

PROCEEDINGS OF NEW JERSEY TURNPIKE AUTHORITY
COMMISSION MEETING
TUESDAY, AUGUST 30, 2011 RESCHEDULED FOR
WEDNESDAY, SEPTEMBER 7, 2011

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Chairman James S. Simpson called the Authority into session in the Executive Boardroom of the Authority's Administration Offices, Woodbridge, New Jersey, at 9:30 A.M.

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PRESENT

Present were Chairman James S. Simpson, Vice Chairman Ronald Gravino, Treasurer Michael DuPont, Commissioner Harold Hodes, Commissioner Ulises Diaz and Commissioner Daniel Becht. Commissioners Raymond Pocino and Troy Singleton were absent. The meeting commenced at 9:30 a.m.

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ALSO PRESENT

Executive Director Veronique Hakim; Deputy Executive Director John O'Hern; Chief Engineer Richard Raczynski; Acting Director of Law Gage Andretta; Electronic Toll Collection Director Dennis Switaj; Chief Financial Officer Donna Manuelli; Human Resources Director Mary-Elizabeth Garrity; Director of Internal Audit James Carone; Assistant Director of Maintenance Joseph Lentini; Director of Operations Sean Hill; Purchasing Director Andrea Ward; Acting Director of Technology and Administrative Services Wayne Bruzek; Tolls Director Robert Quirk; NJ State Police Troop D Major Pam Elliott, and Assistant Secretary to the Authority Sheri Ann Czajkowski.

Also present were: Governors' Authorities Unit Representative Brandon Minde; Ryan Feeney, Manager of Public Finance State Treasurer's Office, additional individuals consisting of other NJTA employees; interested organizations; the general public; and from the media: the Star Ledger, The Bergen Record and The Asbury Park Press.

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NOTICE OF MEETING

This is a regular meeting of the New Jersey Turnpike Authority. Adequate notice of this meeting has been provided in accordance with Chapter 231, P.L. 1975 in that notice has been given to two newspapers and notice has been forwarded to the Secretary of State, Trenton, New Jersey. In addition, notice of said meeting has been and is being displayed in the main lobby of the Authority's Administration Headquarters in Woodbridge.

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ACTION ON MINUTES

The Executive Director reported that ten days, excluding Saturdays, Sundays and holidays, have elapsed since Governor Chris Christie received the proceedings of the regular meeting of July 26, 2011; he did not exercise his power to veto any items in those minutes.

Please note a correction in the Minutes of July 26, 2011, agenda item 259-07-2011. The agenda item reflects four (4) vehicles being purchased; however, the dollar amount approved reflects the purchase of (5) vehicles. This was a typographical error on the agenda item.

Upon motion made by Commissioner Hodes and seconded by Treasurer DuPont the minutes of the meeting was unanimously approved.

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RECUSALS

The Executive Director reported that advisements of recusal had been submitted and asked for any further recusals or abstentions to be placed on record for this meeting. Those results are regarding the following items:

Vice Chairman Gravino: 286-08-2011
 Treasurer DuPont 266-08-2011
 Commissioner Pocino: 272-08-2011 through 285-08-2011
 Commissioner Singleton: 277-08-2011 and 290-08-2011

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PUBLIC COMMENT

Chairman Simpson opened the floor to public comment on matters relating to the current agenda and all other matters.

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Murray Bodin

Murray Bodin periodically appears at Authority Board meetings and objects to the line striping patterns the Authority uses on its roadways. Bodin advised that he had received paperwork regarding the Authority's seeking a temporary restraining order to bar him from accessing the Authority's roadways to paint a certain type of line stripe. Bodin returned the paperwork to ED Hakim unopened. Bodin had advised the Authority that following today's meeting he planned to go on to the Authority's roadway and line stripe a portion of the road in the manner he says it should be done.

Bodin stated that he will go to court to compel the Authority to change its line striping. If the lines are not corrected within one (1) year, Bodin stated he will go to an Authority Service Area and start laying down a symbolic line striping. He said he knows traffic control himself because he has been doing it for 30 years and he will not need any traffic control assistance to put down line striping on Authority property.

Next, Bodin showed a pair of florescent gloves that he believes that State Troopers should wear while directing traffic.

Bodin reflected on Governor Christie's decision to 'change the ball game' by stopping the ARC Tunnel project. Bodin stated that it is time for the Authority to changed its culture and do things a different way.

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Frank Forst, Local 194

Mr. Forst spoke regarding agenda item 306-08-2011. Mr. Forst stated that Local 194 has always supported the Turnpike funding state transportation projects. During negotiations, the CFO stated that because the Authority needs its toll revenue to pay interest on its debt, the Authority needs to cut employee wages and benefits.

Agenda Item 306-08-2011 appears to be ambitious because if the Authority's financial resources are tight it should not fund State projects by taking money from the workers of Local 194 to do it.

Mr. Forst indicated that the maintenance department worked several hours non-stop during Hurricane Irene. Water was plowed off the road because it was like a river running down the road. Also, crews of landscape and maintenance personnel were removing trees from the road. The Authority recently cut the pay of toll collectors but yet every toll collection booth was manned during the entire storm, this shows the loyalty and enthusiasm of the people and it is quite impressive and Mr. Forst wants the Authority to recognize this.

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Jeff Matthews, Local 194, Landscaper, Northern Area

Matthews advised that maintenance employees like him worked from Saturday August 27, 2011 through Monday August 29, 2011 to keep the Turnpike clear during and after Hurricane Irene. There was a concerted effort to keep the water and trees off of the road. The needs of these employee's families were of concern to them; however, they stayed and worked to do their jobs first. The employees showed a professionalism and loyalty to the Authority and Mr. Matthews wants the Authority to recognize it.

Chairman Simpson commended Mathews and all of the Authority employees who worked during Hurricane Irene. Chairman Simpson stated that public servants do not always get the recognition they deserve and employees like Matthews represent the best of state employees.

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Robert Mangus, Local 194, Landscaper, Southern Area

Mangus reiterated Matthews's thoughts on the dedication of the maintenance employees. Mangus indicated that employees worked under difficult weather conditions with little rest and removed many trees from the Turnpike roadway. The workers are here for the Authority and doing their jobs and they want the Authority to recognize this and take it into consideration.

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Marc Tighen, Local 194, District 8 North, 16W

Mr. Tighen indicated that the employees responded to stranded vehicles, damaged guardrail, and traffic and water conditions. Please be fair and support the employees.

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Commissioner DuPont

Commissioner DuPont indicated three (3) words to describe the employees of the Authority: Commitment, Dedication and Loyalty. DuPont commended the Chairman, Executives, Managers, Engineering and Maintenance, and all of the other employees who worked long hours under difficult conditions. DuPont commented on the Chairman's leadership qualities as well as the ED, DED and GAU representatives.

Chairman Simpson reflected that the storm activity was actually eight (8) days with the preparation and cleanup. The State could not have done all of this without the help of everyone.

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Norma Brown, Swedesboro – District 1 Maintenance

Brown indicated that she was blessed that her family and their possessions were unaffected by Hurricane Irene. Brown offered to help the people of New Jersey who are still recovering from the hurricane.

Chairman Simpson advised Brown to contact the local Red Cross and if she is not able to find out anything she can contact him directly.

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EXECUTIVE SESSION

A motion to enter into Executive Session, not open to the public in accordance with the Open Public Meetings Act, N.J.S.A. 10:4-12(b), to discuss matters pertaining to:

- A. Personnel;
- B. Purchase, Lease or Acquisition of Real Property;
- C. Pending or Anticipated Litigation; and/or
- D. Contract Negotiations.

The motion was made by Commissioner Hodes and seconded by Commissioner Diaz, and, after the voice vote, the motion was duly adopted by the Board of Commissioners of the New Jersey Turnpike Authority.

Executive Session was adjourned at 10:01 a.m.; Chairman Simpson resumed the public portion of the meeting.

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EXECUTIVE DIRECTORS REMARKS

ED Hakim echoed some of the compliments of prior speakers regarding the Authority's efforts related to Hurricane Irene. ED Hakim stated that union and non-represented employees put forth great effort before, during and after Hurricane Irene. ED Hakim stated that everyone showed up and performed the way the State of New Jersey should expect them to perform. Whatever needed to get done was done and the Authority was able to resume full operations on Monday morning August 29, 2011. The public speakers today accurately portrayed the professionalism from the staff and everyone worked hand-in-hand. ED Hakim stated that members of Lt. Joe Castellano's incident management team from State Police were everywhere. Tom Giaimo and Bob Matthews led the men and women who cleared the road. Toll collectors showed up and we were in full operation. The Operations Department was working diligently at STMC and STMC functions only because of people like Joe Lentini who make sure the facilities up and down the roadway are safe and operational. The engineering group was extremely helpful, especially in regard to the Parkway at milepost 97 where the road was affected by flooding. Engineering fixed and re-paved the roadway making it open for business before rush hour on Monday morning.

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HUMAN RESOURCES

Director of Human Resources Mary-Elizabeth Garrity requested approval of item 266-08-2011. Moved is the item as follows:

266-08-2011

Human Resources Director Garrity submitted the **Personnel Agenda**, dated August 30, 2011, and requested confirmation of the personnel matters contained therein. The Executive Director certified the recommendations for consideration.

On motion by Vice Chairman Gravino and seconded by Commissioner Becht employment of those named to serve at the pleasure of the Authority and other recommended personnel actions, were approved, ratified and confirmed, to become effective as of the dates specified and at the salaries listed.

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LAW

Assistant Director of Law Gage Andretta requested approval of items 267-08-2011 through 271-08-2011 and item 307-08-2011. Moved as a group those items are as follows:

267-08-2011

In a memorandum dated August 17, 2011, **Ratification of Action taken for the Acquisition of Property Interests Required for the New Jersey Turnpike Authority Interchange 6-9 Widening Program, Acquisition of Six (6) Properties and Reimbursement of Expenses, in an amount of \$1,253,106.06**, was approved.

The New Jersey Turnpike Authority (the "Authority") is proceeding with its plans to widen the Turnpike between Interchange 6 in Mansfield Township, Burlington County and Interchange 9 in East Brunswick Township, Middlesex County (the "Widening Program"). The roadway will be widened to 12 lanes with major modifications constructed at four interchanges. Final design is currently underway and construction is proceeding.

The acquisition of the necessary property interests is critical to the success of the Widening Program. In light of same, the Commissioners of the New Jersey Turnpike Authority authorized the Executive Director to take all steps necessary to prepare for and effectuate the acquisition of easements or other property rights needed to begin Phase 1 construction of the Widening Program with final action being brought to the Commissioners for ratification.

Since that time, the Authority has taken final action with respect to the following properties and seeks ratification for such actions:

I. New Acquisitions and Reimbursement of Expenses: The Authority determined that the four (4) properties listed below are necessary for the Widening Program. To that end, the Authority had appraisals prepared by independent Appraisers and reviewed by Value Research Group, LLC, the Authority's Real Estate Manager/Consultant. The Authority then entered into good faith negotiations with the owners and their respective counsel as appropriate for the purchase of those properties or the settlement of any claims related to said acquisitions based on the properties' appraised values and in compliance with the laws governing the Authority's power of eminent domain. Negotiations continued and a settlement of all terms was agreed upon for each of the four properties. The following is a description of each property for which the parties have finalized negotiated terms of sale:

- 1) Turnpike Design Section 7, Turnpike ROW Section 4K
Parcel RC1156-1, Block 10, Lot 10 (**Expense Reimbursement**)
US Route 130 (Hightstown–Cranbury Station Road - unnumbered address)
Cranbury Township, Middlesex County
Owner: Cranbury Brickyard, LLC
Amount: \$3,806.06 (**\$31,992.00 previously approved for the property interest required and reimbursement of expenses**)
The above-described property currently consists of a 373.62 acre industrially zoned vacant lot (the "Property"). The NJTA must acquire the following interest in the Property: (1) a temporary construction easement consisting of the right to access land and area with vehicles and equipment for use during the construction of re-grading a drainage swale, impacting 1.155 acres designated as RC1156. This Property is subject to an approved Remedial Action Work Plan by the NJDEP and is contaminated with Munitions and Explosives of Concern ("MEC"), which pose a threat to safety requiring special training prior to entry for all contractors that enter this Property. This agenda item seeks authorization for reimbursement of further expenses attributable to the aforementioned training.
- 2) Turnpike Design Section 2, ROW Section 3E
Parcel Nos. 265J & E265J, Block 203, Lot 5 (**Partial Taking**)
223 Bordentown-Crosswicks Road, Chesterfield Township, Burlington County
Owner: Public Service Electric & Gas Company
Amount: \$9,500.00
The above-described property currently consists of a 6.88 acre industrially zoned vacant lot (the "Property"). The NJTA must acquire the following interests in the Property: (1) a fee simple interest in 0.160 acres designated as Parcel 265J; and (2) a permanent slope easement consisting of the right to form and maintain slopes for grading and drainage in support of Bordentown-Crosswicks Road, impacting 0.264 acres designated as Parcel E265J.
- 3) Turnpike Design Section 2, ROW Section 3E
Parcel Series 249, Block 130, Lot 2 (**Partial Taking**)
Old York Road (South side of Georgetown Road), Bordentown Township, Burlington County
Owners: John Malison, Joseph Malison and Laura Bowne Barry
Amount: \$64,800.00 (**2 Year Extension of Temporary Construction Easement**)

The above-described property consists of 46.30 acres of land improved with a residential dwelling (the "Property"). The NJTA acquired the following interests in the Property under authorization obtained in Agenda Item No. 69-10: (1) a utility easement consisting of the right to construct and maintain a utility easement for Sunoco Pipeline, impacting 1.438 acres of the Property to be designated as Parcel UE249; (2) a temporary construction easement consisting of the right to access land and area with vehicles and equipment for use during the construction of the proposed utility, impacting 0.615 acres of the Property to be designated as Parcel C249; and (3) a temporary construction easement consisting of the right to access land and area and also Dunn's Mills Road with vehicles and equipment for use during the construction of the proposed utility, impacting 1.090 acres of the Property to be designated as Parcel 2C249. This agenda item seeks authorization to extend the temporary construction easement designated as 2C249 for an additional two (2) years.

- 4) Turnpike Design Section 8, ROW Section 4L
Parcel 1234, Block 18, Lot 5.03 (**Partial Taking**)
338 Deans Rhode Hall Road, South Brunswick Township, Middlesex County
Owner: Trustees of Operating Engineers, Local 825 Apprenticeship Training Fund
Amount: \$260,000.00

The above-described property currently consists of 42.95 acres of land improved with three adjoining, single-story, industrial buildings with a combined building area of 17,317 square feet, two high-tension electricity towers, an electric substation and a billboard. The NJTA must acquire the following interest in the Property: (1) a fee simple interest in 1.019 acres of the Property to be designated as Parcel 1234.

The acquisitions in Section I above do not involve property designated as "Preserved Farmland" pursuant to and as regulated by the *Agriculture Development and Retention Act*, N.J.S.A. 4:1C-11, et seq. and *State Agricultural Development Committee Rules*, N.J.A.C. 2:76-1.1, the Act's implementing regulations. Nor has this property been designated or encumbered as Green Acres properties pursuant to N.J.S.A. 13:1D-52, et seq. and N.J.A.C. 7:35-26.1, et seq.

II. Settled Township of Robbinsville Green Acres Acquisitions. The construction of the Program also required the acquisition of properties that were designated as Green Acres and owned by the Township of Robbinsville. Specifically, the Authority required the acquisition of approximately 6.132 acres of lands owned by the Township of Robbinsville for use as roadway right of way (fee conveyance), roadway slopes (easement) and for temporary construction areas, (temporary construction easements). The lands affected by the Program are located in the Township of Robbinsville, County of Mercer. The Parties have agreed to a lump sum payment for these acquisitions of \$915,000, which has been apportioned between the two acquisitions below based on acreage. The required parcels both owned by the Township of Robbinsville include:

- 1) Turnpike Design Section 5, ROW Section 4H
Parcel No. 1027A, Block 24, Lot 1 (**Partial Taking**)
15 West Manor Way, Robbinsville Township, Mercer County
Amount: \$522,000.00

The above-described property currently consists of 30.753 acres substantially devoted to open athletic fields supported by a designated parking area improved with asphalt paving, concrete curbing and overhead lighting and zoned Rural Residential (RR). The NJTA must acquire the following interests in the Property: (1) a fee simple interest in 2.635 acres designated as Parcel 1027A; (2) a permanent slope easement consisting of the right to form and maintain slopes for grading, drainage in support of Gordon Road, impacting 0.471 acres designated as Parcel E1027A; (3) a permanent slope easement consisting of the right to form and maintain slopes for grading, drainage in support of West Manor Way, impacting 0.169 acres designated as Parcel 2E1027A; (4) a temporary construction easement consisting of the right to perform construction of drainage inlets, pipes and appurtenances, impacting 0.334 acres of the Property designated as Parcel C1027A; (5) a temporary construction easement consisting of the right to construct and maintain and remove temporary utility poles, overhead wires, guys and appurtenances, impacting 0.150 acres designated as Parcel 2C1027A; and (6) a temporary construction easement consisting of the right to construct a driveway, impacting 0.028 acres designated as Parcel 3C1027A.

- 2) Turnpike Design Section 5, ROW Section 4H
Parcel No. 1027E, Block 19, Lot 16 (**Partial Taking**)
245 Windsor Road, Robbinsville Township, Mercer County
Amount: \$393,000.00

The above-described property currently consists of a 22.61 acre tract with an irregular configuration that is subdivided into two distinct components, a 1.0 acre portion situated at the center of the tract that is improved with the "Robbins House", a historical structure and associated site improvements, and a 21.61 acre tract of qualified farmland zoned rural residential (RR). The NJTA must acquire the following interest in the Property: (1) a fee simple interest in 2.345 acres designated as Parcel 1027E.

In pursuing the acquisition of the above Property Interests, the Authority complied with all regulatory requirements in accordance with Greenacres Regulations at N.J.A.C. 7:36-1.1 et seq.

All actions taken by the Executive Director have been necessary for the purchase of the properties listed above including the satisfaction of certain other costs required by law to be paid at closing. All actions taken by the Executive Director have been reviewed and approved by the Law Department and General Counsel.

Based on the foregoing, it is requested that the Authority Commissioners ratify any and all actions taken by the Executive Director as outlined herein for the acquisition of the properties set forth above.

268-08-2011

In a memorandum dated August 16, 2011, a Request for Authorization to Enter into an Interagency Agreement with the New Jersey Department of Transportation to Coordinate Efforts for the New Jersey Turnpike Interchange 2 Improvement Project and its Impact on State Highway 322, was approved.

The New Jersey Turnpike Authority ("Authority") is proceeding with its plans for the construction of the Interchange 2 Improvements Project ("Project") in the Township of Woolwich, Gloucester County. This Project includes improvements to the ramps leading from the Interchange 2 toll plaza to the intersection of State Highway 322 as well as the installation of a traffic signal at the intersection of the ramps and State Highway 322. These improvements will help improve traffic operations and address safety issues at the intersection.

As State Highway 322 is under the jurisdiction of the New Jersey Department of Transportation ("DOT"), Authority staff recommends that Authority enter into a Memorandum of Agreement ("MOA") with DOT relating to the Project activities that impact State Highway 322. Under this MOA, DOT will allow the Authority, its agents, contractors, and employees access to DOT rights of way to perform any work associated with the Project. The MOA will serve as a DOT Major Access Permit, Application for Drainage, Highway Occupancy Permit and any other permit that may be required from DOT for the Project. Any construction on State Route 322 in furtherance of the Project will conform to DOT's standard specifications, and DOT may, in its discretion, observe and monitor construction activities relating to the Project.

The MOA does not provide for any funds to be paid by the Authority or by DOT, but does provide that both the Authority and DOT will indemnify the other party for any losses arising out of negligent acts of either the Authority's or DOT's employees, without waiver of any sovereign immunities.

The terms of the MOA have been reviewed by the Authority's Engineering and Law Departments, and by DOT and the New Jersey Department of Law and Public Safety, Division of Law, and have been deemed satisfactory. Accordingly, it is requested that the Board of Commissioners delegate to the Executive Director the authority to enter into a MOA with DOT that substantially conforms to the terms set forth herein. It is further recommended that the Commissioners authorize the Executive Director to execute any such other documents and take any such other actions as are deemed necessary to effectuate the intent of this authorization.

269-08-2011

In a memorandum dated August 16, 2011, a Request for Authorization to Enter into an Interagency Agreement with the New Jersey Department of Health and Senior Services (DHSS) to Provide Health Insurance Inspections on the New Jersey Turnpike and Garden State Parkway, was approved.

The New Jersey Turnpike Authority has previously entered into agreements with DHSS for the inspection, investigation and related health services for all food service facilities located on the New Jersey Turnpike and Garden State Parkway. These services are required by law. The most recent agreement, approved by the Board of Commissioners in July 2008, was effective for three (3) years, from July 1, 2008 to June 30, 2011, at a cost not to exceed \$782,726.00.

DHSS has proposed a new three (3) year agreement which would become effective July 1, 2011 and expire on June 30, 2014. The total cost for inspection services will not exceed \$877,165.00 over three years. The new contract covers health inspection services at nineteen (19) Service Area Facilities, all concessions and the back stage kitchen at the PNC Bank Arts Center, three (3) Heritage Festivals at the PNC Bank Arts Center, and the Robert B. Meyer Reception Center. HMSHost is required to pay a sum equal to 90% of any costs allocated to pay the annual salary of any one health inspector of DHSS whose duty it is to inspect the restaurants. Thus, it is anticipated that HMSHost will reimburse the Authority \$246,609 over the life of the agreement.

Accordingly, it is requested that the Board of Commissioners delegate to the Executive Director the authority to execute a Memorandum of Agreement between the New Jersey Turnpike Authority and DHSS for the inspection of food facilities on the New Jersey Turnpike and

Garden State Parkway that substantially conforms to the terms set forth herein. It is further recommended that the Commissioners authorize the Executive Director to execute any such other documents and take any such other actions as are deemed necessary to effectuate the intent of this authorization.

270-08-2011

In a memorandum dated September 1, 2011, **a Recommendation for Ratification of Renewal of Various Insurance Policies: (1) Umbrella Liability Insurance – Self-Insured General Liability and Automobile Liability Insurance Program; (2) Major Bridge and Property Insurance – New Jersey Turnpike; and (3) Public Officials and Employment Practices Liability Insurance, (Renewal term for all: September 1, 2011 – August 31, 2012),** was approved.

The New Jersey Turnpike Authority ("Authority") maintains several insurance programs for protection against liability claims and for the protection of its physical assets. In 2009, a Request for Proposal was released and awards were made to Brokers for a three-year period for placement of these coverages. This is the third year of the award. The Brokers of Record for the respective policies were requested to solicit a minimum of three competitive quotations. Renewal quotations were submitted for each coverage by the Brokers of Record and were reviewed by staff.

The following policies were due to expire on August 31, 2011, and coverage would lapse if not renewed: (1) Umbrella Liability Insurance – Self-Insured General Liability and Automobile Liability Insurance Program; (2) Major Bridge and Property Insurance for the New Jersey Turnpike roadway; and (3) Public Officials and Employment Practices Liability Insurance.

Due to the cancellation of the Commission Meeting which was to have been held on August 30, 2011, and so as to prevent a lapse in coverage for these policies, the Executive Director authorized the renewal of the policies as set forth herein. The Authority has received confirmation that these three (3) lines of insurance have been bound without interruption for the renewal term of September 1, 2011 to August 31, 2012. Ratification of all steps taken by and at the direction of the Executive Director to renew the coverages is sought for the following lines of insurance:

1. Umbrella Liability Insurance – Self-Insured General and Automobile Liability Insurance Program

The New Jersey Turnpike Authority maintains \$100 million of excess "Umbrella" Liability insurance above its \$2 million self-insured retention for its General Liability and Automobile Liability Insurance Program. The excess Umbrella Liability insurance is structured in four (4) layers of \$25 million each. The Broker of Record for the renewal is Risk Strategies Company, Inc.

Risk Strategies approached a total of nine (9) insurers, including the incumbent, for a renewal quotation for the first layer (\$25 million) of excess coverage. A quotation was received only from the incumbent lead carrier, Chartis (National Union Fire Insurance Company of Pittsburgh, PA). The remaining carriers declined to quote due to exposure, increases in patron vehicle miles travelled and number of vehicles using roadways. Renewal terms and conditions will be as expiring. The Authority's self-insured retention of \$2 million per occurrence will continue to be aggregated, or capped, at \$3 million annually for General Liability claims only. All other claims will continue to have \$2 million self-insured retention for each and every claim. Each excess layer will have an aggregate of \$25 million for General Liability claims.

The Chartis quotation for the lead \$25 million limits is \$832,000 plus mandatory PLIGA surcharges of \$7,488, which is 4.6% higher than the expiring policy. The Broker has obtained premium quotations for placement of the remaining three \$25 million layers of excess coverage for \$352,943 plus mandatory PLIGA surcharges of \$1,318. Thus, the total cost of the entire \$100 million Umbrella placement is \$1,184,943 premium plus PLIGA surcharges of \$8,806 for a total of \$1,193,749. The total cost represents an increase of \$45,650 premium and \$358 PLIGA surcharges from the cost of the expiring coverages.

2. Major Bridge and Property Insurance – New Jersey Turnpike

The New Jersey Turnpike Authority maintains property insurance covering New Jersey Turnpike bridge and non-bridge property with a limit of \$198,700,000 per occurrence with various sub-limits for particular occurrences. The current coverages are provided by Chartis (Lexington Insurance Company) and ACE (Illinois Union Insurance Company) on a Quota-Share basis (50% participation). The Broker of Record for the renewal is Marsh & McLennan Agency, LLC.

Our broker approached the incumbent insurers as well as three additional markets for a renewal quotation based upon increased 2011 Statement of Property Values of \$10,177,286,245 and an increased total limit of liability of \$254,500,000 per occurrence, which is based upon our Engineering Consultant's estimate of Maximum Probable Loss. Quotations were received from the incumbent insurers; however, the additional markets approached by the Broker all declined to quote on the basis of the overall exposures of account, exposure in a geographic area and the capacity to handle the exposures. The incumbent insurers, Chartis (Lexington), ACE (Illinois

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Union) and Hiscox (Lloyds of London) presented a property premium quotation of \$3,380,679 plus Boiler Inspection Fees of \$3,360 for a total of \$3,384,039, including Terrorism Risk Insurance Act (TRIA) coverage. Coverage is to be provided as expiring on a Quota-Share basis 39% participation (Chartis-Lexington), 49% participation (ACE-Illinois Union), and 12% Hiscox (Lloyds of London). Thus, The Marsh McLennan Agency, LLC has proposed renewal of the policy with Chartis (Lexington), ACE (Illinois Union) and Hiscox (Lloyds of London) with limits of \$254,500,000 per occurrence for a total premium of \$ 3,380,679 including Boiler Inspection Fees and TRIA. This represents an increase in premium of \$183,263 over the expiring premium, or approximately 5.7% attributable to increased property values and increased limit of liability.

3. Public Officials and Employment Practices Liability Insurance

The New Jersey Turnpike Authority maintains Public Officials and Employment Practices Liability Insurance with total limits of \$30,000,000 with a \$500,000 deductible. Coverage is provided by National Union Fire Insurance Company (\$20,000,000 aggregate, defense costs in addition) and National Specialty Insurance Company (\$10,000,000 excess of \$20,000,000). The Broker of Record is Risk Strategies Company, Inc.

Risk Strategies approached a total of six (6) insurers, including the incumbent, for renewal quotations for the lead \$20 million policy. All except the incumbent declined to quote due to pricing or lack of capacity. The only quote received was from the incumbent insurer. The incumbent insurer, National Union, quoted a premium of \$240,000 plus PLIGA surcharge of \$2,160 for coverage as expiring.

The Broker has obtained a premium quotation for placement of the remaining \$10 million excess coverage with the incumbent insurer, National Specialty Insurance Company, for \$92,400 plus PLIGA surcharges of \$832. Thus, the total cost of the entire \$30 million Public Officials and Employment Practices Liability insurance placement is \$332,400 premium plus PLIGA surcharges of \$2,992 for a total of \$335,392. The total cost is the same as last year.

It is therefore recommended that the Commissioners ratify all actions taken to date by and at the direction of the Executive Director to renew the policies as set forth above. It is further recommended that the Executive Director be authorized to execute all documents and to take all further actions to effectuate the renewal of the policies as indicated herein.

271-08-2011

In a memorandum dated August 17, 2011, **a Recommendation for Authorization for the Executive Director to complete the Rulemaking Process to Amend the following Authority Regulations for: N.J.A.C. 19:9-1.19- Tolls; Payment required; N.J.A.C. 19:9-4.1- Inspecting and Obtaining of Authority Records- General Provisions; N.J.A.C. 19:9-4.4- Inspection and Obtaining of Authority Records- Fees; and N.J.A.C. 19:9-9.2- Toll Collection Monitoring System Violation,** was approved.

At its March 29, 2011 Commission Meeting, the Authority's Board of Commissioners, by Agenda item 120-03-2011, authorized the commencement of the rulemaking process to amend the above-referenced regulations. Pursuant to the Administrative Procedure Act, N.J.S.A. 52:14B-1, et seq., notice of the proposed regulations appeared in the June 6, 2011 edition of the New Jersey Register, and were subject to a sixty (60) day public comment period.

The Authority received one (1) public comment which supported the amendment to reduce copy costs for accident reports. The comment also made a request for an additional change to the Authority's regulation regarding expediting the processing of State Police reports for insurance companies, which the Authority is reviewing, but is unrelated to this Rulemaking Process. Should the Authority determine a change is appropriate, it will be subject to a future rulemaking process. The public comment period expired on August 5, 2011 and authorization is now sought to finalize the above referenced regulation amendments.

Accordingly, authorization is sought for the Executive Director to take all steps necessary in order to finalize the proposed regulation amendments and execute and file all necessary documents with the Office of Administrative Law for final adoption, after review and approval by the Authority's Law Department and General Counsel.

307-08-2011

In a memorandum dated August 24, 2011 **a Recommendation for Authorization to Approve Settlement in the Matter of Shibu Arnold v. Arrigo Conti and New Jersey Turnpike Authority, et al., Superior Court of New Jersey, Law Division, Middlesex County, Docket No. MID-L-7169-08, in amount of \$750,000.00,** was approved.

This matter arises from an accident that occurred on October 9, 2007 when Mr. Arnold was struck by a vehicle driven by Mr. Arrigo Conti, a part time toll collector on the Parkway, who was improperly utilizing a "cut through" (u-turn) in the Parkway median. Use of the cut through was and is prohibited by New Jersey Turnpike Authority policy. Plaintiff's vehicle overturned a number of times after impact and Mr. Arnold suffered serious and extensive injuries including

multiple cerebral contusions and edema, multiple bone fractures on the face and skull, closed head injury with severe traumatic brain injury and cerebral concussion with a month long coma. He further alleges post-concussion syndrome, decreased mental state, and numerous neurological deficits as a result of the incident.

Court ordered non-binding arbitration resulted in an award of \$4 million. The Authority engaged in mediation and the parties were able to reach a settlement of this matter for a total amount of \$750,000, subject to Commissioner approval. Considering the extent of Plaintiffs' injuries and damages, the Authority's respondent superior responsibility for the actions of the toll collector, the future litigation costs (both in expert fees and legal fees) to proceed with trial, as well as the jury verdict potential, the settlement amount set forth above is recommended as reasonable.

Accordingly, the Law Department recommends that the Commissioners authorize full and final settlement of the matter, in an amount not to exceed \$750,000. This settlement will conclude Plaintiff's claim against the Authority in this matter. Authorization is also recommended to allow the Executive Director to take all such actions and to execute any and all documents, after review and approval by the Law Department and General Counsel, necessary to conclude this litigation.

On motion by Treasurer DuPont and seconded by Commissioner Hodes, the Authority unanimously approved items 267-08-2011 through 271-08-2011 and item 307-08-2011; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ENGINEERING

Chief Engineer Raczynski requested approval of item numbers 272-08-2011 through 278-08-2011. Raczynski indicated that there are four (4) contracts for the second phase of the Parkway widening project – milepost 63 to 48. The construction on this phase will begin in the Fall of 2011.

Chairman Simpson asked if this project was occurring ahead of original plans. Raczynski said this project is being done years ahead of schedule. Due to the savings achieved from the Turnpike Widening project, this portion of the Parkway widening was moved from a Tier 2 Capital Improvement Plan to Tier 1.

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AWARD OF CONTRACTS

272-08-2011

In a document dated August 11, 2011, a **Recommendation to Award Contract P200.134, for the Garden State Parkway to Midlantic Construction, Interchange 48 to 63 Widening Milepost 47.7 to 51.3, in an amount of \$50,617,232.44,** was approved.

This contract will widen the Garden State Parkway mainline to add a third travel lane in each direction, including the construction of two new bridges, the removal of two existing bridges, the rehabilitation of one bridge, and the extension of existing culverts. The project also includes seven new sign structures, drainage improvements, signing, delineations, lighting, maintenance and protection of traffic, and other miscellaneous work necessary and incidental to the completion of the project.

Eight bid proposals were received on August 3, 2011 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal, in the amount of \$50,617,232.44, may be compared to the second low bid proposal in the amount of \$51,182,109.65. Midlantic Construction LLC has previously performed work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. P200.134 be awarded to the low bidder, Midlantic Construction LLC of Barnegat, New Jersey, in the amount of \$50,617,232.44. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. Bids were procured and authorization is being sought to award this contract in accordance with N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

The General Consultant, HNTB Corporation, concurs with this recommendation.

28941

273-08-2011

In a document dated August 9, 2011, a **Recommendation to Award Contract No. P200.135 for the Garden State Parkway to Richard E. Pierson Construction, Inc., Interchange 48 to 63 widening, Milepost 52.4 to 57.8, in the amount of \$46,657,170.60**, was approved.

This contract will widen the Garden State Parkway mainline to add a third travel lane in each direction, including the replacement of four existing bridges, the construction of two new culverts and the extension of existing culverts. The project also includes six new sign structures, drainage improvements, recharge swales, signing, delineations, lighting, maintenance and protection of traffic, and other miscellaneous work necessary and incidental to the completion of the project.

Seven bid proposals were received on July 14, 2011 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal, in the amount of \$46,657,170.60, may be compared to the second low bid proposal in the amount of \$46,804,291.73. Richard E. Pierson Construction Co., Inc. has previously performed work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. P200.135 be awarded to the low bidder, Richard E. Pierson Construction Co., Inc. of Pilesgrove, New Jersey, in the amount of \$46,657,170.60. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. Bids were procured and authorization is being sought to award this contract in accordance with N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

The General Consultant, HNTB Corporation, concurs with this recommendation.

274-08-2011

In a document dated August 18, 2011, a **Recommendation to Award Contract No. P200.136 for the Garden State Parkway to Earle Asphalt Company, Interchange 48 to 63 Widening, Milepost 57.8 to 64.9, in the amount of \$52,063,413.13**, was approved.

The Authority is advancing Phase II of the Garden State Parkway widening between Interchanges 48-63. This contract will widen the Garden State Parkway mainline to add a third travel lane in each direction, including the replacement of four existing bridges, the rehabilitation of two bridges, the construction of two new culverts, and the extension of existing culverts. The project also includes seven new sign structures, two signalized intersections, drainage improvements, recharge swales, signing, delineations, lighting, maintenance and protection of traffic, and other miscellaneous work necessary and incidental to the completion of the project.

Eleven bid proposals were received on August 18, 2011 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal, in the amount of \$52,063,413.13, may be compared to the second low bid proposal in the amount of \$52,577,182.78. Earle Asphalt Company has previously performed work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. P200.136 be awarded to the low bidder, Earle Asphalt Company of Farmingdale, New Jersey, in the amount of \$52,063,413.13. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. Bids were procured and authorization is being sought to award this contract in accordance with N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

The General Consultant, HNTB Corporation, concurs with this recommendation.

275-08-2011

In a document dated August 9, 2011, a **Recommendation to Award Contract No. P200.140 for the Garden State Parkway, to Midlantic Construction LLC, Drainage Structures and Grading Improvements, Milepost 30.2 to 47.3, in the amount of \$8,713,399.00**, was approved.

This contract will place fill within wetland areas, widen two existing bridges, extend ten existing culverts, and reconstruct the headwalls on two culverts. The project also includes drainage improvements, maintenance and protection of traffic, and other miscellaneous work in order to complete permit related construction in advance of the widening of the Garden State Parkway from Interchange 30 to 48.

Eight bid proposals were received on July 6, 2011 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal, in the amount of \$8,713,399.00, may be compared to the second low bid proposal in the amount of \$9,136,493.00. Midlantic Construction LLC has previously performed work for the Authority and

is considered competent to complete this contract.

It is, therefore, recommended that Contract No. P200.140 be awarded to the low bidder, Midlantic Construction LLC of Barnegat, New Jersey, in the amount of \$8,713,399.00. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. Bids were procured and authorization is being sought to award this contract in accordance with N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

The General Consultant, HNTB Corporation, concurs with this recommendation.

276-08-2011

In a document dated July 28, 2011, a **Recommendation to Award Construction Contract A600.210 for the New Jersey Turnpike and Garden State Parkway to RCC Fabricators, Inc., VMS Structures Advanced Fabrication Contract, in the amount of \$4,681,219.00**, was approved.

The work to be performed under this contract involves the advanced fabrication and delivery of 61 cantilever and overhead span VMS support structures. The signs will be delivered to designated Authority storage yards; one storage area off the New Jersey Turnpike, and the second storage area on the Garden State Parkway. The fabricator will be responsible for all handling and transportation costs delivering the structures to the Authority storage yards safely and without damage. All work under this construction contract shall be performed within 19 months from October 3, 2011 through April 30, 2013.

Only one bid proposal was received on July 20, 2011 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal, in the amount of \$4,681,219.00, may be compared to the Engineer's Estimate in the amount of \$4,725,000.00. RCC Fabricators, Inc. has previously performed work for the Authority and is considered competent to complete this contract.

Since there was only one bid, consideration was given to rebidding this contract. However, rebidding this contract would negatively impact the schedule of the installation contracts. In addition, discussions with fabrication contractors revealed that they did not submit bids due to existing workloads. Accordingly, it is unlikely that rebidding will result in additional bidders.

It is, therefore, recommended that Contract No. A600.210 be awarded to the low bidder, RCC Fabricators, Inc. of Southampton, New Jersey, in the amount of \$4,681,219.00. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. Bids were procured and authorization is being sought to award this contract in accordance with N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

The General Consultant, HNTB Corporation, concurs with this recommendation.

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FINAL ACCEPTANCES OF CONTRACTS

277-08-2011

In a document dated August 5, 2011, a **Recommendation for Final Acceptance, Contract P200.001 for the Garden State Parkway to Ferreira Construction Co., Inc., Rehabilitation of Concrete Median Barrier, Milepost 146 to 160, the an amount due to the contractor of \$835,094.89**, was approved.

This contract involved rehabilitation of concrete median barrier from Milepost 146.0 to 160.0 in Essex, Passaic and Bergen Counties, New Jersey. The contract was awarded on March 18, 2009 to the low bidder, Ferreira Construction Co., 31 Tannery Road, Branchburg, NJ 08876 n the total amount of \$14,377,728.00.

During the course of the contract, there were two Change Orders for a total increase of \$4,185,327.41, adjusting the final total amount of this contract to \$18,563,055.41.

The Certification and Recommendation for Final Acceptance has been executed by the Engineers, the General Consultants and the Chief Engineer.

All required contract documents including the Engineer's Final Certification, Maintenance Bond, Affidavit of Prevailing Wage and the Final Payment Certificate (19F) have been submitted to the Law Department and approved as to correctness of form. Furthermore, the Law Department advises that there are no liens outstanding against the Contractor.

We concur and recommend that Contract P200.001 be accepted, and that final payment in the amount of \$835,094.89 be made to the Contractor.

278-08-2011

In a document dated August 10, 2011, a **Recommendation for Final Acceptance, Contract P200.005 for the Garden State Parkway to Mount Construction Company, Inc., Interchange 88/89 Signing Improvements, in an amount due to the contractor of \$129,332.44,** was approved.

This contract involved signing improvements and roadway widening at Interchange 88/89 from Milepost 90.32 to 92.55 southbound in Township of Brick, New Jersey and construction of sign structures near Interchange 98 from Milepost 95.65 to 97.65 northbound in the Township of Wall, County of Ocean, New Jersey. The contract was awarded on November 17, 2009 to the low bidder, Mount Construction Company, Inc., 427 South White Horse Pike, Berlin, NJ 08009 in the total amount of \$1,888,546.26.

During the course of the contract, there were two Change Orders for a total increase of \$19,600.88, adjusting the final total amount of this contract to \$1,908,147.14.

The Certification and Recommendation for Final Acceptance has been executed by the Engineers, the General Consultants and the Chief Engineer.

All required contract documents including the Engineer's Final Certification, Maintenance Bond, Affidavit of Prevailing Wage and the Final Payment Certificate (9F) have been submitted to the Law Department and approved as to correctness of form. Furthermore, the Law Department advises that there are no liens outstanding against the Contractor.

We concur and recommend that Contract P200.005 be accepted, and that final payment in the amount of \$129,332.44 be made to the Contractor.

On motion by Treasurer DuPont and seconded by Commissioner Hodes, the Authority unanimously approved items number 272-08-2011 through 278-08-2011; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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Chief Engineer Raczynski requested approval of item number 279-08-2011 through 284-08-2011 and acceptance of item 285-08-2011.

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PROFESSIONAL SERVICES (OPSs)

279-08-2011

In a document dated August 9, 2011, a **Recommendation to Issue Order for Professional Services No. P3364 for the Garden State Parkway to Jacobs Engineering Group, Inc., Supervision of Construction Services for Contract No. P200.134, Interchange 48 to 63 Widening, Milepost 47.7 to 51.3; Contract No. P200.135, Interchange 48 to 63 Widening, Milepost 52.4 to 57.8; Contract No. P200.136, Interchange 48 to 63 Widening, Milepost 57.8 to 64.9; and Contract No. P200.140, Drainage Structures and Grading Improvements, Milepost 30.2 to 47.3, in an amount of \$16,280,000.00,** was approved.

This Order for Professional Services provides for the construction supervision of the referenced contracts. The widening will consist of the construction of an additional 12-foot wide travel lane with a 12-foot right shoulder and 10-foot left shoulder in both directions of travel. Work to be performed under the three widening construction contracts will include roadway construction, drainage improvements, bridge construction, culvert extensions, and sign structure fabrication and erection on both the northbound and southbound Garden State Parkway mainline between Milepost 47.7 and 64.9. Contract No. P200.140, Drainage Structures and Grading Improvements, will provide for the placement of fill within wetland areas, culvert extensions, pipe crossings and widening of mainline bridges on both the northbound and southbound Garden State Parkway between Milepost 30.2 and 47.5.

This assignment is classified as a "Complex Project" since the scope of work is not clearly defined and likely to change during the course of the project, and the cost exceeds \$2,000,000.00. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and 35 engineering firms were prequalified and eligible under Profile Codes B-151, Construction Management; B-152, Project Management (Scheduling); B-153, Roadway Construction Inspection; and B-155, Bridge Construction Inspection. Four firms submitted EOIs by the closing date of June 2, 2011.

In accordance with the regulations for Complex projects, if only three or four EOIs have been deemed complete by the Authority, these firms shall receive the RFP and the Review Committee will not conduct an evaluation of the EOIs. These four firms were requested to submit Technical and sealed Fee Proposals. The Committee reviewed and evaluated each firm's Technical Proposal and final scoring resulted in the following order of ranking: 1) Jacobs

Engineering Group, Inc.; 2) STV/JMT, a Joint Venture; 3) AECOM/Urban, a Joint Venture; and 4) PB Americas, Inc. The Review Committee held interviews with oral presentations with the top two technically ranked firms. Subsequent to the interviews, the Committee concluded that Jacobs Engineering Group, Inc. was still the highest technically ranked firm. The fee submitted by Jacobs Engineering Group, Inc. has been reviewed, negotiated, and is considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. P3364 be issued to the firm of Jacobs Engineering Group, Inc. of Morristown, New Jersey not to exceed the amount of \$16,280,000.00. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.2 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses. The award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. These professional services were procured, and the recommended firm was selected, in accordance with N.J.S.A. 52:34-9.1, et seq., N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.8, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

280-08-2011

In a document dated August 4, 2011, a **Recommendation to Issue Order for Professional Services No. A3383 for the Garden State Parkway and New Jersey Turnpike to Dewberry-Goodkind, Inc. for Supervision of Construction Services for Contract No. A600.210, VMS Structures Advanced Fabrication Contract; Contract No. T600.102C, Installation of Variable Message Signs at New and Existing Locations on the Turnpike, Milepost 4.7 to 102.25; and Contract No. P600.102F, Installation of Variable Message Signs at New and Existing Locations on the Parkway, Milepost 5.8 to 102.02, in an amount of \$4,322,000.00**, was approved.

This Order for Professional Services provides for the construction supervision of the referenced contracts. Contract A600.210 will consist of the advanced fabrication and delivery of Variable Message Sign support structures which will be installed under Contracts T600.102C and P600.102F.

This assignment is classified as a "Complex Project" since the scope of work is not clearly defined and likely to change during the course of the project, and the cost exceeds \$2,000,000.00. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and 58 engineering firms were prequalified and eligible under Profile Code B-153, Roadway Construction Inspection. Three firms submitted EOIs by the closing date of June 20, 2011.

In accordance with the regulation, for Complex projects if only three or four EOIs have been deemed complete by the Authority, these firms shall receive the RFP and the Review Committee will not conduct an evaluation of the EOIs. These three firms were requested to submit Technical and sealed Fee Proposals. The Committee reviewed and evaluated each firm's Technical Proposal and final scoring resulted in the following order of ranking: 1) Dewberry-Goodkind, Inc.; 2) Greenman-Pedersen, Inc.; and 3) KS Engineers, P.C. The fee submitted by Dewberry-Goodkind, Inc. has been reviewed, negotiated, and is considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. A3383 be issued to the firm of Dewberry-Goodkind, Inc. of Bloomfield, New Jersey not to exceed the amount of \$4,322,000.00. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.15 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses. The award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. These professional services were procured, and the recommended firm was selected, in accordance with N.J.S.A. 52:34-9.1, et seq., N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.8, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

281-08-2011

In a document dated August 10, 2011, a **Recommendation to Issue Supplement B to Order for Professional Services No. T3112 for the New Jersey Turnpike to AECOM, Interchange 6 – 9 Widening Program, Design Engineer, Section No. 2, in an amount of \$1,450,000.00**, was approved.

This Order for Professional Services was issued at the November 2007 Commission

Meeting in the amount of \$17,350,000.00 to provide professional engineering services associated with final design and preparation of contract documents, and other ancillary activities and services required for the Final Design of Section No. 2 of the New Jersey Turnpike Interchange 6-9 Widening Program. Supplement A, issued in June 2010 in the amount of \$4,600,000.00, provided for additional design services required for various out of scope tasks. In order to obtain the environmental permits, a bridge structure was added to the scope of work to span the environmentally sensitive Laurel Run, retaining walls were added to reduce environmental impacts and supplemental environmental efforts were required to resolve NJDEP and Soil Conservation District permit concerns. During final design it was determined that long viaducts were a more efficient design than the separate mainline structures over Interchange 7 ramps as proposed in Preliminary Design. This design revision will result in an estimated \$9,000,000.00 reduction to the cost of the contract construction. Further, this Supplement also included compensation for additional coordination with Colonial, Transcontinental and Sunoco Pipeline companies with regard to pipeline relocation.

Supplement B will compensate AECOM for additional design services required for the realignment of Bordentown-Crosswicks Road and post design service efforts that could not have been anticipated at the time Supplement A was issued. After Supplement A, PSE&G indicated that several existing poles in conflict with the realignment of Bordentown-Crosswicks Road were critical to their system and could not be relocated. This PSE&G requirement will require the redesign of the Bordentown-Crosswicks Road realignment. Post design efforts, field conditions and contractor coordination have also resulted in additional design service efforts.

AECOM submitted a proposal in the amount of \$1,450,000.00 to provide the required services. The proposal has been reviewed, negotiated, and is considered fair and reasonable for the services to be provided.

It is, therefore, recommended that Supplement B to Order for Professional Services No. T3112 be issued to AECOM, not to exceed the amount of \$1,450,000.00, with compensation on the same basis as the original Order for Professional Services. The addition of this amount increases the total authorized fee from \$21,950,000.00 to \$23,400,000.00. The original contract was procured pursuant to N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8.

282-08-2011

In a document dated August 2, 2011, a **Recommendation to Issue Supplement B to Order for Professional Services No. T3217 for the New Jersey Turnpike to Gannett Fleming, Inc., for Preliminary Engineering and Environmental Studies for Improvements at Interchange 14A, in an amount of \$312,000.00**, was approved.

This Order for Professional Services was issued at the April 2009 Commission Meeting in the amount of \$2,050,000.00 to provide environmental studies/investigations, traffic studies; conceptual alternative development; preparation of an Environmental Impact Statement; assistance in the public involvement process; and other related work as necessary to identify the appropriate solution to increase the capacity of Interchange 14A as defined in the RFEOL's Scope of Services. Supplement A, issued in September 2010 in the amount of \$462,000.00, provided for unanticipated work efforts pertaining to an expansion of the study limits to include Interchange 14B. These additional studies resulted in the identification of a concept involving the diversion of port destined commercial traffic from Interchange 14A to Interchange 14B as a way of alleviating traffic congestion at Interchange 14A. That concept was recommended as the Initially Preferred Alternative until significant opposition was received from stakeholders in Jersey City and the NJ Motor Truck Association.

Because of the opposition to the Authority's proposal to divert commercial traffic to Interchange 14B, Gannett Fleming was required to perform additional studies and develop additional conceptual alternatives at Interchange 14A. Supplement B is necessary to provide additional funding for those unanticipated work efforts. The development of these additional concepts required further engineering and environmental studies, as well as traffic simulation modeling. Additional stakeholder meetings, including Public Information Centers, were also necessary. Additionally, a significant portion of the Environmental Impact Statement now requires revision because it had been essentially completed based on the originally recommended concept involving the traffic diversion to Interchange 14B.

Gannett Fleming submitted a proposal in the amount of \$312,000 to provide the required services. The proposal has been reviewed, negotiated, and is considered fair and reasonable for the services to be provided.

It is, therefore, recommended that Supplement B to Order for Professional Services No. T3217 be issued to Gannett Fleming, Inc., not to exceed the amount of \$312,000, with compensation on the same basis as the original Order for Professional Services. The addition of this amount increases the total authorized fee from \$2,512,000.00 to \$2,824,000. The original contract was procured pursuant to N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8.

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MISCELLANEOUS

283-08-2011

In a document dated July 28, 2011, **Authorization to Transfer Surplus Property to Evergreen Environmental, LLC In Exchange for Wetland Mitigation Credits, Turnpike Section 7B, Parcel No. 634, Block 137, Lot 5, Borough of Carlstadt, Bergen County, with no fee**, was approved.

On November 9, 2007, authorization was obtained from the Authority's Commissioners to acquire the above referenced property for wetland mitigation necessary to satisfy the wetland permit requirements for projects involving Interchange 16W, Route 3 ramp improvements in East Rutherford, and NWC ramp improvements in Carlstadt, all located in Bergen County. The acquisition cost for the 7.7 acre parcel was \$500,000. Despite the fact that the Authority was able to obtain approvals from all relevant environmental regulatory agencies to use the site for the intended purpose, it was ultimately found that the site was unacceptable for the intended mitigation because of the impending failure of tide gates located in proximity to the property. The site was proposed to be utilized for freshwater wetland mitigation and the tide gate failure would result in the property being tidally influenced and therefore no longer classified as a freshwater site. The Authority ultimately purchased wetland mitigation credits from a mitigation bank at a cost of \$650,000 per acre credit to satisfy the mitigation requirements associated with the two projects. Because the Authority could no longer utilize the property for its intended mitigation purpose or any other purpose, the property was declared surplus under Agenda Item No. 040-02-2011. Furthermore, the property was determined to fall within the applicable exceptions for competitive bidding under the Authority's Surplus Property Policy due to the fact that it is land locked, encumbered by wetlands and surrounded by watercourses.

Evergreen Environmental, LLC (Evergreen) is undertaking the development of a wetland mitigation bank on a parcel of land that is immediately adjacent to Block 137, Lot 5. The bank is being developed as a tidal mitigation bank based on the fact that the previously referenced tide gates have now been removed by the New Jersey Meadowlands Commission resulting in the parcel being tidally influenced. Evergreen has expressed an interest in acquiring Block 137, Lot 5 from the Authority for incorporation of the parcel into their tidal mitigation bank. Evergreen has offered to compensate the Authority in the form of 0.8 wetland mitigation credits for use by the Authority to satisfy wetland mitigation requirements on future projects undertaken by the Authority in the Meadowlands. The Authority actually has two ongoing projects for which credits are anticipated to be required. The projects pertain to improvements at Interchanges 15W and 16W. The Authority's Engineering Department, in consultation with its Consultants, has determined that based on the going rate of \$650,000 per acre credit, the 0.8 credits being offered by Evergreen equates to a value of \$520,000 which is \$20,000 more than the Authority paid for the parcel. It is therefore requested that authorization be provided to transfer ownership of Block 137, Lot 5 to Evergreen Environmental, LLC in exchange for 0.8 wetland credit acres and that the Executive Director be authorized to execute any agreements necessary to utilize these credits as mitigation on future Authority projects.

284-08-2011

In a document dated August 4, 2011, a **Recommendation to Enter into Agreement No. 21-11 for the Garden State Parkway and New Jersey Turnpike to Rutgers University for On Call Technical Support Services, Traffic Modeling and Simulation, in the amount of \$300,000.00**, was approved.

Rutgers University previously created the custom design of a Traffic Simulation Model (Model) of the Authority's roadways (Turnpike and Parkway), interchanges and toll plazas under Professional Services Contract No. 7988 which was approved at the August 2005 Commission Meeting (Agenda Item 233D-05). The Model was developed to facilitate traffic management of the toll roadway network by enhancing the Authority's ability to analyze and evaluate operational, maintenance, and capital construction alternatives in advance of implementation.

This Agreement will provide for Rutgers to utilize the previously developed Model for project specific applications on an as-needed basis to assist the Authority in analyzing improvement alternatives and traffic impacts associated with traffic staging alternatives. Authorization to reimburse Rutgers in an amount not to exceed \$300,000.00 over a three year period is requested. Specific tasks and budgets will be approved utilizing the Work Request Authorization process consistent with on-call Orders for Professional Services.

Based on Rutgers' previous successful completion of the custom Model of the Authority's roadways and their ability to effectively utilize the Model to assist the Authority in the analysis of future improvement alternatives, and the fact that Rutgers is a New Jersey State entity, it is

recommended that Rutgers be authorized to continue providing these services to the Authority. This contract procurement is authorized under N.J.A.C. 27:19-9-2.2(d)(3), promulgated under N.J.S.A. 27:23-1, et seq., the Authority's enabling legislation, and Executive Order No. 37 (Corzine), which exempt contracts with the Federal or any state government or any agency or political subdivision thereof from public bid requirements. It is therefore recommended that Agreement No. 21-11 be issued to Rutgers University of New Brunswick, New Jersey, not to exceed the amount of \$300,000.00 for a three year period.

ACKNOWLEDGE REPORTS OF ENGINEERING EXPENDITURES UNDER DELEGATED

AUTHORITY

285-08-2011

The Board acknowledges the reports of Engineering Expenditures Under Delegated Authority as indicated below:

- Construction Progress Report
- Change Order Summary
- Utility Order Report

On motion by Commissioner Diaz and seconded by Commissioner Hodes, the Authority unanimously approved items number 279-08-2011 through 284-08-2011; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda. The Authority unanimously accepted the reports contained in item 285-08-2011 and received same for file.

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PURCHASING

Director of Purchasing Andrea Ward requested approval of item numbers 286-08-2011 through 301-08-2011, and items 308-08-2011 and 309-08-2011.

CFO Manuelli discussed item 300-08-2011. Manuelli indicated that the modules for E-Bidding used by Purchasing and E-Settlements by vendors to enter invoices electronically requires additional hardware for these modules to work properly.

ED Hakim indicated that item 301-08-2011 was a small initiative the Authority had with New Jersey Transit on buses and at stations for E-ZPass and the initiative has showed an update for the Authority.

Moved as a group those items are as follows:

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PUBLIC BID SOLICITATIONS

286-08-2011

In a document dated August 17, 2011, **a Recommendation for the Installation and Repairs of Fencing and Related Materials to National Fence Systems, Inc., RM-1003, in with anticipated annual expenditure of \$750,000.00**, was approved.

Authorization is requested to award a contract for the installation and repair of fencing and related items surrounding Authority properties, including roadways, bridges, median and building areas. Bidders were required to quote prices on 49 line items of various types and sizes of fences and accessories to be supplied in accordance with the NJTA's 2004 Standard Construction Specifications. For comparative purposes, the award is based on the lowest total bid price for line items 1 through 29. (Items 30-49 are small dollar fence accessories, such as post and fasteners.) The bid was fully advertised and the six vendors listed in the Authority's data base for the referenced commodity were notified of the procurement. On July 21, 2011 three bids were received. Bid results are as follows:

<u>Bidder</u>	<u>Total Price</u>
National Fence Systems, Inc., Avenel, NJ	\$1,231,330.00
Consolidated Steel & Aluminum Fence Co., Inc., Kenilworth, NJ	\$1,488,813.00
Carjen Fence Co., Inc., Peekskill, NY	\$1,834,755.11

Bids were procured, and authorization is being sought to award this contract in accordance with N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006). This award is also contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee pursuant to Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008), and having no objection to same.

Based on prior years' experience and the prices bid by the lowest bidder, it is anticipated that the Authority will require approximately \$750,000 in fencing and fence-related items in the next 12 months. Accordingly, authorization is requested to award a contract to National Fence Systems, Inc. in an amount not to exceed \$750,000.00, subject to funding availability at the time of order.

287-08-2011

In a document dated August 19, 2011, **a Recommendation for Tree/Brush Trimming and Removal Services to Andy Matt, Inc. and Downes Tree Service, Inc., RM-1022, with an anticipated annual expenditure of \$1,500,000.00**, was approved.

Authorization is requested to award two contracts for tree/brush trimming and removal services for five Areas on the New Jersey Turnpike Authority and Garden State Parkway right-of-ways. Bidders were required to bid hourly rates for 6 items of services; 1) tree trimming/removal, 2) stump grinding, 3) crane, 4) skid steer with bucket, 5) log truck and 6) track carrier. These services are required to re-establish clear zones along both roadways and to provide hazard free unobstructed traversable roadside areas. Clear zones are also required to comply with the AASHTO Roadside Design Guide Manual. Award is based on the lowest total average hourly cost per Area. The bid was fully advertised and the 12 vendors listed in the Authority's data base for the referenced commodity were notified of the procurement. On August 4, 2011, three bids were received. Bid results are as follows:

NORTH TURNPIKE

<u>Bidder</u>	<u>Total Average Hourly Amount</u>
Andy Matt Inc., Mine Hill, NJ	\$1,204.00
Downes Tree Service Co., Inc., Hawthorne, NJ	\$1,305.00
Asplundh Tree Expert Co., Dover, DE	\$1,870.98

Anticipated Annual Expenditure: \$250,000

SOUTH TURNPIKE

<u>Bidder</u>	<u>Total Average Hourly Amount</u>
Downes Tree Service Co., Inc., Hawthorne, NJ	\$1,475.00
Andy Matt Inc., Mine Hill, NJ	No Bid
Asplundh Tree Expert Co., Dover, DE	\$1,870.98

Anticipated Annual Expenditure: \$500,000

NORTH PARKWAY

<u>Bidder</u>	<u>Total Average Hourly Amount</u>
Downes Tree Service Co., Inc., Hawthorne, NJ	\$665.00
Andy Matt Inc., Mine Hill, NJ	\$1,204.00
Asplundh Tree Expert Co., Dover, DE	\$1,870.98

Anticipated Annual Expenditure: \$250,000

CENTRAL PARKWAY

<u>Bidder</u>	<u>Total Average Hourly Amount</u>
Downs Tree Service Co., Inc., Hawthorne, NJ	\$685.00
Andy Matt Inc., Mine Hill, NJ	\$1,204.00
Asplundh Tree Expert Co., Dover, DE	\$1,870.98

Anticipated Annual Expenditure: \$250,000

SOUTHERN PARKWAY

<u>Bidder</u>	<u>Total Average Hourly Amount</u>
Downes Tree Service Co., Inc., Hawthorne, NJ	\$740.00
Andy Matt Inc., Mine Hill, NJ	No Bid
Asplundh Tree Expert Co., Dover, DE	\$1,870.98

Anticipated Annual Expenditure: \$250,000

Bids were procured, and authorization is being sought to award this contract in accordance with N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006). This award is also contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee pursuant to Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008), and having no objection to same.

Accordingly, authorization is requested to award two contracts for tree/brush trimming and removal services to (1) Andy Matt, Inc. for North Turnpike in an amount not to exceed \$250,000.00 and (2) Downes Tree Service Co., Inc. for South Turnpike, North, Central and Southern Parkway in an amount not to exceed \$1,250,000, all subject to funding availability at the time of services.

288-08-2011

In a document dated August 17, 2011, a **Recommendation for Concrete and Mortar Mix to Woodbury Cement Products, Inc., RM-1025, with an anticipated annual expenditure of \$107,000.00**, was approved.

Authorization is requested to award a contract for concrete and mortar mix to be used on both roadways. For comparative purposes, bidders were required to quote prices on four line items: 1) 800 bags of concrete rapid set, 2) 800 bags of mortar rapid set, 3) 200 packs of rapid set additive and 4) 200 packs of rapid set accelerator. The award is based on the lowest total bid price. The bid was fully advertised and the two vendors listed in the Authority's data base for the referenced commodity were notified of the procurement. On August 4, 2011 one bid was received. Bid results are as follows:

	<u>Total Price</u>
Woodbury Cement Products, Inc., Woodbury, NJ	\$20,960.00

Bids were procured, and authorization is being sought to award this contract in accordance with N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006). This award is also contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee pursuant to Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008), and having no objection to same.

Based on prior years' experience and the prices bid by the lowest bidder, it is anticipated that the Authority will require approximately \$107,000 in concrete and/or mortar mix in the next 12 months. Accordingly, authorization is requested to award a contract to Woodbury Cement Products, Inc., Woodbury, NJ in an amount not to exceed \$107,000.00, subject to funding availability at the time of order.

289-08-2011

In a document dated August 17, 2011, a Recommendation for **Wood Mower Parts to Cherry Valley Tractor Sales, Inc., RM-1030, with an anticipated annual expenditure of \$50,000.00**, was approved.

Authorization is requested to award a contract for Woods Mower Parts and Accessories. Bidders were required to quote unit prices on 16 line items of mower parts, including but not limited to, frame assembly, wheel and tire, blade assembly and skid shoes plus provide a percentage discount off the Manufacturer's List Price for other miscellaneous items. The bid was fully advertised and the seven vendors listed in the Authority's data base for the referenced commodity were notified of the procurement. On July 21, 2011, four bids were received. Bid results are as follows:

	<u>Total Price</u>	<u>Discount %</u>
Cherry Valley Tractor Sales, Inc., Marlton, NJ	\$3,055.40	15%
Storr Tractor Company, Branchburg, NJ	\$3,182.17	12.5%
Roork's Farm Supply, Inc., Elmer, NJ	\$3,213.88	10%
Farm Rite, Inc., Shiloh, NJ	\$3,272.78	5%

Bids were procured, and authorization is being sought to award this contract in accordance with N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006). This award is also contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee pursuant to Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008), and having no objection to same.

Based on prior years' experience and the prices bid by the lowest bidder, it is anticipated that the Authority will require approximately \$50,000 in Woods Mower Parts and Accessories in the next 12 months. Accordingly, authorization is requested to award a contract Cherry Valley Tractor Sales, Inc., Marlton, NJ in an amount not to exceed \$50,000, subject to funding availability at the time of order.

290-08-2011

In a document dated August 17, 2011, a Recommendation for **Snow Plowing Services to Joseph M. Sanzari, Inc. and Sil Kemp Concrete, Inc., RM-1029, with an anticipated annual expenditure of \$161,000.00**, was approved.

Authorization is requested to award multiple contracts for snow plowing and salting services for Areas of the Garden State Parkway for three snow seasons beginning November 1, 2011 through April 30, 2014. The bid quotations are based on the hourly rates for the number

and type of vehicles, and awards are based on total prices. Bid quotations were sought for 10 Areas on the both roadways. The bid was fully advertised and the 12 vendors listed in the Authority's data base for the referenced commodity were notified of the procurement. On July 27, 2011 bids were received. 4 Areas received only a single responsive bid, one Area received only a single, non-responsive bid, and 5 Areas received no bids at all. Bid results for 10 Areas are as follows:

New Jersey Turnpike

<u>*Contracts</u>	<u>Contractors</u>	<u>Anticipated Annual Expenditures</u>
Area SPD-1-11	Sil Kemp Concrete, Inc., Fairless Hills, PA	\$ 35,000.00
Area SPD-3-11	Joseph M. Sanzari, Inc., Hackensack, NJ	\$ 30,000.00
Area SPB-1-11	Sil Kemp Concrete, Inc.	\$ 66,000.00
Area SPC-4-11	Sil Kemp Concrete, Inc.	\$ 30,000.00

* Unit prices for individual Contracts are attached hereto.

No bids were received for the following areas on the Garden State Parkway:

<u>Area</u>	<u>Anticipated Annual Expenditure</u>
SPC-3E-11 Raritan Toll Plaza MP 124 to Union Toll Plaza MP 142.6	\$48,000.00
SPC-DRIS-BR-11 Driscoll Bridge MP 127 to MP 129	\$32,700.00
SPN-3-11 Route 78 Ramps and Mainline Union Tolls to Essex Tolls	\$43,600.00
SPNO-1-11 Exit 159 to New York State Line	\$65,400.00
SPNO-2-11 Route 80 Ramps, Route 3 Ramps, Mainline MP 147-Bergen Toll Plaza	\$76,300.00

Contracts for these five Areas are being re-bid and recommendations for awards will be approved at the September 2011 Commission Agenda.

Non-Compliance

Joseph M. Sanzari, Inc. also submitted a bid for Area SPD 1-11. This bidder however did not submit bid prices for all items (Nos. 5, 6 and 7) in that Area as specified in the specifications. Page 27 of the bid specifications state "Bids not having a bid price for all listed items in a Contract Area may have that Contract Area rejected. The Contract will be awarded per Contract Area to the Bidder who proposes the lowest total cost for ALL Items listed on the Bid Sheet for that Contract Area". Thus, Joseph M. Sanzari's bid for Area SPD-1-11 will be rejected.

In addition, Tuckahoe Sand & Gravel, Inc., Tuckahoe, NJ submitted the sole bid for Contract Area LS-12-11 Cape May Toll Plaza. Maintenance staff reviewed Tuckahoe's bid and found that this bidder's hourly rate of \$400 for the backup vehicle with arrow board was excessive. The comparable rate is approximately \$35-\$40. Page 33 of the bid specifications state "The authority reserves the right to reject bids not in compliance with the specifications, or, if in the best interest of the Authority, the prices are deemed to be excessive". Thus, the Maintenance Department recommends that Area LS-12-11 be rejected and the Area be re-bid immediately to allow time to establish a contract for that Area prior to the 2011-2012 snow season.

Bids were procured, and authorization is being sought to award this contract in accordance with N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006). This award is also contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee pursuant to Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008), and having no objection to same.

Accordingly, authorization is requested to award one contract to Joseph M. Sanzari, Inc. in the amount not to exceed \$30,000 and three contracts to Sil Kemp Concrete, Inc. in a total amount not to exceed \$131,000.00. The prices for succeeding years of the contract will be adjusted yearly based on the Consumer Price Index ("CPI") as designated in the average CPI for combined New York/Northern New Jersey and Philadelphia/Southern New Jersey areas. The maximum annual increase permitted shall be 5%. Furthermore, at the July 22, 2008 Commission Meeting, authorization was granted to establish two Snow Removal Contract Accounts, one for each roadway, for all snow removal services. The establishment of these accounts facilitates prompt payment to the snow removal contractors. Payment for these contract services will continue to be made from the respective Turnpike or Parkway Snow Removal Contract Account.

28951

Contract Area SPD-1-11 MP 100 (Elizabeth) and extending to approximately MP 118 9North Bergen) on the Easterly Alignment and one (1) Front End Loader with back-up vehicle for snow removal operation at Interchange 16/18E

Sil Kemp Concrete, Inc. Fairless Hills, PA			
	<u>Bid Hours</u>	<u>Hourly</u>	<u>Total</u>
Monday to Friday Regular Time			
1. Loader (1)	6	\$ 445.00	\$ 2,670.00
2. Backup Vehicle with Arrow-board (1)	6	\$ 175.00	\$ 1,050.00
3. Plow trucks with Authority supplied plows (6)	6	\$ 365.00	\$13,140.00
4. Supervisory Vehicle (1)	6	\$ 150.00	\$ 900.00
Monday to Friday Standby Time			
1. Loader (1)	2	\$ 356.00	\$ 712.00
2. Backup Vehicle with Arrow-board (1)	2	\$ 140.00	\$ 280.00
3. Plow trucks with Authority supplied plows (6)	2	\$ 292.00	\$ 3,504.00
4. Supervisory Vehicle (1)	2	\$ 125.00	\$ 250.00
Anticipated Contract Expenditure: \$ 35,000.00	<u>Total</u>		<u>\$ 22,506.00</u>

Contract Area SPD-3-11 Interchange 14 (Newark) and extending to Interchange 14C (Holland Tunnel) and one (1) Front End Loader with back-up vehicle at Interchange 14

		Joseph M. Sanzari, Inc. Hackensack, NJ		Sil Kemp Concrete, Inc.	
Monday to Friday Regular Time	<u>Bid Hours</u>	<u>Hourly</u>	<u>Total</u>	<u>Hourly</u>	<u>Total</u>
1. Loader (1)	6	\$325.00	\$1,950.00	\$ 445.00	\$ 2,670.00
2. Backup Vehicle with Arrow-board (1)	6	\$140.00	\$ 840.00	\$ 175.00	\$ 1,050.00
3. Plow trucks with Authority supplied plows (4)	6	\$265.00	\$6,360.00	\$ 365.00	\$ 8,760.00
4. Supervisory Vehicle (1)	6	\$150.00	\$ 900.00	\$ 150.00	\$ 900.00
Monday to Friday Standby Time					
1. Loader (1)	2	\$325.00	\$ 650.00	\$ 356.00	\$ 712.00
2. Backup Vehicle with Arrow-board (1)	2	\$140.00	\$ 280.00	\$ 140.00	\$ 280.00
3. Plow trucks with Authority supplied plows (4)	2	\$175.00	\$1,400.00	\$ 292.00	\$ 2,336.00
4. Supervisory Vehicle (1)	2	\$125.00	\$ 250.00	\$ 125.00	\$ 250.00
Anticipated Contract Expenditure: \$ 30,000.00	<u>Total</u>		<u>\$12,630.00</u>		\$ 16,958.00

Contract Area SPD-3-11 Interchange 14 (Newark) and extending to Interchange 14C (Holland Tunnel) and one (1) Front End Loader with back-up vehicle at Interchange 14

		Joseph M. Sanzari, Inc. Hackensack, NJ		Sil Kemp Concrete, Inc.	
Monday to Friday Regular Time	<u>Bid Hours</u>	<u>Hourly</u>	<u>Total</u>	<u>Hourly</u>	<u>Total</u>
1. Loader (1)	6	\$ 325.00	\$ 1,950.00	\$ 445.00	\$2,670.00
2. Backup Vehicle with Arrow-board (1)	6	\$ 140.00	\$ 840.00	\$ 175.00	\$1,050.00
3. Plow trucks with Authority supplied plows (4)	6	\$ 265.00	\$ 6,360.00	\$ 365.00	\$8,760.00
4. Supervisory Vehicle (1)	6	\$ 150.00	\$ 900.00	\$ 150.00	\$ 900.00

Monday to Friday Standby Time

1. Loader (1)	2	\$ 325.00	\$ 650.00	\$ 356.00	\$ 712.00
2. Backup Vehicle with Arrow-board (1)	2	\$ 140.00	\$ 280.00	\$ 140.00	\$ 280.00
3. Plow trucks with Authority supplied plows (4)	2	\$ 175.00	\$ 1,400.00	\$ 292.00	\$2,336.00
4. Supervisory Vehicle (1)	2	\$ 125.00	\$ 250.00	\$ 125.00	\$ 250.00
Anticipated Contract Expenditure: \$ 30,000.00	Total		\$12,630.00		\$16,958.00

Contract Area SPB-1-11 MP 57.0 (District 3-Crosswicks) to MP 71.5 (Service Area 7S-Cranbury) and MP P0.0 (Int. #6-Florence) to MP 60.5 (Int. #7A Washington Twp.)**Sil Kemp Concrete, Inc.**

	<u>Bid Hours</u>	<u>Hourly</u>	<u>Total</u>
Monday to Friday Regular Time			
1. Loader (1)	6	\$ 445.00	\$ 2,670.00
2. Backup Vehicle with Arrow-board (1)	6	\$ 175.00	\$ 1,050.00
3. Plow trucks with Authority supplied plows (12)	6	\$ 365.00	\$ 26,280.00
4. Supervisory Vehicle (2)	6	\$ 150.00	\$ 1,800.00
Monday to Friday Standby Time			
1. Loader (1)	2	\$ 356.00	\$ 712.00
2. Backup Vehicle with Arrow-board (1)	2	\$ 140.00	\$ 280.00
3. Plow trucks with Authority supplied plows (12)	2	\$ 292.00	\$ 7,008.00
4. Supervisory Vehicle (2)	2	\$ 125.00	\$ 500.00
Anticipated Contract Expenditure: \$66,000.00	Total		\$ 40,300.00

Contract Area SPC-4-11 MP 71.5 (Service Area 7S-Cranbury) to MP 88.3 (Int. # 10 Edison)**Sil Kemp Concrete, Inc.**

	<u>Bid Hours</u>	<u>Hourly</u>	<u>Total</u>
Monday to Friday Regular Time			
1. Plow trucks with Authority supplied plows (6)	6	\$ 365.00	\$13,140.00
2. Supervisory Vehicle (1)	6	\$ 150.00	\$ 900.00
Monday to Friday Standby Time			
1. Plow trucks with Authority supplied plows (6)	2	\$ 292.00	\$ 3,504.00
2. Supervisory Vehicle (1)	2	\$ 125.00	\$ 500.00
Anticipated Contract Expenditure: \$ 30,000.00	Total		\$17,794.00

291-08-2011

In a document dated August 17, 2011, **a Recommendation for 4-WD High Lift Wheel Loaders to Jesco, Inc., R-85935, in an amount of \$486,405.00,** was approved.

At the September 16, 2010 Board of Commissioners Meeting (Agenda Item #234D-10), the Authority awarded a contract to Jesco, Inc., South Plainfield, NJ for the purchase of seven 4-wheel drive, high lift loaders with accessories. This contract was publicly advertised and Jesco, Inc., was the lowest responsive bidder. The contract included a 3-year open-end option to purchase additional loaders at the same price, terms and conditions.

Authorization is requested to purchase three additional 4-wheel drive, high lift loaders with accessories under the open-end option provision at a cost of \$162,135.00 each. These loaders will be used on the Authority's roadways as supplement equipment for snow removal services. Additional loaders are replacing loaders that have outlived their useful life due to

increased inclement weather.

Bids were procured, and authorization is being sought to award this contract in accordance with N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006). This contract is in compliance with Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008).

Accordingly, authorization is requested to award a contract to Jesco, Inc., South Plainfield, NJ in a total amount not to exceed \$486,405.00.

292-08-2011

In a document dated August 17, 2011, **a Recommendation for 4-WD Chevy Colorado Pick-up Trucks to Hertrich Fleet Services Inc., R-85860, in an amount of \$199,997.00**, was approved.

At the June 28, 2011 Board of Commissioners Meeting (Agenda Item #214-06), the Authority awarded a contract to Hertrich Fleet Services, Inc., Milford, DE for the purchase of ten 4-wheel drive, extended cab pick-up trucks with accessories. This contract was publicly advertised and Hertrich Fleet Services was the lowest responsive bidder. The contract included a 3-year open-end option to purchase additional trucks at the same price, terms and conditions.

Authorization is requested to purchase ten additional 4-wheel drive, extended cab pick-up trucks with accessories under the open-end option provision at a cost of \$19,999.70 each. These trucks will replace assigned vehicles with high mileage that have outlived their useful life. In addition, the replaced vehicles will be sold at a public surplus sale.

Bids were procured, and authorization is being sought to award this contract in accordance with N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006). This contract is in compliance with Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008).

Accordingly, authorization is requested to award a contract to Hertrich Fleet Services, Inc., Milford, DE in a total amount not to exceed \$199,997.00.

293-08-2011

In a document dated August 16, 2011, **a Recommendation for Articulating Single Bucket, Insulated Aerial Unit with Accessories to Dueco, Inc., R-85467, in an amount of \$186,938.00**, was approved.

Authorization is requested to award a contract for the purchase of one 60" Articulating Single Bucket, Insulated Aerial Unit with Accessories per specifications. The Technology and Administrative Services Department will primarily use this unit to service telecommunications equipment on the Authority's roadways. The bid was fully advertised and the seven vendors listed in the Authority's data base for the referenced commodity were notified of the procurement. On August 4, 2011 four bids were received. Bid results are as follows:

	<u>Total Price</u>
Dueco, Inc., Waukesha, WI	\$186,938.00
Altec Industries, Inc., Plains, PA	\$188,421.00
Ransome International, LLC, Hammonton, NJ	\$196,239.00

Department Estimate: \$180,000.00

Non-Compliance:

A fourth bid was submitted by Route 23 Auto Mall, LLC, Butler, NJ in the amount of \$178,962.00. The Maintenance Department reviewed this bid and determined that it does not meet the specifications on several items which would significantly impact the unit's performance and operations. Here are some of the more critical concerns noted by the Maintenance Department: 1) Route 23 Auto Mall's wheel base is 7" longer than the specifications. The longer wheel base extends the vehicle which would affect overall maneuverability when the operator is negotiating "U" and "Z" turns. 2) The specifications require that an audible alarm shall sound if the air actuated parking brake is not set. Route 23 Auto Mall's unit is non-compliant with this requirement. The alarm is an extremely important safety feature that reminds the operator to set the parking brake prior to leaving the vehicle. 3) In compliance with New Jersey Law, the specifications state that headlights must be turned on automatically whenever the windshield wipers are operational. This wiper/headlight automatic feature is not available on Route 23 Auto Mall's unit. 4) The cubic inch displacement of this bidder's proposed engine is 408 cubic inches, significantly less than the specified 466 cubic inches. (The horsepower of their engine is also less than specified.) 5) Route 23 Auto Mall bid a 3-year warranty coverage on the cab versus the 5-year specified; and a 3 year warranty on the frame covering cracks versus the specified 7 years. According to the Maintenance staff, Route 23 Auto Mall takes many other exceptions to the specifications, which are unacceptable. Therefore, it is recommended that the Authority

reject the bid submitted by Route 23 Auto Mall.

The second low bidder, Dueco, Inc. took a few minor exceptions to the specifications and has satisfactorily met or exceeded the published specifications. In addition, Dueco's bid price is competitive.

Bids were procured, and authorization is being sought to award this contract in accordance with N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006). This award is also contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee pursuant to Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008), and having no objection to same.

Accordingly, authorization is requested to award a contract to Dueco, Inc. in an amount not to exceed \$186,938.00.

294-08-2011

In a document dated August 18, 2011, **a Recommendation for Cargo Vans w/Accessories from Mall Chevrolet, Inc., R-86772, in the amount of \$279,180.00**, was approved.

At the June 28, 2011 Board of Commissioners Meeting (Agenda Item #215-06), the Authority awarded a contract to Mall Chevrolet Inc., Cherry Hill, NJ for the purchase of 13 one-ton cargo vans with accessories. This contract was publicly advertised and Mall Chevrolet Inc. was the lowest responsive bidder. The contract included a 3-year open-end option to purchase additional trucks at the same price, terms and conditions.

Authorization is requested to purchase 12 additional one-ton cargo vans with accessories under the open-end option provision at a cost of \$23,265.00 each. These vans will replace assigned vehicles with high mileage that have outlived their useful life. In addition, the replaced vehicles will be sold at a public surplus sale.

Bids were procured, and authorization is being sought to award this contract in accordance with N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006). This contract is in compliance with Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008).

Accordingly, authorization is requested to award a contract to Mall Chevrolet Inc., Cherry Hill, NJ in a total amount not to exceed \$279,180.00.

295-08-2011

In a document dated August 12, 2011, **a Recommendation for Uniform Cleaning and Rental Services to Clean Rental Services, Inc. (Rescind PA 1445), American Wear, Inc. (Extend and Increase PA 567), in an amount of \$ 44,000.00**, was approved.

At the January 25, 2011 Board of Commissioners Meeting, the Authority awarded a contract to Clean Rental Services, Inc., Philadelphia, PA to provide uniform rental and cleaning services for the Maintenance Department. The contract commenced in February, 2011, and the parties had anticipated that full implementation of the contract with Clean Rental Services, Inc. would occur by June 1st. To date, this vendor has not delivered any uniforms to the Maintenance Department and has recently notified the Authority they are unable to perform the contract in a timely fashion. In fact, Clean Rental Services, Inc.'s representatives sought another contract delay through October 2011. Maintenance and Purchasing Staff in consultation with the Law Department and Executive Director concluded that another delay in the contract would not be in the best interest of the Authority. Thus, staff recommends the rescission of the contract with Clean Rental Services, Inc. and re-bidding the contract with revised specifications.

In the meantime, it is necessary to continue the Services with the existing vendor, American Wear, Inc., East Orange, NJ for another four months pending implementation of a new contract. The Authority is required to provide the Services in compliance with union labor contract obligations. Under the contract with American Wear, Inc., the Services cost an amount not to exceed \$11,000.00 a month.

Accordingly, authorization is requested to rescind the award of Contract No. 1445 with Clean Rental Services, Inc., NJ and to re-bid the contract with revised specifications. In addition, authorization is requested to extend the term of Contract No. 567 with American Wear Inc. through December 31, 2011 and increase the contract by \$44,000.00 bringing the total authorized amount to \$383,000.00, subject to funding availability at the time of ordering.

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NEW JERSEY STATE CONTRACTS

296-08-2011

In a document dated August 17, 2011, **a Recommendation for an Automated Call Distribution System Upgrade to NEC Corporation of America, NJ State Contract No. 64067 Expires 10/31/2011, R-86297, in an amount of \$142,266.56**, was approved.

The Technology and Administrative Services (TAS) Department has requisitioned a contract for the installation of an Automated Call Distribution ("ACD") system at the Statewide Traffic Management Center ("STMC"). The ACD system is a sub-feature of NEC Corporation of America's ("NEC") business suite. Under this contract the NEC will provide hardware, software, licensing, labor costs, and training associated with the ACD installation.

The new ACD will enhance the STMC's current telephone call distribution system in that it will more efficiently route and manage incoming calls. Among other tasks, ACD will prioritize incoming calls and enable an operator at the STMC reception area to answer calls in the order in which they are received. The need for this advanced telephone system was exemplified during the 2010 – 2011 winter (storm) season where the STMC received 12,000 phone calls during a period of 48 hours., and the existing "hunt group" system could not adequately handle the high volume. The ACD system will greatly reduce patron on-hold times, enhancing the Authority's ability to serve its patrons in a quicker, more effective manner. According to TAS staff, the ACD system's life cycle is between five to ten years, justifying the expenditure.

This contract was procured in accordance with N.J.A.C. 19:9-2.5(a), promulgated pursuant to N.J.S.A. 27:23-1 et seq., the Authority's enabling legislation, and Executive Order No. 37 (Corzine 2006). Accordingly, authorization is requested to award the referenced State Contract to the NEC Corporation of America, in the amount not to exceed \$142,266.56.

297-08-2011

In a document dated August 17, 2011, **a Recommendation for Digital Video Recorders and Annual Maintenance to Link Communications, NJ State Contract No. 68312 Expires 03/31/2012, R-85123/5, in an amount of \$428,294.00**, was approved.

New Jersey State Police (NJSP) has requisitioned a contract for 50 mobile digital in-car video recorders ("DVR"). The DVR's will be installed and configured in the 2011 NJSP Troop D vehicle fleet. These units will record police activities, such as traffic stops, for evidence and documentation. The DVR's are the same units installed in all New Jersey State Police vehicles and are required by the Division State Police Command. This contract also includes one-year maintenance and support for all existing DVR units no longer covered under manufacturer's warranty. (The maintenance and support agreement covers approximately 168 installed DVR units, as well as all dedicated computer servers, and charging stations.)

This contract was procured in accordance with N.J.A.C. 19:9-2.5(a), promulgated pursuant to N.J.S.A. 27:23-1 et seq., the Authority's enabling legislation, and Executive Order No. 37 (Corzine 2006). Accordingly, authorization is requested to award the referenced State Contract to the Link Communications, LTD, in the amount not to exceed \$354,050.00 for DVR units and configuration services, and \$74,244.00 for annual maintenance and support.

298-08-2011

In a document dated August 17, 2011, **a Recommendation for Emergency Warning Lights (Modification) to East Coast Emergency Lighting, NJ State Contract No. 74184 Expires 10/31/2011, Contract No. 1189, in an amount of \$110,000.00**, was approved.

In June, 2009 the Authority awarded a contract to East Coast Emergency Lighting to provide vehicle safety lighting for various departments. This contract is utilized by the Roadway Maintenance, Motor Pool, and Inventory Divisions, as well as NJ State Police, for replacing warning lights, strobe lights, and various accessories. The Inventory Department and State Police have jointly requested that Contract No. 1189 be increased by \$110,000.00 as the authorized amount has been depleted. The State Police will be required to outfit the 2011 marked and unmarked vehicle fleet with all necessary lighting, sirens, and speakers.

This contract was procured in accordance with N.J.A.C. 19:9-2.5(a), promulgated pursuant to N.J.S.A. 27:23-1 et seq., the Authority's enabling legislation, and Executive Order No. 37 (Corzine 2006). Accordingly, approval is requested to increase the authorized amount of Contract No. 1189 by \$110,000.00 for a new authorized amount of \$175,000.00.

308-08-2011

In a document dated September 6, 2011, **a Recommendation to purchase Five (5) 2012 Chevrolet Impalas from Chas S Winner, NJ State Contract No. 79008 Expires 03/22/2012, R-87232, in an amount of \$96,775.00**, was approved.

The New Jersey State Police requisitioned five 2012 Chevrolet Impala unmarked police pursuit vehicles. This purchase is part of an ongoing program to replace State Police vehicles having mileage in excess of 100,000 miles, those involved in accidents, and those having had

major mechanical failures. Furthermore, these vehicles are replacing high mileage Crown Victoria sedans, which the Ford Motor Company is phasing out. The Authority will utilize NJ State Contract pricing, which is \$19,355.00.

This contract was procured in accordance with N.J.A.C. 19:9-2.5(a), promulgated pursuant to N.J.S.A. 27:23-1 et seq., the Authority's enabling legislation, and Executive Order No. 37 (Corzine 2006). Accordingly, authorization is requested to award the referenced State Contract to Chas S. Winner, in the amount not to exceed \$96,775.00.

309-08-2011

In a document dated September 6, 2011, a Recommendation to purchase Five (5) 2012 Chevrolet Four-Wheel Drive Tahoes from Mall Chevrolet Inc., NJ State Contract No. 78763 Expires 03/22/2012, R-87221, in an amount of \$149,945.00, was approved.

The Authority requisitioned five Chevrolet four-wheel drive Tahoe vehicles. This purchase is part of an ongoing program to replace Authority Emergency Responder vehicles having mileage in excess of 100,000 miles, those involved in accidents, and those having had major mechanical failures. The Authority will utilize NJ State Contract pricing, which is \$29,989.00 per vehicle.

This contract was procured in accordance with N.J.A.C. 19:9-2.5(a), promulgated pursuant to N.J.S.A. 27:23-1 et seq., the Authority's enabling legislation, and Executive Order No. 37 (Corzine 2006). Accordingly, authorization is requested to award the referenced State Contract to Mall Chevrolet Inc., in the amount not to exceed \$149,945.00.

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SOLE SOURCE

299-08-2011

In a document dated August 17, 2011, a Recommendation for Annual Software Upgrades and Modifications to CapitalSoft, Inc., R-85163, in an amount of \$315,267.75, was approved.

Authorization is requested to award a "sole source" contract to CapitalSoft, Inc., Richardson, TX for required upgrades and customizations to the CapEx Manager Software.

At the August 25, 2009 Commission Meeting (Agenda Item 205F-09), the Board authorized the award of a "sole source" contract to CapitalSoft, Inc. for the CapEx Manager Software ("CapEx Software"). This Software is used primarily by the Authority's Engineering Department in the management of construction contracts. CapEx Software is a complete program management tool that allows for the efficient management of day-to-day operations through the entire Authority's Capital Program lifecycles. Since the inception, the Authority has obtained upgrades and customizations to phase needed components of the CapEx Software.

Under this year's contract, CapitalSoft, Inc. will be retained to upgrade the CapEx Software to: 1) install the Capital Program Management tracking system; 2) incorporate the OPS (professional services contracts) into the on-line management tool; and 3) provide the secure server certificate. These customizations will increase efficiencies in the overall construction project management; better track the Authority's 10-year Capital Improvement Program; provide a tool for management of the OPS; provide transparency of the payment process; and expedite payment on outstanding projects. The cost for this year's upgrade and customizations will be in an amount not to exceed \$250,399.00. To optimize cost efficiencies each individual project request will follow the Authority's WRAF process.

Furthermore, authorization is required to pay CapitalSoft, Inc. for outstanding services performed during the 2010-2011 contract term. At the August 28, 2010 Commission Meeting, authorization was granted to CapitalSoft, Inc. to provide upgrades and Release No. 5.2 to the CapEx Software. This Release, among other improvements, included a revised method to calculate Pay Estimate dollars for construction. During the release testing earlier this year, the Engineering Department staff discovered the need for additional enhancements which were not anticipated and therefore not part of the original scope of services. Engineering staff believed that it was necessary to perform the enhancements as part of the ongoing upgrade. These enhancements include additional filters and smart tags to a new dynamic report, the creation and maintenance of hands-on training modules and data investigations into Change Order calculations. CapitalSoft, Inc. performed these services and submitted an invoice in the amount of \$64,868.75 for the enhancements.

CapEx Software is proprietary to CapitalSoft, Inc., which is the publisher and holder of all copyrights. CapitalSoft, Inc. is the only vendor which has access to the source code needed to debug, improve, maintain and solve CapEx Software problems. Thus, no other vendor is capable of providing the services required under the upgrades and customizations. In addition, this is an exceptional circumstance, as the services are necessary for operating the Authority's CapEx Manager Software.

Thus, it is recommended that the upgrades and customizations to the CapEx Manager Software be procured without public advertisement as a sole source exception to the public bidding laws and consistent with Executive Order No. 37. The combined cost for the upgrades and customizations as well as the outstanding payment will be in an amount not to exceed \$315,267.75.

Accordingly, authorization is requested to award a sole source contract to CapitalSoft, Inc. for the upgrade and customizations in an amount not to exceed \$250,399.00 for the period August 1, 2011 through July 31, 2012; and for payment for the outstanding invoice in the amount of \$64,868.75. The awards will be made under the sole source procurement authorization of N.J.A.C. 19:9-2.2(d)1 as promulgated under N.J.S.A. 27:23-6.1. A resolution as required by N.J.A.C. 19:9-2.2(d)1 is attached hereto. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the awardee(s) pursuant to Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008) and having no objection to same.

**RESOLUTION FOR SOLE SOURCE PROCUREMENT
CAPEX MANAGER UPGRADES AND MODIFICATION**

WHEREAS, in an effort to more efficiently manage the Authority's Capital Program, the Engineering Department utilizes CapEx Manager (the "Software") and;

WHEREAS, the Engineering Department has requisitioned the upgrades and customizations to the Software to: 1) install the Capital Program Management tracking system; 2) incorporate the OPS (professional services contracts) into the on-line management tool; and 3) provide the secure server certificate; and

WHEREAS, the Authority has to pay CapitalSoft for outstanding services related the 2010-2011 upgrades and Release No. 5.2 to the Software; and

WHEREAS, CapitalSoft, Inc. is the publisher, holder of all copyrights and exclusive distributor of the Software and therefore, the Software is of a unique and confidential nature that will not admit a generic or standard specification for procurement through competitive solicitation by public advertisement; and

WHEREAS, the upgrades and customizations to the Software can only be procured from CapitalSoft, Inc. at a total cost not to exceed \$315,267.75; and

WHEREAS, the Authority's regulations pursuant to N.J.A.C. 19:9-2(d)1 promulgated under N.J.S.A. 27:23-6.1 permits sole source procurement when only one source for the required product exists.

NOW, THEREFORE, BE IT RESOLVED THAT the Authority's Commissioners hereby authorize and approve the award of a contract to CapitalSoft, Inc. for the upgrades and customizations to CapEx Manager in an amount not to exceed \$250,399.00; and for outstanding services in the amount of \$64,868.75, as a sole source exception to procurement by public advertisement permitted by N.J.A.C. 19:9-2.2(d)1 promulgated under the Authority's enabling legislation, N.J.S.A. 27:23-6.1.

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PROFESSIONAL SERVICES

300-08-2011

In a document dated August 17, 2011, **a Recommendation for the PeopleSoft Financial System Upgrade (Modification) to CherryRoad Technologies, PA-1497, in an amount not to exceed \$250,000.00,** was approved.

In February 2011, the Authority awarded a "Professional Services" contract to CherryRoad Technologies, Inc., as consultants to upgrade its PeopleSoft Financial System ("PeopleSoft") to the latest version. Services included but were not limited to: 1) activation of the E-Settlements, Project Costing and Strategic Sourcing modules; 2) a best practice review of all major business processes and 3) possible new configurations to streamline the Inventory/General Ledger reconciliation process.

The original amount of this contract is an amount not to exceed \$1,931,068.00. The Finance Department has requested an increase of an amount not to exceed \$250,000.00 to Contract No. 1497. This modification is required for additional consulting services related to the installation of the hardware required for the E-Settlements and Strategic Sourcing modules. The underlying scope of services in the contract did not include these additional services as it was hoped that such services would be performed in-house. In an effort to complete the overall project in a timely and efficient manner, staff concluded that it would be in the Authority's best

interests to retain CherryRoad to also assist the Technology and Administrative Services staff in the hardware installation services.

The process for this professional services contract was conducted in accordance with N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.1(b) promulgated pursuant thereto and Executive Order No. 37 (Corzine 2006).

Accordingly, authorization is requested to increase the authorized amount of Contract No 1497 to CherryRoad Technologies, Inc. by \$250,000.00 to a new authorized total of \$2,181.068, subject to availability of funding at the time of services.

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MISCELLANEOUS

301-08-2011

In a document dated August 16, 2011, **a Recommendation for E-ZPass Marketing Campaign with New Jersey Transit Corporation ("NJT(s)"), R-86268, Contract No. 80116, in an amount of \$18,750.00**, was approved.

In May 2011, the Authority entered into an agreement with New Jersey Transit Corporations ("NJT") whereby NJT would promote and market the use of E-ZPass on the Authority's roadways. Specifically, NJT would advertise the E-ZPass program on NJT's facilities, including buses, trains, major terminals and station platforms. The term of the agreement was for the months of June and July 2011. The cost for the two months was \$27,393.30. In July 2011, NJT offered to extend the Joint Partnership Program at a reduced cost. The Executive Director and Director of the Electronic Toll Collection Department concurred that NJT's offer was in the Authority's best interest and agreed to extend the Joint Partnership Program with NJT for an additional two months at a cost of \$18,750.00.

This contract procurement was authorized under N.J.A.C. 27:19-9-2.2(d)(3), promulgated under N.J.S.A. 27:23-1, et seq., the Authority's enabling legislation, and Executive Order No. 37 (Corzine), which exempt contracts with the Federal or any state government or any agency or political subdivision thereof from public bid requirements.

Accordingly, authorization is requested to ratify the two month extension and increase the authorized amount with New Jersey Transit Corporation. The new authorized total will be in an amount not to exceed \$46,143.30 for the period through September 30, 2011.

On motion by Treasurer DuPont and seconded by Commissioner Hodes, the Authority unanimously approved items 286-08-2011 through 301-08-2011 and items 308-08-2011 and 309-08-2011; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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GENERAL BUSINESS

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ETC

Director of ETC Dennis Switaj requested approval of item number 302-08-2011. Moved is the items as follows:

302-08-2011

In a document dated August 17, 2011, **a Recommendation for the Authorization to execute the Third Extension of the Kapsch Irrevocable Offer**, was approved.

For more than a decade, the New Jersey Turnpike Authority ("Authority") has participated with other transportation agencies in the operation of an interoperable regional electronic toll collection system, known as E-ZPass, based on a common technology. This group, named the Interagency Group ("IAG"), includes twenty-four toll agencies across fourteen states and includes the Authority as one of its members.

In the early 1990's, the IAG undertook a competitive selection process to procure the equipment needed to deploy the E-ZPass system. In 1994, the IAG selected Mark IV IVHS, Inc. ("Mark IV") to supply the electronic toll collection lane readers, antennas, and patron tags. The IAG determined this read-write technology was the most beneficial for the toll road agencies involved. The IAG and Mark IV negotiated an agreement, commonly referred to as the Irrevocable Offer ("IO"). The IO sets forth the terms and conditions under which IAG members may purchase, use, and maintain the read-write electronic toll collection technology. Each toll road agency involved in the IAG, including the Authority, has entered into a separate IO with Mark IV containing identical terms and conditions. The IO, which initially was set to expire in August of 1999, has been extended twice based on negotiations between the IAG and Mark IV

(collectively, the "Amended IO"), with the first extension through August 16, 2007 and the second extension through August 16, 2010, with a one-year extension option exercisable at each IAG member's sole discretion, extending the term through August 16, 2011.

At its October 1996 public meeting, the Authority's Board of Commissioners ("Board") approved the IO. The Board approved the first extension at its August 1998 public meeting; the Board approved the second extension at its October 2006 public meeting; and the Board authorized the execution of the option to extend the term to August 16, 2011 at its January 2010 public meeting.

On December 1, 2010 Kapsch TrafficCom acquired Mark IV IVHS.

In order to continue the operation of the E-ZPass system based on a common technology beyond the expiration of the Amended IO, the Executive Management Committee of the IAG voted to undertake a procurement effort. Consequently, on March 24, 2008, a Request for Proposals (RFP) was issued by the MTA Bridges and Tunnels (Triborough Bridge and Tunnel Authority) on behalf of the IAG Members for a Next Generation E-ZPass Technology as the successor to the technology obtained under the Amended IO. The RFP process was intended to result in a recommendation from the IAG that individual IAG Members enter into separate but substantially identical contracts with the proposer selected in accordance with the RFP. On December 2, 2008, proposals were received in response to the RFP. Evaluation of the proposals and testing of the Proposers' equipment by the IAG has been completed. In July 2011, the Executive Management Committee of the IAG unanimously recommended award of the successor contract to Kapsch TrafficCom (Kapsch).

Finalization of contract documents and formal execution of a contract between the Authority and Kapsch was not possible prior to the expiration of the current term of the Amended IO on August 16, 2011. Authority staff is concerned about its ability to procure the necessary equipment to continue operation of the E-ZPass system after such date without a procurement vehicle in place to do so. Because the timing for the execution of the contract for the successor technology is several months away, Authority staff has determined that it is in the best interests of the New Jersey E-ZPass Program and its customers for the Authority to execute a Third Extension to the Amended IO in order to retain its ability to purchase equipment during this time. Staff understands that other IAG Members are in the process of executing the Third Extension to their respective agreements with Kapsch. Immediately upon full execution of a new agreement with Kapsch, the Amended IO, including the Third Extension, shall terminate and all terms of such new agreement shall supersede the provisions of the Amended IO.

The term of the Third Extension shall be for a period of six (6) months with two (2) additional three (3) month terms exercisable at the sole discretion of the Authority. This extension is needed to bridge the gap between the expiration of the Second Extension (August 16, 2011) and the execution of the new contract (currently anticipated in late 2011).

The only substantive change from the current agreement is a reduction in the pricing for transponders which will save the Authority approximately \$1.5 million for the remainder of 2011. It should be noted that neither the Amended IO nor this Extension requires the Authority to purchase any E-ZPass equipment. Such equipment will only be purchased under the Third Extension if deemed necessary to continue operation of the E-ZPass system.

It is therefore recommended that the Board authorize the Executive Director to execute the Third Extension to the Amended Irrevocable Offer with Kapsch (formerly Mark IV), as the provider for lane readers, antennas, and patron tags necessary for the continued operation of a regional electronic toll collection system. It is further recommended that the Commissioners authorize the Executive Director to execute any such other documents and take any such other actions as are deemed necessary to effectuate the intent of this authorization, including exercising one or both of the two three-month options to extend the Third Extension if deemed appropriate by the Executive Director.

This request is authorized under the sole source procurement authorization of N.J.A.C. 19:9-2.2(d)(1), promulgated under N.J.S.A. 27:23-1 et seq., the Authority's enabling legislation. A resolution, as required by N.J.A.C. 19:9-2.2(d)(1), is attached hereto. Authorization for this request is further found under N.J.A.C. 27:19-9-2.2(d)(3), and Executive Order No. 37 (Corzine), which exempt contracts with the Federal or any state government or any agency or political subdivision thereof from public bid requirements.

RESOLUTION FOR SOLE SOURCE PROCUREMENT THIRD EXTENSION TO KAPSCH TRAFFIC COM (MARK IV) CONTRACT

WHEREAS, for more than a decade, the New Jersey Turnpike Authority ("Authority") has participated with other regional and state transportation agencies in the Interagency Group ("IAG") to collectively operate an interoperable regional electronic toll collection system, known as E-ZPass, based on a common technology; and

WHEREAS, in 1994, following a competitive procurement process, the IAG selected Mark IV IVHS, Inc. ("Mark IV") to supply the electronic toll collection lane readers, antennas, and patron tags to IAG members, negotiating an agreement known to as the Irrevocable Offer ("IO"), which sets forth the terms and conditions under which IAG members may purchase, use, and maintain the Mark IV E-ZPass read-write electronic toll collection technology; and

WHEREAS, in October 1996, the Authority Board of Commissioners approved the execution of the IO between the Authority and Mark IV, with a termination date of August 1999 ; and

WHEREAS, in August 1998, the Authority Board of Commissioners approved the First Extension of the IO through August 16, 2007; and

WHEREAS, in October 2006, the Authority Board of Commissioners approved the Second Extension of the IO through August 16, 2010, with a one-year option to extend through August 16, 2011; and

WHEREAS, in January 2010, Authority Board of Commissioners approved the exercise of the additional one-year option to extend the Second Extension of the IO through August 16, 2011; and

WHEREAS, in March 2008, the IAG issued a Request for Proposals on behalf of the IAG Members for a Next Generation E-ZPass Technology as the successor to the technology obtained under the Amended IO; and

WHEREAS, on December 1, 2010, Kapsch TrafficCom ("Kapsch") acquired Mark IV; and

WHEREAS the IAG's Next Generation E-ZPass Technology procurement process is ongoing, and is not expected to be complete until late 2011, after the expiration of the current Amended IO; and

WHEREAS the Authority has an ongoing need to procure the necessary equipment to continue current operation of the E-ZPass system until the IAG's Next Generation E-ZPass Technology procurement process is complete; and

WHEREAS, through its agreement with the IAG Member Agencies, Kapsch (formerly Mark IV), is the sole source provider of E-ZPass electronic toll collection lane readers, antennas, and patron tags necessary for the operation of the Authority's E-ZPass system; and

WHEREAS, the Authority's regulations pursuant to N.J.A.C. 19:9-2(d)(1), promulgated under N.J.S.A. 27:23-6.1, permit sole source procurement when only one source for the required product exists.

NOW, THEREFORE, BE IT RESOLVED THAT the Authority's Commissioners hereby authorize the Executive Director to execute the Third Extension to the Amended Irrevocable Offer with Kapsch (formerly Mark IV), as the provider for lane readers, antennas, and patron tags necessary for the continued operation of a regional electronic toll collection system, as a sole source exception to procurement by public advertisement permitted by N.J.A.C. 19:9-2.2(d)(1), promulgated under the Authority's enabling legislation, N.J.S.A. 27:23-6.1.

BE IT FURTHER RESOLVED THAT the Authority's Commissioners hereby authorize the Executive Director to execute any such other documents and take any such other actions as are deemed necessary to effectuate the intent of this authorization, including exercising one or both of the two three-month options to extend the Third Extension if deemed appropriate by the Executive Director.

On motion by Vice Chairman Gravino and seconded by Commissioner Becht the Authority unanimously approved item 302-08-2011; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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FINANCE

Chief Financial Officer Donna Manuelli requested approval of item number 303-08-2011. Moved is the items as follows:

303-08-2011

Chief Financial Officer Donna Manuelli presented the **Financial Summary** for the seven (7) months ended July 31, 2011.

On motion by Treasurer DuPont and seconded by Commissioner Hodes the Authority unanimously approved item 303-08-2011; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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OPERATIONS

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Director of Operations Sean Hill requested approval of item number 304-08-2011. Director Hill indicated that fatalities are up on both roadways, but the number accidents are down. Moved is the item as follows:

304-08-2011

Director of Operations Sean Hill requested acceptance of the **Resume of All Fatal Accidents** for the Garden State Parkway and New Jersey Turnpike: Period 1/1/11 through 08/10/11; both with 2010-2011 Yearly Comparisons through July, 2011.

On motion by Treasurer DuPont and seconded by Vice Chairman Gravino, the Authority unanimously accepted the reports and received for file.

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STATE POLICE

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Major Pamela Elliott requested approval of item number 305-08-2011. Major Elliott indicated that fatalities are up 10% statewide. State Police analyzes accident data to look for patterns. State Police also focuses on three (3) safety prongs -- education, enforcement and engineering. State Police is proactive in their enforcement efforts and the State is experiencing a trend that is still low based on the past ten (10) years.

Chairman Simpson asked if people not wearing seatbelts is an issue in these accidents. Major Elliott indicated that seatbelt education is an on-going issue. Many of the fatalities involve only one (1) vehicle and involve alcohol and/or drug use.

Major Elliott stated that the State Police appreciated all of the support and cooperation it received from the Authority throughout Hurricane Irene. She commented on how quickly the Authority responded to its requests to remove trees and debris from the roadway.

Moved is the item as follows:

305-08-2011

Major Elliott requested acceptance of the **New Jersey State Police Troop D Activity Reports**, For July, 2011, with 2010 – 2011 Yearly Comparisons.

On motion by Vice Chairman Gravino and seconded by Commissioner Hodes, the Authority unanimously accepted the reports and received for file.

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FINANCE

Chief Financial Officer Donna Manuelli requested approval of item number 306-08-2011. Moved is the items as follows:

306-08-2011

In a memorandum dated August 25, 2011, **a Recommendation for Authorization to enter into State Transportation Projects Funding Agreement between the New Jersey Turnpike Authority and the Treasurer of the State of New Jersey**, was approved.

In 2008, the Board of Commissioners authorized the Authority to contribute \$1.25 billion to the Access to Region's Core ("ARC") Tunnel project. Specifically, the Authority was scheduled to make annual payments of \$195 million to New Jersey Transit for the calendar years 2012 – 2017, and \$80 million for calendar year 2018. Earlier this year, the ARC Tunnel project was canceled.

For calendar years 2010 and 2011, the Board of Commissioners approved Authority budgets which made \$100 million available for annual contributions to the New Jersey Department of Transportation ("NJDOT") for feeder road projects.

On January 6, 2011, Governor Chris Christie proposed a new Transportation Capital Plan (TCP). The five-year TCP addresses vital statewide transportation projects. Funding for the TCP includes, among other sources, annual cash contributions from the Authority. The Authority will make contributions to the Treasurer of the State of New Jersey to support statewide transportation projects according to the schedule below.

State Fiscal Year (July 1 through June 30)	NJTA Contribution
2012	\$229 million
2013	\$324 million
2014	\$324 million
2015	\$324 million
2016	\$324 million

The \$324 million contributions are the sum of the \$195 million per year the Authority had committed to remit to New Jersey Transit for cancelled ARC Tunnel, the \$100 million annual payment the Authority had been making to NJDOT for feeder road capital payments, and an additional \$29 million per year. For the State's Fiscal Year 2012 ("FY12"), which is from July 1, 2011 through June 30, 2012, the Authority will remit \$229 million to the State. Because the Authority was scheduled to begin its ARC payments to New Jersey Transit in calendar year 2012, the Authority is projected to have about only half of the \$195 million payment available for the State's FY2012. Thus, the Authority's contribution for the State's FY12 is \$95 million less than the subsequent fiscal years.

The term of the agreement, which matches the 5-year TCP term, is from July 1, 2011 through June 30, 2016. Under the agreement, the Authority is scheduled to make quarterly payments to the Treasurer of the State of New Jersey in the following amounts -- \$30 million each on September 30, 2011 and December 31, 2011, \$84.5 million each on March 31, 2012 and June 30, 2012, and \$81 million each quarter thereafter until June 30, 2016. Payments are to be made from only legally available revenues in the General Reserve Fund, and are subordinate to the payments required to be made to the Authority's bondholders and all other payments required to be made under the Authority's General Bond Resolution. This agreement will be in addition to any other existing agreements the Authority has with the State, including the existing State Payment Agreement with the Treasurer of the State of New Jersey and the Feeder Road Maintenance Agreement with NJDOT.

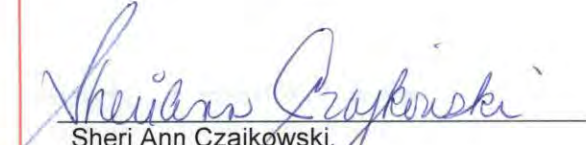
Authorization is respectfully requested to allow the Executive Director to enter into the subject agreement on substantially the same terms as described above. Authorization is further requested to permit the Executive Director to take all necessary steps to terminate the Authority's agreement with New Jersey Transit regarding the canceled ARC Tunnel project.

On motion by Vice Chairman Gravino and seconded by Commissioner Hodes the Authority unanimously approved item 306-08-2011; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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The motion to adjourn was made by Chairman Simpson, Vice Chairman Gravino and Treasurer DuPont and, after the voice vote, the motion was duly adopted. The Authority adjourned at 10:41 a.m., to meet on Tuesday, September 27, 2011, at 9:30 A.M.

ATTEST:


Sheri Ann Czajkowski,
Assistant Secretary to the Authority


Veronique Hakim, Executive Director

Corporate Seal

Date: September 7, 2011