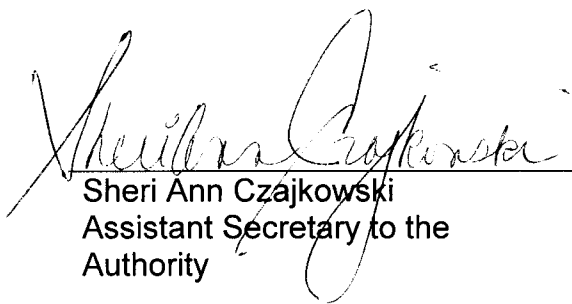


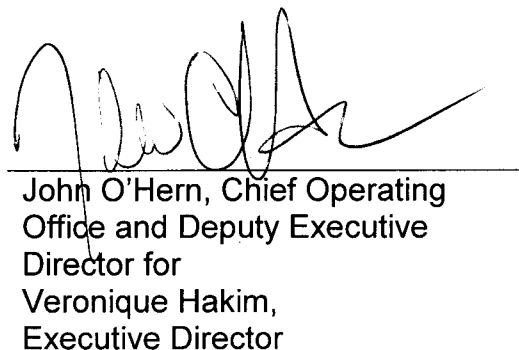
**CERTIFICATION
OF
NEW JERSEY TURNPIKE AUTHORITY**

I, John O'Hern, hereby certify that I am the Chief Operating Officer & Deputy Executive Director of the New Jersey Turnpike Authority and as such Deputy Executive Director certify that the attached copy of PROCEEDINGS OF THE NEW JERSEY TURNPIKE AUTHORITY is a true and correct copy of the Minutes of the **December 19, 2012** Regular Meeting of the Authority.

IN WITNESS THEREOF, I have hereunto set my hand and affixed the official seal of the New Jersey Turnpike Authority **this 20th day of December, 2012.**

ATTEST:


Sheri Ann Czajkowski
Assistant Secretary to the
Authority


John O'Hern, Chief Operating
Office and Deputy Executive
Director for
Veronique Hakim,
Executive Director

Corporate Seal

Date: December 20, 2012

**Received in the Governor's Office on December 20, 2012
(hand delivered)**

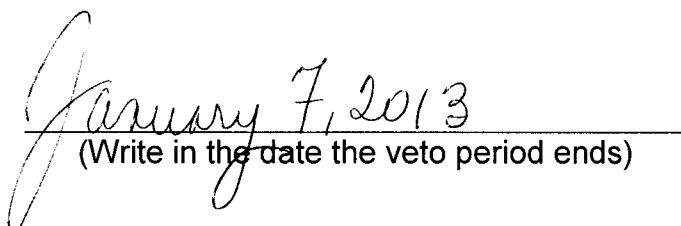
Received by:


Print Name


Signature

GAU STAMP:

Veto Period Ends:


(Write in the date the veto period ends)

**PROCEEDINGS OF NEW JERSEY TURNPIKE AUTHORITY
BOARD MEETING**

WEDNESDAY, December 19, 2012

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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 Raymond Pocino, Commissioner Ulises Diaz and Commissioner Daniel Becht. The meeting commenced at 9:30 a.m.

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ALSO PRESENT

Executive Director Veronique Hakim; Chief Operating Officer John O'Hern; Chief Engineer Richard Raczynski; General Counsel Bruce Harris; Electronic Toll Collection Director Dennis Switaj; Chief Financial Officer Donna Manuelli; Human Resources Director Mary-Elizabeth Garrity; Director of Internal Audit James Carone; Director of Maintenance Joseph Lentini; Director of Operations Sean Hill; Purchasing Director Andrea Ward; Chief Information Officer Barry Pelletteri; Director of Tolls Robert Quirk; Major Leonard Albine, State Police Troop D; and Assistant Secretary to the Authority Sheri Ann Czajkowski.

Also present were: Governors' Authorities Unit Representative Brett Tanzman; Ryan Feeney 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 Press of Atlantic City.

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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 meetings of November 27, 2012; he did not exercise his power to veto any items in those minutes.

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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:

Chairman Simpson: 481-12-2012

Commissioner Pocino: 474-12-2012 thru 490-12-2012

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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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LITA BELLOCCHIO

Since the early 1990's, Mrs. Bellocchio has lived at 225 Ramblewood Parkway, Mt. Laurel, which is located near Interchange 4 on the Turnpike. Mrs. Bellocchio said that she and her neighbors live very close to the roadway because there is not significant right of way between the homeowner's property lines and the roadway. Thus, she has always been able to hear noise from the roadway. She claimed, however, that recently sound levels have escalated. She noted that as part of the recent construction of a solar field, her town authorized the removal of trees which were located between the roadway and her neighborhood and buffered roadway noise.

Mrs. Bellocchio stated that the Authority has been very responsive to her requests to address her concerns and those of her neighbors by planting trees. But she would like more trees planted, a berm built, or sound walls constructed in the area. Homeowners in this area want assurance from the Authority that the decibel levels not be above recommended sound levels.

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ARTHUR BELLOCCHIO

Mr. Bellocchio stated that he and his wife have paperwork from the 1990's that shows that the Authority promised to install sound walls in the area. He correctly noted that the Authority adopted a sound wall policy in the 2000's that provides that sound walls can be installed only as part of new construction. Mr. Bellocchio stated that the people merely want to be acknowledged and have the problem rectified.

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MURRAY BODIN

Mr. Bodin discussed how transportation agencies in the region are facing difficult economic times and therefore must thoroughly vet every expenditure.

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EXECUTIVE DIRECTOR'S COMMENTS

ED Hakim reflected on the past several years and how the Authority has demonstrated oversight and control of its operating expenses. ED Hakim joined the Authority in September 2010 and the 2010 Operating Budget was over \$485M. In the Fall of 2010, the Authority put forth an agency-wide effort to build its 2011 budget. As a result of this team effort, the Authority reduced its operating budget to \$475.5M. ED Hakim stated that its 2012 Operating Budget remained flat at the \$475.5M budget. And this year the Authority was able to live within that budget again.

ED Hakim stated that today's agenda items will include the Authority's 2013 Annual Budget. The 2013 budget includes an Operating Budget that is \$474M. That is \$1.5M lower than the previous two (2) years, and this is the lowest operating budget since 2007. Over that past several years, the Authority has controlled its operating costs while absorbing increased health care, insurance and pension costs. The proposed 2013 budget reflects the Authority's collective continued fiscal vigilance.

The monthly financial summary report agenda item demonstrates transparency as the Authority reports not only on revenues, traffic and expenses but compares the actual numbers against projections on a monthly basis. This month notes that through November 2012, overall revenues are \$1.4M lower than projected.

ED Hakim stated that the Authority is seeking authorization for the Series 2013 Turnpike Revenue Bond Resolution which will authorize the issuance of up to \$1.4B in Turnpike Revenue Bonds. These proceeds will be used to fund the Turnpike's continuing \$7B Capital Program.

The Capital Program, the Special Project Reserve Fund, and Maintenance Reserve Fund expenditures will result in the Authority spending nearly \$900M to \$1B per year in 2013 in construction and maintenance projects.

In 2013, the Authority will complete and being exciting construction projects. A new toll plaza at Interchange 8 on the Turnpike will open, the Phase II of GSP widening will open, and construction will begin on the grade separation project to remove the traffic signals at mileposts 9, 10 and 11 on the GSP. The 2013 annual budget meets all of the Authority's financial obligations without a toll increase. Indeed, the Authority continues to keep its roads and facilities in a state of good repair, meets all of its payment obligations, and continues to fund and advance the capital program.

ED Hakim stated that the Turnpike and Parkway are two of the nation's premier toll roads. Therefore, an agenda item regarding the Financial Management Principles and Guidelines the Authority follows is also being presented for approval. These guidelines formalize the principles under which the Authority has been operating, and serve as a management tool that informs our financial decision making process. They include a five (5) year financial plan,

formalizing the goal to fund the capital program at the lowest possible cost of capital; commit to assure an adequate funding for our Maintenance Reserve and Special Project Reserve, and other capital needs. The Authority is also committing to maintaining a General Reserve Fund balance of \$75 million and a debt service coverage ratio of 1.4x. These are all good financial management principles.

ED Hakim addressed the Authority's new 2013 motorist safety program that was initiated. Chairman Simpson initiated the safety program process and the Authority is taking an active role in trying to improve motorist roadway safety.

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COMMISSIONER'S COMMENTS

Treasurer DuPont recognized Chairman Simpson's efforts at DOT to help restore the Jersey Shore's roads. Chairman Simpson also thanked the hundreds of DOT workers and contractors who have been working diligently and are committed to the restoration of the shore areas. Chairman Simpson also commended the leadership of the Authority for their ability to act fast and carry-out the wishes of the Board in a timely manner.

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HUMAN RESOURCES

Director of Human Resources Mary-Elizabeth Garrity requested approval of item number 468-12-2012. Moved is the item as follows:

468-12-2012

Human Resources Director Garrity submitted the **Personnel Agenda**, dated December 19, 2012, and requested confirmation of the personnel matters contained therein. The Executive Director certified the recommendations for consideration.

On motion by Commissioner Pocino and seconded by Commissioner Hodes 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

General Counsel Bruce Harris requested approval of item numbers 469-12-2012 through 473-12-2012. Moved as a group those items are as follows:

469-12-2012

In a memorandum dated December 4, 2012, **a Recommendation for the Ratification of Action Taken and Authorization for the Acquisition of Property Interests and Payment of Related Expenses Necessary for the New Jersey Turnpike Authority Interchanges 9, 10 and 11 Improvements Project, Garden State Parkway, Township of Middle, County of Cape May, Project No. 39023022, in an amount of \$1,000.00**, was approved.

The New Jersey Turnpike Authority ("Authority"), in conjunction with the New Jersey Department of Transportation ("NJDOT"), the Federal Highway Administration ("FHWA") and Cape May County, is proceeding with its plans for the construction of the Interchanges 9, 10 and 11 Improvements Project (the "Project") in the Township of Middle, Cape May County.

This Project includes improvements to Interchanges 9, 10 and 11, which are at-grade signalized intersections that connect the Garden State Parkway with surface streets. The Project would eliminate the at-grade signalized intersections and upgrade this segment of the Parkway to a fully access-controlled highway, giving preference to through traffic by providing ramp connections only at selected public roads and prohibiting at-grade intersections and direct private driveway connections with the Parkway. This will improve both pedestrian and motorist safety. The Authority estimates that the total cost of the Project will be \$125 million, and anticipated FHWA funding for this project is approximately \$37.5 million.

The acquisition of property interests necessary for the Project in a timely manner is critical to the success of the Project. In light of this, under Agenda Item No. 129-04-2012, the Commissioners authorized the Executive Director to take all steps necessary to prepare for the acquisition of those property interests necessary for the Project, with the final action being submitted to the Commissioners for ratification.

The Authority had appraisals prepared by independent appraisers and reviewed by Value Research Group, LLC, the Authority's Real Estate Manager/Consultant, which set a value for each necessary property interest. The Authority has entered into good faith negotiations with the owners or their respective counsel as appropriate for the purchase of same or the settlement of any claims related to the acquisition based on this appraised value and in compliance with the laws governing its powers of eminent domain.

New Eminent Domain Proceedings:

With respect to the below parcels, the Authority was not able to acquire the parcels through fair negotiations with the property owners and their counsel, and eminent domain proceedings have been filed as a last resort.

The following is a description of properties for which eminent domain proceedings have been filed:

Parcel No. 4589
Owner: Randy Anthony
215 Brighton Road
Block 223, Lot 11

Township of Middle, Cape May County

Amount: \$500.00

The Property consists of approximately 0.241 acres of land and is improved with a single-family house. The Authority must acquire a temporary construction easement over an area of approximately 0.014 acres of land.

Parcel No. 4588

Owner: Janet Dougherty

211 Brighton Road

Block 223, Lot 12

Township of Middle, Cape May County

Amount: \$500.00

The Property consists of approximately 0.253 acres of land and is improved with a single-family house. The Authority must acquire a temporary construction easement over an area of approximately 0.019 acres of land.

The acquisitions as proposed above do not involve property designated as "Preserved Farmland" pursuant to and as required 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 have the above-referenced properties 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.

The Law Department, in consultation with the Authority's Real Estate Manager/Consultant and outside General Counsel, recommends that the Authority acquire this property upon the terms and conditions as set forth above. Accordingly, it is requested that the Authority's Commissioners ratify the Executive Director's actions in commencing the above eminent domain proceedings, including depositing the appraised value into court and filing a Declaration of Taking.

470-12-2012

In a memorandum dated December 4, 2012, **a Recommendation for the Ratification of Action Taken and Authorization for the Acquisition of Property Interests and Payment of Related Expenses Necessary for the New Jersey Turnpike Authority Interchange 88 and 89 Improvements Project, Garden State Parkway, Township of Lakewood, County of Ocean, Project No. 39023029, in an amount of \$32,000.00**, was approved.

The New Jersey Turnpike Authority ("Authority") is in the process of construction of the Interchange 88 and 89 Improvements Project (the "Project") in the Township of Lakewood, Ocean County. This Project includes improvements to Interchange 88, which is currently only accessible by traffic to and from the north. The Project will complete the interchange to allow for full access to Route 70 and will consolidate Interchanges 88 and 89 through the construction of service roads along northbound and southbound roadways. The estimated cost of this project is

\$72 million. Construction necessary for the Project is being performed under Contract P300.198, which was awarded under Agenda Item No. 307-08-2012.

The acquisition of property interests necessary for the Project in a timely manner is critical to the success of the Project. In light of this, under Agenda Item No. 052-02-2012, the Commissioners deemed various property interests necessary for the Project and authorized the Executive Director to take all steps necessary to prepare for the acquisition of those interests, with the final purchase price being submitted to the Commissioners for approval.

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, which set a value for each necessary property interest. The Authority has entered into good faith negotiations with the owners or their respective counsel as appropriate for the purchase of same or the settlement of any claims related to the acquisition based on this appraised value and in compliance with the laws governing its powers of eminent domain.

The following is a description of properties for which the parties have negotiated terms of sale:

Parcel No. 4623
Owner: RBRO LLC
1600 Route 70
Block 1248, Lot 9
Lakewood Township, Ocean County
Amount: \$32,000

This property consists of approximately 5.114 acres of land with a hotel and banquet facility. The Authority must acquire a fee simple interest in an approximately 7,090 square foot area.

The acquisition proposed above does not involve property designated as "Preserved Farmland" pursuant to and as required 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 the above referenced 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.

The Law Department, in consultation with the Authority's Real Estate Manager/Consultant and outside General Counsel, recommends that the Authority acquire this property upon the terms and conditions as set forth above.

Accordingly, it is requested that the Authority's Commissioners authorize the Executive Director, with the assistance of the Law Department, Engineering Department, outside General Counsel and other Authority consultants, to take all steps necessary to purchase this property for the amount set forth herein and to satisfy those other costs required to be paid at closing, said costs not to exceed Ten Thousand Dollars (\$10,000) per transaction.

471-12-2012

In a memorandum dated December 10, 2012, a Recommendation for the Authorization to ratify and approve insurance renewals and placements for the following lines of insurance: (1) Public Officials and Employment Practices Liability (renewal- January 1, 2013 – December 31, 2013), Account No. 10893-441040, in an amount of \$357,160.00; and (2) Professional Liability, Architects and Engineers Professional Liability Insurance (renewal- January 1, 2013- December 31, 2015); and Owners Protective Professional Liability Insurance (placement- January 1, 2013- December 31, 2015), Funding Source Various, 10 year Capital Programs, in an amount of \$4,956,062.00, was approved.

(1) Public Officials and Employment Practices Liability (renewal- January 1, 2013 – December 31, 2013)

The Authority maintains Public Officials and Employment Practices liability insurance providing total limits of \$30,000,000 with a \$500,000 deductible. Coverage is provided by National Union Fire Insurance Company ("Chartis") (\$20,000,000 aggregate, defense costs in addition) and National Specialty Insurance Company (\$10,000,000 excess of \$20,000,000). These policies are due to expire on December 31, 2012. The broker of record is Willis of New Jersey ("Willis").

Willis approached a total of four (4) markets, including the incumbent, for the renewal quotations for the lead \$20 million policy: ACE, Allied World, Travelers and Chartis. In addition, Willis sought a number of enhancements to the policy as requested by the Authority, based upon recommendations received by the Authority's Risk Management Consultant, Hanover Stone Partners ("Hanover Stone") after a thorough review of the current policy. ACE, Allied World and Travelers either declined to quote or did not offer terms as favorable to terms as expiring. Chartis provided a renewal quotation of \$242,160.00, indicating no increase to the current premium for the primary \$20,000,000 layer of insurance. Willis is currently continuing to negotiate with the market for the secondary layer of insurance (\$10,000,000 excess of \$20,000,000), and is confident that it can be placed in the market with an acceptable insurer for an acceptable premium, not to exceed \$115,000, including New Jersey Property-Liability Insurance Guaranty Association (PLIGA) surcharges, for coverage as expiring.

Based on the quotations received, it is recommended that the Commissioners approve the renewal of the policy with Chartis for a premium not to exceed \$242,160, including New Jersey Property-Liability Insurance Guaranty Association (PLIGA) surcharges for coverage as expiring. It is further recommended that the Commissioners approve the placement of excess coverage as described above with an acceptable insurer, for a premium not to exceed \$115,000 including New Jersey Property-Liability Insurance Guaranty Association (PLIGA) surcharges, for coverage as expiring, for a total renewal premium of \$357,160, including all taxes and mandatory

surcharges.

(2) **Professional Liability**

Architects and Engineers Professional Liability Insurance (renewal- January 1, 2013- December 31, 2015); and Owners Protective Professional Liability Insurance (placement- January 1, 2013- December 31, 2015)

The Authority currently maintains an Architects and Engineers (Errors and Omissions) Professional Liability Insurance ("AEPL") for the benefits of its consultants. The policy insures the consultants for their acts of negligence or omissions that may occur as a result of providing professional services to the Authority pursuant to an Order for Professional Services (OPS). The current coverage is \$20 million per claim, subject to a deductible of either (1) \$250,000 (for projects with a construction value (CV) over \$10 million, or (2) \$100,000 for projects with a CV of \$10 million or less. The annual cost of the current policy is approximately \$1,080,171, subject to audit of actual CV covered. The coverage has been in place since 1986 for the benefit of consultants who perform work on projects located on the Parkway and was recently expanded to include consultants performing work on both Roadways. While all consultants who provide professional services for the Authority are covered as insureds, the Authority is only covered under the current policy for vicarious liability for the acts, errors, or omissions of its consultants, and is not a named insured.

As part of the Authority's overall review of its insurance program, a detailed review of the AEPL was performed by Hanover Stone. After consultation with the Authority and Aon, the broker of record, a decision was made to seek an alternative type of coverage for the Authority, and to transition to a plan that would not only provide more complete coverage for the Authority, but at a lower cost. The parties worked to develop an improved approach to coverage for the Authority in the form of an Owner's Protective Professional Liability Insurance program ("OPPI").

Under an OPPI, unlike the current policy, consultants would provide the first layer of coverage in the minimum amount of \$2 million. The OPPI would then provide \$20 million coverage per claim for the Authority above each consultant's \$2 million, subject to a self-insured retention of \$100,000 to \$500,000, depending upon the CV of the particular project covered, for claims made against the Authority.

There are a number of coverage, cost and administrative benefits to an OPPI program as compared to an AEPL. The proposed OPPI would not only cover the Authority's vicarious liability for its consultants, but would also cover claims by the Authority against its consultants in excess of the consultants' own professional liability insurance, as if the consultants had purchased additional liability insurance of their own. Self-insured retention would not apply to excess claims made by the Authority against its consultants. Since the OPPI rate of coverage is \$1.99 per thousand dollars of CV, and the AEPL rate is \$3.72 per thousand dollars of CV, the premium rate is significantly less.

Administratively, the Authority would need to verify consultants' compliance with the minimum \$2 million professional liability requirement. Since Aon is the Authority's OCIP broker, and already reviews the insurance certificates for all construction projects for compliance with respect to general liability, workers compensation, automobile and other coverages, there is little additional administrative burden.

It is proposed that the OPPI commence as of January 1, 2013. Consequently, all consultant contracts entered into after that date will require consultants to provide professional liability insurance as set forth above. However, it will be necessary to continue the current AEPL policy for those OPSs and construction contracts that are currently insured by the AEPL until completion of construction. It is anticipated that the vast majority, if not all, of currently active Authority OPSs and construction contracts will be completed within the three (3) year renewal term requested for the AEPL. The AEPL program will need to be maintained for an additional "run off" phase for the small number of contracts for which the Authority remains contractually responsible, but the CV for this insurance will continue to decrease during this time, resulting in diminishing premiums in the future.

The estimated three year premium for this approach is approximately \$4,324,491, for the AEPL, and \$631,571 for the OPPI. These amounts include terrorism insurance and all taxes and mandatory surcharges and are subject to audit based on actual CV. Under this approach, savings of \$468,551 are anticipated for the three (3) year term 1/1/13 through 12/31/15, with significantly greater savings expected (\$1,236,861) for the following three year term (1/1/16 through 12/31/18).

Authorization is requested to continue the current AEPL policy for the next three (3) years for those contracts that are currently mid-construction, and to cease to provide AEPL coverage for new consultant contracts as of January 1, 2013. Authorization is also sought to place an Owners Protective Professional Liability Insurance (OPPI) policy, substantially as explained above, for the reasons set forth above, for a total amount not to exceed \$4,956,062, inclusive of terrorism insurance and all taxes and mandatory surcharges, subject to audit based on actual CV.

It is therefore recommended that the Commissioners authorize and approve the insurance renewals and placement for the policy terms and premiums as set forth above. It is further recommended that the Commissioners ratify and approve all actions taken to date in furtherance of the renewals and placements set forth above and that the Executive Director be authorized to take all such actions, execute all such documents which are deemed necessary or appropriate, after consultation with the Law Department and Hanover Stone, to effect the authorizations set forth above.

472-12-2012

In a memorandum dated December 4, 2012, **a Recommendation to Deem Garden State Parkway Parcel 4648X, Located in Egg Harbor Township, Atlantic County, Surplus to the Needs of New Jersey Turnpike Authority and for Authorization to Enter into a Contract for the Sale of Parcel 4648X to 3117 Fire Road Associates, LLC for \$59,000**, was approved.

This is a request for authorization to (a) declare Parcel 4648X, located on Tilton Road (CR 563) near Fire Road, Egg Harbor Township, Atlantic County, New Jersey, surplus to the Authority's needs, (b) enter into a contract for the sale of Parcel 4648X to 3117 Fire Road Associates, LLC, the owner of the adjoining property, for \$59,000, and (c) execute such documents as are necessary for the conveyance of title to Parcel 4648X to 3117 Fire Road Associates, LLC.

Parcel 4648X is a triangular, unimproved 8,868 square foot (or 0.2 acre+/-) portion of Garden State Parkway, Section 11, right-of-way with 192.76+/- feet of frontage along Tilton Road proximate to MP 36.

In accordance with the Authority's Surplus Property Policy, the Law Department circulated information regarding Parcel 4648X to the Chief Engineer, Acting Director of Maintenance, Director of Operations, and the Authority's General Engineering Consultant for review. Each has reviewed the information and certified that the Authority no longer requires Parcel 4648X and does not foresee any use of Parcel 4648X by the Authority.

Accordingly, it is recommended that Parcel 4648X be declared surplus to the Authority's needs. It is further recommended that the Executive Director be authorized to take any and all steps necessary for the sale of Parcel 4648X to 3117 Fire Road Associates, LLC including, but not limited to, the execution of a contract for the sale of Parcel 4648X and such other documents as are necessary to convey title, all in accordance with the Authority's Surplus Property Policy and after review and approval by outside General Counsel and the Law Department.

473-12-2012

In a memorandum dated December 3, 2012, **a Recommendation for the Authorization to Settle Formal Workers' Compensation Matter - William Furia v. N.J. Turnpike Authority, Account No. 10-870-405070, in an amount of \$70,395.00**, was approved.

Petitioner William Furia is a Turnpike Division Toll Collector hired in February 1989. This recommended settlement will resolve two (2) formal Claim Petitions. The first stems from an alleged job injury which the petitioner claims occurred on or about November 30, 2009 and the second, an occupational claim, will be dismissed as part of the settlement agreement.

The petitioner is represented by J. David Nemeth, Esq. located in Cherry Hill, NJ. The Authority is defended by Special Counsel Curt Cox, Esq. of Kamensky, Cohen and Riechelson located in Pennington, NJ. The matter is venued in the district office of Mount Holly before Judge George Geist.

Permanency evaluation on behalf of the petitioner was performed by Dr. Ralph Cataldo. Permanency evaluation on behalf of the respondent was performed by Dr. Gregory McClure.

After settlement negotiations failed, the case was listed for trial. Following the testimony of the petitioner, the Judge of Compensation, in discussing a resolution with Counsels, opined that the case had a value of 32.5% of partial total disability. Special Counsel and our third party administrator believe this to be the best outcome the Authority can expect.

The Law Department has reviewed this matter and agrees with the recommendation of the Special Counsel, the Authority's third party workers' compensation administrator and the Assistant Director, HR, Safety & Benefits. Authorization is, therefore, requested to allow Special Counsel to settle this matter for the sum of \$70,395.00.

This settlement will be payable under Account No. 10-870-405070.

On motion by Treasurer DuPont and seconded by Commissioner Becht, the Authority unanimously approved item numbers 469-12-2012 through 473-12-2012; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ENGINEERING

Chief Engineer Richard Raczynski requested approval of item numbers 474-12-2012 through 490-12-2012. Chairman Simpson noted that more than one (1) year ago the Authority committed to awarding a construction contract to remove the traffic signals at mileposts 9, 10, and 11 on the GSP by the end of 2012. Today, that Authority is meeting that commitment and is awarding the construction contract, which will result not only in improving the traffic flow, but will also improve traffic safety. Raczynski indicated that the Authority has acquired the appropriate DEP permits and expects to have FHWA approval within a few weeks. All wetland mitigation sites are acquired, issues with AC Electric have been resolved, and the Authority is prepared to move forward with the construction in early 2013. Moved are the items as follows:

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PUBLIC BID SOLICITATIONS – AWARD OF CONTRACTS

474-12-2012

In a document dated November 30, 2012, a Recommendation to Award Contract No. P100.231 for the Garden State Parkway to Joseph M. Sanzari, Inc. for Bridge Repairs and Resurfacing, Milepost 126 to 172, Maintenance Reserve Fund No. 03020001, in an amount of \$6,999,076.00, was approved.

This is the first of two Parkway bridge repair contracts to be awarded for the 2013

construction season, concentrated in the northern sector of the Parkway between Milepost 126 and 172. The work generally involves selective replacement of complete deck panels, parapet replacement, concrete spall repairs, joint repairs, replacement of existing asphalt wearing surface and miscellaneous substructure repairs.

Four bid proposals were received on November 29, 2012 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal, in the amount of \$6,999,076.00, may be compared to the second low bid proposal in the amount of \$7,584,356.00. Joseph M. Sanzari, Inc. has performed work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. P100.231 be awarded to the low bidder, Joseph M. Sanzari, Inc. of Hackensack, New Jersey, in the amount of \$6,999,076.00, allocated as follows: \$6,800,000.00 in 2013 and \$199,076.00 in 2014. 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.

475-12-2012

In a document dated November 28, 2012, **a Recommendation to Award Contract No. T100.244 for the New Jersey Turnpike to D'Annunzio & Sons, Inc. for Bridge Deck Repairs & Resurfacing, Milepost 83 to 122 and Newark Bay-Hudson County Ext., Maintenance Reserve Fund No. 03010001, in an amount of \$11,707,000.00**, was approved.

This is the first of two Turnpike repair contracts to be awarded for the 2013 construction season, focusing only on bridge deck repairs concentrated in the northern sector of the Turnpike. The work generally involves selective replacement of complete deck panels, concrete spall repairs, joint repairs, replacement of existing asphalt wearing surface and related incidental items.

Three bid proposals were received on November 20, 2012 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal, in the amount of \$11,707,000.00, may be compared to the second low bid proposal in the amount of \$11,744,492.00. D'Annunzio & Sons, Inc. has performed work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. T100.244 be awarded to the low bidder, D'Annunzio & Sons, Inc. of Clark, New Jersey, in the amount of \$11,707,000.00, allocated as follows: \$11,000,000.00 in 2013 and \$707,000.00 in 2014. 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.

476-12-2012

In a document dated November 30, 2012, **a Recommendation to Award Contract No. P300.162 for the Garden State Parkway to Richard E. Pierson Construction Co., Inc. for Interchange Improvements in Cape May, Ten Year Capital Program Fund No. 39023022, in an amount of \$71,736,840.44,** was approved.

The work to be performed under this contract involves construction of three new Parkway bridges over the local roads at Exits 9, 10 & 11, to eliminate the three at-grade signalized intersections, and construction of interchange ramps and service roads to connect the Parkway with the local road network. The new bridges will be constructed on the existing alignment of the Parkway northbound and southbound roadways which will require the construction of a temporary northbound diversionary road and southbound median crossovers with temporary traffic signals at each local road to maintain traffic during construction. The work also includes improvements to the local roads within the interchange limits and construction of permanent traffic signals at ramp intersections with the local roads. The contract also includes construction of wetland mitigation between Interchanges 10 and 11.

Four bid proposals were received on December 5, 2012 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal, in the amount of \$71,736,840.44, may be compared to the second low bid proposal in the amount of \$71,966,751.39. Richard E. Pierson Construction Co., Inc. has performed work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. P300.162 be awarded to the low bidder, Richard E. Pierson Construction Co., Inc. of Pilesgrove, New Jersey, in the amount of \$71,736,840.44. Because this contract is being partially funded by the Federal Highway Administration (FHWA), this award is contingent upon receipt of FHWA authorization to construct. 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.

477-12-2012

In a document dated November 30, 2012, **a Recommendation to Award Contract No. A500.274 for the New Jersey Turnpike and Garden State Parkway to Hall Building Corporation for the Construction of Troop D Moorestown Station, Turnpike Milepost 37 NB and Galloway Station, Parkway Milepost 42, Ten Year Capital Program Fund No. 39005013, in an amount of \$26,957,887.75**, was approved.

This contract will provide for construction of two new state police stations for the New Jersey State Police at Turnpike Milepost 37 northbound in the Township of Mount Laurel, Burlington County and Parkway Milepost 42 in the Township of Galloway, Atlantic County. The square footage of each station is approximately 27,500, with a 15,500 square foot building footprint. Building components include a public vestibule / entrance / waiting area, control center (hard deck) for trooper operations, administrative areas, report and briefing rooms, three detainee holding cells, sally port detainee processing, break room / kitchenette, exercise room, locker rooms, and bathrooms. Once each of the new buildings is occupied, the existing building and garage will be demolished. Site work includes earthwork, grading, drainage / stormwater installations and paving for parking areas to accommodate approximately 80 vehicles, and site access roads. A fueling island will be constructed at Galloway and a helipad at Moorestown is also included.

Ten bid proposals were received on December 4, 2012 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal, in the amount of \$26,957,887.75, may be compared to the second low bid proposal in the amount of \$26,967,164.18. Hall Building Corporation has performed work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. P900.121 be awarded to the low bidder, Hall Building Corporation of Farmingdale, New Jersey, in the amount of \$26,957,887.75. 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).

478-12-2012

In a document dated November 30, 2012, **a Recommendation to Award Contract No. A600.278 for the New Jersey Turnpike and Garden State Parkway to Cornell & Company, Inc. for the Sign Structures Advanced Fabrication Contract, Ten Year Capital Program Fund No. 39006014, in an amount of \$6,271,000.00**, was approved.

The work to be performed under this contract involves the advanced fabrication and

delivery of 71 cantilever and overhead span guide sign support structures. These structures are to be delivered to the designated Authority storage yards. The fabricator will be responsible for all loading, unloading, and transportation costs associated with delivering the structures to the Authority storage yards safely and without damage. All work under this construction contract shall be completed by May 30, 2014.

Four bid proposals were received on December 4, 2012 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal, in the amount of \$6,271,000.00, may be compared to the second low bid in the amount of \$6,277,000.00. Cornell & Company, Inc. has not performed work for the Authority but is considered competent to complete this contract.

It is, therefore, recommended that Contract No. A600.278 be awarded to the low bidder, Cornell & Company, Inc. of Westville, New Jersey, in the amount of \$6,271,000.00. 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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ORDER FOR PROFESSIONAL SERVICES (OPS)

479-12-2012

In a document dated November 28, 2012, **a Recommendation to Issue Order for Professional Services No. P3363 for the Garden State Parkway to STV/JMT, a Joint Venture for Supervision of Construction Services for Contract No.P300.162 - Interchange Improvements in Cape May, Ten Year Capital Program Fund No. 39023022, in an amount of \$8,820,000.00,** was approved.

The work to be performed under the referenced Order for Professional Services (OPS) will consist of providing supervision of construction services for the referenced contract to ensure that it is constructed in accordance with the Contract Plans and Specifications. The work to be performed under this contract involves construction of three new Parkway bridges over the local roads at Exits 9, 10 & 11, to eliminate the three at-grade signalized intersections, and construction of interchange ramps and service roads to connect the Parkway with the local road network.

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 41 engineering firms were prequalified and eligible under Profile Codes: B151 - Construction Management; B152 - Project Management (Scheduling); B153 - Roadway Construction Inspection and B155 - Bridge Construction Inspection. Five firms submitted EOIs by the closing date of October 10, 2012.

The scoring of the EOIs by the Review Committee resulted in the following order of ranking: 1) AECOM Technical Services, Inc.; 2) Jacobs Engineering Group, Inc.; and 3) STV/JMT, a Joint Venture. 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 STV/JMT, a Joint Venture being the highest technically ranked firm. The fee submitted has been reviewed and is considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. P3363 be issued to the firm of STV/JMT, a Joint Venture of Trenton, New Jersey not to exceed the amount of \$8,820,000.00. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.5 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).

480-12-2012

In a document dated November 29, 2012, **a Recommendation to Issue Order for Professional Services No. P3431 for the Garden State Parkway to TranSystems for Design Services for Contract No. P100.266 - Bridge Repairs and Resurfacing, Milepost 0 to 126, Contract No. P100.267 - Bridge Repairs and Resurfacing, Milepost 126 to 172, and Contract No. P100.291 - Miscellaneous Repairs, Milepost 109 to 123, Maintenance Reserve Fund No. 03020001, in an amount of \$1,945,000.00,** was approved.

This OPS will provide for the inspection, condition evaluation and preparation of contract documents for the two annual bridge repair contracts on the Parkway, for bridge repairs and resurfacing on the northern and southern sectors of the Parkway and the miscellaneous repairs for waterway bridges.

This assignment is classified as a "Simple Project" based on the scope of work being clearly defined and not likely to change during the course of the project, and the cost not

exceeding \$2,000,000.00. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and 49 engineering firms were prequalified and eligible under Profile Codes: A092 – Bridges: Miscellaneous Repairs and A093 – Bridges: Deck Replacement and Rehabilitation. Three firms submitted EOIs by the closing date of November 13, 2012.

Subsequent to the scoring of EOIs by the Review Committee, Fee Proposals were requested from the top three firms. The firms in the order of ranking are: 1) TranSystems; 2) Arora and Associates, P.C.; and 3) Michael Baker, Jr., Inc. The fee submitted by TranSystems 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. P3431 be issued to the firm of TranSystems of Paramus, New Jersey, not to exceed the amount of \$1,945,000.00, allocated as follows: \$1,595,000.00 in 2013 and \$350,000.00 in 2014. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.76, based on a 10% allowance for profit and an overhead rate of 151% or, the firm's overhead rate as determined by Federal Audit Regulation (FAR) procedure, whichever is less, 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).

481-12-2012

In a document dated December 5, 2012, **a Recommendation to Issue Order for Professional Services No. P3432 for the Garden State Parkway to HAKS Engineers, P.C. for Engineering Services for the 2013 New Jersey Turnpike Authority Bridge Inspection Program for the Garden State Parkway-North, Milepost 123 to 149 (Area 2), and Garden State Parkway-South, Milepost 0 to 96 (Area 4), Maintenance Reserve Fund No. 03010005, in an amount of \$1,234,000.00,** was approved.

This OPS will provide engineering services for annual bridge inspections on the Garden State Parkway, which includes inspection of 130 bridges in the northern portion of the Garden State Parkway and 124 bridges in the southern portion of the Garden State Parkway. The OPS includes FHWA Structure Inventory and Appraisal (SI&A) form updates, New Jersey Turnpike Authority's Bridge Prioritization System inspections and data collection, and preparation of LRFR load ratings.

This assignment is classified as a "Simple Project" based on the scope of work being clearly defined and not likely to change during the course of the project, and the cost not

exceeding \$2,000,000.00. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and 33 engineering firms were prequalified and eligible under Profile Code D280C - Bridges, NBIS Program, Complex. The OPS includes a goal of 40% participation of General and Small Business Enterprises subconsultants. Nine firms submitted EOIs by the closing date of November 13, 2012.

Subsequent to the scoring of EOIs by the Review Committee, Fee Proposals were requested from the top three firms. The firms in the order of ranking are: 1) HAKS Engineers, P.C., 2) KS Engineers, P.C., and 3) Arora and Associates, P.C. The fee submitted by HAKS Engineers, P.C. 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. P3432 be issued to the firm of HAKS Engineers, P.C. of Iselin, New Jersey, not to exceed the amount of \$1,234,000.00, allocated as follows: \$1,000,000.00 in 2013 and \$234,000.00 in 2014. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.41, based on a 10% allowance for profit and an overhead rate of 119% or, the firm's overhead rate as determined by Federal Audit Regulation (FAR) procedure, whichever is less, 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).

482-12-2012

In a document dated November 28, 2012, **a Recommendation to Issue Order for Professional Services No. A3458 for the Garden State Parkway and New Jersey Turnpike to Michael Baker Jr., Inc. for Supervision of Construction Services for Contract No. T500.192 - Replacement of Maintenance Building at Turnpike District 6 Yard, Milepost E111.50, Contract No. T500.272 - Construction of Troop "D" Newark Station, Turnpike Milepost 104 SB and Contract No. A500.274 - Construction of Troop "D" Moorestown Station, Turnpike Milepost 37 NB and Galloway Station, Parkway Milepost 42, Ten Year Capital Program Fund No. 39005013, in an amount of \$6,500,000.00,** was approved.

The work to be performed under the referenced Order for Professional Services (OPS) will consist of providing supervision of construction services for the referenced contracts to ensure that they are constructed in accordance with the Contract Plans and Specifications.

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 42 engineering firms were prequalified and eligible under Profile Codes: B151 - Construction Management, B152 - Project Management (Scheduling), and B159 - Building Construction & Renovations Inspection. Nine firms submitted EOIs by the closing date of October 2, 2012.

The scoring of the EOIs by the Review Committee resulted in the following order of ranking: 1) Michael Baker, Jr., Inc.; 2) Lend Lease (US) Construction LMB Inc.; and 3) HAKS Engineers, Architects and Land Surveyors, P.C. 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 Michael Baker, Jr., Inc. being the highest technically ranked firm. The fee submitted 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. A3458 be issued to the firm of Michael Baker, Jr., Inc. of Hamilton, New Jersey not to exceed the amount of \$6,500,000.00. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.37 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).

483-12-2012

In a document dated November 30, 2012, **a Recommendation to Issue Order for Professional Services No. A3473 for the Garden State Parkway and New Jersey Turnpike to M&J Engineering, P.C. for Supervision of Construction Services for Contract No. A600.277 - Guide Sign Improvements on the Turnpike and Parkway and Contract No. A600.278 - Sign Structures Advanced Fabrication Contract, Ten Year Capital Program Fund No. 39006014, in an amount of \$2,875,000.00,** was approved.

The work to be performed under the referenced Order for Professional Services (OPS) will consist of providing supervision of construction services for the referenced contracts to ensure that they are constructed in accordance with the Contract Plans and Specifications.

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 60 engineering firms were prequalified and eligible under Profile Code B-153, Roadway Construction Inspection. Two firms submitted EOIs by the closing date of October 17, 2012.

Based on language provided in the Authority's Regulation N.J.A.C. 19:9-2.8 which states: "For all projects, if fewer than three EOIs are deemed complete, the EOI solicitation may be rewritten and/or re-solicited, or the procurement may continue with fewer than three firms, as determined by the Executive Director, in consultation with the Director." Authorization was granted to continue with the procurement with two firms. Accordingly, Technical and Fee Proposals were requested from the two firms: Greenman-Pedersen, Inc. and M & J Engineering, P.C. The Committee reviewed and evaluated each firm's Technical Proposal and final scoring resulted in M & J Engineering, P.C. being the highest technically ranked firm. The fee submitted has been reviewed, and is considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. A3473 be issued to the firm of M & J Engineering, P.C. of Closter, New Jersey not to exceed the amount of \$2,875,000.00. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.35 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).

484-12-2012

In a document dated November 30, 2012, **a Recommendation to Issue Order for Professional Services No. P3478 for the Garden State Parkway to Stantec Consulting Engineers, Inc. for Supervision of Construction Services for Contract No. P100.231 - Bridge Repairs and Resurfacing, Milepost 126 to 172, Maintenance Reserve Fund No. 03020001, in an amount of \$1,058,000.00,** was approved.

This Order for Professional Services will provide for construction supervision of the referenced contract. This is the first of two Parkway bridge repair contracts to be awarded in 2013, concentrated in the northern sector of the Parkway between Milepost 126 and 172. The work generally involves selective replacement of complete deck panels, parapet replacement, concrete spall repairs, joint repairs, replacement of existing asphalt wearing surface and miscellaneous substructure repairs.

This assignment is classified as a "Simple Project" based on the scope of work being clearly defined and not likely to change during the course of the project, and the cost not exceeding \$2,000,000.00. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and 51 engineering firms were prequalified and eligible under Profile Codes: B-156, Bridge Repair Inspection and B-157, Bridge Deck Repair/Replacement Inspection. Four firms submitted EOIs by the closing date of October 19, 2012.

Subsequent to the scoring of EOIs by the Review Committee, Fee Proposals were requested from the top three firms. The firms in the order of ranking are: 1) Stantec Consulting Services, Inc.; 2) Greenman-Pedersen, Inc.; and 3) M & J Engineering P.C. The fee submitted by Stantec Consulting Services, 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. P3478 be issued to the firm of Stantec Consulting Services, Inc. of Rochelle Park, New Jersey, not to exceed the amount of \$1,058,000.00, allocated as follows: \$925,000.00 in 2013 and \$133,000.00 in 2014. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.35 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).

485-12-2012

In a document dated December 4, 2012, **a Recommendation to Issue Order for Professional Services No. T3479 for the New Jersey Turnpike to Stone & Webster, Inc. for Supervision of Construction Services for Contract No. T100.244 - Bridge Deck Repairs and Resurfacing, Milepost 83 to 122 and the Newark Bay-Hudson County Extension, Maintenance Reserve Fund No. 03010001, in an amount of \$1,600,000.00,** was approved.

This Order for Professional Services will provide for construction supervision of the referenced contract. This is the first of two Turnpike repair contracts to be awarded in 2013 involving bridge deck repairs in the northern sector of the Turnpike. The work generally involves selective replacement of complete deck panels, concrete spall repairs, joint repairs, replacement of existing asphalt wearing surface and related incidental items.

This assignment is classified as a "Simple Project" based on the scope of work being clearly defined and not likely to change during the course of the project, and the cost not

exceeding \$2,000,000.00. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and 53 engineering firms were prequalified and eligible under Profile Codes: B-156, Bridge Repair Inspection and B-157, Bridge Deck Repair/Replacement Inspection. Four firms submitted EOIs by the closing date of November 7, 2012.

Subsequent to the scoring of EOIs by the Review Committee, Fee Proposals were requested from the top three firms. The firms in the order of ranking are: 1) Stone & Webster, Inc.; 2) SJH Engineering, P.C.; and 3) Greenman-Pedersen, Inc. The fee submitted by Stone & Webster, 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. T3479 be issued to the firm of Stone & Webster, Inc. of Trenton, New Jersey, not to exceed the amount of \$1,600,000.00, allocated as follows: \$1,540,000.00 in 2013, \$60,000.00 in 2014. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.3 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).

486-12-2012

In a document dated December 5, 2012, **a Recommendation to Ratify Approval of the 2013 Main Bridge Inspection Program – Part A - Order for Professional Services No. A3353 for the New Jersey Turnpike and Garden State Parkway to HNTB Corporation for the 2011 – 2015 Main Bridge Inspection Program – Part A, Maintenance Reserve Fund No. 03010005, in an amount of \$2,300,000.00**, was approved.

Order for Professional Services No. A3353 was issued to HNTB Corporation at the December 2010 Commission Meeting, not to exceed the amount of \$11,800,000.00, to provide for professional engineering services associated with the 2011 – 2015 Turnpike Main Bridge Inspection Program – Part A. The years 2012 – 2015 bridge inspection services scope and fee are to be negotiated annually, subject to approval by the Chief Engineer.

An amount of \$2,420,000.00 was originally authorized for 2011 Part A services, and subsequently increased by \$205,680.00 via Special Project Reserve transfer to a revised authorized amount of \$2,625,680.00, in order to provide for additional bridge inspection services which were unanticipated and outside the original scope of work. An amount of \$3,000,000.00 was authorized for the 2012 Part A services, bringing the total current authorized amount to

\$5,625,680.00.

The 2013 scope of services includes the biennial inspection of 2 Turnpike and 10 Parkway major bridges, to comply with the federally mandated National Bridge Inspection Standards (NBIS); submittal of biennial major bridge inspection reports; Bridge Prioritization System (BPS) and FHWA Structure Inventory and Appraisal (SI&A) updates; submittal of system-wide Turnpike and Parkway annual program summary reports; cursory inspection of Turnpike and Parkway major bridges during their non-NBIS cycle; quality overview of the Authority's other bridge inspection consultants; management of the Authority's BridgeInspect Collector and Management System; Load and Resistance Factor Rating (LRFR) reviews and manual updates; inspection of Turnpike high mast light facilities; miscellaneous and specialized inspection and related design assignments; and other required services. HNTB Corporation submitted the 2013 scope and fee for these services in the total amount of \$2,300,000.00, which is considered fair and reasonable for the services to be provided and has been approved by the Chief Engineer.

It is, therefore, recommended that the approval of the 2013 Main Bridge Inspection Program – Part A of Order for Professional Services No. A3353 be ratified in the amount of \$2,300,000.00, allocated as follows: \$2,100,000.00 in 2013 and \$200,000.00 in 2014. Ratification of the Chief Engineer's approval of HNTB Corporation's proposed scope and fee will provide for reimbursement of all services associated with the 2013 Main Bridge Inspection Program – Part A. The addition of this amount increases the total authorized fee from \$5,625,680.00 to \$7,925,680.00. The original contract was procured pursuant to N.J.S.A. 52:34-9.1 et seq. and N.J.S.A. 19:9-2.8.

487-12-2012

In a document dated November 30, 2012, **a Recommendation to Issue Supplement A to Order for Professional Services No. A3330 for the New Jersey Turnpike and Garden State Parkway to Gannett Fleming, Inc. for Design Services for Replacement of Authority State Police Facilities, Ten Year Capital Program Fund No. 39005013, in amount of supplement for \$1,300,000.00**, was approved.

This Order for Professional Services was issued at the February 2011 Commission Meeting in the amount of \$2,990,000.00 to provide design services to replace four New Jersey State Police barracks buildings at the following locations: New Jersey Turnpike – Moorestown, Milepost 37.1 NB and Newark, Milepost 104.7 SB; Garden State Parkway – Bass River, Milepost 52.8 (Median) and Bloomfield, Milepost 153.3 NB.

Supplement A will provide for additional design services performed. These services include design of a non-prototype building for Newark and building size increases for the prototype buildings due to inclusion of a briefing room and operational needs of the New Jersey State Police. Other services performed include evaluation of Pleasant Plains and Avalon

substations, additional geotechnical studies due to high groundwater elevations at three of the sites, acoustical studies for Newark because of building location in the flight path of Newark Liberty Airport, fuel islands at two sites, and coordination with PANYNJ for the Newark site.

Gannett Fleming, Inc. submitted a proposal to provide the required services. The proposal has been reviewed and is considered fair and reasonable for the services to be provided.

It is, therefore, recommended that Supplement A to Order for Professional Services No. A3330 be issued to Gannett Fleming, Inc., not to exceed the amount of \$1,300,000.00, with compensation on the same basis as the original Order for Professional Services. The addition of this amount increases the total authorized fee from \$2,990,000.00 to \$4,290,000.00. 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.

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NON-COMPETITIVE PROCUREMENTS

488-12-2012

In a document dated December 5, 2012, **a Recommendation to Authorize Cost Sharing Agreement No. 61-12 for the New Jersey Turnpike to the New Jersey Department of Transportation for a Cost Sharing Agreement for Construction of a Third Eastbound Lane on the New Jersey Turnpike, Newark Bay-Hudson County Extension (NB-HCE) between Interchanges 14 & 14C, Supplemental Capital Fund No. 08027023, in an amount of \$25,000,000.00**, was approved.

This Agreement provides for reimbursement of construction costs to the Authority from the New Jersey Department of Transportation ("NJDOT") for the conversion of the right shoulder of the eastbound Newark Bay-Hudson County Extension to a third traffic lane between Interchanges 14 and 14C to accommodate additional traffic as a result of the NJDOT's Pulaski Skyway Bridge Rehabilitation project anticipated to start in early 2014. NJDOT's reimbursement to the Authority covers costs associated with repairs to the Newark Bay-Hudson County Extension eastbound right shoulder, including bridge deck and roadway pavement areas, to ensure the integrity of the shoulder for the duration of the Pulaski project. The total cost for the work including design, supervision and construction is approximately \$25,000,000.00 of which the NJDOT will reimburse the Authority in an amount not to exceed \$15,000,000.00 toward construction costs.

Accordingly, it is requested that the Board of Commissioners delegate to the Executive Director the authority to execute Agreement No. 61-12 with NJDOT pursuant to the terms set forth above. 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.

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FINAL ACCEPTANCE

489-12-2012

In a document dated December 4, 2012, a Recommendation for Final Acceptance, Contract P300.219 to Tilcon New York Inc. for Operational and Access Improvements at Interchange 168 NB Exit Ramp, Paving and Lighting, Milepost 167.0 to 167.5, Ten Year Capital Program Fund No. 39003035, in an amount due to the contractor of \$16,131.16, was approved.

This contract involved the widening of the existing northbound exit ramp at Interchange 168, reconfiguration of the ramp terminus at Washington Avenue, restriping of Washington Avenue between the Garden State Parkway and Jackson Avenue, the installation of new roadway lighting facilities for the northbound exit ramp, and other miscellaneous improvements along the Garden State Parkway at Milepost 167.4 in the Township of Washington, Bergen County, New Jersey. The contract was awarded July 2011 to the low bidder, Tilcon New York Inc., Wharton, New Jersey in the total amount of \$938,291.00.

During the course of the contract, there was one Change Order for a total decrease of \$131,238.75, adjusting the final total amount of this contract to \$807,052.25.

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 (7F) have been submitted to the Law Department and approved as to correctness of form. Furthermore, the Contractor has certified that there are no liens outstanding against the Contractor.

We concur and recommend that Contract P300.219 be accepted, and that final payment in the amount of \$16,131.16 be made to the Contractor.

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ACKNOWLEDGE REPORTS OF
ENGINEERING EXPENDITURES UNDER DELEGATED AUTHORITY

490-12-2012

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

- Engineering Progress Report
- Change Order Summary
- Utility Order Report

On motion by Commissioner Hodes and seconded by Vice Chairman Gravino, the Authority unanimously approved item nos. 474-12-2012 through 489-12-2012, 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 number 490-12-2012 and received same for file.

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PROCUREMENT (“PMM”)

Director of Purchasing Andrea Ward requested approval of item numbers 491-12-2012 through 499-12-2012. Moved as a group those items are as follows:

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PUBLIC BIDS SOLICITATIONS

491-12-2012

In a document dated December 6, 2012, **a Recommendation for the Repair and Maintenance of Security Gates by PSX Inc., RM-94016 and RM-97371, Budget Code Various, in an amount of \$88,750.00,** was approved.

Authorization is requested to award a contract for the repair and maintenance of security gates on both Roadways. Bidders were required to bid regular and emergency fixed hourly labor rates, a flat fee for preventive maintenance on three types of gates, and a discount off manufacturer’s list prices for parts. Bidders’ unit prices are available from the Procurement and Materials Management Department. The bid was fully advertised and the four vendors listed in the Authority’s database for the referenced commodity were notified of the procurement. On November 27, 2012, bids were received as follows:

<u>Bidder</u>	<u>Total Amount Bid</u>
PSX Inc., Kennett Square, PA	\$ 88,750.00
National Fence Systems, Inc., Avenel, NJ	\$106,025.00
<u>Non-Compliance</u>	

National Automated Solutions of Bethlehem, PA also submitted a bid. This vendor, however, failed to submit the required Stockholders/Partnership Disclosure Statement which is a mandatory requirement stated on Page 3 in the Instruction to Bidders, and not curable after bid opening under New Jersey Law. Therefore, rejection of National Automated Solutions’ bid is recommended.

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 PSX Inc., in an amount not to exceed \$88,750.00, subject to funding availability at the time of order.

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STATE CONTRACTS AND FEDERAL CONTRACTS

492-12-2012

In a document dated December 6, 2012, **a Recommendation for Overhead Door Repairs (Modification) to Set-Rite Corp, R-97295, Contract No. 1603, Budget Code 010 01 585 464010, requesting an increased amount of \$5,059.65,** was approved.

In December 2011, the Authority awarded Contract No. 1603 to Set-Rite Corp. of Bristol, PA for overhead door repairs on both roadways in an amount not to exceed \$33,440.00. The term of the contract is for the period January 1, 2012 through December 31, 2012, with the option to extend for two additional one-year terms. The New Jersey State Police – Troop D requested an increase to the referenced contract to perform immediate repairs on an overhead door at the Cranbury State Police facility. These repairs are essential to the safety of the troopers while transporting prisoners. Funds have been depleted under Contract No. 1603 and thus the request for the increase. Given that the door repairs were required prior to the December 2012 Board of Commissioners Meeting, the authorization is to ratify the increase of \$ 5,059.65 to the contract.

Competitive informal quotations were procured, and authorization was granted to award the 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 ratify the increase to Contract No. 1603 with Set-Rite Corp. by \$5,059.65, bringing the new total authorized amount to \$38,499.65.

493-12-2012

In a document dated December 6, 2012, **a Recommendation for Heating Oil #2 to Pedroni Fuel Co., Inc., State Contract No. 81391 expiring 6/30/15, RM-96880, Budget Code Various, in an amount of \$60,000.00,** was approved.

Authorization is requested to award a contract to Pedroni Fuel Co., Inc. for the supply and delivery of Heating Oil #2, utilized at Authority facilities primarily on the southern end of the

Garden State Parkway.

This contract will be procured under State Contract No. 81391 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) which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey. The State Contract is valid through June 30, 2015.

Accordingly, authorization is requested to award the referenced contract to Pedroni Fuel Co. in an amount not to exceed \$60,000.00, subject to funding availability at the time of ordering.

494-12-2012

In a document dated December 6, 2012, **a Recommendation for Chevy Tahoe (2013) 2-Wheel Drive Vehicles to Day Chevrolet, Inc., R-96949, State Contract No. 82926 expiring 10/24/13, Budget Code 040 00 720 650020 04010002, in an amount of \$1,275,556.50,** was approved.

At the June 26, 2012 Board of Commissioners Meeting (Agenda Item # 242-06), the Authority awarded a contract to Chas. S. Winner Inc. and TJH Chevrolet (Joint Venture) for the purchase of fifty (50) 2013 Chevrolet Tahoe 2-Wheel Drive (Marked Patrol) Vehicles. Prior to issuing the Purchase Order, State Contract No. 79008 was canceled by the vendor, and the contract for providing these vehicles was re-bid and awarded to Day Chevrolet Inc. under State Contract No. 82926. Authorization is requested to award a contract to Day Chevrolet, Inc. to supply fifty (50) 2013 Chevrolet Tahoe 2-Wheel Drive (Marked Patrol) Vehicles to Day Chevrolet Inc. under State Contract No. 82926.

These vehicles are part of the Authority's State Police Vehicle Program to replace old, high mileage vehicles which have become very expensive to maintain. These high mileage vehicles have greater than average maintenance and/or repair costs, and thus, replacement is more cost effective. The vehicles being replaced will be salvaged and sold at surplus auction if feasible.

These vehicles are available to be purchased from Day Chevrolet, Inc. at a unit price of \$25,511.13 under New Jersey State Contract No. 82926 which expires October 24, 2013. This contract will be 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), which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey.

Accordingly, authorization is requested to award the referenced State Contract to Day Chevrolet, Inc. in a total amount not to exceed \$1,275,556.50.

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495-12-2012

In a document dated December 6, 2012, **a Recommendation for Stihl Replacement Parts (Modification) to Cammps Hardware and Lawn Products, Inc., RM-96980, Contract No. 1363, State Contract No.76915 expiring 6/28/13, Budget Code Various, in a requested amount of \$17,500.00,** was approved.

In August 2010, the Authority awarded a contract to Cammps Hardware & Lawn Products, Inc. for Stihl brand replacement parts and supplies. The contract was procured through New Jersey State Contract No. 96915 expiring June 28, 2013. The Inventory Section has requested an increase to Contract No. 1363 in the amount of \$17,500.00 to purchase Stihl brand chain saws and trimmer replacement parts and supplies. These parts were heavily used during Hurricane Sandy and additional funds are required to purchase necessary supplies through the remaining term of the contract.

The contract was procured under New Jersey State Contract No. 76915 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) which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey.

Accordingly, approval is requested to increase the authorized amount of Contract No. 1363 with Cammps Hardware & Lawn Products, Inc. by \$17,500.00, for a new total authorized amount of \$52,000.00, subject to funding availability at the time of order.

496-12-2012

In a document dated December 6, 2012, **a Recommendation for Maintenance, Repair & Operating Supplies (MRO) to WW Grainger Inc., RM-97145, Contract No. 1572, State Contract No. 79875 expiring 2/28/14, Budget Code Various, in a requested amount of \$350,000.00,** was approved.

At the September 27, 2011 Commission Meeting (Agenda Item 336-09), the Board of Commissioners awarded a contract to WW Grainger Inc. to supply maintenance, repair and operating supplies (including, but not limited to, various hand tools, hardware and industrial supplies) (collectively "MRO") used daily throughout the Authority. The contract was procured through New Jersey State Contract No. 79875 expiring February 28, 2014 and funds have been depleted. The Maintenance Department has requested an increase of \$350,000.00 in order to utilize the contract with WW Grainger, Inc. through the remaining term of the contract. The Authority had also purchased MRO supplies from two other State Contract vendors, however the Purchase Bureau cancelled those contracts necessitating this increase.

This contract was procured under State Contract No. 79875 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) which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey.

Accordingly, authorization is requested to increase the authorized amount of Contract No. 1572 by \$350,000.00, for a new total authorized amount of \$600,000.00, subject to funding availability at the time of order.

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SOLE SOURCE CONTRACTS

497-12-2012

In a document dated December 6, 2012, **a Recommendation for Maintenance and Service Agreement for Uninterruptible Power Systems to Eaton Corporation, RM-96605, Budget Code Various, in an amount of \$496,485.00 (3-Year Contract)**, was approved.

Authorization is requested to award a "sole source" contract to Eaton Corporation. Eaton is the manufacturer and sole source vendor of Powerware Uninterruptible Power Systems ("Powerware UPS"), the brand installed at all interchanges/plaza on the Authority's roadways. Powerware UPSs provide back-up power to all technology equipment associated with toll collection and are therefore critical to ensure constant functionality, which is essential for the Authority's revenue collection.

As the proprietary owner of the Powerware brand, Eaton Corporation is the sole provider of 1) authorized Powerware service providers, 2) factory trained technicians, 3) certified replacement parts, and 4) latest software and diagnostic tools for the maintenance and repair of all Powerware UPSs.

Accordingly, authorization is requested to award a sole source contract to Eaton Corporation to provide the installation, maintenance and repair of all Powerware Uninterruptible Power Systems and associated parts. The award 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. 27:23-1 et seq and Executive Order No. 37 (Corzine 2006) in an amount not to exceed \$496,485.00. 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

EATON CORPORATION FOR THE SUPPLY, INSTALLATION, MAINTENANCE AND REPAIR OF ALL POWERWARE UNINTERRUPTABLE POWER SYSTEMS AND ASSOCIATED PARTS

WHEREAS, the New Jersey Turnpike Authority's Integrated Technology Services Department has requested the award of a "sole source" contract to Eaton Corporation to supply the maintenance and repair of all Powerware Uninterruptible Power Systems ("Powerware UPS") and their associated parts; and

WHEREAS, Eaton Corporation is the proprietary owner of the Powerware brand and therefore the sole provider to supply the maintenance and repair of all Powerware UPS and their associated parts; and

WHEREAS, the UPS are installed at all interchanges/plazas and ramps on the Authority's roadways and provide backup power to all technology equipment associated with toll collection and are therefore critical to ensure constant functionality, which is essential for the Authority's revenue collection; and

WHEREAS, the Authority's regulations pursuant to N.J.A.C. 19:9-2(d) 1 promulgated under the Authority's enabling legislation, N.J.S.A. 27:23-1 et seq. 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 Eaton Corporation to supply the, maintenance and repair of all Powerware Uninterruptible Power Systems and their associated parts in an amount not to exceed \$496,485.00, 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. 27:23-1 et seq.

498-12-2012

In a document dated December 6, 2012, **a Recommendation for Maintenance and Service Agreement for Video Walls to Activu Corporation, R-96767, Budget Code 00 0121020, in an amount of \$155,672.71 (5-year contract)**, was approved.

The Integrated Technology Services Department requisitioned a five-year contract to provide annual maintenance, service and repairs of the video walls in the John A Cifelli Statewide Traffic Management Center ("STMC"). The video walls provide vital traffic information to the Authority, NJDOT and State Police personnel. This agreement includes, but is not limited to, preventive maintenance, phone support, software upgrades, patches, and two visits from Activu technicians per year. The pricing represents a significant savings to the Authority (over \$300,000) compared to the prior contract, largely due to the availability of in-house maintenance expertise.

Mitsubishi Digital Electronics America, Inc. ("Mitsubishi"), the manufacturer of the video wall equipment, trained and authorized Activu Corporation's technical staff as the sole provider to maintain and repair the video wall equipment. In addition, any manufacturer's warranty would be voided if any unauthorized personnel were to service the video wall equipment. Moreover, the software used in the video wall equipment is proprietary to Activu Corporation. Thus, this vendor is the only one which has access to the source codes needed to upgrade and support the video wall equipment software.

Accordingly, authorization is requested to award a sole source five-year contract to Activu Corporation to provide the annual maintenance, service and repairs of the video walls in the STMC. The award 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. 27:23-1 et seq and Executive Order No. 37 (Corzine 2006) in an amount not to exceed \$155,672.61. 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
ANNUAL MAINTENANCE AGREEMENT FOR VIDEO WALLS**

WHEREAS, the Integrated Technology Services Department ("ITS") requested a five-year contract with Activu Corporation, Rockaway, NJ for the annual maintenance and repair services for the display video walls at the John A Cifelli Statewide Traffic Management Center ("STMC"); and

WHEREAS, the display video walls provide vital traffic information to the Authority, New Jersey Department of Transportation and State Police personnel; and

WHEREAS, the support and maintenance services include: scheduled onsite preventive maintenance visits, emergency onsite visits, phone support, software upgrades, patches and two visits per year from Activu technicians; and

WHEREAS, Mitsubishi Digital Electronics America, Inc., the manufacturer of the video wall equipment trained and authorized Activu Corporation's personnel as the sole provider for maintenance and repairs of the video wall equipment; and

WHEREAS, the software used in the video wall equipment is proprietary to Activu Corporation, and therefore, the only vendor capable of upgrading and debugging the software; and

WHEREAS, Activu Corporation submitted a price proposal to the ITS Department for the five-year maintenance agreement, in a fixed amount, not to exceed, \$155,672.61; and

WHEREAS, the Authority's regulations pursuant to N.J.A.C. 19:9-2(d) 1 promulgated under the Authority's enabling legislation, N.J.S.A. 27:23-1 et seq. 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 a contract to Activu Corporation for the maintenance services outlined herein, in an amount not to exceed \$155,672.61 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. 27:23-1 et seq.

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PROFESSIONAL SERVICES

499-12-2012

In a document dated December 6, 2012, **a Recommendation for PEOPLESOFT MANAGED SERVICES to CherryRoad Technologies, Inc., RM-96148, Budget Code Various, in an amount of \$922,800.00,** was approved.

The New Jersey Turnpike Authority (the "Authority") issued a request for proposal ("RFP") for a firm to provide consulting services for PeopleSoft Managed Services for its Financials and Human Capital Management modules. The consultant will provide both onsite and remote services to troubleshoot and resolve software operating issues for these modules. In addition, the consultant will provide small project development to supplement existing Authority staff, continuous improvement recommendations and quarterly best practice and education exchange.

The RFP was advertised on October 26, 2012 in The Times and the Star Ledger and posted on the State's and the Authority's websites and also distributed to 25 firms. On November 20, 2012, the Authority received proposals from the following seven (7) firms:

1. Advent Global Solutions Inc. Hamilton NJ
2. CedarCrestone Inc., Alpharetta, GA
3. CherryRoad Technologies, Inc., Hamilton NJ
4. Credo Technology Solutions, Newark NJ
5. Dimension Systems, Inc., Walled, MI
6. ERP Analysts, Inc., Dublin, Ohio
7. KaySoft Inc., Iselin NJ

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 the Executive Order No. 37(Corzine 2006). An Evaluation Committee (the "Committee"), which was approved by the Executive Director, consisted of personnel from the Authority's Finance and Integrated Technology Services (ITS) Departments. There were also three (3) non-voting representatives from the ITS, Finance and PMM Departments, respectively.

The Committee reviewed all of the proposals based upon the criteria set forth in the RFP. The Committee invited the top two ranked firms; CherryRoad Technologies, Inc. ("CherryRoad") and CedarCrestone Inc. ("CedarCrestone") to make oral presentations on December 3, 2012 and requested a Best and final Offer (BAFO) from each firm. The Committee then re-ranked each firm and prepared a report which detailed the evaluation process and set forth its findings and recommendations. CedarCrestone, the second ranked firm, demonstrated a clear understanding of the Authority's needs and proposed a strong project team; however most of this team was based outside of New Jersey. In addition CedarCrestone's fee proposal was 10% higher than CherryRoad's at \$522,000.00. The Committee was favorably impressed with CherryRoad's written and oral presentations and proposed approach to the scope of services. The firm demonstrated a clear understanding of the Authority's needs and has a detailed understanding of the Authority's PeopleSoft modules. In addition, CherryRoad's experience with public entities on similar projects as well as their proposed project team, which was strong both functionally and technically, made them the superior candidate. CherryRoad proposed the lowest fee of the two firms, a fixed annual fee of \$472,800 for these services.

The Committee recommends, after a thorough review of the proposals, presentations and BAFO, that CherryRoad be awarded the contract for managed services for the PeopleSoft Financials and Human Capital modules. In addition, the RFP requested hourly rates for both emergency and on-call services, subject to funding availability at the time. The on-call and emergency services are to be a maximum amount not to exceed \$450,000.00. Tasks will be authorized through the Authority's WRAF process.

The length of the contract is for one (1) year with the option of two (2) one-year extensions at the discretion of the Authority. Accordingly, authorization is requested to award a contract for consultant services to CherryRoad Technologies, Inc., Morris Plains, NJ for managed services of its PeopleSoft modules in an amount not to exceed \$950,000.00. CherryRoad is in compliance with Public Law 2005, Chapter 51, and Executive Order No. 117 (Corzine 2008).

On motion by Commissioner Becht and seconded by Commissioner Diaz, the Authority unanimously approved of item numbers 491-12-2012 through 499-12-2012; 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 500-12-2012. Moved is the item as follows:

500-12-2012

In a document dated December 12, 2012, **a Recommendation for the Authorization to Issue Supplement "X" to the Professional Services Agreement with Xerox State and Local Solutions, Inc. for the Installation of Additional Toll Collection Lanes at Interchange 7A on the New Jersey Turnpike, Budget Code 39018001, in an amount of \$991,833.00**, was approved.

At the December 2002 Commission Meeting, a Professional Services Contract Agreement ("Agreement") with XEROX State and Local Solutions, Inc. ("ACS") was approved by the Authority's Board of Commissioners. Authorization is presently requested to issue Supplement "X" to the Agreement to provide for the installation of a toll collection system in the additional lanes at Interchange 7A. This facility is being expanded to 13 operational lanes (5 entrance lanes and 8 exit lanes) by adding 3 lanes and converting an existing exit lane to an entry lane while the existing reversible lanes will be converted to entry lanes. Specifically, XEROX will install the following:

- Automatic Vehicle Identification (AVI) system with Kapsch readers and antenna components
- Automatic Vehicle Classification (AVC) system with Doppler radar, inductive loops and overhead scanner components
- Video Enforcement System (VES) with camera components
- Manual collection system with toll collection terminals, printers and identification devices
- Exit Ticket Transports

The cost of this additional work by Xerox is \$991,833.00, an amount that has been reviewed by the Authority staff and determined to be reasonable. Xerox has further agreed to allow the Authority to set off this amount against revenue lost by the Authority due to toll billing errors made by Xerox at Interchange 6 from the period of September 12, 2012 to October 24, 2012. The sum total of lost revenue, as reviewed by Authority staff, is \$1,037,164. Thus, the Interchange 7A work will be performed at no cost to the Authority, and the Authority will be entitled to a further credit of \$45,331 against other sums owed to Xerox arising out of the Agreement.

Accordingly, it is requested that the Board of Commissioners delegate to the Executive

Director the authority to execute Supplement "X" to the Agreement with Xerox pursuant to the terms set forth above. 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.

On motion by Treasurer DuPont and seconded by Commissioner Diaz, the Authority unanimously approved of item number 500-12-2012; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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FINANCE

CFO Manuelli requested approval of item numbers 501-12-2012, through 505-12-2012. Treasurer DuPont stated that there were many obstacles in 2012, including lower traffic, high gas prices, and Hurricane Sandy. But the Authority overcame those obstacles and is meeting all of its bond covenants, reducing its operating budget, and continuing to fund its capital program that not only improves our roadways but also creates needed jobs during difficult economic times. Moved are the items as follows:

501-12-2012

Chief Financial Officer Donna Manuelli presented the **Financial Summary** for the eleven (11) months ended November, 2012.

502-12-2012

In a memorandum dated December 1, 2012, a Recommendation for the **Adoption of the 2013 Annual Budget**, was approved.

Attached for your consideration is the 2013 Annual Budget, which includes the Authority's Operating Budget, Maintenance Reserve Fund Budget, Special Project Reserve Fund Budget, and Supplemental Capital/General Reserve Fund Budget. The Authority arrived at the 2013 Annual Budget proposal by engaging in a comprehensive budget preparation process, which directed departmental managers to think strategically and identify all opportunities to achieve operational efficiencies. With a critical eye, directors reviewed their respective departmental budgets and evaluated all positions and line item expenditures, as well as all proposed project budgets.

The proposed 2013 Operating Budget of \$474,000,000 is \$1.5 million, or 0.3%, lower than the 2012 Operating Budget. A schedule detailing departmental operating expenses is attached. As a result of the departmental reviews, the proposed 2013 Operating Budget of \$474,000,000 represents the lowest Operating Budget that the Authority has had since 2007. The

reduction in the 2013 Operating Budget has been achieved from the cost saving initiatives and controls implemented over the past two years. The 2013 Operating Budget includes an authorized headcount of 2,010 positions, which is one (1) position lower than the headcount authorized in the 2012 Operating Budget. This the tenth consecutive year that the Authority has reduced its authorized headcount. The 2013 Operating Budget includes continued control of expenses within the Authority's discretion thereby offsetting expected increases in insurance premiums, settlements, and health benefit costs as well as increased E-ZPass operating costs due to contractual increases and transaction volume increases.

Also attached for your consideration is the 2013 Maintenance Reserve Fund budget totaling \$99,193,000, which includes spending for the maintenance and resurfacing of roadway and bridges on the New Jersey Turnpike and Garden State Parkway. The 2013 Maintenance Reserve Fund budget includes \$72,635,000 of new funding in 2013, and a carryover of an estimated \$26,558,000 of unspent funds from the 2012 Maintenance Reserve Fund budget. Approval is also requested to have any additional unspent funds from the 2012 Maintenance Reserve Fund Budget carried over and added to the approved 2013 Maintenance Reserve Fund budget. Should the amount of unspent funds from the 2012 Maintenance Reserve Fund budget be less than \$26,558,000, the 2013 Maintenance Reserve Fund budget will be reduced accordingly. The 2013 Special Project Reserve Fund budget totaling \$37,044,000 is also attached, and includes spending for the Authority's environmental remediation work and guardrail/guiderail replacement along the roadways. Finally, the 2013 Supplemental Capital/General Reserve Fund budget totaling \$408,501,000 is attached. This budget includes Supplemental Capital Projects totaling \$50,000,000, including the funding for Advanced Traffic Management Software for the Statewide Transportation Management Center, LED lighting upgrades, and extraordinary snow costs. This budget also provides for \$358,501,000 in General Reserve Fund payments, which include the Authority's contractual payments to the Transportation Trust Fund and Statewide Transportation Capital Plan.

The Authority's proposed 2013 Annual Budget reduces Operating Budget costs, maintains the quality of roads and services, and adequately funds the Authority's other project and reserve accounts. It is recommended that the Authority adopt the attached 2013 Annual Budget, which includes the Operating Budget, the Maintenance Reserve Fund Budget, the Special Project Reserve Fund Budget, and Supplemental Capital/General Reserve Fund Budget. The Authority's General Engineering Consultant, HNTB Corporation, concurs with this recommendation.

Your approval of this recommendation is respectfully requested.

**New Jersey Turnpike Authority
Operating Budget**

	<u>2012</u> <u>Budget</u>	<u>2013</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>
Executive Office	\$ 722,000	729,400	7,400
Law	1,323,500	1,370,300	46,800
Purchasing & Materials Management	4,210,800	4,272,900	62,100
Human Resources & Office Services	3,467,000	3,504,600	37,600
Finance	5,817,400	5,863,200	45,800
Integrated Technology Services	15,274,100	16,091,200	817,100
Maintenance	67,222,100	66,944,700	(277,400)
Tolls	51,994,900	48,875,400	(3,119,500)
Operations	6,381,700	6,715,000	333,300
Patron & Customer Services	1,240,500	1,253,900	13,400
Automotive Services	1,799,900	1,867,200	67,300
Engineering	3,325,600	3,349,300	23,700
Internal Audit	1,558,600	1,607,600	49,000
Non-Departmental	21,121,000	23,657,200	2,536,200
Utilities	18,165,000	16,312,400	(1,852,600)
Snow	8,183,100	7,929,100	(254,000)
	<u>211,807,200</u>	<u>210,343,400</u>	<u>(1,463,800)</u>
State Police	61,642,700	60,908,400	(734,300)
Pension & Retirement	29,485,000	26,980,400	(2,504,600)
Health Benefits	73,884,700	74,601,500	716,800
ETC Operating	98,680,400	101,166,300	2,485,900
	<u>\$ 475,500,000</u>	<u>474,000,000</u>	<u>(1,500,000)</u>
			% Decrease from 2012 -0.3%

Approved:


Veronique Hakim, Executive Director


James Beattie, Vice President, HNTB Corp.

029507

**New Jersey Turnpike Authority
Maintenance Reserve Fund**

<u>Project Number</u>	<u>Project Name</u>	<u>2013 Budget</u>
03010001	TPK - Bridge Repairs	\$ 35,891,000
03010002	TPK Resurfacing	23,498,400
03020001	GSP - Bridge Repairs	20,855,000
03020005	GSP - Resurfacing	11,202,300
03010005	Bridge Inspections	7,746,300
		<u>\$ 99,193,000 *</u>

*Includes projected carryover. Authorization is given to adjust the above total based on the final audited MRF carryover at 12/31/2012.

Approved:



Veronique Hakim, Executive Director



James Beattie, Vice President, HNTB Corp.

**New Jersey Turnpike Authority
Special Projects Fund**

Project Number	Project Name	Total
04000010	Unsealing	\$ 1,100,000
04000011	Energy Conservation Program	204,000
04000012	Solar Panels	58,800
04000022	IBM Servers Project	80,000
04000005	Design Standards	878,100
04000018	CapEx System Improvements	325,400
04000022	Cables Settlement	2,000,000
04000028	Guardrail/Shoulder Replacement Program	3,800,000
04000030	Clear Zone	1,775,100
04000033	Equipment Replacement Under \$50,000	4,845,000
04000049	Right of Way Fencing	852,400
04000059	Repair of Security Gates	175,000
04000058	Lane Closing Application	100,000
04000062	Ext GIS Devlop Phase III	431,400
04000066	PeopleSoft Upgrades & Support	400,000
04000067	Rutgers Assignment	300,000
04000068	Paint Sandblast Building	1,800,800
04000064	CMS Repairs on Turnpike Ho & So Mding Bowls	100,000
04000068	GSP & Turnpike Roadway Improvements	36,000
04000102	Construction Safety Video	15,000
04010001	Surplus Property	25,000
04010002	State Police Fleet Replacement Vehicles	3,200,000
04010003	Roofing Upgrades	636,700
04010018	Environmental Remediation	4,708,200
04010022	Bird Repellent	25,000
04010027	Immediate Facility Repairs & Other Misc. Building Improvements	770,400
04010032	Engineering Studies	535,800
04010044	Electronic Bid Implementation	100,300
04010045	Beaver Brook Dam	751,000
04020038	Touch Screen Terminal Replacement	46,800
04020050	Parway Audit	300,000
04020060	Contingency	1,212,800
NEW	Chromate Remediation	1,000,800
NEW	Int 40 Study	100,800
NEW	Origin Destination Study - Skyway	300,800
NEW	Revenue Enhancement Project	100,000
NEW	Engineering Project Review	100,000
NEW	STMC Workstation Replacement	287,100
NEW	Comm/Vault Backup	20,000
NEW	Social Media	50,000
NEW	XIV Expansion	180,000
NEW	UPS Replacements at Parkway Ramp Plaza Phase IV	123,800
NEW	Integrated Saw Monitor & Control	126,000
NEW	Import Invoices Into FlatNet	180,000
NEW	Lancom Data Archive	150,000
NEW	BMC DataDomain Expansion	180,000
NEW	Outsmart / BI Pilot	200,000
NEW	Update of ITS Master Plan	100,000
NEW	Streaming Video	500,000
NEW	RFPs	500,000
NEW	CBC RFP Assistance	501,300
NEW	Continued Dev. Traffic Permitting / Lane Closure Sys	280,000
NEW	Fuel Cell Research	80,000
NEW	Review of Z turn design	150,000
NEW	Accident data records and new accident record system	200,000
NEW	Overturn warning system for ramps	175,000
NEW	Lane control signals at the toll plazas	175,000
NEW	Purchase installation and training of flood modeling software	150,000
NEW	Construction video implementation	75,000
NEW	Commuter Park and Ride studies	225,000
NEW	NJTA Guide Rail Study	100,000
		\$ 37,644,000

Approved:



Veronique Hakim, Executive Director



James Bagley, Vice President, NHTS Corp.

New Jersey Turnpike Authority
Supplemental Capital/General Reserve Fund

Project Number	Project Name	Total
0000010	GIS - Subsurface Utility Engineering Program	\$ 450,000
0000011	Upgrade On Bay System	435,000
0000012	IR Drainage Repair	1,000,000
0000013	Telephone Architecture Upgrade	4,000,000
0000017	Advanced Traffic Management Program	7,377,000
0007000	Extraordinary Snow	0,000,000
0007003	Immediate Repair Contracts	1,004,800
0007010	Roofing Replacements	1,350,000
0007021	Major Fleet Augmentation	6,000,000
0007022	Salt Storage Facilities	1,460,000
0007029	Vehicle Washing Systems	800,000
0007025	Microwave Replacement	16,400
0007029	Wi Max	1,400,000
0007032	Pathway & Turnpike Plaza Server Upgrade & Replacement	220,400
0007033	Security Systems/C Cure	1,000,000
0007040	ORT Network Based Cameras	300,000
0007041	UPS Upgrade Phase II & III	941,000
0007042	Enterprise Info Tech Found	113,000
0007043	Enter IT Infrastructure Platform	4,000
0007052	P6 120 to P6 3 Host Ramp	1,200
0007057	Cost of Profits Storage Bldg	2,300,000
0007057	Building Improvements	807,500
0007052	Discol Bridge Security	56,000
0007076	Replace EZPass Readers/Access	500,000
0007073	QIAC Recovery	(300,000)
0008001	Interchange 14W / Route 3 Ramps Improvements	0,000
0008040	Ramp Stabilization & Shoulder	130,000
0008041	Developmental Policy and Guidelines for Accelerated Bridge Construction	243,500
0009000	Contingency	5,000,000
NEW	CAD	750,000
NEW	Network Upgrade	700,000
NEW	PeopleSoft HCM Upgrade	300,000
NEW	ETC Host SAN Upgrade	1,000,000
NEW	OCR Servers on QSP	400,000
NEW	LED Lighting Upgrades	1,000,000
NEW	HNAC Equipment Upgrade	750,000
Distributable Projects		
0007044	WQ - Janus Fender	0,000 (0,000) -
0007045	Super Bowl Signs PANTAU	250,000 (250,000) -
0007026	PTC Bridge Security Fencing	90,000 (90,000) -
0007028	PTC - Design Services - A3301	436,000 (436,000) -
0007029	PTC Delivers P6-r Bridge	3,106,200 (3,106,200) -
0007030	PTC Inspection	121,000 (121,000) -
0007031	PTC P6 Security Cameras	16,700,000 (16,700,000) -
0007032	PTC P4 Arch Hardening	121,000 (121,000) -
0007044	CUGNET North P6 37	140,000 (140,000) -
0007046	Route 30 DWDm Connection	421,000 (421,000) -
0007046	DWDm Cifton to TOC Elmwood P6	22,000 (22,000) -
0007049	NJDOT P6 42 Fiber Connection	136,000 (136,000) -
0007021	Fiber Relocation Newark Airport	300,000 (300,000) -
0007022	Amphitheater Pool - Arts Center	3,000,000 (3,000,000) -
0007023	MBHCE Expansion - Pataski Highway - NJDOT	16,000,000 (16,000,000) -
Total Supplemental Capital/General Reserve Fund		30,000,000
0007007	Transportation Trust Fund	22,000,000
0007016	Feeder Road Cost Sharing	8,001,000
0007018	North Avenue Corridor Improvement	4,000,000
0007027	State TCP	324,000,000
		<u>348,001,000</u>

Approved:


Venerique Hadden, Executive Director


James Beattie, Vice President, HNTB Corp.

503-12-2012

In a memorandum dated December 1, 2012, **a Recommendation to for the Revenue Certification for 2012 and 2013 of Turnpike Bond Resolutions**, was approved.

Under the provisions of Section 713 (c) of the Turnpike Revenue Bond Resolution adopted by the Authority on August 20, 1991 as amended and supplemented (the "Resolution"), the Authority, on or before December 1 in each year, shall complete a review of its financial condition for the purpose of estimating whether the Net Revenues (as such term is defined in the Resolution) for such year and for the next succeeding year will be sufficient to comply with subsection (b) of Section 713 of the Resolution and shall by resolution make a determination with respect thereto. A copy of such resolution, certified by an Authorized Officer of the Authority, together with a certificate of such Authorized Officer setting forth a reasonably detailed statement of the actual and estimated receipts and the payments to be made therefrom for such year, shall be filed with the Trustees on or before December 20.

If it fails to meet the requirements of Section 713 (b) of the Resolution, the Authority shall have its Traffic Engineers conduct a study for the purpose of recommending a schedule of tolls which will provide the necessary revenues to meet the requirements.

The undersigned has completed the review of the financial condition of the Authority for the years 2012 and 2013. The Authority is now in a position to make the determination showing that the requirements of Section 713 (b) of the Resolution will be met in the years 2012 and 2013.

As the basis for your review, I have prepared the following schedules relative to the two years under review, 2012 and 2013, which accompany this memorandum.

Schedule A

This schedule contains a Resolution which states that a review has been made of the Authority's financial condition for the purpose of estimating whether the tolls, revenues, fees, charges, rents and other income and receipts from the operation of the New Jersey Turnpike and the Garden State Parkway during 2012 and 2013, including investment income treated as revenues for each year, will be sufficient to provide all of the payments and meet all other requirements as specified in Section 713 (b) of the Resolution.

Schedules B and C

These schedules set forth calculations relative to 2012's revenue requirements. Specifically, the schedule provides actual revenue through October 31, 2012 and projected revenue for the balance of the year (November-December, 2012).

Schedules D and G

These schedules set forth figures to support the certification under Section 713(c) of the "Resolution" demonstrating that in each calendar year "Net Revenues shall at least equal the Net Revenue Requirement for such year" as required by Section 713(b) of the Resolution. Under

Section 101 of said Resolution, Net Revenues are defined as "... for any calendar year or other period of time, the Pledged Revenues during such year or period less the amounts of the Operating Expenses for such year or period." The Net Revenue Requirement means with respect to any period of time, "an amount equal to the greater of

- (i) The Sum of the Aggregate Debt Service, Maintenance Reserve Payments, Required State Payments, Special Project Reserve Payments, and payments, if any to the Charges Fund for such period

or

- (ii) 1.20 Times the Aggregate Debt Service for such period (excluding, for purposes of clause (ii) only, any payment due and payable by the Authority under a Qualified Swap upon an early termination thereof)."

Schedules E and F

These schedules set forth calculations relative to 2013's financial projections and estimated revenue provisions.

Based upon a review of the financial condition of the Authority, it is estimated that Net Revenues (as such term is defined in the Resolution) for 2012 and 2013 will be sufficient to comply with Section 713 (b) of the Resolution.

Schedule A

WHEREAS, the Authority, in accordance with subsection (c) of Section 713 of its Turnpike Revenue Bond Resolution adopted August 20, 1991 as amended and supplemented (the "Resolution"), has completed a review of its financial condition for the purpose of estimating whether the tolls, revenues, fees, charges, rents and other income and receipts from the operation of the New Jersey Turnpike and the Garden State Parkway during 2012 and 2013, including investment income treated as revenues for such year, will be sufficient to provide all of the payments and meet all other requirements as specified in subsection (b) of Section 713 of said Resolution.

NOW, THEREFORE, BE IT RESOLVED by the New Jersey Turnpike Authority as follows:

1. That it is determined based upon the review of the financial condition of the Authority as described in the recital hereof, the tolls, revenues, fees, charges, rents and other income and receipts from the operation of the New Jersey Turnpike and the Garden State Parkway during 2012 and 2013, including investment income treated as revenues for such year will be sufficient to comply with subsection (b) of Section 713 of the Resolution.
2. That a copy of this resolution certified by the Chief Financial Officer of the Authority, together with a certificate of said Chief Financial Officer setting forth a

reasonably detailed statement of the actual and estimated receipts and payments to be made there from for 2012 and 2013 as shown in schedules which were utilized in said review, shall be filed in its entirety with The Bank of New York and U.S. Bank as Co-Trustees, under the Resolution, all in accordance with said Section 713 of said Resolution.

Schedule B

NEW JERSEY TURNPIKE AUTHORITY
 Certificate required Under Section 713
 Turnpike Revenue Bond Resolution
 Fiscal Year Ending December 31, 2012

Operating Fund	\$ 474,000,000
Debt Service Requirements (1)	581,809,000
Charges Fund	3,630,000
Maintenance Reserve	70,519,000
Special Project Reserve	<u>35,965,000</u>
Total Requirements	1,165,923,000
Deduct Revenue:	
Actual Revenue Provision - January - October 2012 Revenue	\$ 1,329,876,100
Estimated Revenue Provision November/December 2012 (Estimate per Schedule C)	<u>246,932,900</u>
	1,576,809,000
Revenue Less Requirements (2)	<u>\$ 410,886,000</u>

(1) Net Debt Service Requirement is as follows:

1991 C Debt Service Requirement	5,519,000
1991 D Debt Service Requirement (3)	15,088,000
2000 A Debt Service Requirement	18,286,000
2000 B-G Debt Service Requirement (3)	16,309,000
2003 A Debt Service Requirement	19,612,000
2003 B Debt Service Requirement	136,895,000
2003 C Debt Service Requirement (3)	7,861,000
2004 C Debt Service Requirement	7,307,000
2005 A Debt Service Requirement	20,893,000
2005 B Debt Service Requirement	1,563,000
2005 C Debt Service Requirement	4,794,000
2005 D Debt Service Requirement	10,774,000
2009 A Debt Service Requirement (3)	2,675,000
2009 B Debt Service Requirement (3)	1,646,000
2009 C Debt Service Requirement (3)	1,037,000
2009 D Debt Service Requirement (3)	1,037,000
2009 E Debt Service Requirement	17,625,000
2009 F Debt Service Requirement (5)	101,943,000
2009 G Debt Service Requirement	1,739,000
2009 H Debt Service Requirement	15,193,000
2009 I Debt Service Requirement	8,900,000
2010 A Debt Service Requirement (5)	131,387,000
2011 A Debt Service Requirement (4)	9,064,000
2011 B Debt Service Requirement (4)	2,036,000
2012 A Debt Service Requirement	3,696,000
2012 B Debt Service Requirement	11,158,000
2012 C Debt Service Requirement (4)	1,293,000
2012 D Debt Service Requirement (4)	2,763,000
2012 E Debt Service Requirement (4)	2,696,000
2012 F Debt Service Requirement (4)	524,000
2012 G Debt Service Requirement (4)	496,000
Total Debt Service	<u>581,809,000</u>

(2) The estimated surplus will be transferred to the Supplemental Capital Fund in the General Reserve Fund.

- (3) Variable rate bonds with a corresponding interest rate swap agreement. Interest expense assumed at the fixed swap rate. The 2009A bonds include \$5.0 million of unhedged bonds with interest assumed at the maximum interest rate of 12%.
- (4) Floating rate notes with a corresponding interest rate swap agreement. Interest expense assumed at the fixed swap rate plus the fixed credit spread on the floating rate notes.
- (5) Series 2009F and Series 2010A were issued as Build America Bonds. The Authority receives a cash subsidy from the United States Treasury in an amount equal to 35% of the total interest payable on the bonds which is recorded as revenue. Amounts shown as interest expense represent 100% of the interest payable on the bonds.

Schedule C

NEW JERSEY TURNPIKE AUTHORITY
Certificate required Under Section 713
Turnpike Revenue Bond Resolution
Fiscal Year Ending December 31, 2012

Month	Toll Revenue	E-ZPass Fees	Build America Bonds Subsidy	Concession Revenue	Income from Investments	Arts Center Revenue	Miscellaneous (1)	Total Revenue
November	\$ 104,714,000	\$ 3,625,600	\$ 6,805,400	\$ 2,608,000	\$ 1,000,000	\$ 38,400	\$ 811,500	\$ 119,602,900
December	112,578,000	3,508,700	6,805,400	2,588,000	1,000,000	38,400	811,500	127,330,000
	\$ 217,292,000	\$ 7,134,300	\$ 13,610,800	\$ 5,196,000	\$ 2,000,000	\$ 76,800	\$ 1,623,000	\$ 246,932,900

NOTES: (2) Miscellaneous Revenues include cellular tower rentals, park & ride facilities, rental income, towing fees, surplus property sales, billboard commissions, and easements

Schedule D

NEW JERSEY TURNPIKE AUTHORITY
Certificate required Under Section 713
Turnpike Revenue Bond Resolution
Fiscal Year Ending December 31, 2012

The following are the appropriate calculations which indicate that the Net Revenue Requirement will be satisfied.

Revenues		\$ 1,576,809,000
Operating Expenses		474,000,000
Net Revenues		1,102,809,000
(i) Debt Service Requirements	581,809,000	
(i) Charges Fund	3,630,000	
(i) Maintenance Reserve	70,519,000	
(i) Special Project Reserve	35,965,000	691,923,000
Excess Revenues		\$ 410,886,000
Net Revenues		\$ 1,102,809,000
(ii) "... 1.20 times Aggregate Debt Service"		
1.20 x 581,809,000		698,170,800
Excess Revenues		\$ 404,638,200
Debt Service Coverage		1.90

The Revenue Requirement under section 713(b) of the Turnpike Revenue Bond Resolution states that in each calendar year Net Revenues shall at least equal the Net Revenue Requirements for such year. Under Section 101 of said Resolution, Net Revenues are defined as "...for any calendar year or other period of time, the Pledged Revenues during such year or period less the amounts of the Operating Expenses for such year or period." The Net Revenue Requirement means with respect to any period of time, "an amount equal to the greater of (i) the sum of Aggregate Debt Service, Maintenance Reserve Payments, Required State Payments, Special Project Reserve Payments, and payments, if any, to the Charges Fund for such period or (ii) 1.20 times the Aggregate Debt Service for such period (excluding, for puposes of clause (ii) only, any payment due and payable by the Authority under a Qualified Swap upon an early termination thereof)."

Schedule E

NEW JERSEY TURNPIKE AUTHORITY

Certificate required Under Section 713

Turnpike Revenue Bond Resolution

Fiscal Year Ending December 31, 2013

Operating Fund	\$ 474,000,000
Debt Service Requirements (1)	605,376,000
Charges Fund	2,750,000
Maintenance Reserve	72,635,000
Special Project Reserve	<u>37,044,000</u>
Total Requirements	1,191,805,000
Deduct Revenue:	
Estimated Revenue Provision January/December 2013 (Estimate per Schedule F)	1,602,206,000
Revenue Less requirements (2)	<u>\$ 410,401,000</u>

(1) Net Debt Service Requirement is as follows:

1991 C Debt Service Requirement	4,365,000
2000 B-G Debt Service Requirement (3)	17,248,000
2003 B Debt Service Requirement	164,841,000
2003 C Debt Service Requirement (3)	7,759,000
2004 C Debt Service Requirement	7,307,000
2005 A Debt Service Requirement	20,893,000
2005 B Debt Service Requirement	1,563,000
2005 C Debt Service Requirement	4,794,000
2005 D Debt Service Requirement	10,898,000
2009 A Debt Service Requirement (3)	2,975,000
2009 B Debt Service Requirement (3)	1,647,000
2009 E Debt Service Requirement	15,750,000
2009 F Debt Service Requirement (5)	101,943,000
2009 G Debt Service Requirement	1,739,000
2009 H Debt Service Requirement	15,193,000
2009 I Debt Service Requirement	8,900,000
2010 A Debt Service Requirement (5)	131,387,000
2011 A Debt Service Requirement (4)	9,447,000
2011 B Debt Service Requirement (4)	2,099,000
2012 A Debt Service Requirement	6,894,000
2012 B Debt Service Requirement	39,772,000
2012 C Debt Service Requirement (4)	4,681,000
2012 D Debt Service Requirement (4)	10,129,000
2012 E Debt Service Requirement (4)	9,754,000
2012 F Debt Service Requirement (4)	1,699,000
2012 G Debt Service Requirement (4)	1,699,000
Total Debt Service	<u>605,376,000</u>

(2) The estimated surplus will be transferred to the Supplemental Capital Fund in the General Reserve Fund.

(3) Variable rate bonds with a corresponding interest rate swap agreement. Interest expense assumed at the fixed swap rate. The 2009A bonds include \$5.0 million of unhedged bonds with interest assumed at the maximum interest rate of 12%.

(4) Floating rate notes with a corresponding interest rate swap agreement. Interest expense assumed at the fixed swap rate plus the fixed credit spread on the floating rate notes.

(5) Series 2009F and Series 2010A were issued as Build America Bonds. The Authority receives a cash subsidy from the United States Treasury in an amount equal to 35% of the total interest payable on the bonds which is recorded as revenue. Amounts shown as interest expense represent 100% of the interest payable on the bonds.

Schedule F

NEW JERSEY TURNPIKE AUTHORITY								
Estimated Revenue Provision								
January 2013 through December 2013								
Month	Toll Revenue (1)	E-ZPass Fees	Build America Bonds Subsidy	Concession Revenue	Income from Investments	Arts Center Revenue	Miscellaneous (1)	Total Revenue
January	\$ 105,455,000	\$ 3,538,700	\$ 6,805,400	\$ 2,664,000	\$ 1,269,000	\$ 400,600	\$ 806,100	\$ 120,938,800
February	100,177,000	3,700,700	6,805,400	2,212,000	1,195,500	400,600	806,200	115,297,400
March	114,861,000	2,934,300	6,805,400	2,189,000	1,282,200	400,700	806,200	129,278,800
April	115,815,000	3,821,900	6,805,400	2,519,000	1,175,500	310,200	806,100	131,253,100
May	125,417,000	3,635,900	6,805,400	2,942,000	1,255,600	310,100	806,200	141,172,200
June	125,854,000	4,218,000	6,805,400	3,443,000	1,205,500	310,200	806,200	142,642,300
July	128,300,000	4,162,800	6,805,500	3,979,000	1,274,400	310,000	806,100	145,637,800
August	129,659,000	4,349,000	6,805,400	3,790,000	1,284,900	310,100	806,200	147,004,600
September	117,636,000	3,688,300	6,805,400	3,664,000	1,265,700	310,200	806,200	134,175,800
October	119,192,000	4,358,000	6,805,400	2,716,000	1,294,100	38,400	806,100	135,210,000
November	113,907,000	4,229,400	6,805,400	2,637,000	1,242,100	38,400	806,200	129,665,500
December	114,068,000	4,283,000	6,805,500	2,645,000	1,283,500	38,500	806,200	129,929,700
	\$ 1,410,341,000	\$ 46,920,000	\$ 81,665,000	\$ 35,400,000	\$ 15,028,000	\$ 3,178,000	\$ 9,674,000	\$ 1,602,206,000

NOTES: (1) Miscellaneous Revenues include cellular tower rentals, park & ride facilities, rental income, towing fees, surplus property sales, billboard commissions, and easements.

Schedule G

NEW JERSEY TURNPIKE AUTHORITY
Certificate required Under Section 713
Turnpike Revenue Bond Resolution
Fiscal Year Ending December 31, 2013

The following are the appropriate calculations which indicate that the Net Revenue Requirement will be satisfied.

Revenues		\$ 1,602,206,000
Operating Expenses		474,000,000
Net Revenues		<u>1,128,206,000</u>
(i) Debt Service Requirements	605,376,000	
(i) Charges Fund	2,750,000	
(i) Maintenance Reserve	72,635,000	
(i) Special Project Reserve	<u>37,044,000</u>	<u>717,805,000</u>
Excess Revenues		<u>\$ 410,401,000</u>
Net Revenues		\$ 1,128,206,000
(ii) "... 1.20 times Aggregate Debt Service"		
1.20 x 605,376,000		<u>726,451,200</u>
Excess Revenues		<u>\$ 401,754,800</u>
Debt Service Coverage		<u>1.86</u>

The Revenue Requirement under section 713(b) of the Turnpike Revenue Bond Resolution states that in each calendar year Net Revenues shall at least equal the Net Revenue Requirements for such year. Under Section 101 of said Resolution, Net Revenues are defined as "... for any calendar year or other period of time, the Pledged Revenues during such year or period less the amounts of the Operating Expenses for such year or period." The Net Revenue Requirement means with respect to any period of time, "an amount equal to the greater of (i) the sum of Aggregate Debt Service, Maintenance Reserve Payments, Required State Payments, Special Project Reserve Payments, and payments, if any, to the Charges Fund for such period or (ii) 1.20 times the Aggregate Debt Service for such period (excluding, for purposes of clause (ii) only, any payment due and payable by the Authority under a Qualified Swap upon an early termination thereof)."

504-12-2012

In a memorandum dated December 1, 2012, **a Recommendation for the Authorization to Adopt Series 2013 Turnpike Revenue Bond Resolution**, was approved.

At its meeting of October 10, 2008, the New Jersey Turnpike Authority's Board of Commissioners authorized a \$7 billion Capital Investment Program ("CIP") to fund major improvements on the New Jersey Turnpike and Garden State Parkway. In May 2009, the Authority completed its first new money bond issue, generating \$1.1 billion of proceeds to be used for the \$7 billion Capital Investment Program. In December 2010, the Authority completed its second new money bond issue, generating \$1.6 billion of proceeds. Staff has determined that based on actual and projected spending, in 2013 the Authority needs to complete its third new money issue under the CIP. It is anticipated that the Authority will issue new money bonds in 2013 in an amount not to exceed \$1.4 billion.

The attached Series 2013 Turnpike Revenue Bond Resolution authorizes the issuance of up to \$1.4 billion of Series 2013 Turnpike Revenue Bonds to provide funds to pay construction costs, make deposits into the debt reserve fund, pay capitalized interest, and pay costs of issuance. The resolution also authorizes the bonds to be issued as tax-exempt bonds in a single or multiple series, with a maximum maturity of thirty (30) years.

The Authority is in the process of procuring an underwriting syndicate to complete the new money issuance through a Request for Proposals ("RFP") process. As part of their responses to the RFP, the bond underwriters will recommend an overall structure and timing for the new money issue, as well as the size and number of issues all with the goal of minimizing interest costs. Based upon these recommendations, staff, in consultation with its financial advisor and bond counsel, will determine the number and timing of issuances to meet the 2013 new money needs. Based upon spending needs and the current favorable market conditions, however, it is anticipated that a new money issuance will occur early in 2013.

The proposed Series 2013 Turnpike Revenue Bond Resolution provides for the continued funding of the Authority's \$7 billion CIP. It is recommended that the Board adopt the Series 2013 Turnpike Revenue Bond Resolution in substantially the form attached hereto, and authorize the Executive Director to execute any and all documents necessary to finalize this document, and others as may be necessary to complete this transaction.

Your approval of this recommendation is respectfully requested.

029517

505-12-2012

In a memorandum dated December 12, 2012, **a Recommendation to Adopt Financial Management Principles and Guidelines**, was approved.

At its meeting of October 10, 2008, the New Jersey Turnpike Authority authorized a \$7 billion Capital Investment Program to fund major improvements on the New Jersey Turnpike and Garden State Parkway. The Capital Investment Program is being financed solely from the issuance of Turnpike Revenue Bonds, with the first debt issuance occurring in 2009.

Prior to 2009, the Authority's Turnpike Revenue Bonds were insured by various municipal bond insurers. Because of bond insurance, the bonds were sold based upon the credit rating of the bond insurers as opposed to the Authority's credit rating. The municipal bond insurers were generally rated in the highest ratings categories. However, with the financial crisis in late 2008, municipal bond insurer's credit ratings were downgraded, and since that time municipal bond insurance has been either not available or not financially beneficial to issuers such as the Authority. As such, the Authority has issued all of its bonds from 2009 forward as uninsured bonds, being sold and priced based upon the Authority's credit rating.

The Authority's credit rating is a key factor for the success of the Capital Investment Program, as it aids in the ability to complete the necessary debt financings in an efficient and cost effective manner. Investors who purchase the Authority's bonds rely on the credit ratings to make their investment decisions. The Authority is now a major municipal debt issuer, with over \$8 billion of bonds outstanding, and expected to exceed \$12 billion of bonds outstanding at the conclusion of the Capital Investment Program. The Authority's financing teams, including our financial advisor and investment bankers, have recommended that the Authority formally adopt Financial Management Principles and Guidelines to further support our credit rating. Many of our peer transportation agencies have adopted similar principles and policies.

The attached Financial Management Principles and Guidelines are intended to serves as a management tool to enable the Authority to communicate its commitment to a sound financial decision making process, and affirm to investors and the credit rating agencies management's commitment to the long term financial viability of the Authority and the repayment of its bonds. The Financial Management Principles and Guidelines are also intended to serves as guidance in respect to the issuance and management of debt in appropriate amounts with the goals of achieving the lowest possible costs of capital within prudent risk parameters and ensuring ongoing access to the capital markets. Finally, the Financial Management Principles and Guidelines emphasize the Authority's commitment to compliance with all provisions of the New Jersey Turnpike Authority Act and the Authority's General Bond Resolution, as well as all other federal, state and local laws. The Financial Management Principles and Guidelines are comprehensive and include items such as:

- Control of operating costs while maintaining the quality of roads and services
- Establish a five-year financial plan based upon conservative revenue projections from the Authority's Traffic Engineer
- Continue the Capital Investment Program with the lowest possible cost of capital
- Adequately fund the Maintenance Reserve, Special Project Reserve and other capital needs
- Maintain a minimum General Reserve Fund balance of \$75 million
- Maintain a minimum debt service coverage ratio of 1.4 times, and a minimum total requirements coverage ratio of 1.2 times

The attached Financial Management Principles and Guidelines represent management's commitment to fiscal prudence, credit quality and long term repayment of outstanding debt. These items become increasingly important as we continue to fund our Capital Improvement Program through debt. Your approval of this recommendation is respectfully requested.

NEW JERSEY TURNPIKE AUTHORITY
Financial Management Principles and Guidelines
December 2012

I. INTRODUCTION

A. Purpose of Financial Management Principles and Guidelines

These Financial Management Principles and Guidelines are intended to serve as a management tool to enable the New Jersey Turnpike Authority (the "Authority") to communicate the Authority's commitment to a sound financial decision making process, and affirm to investors and the credit rating agencies management's commitment to the long term financial viability of the Authority and repayment of its bonds. These Financial Management Principles and Guidelines are also intended to serve as guidance for management of the Authority with respect to (i) the issuance and management of Authority debt in appropriate amounts and types with the goals of achieving the lowest possible costs of capital within prudent risk parameters and ensuring ongoing access to the capital markets, and (ii) compliance by the Authority with all provisions of the Act (as hereinafter defined) relating to bonds, notes or other obligations of the Authority, as well as all provisions of the Authority's Bond Resolution (as hereinafter defined). These Financial Management Principles and Guidelines will be reviewed by the Authority no less than once every 2 years and any changes to these Financial Management Principles and Guidelines will be presented to and approved by the Authority's Board of Commissioners. These Financial Management Principles and Guidelines will also be made available on the Authority's website (<http://www.state.nj.us/turnpike>).

B. Best Interests of the Authority

While adherence to these Financial Management Principles and Guidelines is desirable, deviations from these Financial Management Principles and Guidelines may be appropriate from time to time to address (i) changing financial goals, (ii) emerging financial products/debt structures, and (iii) unique market opportunities. As a result, the general best interests of the Authority shall supersede any provision of these Financial Management Principles and Guidelines.

C. The Authority

The Authority is a public body corporate and politic of the State of New Jersey created under and by virtue of the New Jersey Turnpike Authority Act of 1948, constituting Chapter 454 of the Laws of New Jersey of 1948, as amended and supplemented (the "Act"). Pursuant to the Act, the Authority is authorized and empowered to issue and incur its bonds, notes and other obligations for the purposes and on the terms and conditions set forth in the Act. All currently issued and outstanding bonds of the Authority, and all future bonds, notes or other obligations of the Authority, have been or will be issued and incurred under and pursuant to, and/or in accordance with, the terms and provisions of the Act and a resolution of the Authority adopted on August 20, 1991 and entitled, "Turnpike Revenue Bond Resolution", as amended and restated on September 26, 1991, and as further amended and restated on November 22, 1991, as the same has been and will be further amended, restated and supplemented from time to time (the "Bond Resolution"). Capitalized terms used herein which are not otherwise defined shall have the meaning given to such terms in the Bond Resolution.

II. FINANCIAL MANAGEMENT PRINCIPLES AND GUIDELINES

- A. Management will conduct Authority business in a manner that is in compliance with the requirements of the Act and the Bond Resolution, as well as all other applicable federal and state laws, rules and regulations.
- B. Revenues and bond proceeds will be used to improve and/or maintain safe and efficient roadways.
- C. The Authority will employ a Traffic Engineer to develop conservative toll revenue growth projections and establish toll rate schedules.
- D. The Authority will manage operating expenses within its available annual authorized operating budget, with a goal of reducing operating expenses while maintaining the quality of roads and services.
- E. The Authority will adequately fund its Maintenance Reserve Fund, Special Project Reserve Fund and other capital budgets in compliance with the provisions of the Bond Resolution and the recommendations of its Consulting Engineer.
- F. The Authority will manage its cash flow and total expenditure levels such that it maintains average unrestricted cash balances in the General Reserve Fund equal to at least \$75,000,000.
- G. The Authority will continue to fund its approved Capital Improvement Program with the lowest possible cost of capital. The Capital Improvement Program will be reviewed on an annual basis. Management will establish a Capital Improvement Program Reserve within the Capital Improvement Program budget to protect against risk.
- H. The Authority will prepare, at a minimum, a 5-year financial plan and update this plan on a regular basis as assumptions change.
- I. The Authority shall invest all of its funds (including the proceeds received from the sale of its bonds, notes or other obligations) which are not immediately needed for the purposes of the Authority in Investment Securities as provided in the Bond Resolution. The Authority shall invest all of its funds in a manner that allows such funds to be available when needed to be applied for their intended purposes. Funds will be invested in a manner consistent with the Investment Plan to be hereafter adopted by the Authority in accordance with Paragraph S below, with the goals of safety, liquidity and then yield in that order of priority.
- J. The Authority will prepare its books, records and accounts according to General Accepted Accounting Principles applicable to governmental entities in the United States of America and cause such books, records and accounts to be annually audited by a nationally recognized firm of Certified Public Accountants. The Authority shall record all transactions consistent with the provisions of the Bond Resolution, including the provisions relating to all Funds and Accounts established under the Bond Resolution.
- K. The Authority will maintain current and meaningful financial and other information on its website for the benefit of investors, credit enhancement providers and credit rating agencies.
- L. The Authority shall strive to maintain or improve the credit ratings for its debt without adversely affecting the levels or types of debt that may be issued by the Authority to finance its essential capital activities. The Authority will strive to communicate regularly with the rating agencies. To the extent possible and/or necessary, the Authority will forward periodic financial and other information to the rating agencies, update the rating agencies upon the occurrence of any significant financial developments and communicate with the rating agencies prior to each Authority debt issuance.

- M. The Authority will manage its toll rates, expense budget and debt issuance program to achieve a minimum senior debt service coverage of 1.4x, and a total requirements coverage of 1.2x, although compliance with the Net Revenue Requirement under the Bond Resolution only requires the Authority to generate Net Revenues in each calendar year in an amount equal to the greater of (i) the sum of Aggregate Debt Service, required payments into the Maintenance Reserve Fund, required payments into the Special Project Reserve Fund and the payments, if any, into the Charges Fund for such year, or (ii) 1.2x the Aggregate Debt Service for such year. Furthermore, although the Bond Resolution permits the Authority to include amounts which are withdrawn from the Construction Fund, the Special Project Reserve Fund and the General Reserve Fund and deposited into the Revenue Fund as part of the Pledged Revenues for purposes calculating compliance with the Net Revenue Requirement, the Authority shall not, in any calendar year, set its toll rates and/or adopt an annual budget which in any manner expressly relies, in whole or in part, upon any such withdrawals and deposits into the Revenue Fund as a means for achieving compliance with the Net Revenue Requirement or any other higher debt service or other coverage level which the Authority has established as its goal.

- N. Bonds, notes and other obligations will be issued by the Authority solely for the purposes of financing its essential capital activities or refunding outstanding debt. Debt will not be issued by the Authority to fund, in whole or in part, operation and maintenance costs of the Turnpike System or capital assets with remaining useful lives shorter than the final maturity date of the associated debt. All bonds, notes and other obligations issued by the Authority will comply with the requirements of the Act and the Bond Resolution, as well as all other applicable federal and state laws, rules and regulations.

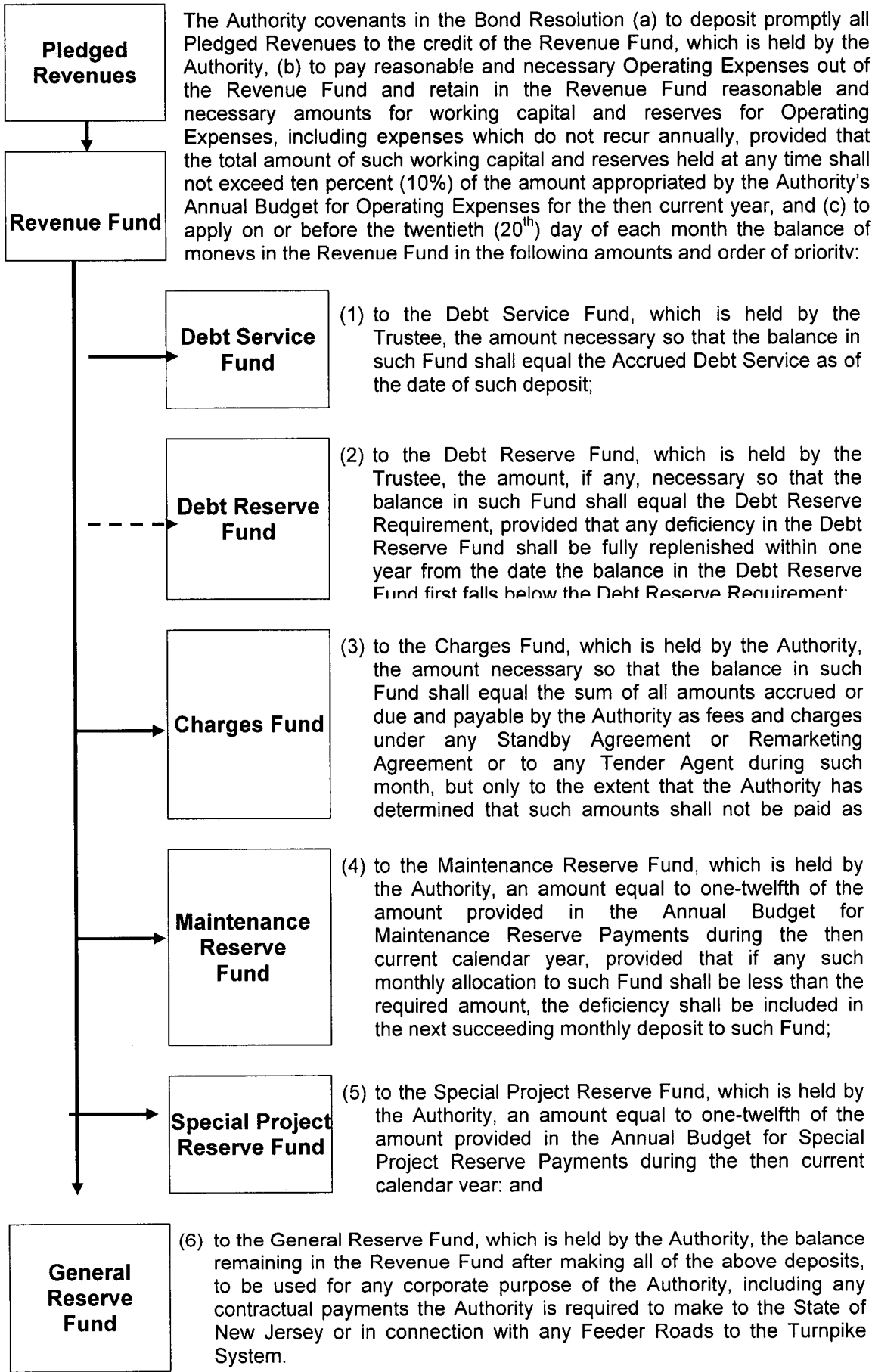
- O. The Authority will structure its new money debt maturities to achieve either an overall level debt service structure or a standalone level debt service structure. The Authority will continue to issue its bonds with maturities up to 30 years from date of issuance to finance essential capital activities for the Turnpike System, including the acquisition, construction and rehabilitation of major capital assets for and/or additions to the New Jersey Turnpike, the Garden State Parkway and any other component of the Turnpike System.

- P. During the financing of the Authority's currently approved Capital Investment Program, the Authority does not intend to increase its overall variable rate debt in an amount greater than 20% of its overall debt.

- Q. During the financing of the currently approved Capital Investment Program, the Authority does not intend to increase the overall aggregate notional amount of its currently outstanding interest rate swap agreements and will look to reduce its outstanding interest rate swaps as economic opportunities to do so arise. Over the long-term, the Authority will not enter into interest rate swaps in an aggregate notional amount greater than 20% of its overall debt outstanding. If additional swaps are entered into, the Authority will have a goal to achieve a diversified (no more than 25% with any single counterparty) and highly rated (A1/A+ or better) group of counterparties. The Authority will require appropriate collateral provisions from such counterparties if their ratings decline below A2/A. The Authority will not provide collateral or termination rights to the counterparty unless the Authority's ratings decline below Baa2/BBB or lower. Any additional interest rate swap agreements will be entered into by the Authority in a manner consistent with the Interest Rate Swap Management Plan to be hereafter adopted by the Authority in accordance with Paragraph S below.

- R. When identifying potential refunding candidates for economic refundings, the Authority will generally seek a minimum per transaction present value savings threshold of 3%. Notwithstanding the above, the 3% savings threshold shall not apply for debt with a call date between one and three years from their stated maturity, or for small principal maturities and bonds that produce significant negative arbitrage. In certain instances, it may be advantageous for the Authority to issue refunding debt that does not produce positive economic savings but serves to restructure existing debt or retire debt in order to remove undesirable debt covenants. Prior to issuing non-economic refunding debt, the Authority will evaluate the benefits (both intangible and tangible) of issuing such debt as well as the economic cost of such debt.

- S. The Authority will hereafter adopt a formal Debt Management Plan, an Interest Rate Swap Management Plan and an Investment Plan, all of which shall be consistent with the provisions of the Act, the Bond Resolution and these Financial Management Principles and Guidelines.



III. BOND RESOLUTION FLOW OF FUNDS:

The Bond Resolution creates and establishes various Funds and provides that the Pledged Revenues shall be deposited into such Funds in the amounts and in the order of priority set forth in the Bond Resolution. The Authority will at all times comply with the provisions of the Bond Resolution in connection with the deposit and application of the Pledged Revenues. The following chart illustrates and generally describes the provisions of the Bond Resolution governing the deposit and application of the Pledged Revenues to the various Funds created and established under the Bond Resolution:

IV. STATUTORY PROVISIONS AND CONSIDERATIONS

A. General

Bonds, notes or other obligations issued by the Authority are revenue obligations of the Authority and are not a debt or liability of the State of New Jersey or any political subdivision thereof (other than the Authority). Neither the faith and credit nor the taxing power of the State of New Jersey or of any political subdivision thereof is pledged to the payment of the Authority's bonds, notes or other obligations. The Authority has no taxing power.

B. Approvals of Governor and State Treasurer

Pursuant to Section 3(F) of the Act (N.J.S.A. 27:23-3(F)), no resolution or other action of the Authority providing for the issuance of bonds, refunding bonds or other obligations or the fixing, revising or adjusting of tolls for the use of the Turnpike System shall be adopted or otherwise made effective by the Authority without the prior written approval of the Governor and the State Treasurer. Section 3(F) of the Act further provides that the powers conferred upon the Governor and the State Treasurer pursuant to such Section shall be exercised with due regard of the rights of the holders of the Authority's bonds at any time outstanding and nothing in such Section shall in any limit, restrict or alter the obligation or powers of the Authority to carry out and perform each and every covenant, agreement or contract at any time made or enter into by or on behalf of the Authority with respect to its bonds or for the benefit, protection and security of the holders thereof.

C. State Non-Impairment Agreement

Pursuant to Section 7 of the Act (N.J.S.A. 27:23-7), the State of New Jersey has pledged and agreed with the holders of the Authority's bonds that it will not limit or restrict the rights vested in the Authority to acquire, maintain, construct, improve, manage, repair, reconstruct and operate the Turnpike System, or to establish and collect such charges and tolls as may be convenient or necessary to produce sufficient revenue to meet the expenses of maintenance and operation thereof and to fulfill the terms of any agreements made with the holders of the Authority's bonds or in any way impair the rights and remedies of the holders of such bonds until the bonds, together with interest thereon, are fully paid and discharged.

On motion by Treasurer DuPont and seconded by Commissioner Hodes, the Authority unanimously approved of item numbers 501-12-2012 and 505-12-2012; 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 506-12-2012.

Moved the item as follows:

506-12-2012

Director of Operations Sean Hill requested acceptance of the Resume of All Fatal Accidents for the Garden State Parkway and New Jersey Turnpike: Period 01/01/2012 through 12/11/2012; both with 2011-2012 Yearly Comparisons through November, 2012.

On motion by Vice Chairman Gravino and seconded by Commissioner Becht, the Authority unanimously accepted the reports contained in item numbers 506-12-2012 and received same for file.

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STATE POLICE

Major Leonard Albine requested for approval of item numbers 507-12-2012. Moved is the item as follows:

507-10-2012

Major Albine requested acceptance of the New Jersey State Police Troop D Activity Reports, For November, 2012, with 2011 – 2012 Yearly Comparisons.

On motion by Vice Chairman Gravino and seconded by Treasurer DuPont, the Authority unanimously accepted the reports contained in item number 507-12-2012 and received same for file.

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SAFETY AND EDUCATION PRESENTATION

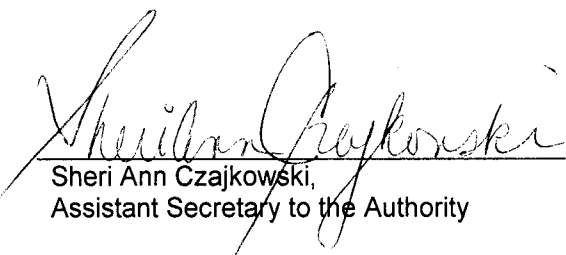
ED Hakim indicated that the 2013 Safety Education Program's slogan is "Reinventing Safety 365". This program incorporates the three (3) E's, "Engineering, Enforcement and Education". Sergeant Colleen Lupo of Troop D and Sean Hill, Director of Operations, gave a presentation regarding the Authority's 2013 plan to do more safety outreach through traditional methods as well as new methods by leveraging YouTube and Facebook.

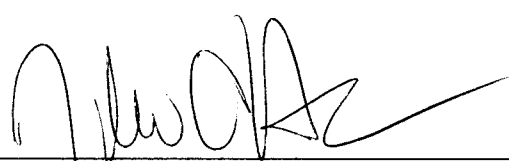
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Chairman Simpson thanked the Board and Authority employees for all of their hard work in 2012 and wished everyone a healthy and happy holiday.

The motion to adjourn was made by Chairman Simpson, Commissioner Pocino and seconded by Treasurer DuPont and, after the voice vote, the motion was duly adopted. The Authority adjourned at 10:21 a.m., to meet on Tuesday, January 29, 2013, at 9:30 A.M.

ATTEST:


Sheri Ann Czajkowski,
Assistant Secretary to the Authority


John O'Hern, Chief Operating Officer & Deputy
Executive Director for
Veronique Hakim, Executive Director

Date: December 20, 2012