

Jon S. Corzine
Governor

Kris Kolluri, Esq.
Board Chairman

George D. Warrington
Executive Director



September 15, 2006

Dear Governor Corzine:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the regularly scheduled meetings of the New Jersey Transit Corporation, NJ Transit Rail Operations, Inc., NJ Transit Bus Operations, Inc., and NJ Transit Mercer, Inc. Board of Directors held on Wednesday, September 13, 2006.

Sincerely,

A handwritten signature in cursive script that reads "Gwen A. Watson".

Gwen A. Watson
Board Secretary

Enclosures

Honorable Jon Corzine
Governor, State of New Jersey
State House
Trenton, NJ 08625

(NJT BOARD -09/13/2006)

Minutes of the actions taken at the Open Session of the regularly scheduled Board of Directors' meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc. and NJ TRANSIT Mercer, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Wednesday, September 13, 2006.

Present:

Kris Kolluri, Esq., Chairman
Myron P. Shevell, Vice Chairman
A. Matthew Boxer, Governor's Representative
Michael Lihvarcik, Treasurer's Representative
Flora Castillo
Patrick W. Parkinson
Kenneth E. Pringle

George D. Warrington, Executive Director
Lynn Bowersox, Assistant Executive Director, Corporate Commun. & External Affairs
James Gigantino, Acting Vice President & General Manager, Bus Operations
William Duggan, Vice President & General Manager, Rail Operations
Mark T. Holmes, Deputy Attorney General
Vincent Soleo, Assistant Executive Director, Procurement & Support Services
James Redeker, Assistant Executive Director, Policy, Technology & Customer Services
Richard Sarles, Assistant Executive Director, Capital Planning and Programs
H. Charles Wedel, Chief Financial Officer & Treasurer
Alma Scott-Buczak, Assistant Executive Director, Human Resources
Gwen A. Watson, Board Secretary
Robert Guarnieri, Auditor General

Chairman Kris Kolluri convened the Open Session at 9:15 am in accordance with the Open Public Meetings Act and asked for a motion to enter Executive Session to discuss litigation matters and contract negotiations. A motion was made by Patrick W. Parkinson, seconded by Myron P. Shevell and unanimously adopted.

Chairman Kris Kolluri reconvened the Open Session at 9:45 am and asked for a motion to adopt the minutes of the August 1, 2006 meeting. A motion was made by Flora Castillo, seconded by Patrick W. Parkinson and unanimously adopted.

Executive Director George Warrington highlighted the following from his monthly business report.

Executive Director Warrington said the Board would consider two items today that will further improve light rail service for both the North Jersey and South Jersey customers.

Hudson-Bergen Light Rail first came to the community of Bayonne in 2000, when service started at 45th and 34th streets. Then, in 2003, the system reached farther south with the opening of the 22nd Street station.

(NJ TRANSIT BOARD –09/13/2006)

Executive Director Warrington said thanks to the extraordinary leadership of Governor Corzine and Chairman Kolluri for replenishing the Transportation Trust Fund that provided the critical capital funding to move this project forward. Executive Director Warrington asked the Board's approval to prepare the documents that will enable NJ TRANSIT to advertise a design/build contract to construct the light rail extension to 8th Street in Bayonne.

Executive Director Warrington thanked and recognized Bayonne Mayor and State Senator Joe Doria for his tireless advocacy and support of this extension and asked him to say a few words.

Senator Doria thanked the Board of Directors for moving forward with the light rail extension to 8th Street in Bayonne. This project will reduce traffic flow, improve the environment and further connect the City of Bayonne. Senator Doria said he strongly supports the design-build-operate-maintain (DBOM) concept. Senator Doria thanked the Board of Directors for their vision and foresight.

Executive Director Warrington said the second light rail item on the agenda would enable NJ TRANSIT to expand travel options for River LINE customers. Since the River LINE opened in March 2004, NJ TRANSIT has continued to work with the Federal Railroad Administration, Conrail and municipalities along the line to expand early morning and late-night travel options.

NJ TRANSIT currently provides early morning service to Trenton from Florence and Roebling, so that customers can make earlier connections to Northeast Corridor trains. At the other end of the line, NJ TRANSIT provides early morning service from Cinnaminson to Camden, and for PATCO connections to Philadelphia.

This summer, NJ TRANSIT extended the 9:30 p.m. trip from Camden to the Pennsauken/Route 73 Park & Ride and provided bus connections until midnight.

Executive Director Warrington said he would request approval to modify the River LINE's signal system between 36th Street in Camden and Pennsauken stations. This modification will allow the expansion of light rail operating hours from Camden to the Route 73 Park & Ride. For customers, this means later rail service from 10:00 pm until Midnight from the Camden Waterfront and Tweeter Center to the park & ride at Route 73, where there are 452 spaces.

Executive Director Warrington expects that riders will begin to benefit from this improvement next summer.

On September 25, 2006, NJ TRANSIT will begin new earlier morning service from Burlington City, allowing customers to arrive in Camden and Trenton a half-hour earlier than the current schedule.

(NJT BOARD –09/13/2006)

Executive Director Warrington said NJ TRANSIT relies on Amtrak's Northeast Corridor for a significant portion of its operations. In fact, of the 723 trains NJ TRANSIT operates each weekday, 409 travel on the Northeast Corridor for some part of or the entire trip.

Executive Director Warrington said he would request approval to renew the Northeast Corridor services agreement with Amtrak that expires September 30, 2006. The agreement provides for NJ TRANSIT's use of Northeast Corridor tracks and infrastructure, maintenance of tracks and signals, the operation of New York Penn Station, train dispatching, and certain police support for a six-year period.

In addition, it renews the Joint Benefit Capital Program, which provides for 50-50 shared capital investments on the Northeast Corridor, designed to benefit day-to-day operational reliability.

Executive Director Warrington said this concept, which began in 1996, has resulted in \$600 million of specific, targeted capital investments between Trenton and New York Penn Station, including fire and life safety improvements in the existing tunnels, electric substation replacement and renewals, interlocking replacements, and track and signal improvements. Going forward, the program will invest \$500 million over the next six years in improvements to electric traction, track, communication, signals, and structures all to be planned and funded jointly with Amtrak.

Executive Director Warrington said as a consequence of these agreement discussions, an NJ TRANSIT-Amtrak joint planning process for a Corridor reliability and capacity expansion capital plan has been formalized through the middle of the next decade.

The planning process will assure both intercity and commuter service needs are clearly defined and accommodated as ongoing annual capital programs are developed and implemented.

Executive Director Warrington commended DC Agrawal for successfully negotiating this agreement, which has the added benefit of freezing operating costs for the use of the Northeast Corridor over the next three years.

The agreement also changes the basis of NJ TRANSIT's liability and indemnification to "no fault," ending the historic requirement that NJ TRANSIT assume responsibility for Amtrak trains and passengers.

Executive Director Warrington said he looks forward to meeting Amtrak's new president, Alexander Kummant, in the coming weeks to discuss day-to-day operating issues, and the importance of collaborative capital and operations planning going forward, as well as national transportation policy issues relating to the Northeast Corridor.

Executive Director Warrington said Friday, September 15, 2006 marks the start of National Hispanic Heritage Month, which continues through October 15, 2006. Each year NJ TRANSIT celebrates Hispanic Heritage Month in recognition of the vital role

(NJT BOARD -09/13/2006)

Latinos and Latinas play, not only within the Corporation, but also within the communities NJ TRANSIT serves.

Last year, NJ TRANSIT partnered with The Cancer Institute of New Jersey to launch the "Heritage of Health" campaign, a statewide effort to promote cancer awareness and early screening.

Executive Director Warrington said he is pleased to report that this year NJ TRANSIT will sponsor a book drive and multicultural festival to promote the theme of "Strength in Diversity and Literacy."

Executive Director Warrington thanked Board Member Flora Castillo for her support in these efforts and welcomed all to join in the celebration.

Suzanne Mack said the Advisory Committee has not yet met this month. Ms. Mack was pleased with the light rail extension to 8th Street in Bayonne and acknowledged Senator Doria.

There were 3 public comments on agenda items. Board Secretary Watson announced a five-minute time limit for all speakers.

Margarite Petrillo commented on the item, Bus Farebox and Receiver Overhaul. She asked if NJ TRANSIT is buying new fareboxes. Mr. Warrington explained that this is a refurbishment of the original fareboxes to avoid a total replacement of the equipment. Ms. Petrillo asked if the fareboxes are locked. Mr. Gigantino said the fareboxes are always locked and the bus operators do not have access to the revenue. Mr. Gigantino explained how the revenue is dropped into a money vault to be transported to a bank. Ms. Petrillo requested a copy of the specifications for the farebox. Mr. Gigantino said the original specifications for the farebox were done in 1986 and he would send her a copy. Ms. Petrillo said she had comments on the item regarding the "transit village" in Morristown. Mr. Warrington said that item has been deferred to the October board agenda.

Rose Heck on behalf of the New Jersey Association of Railroad Passengers said she read an article dated July 19, 2006 that said when New Jersey announced plans in 1994 to build Hudson County's portion of the Hudson-Bergen Light Rail, there was a promise, but no deadline, for extending service to Bergen County. She said the article was wrong and there was always a deadline. Projects don't happen without a deadline. Ms. Heck said the program was consistently presented to the Board of Directors, the Commissioner and the Light Rail Panel to implement the entire project in two phases. The first was Hoboken south and the second was north to Vince Lombardi. She said the schedule was to have the ribbon cutting ceremony for phase 1 and the ground-breaking ceremony for phase 2 on the same day in March 2000. Phase 2 was scheduled to be operational in 2004. Ms. Heck said NJ TRANSIT simply dropped the ball. New Rail Construction was disbanded and the promises made to Bergen County were forgotten. Ms. Heck publicly requested that the Board and its Chairman revisit the

(NJT BOARD –09/13/2006)

paperwork provided to them by the New Jersey Association of Railroad Passengers. She said they would see the inconsistencies of the information given by NJ TRANSIT. Ms. Heck said light rail was promised to Bergen County from the very beginning of the project and it was scheduled to be in Bergen County in 2007. Ms. Heck said in June 2005, the first change began to occur publicly with discussion of the diesel multiple unit (DMU) vehicles. Ms. Heck said Bergen County should get what NJ TRANSIT promised, its fair share of the Hudson Bergen Light Rail – Northern Extension. Ms. Heck said Bergen County helped Hudson County get its \$2 billion investment in light rail and all the benefits and now Bergen wants its approximate half billion-dollar piece to complete the plan.

David Peter Alan said he was pleased with the light rail extension to 8th Street in Bayonne. He said the “transit village” development in Montclair is a good project. Mr. Alan commented that he understands the Attorney General’s Office approves the selection of special counsel firms but relative to the Southern New Jersey Rail Group vs. NJ TRANSIT litigation, there are less expensive firms available.

Executive Director Warrington presented the following Action Items for approval:

0609-53: NJ TRANSIT/AMTRAK NORTHEAST CORRIDOR SERVICES

NJ TRANSIT and Amtrak have agreed to extend the Northeast Corridor Services Agreement, which governs all NJ TRANSIT operations over the Northeast Corridor. NJ TRANSIT will make a fixed annual payment for Fiscal Years 2007 through 2009 of \$34.4 million to Amtrak for the operation and maintenance of the Northeast Corridor track, signals, structures, electric traction systems, New York Penn Station operations, and train dispatching and police support in NJ TRANSIT service territory. The determination of NJ TRANSIT’s payments under this agreement is based upon the allocation of actual Amtrak costs among all users in accordance with railroad cost allocation principles and usage factors.

The Joint Benefit Capital Program agreement will also be renewed. Over the next fiscal year, each agency will invest \$35 million in critical infrastructure and \$45 million annually over the next six years. NJ TRANSIT is requesting approval to amend the Electric Power agreement, which allocates the actual share of the electric traction costs on the Northeast Corridor.

Both NJ TRANSIT and Amtrak are also establishing a joint planning and capital development process to identify reliability and capacity requirements for both intercity and commuter rail services in the NJ TRANSIT service segment over the next 10 years. In that regard, NJ TRANSIT and Amtrak will advance the design and construction of a

(NJT BOARD -09/13/2006)

new Train Operations Control Center for the NJ TRANSIT service territory between Bergen interlocking and northeast Philadelphia.

Myron P. Shevell moved the resolution, Patrick W. Parkinson seconded it and it was unanimously adopted.

0609-54: HUDSON BERGEN LIGHT RAIL EXTENSION TO 8TH STREET:
GENERAL DESIGN, PROJECT MANAGEMENT AND ENVIRONMENTAL
SERVICES CONSULTANTS

Several months ago, customers responded to the recent extensions of the Hudson Bergen Light Rail service to Tonnelle and Bergenline Avenues with a substantial increase in demand. Over 33,000 daily customers are now using the system. Approval is requested to prepare documents to advertise the design/build contract for extending the system from its current terminus at 22nd Street in Bayonne to 8th Street where the City has just approved new housing adjacent to the proposed station stop. This action will amend contracts with three firms to complete preliminary design of the alignment and station, begin the environmental investigations and initiate the property acquisition process, as well as prepare the design build package. The requests include a contract amendment with Parsons Brinckerhoff for \$1.421 million for design completion and a Request for Proposal document preparation, a contract amendment with Booz Allen and Hamilton for project management and relocation services not to exceed \$400,000 and a contract amendment with BEM Systems Inc. for environmental services not to exceed \$339,646. Approval will ensure that the long-standing partnership between NJ TRANSIT and the City of Bayonne will continue to move this project forward.

Patrick W. Parkinson moved the resolution, Flora Castillo seconded it and it was unanimously adopted.

0609-55: ROUTE 23 – WAYNE PARK & RIDE: CONSTRUCTION CONTRACT
AWARD

NJ TRANSIT's interstate commuter bus parking facility in the Route 23 & 46 corridors in Wayne is provided today at the Willowbrook shopping center and at a temporary lot known as Mother's. Approval is requested to replace the temporary lot which must be vacated with a new 1000 space facility on the Boonton Line. The bus park & ride will be combined with a new rail station located on the Montclair Boonton line to provide a genuine intermodal facility. Approval is requested for a construction contract with JH Reid for this new facility with a high level rail platform, a bus boarding platform, 1000 parking spaces, revenue collection systems, customer pick up and drop off areas and adjacent roadway work at a cost not to exceed \$16,308,235.

(NJT BOARD -09/13/2006)

Patrick W. Parkinson moved the resolution, Flora Castillo seconded it and it was unanimously adopted.

0609-56: RIVER LINE SIGNAL ENHANCEMENTS FOR EXPANDED SERVICE:
CONSTRUCTION CONTRACT AWARD

Ridership also continues to grow on the River LINE in southern New Jersey, in part due to a number of enhancements made for customers since the opening such as 15 minute peak period service, new early morning service to Trenton from several stations, late night bus service from Camden to the Route 73 park and ride and additional service to Camden from Cinnaminson. To continue that progress, approval of a contract is requested which will modify the signal system between 36th Street in Camden and the Route 73 park/ride in Pennsauken. This will allow NJ TRANSIT to better serve second shift employers and waterfront and Tweeter Center visitors by providing late evening rail service rather than shuttle bus service to the park ride. This modification will allow for the additional light rail service by next summer for Camden waterfront events. This contract request is with Southern New Jersey Rail Group, LLC at a cost note to exceed \$1.3 million.

Flora Castillo moved the resolution, Kenneth E. Pringle seconded it and it was unanimously adopted.

0609-57: HOWELL BUS GARAGE ROOF REHABILITATION PHASE 1:
CONSTRUCTION CONTRACT AWARD

The Howell Bus garage was opened in 1987 and, as part of ongoing inspections of bus facilities, it has been determined that the facility's roof needs replacement which can be accomplished in two phases. The first phase, for which approval is requested, consists of about 50 percent of the building while the remaining portion is currently in the design phase. Approval is requested for a contract with G&M Eastern Contracting for phase one of the Howell Garage roof replacement at a cost not to exceed \$1,661,480. This phase is scheduled for completion by the summer of 2007.

Patrick W. Parkinson moved the resolution, Flora Castillo seconded it and it was unanimously adopted.

0609-58: PURCHASE OF WHEEL TRUING MACHINE FOR HOBOKEN
TERMINAL

Last month, the Board of Directors approved construction of a facility to house a new wheel truing machine in Hoboken Terminal, part of a series

(NJT BOARD –09/13/2006)

of improvements to support and maintain the growing rail fleet. Approval is requested today to replace the existing 53-year-old wheel truing machine, which reshapes the profile of train wheels for optimum performance. The machine will take one year to produce, and will coincide with the completion of the new facility. Approval is requested to contract with Simmons Machine Tool Corporation to fabricate, deliver and install a single axle wheel truing machine at a cost not to exceed \$1,505,730.

Flora Castillo moved the resolution, Kenneth E. Pringle seconded it and it was unanimously adopted.

0609-59: REPLACEMENT OF THE TIMBER TRESTLES APPROACH SPANS AND THE THROUGH-GIRDER SPAN OF THE BIG SHARK RIVER DRAWBRIDGE – AMENDMENT TO CONTRACT – PHASE II FINAL DESIGN SERVICES

Chairman Kolluri recused himself from voting on item #0609-59, Replacement of the Timber Trestles Approach Spans and the Through-Girder Span of the Big Shark River Drawbridge – Amendment to Contract – Phase II Final Design Services

The Big Shark River Drawbridge on the North Jersey Coast Line, which was built in 1921, carries 48 daily trains. A three phase project to replace the timber trestle approach spans as well as the steel girder flanking span will restore the bridge to a state of good repair. The first phase, preliminary design, was completed in the fall of last year. Approval is requested for the second phase of this replacement project, final design and approval is requested to amend a contract with HNTB Corporation at a cost not to exceed \$393,553 plus five percent for contingencies.

Myron P. Shevell moved the resolution, Patrick W. Parkinson seconded it, Chairman Kris Kolluri recused himself from the vote and it was unanimously adopted.

0609-60: PROCUREMENT BY EXCEPTION AND INSTALLATION OF TWO ENTRANCE CIRCUIT BREAKERS AT SUMMIT SUBSTATION

Since NJ TRANSIT operates 257 electrified track miles on the system, it is critical that NJ TRANSIT maintain the electrical infrastructure power distribution system to ensure reliable electric train service. One of three electric supply substations for the Morristown and Montclair lines is located in Summit and was installed in 1984. Approval is requested for a procurement by exception contract with Asea Brown Boveri Inc. to purchase and install two new entrance circuit breakers at Summit

(NJT BOARD -09/13/2006)

Substation at a cost not to exceed \$2.3 million plus five percent for contingencies.

Kenneth E. Pringle moved the resolution, Flora Castillo seconded it and it was unanimously adopted.

0609-61: UNDERGRADE RAILROAD BRIDGES: ENGINEERING SERVICES TO PERFORM IN-DEPTH INSPECTIONS, EVALUATIONS AND RATINGS

Chairman Kolluri recused himself from voting on item #0609-61, Undergrade Railroad Bridges: Engineering Services to Perform In-Depth Inspections, Evaluations and Ratings.

NJ TRANSIT operates and maintains 537 undergrade bridges and 107 overhead bridges. An annual bridge inspection program ensures the in-depth inspection of structural and mechanical integrity, electrical evaluations and load ratings, reporting, prioritization and rehabilitation of these bridges. The effort helps to develop maintenance and repair schedules allowing service reliability and passenger safety. Approval is requested for a routine contract for bridge inspections of 14 movable and 12 fixed undergrade bridges with HNTB Corporation for \$713,739, Lichtenstein for \$446,960 and Hardesty and Hanover for \$1,992,435, each with five percent for contingencies.

Myron P. Shevell moved the resolution, Patrick W. Parkinson seconded it, Chairman Kris Kolluri recused himself from the vote and it was unanimously adopted.

0609-62: BUS FAREBOX AND RECEIVER OVERHAUL

The farebox collection system on NJ TRANSIT buses is now 17 years old and is showing signs of advanced age. The components are failing more frequently and street performance has declined significantly. Replacement parts are becoming scarce as new generations of equipment have replaced these older models. Staff has worked with the original equipment manufacturers and other supply sources to develop a refurbishment plan for the 1300 fareboxes and 40 receivers in both NJ TRANSIT and private carrier buses to avoid a total multimillion dollar replacement of the equipment. A new farebox and receiver is estimated to cost approximately \$35,000 while the in house overhaul suggested with this action will reduce that cost to about \$3500 per bus for both labor and materials. To accomplish this, approval is requested to contract with the original equipment manufacturers and other sources of supply through procurements by exception, sole source procurements and competitively

(NJT BOARD –09/13/2006)

bid contracts in an amount not to exceed \$4.5 million plus five percent for contingencies.

Myron P. Shevell moved the resolution, Flora Castillo seconded it and it was unanimously adopted.

0609-63: SOUTHERN NEW JERSEY RAIL GROUP VS. NJ TRANSIT:
COMPENSATION OF SPECIAL COUNSEL

Sills Cummis Epstein & Gross was appointed in 2002 by the Attorney General as special counsel to represent NJ TRANSIT in litigation with the Southern New Jersey Rail Group, the DBOM contractor for the River LINE light rail project. The litigation is ongoing and approval is requested for an additional \$2 million to compensate the firm through January 2007.

Kenneth E. Pringle moved the resolution, Flora Castillo seconded it and it was unanimously adopted.

Executive Director Warrington presented the following Consent Item for approval:

0609-64: AMENDMENT OF BOARD ITEM 0310-86 THAT AUTHORIZED GROUND
LEASES AND ASSOCIATED DOCUMENTS WITH THE TOWNSHIP OF
MONTCLAIR TO FACILITATE TRANSIT-ORIENTED DEVELOPMENT AT
THE BAY STREET STATION AREA

Amendment to Board Item 0310-86 and authorization to terminate the lease with Montclair and execute a property conveyance agreement and all other necessary legal documents with Lincoln Montclair Urban Renewal Company, LLC, for the Bay Street Station Transit-Oriented Development residential site for the sales price of \$2,000,000.

The Consent Calendar was moved in its entirety by Patrick W. Parkinson, seconded by Flora Castillo and unanimously adopted.

Executive Director Warrington returned to the Executive Director's Report.

Executive Director Warrington said a special ceremony is being held today to honor his friend and mentor Lou Gambaccini. He said they have a special bond that extends back to the Maxwell School at Syracuse University and is connected, in part, by a mutual respect for the oath of the Athenian city-state adorning the façade of the Maxwell Building.

Executive Director Warrington said when Governor Byrne selected Lou Gambaccini as his Department of Transportation Commissioner in 1978, the concept of a modern, efficient, reliable, well connected or capitalized transit system was a distant vision. The reality of the time that Lou Gambaccini confronted head on was an irrational, inefficient,

(NJT BOARD –09/13/2006)

balkanized, and grossly undercapitalized collection of orphans, nearly 30 bankrupt bus companies and seven freight railroads that were providing dismal service in most respects. The system was in steep decline, increasingly irrelevant, and lacking in customer confidence. He said he refers to it often as the bad old days.

Lou Gambaccini, with help from Martin Robins, Bert Hasbrouck, Amy Rosen, Cathy Sweeney and Debbie Finn, crafted a strategy to transform this chaos, beginning with a series of policy papers, the most memorable of which was named “The Horror Story,” which graphically characterized the condition of the system. This effort culminated in legislation that created NJ TRANSIT in 1979, the nation’s first statewide public transit agency. The rest is history.

Executive Director Warrington said that more than 25 years later all of those associated with the success story known as NJ TRANSIT are proud, thanks to Lou Gambaccini’s vision, a very relevant force in the State’s and the region’s development, competitiveness and economy.

Executive Director Warrington said he is very proud and feels very privileged to recognize Lou Gambaccini today.

Executive Director Warrington said Governor Brendan Byrne wanted to attend the ceremony today but due to a schedule conflict he was unable to do so. Executive Director Warrington relayed the message from Governor Byrne that he wanted Lou Gambaccini to know that he was one of the few people that made the Byrne Administration look good.

Executive Director Warrington introduced Chairman Kris Kolluri.

Chairman Kolluri reflected on the message of the Athenian oath which paraphrased means “Leave this place better than you found it”. He said he signed the Oath in his office as have all previous Chairmen.

Chairman Kolluri introduced the leader of the State of New Jersey who signed the largest Transportation Trust Fund in the State’s history, Governor Jon S. Corzine.

Governor Corzine said he was pleased to speak about a great public servant, Lou Gambaccini. He also recognized Chairman Kris Kolluri and Executive Director Warrington as the two of the finest transportation professionals in the business. Governor Corzine also recognized and thanked the Board of Directors for dedicating their lives to public service.

Governor Corzine commented on the transportation system in the 1970’s and said it is a remarkable statewide transportation system today thanks to Lou Gambaccini’s influence and leadership. He said one great asset that will be built in the next decade is the THE Tunnel and this is due to the extraordinary legacy that Lou Gambaccini gave to the State.

(NJT BOARD –09/13/2006)

Governor Corzine congratulated Lou Gambaccini and thanked him for his years of dedication to public service.

Chairman Kolluri presided over the unveiling of the Headquarters building dedication plaque and said it will serve as a reminder of Lou Gambaccini's legacy for generations to come.

Lou Gambaccini said he was deeply touched and proud of this recognition. He said he was delighted to attend with his family and former colleagues. He said he held a 27-year role in public service with three and one-half years as Transportation Commissioner under Governor Brendan Byrne. He said Governor Byrne had vision, courage and persistence to meet major challenges and Governor Corzine has similar leadership qualities. He said the team of professionals, George Warrington, Martin Robins, Bert Hasbrouck, Amy Rosen, Cathy Sweeney and Debbie Finn, were highly motivated and dedicated individuals with vigor and youth who were probably too inexperienced to know better. He said the accomplishments were a tribute to that team. Lou Gambaccini said he learned his craft from great leaders such as former Port Authority Director Austin Tobin and said he is grateful to have worked with such great people over the past 27 years. Lou Gambaccini said New Jersey's public transportation system went from disorder and chaos to a role model transit agency. He said miraculous work has been done since the first Board Meeting

The meeting was briefly recessed at 10:45 am and reconvened at 11:10 am.

Chairman Kolluri invited David Peter Alan, on behalf of the New Jersey Association of Railroad Passengers, to make a presentation to Lou Gambaccini.

David Peter Alan said he was honored to represent the New Jersey Association of Railroad Passengers and all other advocacy coalitions. Mr. Alan said the best managers, best Board Members and best Commissioners are advocates for the rider in their own ways. He said Lou Gambaccini is that kind of man. He met Lou Gambaccini in 1983 and immediately knew he was very knowledgeable about transportation and an innovative thinker with courage and vision. Mr. Alan said Lou Gambaccini is the father of NJ TRANSIT and Senator Frank Herbert is the grandfather of NJ TRANSIT since both worked diligently on the passage of the legislation. Mr. Alan said thanks to Lou Gambaccini's accomplishments, he made it easier to travel around in New Jersey.

There were five public comments on non-agenda items.

Frank Coye commented about the light rail grade crossings. He said he is seriously concerned about railroading and is a member of the Lackawanna Coalition. He said recently there was an accident at the 19th Street grade crossing in Weehawken. At the time of the accident, the light rail vehicle was not sounding its horn. Mr. Coye said this is the second accident at this grade crossing. He said the grade crossings are a serious safety issue and gates are needed to stop traffic. Mr. Coye said he inspected the area and saw no signs indicating there are light rail tracks and there are no lights indicating a

(NJT BOARD -09/13/2006)

train is approaching the grade crossing. Mr. Coye said he also inspected the grade crossing on 2nd Street. Again, there is nothing indicating that there is a crossing. He also mentioned that not all of the vehicle operators sound the horn. Mr. Coye also inspected the River LINE in Burlington and again there are no approach signs warning motorists that a grade crossing is present. Mr. Coye said the 19th Street accident was a wake up call and requested that this safety issue be addressed with warning signs, gates and the sounding of horns in order to save lives.

David Peter Alan on behalf of the Lackawanna Coalition commented on the safety issue at light rail grade crossings and offered the Coalition's assistance in making necessary improvements at the crossings. Mr. Alan said the public was informed that there will not be a fare increase this year but expressed his disappointment that the public was not made aware of the service reductions.

Al Papp on behalf of the New Jersey Association of Railroad Passengers said he remains concerned about NJ TRANSIT's plans to connect the Northern Branch to the Trans-Hudson Express Tunnel and is unconvinced that this idea is anything more than a ploy to gain support for its diesel shuttle plan. He said he believes the extension of the Hudson-Bergen Light Rail System to Tenafly is still the best plan for Bergen County. He said he does not think NJ TRANSIT's plan will be accomplished because of the high cost, it is not included in the application for federal funding for the tunnel and there will not be enough capacity for all of the services.

Mr. Papp said Chairman Kolluri promised to provide answers but instead he received a letter from Richard Sarles that was unresponsive to their request. Mr. Papp commented on portions of Mr. Sarles' letter which said NJ TRANSIT prepared a line-specific distribution plan and forecast about the ridership but could not provide the information because it has to be released by the Federal Transit Administration (FTA). Mr. Papp said he recently attended a meeting with the FTA Administrator Letitia Thompson and she acknowledged there are discussions on the Draft Environmental Impact Statement for THE Tunnel project. However, Ms. Thompson was unable to offer any legal reason why the information requested could not be released now. Mr. Papp again requested the line-specific distribution plan and forecast about the ridership and asked the Board to reconsider the diesel multiple unit plan since it offers no monetary savings compared to a Hudson-Bergen Light Rail extension.

Philip G. Craig commented on NJ TRANSIT's plans to implement diesel-multiple unit service on the Northern Branch. Mr. Craig said he attended a meeting with Assemblywoman and Freeholder Valerie Huttle and she stated that NJ TRANSIT informed her of arrangements to provide a demonstration ride on the Northern Branch for public officials and the media in a diesel multiple unit vehicle and subsequently place the vehicle on display for public inspection at stations along the line. Mr. Craig said Englewood Mayor Michael Wildes advised him that NJ TRANSIT intends to purchase the diesel multiple unit vehicles for the Northern Branch. Mr. Craig said it appears NJ TRANSIT's motivation is to garner political and public support for the diesel multiple unit shuttle between North Bergen and Tenafly instead of an extension of the Hudson-

Bergen Light Rail system. He said NJ TRANSIT is sidestepping a public debate on the merits of the diesel multiple unit vehicles vs. a Hudson-Bergen Light Rail extension which he believes is better for the people of Bergen County. Mr. Craig asked the Board a series of questions and Chairman Kolluri said a written response would be provided because the questions deserve a substantive answer.

Frank Miklos commented on Hudson-Bergen Light Rail. He said not everyone wants to go into New York and there are significant numbers that show people want to go to the Waterfront and asked the Board to consider this need. Mr. Miklos said he supports the Trans-Hudson Express Tunnel project.

Since there were no further comments or business, the Chairman called for adjournment and a motion to adjourn was made by Myron P. Shevell, seconded by Flora Castillo and unanimously adopted.

The meeting was adjourned at approximately 11:45 pm.

**NEW JERSEY TRANSIT CORPORATION
 NJ TRANSIT BUS OPERATIONS, INC.
 NJ TRANSIT RAIL OPERATIONS, INC.
 NJ TRANSIT MERCER, INC.
 RE-SCHEDULED BOARD OF DIRECTORS MEETING**

SEPTEMBER 13, 2006

MINUTES

	<u>PAGE</u>
➤ EXECUTIVE SESSION AUTHORIZATION	37754
➤ APPROVAL OF MINUTES OF PREVIOUS MEETINGS	37755
➤ EXECUTIVE DIRECTOR’S MONTHLY REPORT	37756
➤ ADVISORY COMMITTEE REPORTS	-
➤ PUBLIC COMMENTS ON AGENDA ITEMS	-

ACTION ITEMS

0609-53	NJ TRANSIT/AMTRAK NORTHEAST CORRIDOR SERVICES	37783
---------	-----------------------------------------------	-------

Authorization to amend the NEC Services Agreement to provide payments to Amtrak at a base level of \$34.4 million per year from October 1, 2006 through September 30, 2009, with a revised amount(s) to be determined for the period through September 30, 2012; to amend the Electric Power Agreement; and to extend the Joint Benefit Capital Program through September 30, 2007, with additional extensions through September 30, 2012.

0609-54	HUDSON BERGEN LIGHT RAIL EXTENSION TO 8 th STREET: GENERAL DESIGN, PROJECT MANAGEMENT AND ENVIRONMENTAL SERVICES CONSULTANTS	37786
---------	-----------------------------------------------------------------------------------------------------------------------------------------	-------

Authorization to amend an existing contract with Parsons Brinckerhoff Quade and Douglas, Inc. (PBQD) of Newark, NJ, for design services and preparation of a request for proposals for extension of Hudson Bergen Light Rail to 8th Street in Bayonne at a cost not to exceed \$1,421,442 plus five percent for contingencies for a total contract authorization of \$149,470,785.

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS INC.
NJ TRANSIT RAIL OPERATIONS INC.
NJ TRANSIT MERCER INC.
REGULARLY SCHEDULED BOARD OF DIRECTORS MEETING
SEPTEMBER 13, 2006
MINUTES
PAGE 2

Staff also seeks authorization to amend an existing contract with Booz Allen and Hamilton of McLean, VA, for project management services and relocation services for the acquisition of real estate related to extension of Hudson Bergen Light Rail to 8th Street in Bayonne at a cost not to exceed \$400,000, plus five percent for contingencies, for a total contract authorization of \$42,897,961.

Staff also seeks authorization to amend the contract with BEM Systems, Inc. (BEM) of Chatham, NJ, for environmental services and preparation of parcel maps to support the property acquisition process for extension of Hudson Bergen Light Rail to 8th Street in Bayonne at a cost not to exceed \$339,646, plus ten percent for contingencies, for a total contract authorization of \$32,178,537.

0609-55 ROUTE 23-WAYNE PARK & RIDE: CONSTRUCTION 37789
CONTRACT AWARD

Authorization to contract (No.05-010RX) with J. H. Reid of South Plainfield, New Jersey, for construction of the new Route 23-Wayne Park & Ride facility and related work to adjacent roads in the Township of Wayne, New Jersey at a cost not to exceed \$16,308,235, plus five percent for contingencies, subject to the availability of funds.

0609-56 RIVER LINE SIGNAL ENHANCEMENTS FOR EXPANDED 37792
SERVICE: CONSTRUCTION CONTRACT AWARD

Authorization to amend the contract with Southern New Jersey Rail Group, LLC of Camden, NJ for enhancement of the existing signal system and related track work and infrastructure improvements at a cost of \$1,300,000, plus five percent for contingencies, for a total contract authorization of \$628,579,235.

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS INC.
NJ TRANSIT RAIL OPERATIONS INC.
NJ TRANSIT MERCER INC.
REGULARLY SCHEDULED BOARD OF DIRECTORS MEETING
SEPTEMBER 13, 2006
MINUTES
PAGE 3

0609-57 HOWELL BUS GARAGE ROOF REHABILITATION 37795
 PHASE 1: CONSTRUCTION CONTRACT AWARD

Authorization to contract (No.06-110X) with G&M Eastern Contracting of Neptune City, New Jersey for the rehabilitation of the roof at Howell Bus Garage at a cost not to exceed \$1,661,480, plus five percent for contingencies, subject to the availability of funds.

0609-58 PURCHASE OF WHEEL TRUING MACHINE FOR 37797
 HOBOKEN TERMINAL

Authorization to contract (No. IFB 06-104R) with Simmons Machine Tool Corp. of Albany, New York, for fabrication, delivery, and installation of a single-axle wheel truing machine in the amount of \$1,505,730 plus five percent for contingencies, subject to the availability of funds.

0609-59 REPLACEMENT OF THE TIMBER TRESTLES 37800
 APPROACH SPANS AND THE THROUGH-GIRDER SPAN
 OF THE BIG SHARK RIVER DRAWBRIDGE –
 AMENDMENT TO CONTRACT - PHASE II FINAL DESIGN
 SERVICES

Authorization to amend Professional Services Contract #06-005 with HNTB Corporation of New York, to perform Phase II - Final Design for replacement of the timber trestle approach spans and the steel through-girder flanking span of the Big Shark River Drawbridge, at a cost of \$393,553, plus five percent for contingencies, for a total authorization of \$413,230, subject to the availability of funds.

0609-60 PROCUREMENT BY EXCEPTION AND INSTALLATION 37803
 OF TWO ENTRANCE CIRCUIT BREAKERS AT SUMMIT
 SUBSTATION

Authorization to enter into a procurement by exception sole source contract with Asea Brown Boveri Inc. (ABB) of Princeton, New Jersey to purchase and install two new 230kV Entrance Circuit Breakers at Summit Substation at a cost not to exceed \$2,300,000, plus five percent for contingencies, subject to the availability of funds.

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS INC.
NJ TRANSIT RAIL OPERATIONS INC.
NJ TRANSIT MERCER INC.
REGULARLY SCHEDULED BOARD OF DIRECTORS MEETING
SEPTEMBER 13, 2006
MINUTES
PAGE 4

- 0609-61 UNDERGRADE RAILROAD BRIDGES: ENGINEERING SERVICES TO PERFORM IN-DEPTH INSPECTIONS, EVALUATIONS, AND RATINGS 37806

Authorization to contract with HNTB Corporation of Wayne, New Jersey (No. 06-084A); Lichtenstein of Paramus, New Jersey (No. 06-084B); and Hardesty and Hanover of West Trenton, New Jersey (No. 06-084C), to perform in-depth structural, mechanical, electrical and underwater inspections, evaluations, and load ratings of 14 movable and 12 fixed undergrade railroad bridges, at costs not to exceed \$713,739, \$446,960 and \$831,736, respectively, for a total cost of \$1,992,435 plus five percent for contingencies, subject to the availability of funds.

- 0609-62 BUS FAREBOX AND RECEIVER OVERHAUL 37809

Authorization to enter into sole source, procurement-by-exception, and competitively bid contracts with the original equipment manufacturer (OEM) or other sources of supply for the procurement of various components required to be used in an in-house overhaul of 1,300 fareboxes, 40 garage receivers and 123 revenue bins during the fiscal years 2007 through 2008, at a cost of \$4,500,000, plus five percent for contingencies, subject to the availability of funds. NJ TRANSIT will utilize the competitive bid process to procure material when available from more than one source of supply. Samples of components required are presented in Exhibit A.

- 0609-63 SOUTHERN NEW JERSEY RAIL GROUP VS. NJ TRANSIT: COMPENSATION OF SPECIAL COUNSEL 37813

Authorization to compensate Sills Cummis Epstein & Gross as Special Counsel in accordance with the Attorney General's designation for comprehensive litigation support services including the retention of experts, up to an additional \$2,000,000 for continuing legal services, for a total contract authorization of \$18,590,000, subject to the availability of funds.

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS INC.
NJ TRANSIT RAIL OPERATIONS INC.
NJ TRANSIT MERCER INC.
REGULARLY SCHEDULED BOARD OF DIRECTORS MEETING
SEPTEMBER 13, 2006
MINUTES
PAGE 5

CONSENT CALENDAR

37816

0609-64 AMENDMENT OF BOARD ITEM 0310-86 THAT 37817
AUTHORIZED GROUND LEASES AND ASSOCIATED
DOCUMENTS WITH THE TOWNSHIP OF MONTCLAIR
TO FACILITATE TRANSIT-ORIENTED DEVELOPMENT
AT THE BAY STREET STATION AREA

Amendment to Board Item 0310-86 and authorization to terminate the lease with Montclair and execute a property conveyance agreement and all other necessary legal documents with Lincoln Montclair Urban Renewal Company, LLC, for the Bay Street Station Transit-Oriented Development residential site for the sales price of \$2,000,000.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

EXECUTIVE SESSION AUTHORIZATION

BE IT HEREBY RESOLVED pursuant to N.J.S.A. 10:4-12 and N.J.S.A. 10:4-13 that the Board of Directors of the New Jersey Transit Corporation hold an executive session to discuss litigation matters and contract negotiations; and

BE IT FURTHER RESOLVED that it is expected that discussions undertaken at this executive session could be made public at the conclusion of these matters as appropriate.

APPROVAL OF MINUTES

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

WHEREAS, pursuant to Section 4(f) of the New Jersey Public Transportation Act of 1979, the minutes of actions taken at the August 1, 2006 Board meeting of the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc. and NJ TRANSIT Mercer, Inc. were forwarded to the Governor on August 4, 2006;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the August 1, 2006 New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc. and NJ TRANSIT Mercer, Inc. Board of Directors' meetings are hereby approved.

Jon S. Corzine
Governor

Kris Kolluri, Esq.
Board Chairman

George D. Warrington
Executive Director



TO: BOARD OF DIRECTORS
FROM: GEORGE D. WARRINGTON 
DATE: SEPTEMBER 13, 2006
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – SEPTEMBER 2006

This month, we recognize Louis J. Gambaccini—our friend and national transportation leader—who has devoted more than 40 years of professionalism and public service to the industry. I am proud and feel very privileged to be able to honor Lou for his lasting contributions to the State of New Jersey, particularly his leadership in bringing to the forefront the value of public transportation and his vision for the unified system we have today.

When Governor Byrne selected Lou to serve as his Department of Transportation Commissioner in 1978, there was no modern, efficient, reliable, well connected or capitalized transit system in the state. What did exist was an irrational, undercapitalized collection of nearly 30 bankrupt bus companies and seven freight railroads that were providing inadequate service. Lou crafted a strategy to transform the system beginning with a series of policy papers and culminating in legislation that created NJ TRANSIT in 1979—the nation's first statewide public transit agency.

As the first and founding chairman of the Board of Directors, Lou foresaw the day when New Jersey could deliver safe, reliable and affordable transportation. More than 25 years later, we are all proud to be associated with the success story known as NJ TRANSIT, which is—thanks to Lou's vision—a very relevant force in the state's and the region's development, competitiveness and economy.

Today, joined by Governor Corzine, we honor Lou with the naming of NJ TRANSIT's headquarters building here at One Penn Plaza East in his honor. As a tribute to his historic contributions, "Louis J. Gambaccini Building" signage has been installed and a plaque will be permanently displayed in the lobby of NJ TRANSIT headquarters.

When you consider the history of transportation in our region—whether going back 25, 50 or 100 years, it is evident that the infrastructure we rely on today was built by previous generations. Likewise, the foundation that Lou helped to build has provided the structure for what NJ TRANSIT is today and what we will become. His efforts have laid the groundwork for us to continue to grow and serve more customers, giving us the ability to pursue the next generation of capacity expansion projects—among them, Northern Branch, M-O-M, Lackawanna Cutoff and the critical Trans-Hudson Express (THE) Tunnel.

Thanks to the foundation created by Lou's vision and tenacity, we are able to provide expanded services for generations to come.

EXECUTIVE DIRECTOR'S MONTHLY REPORT SEPTEMBER 2006

- 1. HIGHLIGHTS**

- 2. CUSTOMER AND COMMUNITY INITIATIVES**

- 3. EMPLOYEE RECOGNITION**

- 4. DBE/MBE PROGRAM**

- 5. PERFORMANCE MEASURES**

HIGHLIGHTS

Engineering begins on Trans-Hudson Express (THE) Tunnel

The Trans-Hudson Express (THE) Tunnel reached another important milestone on August 1, as the NJ TRANSIT Board of Directors approved a contract to begin engineering a project that will more than double commuter rail capacity between New Jersey and New York.

The Board's action came less than two weeks after the Federal Transit Administration notified Congress that it will formally approve preliminary engineering of THE Tunnel project, following a comprehensive cost-benefit analysis and funding review by the FTA.

In July, the Port Authority of New York and New Jersey committed up to \$2 billion to fund construction of the project.

Following a far-reaching search, the \$82.5 million contract was awarded to THE Partnership—a joint venture consisting of Parsons Brinckerhoff, STV and DMJM Harris/AECOM, located in Newark, NJ.

Work will include determining tunneling techniques, construction staging, property acquisition needs, utility relocation requirements and other logistical considerations.

THE Partnership firms have designed 94 percent of all new rail stations in the United States over the last 20 years, most of the new and on-going stations in New York City including the WTC PATH station and JFK Airport AirTrain, the East Side Access project, the Number 7 Line, and 2nd Avenue Subway. THE Partnership firms also designed the recently opened Newark Light Rail Broad Street connector and Hudson-Bergen Light Rail Weehawken Tunnel and Station.

In addition, the consortium has extensive tunneling experience, exceeding 1200 miles both nationally and internationally, including a number of transit and railroad projects such as: the L.A. Metro system; Bangkok MRTA Thailand Tunnel; Copenhagen Metro Tunnel; Greater Cairo Metro under the Nile; Tren Urbana in San Juan, Puerto Rico; St. Clair Canada River Tunnel; and the Sidney Railway.

Preliminary engineering work began in late August and will take approximately 18 months to complete. During this time, NJ TRANSIT will finalize the track alignment and project elements including tunnel construction; advance tunnel design, construction techniques and contracting methods; coordinate construction packages with Amtrak and the Metropolitan Transportation

Authority (MTA); determine the electrical power, railroad signaling, communications and safety system needs; develop the station architecture, safety requirements and construction methods; develop new operating plans for additional services created by THE Tunnel; and refine project estimates.

The next milestone for THE Tunnel project will be the release of the draft environmental impact statement later this year, followed by public hearings on the project. NJ TRANSIT is also in the process of procuring a Construction Management and Project Controls consultant team by the end of 2006.

When completed, THE Tunnel will open new opportunities for direct and expanded rail service from the existing commuter rail system to midtown Manhattan and build upon recent transit investments in New Jersey. Tunnel construction is expected to begin in 2009, with completion in 2016.

NJ TRANSIT to begin Portal Bridge replacement effort

Plans to eliminate a major chokepoint and source of delays on the Northeast Corridor are underway thanks to action taken on August 1 by the NJ TRANSIT Board of Directors to conduct environmental and related engineering work to rehabilitate or expand the 96-year-old Amtrak Portal Bridge.

The Board awarded a \$3.3 million contract to AKRF Inc., of New York City, to determine how best to increase rail capacity at the two-track swing bridge, which carries the Northeast Corridor (NEC) over the Hackensack River just west of Secaucus Junction.

NJ TRANSIT will lead the project in a formal partnership with the Federal Railroad Administration, the Federal Transit Administration and Amtrak.

AKRF will prepare a Draft Environmental Impact Statement that examines several options for providing additional track capacity and improved reliability over the Hackensack River—including the possibility of replacing Portal Bridge with a new span to support up to twice as many trains—and determine the requirements for additional track capacity on the Northeast Corridor west of the bridge.

In addition, the DEIS will consider elevating the span to reduce the number of openings for marine traffic and to reduce resulting train delays.

Under the contract, AKRF Inc., which has a regional office in Marlton, NJ, will create concept plans and designs, assess environmental impacts, make capital and operating cost estimates and conduct public hearings.

It is anticipated that the DEIS will be completed by late 2007, followed by design and construction. The project is expected to be completed for the opening of THE Tunnel in 2016.

NJ TRANSIT adopts FY07 operating, capital budgets

On August 1, the NJ TRANSIT Board of Directors adopted a \$1.5 billion operating budget and a \$1.3 billion Capital Program for Fiscal Year 2007 (FY07) that funds the transit system through June 30, 2007. Without raising fares, NJ TRANSIT will offer three million more miles of bus and rail service than last year to support anticipated record ridership of more than 860,000 passenger trips daily.

The Board's action also set in motion a number of capital projects, including the replacement of 230 Arrow III rail cars and nearly 1,200 local transit-style buses, as well as continuing critical work to keep stations, terminals and railroad infrastructure in a state of good repair.

NJ TRANSIT's operating budget includes \$30 million in business efficiencies and revenue enhancements for FY07, in addition to nearly \$60 million in efficiencies achieved since FY03. The cost-cutting actions include the elimination of vacancies and reduced headcount through attrition, vehicle repairs and parts inventory efficiencies, new technology implementation and reduced advertising, consultant and general administration costs.

The FY07 Operating Budget:

- Accounts for service growth in core rail/bus service, the first full year of Hudson-Bergen Light Rail (HBLR) service to Tonnelles Avenue and the initiation of Newark Light Rail service to Broad Street Station.
- Provides additional funding for rail/bus maintenance, including maintenance of the new multi-level rail cars, as well as increases in bus, Access Link and HBLR contract service costs.

- Freezes the level of capital program funds that are transferred to cover operating costs at the FY06 level and replaces Transportation Trust Fund monies used to cover operating costs with additional federal funds.
- Provides for increased costs associated with an expected four percent ridership increase in FY07. By the end of the fiscal year, ridership is projected to reach 860,000 average weekday trips, a nine percent increase over the last two years.

The operating budget's expenditures are offset by \$769.3 million in fares and other system-generated revenue, \$300.7 million in state operating assistance and \$448.7 million from other state and federal assistance.

Capital Program

The majority of the FY07 Capital Budget – \$789 million – is dedicated to fixed expenses, such as capital maintenance, debt service and earmarked funds.

The remainder of the budget includes:

- \$219 million for new starts, including \$105 million for the Trans-Hudson Express Tunnel.
- \$158 million for rail infrastructure and equipment, including \$45 million to fund state-of-good repair needs on the Northeast Corridor.
- \$54 million for system-wide improvements, including technology upgrades that will improve efficiency and reduce annual operating costs.
- \$51 million for bus and light rail infrastructure and equipment improvements.
- \$35 million for rail station improvements, including New York Penn Station, Trenton Station and Metropark.
- \$4 million for park & ride expansion at South Amboy and Rt. 23 Park & Ride in Wayne.

The Capital Budget is primarily funded by the New Jersey Transportation Trust Fund (\$675 million), federal grants (\$369.6 million) and federal earmarks (\$134 million).

CUSTOMER AND COMMUNITY INITIATIVES

NJ TRANSIT and the NJ Devils help children "Read for the Record"

The classic children's storybook, "The Little Engine That Could," came alive for dozens of Newark-area children on August 24, when NJ TRANSIT teamed up with the New Jersey Devils for a reading event held at Newark Penn Station.

With children gathered around him, former New Jersey Devils player Rob Skrlac read the book in Newark Penn Station's Raymond Plaza East Concourse. Each child who attended the reading received a copy of the book.

"The Little Engine That Could" was read to children throughout the country on August 24 to promote reading and to encourage parents to read to their young children. Called "Read for the Record," thousands of parents, teachers, mentors and children were expected to participate in the event, sponsored by Jumpstart, a non-profit organization headquartered in Boston. Jumpstart strives to prepare children from low-income communities for scholastic success through programs that aim to build literacy, social skills and critical thinking.

After the reading, the youngsters were treated to a ride on a Newark Light Rail train and to a lesson on safety, courtesy of Grace Introna, NJ TRANSIT's Safety Education Program Specialist.

College students ride free September 18 through 24

NJ TRANSIT will offer free rides to New Jersey college students from September 18 through September 24, 2006, to give students the opportunity to experience how simple and convenient it is to use public transportation.

During the free week, college and post-secondary students can ride any NJ TRANSIT bus, rail or light rail line for free by presenting their student ID and a Free Ride coupon available at www.njtransit.com.

Last semester, more than 33,000 students took advantage of the opportunity to ride NJ TRANSIT buses, trains and light rail vehicles during the free week.

In addition to showing students how easy and convenient it is to use New Jersey's public transportation system, the trial will also promote the benefits of the online Student Pass

program, which provides a 25-percent discount to fulltime students who attend participating colleges.

Students are able to register for their Free Ride coupon by visiting www.njtransit.com and filling out a short registration form. After completing the form, students will immediately be able to link to and print out the Free Ride coupon, valid for unlimited use throughout the entire free trial week.

With Student Pass, students simply log on to their university's Intranet, click on the link to NJ TRANSIT's monthly pass student discount and enter the requested information. After signing up, a new monthly pass is sent automatically each month as long as the account remains active.

About Student Pass

In 2004, NJ TRANSIT began a partnership with several colleges and universities in New Jersey to offer a 25 percent discount off NJ TRANSIT's already discounted rate for monthly passes to students who purchase their pass online. The pilot program was developed to increase student awareness of NJ TRANSIT's services, to guide them in discovering off-campus activities that they can reach using public transportation and to alleviate parking shortages at many universities.

NJ TRANSIT extends free parking at Tonnelle Ave. light rail station until October 1

NJ TRANSIT has extended until October 1 its introductory free parking offer at Tonnelle Avenue Station, the 730-space park-and-ride facility at the northern terminus of the Hudson-Bergen Light Rail system.

Conveniently located in North Bergen on the busy Route 1 & 9 corridor, Tonnelle Avenue Station offers customers a four-minute trip to Port Imperial and a 16-minute trip to Hoboken Terminal, where connections to trans-Hudson ferries, PATH, commuter rail and bus services are available.

Since the station opened in February, NJ TRANSIT has offered free parking as a way of encouraging customers to leave their cars in favor of light rail service.

NJ TRANSIT expands late-night light rail service to Bayonne

Customers traveling from Hoboken to Bayonne now have the benefit of light rail service that operates up to a half hour later, enabling customers to spend more time enjoying attractions along the Hudson waterfront and in Manhattan without rushing to catch the last departure.

The 1:17 a.m. and 1:37 a.m. southbound trips from Hoboken have been extended to serve five additional stations, terminating at Bayonne's 22nd Street Station seven days a week. (Under the previous schedule, the trips terminated at Liberty State Park Station. Now, after departing Liberty State Park, the trains make stops at Richard Street and Danforth Avenue in Jersey City, followed by 45th Street, 34th Street and 22nd Street in Bayonne.)

The new extended trips do not appear in current Hudson-Bergen Light Rail timetables, dated April 24. The change will be shown in the next printing of the timetables.

NJ TRANSIT extends late-night River LINE option

NJ TRANSIT has extended through September 30 its late-night bus service that links Camden Waterfront visitors with free parking at Pennsauken/Route 73 Park & Ride.

Now through September 30, customers can take advantage of a guaranteed bus connection between 36th Street Station (Camden) and the Pennsauken/Route 73 Park & Ride. The free service provides additional parking options for customers returning from Camden between 10 p.m. and midnight when River LINE trains operate as far as 36th Street Station.

NJ TRANSIT introduced the late-night service option earlier this summer and planned to offer the service through Labor Day to extend the reach of the River LINE for Camden Waterfront concertgoers, baseball fans and second-shift workers. The continued service will accommodate additional planned Waterfront events.

In addition to the new late-night bus connection, NJ TRANSIT also recently modified River LINE rail service to better serve customers, extending the 9:30 p.m. Camden departure from 36th Street to the Pennsauken/Route 73 Park & Ride. This extension will operate as a permanent schedule change.

After 9:30 p.m. Sunday through Friday, customers can ride the River LINE from the Camden Waterfront to 36th Street Station and then board the NJ TRANSIT bus to Pennsauken at no additional charge. Buses depart two minutes after each light rail arrival and arrive in Pennsauken approximately 10 minutes later. The service is offered every night except Saturdays, when full River LINE service operates until midnight.

The Pennsauken Park & Ride provides 452 free parking spaces and is conveniently located near several major highways, including Route 73, Route 130, the New Jersey Turnpike and I-295.

NJ TRANSIT adjusts bus schedules effective September 2

NJ TRANSIT adjusted bus routes effective September 2, with modifications including extended routes, added trips and more frequent trips to better serve customers.

To help alleviate overcrowding, 18 trips were added to high-volume routes, and adjustments were made to another six routes to reduce time between trips. School trips, suspended over the summer months, have resumed.

Other routes were modified or extended to link customers to employment, shopping and recreation destinations. Trips on certain routes have been added or changed to better synchronize bus and rail schedules.

These adjustments were part of a scheduled system-wide bus timetable change.

NJ TRANSIT offers extra trains, buses for Labor Day holiday weekend

NJ TRANSIT offered "early getaway" rail and bus service on Friday, September 1 for the benefit of customers leaving work early for the Labor Day holiday.

Extra outbound trains operated on the Northeast Corridor, North Jersey Coast, Raritan Valley and Morris & Essex lines, and extra buses operated on select routes from the Port Authority Bus Terminal.

Express weekend beach service on the North Jersey Coast Line continued through Monday, September 4.

In addition, NJ TRANSIT's Family Super Saver Fare, which allows up to two children 11 and under to travel free with each fare-paying adult, remained in effect from 7 p.m. Friday, September 1 until 6 a.m. Tuesday, September 5.

NJ TRANSIT offers service to 'American Idol' try-outs

This season's "American Idol" hopefuls were able to ride NJ TRANSIT bus service from the Port Authority Bus Terminal in New York to the Meadowlands Sports Complex for their chance at a "golden ticket."

From Saturday, August 12 through Monday, August 14, NJ TRANSIT added trips to its regular No. 164 bus route to accommodate people attending the "American Idol" registration and auditions at the Continental Airlines Arena.

EMPLOYEE RECOGNITION

NJTPD welcomes two new officers

The NJ TRANSIT Police Department welcomed Bekim Dushaj and Daniel Taquinto to the force. Hired as recruits in March, the officers graduated Wednesday, August 16 from the Essex County Police Academy and already are on the job receiving field training.

Marketing staff member receives award

Beata M. Lazor, a graphic designer in the creative services division, won a prestigious ASTRA award from the New Jersey Communications, Advertising & Marketing Association. Beata won a Silver award for creating a tube-shaped mailing piece for THE Tunnel project.

NJ TRANSIT employees bid farewell after outstanding careers

Sixteen NJ TRANSIT employees retired in August with careers ranging from 10 to 41 years of service:

1. John Hnyda (Lake Hiawatha) Big Tree Garage Depot Master "A" – 41 years
2. Lynn D. Wilkins (Maplewood) Director Transportation – 32 years
3. Omelia Fontenot (Parlin) PABT Ticket Agent – 31 years
4. James K. Weiler (Monroe Township) Penn Plaza Manager Infrastructure Design – 31 years
5. Alan R. Marshall (Cherry Hill) Newton Avenue Garage Bus Operator – 28 years
6. Willie Jones (Paterson) Oradell Garage Stock Clerk – 27 years
7. Arthur Caravela (Milltown) Penn Plaza Technical Specialist – 25 years
8. Angelina Wells-Hampton (Freehold) PABT Ticket Agent – 24 years
9. Robert T. Foster (Woodbury) Washington Township Garage Mechanic – 22 years
10. Julia M. McKnight (Newark) PABT Station Starter – 20 years
11. Saro Velez (Kendall Park) City Subway Bus Operator – 20 years
12. Peter A. Rausch (Pt. Pleasant) Penn Plaza/Red Bank Manager Elec. Construction – 19 years
13. Carol A. Murray (Magnolia) Washington Township Garage Bus Operator – 17 years
14. Mary Ann Palm (Blackwood) Washington Township Garage Bus Operator – 16 years
15. Annie Outlaw (Newark) Oradell Garage Cleaner – 15 years
16. Luis Febus (Newark) Big Tree Garage Bus Operator – 10 years

DBE/MBE PROGRAM

NJ TRANSIT – Office of Business Diversity DBE/SBE Participation**Federally Funded Contracts**

\$178,025,088 in federal funds was awarded during October thru July of FY 06*. Disadvantaged Business Enterprises (DBEs) were awarded \$38,110,547 or 21.4 percent, which includes both race conscious and race neutral awards.

State Funded Contracts

\$91,396,598 in state-funded contract dollars was awarded during July FY 07. ** Of that total, Small Business Enterprises (SBEs) received \$1,675,119 or 1.8 percent. Category 1 SBEs received \$296,238 or 0.3 percent. Category 2 SBEs received \$734,046 or 0.8 percent. Category 4 SBEs received \$644,835 or 0.7 percent. ***

Federal & State Contracts Total

\$269,421,686 in federal and state contract dollars were awarded by NJ TRANSIT during this reporting period. Of that total, \$39,785,666 or 14.8 percent of federal and state contract dollars was won by DBEs and SBEs.

Hudson-Bergen Light Rail Transit System Project

Of \$1,433,024,411 in contract dollars awarded for the Hudson-Bergen Light Rail Transit System project****, \$180,729,496 or 12.6 percent has been received by DBEs. Of the \$180,729,496, 6 percent or \$86,823,647 has been won by Women Business Enterprises (WBEs) who are classified as DBEs.

*Fiscal year beginning October 1, 2005

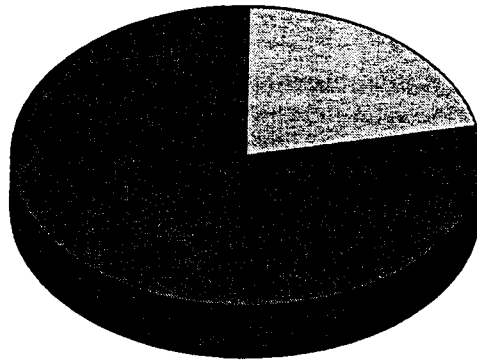
**Fiscal year beginning July 1, 2006

***Cat 1-Less than \$500,000 gross revenues, Cat 2-Less than \$5 million, Cat 3-Less than \$12 million, Cat 4 (construction)-Less than \$1 million, Cat 5 (construction)-Less than \$17,420,000

****This YTD figure reflects federal dollars expended on an annual basis; including change orders, for the period from December, 1996 through April 2005.

**DBE PARTICIPATION
FEDERAL CONTRACTS
FEDERAL FYTD (THRU AUGUST 2006)**

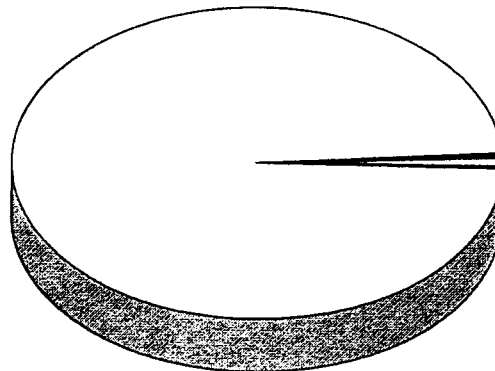
NON-DBE
FEDERAL
\$139,914,541
78.6%



DBE RACE
NEUTRAL &
RACE
CONSCIOUS
\$38,110,547
21.4%

**SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD (THRU AUGUST 2006)****

NON-SBE STATE
\$89,721,479
98.2%



SBE-4
\$644,835
0.7%

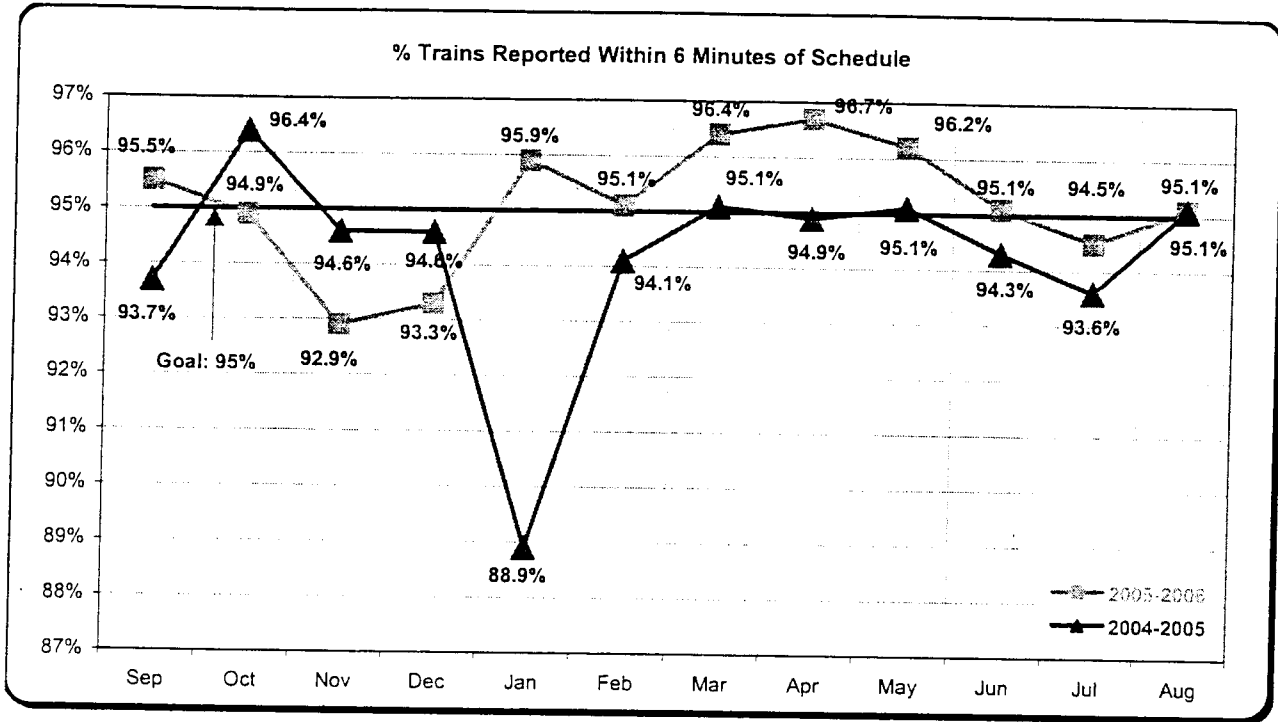
SBE-2
\$734,046
0.8%

SBE-1
\$296,238
0.3%

****FISCAL YEAR BEGINNING JULY 1, 2006
DOES NOT INCLUDE SMALL PURCHASES**

PERFORMANCE MEASURES

NJ TRANSIT ON-TIME PERFORMANCE RAIL SEPTEMBER 2004 - AUGUST 2006



	2005	2006	# Change
August Comparison	95.1%	95.1%	0.0%

	2004-2005	2005-2006	# Change
12-Month Average September - August	94.2%	95.1%	0.9%

Analysis:

Rail On-Time Performance for August 2006 was 95.1%. Of the 19,634 trains that were scheduled to operate, 18,674 were on time, while 960 trains (or 4.9%) were delayed. Causes of delay included:

A temporary failure of the software controlling the train dispatching system, affecting all Hoboken Division trains, on August 11th;

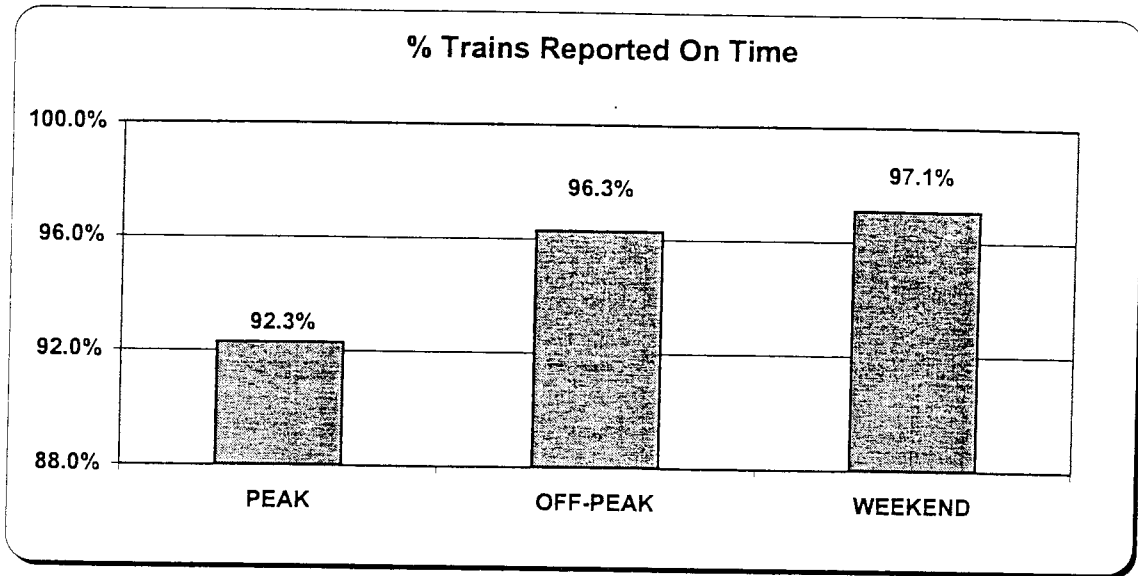
A report of a suspicious object just outside the tunnel to New York, resulting in the holding of all trains until the issue was investigated and resolved, on August 15th; and

A trespasser fatality near South Amboy Station on August 31st.

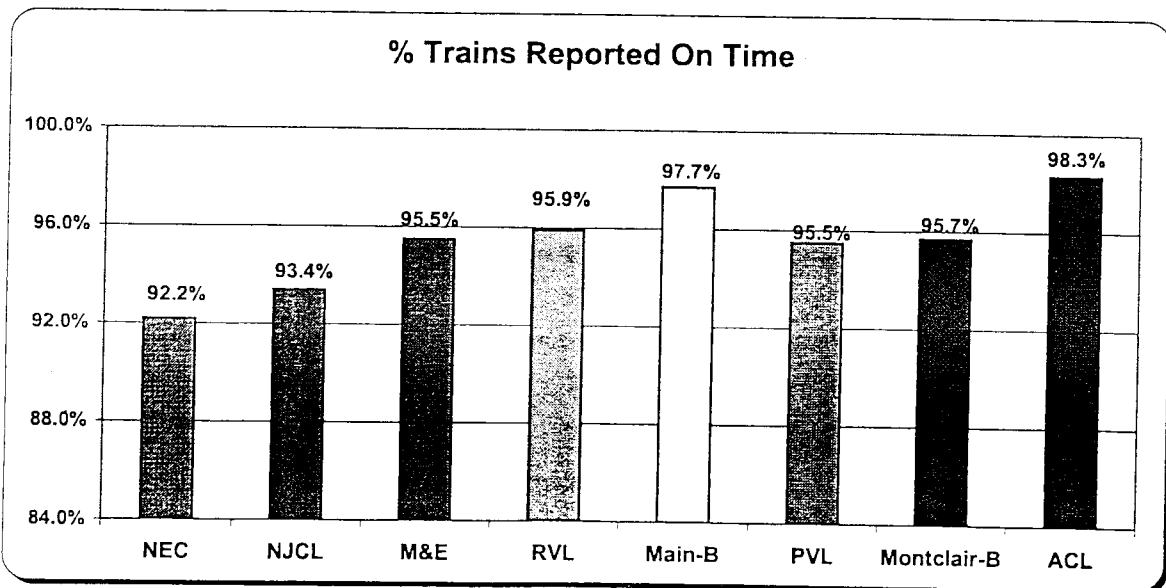
The 12-month average for Rail On-Time Performance systemwide for September 2005 - August 2006 was 95.1%, above the average for the previous 12-month period.

ON-TIME PERFORMANCE RAIL

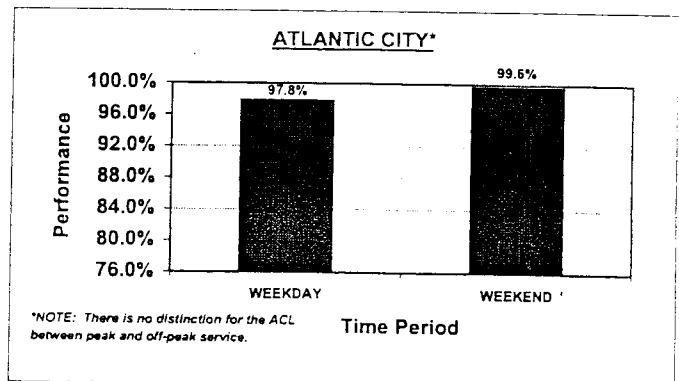
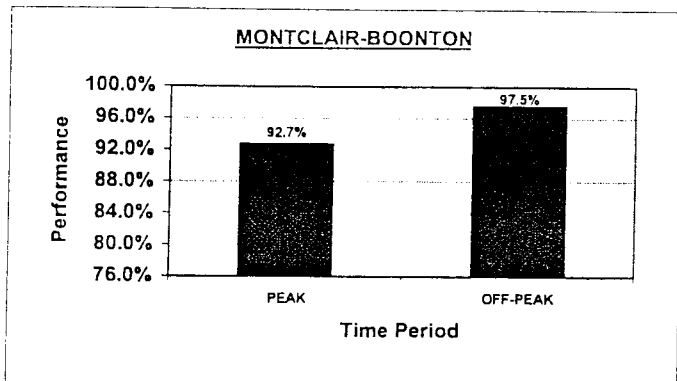
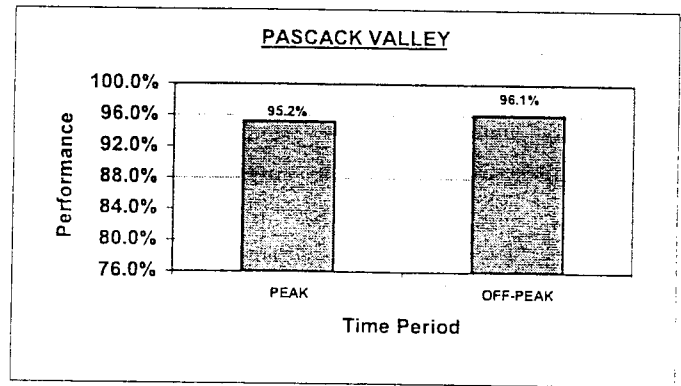
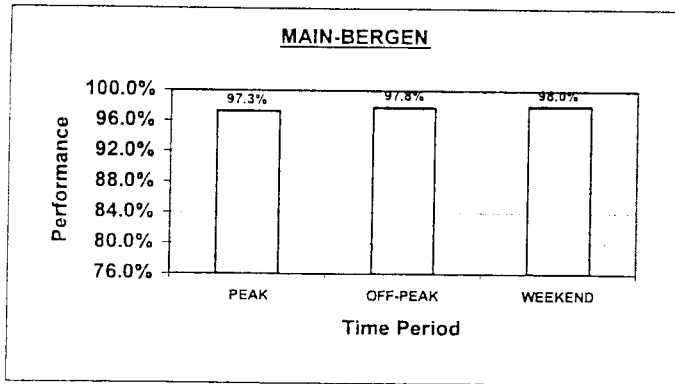
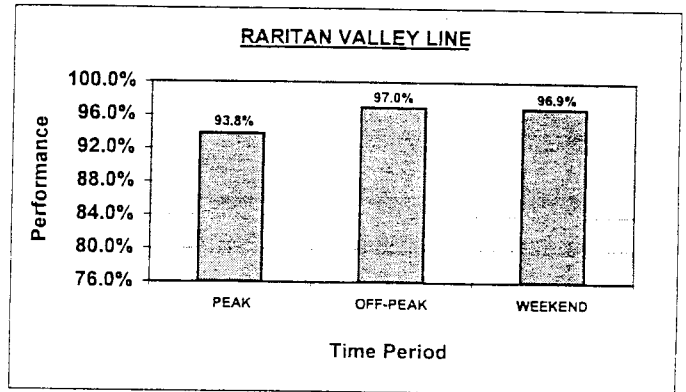
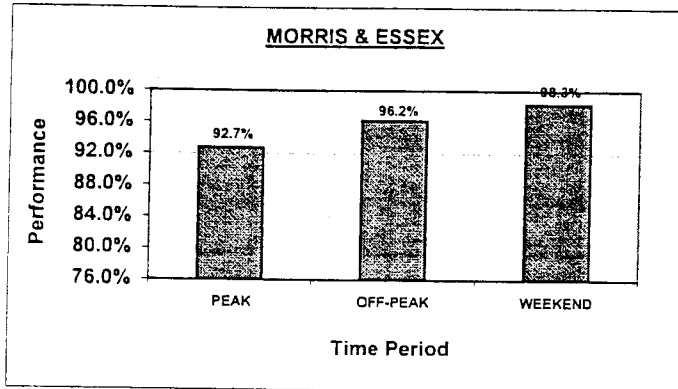
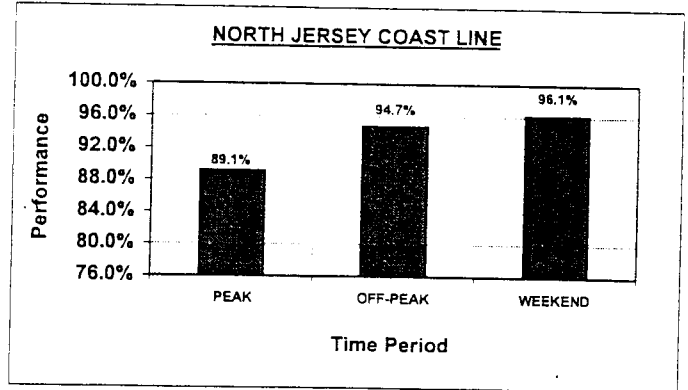
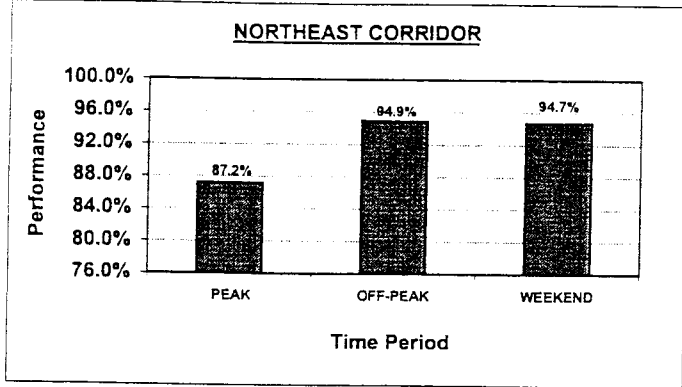
SUMMARY BY TIME PERIOD AUGUST 2006



SUMMARY BY LINE AUGUST 2006

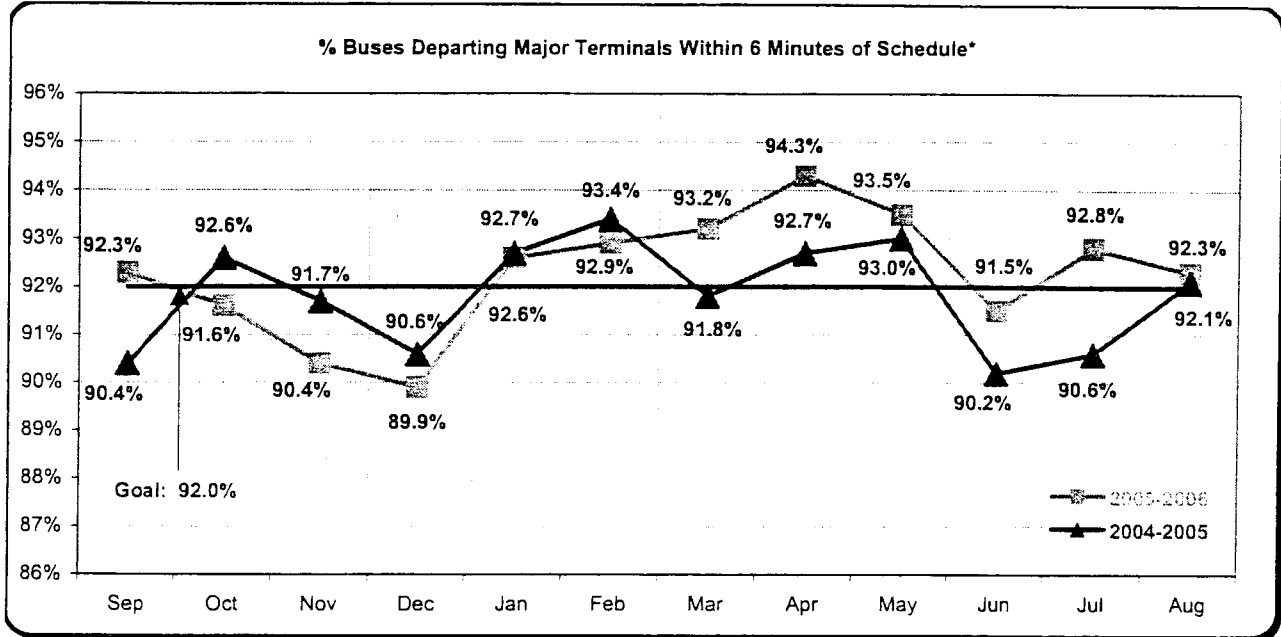


ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD AUGUST 2006



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

NJ TRANSIT ON-TIME PERFORMANCE BUS SEPTEMBER 2004 - AUGUST 2006



*Note: Includes the Walter Rand Transportation Center, Atlantic City Bus Terminal, Port Authority Bus Terminal and Newark Penn Station

	2005	2006	# Change
August Comparison	92.1%	92.3%	0.2%

	2004-2005	2005-2006	# Change
12-Month Average September - August	91.8%	92.3%	0.5%

Analysis:

Bus On-Time Performance for August 2006 was 92.3%. Of the 32,739 monitored departures, 2,515 (or 7.7%) experienced delays. Key sources of delay included:

Seasonal traffic on the Garden State Parkway and Atlantic City Expressway throughout the month affecting departures near the Atlantic City Bus Terminal;

Heavy traffic resulting in gridlock conditions near the Port Authority Bus Terminal on August 11th;

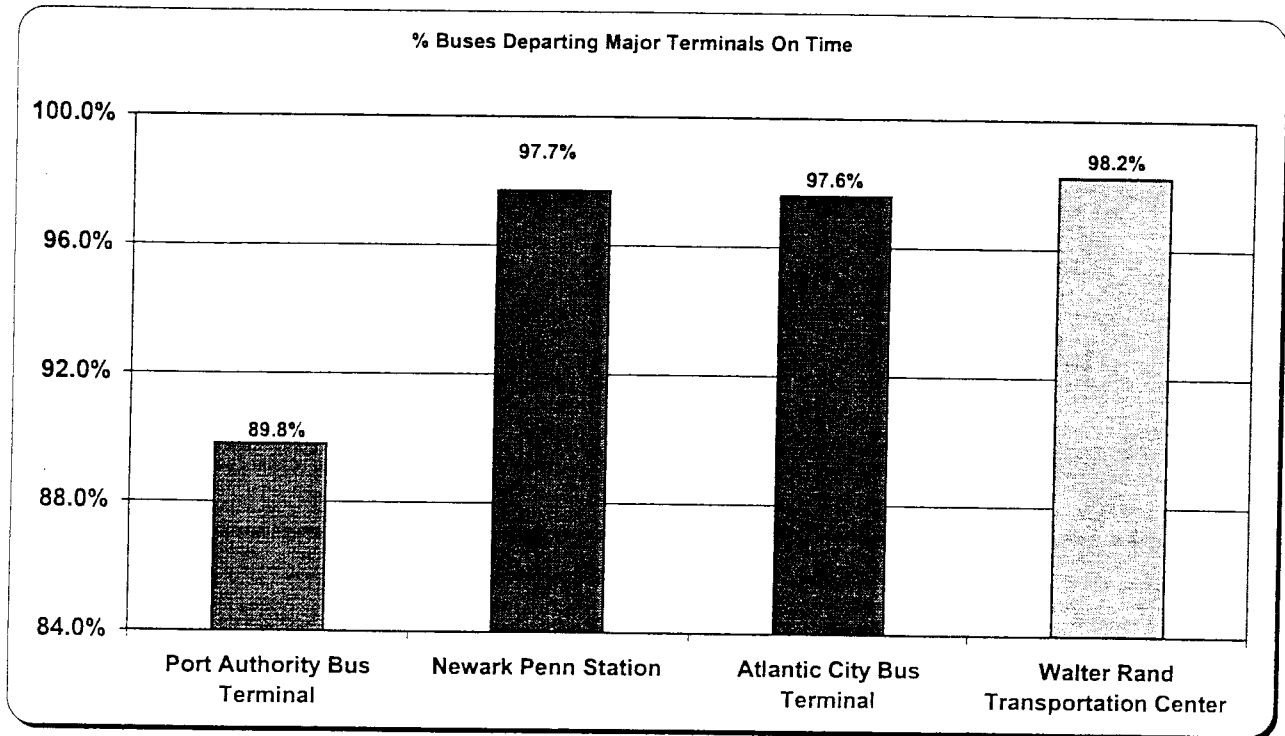
Flooding in Camden and surrounding areas on August 28th; and

Closure of the Eastern Spur in the southbound direction on the New Jersey Turnpike near the Port Authority Bus Terminal on August 31st.

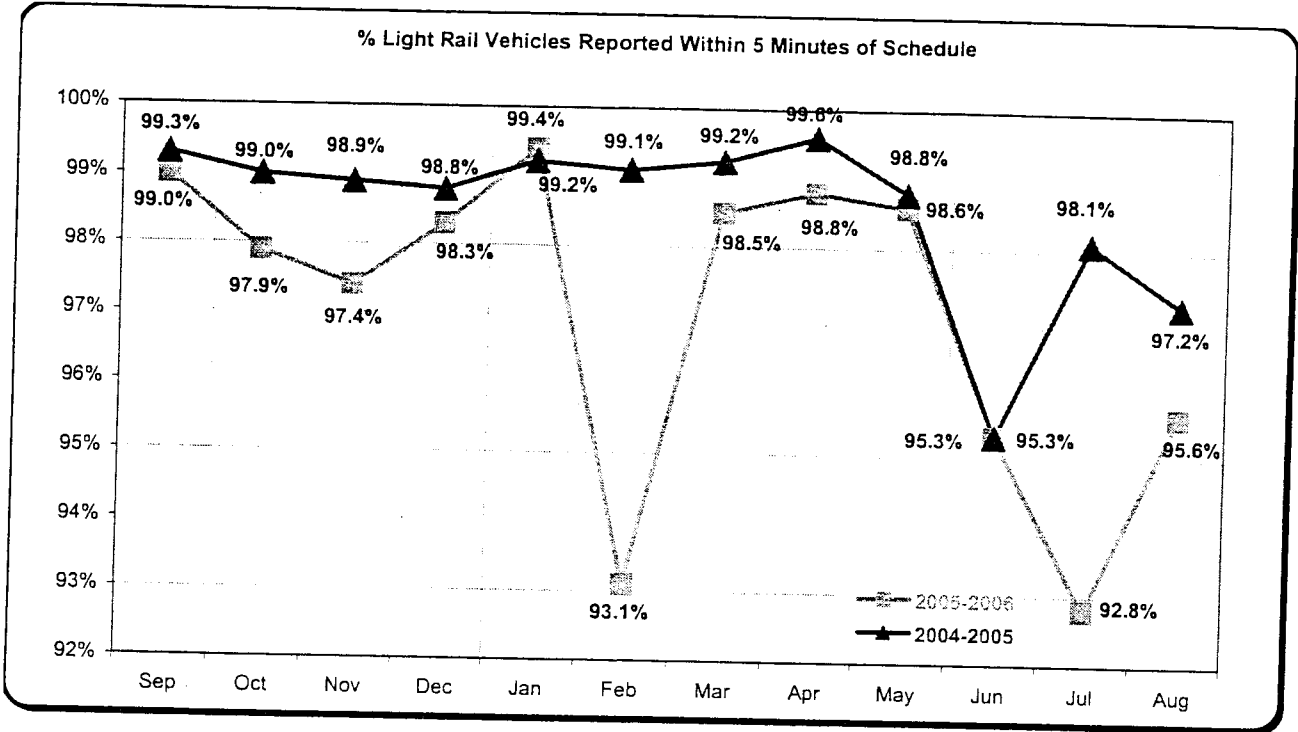
The 12-month average for Bus On-Time Performance for September 2005 - August 2006 was 92.3%, surpassing the performance goal of 92.0%.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL AUGUST 2006



NJ TRANSIT ON-TIME PERFORMANCE HUDSON-BERGEN LIGHT RAIL SEPTEMBER 2004 - AUGUST 2006



	2005	2006	# Change
August Comparison	97.2%	95.6%	-1.6%

	2004-2005	2005-2006	# Change
12-Month Average September - August	98.7%	97.1%	-1.6%

Analysis:

Hudson-Bergen Light Rail (HBLR) On-Time Performance for August 2006 was 95.6%. Of the 17,487 scheduled trips for the month, 772 (or 4.4%) were delayed. Causes of delay included:

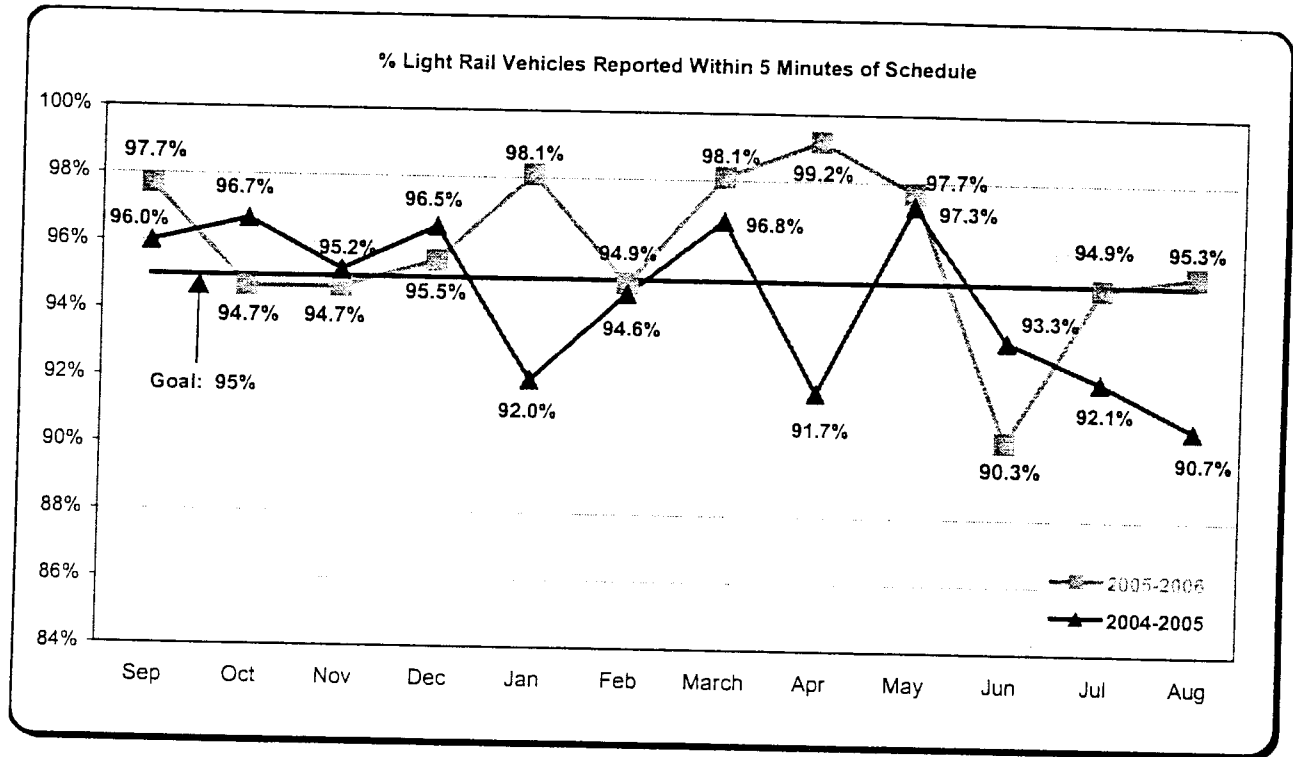
Scheduled maintenance on August 4th, 5th, 18th, 19th, 25th, and 26th;

An accident involving a train and bus on August 11th; and

An equipment failure on August 28th.

The 12-month average for HBLR On-Time Performance for September 2005 - August 2006 was 97.1%, 1.6 percentage points below the average of the previous 12-month period.

NJ TRANSIT ON-TIME PERFORMANCE River LINE SEPTEMBER 2004 - AUGUST 2006



	2005	2006	# Change
August Comparison	90.7%	95.3%	4.6%

	2004-2005	2005-2006	# Change
12-Month Average September - August	94.4%	95.9%	1.5%

Analysis:

River LINE On-Time Performance for August 2006 was 95.3%, above the performance achieved during the same month one year previously. Of the 3,031 trips scheduled for the month, 143 (or 4.7%) were delayed. Causes of delay included:

Heavy traffic in Camden due to a concert in the area, and one instance each of vehicle and Control Center failure on August 3rd;

A signal failure on August 9th; and

Inclement weather resulting in high water conditions in Camden on August 29th.

The 12-month average for River LINE On-Time Performance for September 2005 - August 2006 was 95.9%, an increase from the performance of the previous 12-month period.

ACTION ITEMS

ITEM 0609-53: NJ TRANSIT/AMTRAK NORTHEAST CORRIDOR SERVICES**BENEFITS**

NJ TRANSIT and Amtrak have reached agreement on amending the Northeast Corridor (NEC) Services Agreement for a new term effective October 1, 2006 through September 30, 2012. NJ TRANSIT and Amtrak have also reached agreement on amendments to the Electric Power Agreement and to the Joint Benefit Capital Program Agreement for the period from October 1, 2006 through September 30, 2012.

PURPOSE

Effective January 1, 1983, NJ TRANSIT has contracted with Amtrak for the operation of NJ TRANSIT Rail services on the NEC pursuant to the Northeast Corridor Services Agreement (NECSA), with the current agreement expiring September 30, 2006. NECSA governs the operations and compensation of all NJ TRANSIT's rail services on Amtrak's NEC. Currently, NJ TRANSIT operates more than 400 trains each weekday on the NEC and approximately 200,000 daily commuter rail trips, or nearly 80 percent of the total NJ TRANSIT rail ridership, touch some segment of the NEC.

NJ TRANSIT and Amtrak have reached agreement on amendments to NECSA which extend the current agreement to a new term from October 1, 2006 through September 30, 2012 and reimburses Amtrak for its actual NEC maintenance and operating costs under an agreed to cost allocation approach. NJ TRANSIT will reimburse Amtrak for its rail services with a fixed base payment of \$34.4 million per year through September 30, 2009 with the parties to determine the amount(s) for the subsequent period based on NJ TRANSIT service levels and Amtrak's actual costs. The new annual base level payment also includes the operation of substitute NJ TRANSIT trains in lieu of payments for cross-honoring NJ TRANSIT tickets on the "clocker" trains. Given the use of an agreed to cost-allocation methodology, the liability and indemnification provision in the amended NECSA will be changed effective with the new contract amendment from a "But-For" to a "No-Fault" basis.

Amtrak and NJ TRANSIT have also agreed to improve planning and coordination of both commuter rail and intercity rail services on the NJ TRANSIT service segment of the NEC and the design and construction of capital projects to improve such rail services. This process will produce the following deliverables:

- 2016 Service Plan, governing both NJ TRANSIT and Amtrak services;
- 2007-2016 NEC Infrastructure Capital Investment plan, identifying NEC renewal and capacity expansion investment needs;
- Capital Projects Design and Construction Plan specifying the Amtrak resources required to support NJ TRANSIT capital projects.

- Design, construction, and establishment of a new train operations Control Center to replace and/or upgrade sections of the existing Penn Station Control Center that dispatches NJ TRANSIT and Amtrak trains in NJ.

NJ TRANSIT and Amtrak have also agreed to modify the Electric Power Agreement, which covers NJ TRANSIT's payments to Amtrak for use of electric propulsion power consistent with the use of an agreed to allocated cost methodology. The parties have also agreed to extend the Joint Benefit Capital Program Agreement beyond its current expiration date of September 30, 2006 for another six years on substantially similar terms as in the most recent amendment, with each party contributing \$260 million over this six-year period.

ACTION

Staff seeks authorization to amend the NEC Services Agreement to provide payments to Amtrak at a base level of \$34.4 million per year from October 1, 2006 through September 30, 2009, with a revised amount(s) to be determined for the period through September 30, 2012; to amend the Electric Power Agreement; and to extend the Joint Benefit Capital Program through September 30, 2007, with additional extensions through September 30, 2012.

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

FISCAL IMPACTS

Requested Authorization:	\$34.4 million per year in base level Operating Budget payments (FY07-FY09) \$35.0 million in FY 07 Capital Budget payments \$45.0 million per year in FY 2008-2012 Capital budget payments
Projected Date of Completion:	N/A
Anticipated Source of Funds:	FY07 and beyond Operating and Capital Budgets
Impacts on Subsequent Operating Budgets:	\$34.4 million in FY 08 and FY09.

RESOLUTION

WHEREAS, effective January 1, 1983 NJ TRANSIT has contracted with Amtrak for the operations of its rail services on the Northeast Corridor pursuant to the Northeast Corridor Services Agreement, as amended; and

WHEREAS, NJ TRANSIT and Amtrak have agreed to amend and extend the Northeast Corridor Service Agreement, which is set to expire on September 30, 2006, whereby NJ TRANSIT's base payment for the period October 1, 2006 through September 30, 2009 will be \$34.4 million per year with a revised amount(s) to be determined for the period October 1, 2009 through September 30, 2012; and make changes to the liability and indemnification provisions; and

WHEREAS, NJ TRANSIT and Amtrak have agreed to amend and extend the October 1, 1996 Joint Benefit Capital Program Agreement through September 30, 2012 with each party contributing \$260 million over this six-year period; and

WHEREAS, NJ TRANSIT and Amtrak have agreed to amend the September 1, 1987 Electric Power Agreements to have NJ TRANSIT payments be determined on an allocated cost methodology;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to execute amendments to the Northeast Corridor Services Agreement and to other mentioned agreements with Amtrak resulting in payments as herein described.

**ITEM 0609-54: HUDSON BERGEN LIGHT RAIL EXTENSION TO 8th STREET:
GENERAL DESIGN, PROJECT MANAGEMENT AND
ENVIRONMENTAL SERVICES CONSULTANTS**

BENEFITS

Hudson-Bergen Light Rail opened in April 2000 and was extended to Bergenline Avenue and Tonnelle Avenue stations in February 2006. Customers have responded positively to the new service with ridership jumping over 40 percent one month after the new service was introduced. More than 33,000 customers use the light rail line every weekday demonstrating the effectiveness of the HBLR in those urban environments.

The extension of the light rail one mile south in Bayonne from 22nd Street to 8th Street will bring light rail transit to new neighborhoods. Additionally, the recent municipal approval for construction of housing near the new station site underscores the need for public transit in an area where traffic is dense and street parking is limited.

PURPOSE

NJ TRANSIT has contracted with various firms to provide professional services for the implementation of the light rail system. The requested contract amendments include preparation of design documents and related work needed to advertise a design/build contract to construct the light rail extension.

Parsons Brinckerhoff will revise the current concept design for the 8th Street station and prepare a request for proposals for the design/build contract. Booz Allen and Hamilton will provide project management services and relocation services for the acquisition of real estate. BEM will provide environmental services and prepare parcel maps to support the property acquisition process.

ACTION (Justification: System Expansion)

Staff seeks authorization to amend an existing contract with Parsons Brinckerhoff Quade and Douglas, Inc. (PBQD) of Newark, NJ, for design services and preparation of a request for proposals for extension of Hudson Bergen Light Rail to 8th Street in Bayonne at a cost not to exceed \$1,421,442 plus five percent for contingencies for a total contract authorization of \$149,470,785.

Staff also seeks authorization to amend an existing contract with Booz Allen and Hamilton of McLean, VA, for project management services and relocation services for the acquisition of real estate related to extension of Hudson Bergen Light Rail to 8th Street in Bayonne at a cost not to exceed \$400,000, plus five percent for contingencies, for a total contract authorization of \$42,876,961.

Staff also seeks authorization to amend the contract with BEM Systems, Inc. (BEM) of Chatham, NJ, for environmental services and preparation of parcel maps to support the

property acquisition process for extension of Hudson Bergen Light Rail to 8th Street in Bayonne at a cost not to exceed \$339,646, plus ten percent for contingencies, for a total contract authorization of \$32,178,537.

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

FISCAL IMPACT

Requested Authorization:	PBQ&D Increase	\$ 1,421,442 + 5% for
contingencies		
	PB Total Authorization	\$ 149,470,785
	BAH Increase	\$ 400,000 + 5% for
contingencies		
	BAH Total Authorization	\$ 42,876,961
	BEM Increase	\$ 339,646 + 10% for
contingencies		
	BEM Total Authorization	\$ 32,178,537
Total Project Cost:	\$88,991,000	
Date of Project Completion:	Sept 2009	
Anticipated Source of Funds:	Federal/CMAQ	
DBE Goal:	A/E Services – 30%	
Related/Future Authorizations:	For construction of the light rail extension to 8 th Street	

RESOLUTION

WHEREAS, Hudson Bergen Light Rail customers have responded positively to new and expanded service to Bergenline Avenue and Tonnelles Avenue; and

WHEREAS, extending the light rail to 8th Street in Bayonne will continue to build on past successes, support economic development, provide convenient access to additional neighborhoods in Bayonne; and

WHEREAS, professional services firms for design, project management, and environmental services will supplement staff expertise to complete the design and prepare the project for construction; and

WHEREAS, these professional services firms were previously competitively selected to support the design and construction of the original Hudson-Bergen Light Rail system;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to amend the contract with Parsons Brinckerhoff Quade and Douglas, Inc. (PBQD) of Newark, NJ, for design services and preparation of bid specifications for extension of Hudson Bergen Light Rail to 8th Street in Bayonne at a cost not to exceed \$1,421,442, plus five percent for contingencies for a total contract authorization of \$149,470,785; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to amend the contract with Booz Allen and Hamilton of McLean, VA, for project management services and relocation services for the acquisition of real estate related to extension of Hudson Bergen Light Rail to 8th Street in Bayonne at a cost not to exceed \$400,000, plus five percent for contingencies, for a total contract authorization of \$42,876,961; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to amend the contract with BEM Systems, Inc. (BEM) of Chatham, NJ, for environmental services and preparation of parcel maps to support the property acquisition process for extension of Hudson Bergen Light Rail to 8th Street in Bayonne at a cost not to exceed \$339,646, plus ten percent for contingencies, for a total contract authorization of \$32,178,537.

ITEM 0609-55: ROUTE 23-WAYNE PARK & RIDE: CONSTRUCTION CONTRACT AWARD**BENEFITS**

The Route 23-Wayne Park & Ride will provide 1,000 parking spaces for commuters at a combined bus park & ride and rail station. The new multi-modal transportation hub will offer convenient access from Routes 23 & 46 and Interstate 80, and serve trains on the Montclair-Boonton Line. At the new facility, customers will be able to choose between express bus services to New York City and Montclair-Boonton Line rail services from a common parking area equipped with public information systems and heated waiting areas.

The park & ride will be located closer to NJ TRANSIT's Wayne Bus Garage, reducing the non-revenue travel time and associated labor costs. The current lot known as Route 23-Mother's Park & Ride will be closed, eliminating annual lease payments for that facility.

PURPOSE

Much of the commuter parking capacity in the Route 23 corridor is located on commercial properties and leased at an annual cost. In addition to the annual financial impact, NJ TRANSIT cannot guarantee the long-term use of these sites for commuter parking. The new park & ride will ensure commuter parking capacity remains available in the corridor and provide options for future expanded parking capacity on the site.

The proposed contract includes construction of a high-level rail platform, a bus boarding platform, 1,000 parking spaces, revenue collection systems, a customer pick-up and drop-off area and adjacent roadway modifications.

ACTION (Justification: Customer Service Improvements)

Staff seeks authorization to contract (No.05-010RX) with J. H. Reid of South Plainfield, NJ, for construction of the new Route 23-Wayne Park & Ride facility and related work to adjacent roads in the Township of Wayne, NJ at a cost not to exceed \$16,308,235, plus five percent for contingencies, subject to the availability of funds.

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

FISCAL IMPACTS

Requested Authorization: \$16,308,235 + 5% contingencies

Total Project Cost: \$33,067,000

Projected Date of Completion: February 2008

Anticipated Source of Funds: TTF/PANYNJ

DBE Goal: 25%

Future Related Authorizations: None

RESOLUTION

WHEREAS, the current park & ride facilities in the Route 23 corridor are leased at an annual cost with no long-term guarantees for their continued use; and

WHEREAS, the new multi-modal transit facility will provide customers with convenient access to bus and rail services with options for future expanded parking capacity; and

WHEREAS, upon completion of a competitive procurement process, it was determined that J. H. Reid was the lowest responsive, responsible bidder;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to contract (No.05-010RX) with J. H. Reid of South Plainfield, NJ, for construction of the new Route 23-Wayne Park & Ride facility and related work to adjacent roads in the Township of Wayne, NJ at a cost not to exceed \$16,308,235, plus five percent for contingencies, subject to the availability of funds.

ITEM 0609-56: RIVER LINE SIGNAL ENHANCEMENTS FOR EXPANDED SERVICE: CONSTRUCTION CONTRACT AWARD

BENEFITS

In March 2004, NJ TRANSIT introduced River LINE service between Camden and Trenton. The light rail line recently carried its five millionth passenger with steady growth in ridership being experienced since opening. According to the Burlington County Department of Economic Development and Regional Planning, the River LINE has also spurred more than \$750 million in economic development including 15,000 housing units and 1 million square feet of retail and commercial space planned or under construction within walking distance of light rail stations.

The initial light rail service plan was limited to 6 a.m. to 10 p.m. by the purchase and operating agreements with Conrail and federal regulations regarding light rail and freight operations. Since that time, NJ TRANSIT, the Federal Railroad Administration, Conrail, and municipalities along the line have worked to expand early morning and late night service options. In June, NJ TRANSIT introduced guaranteed late-night bus connections from Camden to the Route 73 Park & Ride in Pennsauken. And in August 2006, NJ TRANSIT and the City of Burlington reached an agreement to store light rail cars on city-owned property to provide earlier departures to Camden and Trenton.

The next step to expand early morning and late night service requires modification of the signal system between the 36th Street and Route 73 stations. The signal modifications are required by agreement with Conrail and will allow both early morning and late night River LINE service to be extended from Camden to the Route 73 Park & Ride, which is ideally situated next to major roadways.

PURPOSE

The proposed modification of the signal system will facilitate early morning and late evening service between 36th Street in Camden and the Route 73 Park & Ride in Pennsauken. With this investment, the River LINE will have the capacity to better serve second-shift employers and evening events at the Camden waterfront, while satisfying Federal Railroad Administration requirements for safe separation of light rail and freight service. As a result of this investment, NJ TRANSIT anticipates a waiver from the FRA that will remove the current prohibition on temporal separation of light rail and freight service for this segment of the line.

ACTION (Justification: Customer Service Improvements)

Staff seeks authorization to amend the contract with Southern New Jersey Rail Group, LLC of Camden, NJ for enhancement of the existing signal system and related track work and infrastructure improvements at a cost of \$1,300,000, plus five percent for contingencies, for a total contract authorization of \$628,579,235.

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

FISCAL IMPACTS:

Requested Authorization:	\$1,300,000 + 5% contingency
Total Project Cost:	\$1,406,000
Projected Date of Completion:	Spring 2007
Anticipated Source of Funds:	TTF
DBE Goal:	17% DBE/WBE
Future Related Authorizations:	N/A

RESOLUTION

WHEREAS, the River LINE has experienced steady growth in ridership and fostered substantial economic development in the corridor; and

WHEREAS, the hours of service on the line are limited by the purchase and operating agreements with Conrail and federal regulations regarding light rail and freight operations; and

WHEREAS, signal modifications between 36th Street and Route 73 stations will allow the light rail service to better serve second-shift employers and evening events at the Camden waterfront; and

WHEREAS, NJ TRANSIT previously selected Southern New Jersey Rail Group, LLC of Camden, New Jersey through a competitive procurement process to design, build, operate, and maintain the River LINE;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to amend the contract with Southern New Jersey Rail Group, LLC of Camden, NJ for enhancement of the existing signal system and related track work and infrastructure improvements at a cost of \$1,300,000, plus five percent for contingencies, for a total contract authorization of \$628,579,235, subject to the availability of funds.

**ITEM 0609-57: HOWELL BUS GARAGE ROOF REHABILITATION PHASE 1:
CONSTRUCTION CONTRACT AWARD**

BENEFITS

Howell Bus Garage, located on Route 9 in Howell Township, Monmouth County, was constructed in the 1980s and services 191 buses daily. Bus routes based at the garage serve Lakewood, Toms River, Old Bridge, Sayreville, Freehold, Jersey City, Newark, and New York among other destinations. With an overall economic life of about 40 years, the garage is approaching midlife and the original roof is showing signs of deterioration.

A roof rehabilitation at Howell Bus Garage will protect NJ TRANSIT's investment in the bus fleet and maintenance equipment and facility. The project at Howell Bus Garage is the first of a two-phase effort that will replace the roof of the entire facility. Phase 1 includes rehabilitation of the roof over the bus maintenance and transportation areas, and includes repointing deteriorated mortar, power washing and sealing exterior walls, new roof drains and reflashings of skylights and rooftop mechanical units.

PURPOSE

The roof replacement is one of series of targeted investments to bus maintenance facilities to protect NJ TRANSIT's bus fleet and maintenance equipment.

ACTION (Justification: State of Good Repair)

Staff seeks authorization to contract (No.06-110X) with G&M Eastern Contracting of Neptune City, New Jersey for the rehabilitation of the roof at Howell Bus Garage at a cost not to exceed \$1,661,480, plus five percent for contingencies, subject to the availability of funds.

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

FISCAL IMPACTS

Requested Authorizations:	\$1,661,480, plus five percent for contingencies
Total Project Cost:	\$2,145,000 (Phase 1 only)
Projected Date of Completion:	June 2007: Howell Bus Garage Roof Rehabilitation
Anticipated Source of Funds:	TTF
SBE Goal:	23%
Future Expected Authorizations:	None

RESOLUTION

WHEREAS, NJ TRANSIT seeks to improve and maintain its transportation facilities in a state of good repair; and

WHEREAS, Howell Bus Garage services and maintains 191 buses which serve the region and destinations including Newark, Jersey City and New York City; and

WHEREAS, the rehabilitation of the roof at Howell Bus Garage is necessary to protect the building from deterioration and to extend the useful life of the facility; and

WHEREAS, upon completion of a competitive procurement process, it was determined that of G&M Eastern Contracting of Neptune, New Jersey was the lowest responsive, responsible bidder;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to contract (No. 06-110X) with G&M Eastern Contracting of Neptune City, New Jersey, for the rehabilitation of the roof at Howell Bus Garage at a cost not to exceed \$1,661,480, plus five percent for contingencies, subject to the availability of funds.

ITEM 0609-58: PURCHASE OF WHEEL TRUING MACHINE FOR HOBOKEN TERMINAL

BENEFITS

In August, the Board of Directors approved a contract amendment for final design of the wheel truing facility at Hoboken Terminal. The new wheel truing facility is one element in a series of recent projects to rehabilitate and upgrade Hoboken Terminal to support NJ TRANSIT's growing rail fleet and maintain service reliability of trains.

From time to time, flat spots and other defects occur on train wheels that can decrease operating speeds and service reliability. Wheel truing machines reshape the profile of train wheels to maintain optimum performance. The existing wheel truing machine at Hoboken Terminal is 53 years old, largely exposed to weather, and poorly situated relative to current terminal operations. The machine is frequently out of service for maintenance.

With a lead-time of one year, early procurement of the wheel truing machine is required to allow the equipment to be fabricated in advance of the primary construction contract.

PURPOSE

The fabrication, delivery, and installation of a single-axle wheel truing machine is required to support the schedule for construction of the wheel truing facility at Hoboken Terminal.

ACTION (Justification: State of Good Repair)

Staff seeks authorization to contract (No. IFB 06-104R) with Simmons Machine Tool Corp. of Albany, New York, for fabrication, delivery, and installation of a single-axle wheel truing machine in the amount of \$1,505,730 plus five percent for contingencies, subject to the availability of funds.

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

FISCAL IMPACTS:

Requested Amount: \$1,505,730 + 5% contingency (Purchase of single axle wheel truing machine)

Total Project Cost: \$15,099,000

Projected Date of Completion: Aug 2008

Anticipated Source of Funds: TTF

DBE Goal: 0%

Future/Related Authorizations: Construction, Construction Assistance and Construction Management (Hoboken Wheel Truing Facility)

RESOLUTION

WHEREAS, the replacement of the existing wheel truing facility at Hoboken Terminal is another element in a series of projects to rehabilitate and upgrade the terminal complex; and

WHEREAS, the project will support NJ TRANSIT's growing rail fleet and maintain service reliability on trains; and

WHEREAS, early procurement of the wheel truing machine is required to allow the equipment to be fabricated, delivered and installed during the primary construction contract; and

WHEREAS, upon completion of a competitive procurement process, it was determined that Simmons Machine Tool Corp. of Albany, New York was the lowest responsive, responsible bidder;

NOW, THEREFORE, BE IT RESOLVED, that the Chairman or Executive Director is authorized to contract (No. IFB 06-104R) with Simmons Machine Tool Corp. of Albany, New York for fabrication, delivery, and installation of a single-axle wheel truing machine in the amount of \$1,505,730, plus five percent for contingencies, subject to the availability of funds.

ITEM 0609-59: REPLACEMENT OF THE TIMBER TRESTLES APPROACH SPANS AND THE THROUGH-GIRDER SPAN OF THE BIG SHARK RIVER DRAWBRIDGE – AMENDMENT TO CONTRACT - PHASE II FINAL DESIGN SERVICES

BENEFITS

The Big Shark River Drawbridge was built in 1921 and serves 48 daily trains carrying approximately 1,500 daily passengers. The replacement of the timber trestle approach spans and the steel through-girder flanking span of the Big Shark River railroad drawbridge on the North Jersey Coast Line in Belmar and Avon-by-the-Sea, New Jersey, will restore it to a “state-of-good-repair,” ensure public safety, and maintain reliable railroad commuter services for the 48 daily trains that cross this bridge.

PURPOSE

This authorization is for the award of the second phase of this three-phase project. Phase I - Preliminary engineering is nearing completion and the Phase II effort will finalize plans and specifications for the replacement of the timber structure and the steel through-gird flanking span necessary to meet “state-of-good-repair” initiatives and to ensure the continued service life of the Big Shark River Drawbridge crossing for many years to come.

Phase I – Preliminary Engineering was authorized in November 2005. Upon completion of Phase II – Final Design, staff intends to request additional authorization to award Phase III – Construction assistance once the construction effort of the Project is advanced.

ACTION (Justification: State of Good Repair)

Staff seeks authorization to amend Professional Services Contract #06-005 with HNTB Corporation of NY, to perform Phase II - Final Design for replacement of the timber trestle approach spans and the steel through-girder flanking span of the Big Shark River Drawbridge, at a cost of \$393,553, plus five percent for contingencies, for a total authorization of \$413,230, subject to the availability of funds.

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

FISCAL IMPACT

Requested Contract Authorization (phase I only): \$ 393,553 +5% contingency

Total Estimated Design Cost for all 3 phases: \$ 1,090,000 +5% contingency

Projected Date of Design Completion - Phase II: January 2007

**Projected Date of Design Completion
of all 3 Phases:**

August 2008

Anticipated Source of Funds:

State 2005-2006

SBE Goal:

25%

Future/Related Authorization:

100% Design
Construction Services
Construction

RESOLUTION

WHEREAS, NJ TRANSIT owns and maintains the Big Shark River Drawbridge on its North Jersey Coast Line over the Big Shark River, Belmar and Avon-by-the-Sea, New Jersey; and

WHEREAS, replacement of timber trestle spans and the steel through-girder flanking span of this bridge approach is needed to meet “state-of-good-repair” initiatives and modern standards of safety and functionality; and

WHEREAS, following a competitive procurement process, HNTB Corporation was identified as the firm providing the most advantageous proposal and awarded Phase I –Preliminary Design services; and

WHEREAS, Phase I – Preliminary Design Services is nearing completion and Phase II – Final Design is required to complete plans and specifications for construction;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to amend Professional Services Contract #06-005 with HNTB Corporation of NY, to perform Phase II - Final Design for replacement of the timber trestle approach spans and the steel through-girder flanking span of the Big Shark River Drawbridge, at a cost of \$393,553, plus five percent for contingencies, for a total authorization of \$413,230, subject to the availability of funds.

**Item 0609-60: PROCUREMENT BY EXCEPTION AND INSTALLATION OF TWO
ENTRANCE CIRCUIT BREAKERS AT SUMMIT SUBSTATION**

BENEFITS

NJ TRANSIT owns and maintains 257 track miles of electrified railroad on our system. Maintaining our electrical infrastructure power distribution system is essential to Rail Operations infrastructure. The replacement of two SF6 Gas Insulated 230kV Entrance Circuit Breakers at Summit Substation is necessary to ensure reliable electric train service.

PURPOSE

Electric Traction power for the Morristown and Montclair lines is provided through three Electric supply substations located at Kearny, Summit and West Wharton. These substations receive 230 kV electricity from utility companies, transform it to the 27.6 kV electricity used by our trains, and distribute it along various circuits that supply the different sections of our catenary system. Commissioned in 1984 as part of the Morristown Line re-electrification project, several components are nearing the end of their useful life. Authorization is requested to purchase two high voltage entrance circuit breakers for Summit Substation.

These circuit breakers are the primary circuit breakers in the substation and protect the substation equipment from damage caused by an electrical fault similar to the main circuit breaker of a residential electric service. Replacement of these components is part of maintaining a state of good repair and is necessary to ensure the continued reliability of the electric traction system.

Asea Brown Bovieri Inc. (ABB) was identified as a company capable of replacing the entrance circuit breakers at Summit Substation although another potential vendor did not propose. ABB purchased the divisions of Westinghouse, which designed and installed the entrance breakers and gas bus system at Summit Substation. Consequently, ABB has the original engineering drawings and specifications and employs some of the original designers and installers of the entrance circuit breakers and gas bus system at Summit Substation since 1984.

Seven 230kV entrance circuit breakers operate system wide on NJ TRANSIT property. ABB installed three 230kV entrance circuit breakers at Meadows Substation in 2005. Maintaining spare part compatibility with all seven entrance breakers is a benefit to NJ TRANSIT operationally and financially.

ACTION (Justification: State of Good Repair)

Staff seeks authorization to enter into a procurement by exception contract with Asea Brown Bovieri Inc. (ABB) of Princeton, New Jersey to purchase and install two new

230kV Entrance Circuit Breakers at Summit Substation at a cost not to exceed \$2,300,000, plus five percent for contingencies, subject to the availability of funds.

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

FISCAL IMPACTS

Requested Contract Authorization:	\$2,300,000 +5% for contingencies
Total Project Cost:	\$2,515,000 (includes \$100,000 Force Account Work)
Anticipated Contract Start:	October 1, 2006
Projected Date of Completion:	September 1, 2008
Anticipated Source of Funds:	FY 2006-2008 TTF
DBE Goal:	0%
Future/Related Authorization:	None

RESOLUTION

WHEREAS, NJ TRANSIT owns and maintains over 257 track miles of electrified railroad in the state of New Jersey; and

WHEREAS, maintaining and upgrading of this electric traction system requires investment in replacement equipment; and

WHEREAS, in the near future the entrance breakers at Summit substation will no longer be able to reliably perform their function;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into a procurement by exception contract with Asea Brown Boveri Inc. (ABB) of Princeton, New Jersey to purchase and install two new 230kV Entrance Circuit Breakers at Summit Substation at a cost not to exceed \$2,300,000, plus five percent for contingencies, subject to the availability of funds.

Item 0609-61: UNDERGRADE RAILROAD BRIDGES: ENGINEERING SERVICES TO PERFORM IN-DEPTH INSPECTIONS, EVALUATIONS, AND RATINGS

BENEFITS

Inspections, evaluations, and ratings of our undergrade railroad bridges provide crucial information to the Capital Bridge Repair and Painting Programs. Maintaining our bridge infrastructure in a state-of-good repair is a key component to service reliability and ensuring the safety of our passengers and the general public. NJ TRANSIT is responsible for maintaining and operating over 537 rail-carrying (undergrade) bridges.

PURPOSE

NJ TRANSIT is responsible for maintaining a safe and reliable bridge infrastructure throughout its system. Bridges are inspected visually on an annual basis by in-house staff, primarily to identify any significant areas of concern. In-depth structural inspections and load-ratings are essential elements of the infrastructure maintenance program, and are performed on a five year cycle. The results of the in-depth inspections provide NJ TRANSIT with a basis for developing a repair and replacement program. These specific contracts will provide in-depth structural, mechanical, electrical, and underwater inspections, evaluations, and load-ratings for 14 movable and 12 fixed undergrade railroad bridges. Detail inspections of this type allow for periodic condition assessment, monitoring degrees of deterioration, optimization of maintenance effort, and prioritization for capital improvements. In-depth inspections are a necessary step in our maintenance program and will allow NJ TRANSIT to achieve maximum return on its investments.

ACTION (Justification: State of Good Repair)

Staff seeks authorization to contract with HNTB Corporation of Wayne, New Jersey (No. 06-084A); Lichtenstein of Paramus, New Jersey (No. 06-084B); and Hardesty and Hanover of West Trenton, New Jersey (No. 06-084C), to perform in-depth structural, mechanical, electrical and underwater inspections, evaluations, and load ratings of 14 movable and 12 fixed undergrade railroad bridges, at costs not to exceed \$713,739, \$446,960 and \$831,736, respectively, for a total cost of \$1,992,435 plus five percent for contingencies, subject to the availability of funds.

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

FISCAL IMPACTS

Requested Authorization:	\$ 1,992,435 plus 5% contingencies
	\$ 713,739 (Contract No. 06-084A)
	\$ 446,960 (Contract No. 06-084B)
	\$ 831,736 (Contract No. 06-084C)

Total Project Cost:	(continuing project)
Projected Date of Completion:	October 2007
Anticipated Source of Funds:	TTF-07
SBE Goal:	30 %
Future/Related Authorizations:	None

RESOLUTION

WHEREAS, NJ TRANSIT is responsible for maintaining and operating over 537 rail-carrying (undergrade) bridges; and

WHEREAS, evaluation of all undergrade bridges is required to ensure service reliability and train operations safety; and

WHEREAS, bridge inspections are the basis for capital bridge repair and painting programs; and

WHEREAS, upon completion of a competitive procurement process, it was determined that HNTB Corporation, Lichtenstein, and Hardesty and Hanover submitted the proposal that provided the best value and is in the best interest of NJ TRANSIT;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to Contract with HNTB Corporation of Wayne, New Jersey (No. 06-084A); Lichtenstein of Paramus, New Jersey (No. 06-084B); and Hardesty and Hanover of West Trenton, New Jersey (No. 06-084C), to perform in-depth structural, mechanical, electrical and underwater inspections, evaluations, and load ratings of 14 movable and 12 fixed undergrade railroad bridges, at costs not to exceed \$713,739, \$446,960 and \$831,736, respectively, for a total cost of \$1,992,435 plus five percent for contingencies, subject to the availability of funds.

ITEM 0609-62: BUS FAREBOX AND RECEIVER OVERHAUL**BENEFITS**

The refurbishment of the 1,300 fareboxes and 40 receivers in the NJ TRANSIT and Private Carriers' bus fleets will reduce maintenance and operating costs, improve equipment reliability and customer satisfaction and moreover, avoid a multi-million dollar capital expenditure for total farebox replacement. Currently, a new farebox and a new receiver are estimated to cost \$35,000 whereas this overhaul averages \$3,500 or approximately ten percent for labor and material per bus.

PURPOSE

The current farebox system was implemented in 1989 with a useful life of 12-15 years. Seventeen years later, this equipment is showing all the signs of advanced age. Major farebox components are failing more frequently, revenue integrity is in jeopardy and street performance has declined significantly. Also, over the years, there are different generations of parts across the fleet because the original components are no longer available. The overall purpose of this program is to extend the useful life of the fareboxes and receivers and also ensure their reliable use in revenue service. This will be accomplished by performing in-house manufacturer's recommended overhaul procedures and upgrading all major components to latest industry standards.

The major components and miscellaneous material for each bus and receiver are estimated to cost \$2,500. This includes upgraded or refurbished major components such as coin and bill modules, main controller boards, farebox shells, cable assemblies, receivers and revenue bins.

ACTION (Justification: State of Good Repair)

Staff seeks authorization to enter into sole source, procurement-by-exception, and competitively bid contracts with the original equipment manufacturer (OEM) or other sources of supply for the procurement of various components required to be used in an in-house overhaul of 1,300 fareboxes, 40 garage receivers and 123 revenue bins during the fiscal years 2007 through 2008, at a cost of \$4,500,000, plus five percent for contingencies, subject to the availability of funds. NJ TRANSIT will utilize the competitive bid process to procure material when available from more than one source of supply. Samples of components required are presented in Exhibit A.

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

FISCAL IMPACTS

Requested Authorization: \$4,500,000 for various components + 5% Contingency.

Total Project Cost: \$4,500,000

Projected Date of Completion: November 2008

Anticipated Sources of Funds: Transportation Trust Fund
FY'07 – FY'08 Capital Funding Requests

DBE GOAL: N/A (Does not lend itself to DBE participation)

Related/Future Authorizations: N/A

RESOLUTION

WHEREAS, the fareboxes, receivers and revenue bins have exceeded their 12-15 year life expectancy; and

WHEREAS, NJ TRANSIT will perform an in-house overhaul of this equipment to extend its useful life and upgrade components to the latest industry standards and manufacturer's recommendations; and

WHEREAS, the purchase of materials is required to refurbish the 1,300 fareboxes, 40 receivers and 123 revenue bins in order to enhance system reliability, improve customer satisfaction and ensure revenue integrity;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into sole source, procurement-by-exception, and competitively bid contracts with the original equipment manufacturer (OEM) or other sources of supply for the procurement of various components required to be used in an in-house overhaul of 1,300 fareboxes, 40 garage receivers and 123 revenue bins during the fiscal years 2007 through 2008, at a cost of \$4,500,000, plus five percent for contingencies, subject to the availability of funds. NJ TRANSIT will utilize the competitive bid process to procure material when available from more than one source of supply. Samples of components required are presented in Exhibit A.

**EXHIBIT A
PAGE 1 OF 1**

**BUS FAREBOX AND RECEIVER OVERHAUL
FARE COLLECTION OVERHAUL: PURCHASE OF MATERIALS
SAMPLE ITEMS**

SOLE SOURCE ITEMS				
Quantity	Description	Vendor	Unit Cost	Total Cost
1300	Coin Sensors	Cubic	276.97	360,061
1300	Bill Module LED kit	Cubic	138.30	179,790
400	Bill Module Frame	Cubic	84.40	33,760
1300	Farebox Harness	Cubic	132.69	172,497
1300	Farebox Key pad	Cubic	143.38	186,394
40	Cashbox Receiver Timing Assembly	Cubic	1727.68	69,107.20

BID ITEMS				
Quantity	Description	Potential Vendors	Est. Unit Cost	Est. Total Cost
1300	12 volt D.C Motor	Cubic, Pittman	28.50	37,050
1300	Key Sleeve	Cubic, Janeck Corp	45.61	59,293
1300	Exit Roller	Cubic, Janeck Corp	58.57	76,141
1300	Belt	Cubic, L&M Bearing & Industrial Supply	6.99	9,087
1300	Spur Gear	Cubic, Janeck Corp	9.20	11,960

**ITEM 0609-63: SOUTHERN NEW JERSEY RAIL GROUP VS. NJ TRANSIT:
COMPENSATION OF SPECIAL COUNSEL**

BENEFITS

Sills Cummis Epstein & Gross (Sills Cummis) is an established firm providing comprehensive legal services. The designation of Sills Cummis as Special Counsel provides NJ TRANSIT with additional resources and expertise in the defense of ongoing construction litigation.

The additional requested authorization will allow Sills Cummis to continue to provide legal services and retain technical experts to evaluate Southern New Jersey Rail Group's claims and prepare for and defend NJ TRANSIT at trial. A Special Master has been appointed to hear this case at trial.

PURPOSE

In November 2002, the Attorney General designated Sills Cummis as Special Counsel to NJ TRANSIT in defending the lawsuit filed by Southern New Jersey Rail Group (Rail Group), the Design-Build-Operate-Maintain (DBOM) contractor for the River LINE light rail project.

Sills Cummis has provided litigation services to NJ TRANSIT since December 2002 under Board authorization. As of July 2006, Sills Cummis had invoiced NJ TRANSIT for approximately \$14.8 million of which 63 percent was expended for legal fees, 24 percent for technical experts to evaluate Rail Group's claims and support NJ TRANSIT's counterclaims and 13 percent for document research and management services. The trial began on September 6. The requested authorization is expected to provide NJ TRANSIT with legal services through January 2007.

Staff anticipates the need for periodic Board authorization before the litigation is resolved.

ACTION

Staff seeks additional authorization to compensate Sills Cummis Epstein & Gross as Special Counsel in accordance with the Attorney General's designation for comprehensive litigation support services including the retention of experts, up to an additional \$2,000,000 for continuing legal services, for a total contract authorization of \$18,590,000, subject to the availability of funds.

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

FISCAL IMPACTS

Requested Authorization:	Increased Authorization	\$ 2,000,000
	Total Authorization	\$ 18,590,000
Total Project Cost:	N/A	
Projected Date of Completion:	N/A	
Anticipated Source of Funds:	Transportation Trust Fund	
DBE Goal:	N/A	
Related/Future Authorizations:	Increase in contract authorization dependent on litigation schedule	

RESOLUTION

WHEREAS, the Attorney General has previously designated Sills Cummis Epstein & Gross as Special Counsel to represent NJ TRANSIT in the lawsuit filed by the Design-Build-Operate-Maintain (DBOM) contractor for the River LINE (Southern New Jersey Light Rail) project; and

WHEREAS, ongoing independent verification of the claims is necessary to prepare the case for trial and consistent with the designation of a Special Master for the case;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to compensate Sills Cummis Epstein & Gross as Special Counsel in accordance with the Attorney General's designation for comprehensive litigation support services including the retention of experts, up to an additional \$2,000,000 for continuing legal services, for a total contract authorization of \$18,590,000, subject to the availability of funds.

CONSENT CALENDAR

ITEM0609-64: AMENDMENT OF BOARD ITEM 0310-86 THAT AUTHORIZED GROUND LEASES AND ASSOCIATED DOCUMENTS WITH THE TOWNSHIP OF MONTCLAIR TO FACILITATE TRANSIT-ORIENTED DEVELOPMENT AT THE BAY STREET STATION AREA

BENEFITS

The sale of fee interest in Block 4201, Lot 6.01 (a/k/a Block 4201, part of Lot 6, part of Lot 7, and part of Lot 8.02) adjacent to the Bay Street Station to the developer of the Bay Street Transit-Oriented Development will generate an additional \$2 million of non-fare box revenue to NJ TRANSIT and broadens the potential for the developer to offer 'for sale' residential units at the development, instead of only rental units.

PURPOSE

Consistent with NJ TRANSIT's obligations under the "Settlement Agreement" (see Resolution number 9805-40 dated May 13, 1998), on October 8, 2003 the Board authorized a 99-year, no-cost ground lease with the Township of Montclair which allows Montclair's designated redeveloper to construct a 160-unit residential building with associated day care center and parking on Block 4201, Lot 6.01 (a/k/a Block 4201, part of Lot 6, part of Lot 7, and part of Lot 8.02) adjacent to the Bay Street Station. The lease, providing for rent of \$1 per year over the term of the lease to NJ TRANSIT, was executed on April 26, 2005.

Montclair has subleased the parcel for 99 years to Lincoln Montclair Urban Renewal Company, LLC (Lincoln), its designated redeveloper. Lincoln will finance, construct and own the residential project on the property. Lincoln has received all necessary governmental approvals for the project.

Staff and Lincoln engaged in a series of negotiations, and Lincoln subsequently offered to purchase fee simple interest in the referenced parcel from NJ TRANSIT for \$2,000,000.

Upon approval of the transaction described herein, staff will take the necessary actions to terminate the lease with Montclair for Block 4201, Lot 6.01, and execute a Purchase and Sale Agreement conveying fee interest in said parcel to Lincoln Montclair Urban Renewal Company, LLC, and all other necessary legal documents.

ACTION (Justification: Business Efficiencies, Cost Effectiveness and Economic Benefit)

This Board Item amends Board Item 0310-86 and authorizes the Chairman or Executive Director to terminate the lease with Montclair and execute a property conveyance agreement and all other necessary legal documents with Lincoln Montclair Urban Renewal Company, LLC, for the Bay Street Station Transit-Oriented Development residential site for the sales price of \$2,000,000.

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

FISCAL IMPACTS

Requested Authorization:	Termination of lease with Montclair for Block 4201, Lot 6.01 (AKA Block 4201, part of Lot 6, part of Lot 7, and part of Lot 8.02) on the tax map of the Township of Montclair, New Jersey, and conveyance of fee interest in said parcel to Lincoln Montclair Urban Renewal Company, LLC for the sales price of \$2,000,000.
Total Project Cost:	N/A
Projected Date of Completion:	N/A
Anticipated Source of Funds:	N/A
DBE Goal:	N/A
Related/Future Authorizations:	N/A
Impacts on Subsequent Operating Budgets:	N/A

RESOLUTION

WHEREAS, a Board resolution dated May 13, 1998 (Board Item 9805-40) authorized the Chairman or Executive Director to execute a certain Settlement Agreement with the Township of Montclair; and

WHEREAS, said Settlement Agreement obligates NJ TRANSIT to lease, at no cost to the Township, property adjacent to the Bay Street Station as necessary for Montclair's development plan; and

WHEREAS, a Board resolution dated May 13, 1998 (Board Item 0310-86) authorized a 99-year no cost ground lease of NJ TRANSIT-owned Block 4201, Lot 6.01 with the Township of Montclair, to be subleased to the Township's designated redeveloper for development as a residential building project with associated day care center and parking; and

WHEREAS, the Township of Montclair has designated Lincoln Montclair Urban Renewal Company, LLC as redeveloper to develop the area; and

WHEREAS, Lincoln Montclair Urban Renewal Company, LLC seeks to purchase the fee interest in Block 4201, Lot 6.01;

NOW, THEREFORE, BE IT RESOLVED Board Item 0310-86 is hereby amended and authorizes the Chairman or Executive Director to terminate the lease with Montclair and execute a property conveyance agreement and all other necessary legal documents with Lincoln Montclair Urban Renewal Company, LLC, for the Bay Street Station Transit-Oriented Development residential site for the sales price of \$2,000,000.