

# **PORT AUTHORITY TRANS-HUDSON CORPORATION**

## **MINUTES**

**Thursday, November 18, 2021**

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**MINUTES of the Meeting of Port Authority Trans-Hudson Corporation held Thursday, November 18, 2021 at 150 Greenwich Street, New York City, New York and via teleconference.**

**PRESENT:**

**NEW JERSEY**

Hon. Kevin J. O'Toole, Chairman  
 Hon. Dana M. Martinotti  
 Hon. Kevin P. McCabe  
 Hon. Robert J. Menendez  
 Hon. Michelle E. Richardson

**NEW YORK**

Hon. Jeffrey H. Lynford, Vice Chairman  
 Hon. Steven M. Cohen  
 Hon. Leecia R. Eve\*  
 Hon. Daniel J. Horwitz  
 Hon. Gary LaBarbera  
 Hon. Rossana Rosado\*

Richard Cotton, President  
 Michael E. Farbiarz, Counsel

James K. Allen Jr.  
 Carrol Bennett\*  
 John Bilich  
 Benjamin M. Branham  
 Alana Calmi  
 Ana Carvajalino  
 Rebecca L. Cassidy  
 Edward T. Cetnar  
 Janet D. Cox\*  
 Gideon Davidson\*  
 Jennifer S. Davis\*  
 Clarelle D. DeGraffe  
 Benjamin Feldman  
 Amy H. Fisher\*  
 Robert E. Galvin  
 John Gay\*  
 Robert Gibbon\*  
 MaryLee Hannell  
 Kristen Hernandez\*  
 Milena Kosc-Garcia  
 Cristina M. Lado\*  
 Annesa Lau\*  
 Huntley A. Lawrence  
 Elizabeth M. McCarthy  
 James E. McCoy  
 Jessica Ortiz\*  
 Hersh K. Parekh\*  
 Alan L. Reiss\*

\* Remote participants via teleconference.

Jessica Russ\*  
 Peter D. Simon  
 Debra M. Torres\*  
 Derek H. Utter  
 Lillian D. Valenti  
 Christine Weydig\*  
 Cheryl A. Yetka\*

Guests:

Noreen M. Giblin, Deputy Chief Counsel, Authorities Unit, Office of the Governor of New Jersey\*

Lauren LaRusso, Senior Counsel, Authorities Unit, Office of the Governor of New Jersey

Public Commenters (Video and Written Statements):

Miguel Acevedo  
 Erica Baum  
 George Boada  
 Kevin Brown  
 Rachael Fauss  
  
 Todd Fine  
 Lorenza Garcia  
 Victor Inuk Gavilanes  
 Araiza Goden Velez  
 Amy Goldsmith  
 Yambeli V. Gomez  
 Jill Goodkind  
 Wynn timer-Fred Victor Hinds  
 Margo Margolis  
 Bethzaida Rodriguez  
 Mahamadi Sakande  
 Lora Tenenbaum  
 Nelly Torres  
 Neile Weissman

Topics:

Amazon Lease  
 5 World Trade Center  
 Amazon Lease  
 Amazon Lease  
 Port Authority Speakers  
   Program/LGA AirTrain  
 5 World Trade Center  
 Amazon Lease  
 Amazon Lease  
 Amazon Lease  
 Net Zero Policy  
 Amazon Lease  
 5 World Trade Center  
 Amazon Lease  
 5 World Trade Center  
 Amazon Lease  
 Amazon Lease  
 5 World Trade Center  
 Amazon Lease  
 GWB Bike Paths

\* Remote participants via teleconference.

The public meeting was called to order by Chairman O'Toole at 12:28 p.m. and ended at 1:29 p.m. The Board also met in executive session prior to the public session. Food and beverages were not offered in executive session. Mask rules were uniformly observed, and social distancing was maintained throughout the meetings.

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

Copies of the Minutes of the meeting of October 21, 2021 were delivered in electronic form to the Governors of New York and New Jersey on October 22, 2021. The time for action by the Governors of New York and New Jersey expired at midnight on November 8, 2021.

### **Chairman's Report**

The Chairman advised that in light of the ongoing COVID-19 public health crisis, in-person attendance at the meetings will be limited to Directors, Port Authority staff required to conduct the meetings, and credentialed members of the press, subject to space limitations due to safety protocols.

The Chairman also advised that as part of the Port Authority's public speakers' program, both written statements and video statements were received. The written statements were provided to the Commissioners and other relevant staff prior to today's Board Meeting and will be filed with the transcripts of today's meetings on the Port Authority's website. The videos were shown as part of the public Board Meeting.

**PATH – FARE COLLECTION SYSTEM REPLACEMENT – PROJECT AUTHORIZATION AND AUTHORIZATION OF CONTRACTS FOR DESIGN AND INSTALLATION OF NEW FARE PAYMENT SYSTEM AND ADMINISTRATIVE AND MAINTENANCE SERVICES FOR FARE PAYMENT SYSTEM SOFTWARE AND EQUIPMENT**

It was recommended that the Board authorize a project to replace the current fare collection system operated by Port Authority Trans-Hudson Corporation (PATH) with a new fare collection system (New PATH Fare Payment System) that will provide customers with “open payment” options, including mobile devices and credit/debit cards, at an estimated total project cost of \$99.4 million (inclusive of previously Board-approved expenditures for planning and early action work totaling \$40.6 million). With respect to the implementation of the capital project, it was recommended that the Board authorize the President to enter into a contract with Cubic Transportation Systems, Inc. (Cubic) to complete the design and installation of the New PATH Fare Payment System at an estimated fixed capital cost of \$44.6 million, which is included in the total project cost.

In connection with operating costs associated with the new system, it was recommended that the Board authorize the President to enter into a contract with Cubic to provide for operation and maintenance services for the New PATH Fare Payment System for a six-year period at an annual cost of \$5.1 million, with options to extend the contract for two, five-year option periods at an annual cost of \$6.6 million. In connection with operating costs required to ensure a seamless transition from the existing system to the New PATH Fare Payment System, it was also recommended that the Board authorize the President to enter into a contract with Cubic for continued administrative services for an interim period of up to three years to maintain the current PATH fare collection system at an estimated annual cost of \$1.7 million.

PATH’s current fare collection system was installed by Cubic in 2007 and has exceeded its design life. A portion of PATH fares are currently paid for using Metropolitan Transportation Authority (MTA) MetroCards. The MTA also provides the debit/credit payment processing services for all PATH in-station vending machine transactions. The MTA plans to decommission the MetroCard and related debit/credit processing services with the deployment of the One Metro New York System (OMNY). A New PATH Fare Payment System is necessary to keep pace with these changes and introduce technology to accommodate new fare “open payment” media, including debit cards, credit cards and mobile devices. While the New PATH Fare Payment System will be independent of the MTA’s OMNY system, it will similarly offer convenient contactless “open payment” options.

The implementation of the New PATH Fare Payment System includes field network and infrastructure upgrades, and engineering services related to the retrofit of existing PATH fare gates to accommodate new contactless payment validators, gate production and installation, gate control system replacement, purchase and installation of other equipment, including validators and vending machines, and testing/integration with back-end systems, including payment processing, account management, and customer service systems.

In order to avoid negatively impacting contract negotiations concerning the design, development and delivery of the New PATH Fare Payment System, the Board previously took action in executive session to effectuate planning and early action work at an aggregate amount of \$40.6 million at its prior meetings of December 12, 2019, and November 19, 2020. The prior

approvals included authorization of certain payments to Cubic, estimated at \$12.9 million, for initial design services and early action purchases performed on behalf of PATH, which were necessary to advance critical early elements of the project while negotiations with Cubic were conducted. As contract negotiations have concluded, the prior actions of the Board would become matters of public record.

As part of the capital project, Cubic's scope of services would include: installation of fare payment software; purchase and installation of associated fare payment equipment; and implementation of a revenue processing system. With respect to the operation of the New PATH Fare Payment System, Cubic's administration services would include program management, cloud hosting services, system maintenance, and data center/hosting services. Additionally, under a separate contract, Cubic will continue to provide system administration services to ensure the continued operation of the current PATH fare collection system until the New PATH Fare Payment System is fully deployed and operational.

Pursuant to the foregoing report, the following resolution was adopted, with Directors Cohen, Eve, Horwitz, LaBarbera, Lynford, Martinotti, McCabe, Menendez, O'Toole, Richardson and Rosado in favor. Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that a project for the design, installation and delivery of a new Port Authority Trans-Hudson Corporation (PATH) fare collection system (New PATH Fare Payment System) that employs 21<sup>st</sup> Century technology, including the accommodation of new fare "open payment" media, including debit cards, credit cards and mobile devices, at a total capital project cost of \$99.4 million (inclusive of previously approved expenditures for planning and early action work totaling \$40.6 million), including administrative, engineering, planning and financial expense, PATH labor, payments to vendors, consultants and contractors, allowances for extra work (if necessary), and a project contingency (if necessary), be and it hereby is authorized; and it is further

**RESOLVED**, that the President be and he hereby is authorized, for and on behalf of PATH, to: (1) enter into a contract with Cubic Transportation System, Inc. (Cubic) to complete the design and installation of the New PATH Fare Payment System, at an estimated fixed capital cost of \$44.6 million (which is a component of the total project cost); and (2) order extra work (if necessary) in an amount not to exceed six percent of the fixed price amount; and it is further

**RESOLVED**, that the President be and he hereby is authorized, for and on behalf of PATH, to: (1) enter into a contract with Cubic for system administration services for the operation of the New PATH Fare Payment system, including cloud hosting, program management and system maintenance for a six-year term, at an estimated annual operating cost of \$5.1 million; (2) exercise two, five-year options to extend the contract for system administration services, at an estimated annual operating cost of \$6.6 million; and (3) order extra work (if necessary) in an amount not to exceed six percent of base contract cost and option period cost (if exercised); and it is further

**RESOLVED**, that the President be and he hereby is authorized, for and on behalf of PATH, to: (1) award a contract to Cubic to perform system administration services for the existing PATH fare collection system, for a three-year term, in order to ensure a seamless transition from the existing system to the full deployment of the New PATH Fare Payment System, at an estimated annual operating cost of \$1.7 million; and (2) order extra work (if necessary) in an amount not to exceed six percent of the base contract amount; and it is further

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

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

Whereupon, the meeting was adjourned.

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Counsel