406-29 ANNUAL DESIGNATION AND BOARD COMMITTEE MEMBERSHIP SELECTION 46630

Approval of this item will designate Bruce M. Meisel to serve as Vice Chairman of the Board of Directors through June 2015 and appoint the members of all Board Committees as set forth in Exhibit A.

➤ ADJOURNMENT

APPROVAL OF MINUTES

WHEREAS, the By-Laws provide that the minutes of actions taken at meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. Board of Directors be approved by the Board; and

WHEREAS, pursuant to Section 4(f) of the New Jersey Public Transportation Act of 1979, the minutes of actions taken at the May 15, 2014 Board meetings of the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. were forwarded to the Governor on May 20, 2014;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the May 15, 2014 New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. Board of Directors' meetings are hereby approved.

Chris Christie, Governor
Kim Guadagno, Lieutenant Governor
Veronique Hakim, Executive Director



One Penn Plaza East
Newark, NJ 07105-2246
973-491-7000

TO: BOARD OF DIRECTORS
FROM: VERONIQUE "RONNIE" HAKIM *VHakim*
DATE: JUNE 11, 2014
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – JUNE 2014

June is National Safety Month, and NJ TRANSIT is joining with the National Safety Council and numerous other organizations across the country to observe this occasion. This year's theme, "Safety: It takes all of us," recognizes the vital spirit of collaboration necessary to effectively promote safe choices around the public transportation network. Of course, the safety of our customers, employees and the communities we serve remains our top priority at NJ TRANSIT at all times. As we mark National Safety Month, it is fitting that we all take a brief moment to review some simple, common sense "do's and don'ts" pertaining to rail, light rail and bus safety, which we have issued in a press release, posted to njtransit.com, and pushed out through our social media platforms. These important reminders will further promote a safe environment for our customers, our employees and for all New Jersey residents and visitors.

Last month, I had the pleasure of joining with members of the Greater Newark Convention & Visitors Bureau to unveil an Interactive Visitor Center at Newark Penn Station. Newark Penn Station is a vital multi-modal transportation hub, serving as a gateway to the City of Newark for the nearly 50,000 NJ TRANSIT customers who pass through the facility to board trains, buses and the Newark Light Rail on a typical weekday, as well as Amtrak, PATH and private carrier bus customers. The installation of a Tourism Assistance Portal (TAP) in the station will allow visitors to explore all that Newark has to offer using a state-of-the-art, interactive touch screen display. This is a great example of a collaborative effort that will encourage the use of public transportation, stimulate economic activity for area businesses, enhance the experience for visitors to Newark, and serve as an added amenity for NJ TRANSIT customers.

Yesterday, we announced the launch of new, weekend rail express service from New York Penn Station and northern New Jersey cities to shore communities along the North Jersey Coast Line. The new shore service will utilize NJ TRANSIT's dual-powered locomotives to provide a one-seat ride, which will offer greater customer convenience and make the trip down the shore faster and easier than ever before. Starting June 28 and continuing through September 1, four new, roundtrip express trains will be launched on Saturdays, Sundays and holidays between New York Penn Station and Bay Head, supplementing our regular hourly rail shuttle service between Long Branch and Bay Head. The express service will serve New York Penn Station, Secaucus Junction, Newark Penn Station, Elizabeth, Rahway, Aberdeen-Matawan, Red Bank, Long Branch, Asbury Park, and then all station stops to Bay Head, without having to change trains in Long Branch. The North Jersey Transportation Planning Authority authorized a \$270,000 allocation through the federal Congestion Mitigation and Air Quality Improvement Program (CMAQ) to fund this service. Detailed schedules will be available June 17 on njtransit.com.

Finally, as you know, we have partnered with Cablevision to offer high-speed wireless internet access to NJ TRANSIT customers to be implemented in a gradual rollout. In January, the initial phase launched at 11 stations—Hoboken Terminal, Newark Broad Street, Secaucus Junction, Newark Penn Station, New Brunswick, Metropark, Summit, Rahway, Trenton Transit Center, Meadowlands and Montclair State University. Today I'm pleased to announce that Wi-Fi has been added to eight more stations—Belmar, Bradley Beach, Denville, Glen Rock-Main Line, Manasquan, Mount Tabor, Mountain View and Towaco. This is a welcome amenity for our customers, and I will keep you informed as the rollout expands to additional stations, and ultimately, onboard trains.

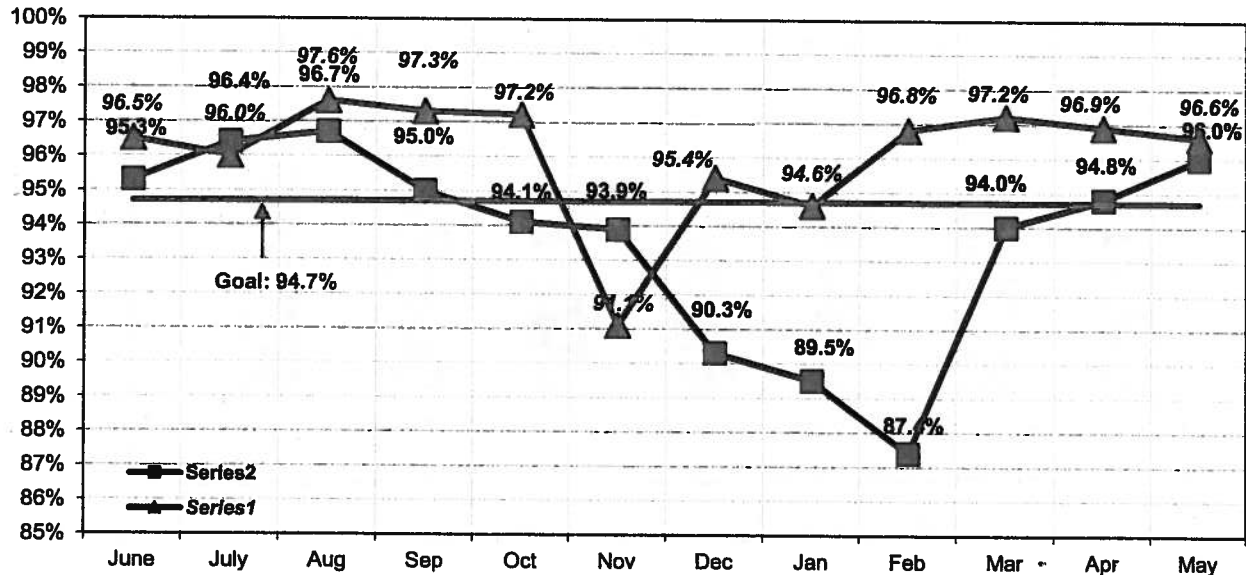
EXECUTIVE DIRECTOR'S MONTHLY REPORT JUNE 2014

- 1. PERFORMANCE MEASURES**
- 2. MEAN DISTANCE BETWEEN FAILURES**
- 3. DBE/MBE PROGRAM**

PERFORMANCE MEASURES

NJ TRANSIT ON-TIME PERFORMANCE RAIL MAY 2012 - APRIL 2014

% Trains Reported Within 6 Minutes of Schedule



	2013	2014	# Change
May Comparison	96.6%	96.0%	-0.6%

	2012-2013	2013-2014	# Change
12-Month Average June - May	96.1%	93.6%	-2.5%

Analysis:

Rail On-Time Performance was 96.0% for May 2014. Of the 18,671 trains scheduled to operate, 17,918 were on time, while 753 trains (or 4.0%) were delayed. Key causes included:

- NJT electric locomotive failure, Amtrak programmed maintenance and NJT washout due to flooding (in Towaco) caused 66 delays for an OTP of 88.5% on May 1.
- NJT multi-level coach failure, continued washout due to flooding (in Towaco), Amtrak signal problems and other miscellaneous issues caused 73 delays for an OTP of 89.3% on May 2.
- Amtrak switch failure, NJT cab car failure, Amtrak signal failure, Portal Bridge opening and Conrail freight interference caused 49 delays for an OTP of 90.9% on May 20.

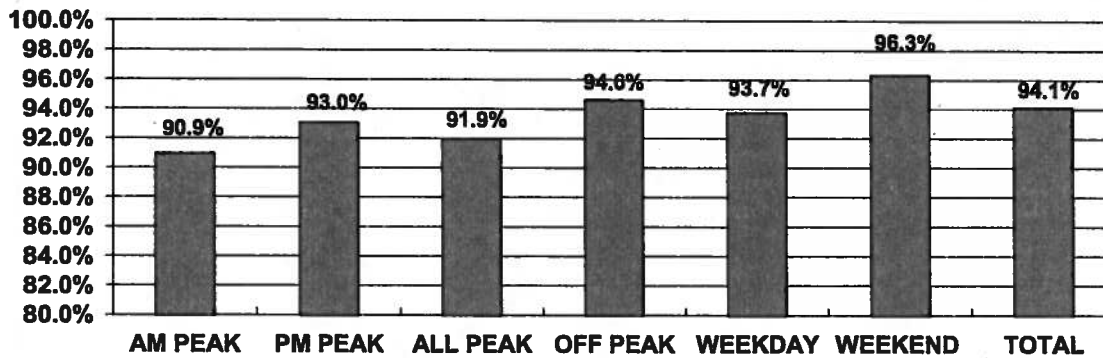
The 12-month average for Rail On-Time Performance for June 2012 - May 2014 was 96.3%.

ON-TIME PERFORMANCE RAIL

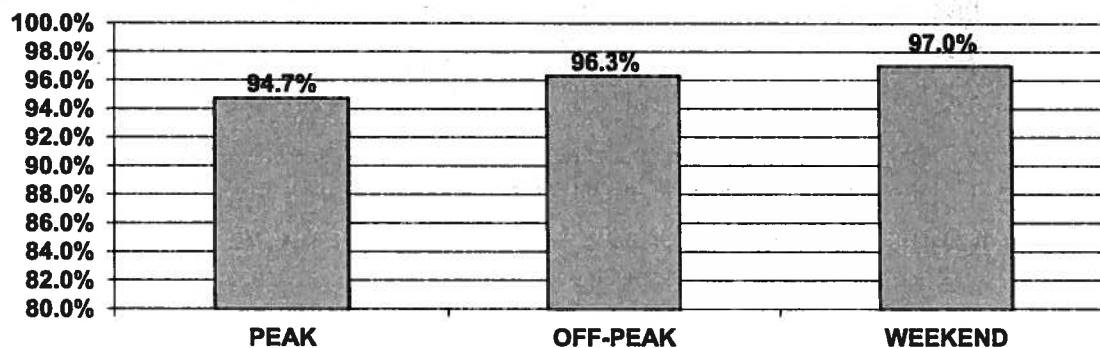
SUMMARY BY TIME PERIOD MAY 2014

* NOTE: A train is reported late if it arrives at its final station stop more than 5'59" later than the advertised schedule.

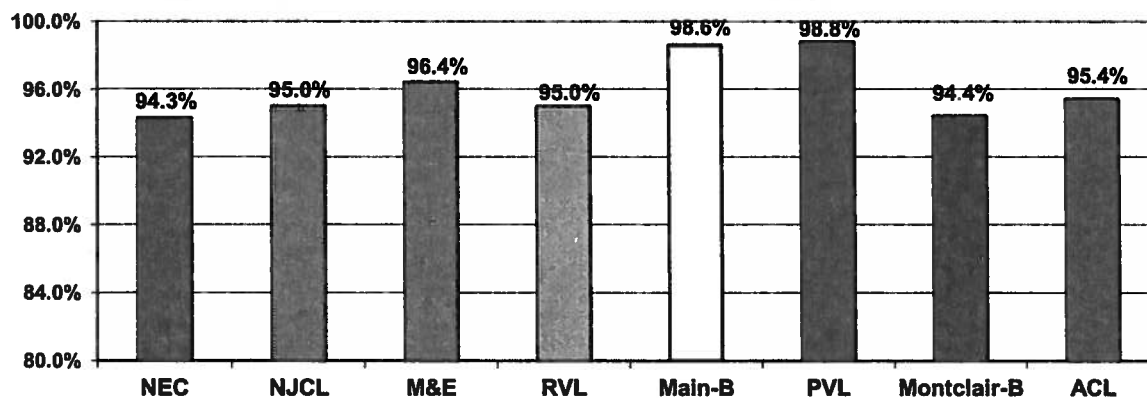
% NEW YORK PENN STATION Trains Reported On Time *



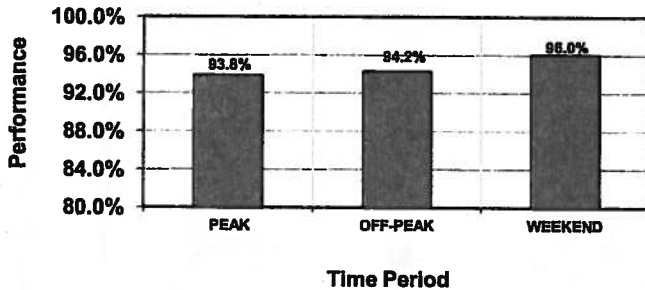
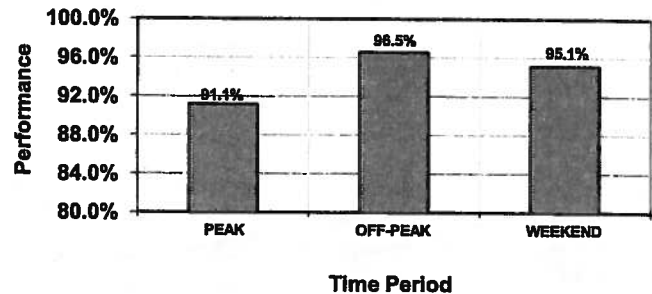
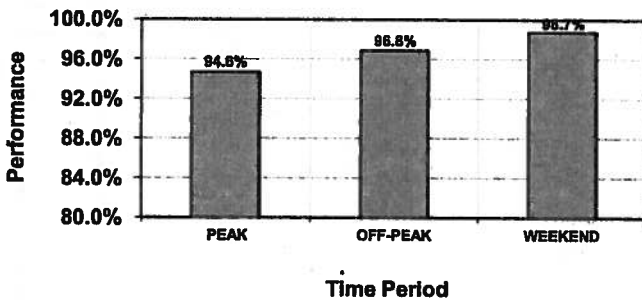
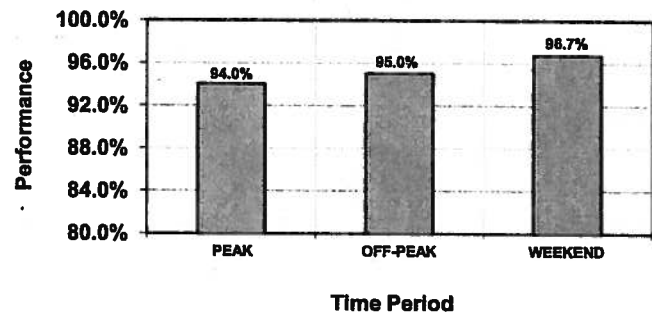
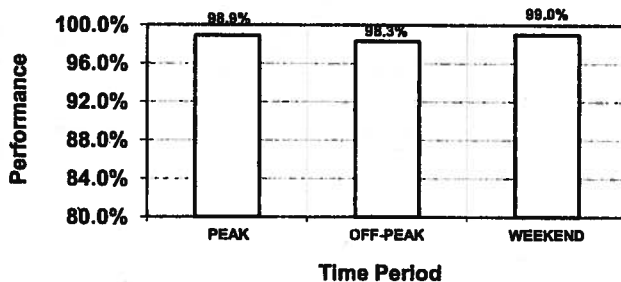
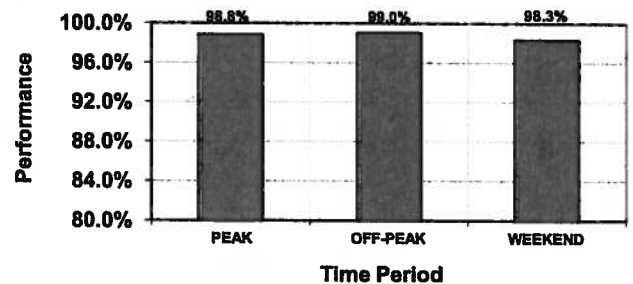
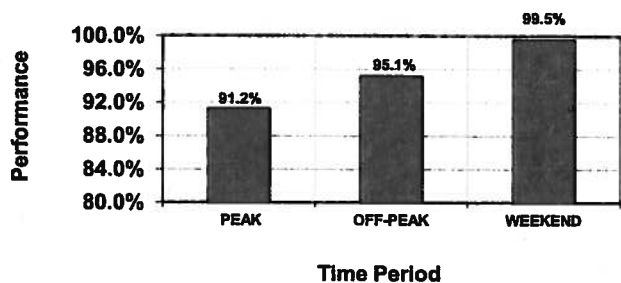
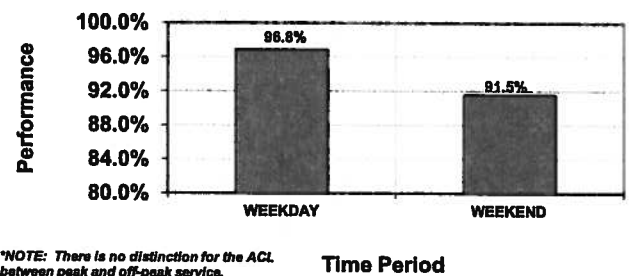
% SYSTEMWIDE Trains Reported On Time



% BY LINE Trains Reported On Time



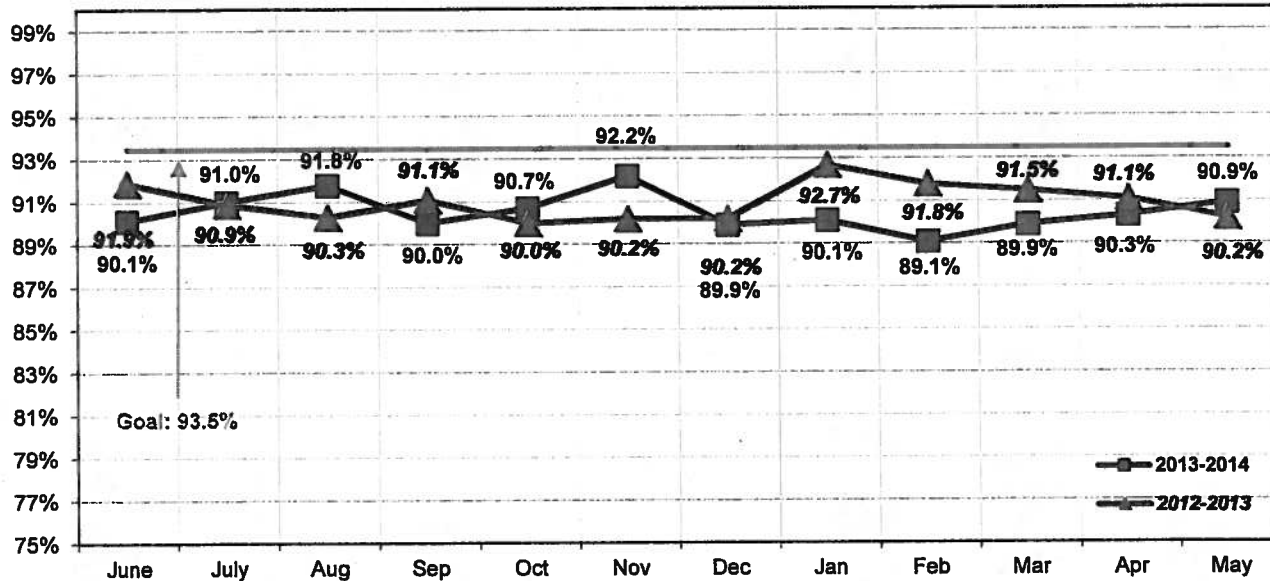
ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD MAY 2014

NORTHEAST CORRIDOR**NORTH JERSEY COAST LINE****MORRIS & ESSEX****RARITAN VALLEY LINE****MAIN-BERGEN****PASCACK VALLEY****MONTCLAIR-BOONTON****ATLANTIC CITY***

*NOTE: There is no distinction for the ACL between peak and off-peak service.

NJ TRANSIT ON-TIME PERFORMANCE BUS JUNE 2012 - MAY 2014

% Buses Departing Major Terminals Within 6 Minutes of Schedule



	2014	2013	% Change
May Comparison	90.9%	90.2%	-0.7%

	2012-2013	2013-2014	% Change
12-Month Average June - May	91.1%	90.4%	-0.7%

Analysis:

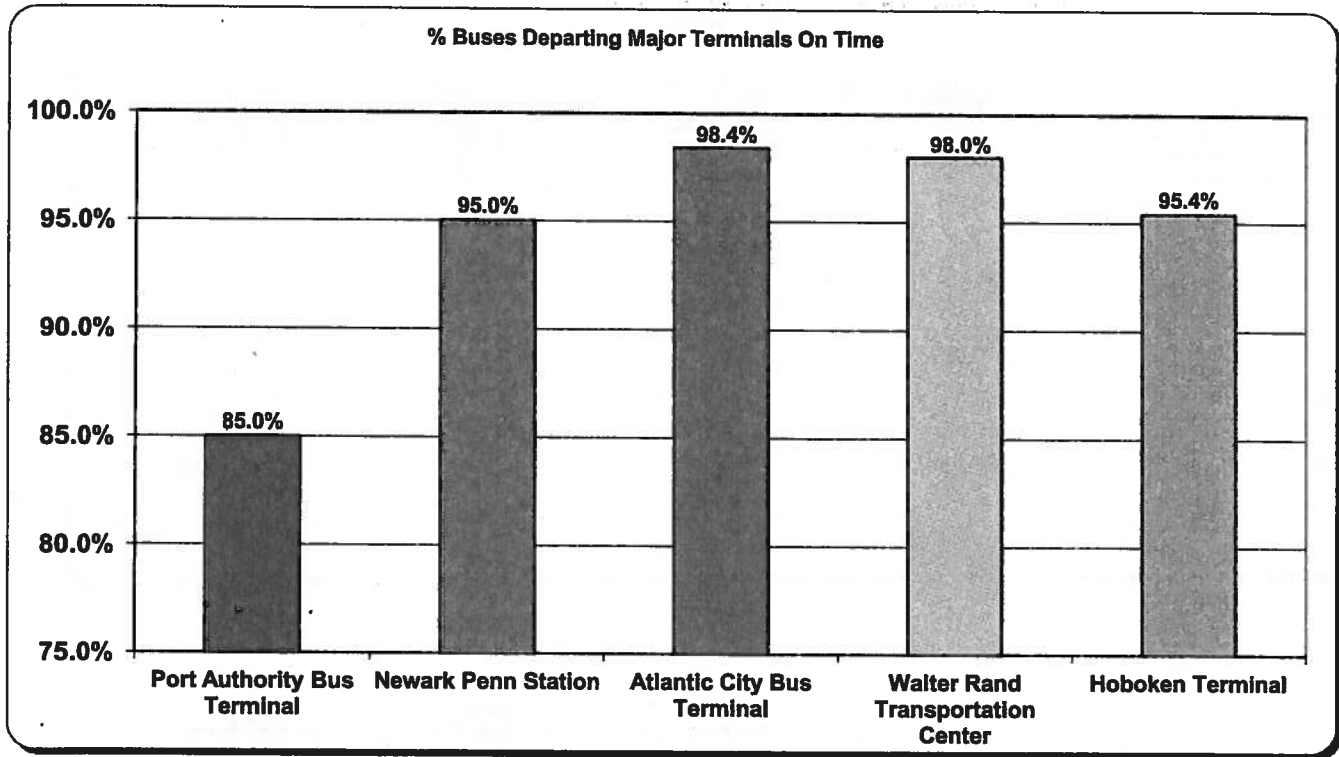
Bus On-Time Performance was 90.2% for May 2014. Of the 36,887 monitored departures, 3,597 (or 9.8%) experienced delays. Key causes included:

- Accidents on three days and police activity on two days affecting Port Authority Bus Terminal service.
- Road flooding May 1, fire on Ben Franklin Bridge and a bus breakdown on May 16 affecting Walter Rand Transportation Center service.
- Heavy rains and flooding on May 2 and 3 affecting Newark Penn Station service.
- Daily detours in Wildwood and Cape May Court House; 2 major accidents (not involving NJT) affecting Atlantic City Bus Terminal buses.

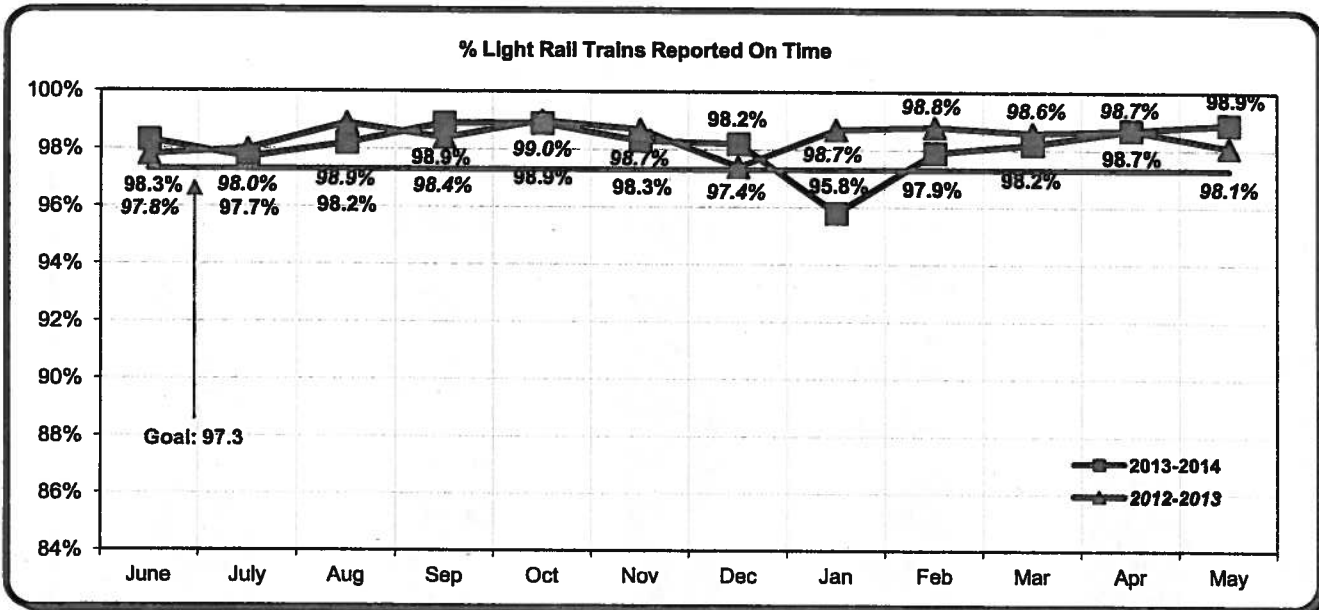
The 12-month average for Bus On-Time Performance for June 2012 - May 2014 was 90.6%.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL MAY 2014



NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL JUNE 2012 - MAY 2014



	2013	2014	# Change
May Comparison	98.1%	98.9%	0.8%

	2012-2013	2013-2014	# Change
12-Month Average June - May	98.5%	98.2%	-0.3%

Analysis:

Light Rail On-Time Performance systemwide was 98.9% for the month of May 2014. Of the 26,562 scheduled trains, 287 (or 1.1%) experienced delays. Key causes included:

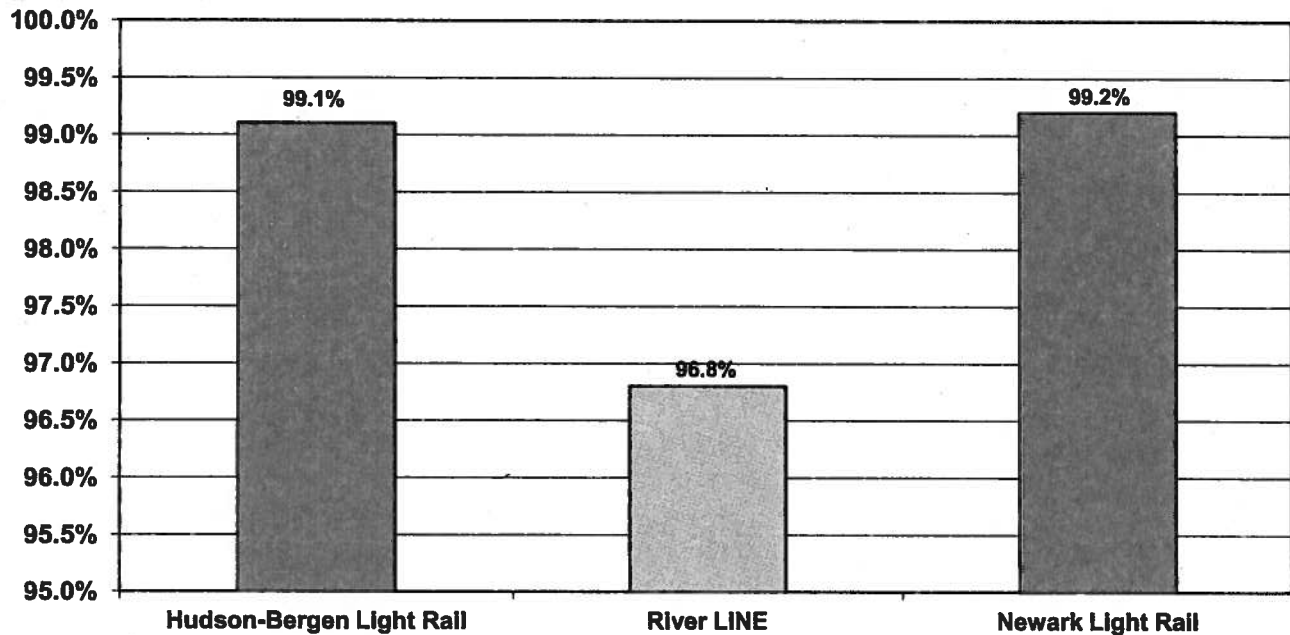
- Automobile blocking tracks at Morgan Interlocking delayed 15 Hudson-Bergen Light Rail trains on May 25.
- A fire in Delanco delayed 12 River Line trains on May 24.
- Police activity at Military Park delayed 20 Newark Light Rail trains on May 8.

The 12-month average for Light Rail On-Time Performance for June 2012 - May 2014 was 98.5%.

ON-TIME PERFORMANCE LIGHT RAIL

SUMMARY BY LINE MAY 2014

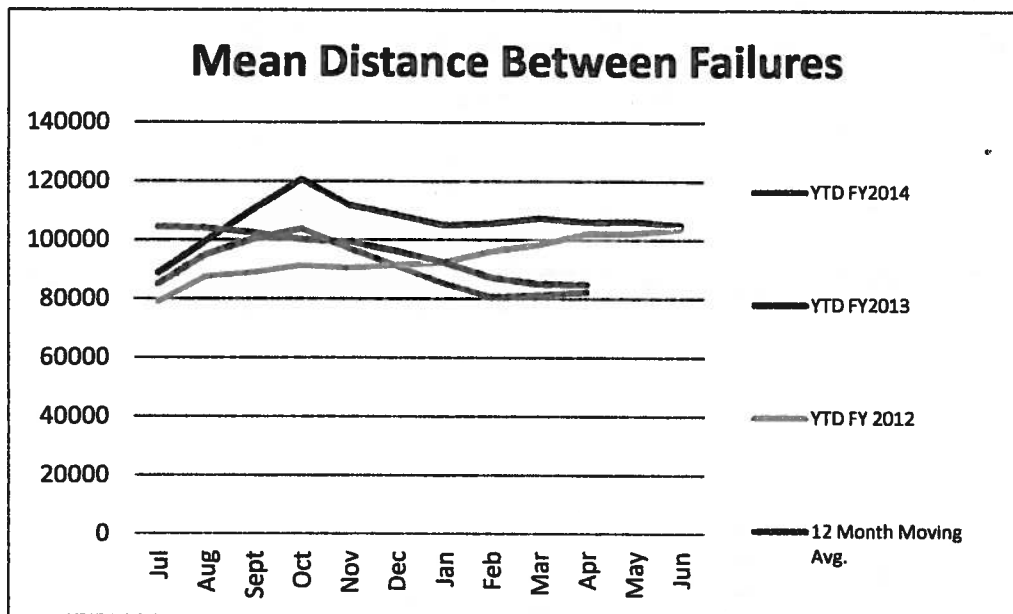
% Light Rail Trains Reported On Time



MEAN DISTANCE BETWEEN FAILURES

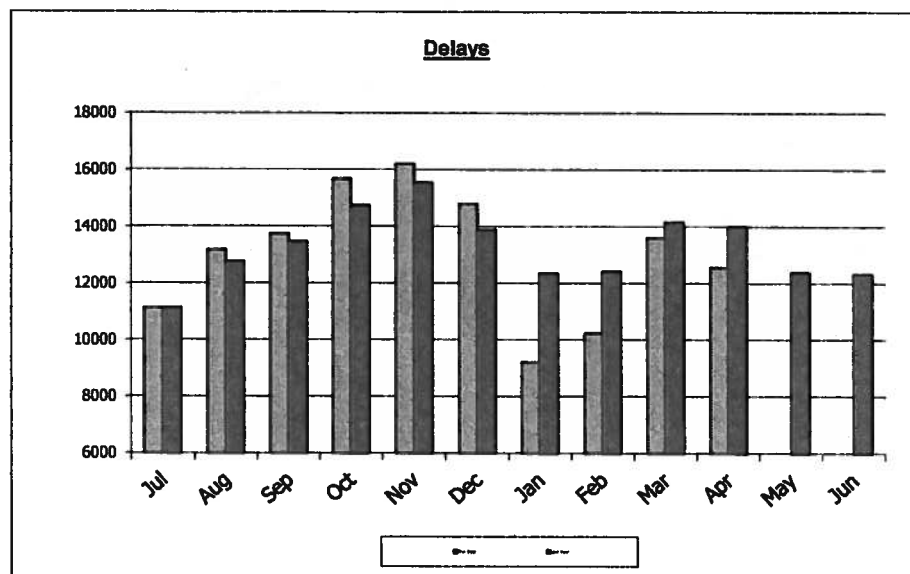
NJ Transit Rail
Mean Distance Between Failures

Month	YTD FY2014	YTD FY2013	YTD FY 2012	12 Month Moving Avg.
Jul	85097	88,735	78,933	104,485
Aug	95116	99,585	87,525	104,066
Sept	100341	110,530	89,028	102,384
Oct	103813	120,591	91,327	100,146
Nov	97,112	111,758	90,518	99,274
Dec	91128	108,579	91,523	96115
Jan	85161	104,917	92,489	92,375
Feb	80639	105,580	96,166	87,218
Mar	81229	107,335	98,412	85,057
Apr	82293	106,048	102,149	84,839
May		106,287	102,237	
Jun		104975	103,748	



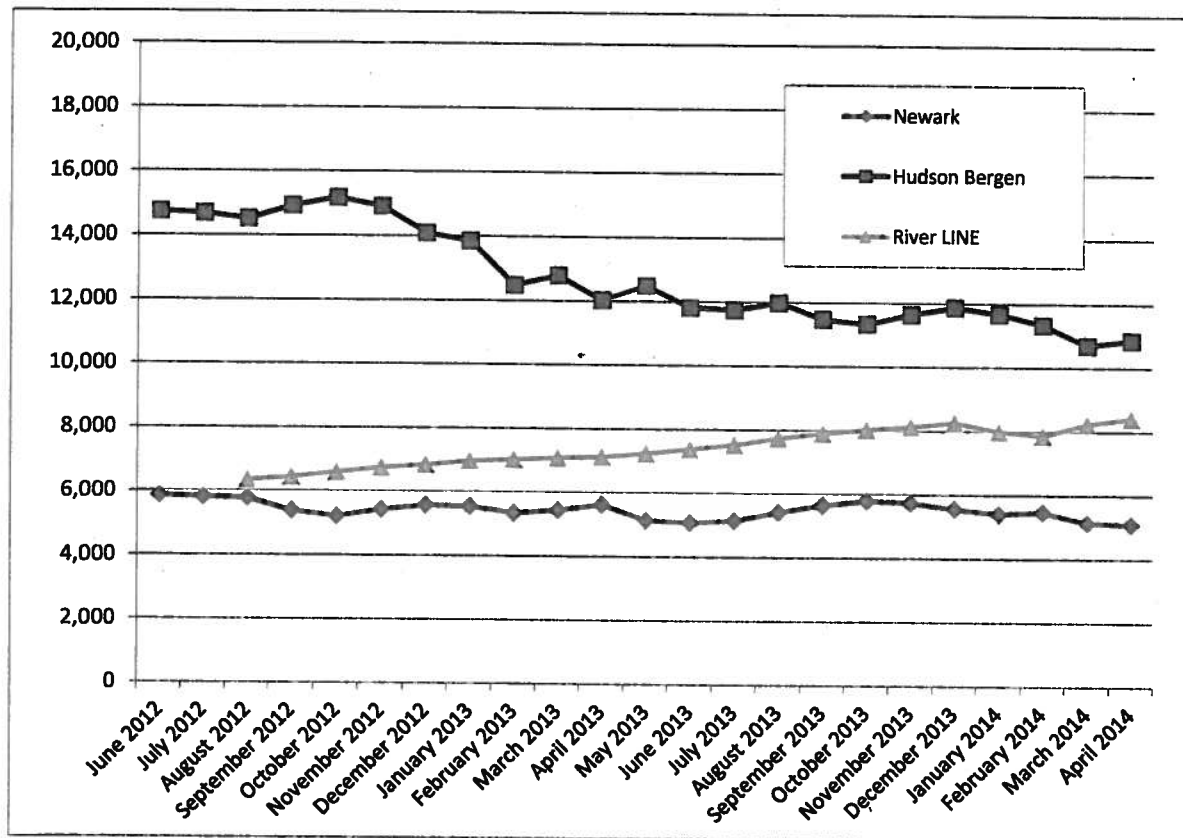
Garage Performance Parameters**April 2014**

Location	Miles Between In-Service Delays			
	FY2014 Goal	This Month	FY2014 YTD	FY2013 YTD
Fairview	9,000	7,273	7,440	8,244
Greenville	10,000	9,842	8,833	10,783
Market Street	12,500	14,187	13,531	12,619
Meadowlands	11,300	8,186	9,578	11,842
Oradell	15,500	10,990	11,745	15,841
Wayne	15,500	11,825	11,278	14,421
Northern Division	-	10,407	10,659	12,846
Big Tree	9,000	8,503	11,675	11,462
Hilton	8,500	12,957	12,664	8,588
Howell	16,500	18,780	16,756	15,673
Ironbound	12,500	9,173	9,403	13,137
Orange	6,200	10,660	12,548	7,952
Morris	11,000	51,001	50,139	54,420
Central Division	-	12,137	12,595	11,514
Egg Harbor	15,800	19,342	18,876	15,010
Hamilton	24,500	19,830	21,831	24,782
Newton Avenue	14,500	19,176	14,672	17,229
Washington Twp.	18,225	16,013	14,418	19,744
Southern Division	-	18,093	16,495	17,789
Bus Operations	-	12,532	12,627	13,289



NJ TRANSIT - LIGHT RAIL, April 2014**Miles Between In-Service Delays (Mechanical Failures)**

Light Rail System	April 2014 (Current Month)	12 Month Moving Average (Mean)
Newark	5,860	5,087
Hudson Bergen	17,045	10,853
River LINE	9,810	8,401

MEAN DISTANCE MILES BETWEEN IN-SERVICE DELAYS (DELAYED TRAINS)

Notes: Newark Light Rail's totals are impacted by the short 5 mile alignment distance and single car consists.

DBE/MBE PROGRAM

State Funded Contracts

During the month of May 2014, NJ TRANSIT awarded **\$4,882,620.75** in state funded contracts. Of that total, Small Business Enterprises (SBEs) received **\$2,461,120.75** or **50.41%**.

During the State Fiscal Year 2014 (July 1, 2013 through June 30, 2014) NJ TRANSIT awarded **\$75,571,191.84** in state funded contracts. Of that total, SBEs received **\$12,860,596.86** or **17.02%**.

SBE Goal Attainment from July 1, 2013 through May 31, 2014 (FY 2014)

Category 1 SBEs received	\$73,389.00	or 0.10%
Category 2 SBEs received	\$370,455.66	or 0.49%
Category 3 SBEs received	\$0	or 0.00%
Category 4 SBEs received	\$5,319,148.67	or 7.04%
Category 5 SBEs received	\$4,933,133.43	or 6.53%
Category 6 SBEs received	\$2,164,470.10	or 2.86%

FTA Funded Contracts (updated Quarterly – next update will be available July 2014)

During the 2nd Quarter (Jan 1, 2014 through March 31, 2014) of Federal Fiscal Year 2014 (October 1, 2013 through September 30, 2014), the FTA funded share of NJ TRANSIT's federal contracts awarded was **\$11,832,853.33**. Of that total, Disadvantaged Business Enterprises (DBEs) received **\$3,025,430.00** or **25.57%**.

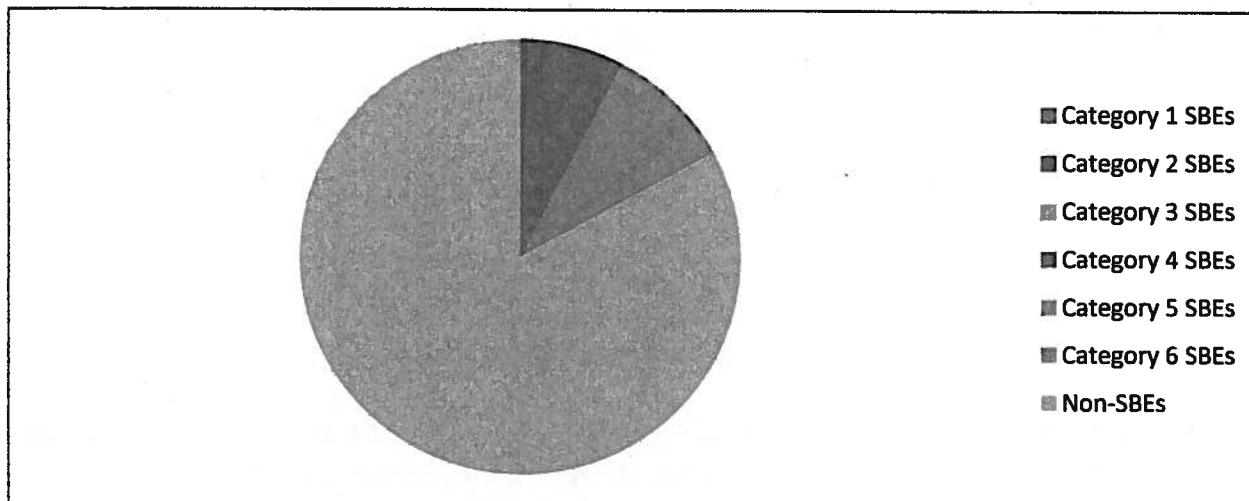
DBE Goal Attainment from October 1, 2013 (FFY 2014) - September 30, 2016 (FFY 2014)*

Contracts awarded	\$20,157,685.79
DBEs received	\$3,778,374.93 or 18.74%

*Numbers reflect federal share.

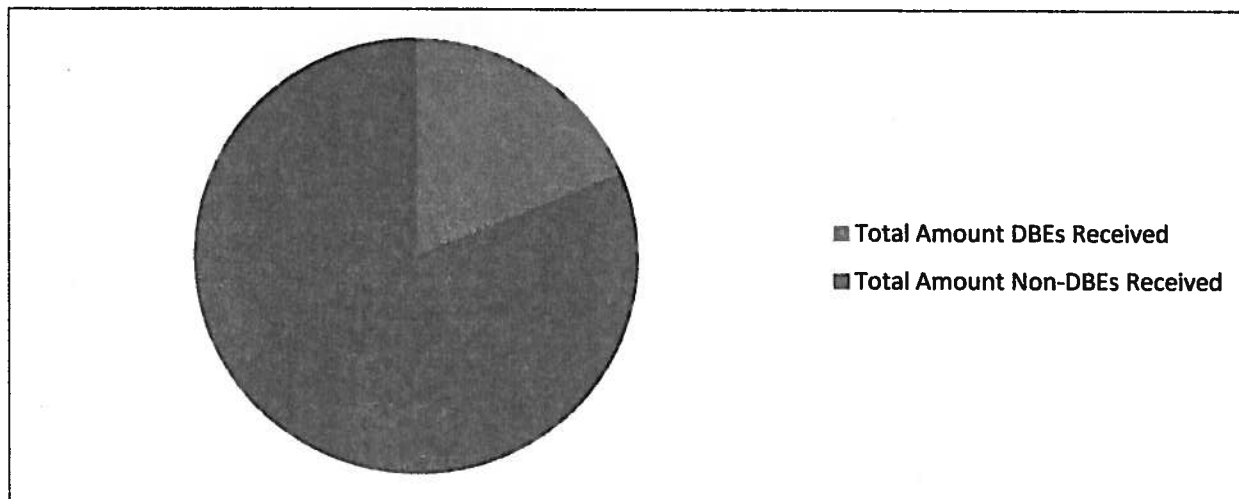
SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD 2014

Category 1 SBEs	\$73,389.00	0.10%
Category 2 SBEs	\$370,455.66	0.49%
Category 3 SBEs	\$0.00	0.00%
Category 4 SBEs	\$5,319,148.67	7.04%
Category 5 SBEs	\$4,933,133.43	6.53%
Category 6 SBEs	\$2,164,470.10	2.86%
Non-SBEs	\$62,710,594.98	82.98%



DBE PARTICIPATION
FEDERAL CONTRACTS
TRIENNIAL YEARS 2014-2016

Total Amount DBEs Received	\$3,778,374.93	18.74%
Total Amount Non-DBEs Received	\$16,379,310.85	81.26%



ACTION ITEMS

ITEM 1406-21: RIVER LINE LIGHT RAIL: OPERATIONS AND MAINTENANCE CONTRACT AWARD**BENEFITS**

In March 2004, NJ TRANSIT introduced the River Line Light Rail service between Camden and Trenton, a 34.5-mile corridor serving 19 communities in three counties (see Exhibit A). The River Line Light Rail serves 21 station stops, including the new Pennsauken Transit Center. The equipment fleet consists of 20 light rail vehicles, which are maintained at the Camden River Line Light Rail Complex located immediately south of the 36th Street Station. The River Line Light Rail was built and originally operated under a 10-year Design/Build/Operate/Maintain (DBOM) Contract with Southern New Jersey Rail Group, LLC (SNJRG), a wholly-owned subsidiary of Bombardier Transportation, North America.

The River Line Light Rail Operations and Maintenance Contract will span a base period of 15 years with one five-year option period. The Contract operator will be responsible for the operations and maintenance of the River Line Light Rail property and equipment. The Contract includes a Capital Asset Replacement Program (CARP), the mechanism by which the Contractor meets its obligation to maintain the NJ TRANSIT-owned capital assets on the River Line Light Rail in a state-of-good-repair. CARP items include power and trailer truck overhauls, diesel engine overhauls and generator overhauls on the Light Rail Vehicles; and track surfacing, embedded switch overhauls and insulated joint replacement along the right-of-way. The Operations & Maintenance and CARP will be annually adjusted in accordance with the indices set forth in the Contract.

The Contract also allows for Performance Payments based upon specific criteria related to on-time performance, customer service, safety, light rail vehicle availability and reliability, as well as a provision for risk reduction to the Contractor (this provision provides assistance to the Contractor for the repair/replacement of items due to vandalism, e.g. broken windows and grade crossing gate arms). This request also includes authorization of funds related to capital improvements to the River Line Light Rail. Examples of the capital program include the next generation traction motor design, shop and facility upgrades, and safety initiatives.

In Fiscal Year 2013, the River Line Light Rail served 2.86 million customer trips.

ACTION (Scorecard: Safety & Security, Customer Experience, Corporate Accountability, Financial Performance)

Staff seeks authorization to enter into NJ TRANSIT Contract No. 13-015 with Southern New Jersey Rail Group, LLC of Camden, New Jersey, a wholly-owned subsidiary of Bombardier Transportation, North America, for the Operations and Maintenance of the River Line Light Rail between the cities of Camden and Trenton for a period of 20 years (15-year base period plus one five-year option period) at a cost not to exceed \$443,420,739.41, plus annual adjustments in accordance with the indices set forth in

the contract, subject to the availability of funds and approval of future operating budgets.

PURPOSE

This authorization will allow for the continued operation of the River Line Light Rail for a 15-year base period plus one five-year option period.

BACKGROUND

History

In November 1996 the NJ TRANSIT Board of Directors endorsed the 34.5-mile Camden to Trenton corridor for construction of a light rail system (Item 9611-118). After the completion of a competitive procurement process, Southern New Jersey Rail Group, LLC (Bechtel Infrastructure Corp. and ABB Daimler-Benz Transportation) was awarded the Design/Build/Operate/Maintain (DBOM) contract, which included a 10-year Operate/Maintain period (Item 9905-59).

The River Line Light Rail commenced revenue service on March 14, 2004 and the original 10-year Operate/Maintain period expired on March 13, 2014. In December 2013, the NJ TRANSIT Board of Directors authorized a contract extension not to exceed 12 months to allow staff sufficient time to review the Technical and Cost Proposals, and negotiate the next Contract (Item 1312-48).

Procurement

Office of the State Comptroller approval to advertise this Contract was received on May 22, 2012, as required by Executive Order 150. The NJ TRANSIT Office of Business Diversity assigned a seven percent Small Business Enterprise (SBE) Category 6 goal to this Contract.

On September 11, 2012, NJ TRANSIT advertised a Request for Proposal in *The Star Ledger* and *The Trenton Times*. Additionally, a package was mailed throughout the rail transit industry requesting interested parties to submit a Special Prequalification detailing the firm's relevant experience and proposed organizational structure. Six teams submitted the required documentation during the Pre-Qualification Phase.

The Request for Proposal package was issued to all six teams on June 7, 2013, with a Pre-Proposal Conference held on June 18, 2013. A River Line Light Rail site tour for all teams was held on June 18, 19, and 20, 2013. Questions and Clarifications were due by August 8, 2013.

Two teams advised NJ TRANSIT that they would not submit proposals. The remaining four teams submitted their Technical and Cost Proposals to NJ TRANSIT on November 15, 2013:

- **Herzog Transit Services, Inc.** (St. Joseph, Missouri)
- **River Line Operators, LLC** (Boston, Massachusetts) – special purpose company of Alternate Concepts, Inc. (Boston, Massachusetts) and RailWorks Track Systems, Inc. (Lakeville, Minnesota) with Kawasaki Rail Car, Inc.; BRT Services, LLC; and Hallcon Corporation
- **Southern New Jersey Rail Group, LLC** (Camden, New Jersey) – a wholly-owned subsidiary of Bombardier Transportation, North America
- **URS Energy & Construction, Inc.** (Boise, Idaho) with Stadler USA, Inc.; Kinkisharyo International, LLC; BRT Services, LLC; Burns Engineering, Inc.; and Tracks Unlimited, Inc.

The Technical Proposals were evaluated by the Technical Evaluation Committee comprised of the following staff:

- CP&P Light Rail Operations (two members)
- CP&P Equipment Design and Engineering (one member)
- CP&P Construction and Project Management (one member)
- Rail Operations Infrastructure Engineering (one member)

After the TEC scored the Technical Proposal, the Cost Proposals were reviewed, ranked, and rated. Following the Cost Proposal scoring, all four firms were deemed to be within the “competitive range” from the technical and cost review process and were asked to make Oral Presentations. The Oral Presentations were held on February 25-27, 2014. Following the Oral Presentations the TEC recalculated the Technical Proposal Scores to reflect the additional information received during the interviews. The recalculated Technical Proposal Scores were then added to the Cost Proposal scores.

The final scores for the four firms are as follows:

FACTOR	HERZOG TRANSIT SERVICES	RIVER LINE OPERATORS	SOUTHERN NEW JERSEY RAIL GROUP	URS ENERGY & CONSTRUCTION
Technical	1,709.00	1,549.00	2,103.00	1,470.00
Cost	1,373.87	1,133.69	1,500.00	1,417.81
Total	3,082.87	2,682.69	3,603.00	2,887.81

The total point value for the Technical Proposal is 2,250 points and for the Cost Proposal 1,500 points. A review of the Technical Proposals was conducted by an outside consulting firm, which validated the TEC’s scoring.

The comparison of Cost Proposals for operation and maintenance of the River Line Light Rail over the 20-year contract period is presented below:

FIRM	EVALUATED COST ¹
Southern New Jersey Rail Group, LLC Camden, New Jersey	\$ 434,725,283.00
URS Energy & Construction, Inc. Boise, Idaho	\$ 458,544,606.81
Herzog Transit Services, Inc. St. Joseph, Missouri	\$ 471,279,270.00
River Line Operators, LLC Boston, Massachusetts	\$ 540,887,206.34

¹ Evaluated Cost includes annual operating costs and an allowance for Capital Asset Replacement Program (CARP) of \$2.0 million per year. It does not include allowances for Bonus Payments, Risk Reduction; or Capital Projects.

Southern New Jersey Rail Group, LLC scored the highest on the Technical Proposal and also submitted the lowest bid.

In addition to the annual operating costs and CARP allowance, the Requested Authorization includes risk reduction and bonus payments as well as capital projects, as shown on Exhibit B.

Under the current contract, the annual base Operate and Maintain payment for the River Line Light Rail service is \$21,949,362. The new contract provides for an annual base Operate and Maintain payment of \$19,736,264, an annual savings of \$2,223,098. Both base payments are subject to the adjustments included in the contract.

This item has been reviewed and recommended by the Board Capital Planning, Policy and Privatization Committee.

FISCAL IMPACTS

Requested Authorization: \$ 443,420,739.41 plus Adjustments

Past Authorizations: \$0

Expenditures to Date: \$0

Total Project Cost: \$ 443,420,739.41 plus Adjustments

Projected Date of Completion: June 2034

Capital Program Amount: \$ 41,895,456.41 plus Adjustments

Operating Budget Amount: \$ 401,525,283.00 plus Adjustments

PRINTS ID Numbers:	NJT00541	NJT00864
	NJT00543	NJT00889
	NJT00703	NW100066
	NJT00704	HQS00185

Anticipated Source of Funds: FY2015-FY2034 Operating Budgets
Transportation Trust Fund

DBE/SBE Goal: 7% SBE, Category 6

***NJ Build* Amount:** N/A

Related Future Authorizations: None

Impacts on Subsequent Operating Budgets:	\$ 20,076,264.15	plus Adjustments (annually FY2015-FY2034)
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RESOLUTION

WHEREAS, NJ TRANSIT's River Line Light Rail is a 34.5-mile corridor serving 19 communities in three counties between Camden and Trenton; and

WHEREAS, the current operate/maintain contract for the River Line Light Rail expired on March 13, 2014; and

WHEREAS, the current operate/maintain contract was extended until March 12, 2014; and

WHEREAS, the continued operation of the River Line Light Rail is critical for NJ TRANSIT's customers; and

WHEREAS, upon completion of a competitive procurement process, it was determined that Southern New Jersey Rail Group, LLC, a wholly-owned subsidiary of Bombardier Transportation, North America, submitted the proposal for the operation and maintenance of the River Line Light Rail that provides the best value and is in the best interest of NJ TRANSIT;

NOW, THEREFORE, BE IT RESOLVED, that the Chairman or Executive Director is authorized to enter into NJ TRANSIT Contract No. 13-015 with Southern New Jersey Rail Group, LLC of Camden, New Jersey, a wholly-owned subsidiary of Bombardier Transportation, North America, for the Operations and Maintenance of the River Line Light Rail between the cities of Camden and Trenton for a period of 20 years (15-year base period plus one five-year option period) at a cost not to exceed \$443,420,739.41, plus annual adjustments in accordance with the indices set forth in the contract, subject to the availability of funds and approval of future operating budgets.

EXHIBIT A



EXHIBIT B

**REQUESTED AUTHORIZATION
SOUTHERN NEW JERSEY RAIL GROUP, LLC**

Item	Capital Funding	Operating Funding	Total
Operating Costs (15 Years + One Five-Year Option)		\$ 394,725,283.00	\$ 394,725,283.00
Capital Asset Replacement Program (CARP) Allowance	\$ 40,000,000.00		\$ 40,000,000.00
Subtotal – Evaluated Cost	\$ 40,000,000.00	\$ 394,725,283.00	\$ 434,725,283.00
Risk Reduction		\$ 2,000,000.00	\$ 2,000,000.00
Bonus Payments		\$ 4,800,000.00	\$ 4,800,000.00
Custom Traction Motor Design & Prototype	\$ 750,000.00		\$ 750,000.00
LRV Upgrades	\$ 203,000.00		\$ 203,000.00
Safety Initiatives	\$ 150,000.00		\$ 150,000.00
Shop Upgrades	\$ 100,000.00		\$ 100,000.00
Radio Replacement Program	\$ 75,000.00		\$ 75,000.00
Hurricane Irene Reimbursement	\$ 392,456.41		\$ 392,456.41
Superstorm Sandy (FTA Tier II Resiliency Funding)	\$ 200,000.00		\$ 200,000.00
Superstorm Sandy (FTA Tier I Funding)	\$ 25,000.00		\$ 25,000.00
Total	\$ 41,895,456.41	\$ 401,525,283.00	\$ 443,420,739.41

**ITEM 1406-22: FISCAL YEAR 2015 SOLE AND SINGLE SOURCE
PROCUREMENT-BY-EXCEPTION WAIVER AUTHORIZATION**

BENEFITS

Materials and services, which are available from only one source of supply, are exempt from competitive procurement under N.J.A.C. 16:72-1.5(d) and Executive Order No. 37. Sole and single source vendors generally have proprietary control over the manufacture of parts and components and the provision of technical services for NJ TRANSIT equipment and technology.

Rail, bus, and light rail rolling stock and equipment are manufactured by a relatively small number of industrial producers using proprietary designs to meet the particular performance requirements and physical environment of individual transit systems and railroads. The equipment is not mass-produced, but manufactured to order.

The equipment is capital-intensive, long-lived and, if properly maintained, can operate safely for decades. However, the spare parts, material and technical services needed to maintain this uniquely engineered equipment in many cases are available only from the original equipment manufacturer (OEM), or a successor company with proprietary rights to the original design.

Sole source technology vendors have proprietary control over the manufacture of parts, components and services needed for NJ TRANSIT's continued use of technology.

Lists of Fiscal Year 2015 sole/single source vendors are set forth in Exhibit A1 for Replacement Parts and Services, in Exhibit A2 for Computer Hardware and Software, and in Exhibit A3 for Superstorm Sandy Disaster Recovery Program Electrical and Signal Systems. For the purpose of transparency, this list includes all sole and single source vendors that NJ TRANSIT may need to use in the coming fiscal year, regardless of whether they were used in the previous fiscal year. Should a new vendor need to be added to Exhibits A1, A2 or A3 in Fiscal Year 2015 as a result of a newly-identified critical operating need, staff will notify the Board of additional sole source vendors whose aggregate spend exceeds \$250,000.

ACTION (Scorecard: Customer Experience, Corporate Accountability, Financial Performance, Safety and Security)

Staff requests authorization to enter into sole or single source procurement-by-exception contracts for the purchase of materials and services from approved vendors set forth in Exhibit A1 (subject to adjustments) to support Bus, Rail, Light Rail, and Headquarters operations at a cost not to exceed \$20,000,000, subject to the availability of funds. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2014 to June 30, 2015.

Staff also seeks authorization to enter into sole or single source procurement-by-exception contracts for the purpose of maintaining/upgrading hardware and software systems from approved vendors set forth in Exhibit A2 (subject to adjustments) to support NJ TRANSIT's Information Systems at a total cost not to exceed \$20,000,000, subject to the availability of funds. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2014 to June 30, 2015.

Staff also seeks authorization to enter into sole or single source procurement-by-exception contracts for the purchase of materials and service from approved vendors set forth in Exhibit A3 (subject to adjustments) to support the Superstorm Sandy Disaster Recovery Program at a cost not to exceed \$10,000,000, subject to the availability of funds and FTA approval and all other applicable requirements. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2014 to June 30, 2015.

PURPOSE

The need for NJ TRANSIT to exercise sole and single source authority relates to specific areas of procurement, including, but not limited to, the following:

Replacement Parts from Original Equipment Manufacturers (OEMs)

These OEM parts or components are needed to repair and maintain rolling stock and other equipment specifically designed by the OEM manufacturer, where available technical data does not assure that a part or component supplied by another vendor will adequately perform the same function it replaces.

Examples of major sole source vendors include Alstom Transportation, Bombardier, Caterpillar, Electro Motive Diesel (EMD), Knorr Brake Corp., Faiveley/Ellcon Transport Group, Kinkisharyo Inc., WABTEC Passenger Transit, MCI Service Parts, NABI, and NeoPart,

Sole Supplier Services

Certain apparatus can only be serviced and/or tested by sole/single source vendors. For example, Sperry Rail Services is the only industry-recognized source capable of simultaneously testing rail by induction and ultrasound methods; Harsco Track Technologies is the only qualified source to provide Track Laying Machine Services for the automated installation of concrete ties; and Solari Corporation is the only qualified source for the repair of Solari display units.

Rail Brake Shoes

NJ TRANSIT operates approximately 1,400 passenger rail cars and locomotives daily. Brake shoes and pads are replaced on all in-service equipment through periodic and daily inspections. Electric and Diesel Locomotive and Multilevel Passenger Car brake shoes and pads are specialized equipment and are available from only one source of supply Railroad Friction Products. Based upon past experience and test results, these

products alone meet the required acceptable stop distances, wheel heat generation limits and acceptable shoe and wheel wear tolerances.

Computer Hardware and Software

NJ TRANSIT uses a variety of computing equipment and software to process information. This equipment and software are necessary for the continued operation of services. The manufacturers of the hardware and software under proposal are the only firms capable of providing licensing and maintenance services for their products. In each case, the firm is the original equipment manufacturer for the software/hardware or has acquired the rights to act as such. Hardware having multiple suppliers of maintenance has been excluded from this proposal and will be competitively procured as existing contracts expire.

Storm Resiliency

Superstorm Sandy caused significant damage to a large portion of NJ TRANSIT's transportation assets, including the signal system at Hoboken Yard, North Jersey Coast Line (Raritan to East Matawan), Meadows interlocking in Kearny and underground portions of Newark Light Rail at Newark Penn Station. For example, at Hoboken Yard portions of the existing signal system is installed in 25 wayside signal cases located at ground level throughout the yard. The equipment controls track circuits and signal lighting providing for the safe routing and assignment of trains to various routes and platforms. Most of this equipment went into service in 1984 and is no longer manufactured and parts are no longer available. The improvement to the Hoboken Signal System will include upgrading and relocating the track circuit equipment to the third floor relay room in Hoboken Tower. This will free up space within the wayside cases and the signal transformers, which must stay in the cases, will be raised to provide further protection from water damage. The result will be a significantly improved, modern and resilient signal system.

Staff requests procurement-by-exception waiver authorizations to support repairs, replacement, and improvements to NJ TRANSIT's transportation infrastructure and rolling stock with qualified firms for the purchase of materials and services necessary to ensure storm preparation and resiliency. Signal sole source vendors are required so that the signal equipment across the entire system is the same to ensure that configuration, compatibility, and maintainability provide fail safety and reliability.

BACKGROUND

The operation and maintenance of NJ TRANSIT Bus, Rail, Light Rail and Support functions requires the purchase of OEM parts, maintenance spares, services, modifications, upgrades and other programs, which can only be obtained from sole and single qualified sources.

As such, it has been determined that the vendors listed within this authorization are certified to be the sole/single sources for the purchase of materials and services in accordance with NJ TRANSIT Procurement Regulations N.J.A.C. 16:72-1.5 and

Executive Order No. 37.

This item has been reviewed and recommended by the Board Administration Committee and the Board Capital Planning, Policy and Privatization Committee.

FISCAL IMPACTS

Requested Authorization:

Replacement Parts	\$ 20,000,000
Computer Hardware and Software	\$ 20,000,000
Superstorm Sandy	\$ 10,000,000

Past Authorizations:

Replacement Parts (Bus, Rail, Light Rail and HQ)

May 2013	\$ 20,000,000	
May 2012	\$ 20,000,000	
May 2011	\$ 20,000,000	
May 2010	\$ 18,000,000	
May 2009	\$ 18,000,000	
May 2006 through June 2008	\$ 22,000,000	annually
June 1999 through May 2005	\$ 20,000,000	annually
May 1998	\$ 15,000,000	
May 1997	\$ 17,500,000	

Computer Hardware and Software

June 2013	\$ 20,000,000
June 2010	\$ 32,502,595
June 2007	\$ 27,763,796
June 2004	\$ 28,851,616
June 2001	\$ 18,074,616

Expenditures to Date: N/A

Total Project Cost:

Replacement Parts	\$ 20,000,000
Computer Hardware and Software	\$ 20,000,000
Superstorm Sandy	\$ 10,000,000

Projected Date of Completion: June 30, 2015

Capital Program Amount: To be determined at the time of purchase

Operating Budget Amount: To be determined at the time of purchase

Anticipated Source of Funds: FY 2015 Operating Budget
Capital Budget

PRINTS ID Number:	Various
DBE/SBE Goal:	To be determined at the time of purchase
<i>NJ Build</i> Amount:	N/A
Related/Future Authorizations:	N/A
Impacts on Subsequent Operating Budgets:	None

RESOLUTION

WHEREAS, NJ TRANSIT requires maintenance items and services to support the operation of various major equipment; and

WHEREAS, NJ TRANSIT requires signal and electrical equipment and parts to restore systems damaged by Superstorm Sandy; and

WHEREAS, it is necessary to obtain these required maintenance items and services from sole or single sources; and

WHEREAS, various software maintenance contracts and licensing agreements expire this year; and

WHEREAS, these contracts insure the continued operation of both the computers and software which support NJ TRANSIT's business units; and

WHEREAS, these products are being fully utilized throughout the corporation and the demand for services and software upgrades continues; and

WHEREAS, NJ TRANSIT is unable to identify other sources for these services; and

WHEREAS, the proposed vendors have attested to the fact that they alone can provide these services; and

WHEREAS, pursuant to N.J.A.C. 16:72 competitive procurement requirements may be waived in instances where only one source of supply is available; and

WHEREAS, it has been determined that the vendors utilized under this authorization are certified to be the sole/single sources for the purchase of materials and services in accordance with NJ TRANSIT Procurement Regulations N.J.A.C. 16:72-1.6 and Executive Order No. 37;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into sole or single source procurement-by-exception contracts for the purchase of materials and services from approved

vendors set forth in Exhibit A1 (subject to adjustments) to support Bus, Rail, Light Rail, and Headquarters operations at a cost not to exceed \$20,000,000, subject to the availability of funds. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2014 to June 30, 2015; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to enter into sole or single source procurement-by-exception contracts for the purpose of maintaining/upgrading hardware and software systems from approved vendors set forth in Exhibit A2 (subject to adjustments) to support NJ TRANSIT's Information Systems at a total cost not to exceed \$20,000,000, subject to the availability of funds. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2014 to June 30, 2015; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to enter into sole or single source procurement-by-exception contracts for the purchase of materials and service from approved vendors set forth in Exhibit A3 (subject to adjustments) to support the Superstorm Sandy Disaster Recovery Program at a cost not to exceed \$10,000,000, subject to the availability of funds and FTA approval and all other applicable requirements. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2014 to June 30, 2015.

EXHIBIT A1

FISCAL YEAR 2015 SOLE AND SINGLE SOURCE VENDORS
REPLACEMENT PARTS AND SERVICES

Vendor	City	State
1. ABB c/o Burgoyne Electric Sales	Edison	NJ
2. ABB Control, Inc.	Wichita Fall	TX
3. ABB Power T&D	St Louis	MO
4. ABM-American Building Maintenance	New York	NY
5. Activu Corporation	Denville	NJ
6. AFL Communications	Duncan	SC
7. Alstom Signaling (GRS)	Rochester	NY
8. Alstom Transport Service NA	Lisle	IL
9. Amerex Corp.	Trussville	AL
10. Ameriglobe LLC	Lafayette	LA
11. Anchor Brake Shoe Co	Park Ridge	IL
12. Anixter, Inc.	Cranbury	NJ
13. Ansaldo STS USA	Batesburg	SC
14. Assetworks, Inc.	Wayne	PA
15. Atlantic Detroit Diesel	Piscataway	NJ
16. Atlantic Detroit Diesel	Lodi	NJ
17. Atlantic Import & Export Corp.	Branchburg	NJ
18. Axion Technologies	La Pocatiere, Quebec	CAN
19. Bombardier, Inc.	Ontario	CAN
20. C-K Composites	Mt. Pleasant	PA
21. Cleaveland Price	Trafford	PA
22. Clever Devices	Syosset	NY
23. CMI-Promex	Pedricktown	NJ
24. Columbus Steel Castings	Columbus	OH
25. Comet Communications, Inc.	Kansas City	MO
26. Contemporary Machine and Engineering	Flagler Beach	FL
27. Cooper Bearings, Inc.	Georgetown	DE
28. Cubic Transp Systems	Tullahoma	TN

EXHIBIT A1

FISCAL YEAR 2015 SOLE AND SINGLE SOURCE VENDORS
REPLACEMENT PARTS AND SERVICES

Vendor	City	State
29. Cummins Power Systems	Newark	NJ
30. D & W Diesel, Inc.	Auburn	NY
31. Design Dimensions dba Bradford S. Warren	Austin	TX
32. Draeger Safety Diagnostics, Inc.	Irving	TX
33. Drivecam Inc.	San Diego	CA
34. Dustcontrol, inc.	Wilmington	NC
35. Dynatech Systems Inc.	Burlington	NJ
36. Electro-Motive Diesel (EMD)	LaGrange	IL
37. Ensco, Inc.	Springfield	VA
38. Faiveley Rail	Exton	PA
39. Federal Metal Products	Ferndale	PA
40. Foley, Inc.	Piscataway	NJ
41. G & B Specialties, Inc.	Berwick	PA
42. Gar-Ren Tool & Machine Co.	Prospect Park	PA
43. GE Transportation and Global	Hingham	MA
44. General Electric Energy	Philadelphia	PA
45. Goyal Industries, Inc.	Mansfield	OH
46. Graham White Sales Corp.	Salem	VA
47. Harris Corporation / Intraplex Solutions	Mason	OH
48. HARSCO Track Technologies	Cayce-West Columbia	SC
49. Hirail Corporation	Lisbon	IA
50. HiTran Corporation	Flemington	NJ
51. Hoffman Services Inc.	Newark	NJ
52. Holdsworth USA	Indianapolis	IN
53. Honeywell, Inc.	Marlton	NJ
54. Industrial Machine Corporation	Paterson	NJ
55. Ingersoll-Rand Air Center	Edison	NJ
56. Inter Swiss Ltd.	Chicago	IL

EXHIBIT A1

FISCAL YEAR 2015 SOLE AND SINGLE SOURCE VENDORS
REPLACEMENT PARTS AND SERVICES

Vendor	City	State
57. Invensys Rail Corporation	Louisville	KY
58. ISE Research Corp.	Poway	CA
59. J Supor	Kearny	NJ
60. Jala Equipment Co	Ft Lauderdale	FL
61. Jamaica Bearings	New Hyde Park	NY
62. Jesco, Inc.	South Plainfield	NJ
63. JMA Rail Products	Carol Stream	IL
64. Johnson Controls Inc.	Union	NJ
65. Kim Hotstart Mfg. Co.	Spokane	WA
66. Kinkisharyo International LLC	Jersey City	NJ
67. Knorr Brake Corp/NYAB	Westminster	MD
68. Liebert Corporation	Chicago	IL
69. Lift-A-Loft	Muncie	IN
70. Lift-U-Inc.	Escalon	CA
71. Lincoln Service & Equipment	Durham	CT
72. Luminator-A Mark IV Industries	Plano	TX
73. Macton Corporation	Oxford	CT
74. Matrix Railway Corp	West Babylon	NY
75. MCI Service Parts	Schaumburg	IL
76. Mersen USA BN Corp.	Boonton	NJ
77. Mersen USA Newburyport-MA, LLC	Newburyport	MA
78. Microphor Inc.	Willits	CA
79. Modern Track Machinery	Elgin	IL
80. Moore Wallace NA	Edison	NJ
81. Morbern Inc.	Toronto	ONT
82. Motive Equipment	New Berlin	WI
83. National Electric Carbon Corporation	Greenville	SC
84. National Railway Supply	Savannah	GA
85. Nordco Rail Services, LLC	Lee's Summit	MO
86. North American Bus Industries	Delaware	OH

EXHIBIT A1

FISCAL YEAR 2015 SOLE AND SINGLE SOURCE VENDORS
REPLACEMENT PARTS AND SERVICES

Vendor	City	State
87. North American Specialty Glass	Trumbauersville	PA
88. Omega Industries, Inc.	Vancouver	WA
89. Omicron Electronics Corp. USA	Houston	TX
90. Orgo-Thermit Inc.	Lakehurst	NJ
91. ORX Railway Corporation	Tipton	PA
92. Pandrol USA	Bridgeport	NJ
93. Parkeon Transit Limited	Poole, Dorset	England
94. Penn Machine Company	Carnegie	PA
95. Portec Inc.	Pittsburgh	PA
96. Precision Transmission	Colmar	PA
97. Prevost-Nova Bus Parts	Elgin	IL
98. Pyle Connector Corporation	Sidney	NY
99. Qual-Tran Corporation	Blue Bell	PA
100. Quantum Engineering Inc.	Orange Park	FL
101. Quester Tangent	SAANICHTON, B.C.	CAN
102. Rail Systems, Inc.	Houma	LA
103. Railroad Friction Prod	Laurinburg	NC
104. Rails Company	Maplewood	NJ
105. Ransome CAT/Giles & Randcome, Inc.	Hammonton	NJ
106. RFL Industries	Boonton	NJ
107. Rossbro Engineering	Blainville, QC	CAN
108. RTR Technologies, Inc.	Stockbridge	MA
109. S&A Systems	Rockwall	TX
110. Saft America, Inc.	Cockeysville	MD
111. Scantron Corporation	Irvine	CA
112. Schunk Graphite Technology	Menomonee Falls	WI
113. Siemens Industry, Inc.	Florham Park	NJ
114. Simmons Machine Tool Corp.	Albany	NY
115. Simplex Grinnell	Rockaway	NJ

EXHIBIT A1

**FISCAL YEAR 2015 SOLE AND SINGLE SOURCE VENDORS
REPLACEMENT PARTS AND SERVICES**

Vendor	City	State
116. Sixnet LLC	Ballston Lake	NY
117. Sperry Rail Service	Danbury	CT
118. Standard Steel LLC	Burnham	PA
119. Stavola Construction Materials	Bound Brook	NJ
120. Technologies LBBA	Quebec	CA
121. Tessco	Hunt Valley	MD
122. Tesco / Transportation Equipment Supply	Erie	PA
123. Transtech of S.C.	Piedmont	SC
124. Transtechnik Corp USA	Oakland, NJ	NJ
125. TSS, Inc.	Lakewood Ranch	FL
126. Turtle & Hughes	Bridgewater	NJ
127. United Knitting Machine Company, Inc.	Kulpsville	PA
128. Vapor Stone Rail Systems	Plattsburgh	NY
129. Wabtec Global Service Center	Kansas City	MO
130. Wabtec Passenger Transit	Spartanburg	SC
131. Warner Radiator	Paducah	KY
132. Whiting Corp.	Monee	IL

EXHIBIT A2

**FISCAL YEAR 2015 SOLE AND SINGLE SOURCE VENDORS
COMPUTER HARDWARE AND SOFTWARE**

	Vendor	City	State
1	Alcatel-Lucent	Murray Hill	NJ
2	Altura	Closter	NJ
3	American Software Inc.	Atlanta	GA
4	Avaya	Parsippany	NJ
5	Baran Design Associates	Bergenfield	NJ
6	BEM Systems, Inc.	Chatham	NJ
7	Bentley Systems, Inc.	Exton	PA
8	Cellgain	Red Bank	NJ
9	Clever Devices	Woodbury	NY
10	Computer Associates	Islandia	NY
11	CS Stars	Chicago	IL
12	CTR Parking Solutions	Warrandale	PA
13	Cubic Transportation Systems	Tullahoma	TN
14	DLT Solutions	Herndon	VA
15	DriveCam	San Diego	CA
16	Enghouse	Toronto	CANADA
17	Giro	Montreal	CANADA
18	Gough and Associates	Orlando	FL
19	High Line Corporation	Toronto	CANADA
20	IBM	Piscataway	NJ
21	Intergraph	Madison	AL
22	Kronos	Chelmsford	MA
23	Lightspeed	Wall	NJ
24	Luminex	Riverside	CA
25	Michael Baker, Jr., Inc.	Newark	NJ
26	Microsoft	Redmond	WA
27	Motorola	Holtsville	NY
28	Mphasis	New York	NY
29	HERE (formerly Navteq)	Chicago	IL
30	New Demand	Boonton	NJ
31	Nice Systems	Rutherford	NJ
32	Nuance	Mahwah	NJ
33	Parkeon	Poole	England
34	Power Trunk, Inc.	New York	NY
35	PS Technology	Bolder	CA
36	Renaissance Systems, Inc.	Batavia	IL
37	Resource System Group, Inc.	White River Jnc	VT
38	S&A Systems	Rockwall	TX

EXHIBIT A2

**FISCAL YEAR 2015 SOLE AND SINGLE SOURCE VENDORS
COMPUTER HARDWARE AND SOFTWARE**

39	Salesforce.com	San Francisco	CA
40	SAP America	Newton Square	PA
41	Software AG	Reston	VA
42	Solari	Udine	ITALY
43	Trapeze	Scottsdale	AZ
44	Trapeze Group Rail Limited	York	UK

EXHIBIT A3

FISCAL YEAR 2015 SOLE AND SINGLE SOURCE VENDORS
SUPERSTORM SANDY DISASTER RECOVERY PROGRAM

Vendor	City	State
1. Alstom	West Henrietta	NY
2. Ansaldo STS USA	Batesburg	SC
3. Fabricated Metals	Louisville	KY
4. G & B Specialties	Berwick	PA
5. Industrial Machine	Paterson	NJ
6. Okonite	West Paterson	NJ
7. SAFT America	Cockeysville	MD
8. Siemens (Invensys) (Safetran)	Louisville	KY

ITEM 1406-23: CRUISER BUSES: AMENDMENT TO CONTRACT FOR PURCHASE OF 63 COMPRESSED NATURAL GAS (CNG) VEHICLES

BENEFITS

The proposed purchase of 63 forty-five foot compressed natural gas (CNG) cruiser buses are intended to replace aging MCI CNG cruiser buses, improve service reliability, and reduce operating costs. The new buses will be equipped with wheelchair lifts compliant with the Americans with Disabilities Act (ADA), will incorporate technologies to reduce exhaust emissions as prescribed by the Clean Air Act Amendment for buses manufactured after 2013, and will be equipped with other on-board equipment, including a camera system, GPS tracking, and automatic turn-warning announcements and LED interior lighting to enhance safety and security

ACTION (Scorecard: Customer Experience, Corporate Accountability, Financial Performance)

Staff seeks authorization to amend NJ TRANSIT Contract No. 13-029 with Motor Coach Industries (MCI), of Des Plaines, Illinois, to exercise an option for the purchase of 63 forty-five foot CNG buses at a cost not to exceed \$41,490,351.00, plus five percent for contingencies, for a total contract authorization (which includes the prior authorization for 84 MCI CNG buses) of \$103,562,508.47, subject to the availability of funds.

PURPOSE

Authorization of this "option to buy", pursuant to an existing contract with MCI, will permit the acquisition of 63 additional CNG buses for use by NJ TRANSIT Bus Operations. The prior contract with MCI was approved by the Board on September 12, 2013 (Item 1309-42) when 84 CNG buses were purchased and are anticipated to be delivered in calendar year 2015. This purchase of 63 CNG buses is to replace aging cruiser buses that will exceed their 12-year or 500,000-mile useful economic life and thus will be eligible for replacement under Federal Transit Administration (FTA) guidelines. These CNG buses will be 102 inches wide and 45 feet long. The operating life of the new buses is expected to be 12 years or 500,000 miles. Service life of the fuel tanks will be a minimum of 20 years from date of manufacture.

BACKGROUND

History

NJ TRANSIT's original fleet of 76 CNG buses was purchased over a decade ago with Federal earmark funds and has been operational out of NJ TRANSIT's Howell Garage. In May 2010, the United States Department of Transportation (USDOT) announced the availability of funding for bus equipment under the Bus and Bus Facilities State of Good Repair Initiative. Given the fact that the CNG fleet at Howell was nearing the end of its

useful life, NJ TRANSIT requested funding under the Bus and Bus Facility State of Good Repair Discretionary grant program to replace the original 76 CNG buses at Howell. In October 2010, USDOT announced that NJ TRANSIT was awarded \$22 million of funding to support the replacement of these 76 CNG vehicles.

On July 13, 2011, the NJ TRANSIT Board of Directors authorized a contract with DesignLine, of Charlotte, North Carolina, for the purchase of 76 forty-five foot CNG cruiser buses to replace 1999 and 2000 MCI CNG cruiser buses (Item 1107-33). NJ TRANSIT issued DesignLine a Notice to Proceed on October 6, 2011 and executed a contract on January 17, 2012 (NJ TRANSIT Contract No. 11-047). This purchase from DesignLine was made pursuant to a public bid and was funded by an FTA Transportation Investment Generating Economic Recovery ("TIGER") grant for 52 buses while an additional 24 CNG buses were funded by the Transportation Trust Fund (TTF).

During the period of February 2013 through July 2013, DesignLine delivered a total of 13 of the 52 federally-funded CNG buses and one was returned to DesignLine. On August 1, 2013, DesignLine shut down operations, then on August 15, 2013 the company filed for bankruptcy protection and on November 7, 2013 NJ TRANSIT terminated the contract. As a consequence of these events, DesignLine did not deliver the remaining 63 CNG buses under contract with NJ TRANSIT and an action has been filed on behalf of NJ TRANSIT with the Bankruptcy Court where the matter is now pending.

Separate from the procurement of the 76 CNG buses noted above, in June 2011, the USDOT announced that another round of TIGER funds would be available for additional equipment. NJ TRANSIT then applied for funding for additional CNG buses to replace Howell Garage diesel buses that had reached their useful life. In November 2011, USDOT awarded NJ TRANSIT a grant of \$46.3 million to be used toward the purchase of 84 CNG buses to replace diesel buses. Together with the \$22 million awarded previously for the 76 CNG buses (replacing older CNG buses), USDOT has now provided NJ TRANSIT a total of \$68.3 million for CNG buses. Local funding of \$47.5 million was provided in order to meet match requirements of the USDOT grants and fully fund the project's \$115,800,000 budget.

On September 12, 2013, the NJ TRANSIT Board of Directors authorized entering into a contract (NJ TRANSIT Contract No. 13-029) with MCI for the purchase of 84 forty-five-foot CNG cruiser buses to replace aging 2002-2003 forty-five-foot diesel-powered cruiser buses. This 84-bus procurement is federally-funded by a TIGER grant specifically for CNG buses. As a precautionary measure, in light of the bankruptcy of DesignLine in August 2013, this MCI procurement also included an "option to buy" up to 76 additional MCI CNG buses which "option to buy" is presently being requested to be authorized for the purchase of 63 MCI CNG buses. The purchase of 52 of these 63 CNG buses is funded by TIGER funds and this purchase is now necessary as a result of the bankruptcy of DesignLine which was originally contracted to provide NJ TRANSIT with CNG buses.

Cost

The cost per bus for the MCI CNG's is as follows:

MCI Breakdown:

Unit Cost (84):	\$655,027.00
Unit Cost (63)	\$651,527.00
Warranty:	\$ 7,050.00
Bond (84)	\$ 293,750.00
Capital Spares	\$ 1,232,296.00

Total Bid for 84 buses (including warranty, bond and capital spares):
\$57,140,514.21

Total Bid for 63 "Option to Buy" buses (including warranty and capital spares):
\$41,490,351

Delivery

Due to the need to replace the 1999-2000 MCI CNG cruiser buses as soon as possible, and as a result of DesignLine's filing for bankruptcy protection, with respect to the instant "option to buy" procurement, NJ TRANSIT waived the contract's 90-day prototype test thereby permitting MCI to build a pilot bus that will be evaluated as soon as it is manufactured. MCI will begin production deliveries on the initial order of 84 CNG buses in the fourth quarter of this year. Delivery of the 63 "option to buy" buses could commence as early as the second quarter of 2015, as long as MCI is informed that NJ TRANSIT is exercising the option to buy clause of the MCI contract within 150 days of receipt of the first pilot bus from the procurement of 84 buses. As receipt of the first pilot bus is expected to be in May 2014, NJ TRANSIT is thus obligated to exercise the option to buy the additional 63 buses within 150 days of the date of receipt of the first pilot bus.

NJ TRANSIT BUS Location

NJ TRANSIT Bus Operations will operate the 63 CNG cruiser buses along the Route 9 corridor out of the Howell Garage. The new buses will operate primarily on Routes 136 and 139.

Bus Features

Engine	Cummins ISL- G, 320 hp (8.9 Liter) Fully EPA-Certified and Compliant for Urban Bus
Transmission	Allison B500R
Cooling System	EMP Electric Cooling System Package with Radiator and Charge Air Cooler mounted above the engine to reduce overheating due to radiator clogging with dirt and road debris

Axles	Front Suspension – Meritor or ZF Drive Axle – Meritor or ZF Axle Tag Axle – Steerable Meritor or ZF
Structure	Stainless steel structure below floor, High-Tensile low alloy steel in upper body framing in high stress areas. Bonded aluminum roof skin, fiberglass front and rear caps. Stainless steel exterior sidewall panels below floor.
Brake System	Buses will be equipped with disc brakes (front and rear and tag).
A/C System	Engine Driven Bitzer A/C Compressor
Destination Sign	Full LED Front and Side Sign Visible in Day and Night
Electrical System	I/O Controls G4 Dinex
Passenger Seating	57 Seated Passengers with vinyl seat covers matching NJT multilevel railcars
Flooring	Altro Non-Slip Flooring in NJ TRANSIT Colors
Amenities	Aircraft Style Overhead Parcel Racks with Individual LED Reading Lights, Individual Air Diffusers
Engine Emissions	2014 Urban Bus Certified CNG with maintenance free 3-way catalyst
PM	0.00 g/bhp-hr
NOx	0.13 g/bhp-hr

Warranties

Complete Bus	12 months/50,000 miles
Engine	5 years/300,000 miles
Transmission	5 years/300,000 miles
Axles	5 years/300,000 miles
HVAC System	3 years/150,000 miles
Skeleton, Body	12 years/500,000 miles
Suspension, air dryer, destination signs, air dryer, starter, alternator, fire suppression, multiplexing, Operator's seat Wheelchair Restraint, Air Compressor	3 years/150,000 miles

This item has been reviewed and recommended by the Board Customer Service Committee and the Board Administration Committee.

FISCAL IMPACT**Requested Authorization:**

This Authorization \$ 41,490,351.00 + 5% contingency

Previous Authorizations:

September 2013 (Item 1309-42) \$ 57,140,514.21 + 5% contingency

Expenditures to Date: \$ 9,892,000(as of 03/31/14)

Total Project Cost: \$ 115,830,000

Projected Date of Completion: December 2015

Capital Program Amount: \$ 115,830,000

Operating Budget Amount: None

PRINTS ID Number: BRS00040
TBD00152
NJT00560

Anticipated Source of Funds: Federal Transit Administration
Transportation Trust Fund

DBE/SBE Goal: Transit Vehicle Manufacturer (TVM)

NJ Build Amount: NA

Related/Future Authorizations: None

Impact on Subsequent Operating Budgets: Improved efficiency and reduced repair cost during the warranty period.

RESOLUTION

WHEREAS, funding is available from the FTA and the Transportation Trust Fund for the purchase of 63 CNG buses; and

WHEREAS, this procurement will replace 63 CNG-powered buses manufactured between 1999 and 2000 that are, or will be, over age and eligible for replacement; and

WHEREAS, NJ TRANSIT previously selected Motor Coach Industries for the acquisition of CNG cruiser buses; and

WHEREAS, the contract with Motor Coach Industries included the option to purchase additional buses; and

WHEREAS, as a result of the bankruptcy of DesignLine, which was originally intended to provide CNG buses, NJ TRANSIT presently wishes to exercise the "option to buy" CNG buses from MCI in order to meet NJ TRANSIT's CNG fleet requirements;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to amend NJ TRANSIT Contract No. 13-029 with Motor Coach Industries (MCI) of Schaumburg, Illinois, to exercise an option for the purchase of 63 forty-five-foot CNG buses at a cost not to exceed \$41,490,351.00, plus five percent for contingencies, for a total contract authorization of \$103,562,508.47, subject to the availability of funds.

**ITEM 1406-24: ORANGE GARAGE: CONTRACT FOR UNDERGROUND
STORAGE TANK REPLACEMENT**

BENEFITS

This contract will provide for the removal of six underground storage tanks, three of which are no longer in use, and their replacement with two underground diesel fuel storage tanks, and related piping and distribution systems and the installation of above-ground tanks, at Orange Garage. The existing tanks are single-walled, and are nearing the end of their projected service life. They will be replaced with state-of-the-art double-walled tanks and piping. In addition, a bus testing ground known as a “brake pad” will be installed to test bus brakes in connection with NJ Department of Transportation (NJDOT) inspections. This project will lower the risk of fuel spills, bring fuel storage at Orange Garage to current industry standards and will enhance fueling efficiency and bus safety.

ACTION (Safety and Security, Corporate Accountability, Financial Performance)

Staff seeks authorization to enter into NJ TRANSIT Contract No. 14-027x with Aurora Environmental, Inc. of Union Beach, New Jersey, to provide construction services for the Orange Garage Underground Storage Tank Replacement project at a cost not to exceed \$994,325.00, plus five percent for contingencies, subject to the availability of funds.

PURPOSE

This project includes the removal of all six existing underground aged storage tanks at the Orange Garage, and their replacement with state-of-the-art double-walled tanks and piping. Of the six existing underground storage tanks that will be removed, two diesel fuel tanks will be replaced underground and a third tank, used for motor oil storage, will be installed above ground; an above ground tank for used motor oil and another for automatic transmission fluid were installed previously. This project will enhance environmental concerns and improve garage efficiency.

BACKGROUND

History

There are presently six active underground storage tanks at Orange Garage. All of these tanks are single-walled, fiberglass construction, and were installed in 1985. The underground piping associated with these tanks is also single-walled fiberglass and of the same age as the tanks. The petroleum storage industry generally accepts 25 years as the useful life for an underground storage tank system. The tanks at Orange Garage exceeded their 25-year lifespan in 2010 and the 30-year manufacturer warranty will expire in 2015.

Project Justification

Approval of this contract will allow NJ TRANSIT to proceed with the removal of six underground storage tanks at Orange Garage, and the installation of two new 20,000-gallon underground diesel tanks incorporating state-of-the-art technology to prevent and contain potential leaks. Of the remaining four underground storage tanks which will be removed, one will be decommissioned entirely; one, utilized for the storage of motor oil, will be replaced with an above ground 2,000-gallon tank; one, utilized for automatic transmission fluid, will be replaced with an above ground 275-gallon tank; and one, used for storage of used motor oil, will be replaced with an above ground 1,000-gallon tank. The project will afford the following benefits to NJ TRANSIT:

- Removal of all single-wall underground storage tanks at the facility that are at the end of their projected service life, and the replacement of only two of those tanks with new underground storage tanks that incorporate the latest technology to detect and contain leaks. This will not only reduce the potential environmental liability to NJ TRANSIT, but will reduce the cost of providing mandatory liability insurance which is required by the New Jersey Department of Environmental Protection (NJDEP).
- The total number of active underground storage tanks at Orange Garage will be reduced from six to two. This will further reduce potential liability, and will reduce annual compliance costs by eliminating NJDEP-mandated annual testing and periodic inspections on four underground tanks that will be removed. Three of the tanks will be replaced by new above ground storage tanks, which are to be located inside the garage itself, and will be compliant with industry standards and have lower maintenance requirements.
- The total capacity of the various tank systems to be replaced have been reduced based on present bus fleet consumption rates, which are lower than when the original tanks were installed. Experience has shown that excessively large tanks result in condensation and bacteria growth that can ruin the stored product and potentially damage equipment if that product is dispensed into vehicles. "Right sizing" the tanks will thus reduce contamination and promote more frequent inventory turnover, reducing losses due to product contamination.
- As part of this project, a new "brake pad" will be installed in the garage thereby allowing for more efficient testing of bus brake systems as part of NJDOT required inspections. A "brake pad" is a stretch of concrete pavement designed to simulate a car lane on a highway, with the texture of roadway concrete, about 75 feet long and the width of a car lane. As the ground at Orange Garage will be excavated to remove underground storage tanks, it is efficient and economical to pave the "brake pad" upon the conclusion of this project. This will enhance bus maintenance and safety.

Procurement

The Office of Business Development assigned a 20 percent SBE Category 5 goal for this project. The Invitation for Bid was advertised on BID EXPRESS, NJ TRANSIT's electronic bid system, and in *The Star-Ledger* and *The Trenton Times* on February 6, 2014. A Pre-Bid Conference was held on February 20, 2014, at Orange Garage. Bids were received electronically and opened on March 27, 2014 at 2:00 p.m.

E-BID 14-027X RESULTS

Company	Total Bid Price
Aurora Environmental, Inc. Union Beach, New Jersey	\$ 994,325.00
T. Slack Environmental Services Kenilworth, New Jersey	\$ 1,168,470.00
A & J Construction Farmingdale, New Jersey	\$ 1,358,470.00

Aurora Environmental, Inc. is a certified Small Business Enterprise (SBE).

This item has been reviewed and recommended by the Board Administration Committee.

FISCAL IMPACTS

Requested Authorization: \$ 994,325.00 +5% contingency

Previous Authorization: \$0

Expenditures to Date: \$ 145,000 (as of 03/31/14)

Total Project Cost: \$ 1,440,000

Capital Program Amount: \$ 1,440,000

Projected Date of Completion: January 2015

Capital Program Amount: \$ 1,440,000

Operating Budget Amount: \$0

PRINTS ID: BMF00040

Anticipated Source of Funds: Transportation Trust Fund

DBE/SBE Goal: 20% SBE Category 5

NJ Build Amount: NA

Related Future Authorizations: None

Impacts on Subsequent Operating Budgets: Reduced UST compliance costs of \$27,028 annually (estimated)

RESOLUTION

WHEREAS, NJ TRANSIT seeks to improve its Orange Garage bus maintenance facility; and

WHEREAS, NJ TRANSIT seeks to limit its liability by replacing aging underground storage tanks with either new technologically advanced underground storage tanks or new advanced above ground storage tanks; and

WHEREAS, replacement of aging tanks will result in a reduction in the number of underground storage tanks and engender future saving in insurance premiums, routine compliance testing and inspection; and

WHEREAS, upon completion of a competitive procurement process for construction services it was established that Aurora Environmental Inc. was the lowest responsive responsible bidder for the Orange Garage Underground Storage Tanks Replacement project;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or the Executive Director is hereby authorized to enter into NJ TRANSIT Contract No. 14-027x with Aurora Environmental, Inc. of Union Beach, New Jersey, to provide construction services for the Orange Garage Underground Storage Tanks Replacement project at a cost not to exceed \$994,325.00, plus five percent for contingencies, subject to the availability of funds.

**ITEM 1406-25: APPROVAL OF GRANT ANTICIPATION NOTES
FINANCING TO REFUND OUTSTANDING CERTIFICATES
OF PARTICIPATION AND APPROVAL OF SELECTION
OF SENIOR MANAGING UNDERWRITER FOR THE
GRANT ANTICIPATION NOTES**

BENEFITS

Adoption of this Item and the attached Resolution will allow NJ TRANSIT, in consultation with the Office of the State Treasurer and the Office of the Attorney General, to refund all or a portion of NJ TRANSIT's outstanding Senior Lien and Subordinated Lien Certificates of Participation ("COPs") through the issuance of Grant Anticipation Notes ("GANs"). The GANs will be payable from and secured by future Federal Section 5307 grant receipts from the Federal Transit Administration. The refunding is anticipated to generate net present value savings, as well as cash flow relief in accordance with the Governor's Fiscal Year 2015 Budget Message.

ACTION (Scorecard: Corporate Accountability)

Staff seeks authorization for NJ TRANSIT to adopt the attached Resolution authorizing the GANs for the purpose of refunding all or a portion of the outstanding COPs and to approve the selection of Merrill, Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") to act as Senior Managing Underwriter for the GANs and authorizes the Chairman, the Executive Director, the Chief Financial Officer and Treasurer, the Secretary or their designees to take all actions necessary to consummate the sale of the GANs including, but not limited to, the negotiation and execution of all documents, payment of principal and interest, the payment of underwriting discount, the payment of all costs related to the issuance of the GANs including trustee, legal, rating agency, printing, and other expenses and the approval of all parameters for the issuance of the GANs as set forth in the attached Resolution. The GANs are authorized pursuant to N.J.S.A. 27:25-5(w).

PURPOSE

The transaction is structured to produce net present value savings and cash flow savings in Fiscal Year 2015. In addition, the transaction has been structured to meet the State Treasurer's three-prong test as follows: (i) must produce nominal savings; (ii) must produce net present value savings; and (iii) the final maturity of the refunding GANs cannot exceed the final maturity of the COPs to be refunded.

BACKGROUND

Between 1999 and 2005, NJ TRANSIT issued over \$1.4 billion of COPs financing the acquisition of 1,750 buses, 200 railcars, 46 locomotives, and 28 light rail cars. Repayment of principal and interest on the COPs is made from Federal Transit Administration 5307 grants. The final maturity of the COPS is in September 2021. Currently, there is approximately \$485 million of COPs still outstanding.

Under current market conditions, there is an opportunity to refund the COPs to generate net present value savings and to achieve lower overall debt service costs without extending the final maturity of the GANs beyond the final maturities of the outstanding COPs. The precise size and structure of the refunding and the net present value savings will be determined based on prevailing interest rates at the time the GANs are sold. It is currently anticipated (and based on current market conditions) that all of the outstanding COPs (both senior and subordinate) will be refunded.

Professionals for the transaction were selected in compliance with Executive Order No. 26. DeCotiis, FitzPatrick & Cole, LLP was selected to represent NJ TRANSIT as Special Counsel through a competitive RFQ/RFP process performed by the Attorney General's Office. Merrill Lynch was selected as senior manager through Treasury's competitive RFP/RFQ process. The Trustee will be selected in accordance with a competitive process by the Office of Public Finance in Treasury on behalf of NJ TRANSIT.

The costs of underwriting the GANs are as described in the attached Resolution.

This item has been reviewed and recommended by the Board Administration Committee.

FISCAL IMPACTS

Requested Authorization:	Issuance of up to \$550 million of GANs to refund all or a portion of the outstanding COPs
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Past Authorizations:	2000B (New Money) – \$693.1 million 2002A (Refunding) – \$162.8 million 2002B (New Money) – \$94.7 million 2003A (Refunding) – \$149.8 million 2005A (New Money) – \$253.5 million
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Expenditures to Date:	N/A
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Total Project Cost:	No increase over amounts currently budgeted
Projected Date of Completion:	Summer 2014
Capital Program Amount:	No increase over amounts currently budgeted
Operating Budget Amount:	None
Prints ID Number:	None
Anticipated Source of Funds:	Future FTA 5307 grants
DBE/SBE Goal:	N/A
<i>NJ Build</i> Amount:	None
Related/Future Authorizations:	None
Impacts on Subsequent Operating Budgets:	None

RESOLUTION

WHEREAS, NJ TRANSIT issued over \$1.4 billion of Certificates of Participation ("COPs") between 1999 and 2005 to be repaid with future FTA 5307 grants; and

WHEREAS, declining interest rates have made it financially advantageous to refund all or certain outstanding maturities of the COPs at a lower true interest cost through the issuance of Grant Anticipation Notes ("GANs"); and

WHEREAS, professionals for the 2014 GANs were selected in compliance with Executive Order No. 26. DeCotiis, FitzPatrick & Cole, LLP was selected as Special Counsel to NJ TRANSIT through a competitive RFP/RFQ process performed by the Attorney General's Office and similarly, through Treasury's competitive RFP/RFQ process, Merrill, Lynch, Pierce, Fenner & Smith Incorporated has been selected as Senior Managing Underwriter;

NOW, THEREFORE BE IT RESOLVED that the Board of Directors hereby adopts the attached Resolution authorizing the GANs for the purpose of refunding all or a portion of the outstanding COPs and to approve the selection of Merrill, Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") to act as Senior Managing Underwriter for the GANs and authorizes the Chairman, the Executive Director, the Chief Financial Officer and Treasurer, the Secretary or their designees to take all actions necessary to consummate the sale of the GANs including, but not limited to, the negotiation and execution of all documents, payment of principal and interest, the payment of underwriting discount, the payment of all costs related to the issuance of the GANs including trustee, legal, rating agency, printing, and other expenses and the approval of all parameters for the issuance of the GANs as set forth in the attached Resolution as authorized pursuant to N.J.S.A. 27:25-5(w).

RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE AND RELATED INSTRUMENTS IN CONNECTION WITH REFUNDING OF CERTAIN OUTSTANDING CERTIFICATES OF PARTICIPATION OF THE CORPORATION; APPROVING THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF GRANT ANTICIPATION NOTES, SERIES 2014 (FEDERAL TRANSIT ADMINISTRATION SECTION 5307 URBANIZED AREA FORMULA FUNDS) IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$550,000,000; AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT, A PURCHASE CONTRACT AND A CONTINUING DISCLOSURE AGREEMENT, AND ALL RELATED INSTRUMENTS ANNEXED THERETO; APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT, AUTHORIZING THE DISTRIBUTION THEREOF AND FURTHER AUTHORIZING THE EXECUTION AND DISTRIBUTION OF A FINAL OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE AND SALE OF SUCH GRANT ANTICIPATION NOTES; AND DETERMINING VARIOUS OTHER RELATED MATTERS IN CONNECTION THEREWITH.

ADOPTED: JUNE 11, 2014

WHEREAS, the New Jersey Transit Corporation (the "Corporation") has entered into a Master Equipment Lease Purchase Agreement, dated as of March 15, 1999, as heretofore amended and supplemented (the "Master Lease Agreement"), between the Corporation, as lessee, and The Apris Group, LTD., as lessor (the "Lessor"), pursuant to which the Corporation has acquired and leased equipment for its use in connection with its transportation programs (the "Equipment"), the lease payments of which are to be made from the receipt of funds from the Federal Transit Administration pursuant to 49 U.S.C. Section 5307 (or any successor provisions thereto); and

WHEREAS, the Lessor has provided for the payment of the cost of acquiring the Equipment by (a) establishing a trust and assigning to The Bank of New York Mellon, as successor-in interest to the U.S. Trust Company of New Jersey, as the trustee of said trust (the "Trustee"), all of Lessor's right, title and interest in and to the Master Lease Agreement pursuant to a Trust Agreement, dated as of March 15, 1999, as heretofore amended and supplemented (the "1999 Trust Agreement"), between the Lessor and the Trustee, and (b) directing the Trustee to issue and deliver several series of Certificates of Participation (the "Certificates") which are payable from the Basic Lease Payments (as defined in the Master Lease Agreement) to be received from the Corporation pursuant to the Master Lease Agreement; and

WHEREAS, the Lessor has leased the Equipment to the Corporation pursuant to the Master Lease Agreement and the Lessor has financed the cost of acquisition of the Prior Equipment through the issuance of the Certificates; and

WHEREAS, the Corporation now desires to authorize the refunding of the outstanding Certificates through the issuance by the Corporation of not exceeding \$550,000,000 Grant Anticipation Notes, Series 2014 (Federal Transit Administration Section 5307 Urbanized Area Formula Funds) (the "Series 2014 Notes"); and

WHEREAS, the Corporation is authorized to issue the Series 2014 Notes pursuant to Section 5 of the New Jersey Public Transportation Act of 1979, L. 1979, c. 150, as amended (the "Act"); and

WHEREAS, the Series 2014 Notes shall be issued pursuant to a Trust Indenture, dated as of July 1, 2014 (the "Indenture"), to be entered into by and between the Corporation and the Trustee named therein.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY TRANSIT CORPORATION, as follows:

SECTION 1. To accomplish its purposes and objectives, the Corporation hereby approves the issuance and sale in one or more Series of the Series 2014 Notes; provided, however, that the Series 2014 Notes shall (a) be issued in an aggregate principal amount not exceeding \$550,000,000, (b) bear interest at a true interest cost not exceeding four percent (4.00%) per annum, (c) have a final maturity date of no later than September 15, 2021, and (d) have Redemption Prices, if any, not exceeding one hundred three percent (103%) of the principal amount of such Series 2014 Notes. The Series 2014 Notes shall be issued under and pursuant to the Indenture, shall be issued in one or more series, in such form, shall be dated, shall bear interest at such rates of interest, shall be payable as to principal, interest and premium, if any, shall be subject to redemption prior to maturity and shall have such other details and provisions as are prescribed by the Indenture.

SECTION 2. The Series 2014 Notes shall be issued for the purposes of (i) refunding, together with other available funds of the Corporation, all or a portion of the Certificates issued and outstanding under the 1999 Trust Agreement as set forth on Exhibit A (such Certificates to be refunded by the Series 2014 Notes being referred to herein as the "Certificates to be Refunded"), (ii) funding, together with other available funds of the Corporation, all or a portion of the Debt Service Reserve Requirement for the Series 2014 Notes, if required, and (iii) paying the Costs of Issuance of the Series 2014 Notes.

SECTION 3. NOTWITHSTANDING ANY OTHER PROVISION OF THE SERIES 2014 NOTES OR THE INDENTURE, THE CORPORATION IS OBLIGATED TO PAY THE PRINCIPAL OF THE SERIES 2014 NOTES AND THE INTEREST THEREON ONLY FROM GRANT RECEIPTS AND FROM THE PROCEEDS OF THE SERIES 2014 NOTES AND INVESTMENT EARNINGS ON THE PROCEEDS OF THE SERIES 2014 NOTES, TO THE EXTENT NOT DISBURSED TO THE CORPORATION, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF OR OF THE CORPORATION IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL AND INTEREST ON THE SERIES 2014 NOTES.

SECTION 4. The Indenture and all instruments attached as exhibits thereto or referenced therein, substantially in the form presented at this meeting, are hereby approved. The Chairman, the Executive Director or the Chief Financial Officer/Treasurer or any other officer of the Corporation who shall be appointed by the Executive Director (the "Authorized Officers") to have the power to execute agreements pursuant to this Resolution and any resolutions adopted hereunder are hereby authorized to execute and deliver the Indenture and all instruments attached as exhibits thereto or referenced therein with any changes, insertions and omissions as may be approved by the Authorized Officers, with the advice of the Attorney General of the State of New Jersey (the "Attorney General") and DeCotiis, FitzPatrick & Cole, LLP ("Special Counsel"), including such changes as may be required by a rating agency and/or insurer or credit enhancement provider, and any Secretary or Assistant Secretary of the Corporation or any other officer of the Corporation who shall have power to do so under the By-laws of the Corporation and any resolutions adopted thereunder is hereby authorized to affix the seal of the Corporation on the Indenture and all instruments attached as exhibits thereto or

referenced therein and attest the same. The execution of the Indenture shall be conclusive evidence of any approval required by this Section 4. The Authorized Officers are hereby further authorized to execute the Series 2014 Notes and to deliver the Series 2014 Notes to the Underwriters (as hereinafter defined), in the form set forth in the Indenture, with any changes, insertions and omissions as may be approved by the Authorized Officers, with the advice of the Attorney General and Special Counsel, including such changes as may be required by a rating agency and/or insurer or credit enhancement provider, and any Secretary or Assistant Secretary of the Corporation or any other officer of the Corporation who shall have power to do so under the By-laws of the Corporation and any resolutions adopted thereunder is hereby authorized to affix the seal of the Corporation on the Series 2014 Notes and to attest the same.

SECTION 5. The Escrow Deposit Agreement (the "Escrow Deposit Agreement") between the Corporation and The Bank of New York Mellon, as escrow agent (the "Escrow Agent") and all instruments attached as exhibits thereto or referenced therein, substantially in the form presented at this meeting, are hereby approved. The Authorized Officers are hereby authorized to execute, acknowledge and deliver the Escrow Deposit Agreement and all instruments attached as exhibits thereto or referenced therein with any changes, insertions and omissions as may be approved by the Authorized Officers, with the advice of the Attorney General and Special Counsel, including such changes as may be required by a rating agency and/or insurer or credit enhancement provider, and any Secretary or Assistant Secretary of the Corporation or any other officer of the Corporation who shall have power to do so under the By-laws of the Corporation and any resolutions adopted thereunder is hereby authorized to affix the seal of the Corporation on the Escrow Deposit Agreement and all instruments attached as exhibits thereto or referenced therein and attest the same. The execution of the Escrow Deposit Agreement shall be conclusive evidence of any approval required by this Section 5.

SECTION 6. The Corporation hereby approves the selection of Merrill Lynch, Pierce, Fenner & Smith, Incorporated, as the senior manager and representative of the underwriters (the "Underwriters") of the Series 2014 Notes based upon the New Jersey Department of the Treasury's ("Treasury") competitive RFP/Rfq process and in accordance with New Jersey Executive Order No. 26 (Whitman 1994) ("Executive Order No. 26"). Upon recommendation of the State Treasurer in accordance with Executive Order No. 26, the Authorized Officers are hereby authorized to select and appoint additional co-senior managing and co-managing Underwriters of the Series 2014 Notes, with such selection and appointment being evidenced by the execution of the Purchase Contract (as defined below) for the Series 2014 Notes. The Corporation hereby approves the sale of the Series 2014 Notes to the Underwriters pursuant to a Purchase Contract (the "Purchase Contract") between the Underwriters and the Corporation. The Purchase Contract and all instruments attached as exhibits thereto or referenced therein, substantially in the form presented at this meeting, are hereby approved. The Authorized Officers are hereby authorized to accept, execute and deliver the Purchase Contract to the Underwriters and any documents in connection with the Purchase Contract and all instruments attached as exhibits thereto or referenced therein with any changes, insertions and omissions as may be approved by the Authorized Officers, with the advice of the Attorney General and Special Counsel, including such changes as may be required by a rating agency and/or insurer or credit enhancement provider, and the Secretary or Assistant Secretary of the Corporation or any other officer of the Corporation who shall have power to do so under the By-laws of the Corporation and any resolutions adopted thereunder are hereby authorized to affix the seal of the Corporation on the Purchase Contract and any of such documents and attest the same; provided, that the amount of the compensation to be paid to the Underwriters for the Series 2014 Notes does not exceed \$6.00 per \$1,000.00 of the Series 2014 Notes and the aggregate principal amount, true interest cost, final maturity date and Redemption Price of the Series 2014

Notes shall not exceed the limitations set forth in Section 1 of this Resolution. The execution of the Purchase Contract shall be conclusive evidence of any approval required by this Section 6. In accordance with Executive Order No. 26, the Corporation has determined that the Series 2014 Notes will be sold in accordance with the Purchase Contract pursuant to a "negotiated sale" and that such negotiated sale is permissible as a result of the complex financing structure and volatile interest rate conditions.

SECTION 7. The Continuing Disclosure Agreement to be entered into between the Corporation and the Trustee, as Dissemination Agent, in order to enable the Underwriters to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule") in connection with the sale of the Series 2014 Notes to the public, and all instruments attached as exhibits thereto or referenced therein, substantially in the form presented at this meeting, are hereby approved. The Authorized Officers are hereby authorized to execute and deliver the Continuing Disclosure Agreement and any documents in connection with the Continuing Disclosure Agreement and all instruments attached as exhibits thereto or referenced therein with any changes, insertions and omissions as may be approved by the Authorized Officers, with the advice of the Attorney General and Special Counsel, and the Secretary or Assistant Secretary of the Corporation or any other officer of the Corporation who shall have power to do so under the By-laws of the Corporation and any resolutions adopted thereunder are hereby authorized to affix the seal of the Corporation on the Continuing Disclosure Agreement and any of such documents and attest the same. The execution of the Continuing Disclosure Agreement shall be conclusive evidence of any approval required by this Section 7.

SECTION 8. The Preliminary Official Statement relating to the Series 2014 Notes and all instruments attached as exhibits thereto or referenced therein, substantially in the form presented at this meeting, are hereby approved, with such changes and insertions to and omissions from such form of the Preliminary Official Statement and all instruments attached as exhibits thereto or referenced therein as may be necessary or appropriate, including such changes as may be required by a rating agency and/or insurer or credit enhancement provider. An Authorized Officer is hereby authorized, with the advice of the Attorney General and Special Counsel, to deem the Preliminary Official Statement final within the meaning of the Rule, and to provide written evidence relating thereto in a form acceptable to the Attorney General and Special Counsel. The printing and distribution (including electronic posting) of the Preliminary Official Statement as approved above by the Authorized Officers is hereby authorized.

SECTION 9. The Authorized Officers are hereby designated to be the authorized representatives of the Corporation charged by this Resolution with the responsibility for causing the Series 2014 Notes to be issued and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to make any and all determinations and do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution and the Indenture and the issuance of the Series 2014 Notes and effectuating future actions and consents as may be required under or contemplated by such documents. Without limitation of the generality of the immediately preceding sentence, the Authorized Officers, in consultation with the State Treasurer, are hereby authorized:

(a) To determine, subject to the provisions of this Resolution, the respective principal amounts, final maturities, maturity dates, interest rate or rates, yield or yields, redemption provisions and denomination or denominations (not exceeding the principal amount of each maturity) and other provisions with respect to the Series 2014 Notes

deemed advisable by the Authorized Officers subject to the parameters set forth in this Resolution;

(b) To determine whether the Series 2014 Notes shall be issued in one or more Series and whether each Series of the Series 2014 Notes shall be issued as tax-exempt or federally taxable Series 2014 Notes;

(c) To execute and provide for the distribution (including electronic posting) of a final Official Statement relating to the Series 2014 Notes substantially in the form of the Preliminary Official Statement with such insertions, revisions and omissions as may be authorized by the Authorized Officers, with the advice of the Attorney General and Special Counsel, to cause the final Official Statement to be delivered to the Underwriters and to authorize the use of information relating to the Corporation in the final Official Statement in connection with the offering and sale of the Series 2014 Notes;

(d) To purchase a municipal bond insurance policy or policies with respect to any or all of the maturities of the Series 2014 Notes if an Authorized Officer, in consultation with the Attorney General and Special Counsel, determines that such policy or policies of municipal bond insurance is necessary or desirable in connection with the offering and sale of the Series 2014 Notes in order to achieve the economic objectives of the financing; to include in the Indenture such provisions relating to the insurance policy or policies as such Authorized Officer, with the advice of the Attorney General and Special Counsel, deems appropriate and to include on the form of any Series 2014 Note which is insured by a municipal bond insurance policy a statement of insurance in the form requested by the issuer of such municipal bond insurance policy;

(e) To determine and provide for the application of proceeds of the Series 2014 Notes to the purposes set forth in Section 2 of this Resolution;

(f) To determine and provide for the application of any proceeds of the Certificates to be Refunded or other funds held under the 1999 Trust Agreement to the purposes set forth in Section 2 of this Resolution or to any other lawful purpose of the Corporation;

(g) To terminate any Investment Securities (as such term is defined in the 1999 Trust Agreement) held under the 1999 Trust Agreement and to reinvest the proceeds from any such termination, and/or to provide for the transfer of such Investment Securities to the any of the funds or accounts established under the Indenture and, in connection therewith, to negotiate the terms of such transfer, all on such terms and conditions as an Authorized Officer, in consultation with the Attorney General and Special Counsel, shall deem advisable;

(h) To purchase, or cause the Escrow Agent to purchase, United States Treasury Obligations, State and Local Government Series, with proceeds from any Series 2014 Notes issued to refund the Certificates to be Refunded;

(i) To select and appoint a firm to serve as bidding agent, upon recommendation of the State Treasurer based on Treasury's competitive RFP/RFQ process, to solicit bids and to enter into or purchase (A) Security Deposit Obligations (as defined in the 1999 Trust Agreement) with proceeds of any Series 2014 Notes issued to refund the Certificates to be Refunded and any other available funds of the Corporation, in the

event that such Authorized Officer determines that it is advantageous to the Corporation to invest any such proceeds in Security Deposit Obligations, or (B) Investment Securities, if necessary or appropriate in connection with the investment of any funds to be held under the Indenture;

(j) With the advice of the Attorney General and Special Counsel, to negotiate, execute and deliver such documents and instruments and to take such other actions as may be necessary or appropriate to terminate the Master Lease Agreement in accordance with the terms thereof and to effectuate the transfer of title to the Equipment (as defined in such Master Lease Agreement) to the Corporation;

(k) To submit an excerpt of the minutes of the meeting of the Corporation at which this Resolution was adopted to the Governor of the State as required pursuant to Section 4(f) of the Act, and to receive, on behalf of the Corporation, an approval letter from the Governor, if delivered to the Corporation, of said excerpt as it relates to all actions taken by the Corporation in connection with the issuance and sale of the Series 2014 Notes; and

(l) To make such other determinations, to execute such other documents, instruments and papers and to do such acts and things as may be necessary or advisable in connection with (i) the issuance, sale and delivery of, and security for the Series 2014 Notes or (ii) any of the other transactions authorized by this Resolution, and which are not inconsistent with the provisions of this Resolution.

Any and all actions heretofore taken by the Authorized Officers in connection with the transactions authorized and contemplated by this Resolution are hereby ratified.

All matters determined by an Authorized Officer of the Corporation under this Resolution shall constitute and be deemed matters incorporated into this Resolution and approved by the Corporation, and, whenever an Authorized Officer is authorized or directed to take any action pursuant to this Resolution with or upon the advice, consent or consultation with or by any other person, agency, office or official, a certificate of such Authorized Officer may be relied upon as being determinative that such advice, consultation or consent has in fact occurred and that such actions of the Authorized Officer are valid and binding.

SECTION 10. The selection of U.S. Bank National Association as Trustee for the Series 2014 Notes in accordance with a competitive process is hereby approved. In the event U.S. Bank National Association shall fail to accept its appointment as Trustee on terms acceptable to the Corporation, an Authorized Officer is hereby authorized to approve the selection of an alternate Trustee in accordance with a competitive process.

SECTION 11. The Authorized Officers are authorized and directed on behalf of the Corporation to take any and all action which they deem necessary or advisable in order to effect the registration or qualification (or exemption therefrom) of the Series 2014 Notes for issue, offer, sale or trade under the blue sky or securities laws of any of the states of the United States of America and in connection therewith to execute, acknowledge, verify, deliver, file or cause to be published any applications, reports (except consents to service of process in any jurisdiction outside the State of New Jersey) and other papers and instruments which may be required under such laws, and to take any and all further action which they may deem necessary or advisable in order to maintain any such registration or qualification for as long as they deem necessary or as required by law or by the Underwriters.

SECTION 12. In case any one or more of the provisions of this Resolution shall be held to be illegal or invalid for any reason, such illegality or invalidity shall not affect any other provision of this Resolution and this Resolution shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

SECTION 13. This Resolution shall take effect as set forth in the Act.

**EXHIBIT A
OUTSTANDING CERTIFICATES**

Series	Original Principal Amount	Outstanding Principal Amount
2000B	\$693,140,000	\$8,825,000
2002A	162,800,000	69,770,000
2002B		
(Subordinated)	94,710,000	52,855,000
2003A	149,775,000	99,405,000
2005A		
(Subordinated)	<u>253,470,000</u>	<u>253,470,000</u>
	\$1,353,895,000	\$484,325,000

CONSENT CALENDAR

ITEM 1406-26: CORPORATE INSURANCE PROGRAM ANNUAL RENEWAL**BENEFITS**

To maintain a corporate insurance/risk management program for NJ TRANSIT that provides Excess Liability, All-Risk Property, Workers' Compensation, Terrorism, Business Travel Accident, Employment Practices Liability, Directors' & Officers' Liability, various Executive Risk, Pollution Legal Liability, Life and Accidental Death & Dismemberment, Long-Term Disability and other coverages as needed. The renewal of the insurance program will be effective on July 1, 2014.

ACTION (Scorecard: Financial Performance, Corporate Accountability)

Staff seeks authorization to revise and renew the Risk Management Insurance Program and to include services necessary to administer the Program, which includes Excess Liability, All-Risk Property, Workers' Compensation, Terrorism, Business Travel Accident, Employment Practices Liability, Directors' & Officers' Liability, various Executive Risk, Pollution Legal Liability, Life and Accidental Death & Dismemberment, Long-Term Disability and other coverages as needed for the period July 1, 2014 through June 30, 2015 at an annual cost not to exceed \$19,000,000, plus five percent for contingencies, subject to the availability of funds and adoption of the FY2015 Operating Budget.

PURPOSE

To provide adequate financial protection to the Corporation and a strong risk management program throughout the Corporation to protect property, customers and employees. The current insurance program contains the following coverages and limits:

- \$250,000,000 Excess Liability Program including third party bus, rail, and light rail liability, auto liability and FELA coverage with a self-insurance retention of \$10,000,000 per occurrence;
- \$400,000,000 "All Risk" Property Damage Insurance Program with a minimum deductible of \$500,000 for non-catastrophic perils, \$1,000,000 deductible for losses sustained to rolling stock while in operation and deductibles ranging from \$2,500,000 to \$10,000,000 for losses resulting from flood, wind and named wind storm.
- \$400,000,000 Terrorism Program consisting of \$100,000,000 in coverage provided by commercial insurers and the additional \$300,000,000 provided by NJ TRANSIT's captive insurance company, ARH III, with

additional risk transfer through reinsurance and reliance on the federal Terrorism Risk Insurance Act (TRIA).

- Statutory Workers' Compensation and Employer's Liability Program which includes excess commercial insurance and a comprehensive risk management/claim handling program and applies to all non-agreement and agreement work-related employee claims (excluding rail employees).
- Participation of NJ TRANSIT's Captive Insurance Company, ARH III, to provide coverage for FELA, Rail Third Party, Excess Workers' Compensation, and Terrorism. In FY2015, the captive insurance company will continue to provide leverage with underwriters and flexibility with both the primary insurance and reinsurance markets.
- \$10,000,000 Executive Risk Insurance Program covering Directors' and Officers' Liability, Employment Practices Liability, Fiduciary Liability and Crime coverages.
- \$5,000,000 Pollution Legal Liability Policy with a \$500,000 deductible that covers sudden and unforeseen environmental claims that arise at certain specified locations.
- Business Travel Accident policy covering Board of Directors and affected employees while traveling on NJ TRANSIT business.
- Term Life coverage (both basic and supplemental) and Accidental Death Benefits are offered to all NJ TRANSIT employees to varying degrees. Basic Term Life coverage is funded by NJ TRANSIT whereas the Supplemental Term coverage is paid for by the individual employee. The dependent life benefit is only available to salaried Non-Agreement employees. Retirees are covered for basic and supplemental Life and AD&D.
- Long Term Disability Benefits are offered to the NJ TRANSIT salaried, non-agreement employees. The benefit is 100 percent employee contributions. The benefit provides coverage at 60 percent up to a monthly maximum of \$7,500.

The total cost for the FY2014 corporate insurance program was \$18,859,517. Due to current market conditions and NJ TRANSIT's risk appetite, it is expected that the FY2015 program will continue to maintain a similar structure in terms of coverage levels and deductibles as the FY2014 program. Staff will emphasize NJ TRANSIT's commitment to safety and security and its adoption and implementation of its strategic response plans however insurers continue to scrutinize transportation-specific risks and specifically those that sustained major property losses from SuperStorm Sandy.

FISCAL IMPACTS

Requested Authorization:	\$19,000,000 + 5% contingency
Past Authorizations:	Corporate Insurance Program: Various Coverages: \$19,000,000 + 5% contingency Term Life Insurance & Accidental Death Basic Life: \$2,400,000 Supp. Life (employee paid): \$670,000 Long-Term Disability (employee paid): \$520,000
Expenditures to Date:	None
Total Project Cost:	N/A
Projected Date of Completion:	June 30, 2015
Capital Program Amount:	N/A
Operating Budget Amount:	\$19,000,000 + 5% contingency
Anticipated Source of Funds:	FY2015 Operating Budget
Prints ID Number.	N/A
DBE/SBE Goal:	N/A
<i>NJ Build</i> Amount:	N/A
Related/Future Authorizations:	N/A
Impacts on Subsequent Operating Budgets:	None

RESOLUTION

WHEREAS, NJ TRANSIT maintains a Corporate Risk Management Insurance Program to protect its riders, employees, property and assets in the event of accidents and other casualties; and

WHEREAS, it is in the best interest of NJ TRANSIT and sound fiscal policy to continue to maintain the Corporate Risk Management Insurance Program; and

WHEREAS, NJ TRANSIT is negotiating the renewal of its Corporate Risk Management Insurance Program for FY2015; and

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to revise and renew the Risk Management Insurance Program and to include services necessary to administer the Program, which includes Excess Liability, All-Risk Property, Workers' Compensation, Terrorism, Business Travel Accident, Employment Practices Liability, Directors' & Officers' Liability, various Executive Risk, Pollution Legal Liability, Life and Accidental Death & Dismemberment, Long-Term Disability and other coverages as needed for the period July 1, 2014 through June 30, 2015 at an annual cost not to exceed \$19,000,000, plus five percent for contingencies, subject to the availability of funds and adoption of the FY2015 Operating Budget.

**ITEM 1406-27: NJ TRANSIT DISADVANTAGED BUSINESS ENTERPRISE
(DBE) PROGRAM DISPARITY STUDY**

BENEFITS

Authorization will allow the staff of NJ TRANSIT's Office of Civil Rights to determine the degree to which discrimination impacts contracting opportunities for socially and economically disadvantaged groups in the region, and, guide NJ TRANSIT's use of race conscious Disadvantaged Business Enterprise (DBE) goals to address specifically those socially disadvantaged groups for which there is evidence of discrimination in contracting opportunities in the region. Having this information available to inform DBE agency goal creation, and the use of race-conscious DBE goals on individual contracts, is a requirement to have a DBE Program that is fully compliant with Federal Transit Administration (FTA) mandate and related legal standards ("strict scrutiny" and "narrow tailoring").

This study will research statistical (contracting) and anecdotal (survey and public hearings) data on small, minority-owned, women-owned and disadvantaged business enterprises, as it relates to the availability, utilization and experiences of these firms. The results of this study will be used to make adjustments to NJ TRANSIT's current triennial DBE agency goal and support the development of future triennial DBE agency goals. Also, the results of this study will allow NJ TRANSIT's Office of Civil Rights to identify specifically those groups in the region that qualify as socially disadvantaged for purposes of DBE certification in New Jersey Transit's DBE program. Finally, the study will also be used by the Office of Civil Rights staff to guide the use of race-conscious goals on individual NJ TRANSIT contracts funded in whole or in part with FTA funds.

ACTION (Scorecard: Corporate Accountability)

Staff seeks authorization to enter into a procurement by exception (PBE 14-014) contract with the Regents of the University of Minnesota, to retain Dr. Samuel Myers, Professor of the Roy Wilkins Center for Human Relations & Social Justice Hubert H. Humphrey Institute of Public Affairs, to conduct statistical and anecdotal research on small, minority-owned, women-owned and disadvantaged business enterprises, as it relates to the availability, utilization and experiences of these firms, to determine evidence of discrimination in, and the degree to which discrimination impacts contracting opportunities for these firms (also known as a "disparity study"), at a cost not to exceed \$490,487, plus five percent for contingencies, subject to the availability of funds.

BACKGROUND

NJ TRANSIT has a commitment to provide small, minority-owned, woman-owned and disadvantaged businesses the maximum opportunity to compete for, and participate in, the performance of all contracts and subcontracts awarded by NJ TRANSIT.

The USDOT Disadvantaged Business Enterprise (DBE) Program is intended to support small businesses owned and controlled by socially and economically disadvantaged individuals, including minorities and women, in participating in state and local contracting opportunities. NJ TRANSIT adopted a DBE program in 1982 as an expression of the agency's commitment, and to comply with FTA requirements for receipt of FTA funds.

In accordance with federal regulations governing the DBE program, NJ TRANSIT submits triennially an overall DBE agency goal to FTA for approval. NJ TRANSIT's DBE Triennial Goal for FFY 2014-2016 is 17.15 percent. The race-neutral portion of the goal is 9.71 percent, and the race-conscious portion of the goal is 7.43 percent.

NJ TRANSIT must meet the maximum feasible portion of the overall goal by using race-neutral means of facilitating DBE participation. Race-Neutral means include, but are not limited to, making contracts more accessible to small businesses; providing assistance in overcoming limitations small businesses face such as the inability to obtain bonding or financing; and providing technical assistance and other services.

Race-Conscious DBE goals are permitted under the regulations to overcome the effects of discrimination. However, there must be compelling evidence of discrimination that substantiates the use of race-conscious goals (a legal test known as "strict scrutiny"), and, the DBE program must be "narrowly tailored" so as to use race-conscious goals only to the degree necessary to address the evident effects of discrimination. FTA endorses the use of disparity studies as a best practice to support DBE Programs in meeting these requirements.

Disparity studies are used widely for the purpose of identifying evidence of discrimination in contracting opportunities. To be current disparity studies must be repeated periodically. The average time between disparity studies ranges from two to five years. NJ TRANSIT's last disparity study was conducted in the year 2000.

Dr. Samuel Myers, Professor of the Roy Wilkins Center of Human Relations and Social Justice at the University of Minnesota, is an expert in the area of DBE utilization/availability analysis. As an expert, Dr. Samuel Myers helped to defend successfully the NJ TRANSIT DBE Program to an as-applied challenge in GEOD v. NJ TRANSIT. Dr. Samuel Myers methodology of determining race neutral participation within the DBE goal was approved by the District Court in GEOD, and has been used as a model in social policy analysis in other jurisdictions whose work has been used to set legal precedent in the State of New Jersey.

Dr. Samuel Myers conducted the previous disparity study for NJ TRANSIT in 2000 and for Essex County in 2005. Also, Dr. Samuel Myers was the consultant who worked on developing NJ TRANSIT's 2014-2016 Triennial DBE Agency Goal. This disparity study will build upon and expand the unique methodology and analysis conducted by Dr. Samuel Myers during NJ TRANSIT's 2014-2016 Triennial DBE Agency Goal development process. To provide continuity, efficiency and have expert authority,

NJ TRANSIT requests a Procurement-By-Exception contract authorization to retain Dr. Samuel Myers, through the Regents of the University of Minnesota, as the lead investigator and author of this study.

The Office of Civil Rights has placed a zero percent Small Business Enterprise (SBE) Goal on this contract; however, the proposal from University of Minnesota includes a commitment of 16 percent SBE Category 3 utilization.

This item has been reviewed and recommended by the Board Administration Committee.

FISCAL IMPACTS

Requested Authorization:	Not to exceed \$490,487 + 5 percent contingency
Previous Authorization:	None
Expenditures to Date:	None
Total Project Cost:	\$ 490,487
Projected Date of Completion:	May 31, 2015
Capital Program Amount:	\$ 490,487
Operating Budget Amount:	\$515,011 (includes contingency)
PRINTS ID Number:	HQS00043
Anticipated Source of Funds:	Transportation Trust Fund
DBE/SBE Goal:	0% SBE
<i>NJ BUILD</i> Amount:	None
Related/Future Authorizations:	None
Impacts on Subsequent Operating Budgets:	\$ 0

RESOLUTION

WHEREAS, NJ TRANSIT must determine the degree to which discrimination impacts contracting opportunities for socially and economically disadvantaged groups in the region and use race conscious Disadvantaged Business Enterprise (DBE) goals to address specifically those socially disadvantaged groups for which there is evidence of discrimination in contracting opportunities in the region in order to have a DBE Program that is fully compliant with Federal Transit Administration (FTA) mandate and related legal precedent; and

WHEREAS, NJ TRANSIT must have an FTA compliant DBE Program to receive FTA funds; and

WHEREAS, a utilization/availability analysis or “disparity study” is a best practice endorsed by FTA to determine evidence of discrimination in, and the degree to which discrimination impacts contracting opportunities for socially and economically disadvantaged groups; and

WHEREAS, Dr. Samuel Myers, is an expert in the area of DBE utilization/availability analysis whose unique methodology and analysis has been used to set legal precedent in the State of New Jersey and who was the consultant who worked on developing NJ TRANSIT's 2014-2016 Triennial DBE Agency Goal; and

WHEREAS NJ TRANSIT requests authorization to contract directly with the Regents of the University of Minnesota Roy Wilkins Center for Human Relations & Social Justice Hubert H. Humphrey Institute of Public Affairs to retain Dr. Samuel Myers as the lead investigator and author this a study, to perform a comprehensive utilization/availability analysis that builds upon and expands the work conducted by Dr. Samuel Myers in the creation of NJ TRANSIT's 2014-2016 DBE Triennial Agency Goal;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into a procurement by exception (PBE 14-014) contract with the Regents of the University of Minnesota, to retain Dr. Samuel Myers, Professor of the Roy Wilkins Center for Human Relations & Social Justice Hubert H. Humphrey Institute of Public Affairs, to conduct statistical and anecdotal research on small, minority-owned, women-owned and disadvantaged business enterprises, as it relates to the availability, utilization and experiences of these firms, to determine evidence of discrimination in, and the degree to which discrimination impacts contracting opportunities for these firms (also known as a "disparity study"), at a cost not to exceed \$490,487, plus five percent for contingencies, subject to the availability of funds.

ITEM 1406-28:**ANNUAL NOTICE OF MEETINGS****BENEFITS**

The By-Laws for the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Mercer, Inc. and NJ TRANSIT Morris, Inc. state that the regular meetings of the Board of Directors be held on the second Wednesday of each month. A list of the meetings' schedule is approved at the June meeting each year. The Annual Notice of Meetings is then transmitted to newspapers, filed with the Secretary of State, posted at NJ TRANSIT headquarters and mailed to any person upon request.

Unless otherwise noted in the annual notice (Exhibit A), or as otherwise modified by the Board during the year in accordance with the Open Public Meetings Law, meetings will be held on the second Wednesday of the month at NJ TRANSIT headquarters in Newark, New Jersey, with the exception of at least two of the meetings during Fiscal Year 2015 that may be held at different locations within the State.

ACTION (Scorecard: Corporate Accountability)

Adopt the Annual Notice of Meetings (Exhibit A) for all of the Board of Directors' meetings during Fiscal Year 2015.

PURPOSE

The Open Public Meetings Law, P.L. 1975, c.231 requires that the public be given adequate notice of meetings of public bodies. Section 13 specifically provides that at least once each year, within seven days following the annual organization or reorganization meeting, a public body must provide adequate notice of the schedule of regular meetings to be held during the succeeding year. The schedule must contain the location, to the extent known, the time and the date of each meeting.

FISCAL IMPACTS

Requested Authorization:	Adopt Annual Notice of Meetings
Past Authorization:	June 2013
Expenditures to Date:	None
Total Project Cost:	None
Projected Date of Completion:	June 30, 2014

Capital Program Amount:	None
Operating Budget Amount:	None
Anticipated Source of Funds:	None
PRINTS ID Number:	None
DBE/SBE Goal:	None
<i>NJ Build</i> Amount:	None
Related/Future Authorizations:	None
Impacts on Subsequent Operating Budgets:	None

RESOLUTION

WHEREAS, pursuant to the Open Public Meetings Law, P.L. 1975, c.231, an annual notice of regular meetings of the Board of Directors must be disseminated; and

WHEREAS, the Annual Notice of Meetings must be prominently posted in one public place reserved for announcements of this type, transmitted to newspapers, filed with the Secretary of State, and mailed to any person who requests it; and

WHEREAS, the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Mercer, Inc., NJ TRANSIT Morris, Inc. have regular meetings of the Board of Directors;

WHEREAS, the June meeting serves as the annual meeting;

NOW, THEREFORE, BE IT RESOLVED that the Annual Notice of Meetings, Exhibit A, for all of the Board of Directors' meetings during Fiscal Year 2015 is adopted; and

BE IT FURTHER RESOLVED that the Annual Notice of Meetings shall be disseminated in accordance with the provisions of the Open Public Meetings Law, P.L. 1975, c.231.

EXHIBIT A

ANNUAL NOTICE OF MEETINGS: FISCAL YEAR 2015

**NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
NJ TRANSIT RAIL OPERATIONS, INC.
NJ TRANSIT MERCER, INC.
NJ TRANSIT MORRIS, INC.**

In accordance with the "Open Public Meetings Law," P.L. 1975, c.231, the above organizations will hold regular meetings, open to the public, at 9:00 a.m. on the second Wednesday of the month for the period July 1, 2014 through June 30, 2015, except as noted below.

The June meeting will serve as the annual meeting.

Unless otherwise indicated, meetings will be held at NJ TRANSIT's Corporate Headquarters in Newark, New Jersey. The meetings will convene at 9:00 a.m. in the Board Room at NJ TRANSIT's Headquarters, One Penn Plaza East, Ninth Floor, Newark, New Jersey.

The specific dates are as follows:

July 9, 2014
August 2014 – No Board Meeting
September 10, 2014 @ 6:00 p.m.
October 8, 2014
November 12, 2014
December 10, 2014
January 14, 2015
February 11, 2015
March 11, 2015
April 8, 2015
May 13, 2015 @ 6:00 p.m.
June 10, 2015

ITEM 1406-29: ANNUAL DESIGNATION AND BOARD COMMITTEE MEMBERSHIP SELECTION**BENEFITS**

NJ TRANSIT and its subsidiaries are governed by its statute, regulations and By-Laws. The New Jersey Public Transportation Act of 1979, P.L. 1979, c. 150 provides that the Commissioner of Transportation serve ex officio as Chairman of the New Jersey Transit Corporation Board of Directors, and the Vice Chairman shall be selected annually, as stated in Article III, Section 2 of the NJ TRANSIT By-Laws.

Article II, Section 11 of the NJ TRANSIT By-Laws establish and structure the membership of the Board Committees so that they shall be composed of a Chairman of the Committee, who shall be appointed by the Chairman of the Board, and up to two additional members who shall be selected by and serve at the pleasure of the Chairman of the Board. Each committee consists of no more than three Board members with, in some cases, an alternate, and meets on a monthly or as-needed basis. The committees' membership is outlined in Exhibit A.

ACTION (Scorecard: Corporate Accountability)

Approval of this item will designate Bruce M. Meisel to serve as Vice Chairman of the Board of Directors through June 2015 and appoint the members of all Board Committees as set forth in Exhibit A.

PURPOSE

The effect of this item is to fulfill the statutory and By-Law requirements of the annual designation of the Vice Chairman of the Board. Appointments are also being made to all Board Committees.

FISCAL IMPACTS

Requested Authorization:	Designation of officer, committee membership authorization
Past Authorizations:	June 2013
Expenditures to Date:	None
Total Project Cost:	None
Projected Date of Completion:	June 30, 2014
Capital Program Amount:	None

Operating Budget Amount:	None
Anticipated Source of Funds:	None
PRINTS ID Number:	None
DBE/SBE Goal:	None
<i>NJ Build</i> Amount:	None
Related/Future Authorizations:	None
Impacts on Subsequent Operating Budgets:	None

RESOLUTION

WHEREAS, the New Jersey Public Transportation Act of 1979, P.L. 1979, c.150 requires the annual designation by the NJ TRANSIT Board of Directors of a Vice Chairman of the Board; and

WHEREAS, Article III, Section 2 of the NJ TRANSIT By-Laws also provides that the Board Vice Chairman be designated annually, and that the Commissioner of Transportation serve as Chairman; and

WHEREAS, the Chairman of the Board is charged with the selection of Board Committee members and recommendations to the committee membership are proposed in Exhibit A;

NOW, THEREFORE, BE IT RESOLVED that Bruce M. Meisel is designated as Vice Chairman of the New Jersey Transit Corporation Board of Directors to serve a term through June 30, 2015; and

BE IT FURTHER RESOLVED that the membership of the Board Committees is adopted as set forth in Exhibit A.

EXHIBIT A

FISCAL YEAR 2015 BOARD COMMITTEES

Administration Committee

Myron P. Shevell, Chair
James C. Finkle Jr.
Treasurer's Representative

Capital Planning, Policy and Privatization Committee

Bruce M. Meisel, Chair
Flora M. Castillo
Governor's Representative

Customer Service Committee

Flora M. Castillo, Chair
James C. Finkle Jr.
Myron P. Shevell
Raymond W. Greaves*

Audit Committee

James C. Finkle Jr., Chair
Bruce M. Meisel
Treasurer's Representative

Safety and Security Committee

James C. Finkle Jr., Chair
Myron P. Shevell
Treasurer's Representative
Raymond W. Greaves*

*Non-voting Board Member