

**PROCEEDINGS OF NEW JERSEY TURNPIKE AUTHORITY
TUESDAY, OCTOBER 26, 2010**

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

PRESENT

Chairman James Simpson; Commissioner/Treasurer Michael DuPont; Commissioner Harold Hodes (attending via telephone conferencing); Commissioner Troy Singleton; Commissioner Ulises Diaz; with Commissioner David Evans (attending via telephone conferencing).

ALSO PRESENT

Executive Director Veronique Hakim; Deputy Executive Director John O'Hern; Chief Engineer Richard Raczynski; Electronic Toll Collection Director Dennis Switaj; Finance Comptrollers Donna Manuelli, Pamela Varga and Tracey Walters; Human Resources Director Mary-Elizabeth Garrity; Internal Audit Director James Carone; Assistant Director of Maintenance Ralph Bruzzichesi; Maintenance Director John Cifelli; Operations Director Sean Hill; Purchasing Director Andrea Ward; Acting Technology and Administrative Services Director Stephen Ehrmann; Tolls Director Robert Quirk; Chief of Staff Megan Mulcahy; NJ State Police Troop Commander Major Walker Troop D and Deputy Commander Captain Pam Elliott, Troop E.

Also present were: General Counsel Judy Verrone; Governors' Authorities Unit Representative Maura Tully; additional individuals consisting of other NJTA employees; interested organizations; the general public; and from the media: the Asbury Park Press; Bergen Record; Star Ledger; Bloomberg News; 10-10 Wins; and NJN.

NOTICE OF MEETING

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

ACTION ON MINUTES

The Executive Director reported that ten days, excluding Saturdays, Sundays and holidays, have elapsed since Governor Chris Christie received the proceedings of the regular meeting of September 28, 2010; he did not exercise his power to veto any items in those minutes.

Upon motion made by Commissioner DuPont, seconded by Commissioner Singleton, the minutes of the September 28, 2010 meeting were unanimously approved.

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RECUSALS

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

results are regarding items: 249-10, 252-10, 262A-10, 264-10 and 265-10 for Commissioner Singleton; and 263-10 for Commissioner Diaz.

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

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

The motion was made by Commissioner DuPont, seconded by Commissioner Diaz, and, after the voice vote, the motion was duly adopted by the Board of Commissioners of the New Jersey Turnpike Authority. Minutes of the deliberations conducted in closed Executive Session will be disclosed to the public once the Commissioners determine that the public interest will no longer be served by keeping these deliberations confidential.

Executive Session was adjourned at 10:28 a.m.; the Chairman resumed the public portion of the meeting.

The Members of the Authority moved on the following agenda matters presented for consideration:

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The following matters constitute the Public Session agenda:

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GENERAL BUSINESS

Executive Director Veronique Hakim and Deputy Executive Director John O'Hern requested approval of item numbers 271-10, 272-10, 278-10 and 279-10. Moved as a group, those General Business items are as follows:

271-10

In a memorandum dated October 13, 2010, concerning a recommendation to to **Eliminate Toll-Free Passage for Employee Commutation**. On September 16, 2010, the Authority received a letter from the Governor's Authorities Unit requesting that the Authority abolish the practice of providing toll-free passage to employees for commutation purposes. To comply with the request, authorization is respectfully requested to eliminate the providing of toll-free passage to employees for commutation purposes effective January 1, 2011.

RESOLUTION**RESOLUTION TO ELIMINATE TOLL – FREE PASSAGE FOR
NJTA EMPLOYEE COMMUTATION**

WHEREAS, in an effort to bring fiscal stability to the State of the New Jersey, Governor Chris Christie has undertaken an analysis of E-ZPass utilization and other forms of free toll passage at roadways throughout the State of New Jersey, and

WHEREAS, to that end the New Jersey Turnpike Authority has been directed to ascertain the existence and extent of any free E-ZPass privileges provided to Authority personnel; and

WHEREAS, the Authority has been directed to abolish the practice of providing toll-free passage to employees for commutation purposes effective January 1, 2011;

NOW, THEREFORE, BE IT RESOLVED that the Authority's Commissioners hereby authorize and approve the abolishment of provision of toll-free passage to the employees of the New Jersey Turnpike Authority for commutation purposes effective January 1, 2011.

272-10

In a memorandum dated October 13, 2010, concerning a recommendation to **Amend the Vacation, Sick Policy, and Administrative Leave Policy, Section 601.**

At its June 30, 1992 meeting, the Board of Commissioners adopted the Vacation, Sick and Administrative Leave Policy, Section 601 (the "Policy").

The Authority proposes to amend the Policy in order to eliminate, effective November 15, 2010, the ability of non-bargaining employees to "cash-in" accumulated, unused sick and vacation time. This amendment will bring the Authority in line with the practices of the State of New Jersey which do not permit the "cash-in" of sick or vacation time. A copy of the revised Policy is attached. The change to the Policy will not affect employees who are governed by collective bargaining agreements.

Accordingly, authorization is respectfully requested to amend the Policy, effective November 15, 2010, to eliminate the ability of non-bargaining employees to "cash-in" accumulated, unused sick and vacation time.

POLICY

		<u>PERSONNEL POLICIES & PROCEDURES GUIDE</u>	
X	Non-Union		Union
		DISTRIBUTION: All Applicable NJTA Employees	
		SECTION: 601 PAGE: 3 of 48	
EFFECTIVE: 11/15/10		Approved at Commission Meeting 10/26/10 of:	
POLICY		Vacation, Sick and Administrative Leave	
		REV. 10/2010	

It is the intent of this policy to replace, constrain, and limit all existing explicit memoranda, directives, statements made by the New Jersey Turnpike Authority and implicit conditions established by the Authority with regard to the Vacation, Sick, and Administrative Leave Policy.

The Vacation portion of this policy applies to all permanent, full-time, non-aligned employees. Non-aligned confidential and supervisory employees, Pay Grades XII and below, or Pay Grade 10 and below, are limited to the first vacation option.

I. VACATION

A. Policies Affecting Vacations:

1. Employment must be continuous to receive vacation allowances.
2. If, upon death, retirement or separation in good standing from the Authority, an employee has authorized accrued vacation time earned in a previous year, the employee will receive a vacation allowance at the then current rate of compensation for such accrued vacation time and also vacation allowance on the basis of one/twelfth (1/12) of the current year's vacation entitlement for each full month of service in the year of separation, less any vacation actually taken.
3. Employees on leave of absence without pay for any reason shall not accrue vacation credit for the period of absence and a deduction by twelfths shall be made to vacation credit for the calendar year in which the absence occurs. Periods of absence resulting in deductions to vacation credit are those of one continuous month or more with lesser periods not counting.
4. Subject to limitations set by the Department Head regarding the number of employees who may be on vacation at one time, vacation periods may be selected by the employees themselves. The preference of choice shall be given to those employees within each district, section or department in order of job classification seniority.
5. All employees, as limited above, promoted or hired before October 23, 1989 (and having less than ten years service) were offered the option of the two programs described below. (Note: This date does not have any effect on the vacation provisions established by the hiring date of June 30, 1980.)
6. All employees, as limited above, hired on or after October 23, 1989 through June 30, 1992 were offered the choice of the Twenty-Day Vacation Option, but not the First Vacation Option.
7. Management Employees, Grade XIII and higher, and as limited above, hired or promoted on or after July 6, 1992 shall have the choice of the First Vacation Option or the Twenty-Day Vacation Option, which choice is irrevocable during the course of employment, unless otherwise provided by the Authority.
8. Effective July 22, 2008, terminal leave is eliminated as an Authority policy. Employees will therefore not have the option of selecting terminal leave upon retirement with respect to accrued vacation time.

B. First Vacation Option

<u>Length Of Service</u>	<u># of Days</u>
First calendar year of employment	Maximum 6 days
1 year to 5 years	10
5 years to 10 years	15
10 years	20
Each year thereafter to attainment of eight (8) weeks for employees hired before June 30, 1980, six (6) weeks for employees hired on or after June 30, 1980, and five (5) weeks for employees hired on or after November 15, 2010.	1 additional day

Selection of this option is permanent and shall remain in effect throughout employment at the Authority.

After ninety (90) days of continuous service in the calendar year in which her employment commences, an employee shall receive vacation time equal to one-half (1/2) day per month multiplied by the number of full months from the date of hire to the end of the calendar year. For this purpose, any employee hired up to and including the 15th of any month shall be considered as having been employed on the first of such month. In subsequent calendar years, employees shall be eligible for vacation as set forth in the above schedule. For example, an employee who begins employment on March 17, 2008 will be credited with 4.5 vacation days on June 17, 2008. Then on January 1, 2009, the employee will be credited with ten (10) vacation days. Another example is that an employee who begins employment on December 3, 2007 will be credited with 10.5 vacation days on March 3, 2008. Then on January 1, 2009, the employee will be credited with ten (10) vacation days.

In the schedule above, a "day" of vacation is defined as eight (8) hours of vacation time for a 40-hours per week employee and seven (7) hours of vacation time for a 35-hour per week employee. Vacation days not used during any calendar year must be taken during the next calendar year or the unused days will be forfeited. Employees with an entitlement of more than fifteen (15) days, however, shall have the option to:

- a. Cash in unused days over fifteen (15) of the current year's entitlement on or about December 10th of each year.
- b. Accumulate unused days over fifteen (15) of the current year's entitlement until separation from employment.

Effective November 15, 2010, employees can neither cash-in nor accumulate vacation time as provided for in (a) and (b) above. All non-aligned employees as of November 15, 2010, who will forfeit vacation days as a result of the elimination of vacation cash-in shall be permitted to carryover such vacation days. The otherwise forfeited days must be used by December 31, 2012 or they will be forfeited.

C. Second Vacation Option

The second vacation option provides the employee with twenty (20) days of vacation time per year (with the initial year pro-rated based upon the date of promotion or hire but limited to a total not to exceed 20 days).

For purposes of this section, a "day" of vacation is defined as eight (8) hours of vacation time for a 40-hour per week employee and seven (7) hours of vacation time for a 35-hour per week employee.

Earned, unused vacation days are eligible for carryover for one year only.

Earned, unused vacation days cannot be cashed-in or accumulated until separation from employment.

Earned, unused vacation days will be eligible for payment upon separation from service.

Selection of this option is permanent and shall remain in effect throughout employment at the Authority.

II. Sick Leave

A. Policies Affecting Sick Leave:

1. All employees will be credited with fifteen (15) sick days per year. New employees, after 90 days of continuous service in the calendar year in which employment commences, will earn Sick time equal to 1.25 days per month of service. For this purpose, employees hired up to and including the 15th day of any month will be considered to have worked a full month. Employees who are hired after the 15th of any month will be considered to have been employed on the first of the following month. Although such employees are ineligible to take any days off with pay during the first ninety (90) days of employment, the prorated calendar year entitlement will be calculated from date of hire and banked up following 90 days of service.

The employee will receive the full fifteen (15) day entitlement on January 1st of the second calendar year of employment.

Employees who work a 40 hours per week schedule will earn a maximum of one-hundred and twenty (120) sick hours per year. Employees who work a 35 hours per week schedule will earn a maximum of one-hundred and five (105) sick hours per year.

2. During the first five (5) years of employment, an employee may, at the conclusion of the year, convert up to five (5) days of their accrued credits for that year to cash payment. Starting with the sixth year of employment, the conversion option may be increased to ten (10) days. This payment will be made on or about December 10 and at the current year's rate

Effective November 15, 2010, employees cannot convert accrued sick time into cash.

3. Sick leave days may be accumulated from year to year and are eligible for lump sum reimbursement upon retirement.

For all employees hired on or after January 1, 1989, accrued sick leave shall be paid at the then current rate of compensation in the case of official retirement in accordance with the provisions of the Public Employees' Retirement System, death, or resignation in good standing, in an amount not to exceed \$15,000. This provision does not apply to those employees who are referred to in the Resolution adopted May 17, 1988 pertaining to accrued sick leave (see Attachment A).

Effective December 31, 2003, the sick banks of non-aligned employees of the former New Jersey Highway Authority who were hired before July 1, 1999 will be frozen at the hourly rate in effect on December 31, 2003. The "frozen" bank will remain intact for an employee's use, should that employee exhaust their active bank, or as supplemental compensation upon separation from the Authority. Prospectively, such non-aligned employees of the former New Jersey Highway Authority may accumulate a second sick bank, which cannot exceed \$15,000. This second sick leave bank shall be paid at the then current rate of compensation in the case of official retirement in accordance with the provisions of the Public Employees' Retirement System, death, or resignation in good standing.

4. Upon separation of service in good standing, the current year's sick leave will be prorated based on one/twelfth (1/12) of the current year's sick allotment for each full month of service in the year of separation, less any sick leave taken.
5. Effective July 22, 2008, terminal leave is eliminated as an Authority policy. The July 22, 2008 action revises the Resolution adopted May 17, 1988 and removes all references to the option of terminal leave in the Resolution.

III. ADMINISTRATIVE/PERSONAL LEAVE

A. Policies Affecting Administrative/Personal Leave:

1. During the initial year and throughout employment, all employees shall receive up to a maximum of five (5) administrative/personal leave days. In an employee's first and last years of employment, administrative/personal leaves days shall be prorated based on one/twelfth (1/12) basis for each full month worked. For this purpose, employees who are hired up to and including the 15th day of any month will be considered to have worked a full month. Employees who separate must work through the 15th day of any month to be considered to have worked a full month.
2. Employees who work a 40 hours per week schedule will earn a maximum of forty (40) administrative/personal leave hours per year. Employees who work a 35 hours per week schedule will earn a maximum of thirty-five (35) administrative/personal leave hours per year.
3. Administrative leave days may be taken only with the approval of the department head.
4. Administrative leave days may not be cashed in or carried over to the next year.

278-10 (Addendum)

In a memorandum dated October 24, 2010, concerning the Recommendation to Eliminate the Separation Bonus for Non-Bargaining Employees, the Authority provides a separation bonus to non-bargaining employees who retire with ten (10) or more years of full-time service. Specifically, management pay grade employees are paid \$600.00 for each full year of service, and supervisory/confidential employees are paid \$550.00 for each full year of service. To comply with Governor Chris Christie's call for spending reforms, the Authority seeks to eliminate the payment of separation bonuses to non-bargaining employees.

Accordingly, authorization is respectfully requested to eliminate the payment of separation bonuses to non-bargaining employees effective November 15, 2010.

279-10 (Addendum)

In a memorandum dated October 24, 2010, concerning the Recommendation to Eliminate Future Longevity Payments for Non-Bargaining Employees. At one time, the Authority provided all employees with the ability to earn longevity pay. In the mid 1990's, the Authority began eliminating longevity pay for new hires. Specifically, for non-bargaining employees of the former New Jersey Highway Authority, longevity pay was eliminated for employees hired on or after July 1, 1996. The Authority eliminated longevity for non-bargaining Turnpike employees hired on or after July 1, 2000. Longevity pay for union employees was also eliminated during this time period. Thus, no union employee hired on or after May 1, 2001 is eligible for longevity pay.

Longevity pay is provided on the following basis to employees who were with the Authority prior to its elimination:

- i. Longevity pay for employees who have completed ten (10) years of full-time Authority service = four percent (4%) added to the employee's base pay.
- ii. Longevity pay for employees who have completed fifteen (15) years of full-time Authority service = six percent (6%) added to the employee's base pay.
- iii. Longevity pay for employees who have completed thirty (30) years of full-time Authority service = seven percent (7%) added to the employee's base pay.*

* Non-bargaining employees of the former New Jersey Highway Authority are ineligible for the 7% payment.

The Authority has one-hundred and thirty-two (132) non-bargaining employees.

- Thirty-nine (39) of these employees are ineligible for longevity pay.
- All thirty-one (31) of the non-bargaining employees of the former New Jersey Highway Authority who are eligible for longevity have more than fifteen (15) years of service and can receive no further longevity increases.
- There are eleven (11) non-bargaining Turnpike employees who have more than thirty (30) years of service and thus can receive no further longevity increases.

To comply with Governor Chris Christie's call for spending reforms, the Authority, effective November 15, 2010, seeks to eliminate future longevity payments to the remaining fifty-one (51) non-bargaining Turnpike who are eligible for longevity pay. In other words, if such affected employees have more than ten years of full-time service as of November 15, 2010, they will receive neither 6% longevity pay if they reach fifteen years of full-time service, nor 7% longevity pay if they reaches thirty years of full-time service. Also, affected employees who have more than fifteen years of full-time service as of November 15, 2010, cannot receive 7% longevity pay if they reach thirty years of full-time service.

Accordingly, authorization is respectfully requested to eliminate future longevity payments to non-bargaining employees effective November 15, 2010.

On motion by Commissioner DuPont, seconded by Commissioner Diaz, the Authority unanimously approved items 271-10, 272-10, 278-10 and 279-10; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

Chairman Simpson asked Deputy Executive Director (DED) John O'Hern to discuss the agenda items in further detail. DED O'Hern indicated that item 271-10 eliminated toll free passage to and from work for all employees starting January 1, 2011; however, employees will not be changed for business related activities. Commissioner Singleton asked if toll free passage was past practice and how it will be handled with the Unions. DED O'Hern indicated that the Unions could file a grievance and/or request a Stay on the Matter because the Authority is attempting to take away an economic benefit without negotiations. Executive Director (ED) Hakim indicated that the matter would most likely be handled through mediation. ED Hakim stated that in September all transportation authorities received a letter from Governor Christie's office advising to eliminate toll

free passage. This recommendation applies to all employees. Commissioner Singleton asked if this matter with the Unions would be drawn out long-term and what is the cost of the toll free passage to the Authority. ED Hakim advised that the Authority would work expeditiously and will commit to seeking a resolution to this matter as quickly as possible with the Unions and that the New Jersey State Comptroller had valued the cost at \$430,000 annually to the Authority.

In regard to item 272-10 DED O'Hern advised that the change in this policy would be effective on November 15, 2010 wherein non-aligned employees can no longer "cash-in" unused sick and vacation time. Employees will not lose any of their time and the Authority will allow them to carryover their vacation time and use it within a two (2) year period. All non-aligned employees have their sick time capped at \$15,000 at retirement, although some have larger banks because many were grandfathered when the \$15,000 cap was put in place. No employee is losing any sick time they have accumulated; they are only losing the ability to "cash-in" vacation and sick time.

In regard to item 278-10 non-aligned employees who retired with ten (10) or more years of service were paid \$600 for each full year they worked and non-aligned supervisory confidential employees received \$550 for each full year of employment. This item will eliminate the separation bonus to all non-aligned employees as of November 15, 2010.

In regard to item 279-10 DED O'Hern stated that the practice of longevity was eliminated several years ago. He further clarified that what an employee has now is what they will keep and no future increases in longevity will be given to any non-aligned employee. Commissioner Singleton asked how many people this immediate recommendation would affect. DED O'Hern advised that approximately fifty-one (51) non-aligned employees will be affected.

Chairman Simpson stated that it is very difficult for the Board to take these actions. In light of these economic times the Authority needs to make sure that the benefits and bonuses fall in line with the fiscal realities of the State. These actions will continue to make the Authority viable and to see that we carry out the mission of the Authority as we continue to going forward.

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ENGINEERING

Chief Engineer Raczynski requested approval of item numbers 249-10 through 263-10. The Chief Engineer indicated that item 261-10 involved extending the contract for three (3) months and there was no cost to the Authority. Moved as a group, those Engineering items are as follows:

248-10

NOT USED

249-10

In a memorandum dated October 12, 2010, concerning a recommendation Recommendation to **Award Contract No. IR-4** for the New Jersey Turnpike and Garden State Parkway to J. Fletcher Creamer & Son, Inc. for Immediate Repairs to Mile 0 to 122 New Jersey Turnpike and Mile 0 to 172 Garden State Parkway, Various Funds.

Frequently the Authority must expedite emergency repair work caused by accident or deterioration. This contract will provide the Authority the ability to have immediate construction/repair work performed on an as-needed basis. The work to be performed under this contract involves immediate repairs to Authority facilities, including, but not limited to, bridge structures, roadways, drainage facilities, culverts, sign structures, toll plazas, etc. The limits of work extend from Mile 0 to 122 including the Pearl Harbor Memorial Turnpike Extension and the Newark Bay-Hudson County Extension along the New Jersey Turnpike, and Mile 0 to 172 along the Garden State Parkway in Salem, Gloucester, Camden, Burlington, Mercer, Middlesex, Union, Hudson, Essex, Bergen, Cape May, Atlantic, Ocean, Monmouth and Passaic Counties, New Jersey. The immediate repairs will be as directed by the Engineering Department by work orders for a period of two years, with an option for a one year extension at the sole discretion of the Authority.

Seven bid proposals were received on October 5, 2010 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal of 4.30% may be compared to the second low bid proposal of 6.92%. These percentages represent a weighted average mark-up on the contractor's time and materials cost of performing the work. The low bidder, J. Fletcher Creamer & Son, Inc., has previously performed work for the Authority and is considered competent to complete this contract.

This contract will be limited to \$3,000,000 of immediate construction repair work. Funding for each work order will be on a task basis from an account to be determined when the need arises. The source of funds for each work order will be approved through the Work Request Authorization Form process.

It is, therefore, recommended that Contract No. IR-4 be awarded to the low bidder, J. Fletcher Creamer & Son, Inc. of Hackensack, New Jersey, in the amount of \$3,000,000. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. Bids for this work were procured, and the authorization being sought is to award this contract to the lowest responsible bidder, in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.2, and Executive Order No. 37 (Corzine 2006).

250-10

In a memorandum dated October 4, 2010, concerning recommendation to **Award Contract No. P200.159** for the Garden State Parkway to the The Delaney Group, Inc. for Advanced Clearing for GSP Widening at Milepost 30 to 64.5, 2009 Capital Construction Program No. 31028031 and Future Bond Issue.

The work to be performed under this contract includes clearing, removal and disposal of trees, logs, and other vegetation for the widening of the Garden State Parkway from Milepost 48 to 64.5 and clear zone maintenance from Milepost 30 to 48 in both the northbound and southbound directions from Milepost 30.0 to 64.5, and other related work as detailed in the contract documents. This construction contract is scheduled to be completed by May 2011.

Eight bid proposals were received on September 8, 2010 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal, in the amount of \$5,933,809.00, may be compared to the second low bid proposal in the amount of \$9,244,232.80. The low bidder, The Delaney Group, Inc. has not previously performed work for the Authority but has documented their work on several similar projects, and is considered competent to complete this contract. Engineering Department representatives confirmed with The Delaney Group that they can perform at the bid price, in full compliance with the bid specifications, including projected date of completion.

It is, therefore, recommended that Contract No. P200.159 be awarded to the low bidder, The Delaney Group, Inc. of Gloversville, New York, in the amount of \$5,933,809.00. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. Bids for this work were procured, and the authorization being sought is to award this contract to the lowest responsible bidder, in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.2, and Executive Order No. 37 (Corzine 2006).

251-10

In a memorandum dated October 4, 2010, concerning recommendation to **Award Contract No. A600.157** for the New Jersey Turnpike and Garden State Parkway to Lehigh Fabrication, LLC for Advanced Sign Structure Fabrication – Overhead, 2009 Capital Construction Program No. 31006019 and Future Bond Issue.

The work to be performed under this contract involves the advanced fabrication of 55 VMS sign support structures. The signs will be delivered to designated Authority storage areas on the New Jersey Turnpike and Garden State Parkway. All work under this construction contract shall be performed within 15 months from December 1, 2010 through February 28, 2012.

Six bid proposals were received on September 21, 2010 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal, in the amount of \$3,689,393, may be compared to the second low bid proposal in the amount of \$3,795,800. The low bidder, Lehigh Fabrication, LLC, has previously performed work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. A600.157 be awarded to the low bidder, Lehigh Fabrication, LLC of Edison, New Jersey, in the amount of \$3,689,393. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. Bids for this work were procured, and the authorization being sought is to award this contract to the lowest responsible bidder, in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.2, and Executive Order No. 37 (Corzine 2006).

252-10

In a memorandum dated October 12, 2010 concerning a recommendation to **Award Contract No. A700.215** to Palmer West Associates, Inc. t/a A & J Construction Co. for Underground Storage Tanks (UST) Removal and Upgrade at Various for the New Jersey Turnpike and Garden State Parkway Facilities, 2008A Note Construction Fund No. 30000011.

This contract will provide for the upgrading of underground storage tank systems at the following locations: Turnpike - Maintenance Districts 1, 5, 6, 8 and Northern Division Headquarters and Parkway - Cape May Toll, Essex Toll, Pascack Valley Toll, Monmouth Service Area and Bass River State Police Barracks. The upgrades are necessary to maintain regulatory compliance and minimize the potential for petroleum product releases into the environment.

Three bid proposals were received on October 8, 2010 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal, in the amount of \$1,316,470, may be compared to the second low bid proposal in the amount of \$1,469,720. The low bidder, Palmer West Associates, Inc. t/a A & J Construction Co., has previously performed work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. A700.215 be awarded to the low bidder, Palmer West Associates, Inc. t/a A & J Construction Co. of Farmingdale, New Jersey, in the amount of \$1,316,470. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. Bids for this work were procured, and the authorization being sought is to award this contract to the lowest responsible bidder, in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.2, and Executive Order No. 37 (Corzine 2006).

253-10

In a memorandum dated October 8, 2010 concerning a recommendation to **Award Contract No. T869.120.302** for the New Jersey Turnpike to South State, Inc. for Interchange 6 to 9 Widening Program for Grading, Drainage, Paving, Structures & Lighting at Service Areas 6S and 6N and NSO/SNO Roadways, Milepost 56.5 to 59.7, Township of Chesterfield, Burlington County, Townships of Hamilton & Robbinsville, Mercer County, 2009 Capital Construction Program No. 31018001 and Future Bond Issue Fund.

This contract involves constructing the NSO / SNO roadways and four Service Area flyover ramps, the lengthening of Merrick Road, South Broad Street and Yardville-Allentown Road over the Mainline, the widening of the NSI / SNI Crosswicks-Hamilton Square Road structures, and the reconstruction of the Maintenance District 3 U-turn ramp. Also included are 35 retaining walls, 17 sign structures, and ten stormwater management basins. Construction is anticipated to begin late 2010 and be completed in the second quarter of 2014.

Eight bid proposals were received on October 6, 2010 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal, in the amount of \$144,139,490.97, may be compared to the second low bid proposal in the amount of \$145,238,146.00. The low bidder, South State, Inc., has previously performed work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. T869.120.302 be awarded to the low bidder, South State, Inc. of Bridgeton, New Jersey, in the amount of \$144,139,490.97. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. Bids for this work were procured, and the authorization being sought is to award this contract to the lowest responsible bidder, in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.2, and Executive Order No. 37 (Corzine 2006).

254-10

ITEM WITHDRAWN

255-10

In a memorandum dated October 13, 2010 concerning a recommendation to **Issue Order for Professional Services No. P3329** to The RBA Group, Inc. for Design Services for Interchange 41, 2009 Capital Construction Program No. 31023006 and Future Bond Issue and Interchange 44 Improvements, 2009 Capital Construction Program No. 31023009 and Future Bond Issue.

28630

This Order for Professional Services will provide professional design services to provide a new full Interchange 41 at Jimmie Leeds Road and the completion of a full interchange from the existing partial interchange to and from the north at Interchange 44 in the Township of Galloway, Atlantic County. Services include: the preparation of construction contract documents; environmental and mitigation site investigations; preparation of an Environmental Impact Statement; assisting the Authority in the implementation of the public involvement process; and other related work.

This assignment is classified as a "Complex Project" since the scope of work is not clearly defined and likely to change during the course of the project, and the cost exceeds \$2,000,000. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and 29 engineering firms were prequalified and eligible under Profile Codes: A250 – Fully Controlled Access Highways; A252 – Complex Interchanges; C190 – Preparation of EIS and EA's; and D491 – Transportation Planning: Alternative Analyses. Fifteen firms submitted EOIs by the closing date of August 9, 2010.

Subsequent to the scoring of EOIs by the Review Committee, the top four firms were requested to submit Technical and sealed Fee Proposals. The firms in the order of ranking are: 1) The RBA Group, Inc.; 2) AECOM Technical Services, Inc.; 3) PB Americas, Inc.; and 4) Stantec Consulting Services, Inc.; The Review Committee reviewed and evaluated each firm's Technical Proposal. Final scoring resulted in The RBA Group, Inc. being the highest technically ranked firm. The fee submitted by The RBA Group, Inc. has been reviewed, negotiated, and is considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. P3329 be issued to the firm of The RBA Group, Inc. of Parsippany, New Jersey, not to exceed the amount of \$3,390,000. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.42, based on a 3.9% allowance for profit and an overhead rate of 132.9% or, the firm's overhead rate as determined by Federal Audit Regulation (FAR) procedure, whichever is less, plus authorized, direct non-salary expenses. The award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. These professional services were procured, and the recommended firm was selected, in accordance with N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8, and Executive Order No. 37 (Corzine 2006).

256-10

In a memorandum dated October 8, 2010 concerning a recommendation **to Issue Order for Professional Services No. A3351** to Hatch Mott MacDonald for Environmental Engineering

Services for Underground and Aboveground Storage Tank Compliance, Maintenance and Testing, Special Project Reserve Fund No. 04010019.

The Authority requires the professional services of an environmental engineering consultant to perform underground and aboveground petroleum storage tank compliance, maintenance and testing in accordance with current New Jersey Department of Environmental Protection regulations. These efforts will be undertaken at the Authority's Maintenance Districts, Toll Plazas and State Police facilities along the Parkway and Turnpike roadways. The services will be provided for a three year term commencing on or about February 1, 2011.

This assignment is classified as a "Simple Project" based on the scope of work being clearly defined and not likely to change during the course of the project, and the cost not exceeding \$2,000,000. Solicitations for Expressions of Interest (EOIs) were sent to 29 engineering firms prequalified and eligible under Profile Code C197 – Remediation Systems: Operation and Maintenance. Two firms submitted EOIs by the closing date of August 30, 2010.

Subsequent to the scoring of EOIs, Fee Proposals were requested from the two firms. The firms in the order of ranking are: 1) Hatch Mott MacDonald and 2) O'Brien & Gere. The fee submitted by Hatch Mott MacDonald has been reviewed and is considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. A3351 be issued to the firm of Hatch Mott MacDonald of Millburn, New Jersey, not to exceed the amount of \$645,000. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.8 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. These professional services were procured, and the recommended firm was selected, in accordance with N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8 and Executive Order No. 37 (Corzine 2006).

257-10

In a memorandum dated October 12, 2010 concerning a recommendation to **Issue Order for Professional Services Nos. T3332 and T3333**, Maintenance Reserve Fund No. 03010001, as follows:

- **Order for Professional Services No. T3332**
Greenman-Pedersen, Inc.
Design Services for Contract No. T100.207
Bridge Deck Repairs and Resurfacing
Milepost 83 to 122 and the Newark Bay-Hudson County Extension (NB-HCE)

28632

➤ **Order for Professional Services No. T3333**

WSP•Sells

Design Services for Contract No. T100.197

Bridge Repairs and Resurfacing, Milepost 0 to 122, Newark Bay-Hudson County Extension (NB-HCE), and the Pearl Harbor Memorial Turnpike Extension (PHMTE)

Through this single procurement process the Authority will select two consultants to furnish design services and prepare construction contract documents for the annual bridge deck and miscellaneous structural repair contracts for 2012 which will address the northern and southern sectors on the Turnpike. The design services associated with OPS No. T3332 provides for the inspection, condition evaluation and preparation of contract documents for bridge deck repairs and resurfacing on the northern sector of the Turnpike. The design services associated with OPS No. T3333 provides for the inspection, condition evaluation and preparation of contract documents for bridge deck repairs and resurfacing on the southern sector of the Turnpike and miscellaneous structural repairs for both the northern and southern sectors of the Turnpike.

These assignments are classified as "Simple Projects" based on the scope of work being clearly defined and not likely to change during the course of the project, and the cost not exceeding \$2,000,000. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and 52 engineering firms were prequalified and eligible under Profile Codes: A092 – Bridges: Miscellaneous Repairs and A093 – Bridges: Deck Replacements and Rehabilitation. Seven firms submitted EOIs by the closing date of September 13, 2010.

Subsequent to the scoring of EOIs by the Review Committee, Fee Proposals were requested from the top three firms. The firms in the order of ranking are: 1) Greenman-Pedersen, Inc.; 2) WSP•Sells; and 3) Arora & Associates, P.C. The fees submitted by Greenman-Pedersen, Inc. and WSP•Sells have been reviewed, negotiated, and are considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. T3332 be issued to the firm of Greenman-Pedersen, Inc. of Lebanon, New Jersey not to exceed the amount of \$1,250,000. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.75, based on a 10% allowance for profit and an overhead rate of 150.0% or, the firm's overhead rate as determined by Federal Audit Regulation (FAR) procedure, whichever is less, plus authorized, direct non-salary expenses.

It is, therefore, recommended that Order for Professional Services No. T3333 be issued to the firm of WSP•Sells of Hamilton, New Jersey not to exceed the amount of \$955,000. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.8, based on a 10% allowance for profit and an overhead rate of 154.5% or, the firm's overhead rate as determined by Federal Audit Regulation (FAR) procedure, whichever is less, plus authorized, direct non-salary expenses.

258-10

ITEM WITHDRAWN

259-10

In a memorandum dated October 4, 2010 concerning a recommendation to **Issue Supplement A to Order for Professional Services No. T3111** to PB Americas, Inc. for the Interchange 6 – 9 Widening Program, Design Engineer, Section No. 1, Milepost 48.7 to 52.3, Burlington County, 2009 Capital Construction Program No. 31018001 and Future Bond Issue.

This Order for Professional Services was issued at the November 2007 Commission Meeting in the amount of \$22,300,000 to provide professional engineering services associated with final design and preparation of contract documents, and other ancillary activities and services required for the Final Design of Section No. 1.

Supplement A will compensate PB Americas, Inc. for additional design services required for various out of scope tasks. These tasks include assisting in the development of a protocol for the quantification and handling of acid producing soil, design efforts for retaining walls to minimize environmental and right-of-way impacts, and additional coordination with Colonial Pipeline Company, Sunoco Pipeline L.P. and Transcontinental Gas Pipe Line Corporation. Also included in this Supplement are additional environmental efforts due to the following: (1) revised Soil Conservation District permit submission criteria, (2) preparation of DEP permit modification plans to address DEP's unanticipated requirement for basin design to accommodate a potential clay liner failure, and (3) redesign of stormwater management features necessitated by the requirement to expedite permit documentation for a Program wide submission to DEP.

PB Americas, Inc. submitted a proposal in the amount of \$2,200,000 to provide the required services. The proposal has been reviewed, negotiated, and is considered fair and reasonable for the services to be provided.

It is, therefore, recommended that Supplement A to Order for Professional Services No. T3111 be issued to PB Americas, Inc., not to exceed the amount of \$2,200,000, with compensation on the same basis as the original Order for Professional Services. The addition of this amount increases the total authorized fee from \$22,300,000 to \$24,500,000. The original contract was procured pursuant to N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8.

260-10

In a memorandum dated October 8, 2010 concerning a recommendation to **Ratify an Extension of Time to Order for Professional Services No. T3136** to Hatch Mott MacDonald for Operation, Monitoring and Maintenance of Remediation Systems at Molly Pitcher Service Area 7S and Joyce Kilmer Service Area 8N, Special Project Reserve Fund No. 04010019.

This Order for Professional Services was issued at the April 2007 Commission Meeting in the amount of \$498,000 for a two-year term, with an option for one, one-year extension. Supplement A was authorized in May 2009 in the amount of \$339,500 to extend the OPS for the

28634
additional year due to the requirement for continued NJDEP compliance. HMM's scope was also expanded to include additional soil investigations, as well as a pilot study for a new remediation technology at Service Area 8N.

This extension is necessary to retroactively extend the term of the OPS from the current expiration of July 5, 2010 to September 30, 2010. The three month extension has been made possible because project efficiencies throughout the term of the contract have resulted in a reduction in the monthly expenditures for HMM to monitor and address the contamination. As a result, the monies currently authorized will be adequate for HMM to continue providing operation and maintenance, compliance monitoring and reporting at the site for the additional three month period.

It is, therefore, recommended that this extension be ratified to Order for Professional Services No. T3136 be issued to Hatch Mott MacDonald retroactively extending the term from July 5, 2010 to September 30, 2010, at no additional cost, with compensation on the same basis as the original Order for Professional Services. The total authorized fee remains at \$837,500. The original contract was procured pursuant to N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8.

261-10

In a memorandum dated October 8, 2010 concerning a recommendation to **Authorize an Extension of Time to Order for Professional Services No. T3138** to H2M Associates for the Operation, Maintenance and Compliance Monitoring of Remediation Systems at James Fennimore Cooper Service Area 4N, Special Project Reserve Fund No. 04010019.

This Order for Professional Services was issued at the December 2007 Commission Meeting for a two-year term commencing January 31, 2008 with an option for one, one-year extension. The two-year term expired on January 30, 2010 and the one year extension was authorized at the December 2009 Commission Meeting in the amount of \$307,405.

Subsequent to the approval of the one year extension, the NJDEP authorized the shutdown of the remediation system at the service area resulting in a significant reduction in the consultant's efforts and therefore cost savings to the Authority. The groundwater contamination requires ongoing monitoring and the consultant's efforts are still required for this purpose. Because of the reduction in H2M's efforts, the currently authorized fee will allow H2M to provide these ongoing monitoring and reporting services for an additional two year period. Utilizing H2M for the continuation of these efforts will be the most cost effective solution for the Authority due to H2M's inherent experience and knowledge of the required services. The fee structure of this OPS is competitive with similar operation, maintenance and compliance monitoring assignments. This item provides for this two year extension until January 30, 2013. There is no increase in the authorized fee associated with this Supplement.

It is, therefore, recommended that this extension be authorized to Order for Professional Services No. T3138 be issued to H2M extending the term from January 30, 2011 to March 31,

2011, at no additional cost, with compensation on the same basis as the original Order for Professional Services. The total authorized fee remains at \$1,029,405. The original contract was procured pursuant to N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8.

262A-10 THROUGH 262D-10

262A-10

In a memorandum dated October 8, 2010 concerning a recommendation for **Final Acceptance, Contract T200.086** to Tarheel Enterprises, Inc. for Resurfacing Milepost 0 to 74, Salem, Gloucester, Burlington, Mercer and Middlesex Counties, Maintenance Reserve Fund No. 03010002, (Final).

This contract provided for resurfacing of asphalt pavement along mainline Turnpike roadways, ramps, toll plazas and shoulders; and other incidental work from mile 0 to mile 74. The contract was advertised and there were three bidders. The contract was awarded on April 17, 2009 to the low bidder, Tarheel Enterprises, Inc., 2000 Highway 35, Morgan, New Jersey in the total amount of \$7,792,336.00.

During the course of the contract, there were two Change Orders for a total increase of \$810,630.83, adjusting the final total amount of this contract to \$8,602,966.83.

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

All required contract documents including the Engineer's Final Certification, Maintenance Bond, Affidavit of Prevailing Wage and the Final Payment Certificate (#8F) have been submitted to the Law Department and approved as to correctness of form. Furthermore, the Law Department advises that there are no liens outstanding against the Contractor.

We concur and recommend that Contract T200.086 be accepted and that final payment in the amount of \$313,715.20 be made to the Contractor.

262B-10

In a memorandum dated October 8, 2010 concerning a recommendation for **Final Acceptance, Contract P300.054** to Tilcon New York, Inc. for Improvements to Interchange 135, Union County, 2009 Capital Construction Program No. 31003035 (Final).

This contract provided for construction of two connector roads, construction of four new traffic signals, realignment and reconfiguration of the northbound and southbound exit ramps at Interchange 135; and reconfiguration of the remainder of the roadways within the Interchange from mile 136.1 to mile 136.4 on the Garden State Parkway in the Township of Clark. The contract was advertised and there were eight bidders. The contract was awarded on August 13, 2007 to the low bidder, Tilcon New York, Inc., 625 Mt. Hope Road, Wharton, New Jersey in the total amount of \$4,289,000.00.

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During the course of the contract, there were two Change Orders for a total increase of \$1,586,686.88, adjusting the final total amount of this contract to \$5,875,686.88. The Certification and Recommendation for Final Acceptance has been executed by the Engineer, the General Consultant and the Chief Engineer.

All required contract documents including the Engineer's Final Certification, Maintenance Bond, Affidavit of Prevailing Wage and the Final Payment Certificate (#10F) have been submitted to the Law Department and approved as to correctness of form. Furthermore, the Law Department advises that there are no liens outstanding against the Contractor.

We concur and recommend that Contract P300.054 be accepted and that final payment in the amount of \$293,784.34 be made to the Contractor.

262C-10

In a memorandum dated October 4, 2010 concerning a recommendation for **Final Acceptance, Contract P600.190** to Solar Mite Electrical Contractors, Inc. for PNC Bank Arts Center Variable Message Sign Replacement, Monmouth County, 2008A Note Construction Fund No. 30000003 (Final).

This contract provided for replacement of the two Variable Message Signs (VMS) serving the PNC Bank Arts Center event announcements from mile 116.2 to mile 116.7 in Holmdel. The contract further provided for furnishing and installation of two new color LED VMS, installation of new support structures furnished by others, removal of existing signs and structures; landscaping; directional drilling for new conduits beneath the Parkway local and express lanes; new conduit and cable installations for power from existing service drops; and fiber optic cable back to the nearby State Police Barracks communications room. It also included sign control software to be installed on an existing computer, and sign startup services. The contract was advertised and there were nine bidders. The contract was awarded on January 12, 2010 to the low bidder, Solar Mite Electrical Contractors, Inc., 922 King George Road, Fords, New Jersey in the total amount of \$817,821.00.

During the course of the contract, there was one Change Order for a total increase of \$57,259.33, adjusting the final total amount of this contract to \$875,080.33. The Certification and Recommendation for Final Acceptance has been executed by the Engineer, the General Consultant and the Chief Engineer.

All required contract documents including the Engineer's Final Certification, Maintenance Bond, Affidavit of Prevailing Wage and the Final Payment Certificate (#4F) have been submitted to the Law Department and approved as to correctness of form. Furthermore, the Law Department advises that there are no liens outstanding against the Contractor.

We concur and recommend that Contract P600.190 be accepted and that final payment in the amount of \$98,150.38 be made to the Contractor.

262D-10

In a memorandum dated October 4, 2010 concerning a recommendation for **Final Acceptance, GSP Contract 104-1213** to Conti Enterprises, Inc. for Rehabilitation of Existing Bridge No. 127.2, in the Township of Woodbridge and Borough of Sayreville, Middlesex County, 2009 Capital Construction Fund No. 31078601 (Final).

This contract provided for bridge deck replacement and modification, and rehabilitation of the superstructure of existing Bridge No. 127.2; realignment of approaches; construction of sign structures; installation of roadway lighting; installation of ITS facilities; and additional incidental work from mile 126.13 to mile 128.03. The contract was advertised and there were three bidders. The contract was awarded on October 17, 2006 to the low bidder, Conti Enterprises, Inc., 2045 Lincoln Highway, Edison, New Jersey in the total amount of \$100,272,101.00.

During the course of the contract, there were nine Change Orders for a total increase of \$3,155,411.18, adjusting the final total amount of this contract to \$103,427,512.18. The Certification and Recommendation for Final Acceptance has been executed by the Engineer, the General Consultant and the Chief Engineer.

All required contract documents including the Engineer's Final Certification, Maintenance Bond, Affidavit of Prevailing Wage and the Final Payment Certificate (#62F) have been submitted to the Law Department and approved as to correctness of form. Furthermore, the Law Department advises that there are no liens outstanding against the Contractor.

We concur and recommend that Contract 104-1213 be accepted and that final payment in the amount of \$5,000.00 be made to the Contractor.

263-10

Acknowledge reports of engineering expenditures under Delegated Authority. The Change Order Summary Report is for September 10, 2010 through October 7, 2010 and the Utility Order Report was authorized and issued under the Executive Director's Delegated Authority under agenda items EDDA 117-05 and modified by EDDA 150-09.

On motion by Commissioner DuPont, seconded by Commissioner Hodes, the Authority unanimously approved Engineering items 249-10 through 263-10; and authorized, ratified or accepted the reports, as presented, the recommendations contained therein; and received and filed the memoranda.

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MAINTENANCE

Assistant Maintenance Director Ralph Bruzzichesi requested approval of items 264-10 through 265-10; moved together, those items are as follows:

28638

264-10

In a memorandum dated October 5, 2010, concerning a recommendation to **Award Contract No. A500.208** for the New Jersey Turnpike and Garden State Parkway to Hall Building Corp. for Immediate Repair of Facilities and Utilities at Turnpike MP 0.3 to MP 122.0 and Parkway MP 0.0 to MP 172.0, Atlantic, Bergen, Burlington, Camden, Cape May, Essex, Gloucester, Hudson, Mercer, Middlesex, Monmouth, Ocean, Passaic, Salem and Union Counties, Special Projects Fund No. 04010027.

Two (2) bid proposals were received on September 22, 2010 for the above publicly advertised contract, as shown on the attached bid summary sheet.

This Contract provides for immediate repairs, which are frequently required to expedite emergency repair work caused by deterioration or accidents, to all Authority owned facilities and utilities on the New Jersey Turnpike from MP 0.0 to MP 122.0 and Garden State Parkway from MP 0.0 to MP 172.0. The work will be authorized on an on-call basis, using a Work Request Authorization Form. The immediate repairs will be as directed by the Director of Maintenance by work orders for a period of two years beginning January 1, 2011 with two one year extension at the sole discretion of the Authority.

The low bid proposal of 7.80% may be compared to the second low bid proposal of 12.00%. These percentages represent a weighted average mark-up on the Contractor's time and materials cost of performing the work. The low bidder, Hall Building Corp., is currently performing work in a satisfactory manner for the Authority and is considered competent to complete the work associated with this Contract.

This contract will be limited to \$400,000 per year of immediate repair work. Funds required in subsequent years will be subject to appropriation in future budgets.

It is therefore recommended that Contract No. A500.208 be awarded to the low bidder, Hall Building Corp. of Farmingdale, New Jersey, in the amount of \$400,000 per year for two (2) years with two one year extensions at the sole discretion of the Authority. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. Bids for this work were procured, and the authorization being sought is to award this contract to the lowest responsible bidder, in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.2, and Executive Order No. 37 (Corzine 2006). The General Consultant, HNTB Corporation, concurs with this award.

265-10

In a memorandum dated October 4, 2010, concerning a recommendation for **Final Acceptance of Contract P200.088** to J. Fletcher Creamer & Son, Inc. for Guide Rail Maintenance and Repair, Milepost 0.0 to Milepost 172.4, Cape May, Atlantic, Ocean, Monmouth, Middlesex, Union, Essex, Passaic and Bergen Counties, Special Project No. 02-040-521-650010-04008028 (Final).

This contract provided for guide rail maintenance and repair from milepost 0.0 to milepost 172.4 along the Garden State Parkway. The contract was advertised and there were two bidders. The contract was awarded on January 4, 2008 to the low bidder, J. Fletcher Creamer & Son, Inc., 101 East Broadway, Hackensack, NJ in the total amount of \$4,771,472.00.

During the course of the contract, there were three Change Orders for a total decrease of \$698,516.40, adjusting the final total amount of this contract to \$4,072,955.60

The Certification and Recommendation for Final Acceptance has been executed by the Engineers, the General Consultants and the Director of Maintenance.

All required contract documents including the Engineer's Final Certification, Maintenance Bond, Affidavit of Prevailing Wage and the Final Payment Certificate (#26F) have been submitted to the Law Department and approved as to correctness of form. Furthermore, the Law Department advises that there are no liens outstanding against the Contractor.

We concur and recommend that Contract P200.088 be accepted, and that final payment in the amount of \$164,358.23 be made to the Contractor.

On motion by Commissioner DuPont, seconded by Commissioner Diaz, the Authority unanimously approved Maintenance items 264-10 through 265-10; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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PUBLIC SPEAKING

The Chairman opened the floor for comment pertaining to the public items being presented for Board approval.

Murray Bodin of *Concerned Grandparents* spoke to oppose the proposed authorization of items 250-10, 251-10 AND 262A-10. In regard to item 250-10 Mr. Bodin stated that he would like to see the plans for this item and where the Authority plans on going with this project. Regarding item 251-10, Mr. Bodin stated that he would like to know where these signs will be installed. Regarding item 262A-10, Mr. Bodin recommended to the Board to deny the final payment of this contract until it is determined that the line striping was done properly.

Rich Raczynski commented that the item is for sign structures, not actual signs.

The Members of the Authority then moved on the following agenda matters presented for consideration:

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PERSONNEL

242-10

Human Resources Director Garrity submitted the **Personnel Agenda**, dated October 26, 2010, and requested confirmation of the personnel matters contained therein. The Executive Director certified the recommendations for consideration.

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

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LAW

Deputy Executive Director John O'Hern requested approval of items 243-10 through 247-10; moved together, those items are as follows:

243-10

In a memorandum dated October 14, 2010, concerning **Ratification of Action taken for the Acquisition of Property Interests Required for the New Jersey Turnpike Authority Interchange 6-9 Widening Program**, Acquisition of 9 Properties and Settlement of Relocation Claim, 2009 Capital Construction Program, Amount: \$ 1,329,600.00.

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

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

Since that time, the Authority has taken final action with respect to the following properties.

I. New Acquisitions and Reimbursement for Damages:

The Authority has determined that the six (6) properties listed below are necessary for the Widening Program. To that end, the Authority had appraisals prepared by independent Appraisers and reviewed by Value Research Group, LLC, the Authority's Real Estate Manager/Consultant, which set a value for each. The Authority then entered into good faith negotiations with the owners and their respective counsel as appropriate for the purchase of same or the settlement of any claims related to said acquisitions based on this appraised value and in compliance with the laws governing its powers of eminent domain. Negotiations continued and a settlement of all terms was agreed upon. The following is a description of each property for which the parties have finalized negotiated terms of sale or other terms of settlement:

1. Turnpike Section 2, ROW Section 3E
Parcel No. R268, Block 108, Lot 1 (**Full Taking**)
200 Bordentown-Crosswicks Road, Township of Chesterfield, County of Burlington
Owner: Alfredo Madrigal
Amount: \$340,000.00 for purchase of property
The property currently consists of 1.10 acres of land that is improved with a 1,380 square foot single family residence (the "Property"). The New Jersey Turnpike Authority must acquire the following interest in the Property which will hereafter be referred to as the "Property Interest": (1) a fee simple interest in the entire 1.10 acres of the Property to be designated as Parcel No. R268.
2. Turnpike Section 2, ROW Section 3E
Parcel 292, Block 203, Lot 4 (**Full Taking**)
225 Bordentown-Crosswicks Road, Township of Chesterfield, County of Burlington
Owners: Alfred J. Remboske and Sandra Garzio
Amount: \$280,000.00
The property currently consists of 0.47 acres of land improved with a 1,740 square foot, single-family residence (the "Property"). The New Jersey Turnpike Authority must acquire the following interest in the Property which will hereafter be referred to as the ("Property Interest"): (1) a fee simple interest in the entire 0.47 acres of the Property to be designated as Parcel 292.
3. Turnpike Section 2, ROW Section 3E
Parcel 273B, Block 203, Lot 3.01 (**Full Taking**)
227 Bordentown-Crosswicks Road, Township of Chesterfield, County of Burlington
Owner: Harry Cummings
Amount: \$349,000.00 (**\$1,000.00 previously approved for a partial taking**)
The property currently consists of 3.84 acres of land improved with a 1,555 square foot, single-family residence (the "Property"). The New Jersey Turnpike Authority must acquire the following interest in the Property which will hereafter be referred to as the ("Property Interest"): (1) a fee simple interest in the entire 3.84 acres of the Property to be designated as Parcel 273B.
4. Turnpike Section 3, ROW Section 3F
Parcel Series 327, Block 2725, Lot 16 (**Partial Taking**)
907 Yardville-Allentown Road, Township of Hamilton, County of Mercer
Owner: Antonio R. Ucci and Patricia Ucci
Amount: \$125,000.00 (**\$110,000.00 previously approved for condemnation**)
The property currently consists of 8.974 acres of land improved with a 1,670 square foot single-family residence and several outbuildings (the "Property"). The Authority must acquire the following interest in the Property which will hereafter be referred to as the "Property Interest": (1) a fee simple interest in 3.163 acres of the Property to be designated as Parcel 327; (2) a drainage easement consisting of the right to construct and maintain drainage facilities within a drainage easement, containing subsurface drains and appurtenances, impacting 0.186 acres of the Property to be designated as Parcel RD327; (3) a temporary construction easement consisting of the right to access land and area with vehicles and equipment for use during the construction of driveways, a retaining wall, grading at the wall, and to construct a roadway and appurtenances, impacting 0.141 acres of the Property to be designated as Parcel RC327; and (4) a temporary construction easement consisting of the right to access land and area with vehicles and equipment for use during the construction of driveways, a retaining wall, grading at the wall, and to construct a roadway and appurtenances, impacting 0.141 acres of the Property to be designated as Parcel 2C327.

5. Turnpike Section 1, ROW Section 3D
Parcel 180D, Block 4, Lot 5 (**Partial Taking**)
3301 Route 206, Township of Mansfield, County of Burlington
Owner: Turnpike Junction, Inc.
Amount: \$20,000.00

The Property currently consists of approximately 138.30 acres of land improved with a single-family detached residence (the "Property"). The New Jersey Turnpike Authority must acquire the following interest in the Property which will hereafter be referred to as the "Property Interest": (1) a fee simple interest in 1.254 acres of the Property to be designated as Parcel 180D.

6. Turnpike Section 3, ROW Section 3F
Parcel 343, Block 2733, Lot 4.01 (**Relocation Costs**)
185 Merrick Road, Township of Hamilton, County of Mercer
Owners: Donald Giquinto and Kimberly Giquinto
Amount: \$9,600.00

(Temporary Relocation Benefit for 4 Horses payable to Owners pursuant to statute)

The Property currently consists of 6.000 acres of land improved with a 1,869 square foot, one-story single-family residence with a two-car attached garage, a 1,200 square foot pole barn/horse stable, and a 160 square foot storage shed (the "Property"). The property owners keep four (4) horses on their property. These horses will need to be relocated due to the extent of work and noise generated by pipeline replacement work to be conducted on their property. The displacement is projected to be for a six-month period. The reimbursement to the owners is for the cost of boarding the horses off-site during the displacement period (September 2010 through February 2011). The amount of this benefit is calculated pursuant to statute.

II. New Eminent Domain Proceedings.

The Authority has determined that the three (3) properties listed herein are necessary for the Widening Program. To that end, the Authority had appraisals prepared by independent Appraisers and reviewed by Value Research Group, LLC, the Authority's Real Estate Manager/Consultant, which set a value for each. With respect to the below parcels, the Authority had contacted the respective property owners and entered into good faith negotiations with said owners and their respective counsel for the purchase of same based on the appraised value and in compliance with the laws governing its powers of eminent domain. Eminent Domain proceedings are being filed as the last resort. The following is a description of said properties:

1. Turnpike Section 2, ROW Section 3E
Parcel 281A, Block 103, Lot 23 (**Partial Taking**)
40 Shanahan Lane, Township of Chesterfield, County of Burlington
Owner: Mighty Mutts, Inc.
Amount: \$352,900.00
(\$272,900.00 previously approved for partial taking – Additional \$80,000)
2. Turnpike Section 3, ROW Section 3F
Parcel Series 323A, Block 2732, Lots 5 and 6 (**Partial Taking**)
1023 Yardville-Allentown Road, Township of Hamilton, County of Mercer
Owners: Chong Il Kim and Sung Tae Kim
Amount: \$ 185,000.00

The Property currently consists of 105.883 acres of preserved farmland improved with several farm related buildings. The Property is a produce farm known as Evergreen Farm. The Property's development rights were sold to the County of Mercer on March 4, 1994, for \$566,420.40 (including additional land) in a deed of easement recorded in Deed Book 2786, Page Number 69. The Authority must acquire the following interest in the Property which will hereafter be referred to as the "Property Interest":

(1) a fee simple interest in 7.991 acres of the Property (all of which is located within the farmland preservation easement) to be designated as Parcel 323A;

(2) a utility easement consisting of the right to construct and maintain a subsurface utility pipeline, impacting 3.634 acres of the Property (all of which is located within the farmland preservation easement) to be designated as Parcel UE323A;

(3) a drainage easement consisting of the right to construct and maintain drainage facilities within a drainage easement, containing subsurface drains and appurtenances, impacting 0.524 acres of the Property (all of which is located within the farmland preservation easement) to be designated as Parcel D323A;

(4) a drainage easement consisting of the right to construct and maintain drainage facilities within a drainage easement, containing subsurface drains and appurtenances, impacting 0.115 acres of the Property (all of which is located within the farmland preservation easement) to be designated as Parcel 2D323A;

(5) a temporary construction easement consisting of the right to access land and area with vehicles and equipment for use during the construction of subsurface pipelines and appurtenances and the construction of access road and appurtenances, impacting 0.184 acres of the Property (all of which is located within the farmland preservation easement) to be designated as Parcel RC323A;

(6) a temporary construction easement consisting of the right to access land and area with vehicles and equipment for use during the construction of subsurface pipelines and appurtenances, impacting 4.025 acres of the Property (all of which is located within the farmland preservation easement) to be designated as Parcel 2C323A;

(7) a temporary construction easement consisting of the right to access land and area with vehicles and equipment for use during the construction of access road and appurtenances, impacting 4.777 acres of the Property (all of which is located within the farmland preservation easement) to be designated as Parcel 3C323A; and

(8) a temporary construction easement consisting of the right to access land and area with vehicles and equipment for use during the construction of subsurface pipelines and appurtenances, impacting 0.830 acres of the Property (all of which is located within the farmland preservation easement) to be designated as Parcel 4C323A.

Because a portion of the Property consists of Preserved Farmland, the Mercer County Agricultural Board ("MCADB") is entitled to a portion of the compensation for the Property Interest. As such, the Property Owners are entitled to Sixty-Eight Thousand Ninety-Eight Dollars (\$68,098.00) for the Property Interest, and the MCADB is entitled to One Hundred Sixteen Thousand Nine Hundred Two Dollars (\$116,902.00) of the total Offer Amount.

3. Turnpike Section 3, ROW Section 3F
Parcel Series 323B, Block 2733, Lot 2 (**Partial Taking**)
Yardville-Allentown Road, Township of Hamilton, County of Mercer
Owners: Chong II Kim and Sung Tae Kim
Amount: \$ 52,000.00

The Property currently consists of 36.546 acres of preserved farmland. The Property is a produce farm known as Evergreen Farm. The Property's development rights were sold to the County of Mercer on March 4, 1994 for \$566,420.40 (including additional land) in a Deed of Easement recorded in Deed Book 2786, Page Number 69. The Authority must acquire the following interest in the Property which will hereafter be referred to as the "Property Interest":

(1) a fee simple interest in 1.803 acres of the Property (all of which is located within the farmland preservation easement) to be designated as Parcel 323B;

(2) a utility easement consisting of the right to construct and maintain a subsurface utility pipeline, impacting 1.891 acres of the Property (all of which is located within the farmland preservation easement) to be designated as Parcel UE323B; and

(3) a temporary construction easement consisting of the right to access land and area with vehicles and equipment for use during the construction of subsurface pipelines and appurtenances, impacting 1.950 acres of the Property (all of which is located within the farmland preservation easement) to be designated as Parcel C323B.

Because a portion of the Property consists of Preserved Farmland, the Mercer County Agricultural Board ("MCADB") is entitled to a portion of the compensation for the Property Interest. As such, the Property Owners are entitled to Nineteen Thousand One Hundred Forty-Two Dollars (\$19,142.00) for the Property Interest, and the MCADB is entitled to Thirty-Two Thousand Eight Hundred Fifty-Eight Dollars (\$32,858.00) of the total Offer Amount.

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

With respect to the acquisition of the Kim properties, portions of those properties have been designated as farmland within an Agricultural Development Area ("ADA") and/or "Preserved Farmland" pursuant to and as regulated by the *Agricultural Development and Retention Act, N.J.S.A. 4:1C-11, et seq.*, and the *State Agricultural Development Committee Rules, N.J.A.C. 2:76-1.1*, the Acts implementing regulations. The New Jersey Turnpike Authority has complied with the procedures required for acquisition of both the ADA designated property or Preserved Farmland as set forth in the *Agricultural Retention and Development Act at N.J.S.A. 4:1C-18* and is continuing the process to acquire those properties located in Burlington, Mercer and Middlesex Counties necessary to the Widening. The proper procedures and necessary requirements as set forth in Agenda Item No. 70-10, approved at the March 2010 meeting, were followed.

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

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

244-10

In a memorandum dated October 15, 2010, concerning **Authorization for the Executive Director to Execute An Encroachment Agreement With Each of Two Interstate Petroleum Products Pipelines (Sunoco Pipeline, LP and Colonial Pipeline Company)** Whose Facilities Exist In the Vicinity of the New Jersey Turnpike Interchange 6 to 9 Widening Program, Project No. 31018001.

As you are aware, the New Jersey Turnpike Authority (the "Authority") has begun construction of the widening of the Turnpike between Interchange 6 in Mansfield Township, Burlington County and Interchange 9 in East Brunswick Township, Middlesex County (the "Widening Program"). The roadway will be widened to 12 lanes with major modifications constructed at four interchanges.

As you are also aware, the construction of Widening Program affects two Interstate Petroleum Products Pipelines that run parallel to the Turnpike and are owned by Sunoco Pipeline, LP and Colonial Pipeline Company (hereinafter collectively referred to as the "Pipelines") necessitating their relocation at certain locations. The Pipelines have been cooperating with the Authority in relocating their pipelines so that construction of the Widening Program can proceed in a timely manner. In addition, a substantial length of the construction of the Widening Program that does not directly affect the Pipelines takes place in the vicinity of the existing Pipelines' facilities and/or easements. Because of the substantial danger associated with a potential encroachment into the Pipeline's facilities and/or easements, the Pipelines have asked

that the Authority enter into an agreement with each of the Pipelines to address their concerns where the Authority's consultant and contractors are working in the vicinity of the Pipelines facilities and/or easements. To that end the Authority's Law Department and Engineering Department, in consultation with General Counsel, DeCotiis FitzPatrick Cole & Wisler, LLP, have negotiated an agreement whereby the Authority will agree to, among other things, (1) abide by the Pipelines' guidelines when working in and around their facilities/easements, (2) not enter into the facilities/easements unless certain guidelines have been complied with; and (3) to the extent necessary indemnify and hold the Pipelines harmless in the event that damage results as a result of an unauthorized encroachment (hereinafter the "Encroachment Agreements"). The Encroachment Agreements require that the Authority sign on behalf of its consultants, and contractors, however, these same undertakings, in large part, have been included in the consultants or contractors contract documents, or by the contractors entering into separate Encroachment Agreements with the respective Pipelines. There is no additional cost to these agreements.

Based on the foregoing it is requested that the Authority's Commissioners authorize and direct the Executive Director to execute two Encroachment Agreements, one with each of the respective Pipelines referenced above, that substantially conform to the terms set forth herein.

245-10

In a memorandum dated October 14, 2010, concerning **Recommendation for Settlement in the Matter of New Jersey Department of Environmental Protection and Acting Administrator, New Jersey Spill Compensation Fund v. Almo Anti-Pollution Services Corporation, et al. and Atlantic Metals Corporation, (Third Party Plaintiffs) et al., v. New Jersey Turnpike Authority (Third Party Defendants), et al.**, Docket No.: L-00895-02, Project No. 4008022, Amount: Not to Exceed \$60,000.00.

In September of 2002, the New Jersey Department of Environmental Protection ("NJDEP") brought a \$30,000,000.00 environmental contamination cost recovery action against various parties including the New Jersey Turnpike, various municipal entities, contractors, waste haulers, and corporations who are alleged to have generated and/or brought waste to the BEMS Landfill facility (the "Landfill" or "BEMS") in Southhampton Township, Burlington County in the 1970s and 1980s.

Accounts Receivable Ledgers of the Landfill, coupled with present and former NJTA employee interviews, show that the NJTA brought roadway and service area waste to the Landfill from 1978 through 1982. During said time period, the Turnpike Authority is alleged to have brought 10,128 tons of waste to the Landfill.

A Case Management Order was entered requiring the parties to participate in an Alternate Dispute Resolution ("ADR") process for the purpose of attempting a voluntary resolution of all claims. Pursuant to the ADR process, the 200 party defendants were placed into four

categories: Owner Operators of the Landfill; Private Generators of Waste; Transporters of Waste; and Municipalities. The Mediator assigned the Turnpike Authority to the Municipalities Group which consisted of approximately 47 defendants.

After several years of negotiations, the Mediator offered the amount of \$16,100,000 in settlement of all claims. The NJDEP is agreeable to accepting that amount. The Mediator also allocated liability to all the parties based on the alleged quantities of waste brought to the Landfill. The Turnpike Authority's group percentage is determined to be 1.3989% resulting in a settlement amount (including a required base payment of \$8,000) to be paid by the Turnpike Authority to the NJDEP of \$59,381.00. Attached is the most recent "Party Allocation for Municipal Class \$16.1 Million Settlement" which sets forth the defendants, their respective shares and the resulting settlement amounts.

Given the amount of the original claim, \$30,000,000, and litigation costs that would be incurred in this case if this matter was to continue, the Law Department, with the approval of Special Counsel, Sedita, Campisano & Campisano, recommends settlement of this matter in the amount of \$59,381.00 in full and final resolution of this matter. As parties opt into this settlement, the dollar amount may shift slightly; therefore authorization is being requested for an amount not to exceed \$60,000.00.

Further authorization is requested to permit the Executive Director to execute any and all settlement documents necessary to conclude this litigation upon review and recommendation of the Law Department and Special Counsel.

246-10

In a memorandum dated October 13, concerning **Authorization for the Executive Director to execute a Master License Agreement with Clear Wireless, L.L.C. for the Provision of Wireless Services.**

Clear Wireless L.L.C., a Nevada limited liability company (the "Company") is a WiMAX communication provider seeking to construct, install, operate and maintain wireless communications equipment along with other associated electronic equipment in connection with its wireless communication business, at various locations in New Jersey, on the right-of-way of the New Jersey Turnpike and the Garden State Parkway (collectively, the "Roadways").

In order to facilitate the construction, installation, operation and maintenance of wireless communication equipment, the Authority and the Company have agreed to enter into a Master License Agreement for the Provision of Wireless Services (the "Master Agreement"). The Master Agreement will provide that the Authority and the Company shall mutually identify and select parcels of property and/or space on existing towers or other structures for the construction, installation, operation and maintenance of radio transmitting and receiving antennas and related wireless communication equipment, and a location-based system as may be required by any county, state or federal agency/department, on Authority property. Once a location is agreed

upon, an Individual Site Agreement ("ISA") will be executed, which will set forth the conditions and terms specific to that location.

The term of the Master Agreement would be thirty (30) years from the date of execution by the parties, and would permit the Company to use an agreed upon location for construction of a communications structure at the heights and of the type described in each ISA, along with associated antennas, a modular equipment storage facility at each site, fencing and other necessary accessories for the operation of each radio equipment facility.

The Master Agreement provides for an initial rental for each ISA location of \$40,000 for each tower or other structure built by the Company, subject to a 3% per year annual increase. In the event of a co-location on an existing tower, the rental could be up to \$40,000 per location. It is anticipated that within the next three (3) years, it would be possible to enter into seven (7) ISAs which could provide \$280,000 revenue to the Authority. The Authority is authorized to negotiate directly both the Master Agreement and anticipated ISAs with the Company pursuant to its enabling legislation, specifically N.J.S.A. 27:23-9.

Based on the above, it is recommended that the Commissioners authorize the Executive Director to execute a Master License Agreement substantially as set forth above. It is also recommended that the Executive Director be authorized to execute any and all ISAs in connection therewith after review and approval by the Law Department, and to execute all such documents and take all such steps as are determined necessary to effect the intent of this authorization.

247-10

In a memorandum dated October 14, concerning **Authorization for the Authority to Enter into a Revised Agreement with Chartis Insurance** in Connection with the Authority's Rolling OCIP Program to Clarify Coverages for all Design Engineering Firms and Construction Management Firms hired by the Authority for Work on a Capital Project, in consideration for \$100,000 for the Seven (7) Year Program Term.

By Agenda Items 164-09 and 258-09 at the June 25, 2009 and October 22, 2009 Commissioners meetings, respectively, the Commissioners authorized the placement of various insurance coverages in connection with the Authority's Rolling Owner Controlled Insurance Program (the "Program"), including the placement of General Liability insurance coverage, and Workers Compensation insurance coverage for all contactors, subcontractors, consultants and subconsultants working on a capital project. Also authorized was the placement of Professional Errors and Omissions insurance coverage for consultants working on capital projects pursuant to an Authority Order for Professional Services ("OPS").

Upon implementation of the Program, it became clear that a portion of consultants, namely design consultants, were not contemplated as included in the General Liability and Workers Compensation insurance coverage. Of the two (2) types of OPSs, construction

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supervision OPS, and design OPS, consultants with a construction supervision OPS would be clearly be covered for General Liability and Workers Compensation because by the nature of the work, such consultants are present on an OCIP construction site frequently if not always. As to design engineers who enter into an OPS with the Authority, General Liability and Workers Compensation coverage was not specifically indicated. Design engineers are very infrequently on a construction site, but need to be covered by General Liability and Workers Compensation insurance, along with all other parties who work on a particular construction site, even for brief periods of time.

The Authority's broker for this program, AON (formerly Allied, N.A., Inc.), identified this inconsistency and potential gap in coverage and has negotiated an amendment to the Authority's current agreement with Chartis, subject to Commissioner approval.

The proposed amendment would amend the General Liability insurance coverage and Workers Compensation insurance coverage for all consultants, and subconsultants, to clearly include design consultants. While the amended coverage for design professionals does not pose a great risk, it does provide an additional risk for the underwriter, who has agreed to amend and clarify this coverage for a total additional premium of \$100,000 for the entire seven (7) year term of the Program, retroactive to the commencement date, July 15, 2009. This payment would be subject to annual funding availability at the time of each annual billing.

In addition, the total Construction Value for the Program will proportionally increase by the estimated value of the OPSs entered into and to be entered into with design consultants over the term of the Program, which is estimated to be \$200,000,000. As part of the amendment, the insurer has agreed to decrease the overall premium rate for General Liability coverage from \$2.0136 per \$1000 of Construction Value to \$1.8672 per \$1000 of Construction Value and from \$2.0558 per \$1000 of Construction Value to \$1.9059 per \$1000 of Construction Value for Workers Compensation coverage. Under almost any scenario, this would provide a savings to the Authority much greater than the \$100,000 additional premium.

Therefore, it is recommended that the Commissioners authorize the Executive Director to enter into a revised agreement or amendment substantially as set forth above, and to further authorize the Executive Director to cause payment of the \$100,000 additional premium, subject to annual funding availability at the time of each annual billing. Authorization is also requested for the Executive Director to execute any and all additional documents and take any and all additional actions which are deemed necessary to effectuate the intent of this authorization.

On motion by Commissioner DuPont, seconded by Commissioner Singleton, the Authority unanimously approved Law items 243-10 through 247-10; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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PURCHASING

Purchasing Director Ward requested approval of items 266A-10 through 266H-10, 267-10, 268A-10 through 268I-10; moved as a group are as follows:

266-10 (A-H)**Public Bid Procurement Action Recommendations**

266A-10

Authorization is requested to award a contract for the purchase of two (2) diesel-powered, four-wheel drive, three-ton rough terrain forklifts for use by the Maintenance Department. These are replacements for older model equipment, which will be sold at a public surplus sale. Requests for bid were distributed to 10 vendors, and on September 21, 2010, seven bid proposals were received. The contract includes a 3-year Open End Option which gives the Authority the right to purchase additional units conforming to the specifications at the same price and under the same terms and conditions for the first model year and adjusted agreed-upon price terms for two (2) additional Model Years. Bid results are as follows:

	<u>Total Price</u>
Hoffman International. Inc., Piscataway, NJ	<u>\$105,900.00</u>
Farm Rite, Inc., Bridgeton, NJ	\$119,750.00
Cherry Valley Tractor, Marlton, NJ	\$126,539.00
Eastern Truck Lift Co., Inc., Maple Shade, NJ	\$126,854.00
Trico Equipment Services LLC, Vineland, NJ	\$135,000.00
Seely Equipment & Supply Co., Inc., Farmingdale, NJ	\$138,784.88
Foley, Inc., Piscataway, NJ	\$138,864.00
Department Estimate:	\$120,000.00

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

Accordingly, authorization is requested to award a contract to the lowest responsible bidder, Hoffman International, Inc. for two diesel-powered forklifts as outlined herein.

266B-10

Authorization is requested to award a contract for Catch Basin Truck Parts. Requests for bid were distributed to three vendors. Bidders were required to quote unit prices for 10 items such as ball valves, door assemblies and boom lifting assemblies and provide a discount off of the Manufacturer's List Price. On October 7, 2010, one bid proposal was received from Pierce

Equipment Co. for a total amount of \$941.98. The Maintenance Department reviewed the sole bid proposal and found that the bidder took no exceptions and satisfactorily met all of the specifications. In addition, Pierce Equipment Co. offered a 50% discount on all items. Given only one bid submission, the Purchasing Department surveyed the other firms which had received requests for bid and learned that they could not provide competitive pricing. Bids were procured, and authorization is being sought to award a contract to the lowest responsible bidder, in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.2 and Executive Order No. 37 (Corzine 2006). This award is also contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee pursuant to Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008), and having no objection to same.

Accordingly, it is recommended that a contract be awarded Pierce Equipment Co., for a price agreement for catch basin truck parts as outlined herein.

266C-10

Authorization is requested to award contracts to the Contractors identified/**highlighted** in Exhibits A and B to provide Extra Heavy Duty Towing and Recovery Services ("Towing Services"). The Authority promulgated uniform regulations for the procurement of contracts for Towing Services on the Garden State Parkway ("Parkway") and the New Jersey Turnpike ("Turnpike"). Consistent with those regulations, the Authority publicly advertised contracts for several Service Provider Locations (hereafter referred to as "Zones") on the Turnpike and Parkway. This Item refers specifically to Towing Services in Zones 1 through 16 on the Parkway and Zones A through F on the Turnpike. To offset administrative costs, towing contractors ("Contractors") will be required to remit to the Authority on a monthly basis seven percent (7%) of gross receipts generated from the Towing Services under the contracts.

The solicitation process for Towing Services consisted of two parts. First, interested Contractors were prequalified by the Authority based on a number of operational and legal/administrative criteria, including, but not limited to, experience, location of garage, client references, garage and equipment inspection and criminal background check. Second, prequalified Contractors were then permitted to bid the service charges for five items: A) Heavy Duty Wrecker (Hourly Rate not to exceed \$250.00/hour); B) Landoll with Tractor (Hourly Rate not to exceed \$250.00/hour); C) Relief Box Trailer (Hourly Rate not to exceed \$250.00/hour); D) Supervisor (Wreck Master or Equivalent) (Hourly Rate not to exceed \$150.00/hour); and E) Tech Labor (Hourly Rate not to exceed \$100.00/hour). Contracts will be awarded to those who quoted the lowest weighted prices for the service charges within each Zone.

The Authority received 33 prequalification applications. No prequalification applications were received for Zones 1 through 10, 14, and 16 on the Parkway. Some Contractors submitted multiple applications for different Zones, as permitted. The prequalification applications were thoroughly reviewed by staff from the Authority's Legal, Operations, and State Police

Departments ("Evaluation Team"). On July 21, 2010, bids were opened and 23 bid proposals were received. It is recommended that the Authority award contracts to the lowest responsible bidders. The attached Exhibits identify the number of prequalified garage facilities, the number of contracts solicited for each Zone, the number of bids actually received, and the Final Weighted Price submitted by each bidder. The Authority will re-solicit Contractors for Towing Services for Zones 1 through 10, 14 and 16 on the Parkway. There is no recommendation for awards at Zone E on the Turnpike at this time, pending resolution of a bid protest that was filed by one of the bidders for that Zone. In addition, the prequalification application had sought five contracts for at Zone F on the Turnpike. Seven applications were received for Zone F, of which four garages were prequalified. The four prequalified garages submitted bid proposals and are recommended for award. The Operations Department has determined that it is not necessary to solicit any additional contracts for Zone F at this time.

266D-10

Authorization is requested to award two contracts for snow plowing and salting services on the Garden State Parkway for three snow seasons beginning November 1, 2010 through April 30, 2013. These contracts were publically bid on two occasions, with no bid submissions either time. Thus, in accordance with the Authority's enabling statute, N.J.S.A. 27:23-6.1, Purchasing and Maintenance staff negotiated contracts with two vendors. The vendors were required to quote hourly rates for the number and type of vehicles, and awards are based

The Authority has the sole discretion of extending the contract, under the same terms and conditions except for price, for two additional one-year terms. The prices for the succeeding years of the contract will be adjusted yearly based on the Consumer Price Index ("CPI") as designated in the average CPI for combined New York/Northern New Jersey and Philadelphia/Southern New Jersey areas. The maximum annual increase permitted however, shall be 5%.

Contract SPS-3-10 MP 63-75

	Earle Asphalt Company Farmingdale, NJ			Silvi Concrete Products Inc. Fairless Hills, PA	
Monday to Friday Regular time	<u>Bid Hours</u>	<u>Hourly</u>	<u>Total</u>	<u>Hourly</u>	<u>Total</u>
1. Plow Trucks with Authority Supplied Plows (6)	6	\$225	\$ 8,100	\$315	\$11,340
2. Supervisor Vehicle (1) Monday to Friday Standby time	6	\$125	\$ 750	\$125	\$ 750
1. Plow Trucks with Authority Supplied Plows (6)	2	\$225	\$ 2,700	\$250	\$ 3,000
		<u>Total</u>	<u>\$11,550</u>	Total	\$15,090
Anticipated Contract Expenditure: \$57, 600					

Contract SPS-3E-10 Interchange 69 North & South

Earle Asphalt Company
Farmingdale, NJ

Silvi Concrete Products Inc.
Fairless Hills, PA

Monday to Friday Regular time	<u>Bid Hours</u>	<u>Hourly</u>	<u>Total</u>	<u>Hourly</u>	<u>Total</u>
1. Plow Trucks with Contractor Supplied Plows and Spreaders (1)	6	\$250	\$1,500	No Bid	
2. Supervisory Vehicle (1)	6	\$125	\$ 750	No Bid	
3. Loader (2)		\$350	\$4,200	\$350	\$4,200
4. Backup Vehicle with arrow board (2)	6	\$175	\$2,100	\$175	\$2,100
Monday to Friday Standby time					
1. Plow Trucks with Contractor Supplied Plows and Spreaders (1)	2	\$250	\$ 500	No Bid	
2. Loader (2)	2	\$350	\$1,400	\$300	\$1,200
3. Backup Vehicle with arrow board (2)	2	\$175	\$ 700	\$150	\$ 600
		<u>Total</u>	<u>\$11,150</u>	<u>Total</u>	<u>\$8,100*</u>

Anticipated Contract Expenditure: \$43,300

While, Silvi Concrete Products, Inc.'s total price proposal was lower than Earle Asphalt Company's, Silvi Concrete Products, Inc. did not quote on all the line items as requested. Thus, the Maintenance Department recommends award of this contract to Earle Asphalt Company, whose proposal was fully compliant.

At the July 22, 2008, Commission Meeting, authorization was granted to establish two Snow Removal Contract Accounts, one for each roadway, for all snow removal services. The establishment of these accounts facilitates prompt payment to the snow removal contractors. Payments for these contract services will continue to be made from the respective Turnpike or Parkway Division's Snow Removal Contract Account.

These awards are contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee pursuant to Public Law 2005, Chapter 51 and Executive Order 117 (Corzine 2008) and having no objection to same.

Accordingly, authorization is requested to award both contracts to Earle Asphalt Company for snow removal services on the Garden State Parkway as outlined herein.

266E-10

Authorization is requested to award two (2) one-year Price Agreements for Chevrolet and General Motors original equipment manufactured parts. This contract was publicly bid on two occasions, with no responsive bid submissions either time. Thus, in accordance with the Authority's enabling statute, N.J.S.A. 27:23-6.1, Purchasing and Maintenance staff negotiated contracts with willing vendors. The vendors were required to quote on two items: 1) discount off the Manufacturers' List Price on \$10,000 of miscellaneous parts; and 2) discount off of Manufacturers' List Price on \$15,000 of miscellaneous remanufactured major assemblies (such as engines and drive trains). In addition, bidders were required to have a facility within either of the designated counties Area A) Cape May and Atlantic; and Area B) Monmouth or Ocean.

After contacting various dealerships two vendors submitted proposals as follow: Burke Motor Group for Area A and Pine Belt Enterprises of Lakewood for Area B. Unit bid prices are available in the Purchasing Department.

<u>Area A</u>			
\$50,000	<u>1) Discount</u>	<u>2) Discount</u>	<u>Total</u>
Burke Motor Group	33%/\$6,700	12.5%/\$13,125	\$19,825
<u>Area B</u>			
\$87,500	<u>1) Discount</u>	<u>2) Discount</u>	<u>Total</u>
Pine Belt Enterprises	25%/\$7,500	25%/\$11,250	\$18,750

The negotiated discounts offered by these vendors compare favorably with the discounts obtained through prior public bidding for the other Areas: Total Discounts of \$18,750 for Northern New Jersey; \$21,700 for Southern Turnpike and \$17,550 for Central New Jersey.

These awards are contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee(s) pursuant to Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008), and having no objection to same.

Accordingly, it is recommended that contracts be awarded to Burke Motor Group and Pine Belt Enterprises for Chevrolet and General Motor OEM Parts as outlined herein.

266F-10

The Maintenance Department requisitioned four sets of Mobile Column Lifts and Support Stands for vehicle repairs. Staff found that a contract for the same lifts was publicly bid and awarded to Hoffman Services, Inc. by the South Jersey Transportation Authority ("SJTA") in February 2009. That contract expires in March 2011. The Authority's enabling statute N.J.S.A. 27:23-6.1 and Regulations N.J.A.C. 19:9-2.5(d) permit the purchase of goods and services without public advertisement when the contract is made by certain public entities, including the SJTA. The Maintenance Department determined that the unit price of \$38,200 is reasonable based on the unit's quality, performance and reliability in the vehicle lift industry. Thus, it is in the Authority's best interest to take advantage of the contract. The Purchasing Department contacted Hoffman Services, Inc. and the vendor has agreed to honor the unit prices, terms and conditions of the SJTA contract.

Accordingly, authorization is requested to award a contract to Hoffman Services, Inc. for the mobile vehicle lifts and support stands as outlined herein.

266G-10

Under this contract, Atlas Power & Supply Co., Inc. will provide 15 solar-powered arrow board trailers ("Trailers"). At the April 2009 Commission Meeting (Agenda 110-09), authorization was granted to purchase nine (9) Trailers used as advance traffic warning safety units on the Authority's roadways. The agreement was solicited in conformance with the public bid laws. The

bid specifications contained a 3-year Open-Ended Option permitting the Authority to purchase additional Trailers for two (2) additional model years. The Maintenance Department has requested an additional 15 Trailers to replace older/non-functioning equipment. Atlas Flasher & Supply Co., Inc. agreed to retain the same unit price of \$4,544 per Trailer as charged for the 2009 model.

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

Accordingly, authorization is requested to award a contract to Atlas Flasher & Supply Co., Inc. for 15 solar-powered arrow board trailers as outlined herein.

266H-10

The Maintenance Department requisitioned 15 trailer mounted attenuator systems. On September 15, 2010, three bid proposals were received. The Maintenance Department reviewed the proposals and concluded that the anticipated delivery of the equipment stated in the specifications (60 days from receipt of purchase order) could not be met.

Authorization is requested to reject all bid proposals submitted for the referenced bid solicitation and re-advertise the contract at a later date.

267-10

Under this contract, Energy Solve LLC provides utility bill energy management and accounting services for facilities on both roadways. Both the Finance and Maintenance Departments benefit from the referenced services as Energy Solve LLC reviews the utility bills daily thus avoiding billing errors or overpayments. In addition, historical data is used to track costs and energy efficiency and to determine which accounts should be included in aggregated energy bidding. The two-year contract expires on December 31, 2010. Under the terms of the contract, the Authority has the option to extend for one-additional year. The Maintenance Department has requested that the contract be extended and that the total authorized amount be increased. The increase is needed as Energy Solve LLC will be handling additional third party invoices related to recent State electric and upcoming State gas bids. Furthermore, the Authority will assume additional electric accounts for new variable message signs on both roadways.

This procurement of this Professional Services contract was conducted in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.1(b), and Executive Order No. 37 (Corzine, 2006). Authorization is requested to modify Contract No. 1973 as outlined herein.

♦ **NEW JERSEY STATE CONTRACT PROCUREMENT ACTION RECOMMENDATIONS:****268-10 (A-I)**

268A-10

The New Jersey State Police Troops D and E have requisitioned the procurement of 100 mobile laptop computers with software, to be outfitted in the 2010 State Police vehicle fleet. The requisitioned units will be the same as installed in Division State Police vehicles, and will be equipped to function within the existing State Police network.

This contract will be procured in accordance with N.J.S.A. 27:23:6-1 and N.J.A.C. 19:9-2.5(a), which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey. Accordingly, authorization is requested to award a contract to Dell Marketing, L.P., as outlined herein

268B-10

The Technology and Administrative Services Department has requisitioned the annual support and maintenance of "Actuate" software that is hosted on two (2) servers. Actuate software is a tool used extensively by the Electronic Toll Collection Department to create on-demand and pre-generated reports for users. This software minimizes server and database resource loads resulting from large monthly or yearly report generation, allowing instantaneous access. This contract will allow unlimited contact with the vendor for critical production/development support, as well as eliminating additional costs to upgrade to newer versions of Actuate as they become available.

This contract will be procured in accordance with N.J.S.A. 27:23:6-1 and N.J.A.C. 19:9-2.5(a), which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey. Accordingly, authorization is requested to award a contract to Dell Marketing, L.P., as outlined herein.

268C-10

The Technology and Administrative Services (TAS) Department has requisitioned the procurement of (11) "Toughbook" laptop computers. These ruggedized mobile computers are for use by Authority field personnel in Electronic Toll Collection, Engineering, as well as TAS Departments. These computers will replace those used in the field for five to seven years and have become damaged beyond repair, or technologically obsolete.

This contract will be procured in accordance with N.J.S.A. 27:23:6-1 and N.J.A.C. 19:9-2.5(a), which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey. Accordingly, authorization is requested to award a contract to CDW Government, Inc., as outlined herein.

268D-10

The Technology and Administrative Services (TAS) Department has requisitioned the procurement of network equipment and hardware to migrate existing Parkway telecommunication services to the upgraded public safety microwave and fiber optic network. This migration from the older system will not only carry essential communication systems such as mobile radio backhaul, Emergency 911 and the Criminal Justice Information System, but it will also improve system reliability, and increase capacity. Once in effect, this move will result in a substantial cost savings of approximately \$80,000 annually, in system support and maintenance.

This contract will be procured in accordance with N.J.S.A. 27:23:6-1 and N.J.A.C. 19:9-2.5(a), which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey. Accordingly, authorization is requested to award a contract to Pinnacle Wireless, Inc., as outlined herein.

268E-10

The Maintenance Department has requisitioned the procurement of (12) 8' x 18' enclosed tandem axle trailers, with options to meet field user needs. These trailers will be used to store and transport tools and equipment for various aspects of roadway maintenance. The trailers will not only add to efficiency, but also security, with the ability to lock these items at night and be ready to transport and use the following day.

This contract will be procured in accordance with N.J.S.A. 27:23:6-1 and N.J.A.C. 19:9-2.5(a), which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey. Accordingly, authorization is requested to award a contract to FDR Hitches, LLC, as outlined herein.

268F-10

In April, 2007 the Authority awarded a contract to Lawson Products, Inc. to provide Lawson brand connectors and fasteners for repair of Authority trucks over 15,000 lbs. Gross Vehicle Weight Statewide. The Maintenance Department has requested that Contract No. 655 be increased once more as the authorized amount has been depleted.

This contract was procured in accordance with N.J.S.A. 27:23:6-1 and N.J.A.C. 19:9-2.5(a), which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey. Accordingly, approval is requested to increase the authorized amount of Contract No. 655 by \$20,000.00 to continue the referenced services through the expiration of the State Contract on March 17, 2012.

268G-10

In January, 2008 the Authority awarded a contract to Air Brake & Equipment to provide major and minor repair work, as well as maintenance to Authority trucks over 15,000 lbs. gross

vehicle weight in the Northern area. The Maintenance Department has requested that Contract No. 833 be increased once more as the authorized amount has been depleted.

This contract was procured in accordance with N.J.S.A. 27:23:6-1 and N.J.A.C. 19:9-2.5(a), which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey. Accordingly, approval is requested to increase the authorized amount of Contract No. 833 by \$35,000.00 to continue the referenced services through the expiration of the State Contract on February 29, 2012.

268H-10

In November, 2008 the Authority awarded a contract to WW Grainger, Inc. to supply a wide range of industrial hardware, tools, and equipment. This contract is used extensively by Maintenance Roadways, Buildings and Automotive Divisions, as well as the Inventory Division. The Maintenance Department and Inventory Division have requested that Contract No. 1027 be increased once more as the authorized amount has been depleted.

This contract was procured in accordance with N.J.S.A. 27:23:6-1 and N.J.A.C. 19:9-2.5(a), which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey. Accordingly, approval is requested to increase the authorized amount of Contract No. 1027 by \$225,000.00 to continue the referenced goods through the expiration of the State Contract on November 30, 2010.

268I-10

In April, 2009 the Authority awarded a contract to Progressive Hydraulics, Inc. to provide Parker brand hoses, fittings, and parts, stocked in inventory, for hydraulic machinery repair. The Maintenance Department has requested that Contract No. 1126 be increased once more as the authorized amount has been depleted.

This contract was procured in accordance with N.J.S.A. 27:23:6-1 and N.J.A.C. 19:9-2.5(a), which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey. Accordingly, approval is requested to increase the authorized amount of Contract No. 1126 by \$20,000.00 to continue the supply of referenced items through the expiration of the State Contract on March 17, 2012.

269-10

NOT USED

On motion by Commissioner DuPont, seconded by Commissioner Singleton, the Authority unanimously approved Engineering items 266A-10 through 266H-10, 267-10, 268A-10 through 268I-10; and authorized, ratified or accepted the reports, as presented, the recommendations contained therein; and received and filed the memoranda.

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ELECTRONIC TOLL COLLECTION

Director of ETC Dennis Switaj requested approval of item number 270-10. Moved is the item as follows:

270-10

In a memorandum dated October 4, 2010, concerning a recommendation to **Execute a One Year Extension of the Subleasing Agreement with ACS in Conjunction with the E-ZPass Interagency Group (IAG) Procurement for Next Generation E-ZPass Technology.**

The New Jersey Turnpike Authority (Authority) is one (1) of twenty-four (24) agencies that form an alliance known as the Interagency Group (IAG). This group procured the Mark IV technology that is used today in the E-ZPass Electronic Toll Collection Program. In 2008, a Request for Proposals (RFP) was issued by the MTA Bridges and Tunnels (Triborough Bridge and Tunnel Authority) on behalf of the IAG to procure the Next Generation E-ZPass technology.

As part of the RFP, the IAG requires certain proposers to engage in validation testing of their technologies. The purpose of validation testing is to simulate live roadway conditions and configurations. The IAG Technical Committee conducted a survey of potential facilities for the open road tolling (ORT) testing. The survey identified a site in Crofton, Maryland as the only fully configured site that meets the requirements for the validation testing. The Crofton site has certain characteristics that are required for the testing, such as the capability to test on a five (5) lane open road environment.

ACS State and Local Solutions, Inc. (ACS) currently has a lease for the Crofton site and performs testing at this location. The Authority has an existing relationship with ACS because ACS provides the customer service center and back office processing for the New Jersey E-ZPass system. Accordingly, the IAG requested that the Authority execute the sublease on behalf of the IAG. All costs associated with the sublease would be borne by the IAG.

At its January 23, 2009 meeting, the Board of Commissioners delegated to the Executive Director the authorization to execute an agreement with ACS to sublease ACS's test site in Crofton, Maryland to be used in conjunction with the IAG procurement for Next Generation E-ZPass Technology. On October 29, 2009, the Sublease was fully executed by the Authority and ACS. The Sublease provided that the sublease would commence on a specified date (Commencement Date) and shall terminate one-year thereafter or sooner, at the Authority's option upon ten (10) days notice to ACS. In a December 23, 2009 letter to ACS, Authority staff requested that the Commencement Date of the Sublease be January 6, 2010. ACS concurred with this request.

Validation testing is currently underway at the Crofton facility. Due to delays in the commencement of the testing as well as other issues that have surfaced, it is now estimated that validation testing will continue into the spring of 2011. Consequently, the term of the Sublease

will expire prior to the completion of validation testing. The IAG has therefore requested that the Authority extend the term of the Sublease to allow for the completion of the validation testing.

Staff is requesting a one-year extension of the term of the Sublease. This additional one-year period from January 6, 2011 through January 5, 2012 will allow the IAG sufficient time to conduct the scheduled validation testing, perform any additional tests required by the IAG Technical Committee that are not currently contemplated, and accommodate any unforeseen delays.

It is therefore respectfully requested that the Board of Commissioners delegate to the Executive Director the authorization to execute a one-year extension to the Sublease with ACS, through January 5, 2012, regarding ACS's test site in Crofton, Maryland, with all costs of the Sublease to be borne by the IAG.

On motion by Commissioner DuPont, seconded by Commissioner Singleton, the Authority unanimously approved Electronic Toll Collection item 270-10; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

Chairman Simpson asked Director Switaj to explain this item. ETC Director indicated that there is no cost associated with this item because it involves validation testing of equipment that vendors proposed in their bids to supply the next generation E-ZPass technology. This will allow for testing of new E-ZPass equipment in a five (5) lane open road tolling setting.

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FINANCE

Comptroller Donna Manuelli requested approval of item numbers 273-10 through 274-10. Moved separately are the items as follows:

273-10

In a memorandum dated October 14, 2010, concerning Authorization to Amend the Authority's Agreement with the Treasurer of the State of New Jersey to increase the Authority's Annual Contribution to the Transportation Trust Fund (TTF).

At its April 17, 1984 meeting, the Authority's Board of Commissioners authorized the execution of an agreement with the Treasurer of the State of New Jersey under which the Authority was to pay \$12,000,000 per year to the Treasurer of the State of New Jersey. These funds were to be used by the State of New Jersey, or the TTF, to pay or provide for the development of State transportation projects, in efforts to further satisfy the overall transportation needs of the State. At its August 29, 1995 meeting, the Authority's Board of Commissioners authorized the first amendment to this agreement, providing for an amended termination date equal to the date when all obligations of the TTF are paid. At its January 25, 2000 meeting, the Authority's Board of Commissioners authorized the second amendment to this agreement. The

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second amendment provided for an increase in the annual payments made by the Authority to \$22,000,000 per year beginning on January 1, 2001, and subordinated the payment obligation to the rights of the Authority's bondholders by limiting the amount to be paid by the Authority in any one year to the amount on deposit in the General Reserve Fund.

At this time, the Authority is seeking approval to amend the agreement with the Treasurer of the State of New Jersey to increase the Authority's annual contribution to \$25.6 million from the current \$22.0 million effective upon execution of the amendment. This increase is being requested to help fund the State's continued transportation project needs which have increased over the past ten years while our payment has remained constant. The additional \$3.6 million annual payment will be paid in a lump sum upon execution of the third amendment and will satisfy the Authority's additional obligations through June 30, 2011. The three remaining quarterly payments through June 30, 2011 will remain at the current \$5.5 million per quarter. Beginning with the September 30, 2011 payment, the quarterly payments will increase to \$6.4 million.

Accordingly, authorization is requested to amend the Authority's existing agreement and to provide for a \$25.6 million annual payment. Payment will be made from the Authority's General Reserve Fund.

On motion by Commissioner Hodes, seconded by Commissioner Diaz, the Authority unanimously approved Finance item 273-10; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

Chairman Simpson pointed out that this additional responsibility to the Authority is based on the result of the budget and the State's FY2011 Budget and Assemblyman's Greenwald's Amendment.

274-10

Finance Comptroller Manuelli presented the **Financial Summary** of the New Jersey Turnpike Authority for the nine months ended September 30, 2010. A comparison of projected revenues to actual revenues for the same nine month period was also submitted.

On motion by Commissioner DuPont, seconded by Commissioner Diaz, the Authority unanimously accepted and received for the file Finance item 274-10.

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INTERNAL AUDIT

Director of Internal Audit James Carone requested approval of item number 275-10.

Moved is the item as follows:

28661

275-10

In a memorandum dated October 15, 2010, concerning a recommendation to **Authorize the Extension of Professional Services from Ernst & Young, LLP** for Auditing Services Related to Preparation of the Authority's Official Statement.

As you are aware, the Authority is planning to issue Turnpike Revenue Bonds before year end 2010. In preparation for this offering, the Authority must issue an Official Statement containing the most recent two years audited financial statements. A consent letter is required from the Authority's previous external auditors, Ernst & Young, LLP for these financial statements to be included in the Official Statement. In order to issue this letter, Ernst & Young is required to review the Authority's current financial condition to ascertain if there are any material changes from our most recent financial statements. These services will also be required for any other future Authority Bond offering which necessitates issuing Official Statements through March 31, 2012.

This additional work will occur after the Authority's current agreement with Ernst & Young expires on October 31, 2010. Ernst & Young will be paid a negotiated price for each required consent letter which we estimate will not exceed \$20,000 each. The cost of these services will be paid from the bond proceeds of the applicable bond issue. Also, any consent letter required for Official Statements issued after March 31, 2012 are included in our current agreement with KPMG, LLP, which was authorized by the Board in September 2010.

Accordingly, we request your approval to authorize this extension for professional services in an amount not to exceed \$80,000.

On motion by Commissioner DuPont, seconded by Commissioner Singleton, the Authority unanimously approved Internal Audit item 275-10; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

Chairman Simpson requested an Internal Audit presentation from Director Carone at the December Commission Meeting.

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OPERATIONS

Director of Operations Sean Hill requested approval of item number 276-10. Moved is the item as follows:

276-10

Resume of All Fatal Accidents – Garden State Parkway and New Jersey Turnpike. Submitted by Operations Director Hill, they contain a descriptive summary for the Period 1/1/10 to 10/11/10, together with 2009 – 2010 Yearly Comparisons for the nine months through September 2010.

28662

On motion by Commissioner DuPont, seconded by Commissioner Singleton, the Authority unanimously accepted the reports and received for file.

Chairman Simpson indicated that the number of accidents were up on both the Turnpike and the Parkway and asked Director Hill to clarify if the rise in accidents had anything to do with the widening projects or anything out of the norm. Director Hill indicated that the bump in accidents was due to the major snow storm we experienced in January and February. Major Walker added that the slight increase in accidents was due to minor accidents which occurred during the snow season. Major Walker added that the number of serious accidents is down. He further stated that State Police have a comprehensive widening and safety program. ED Hakim stated that there will be a State Police Motorist Safety Campaign during the holiday season which will project messages such as, "No texting while driving". In addition, there is an Employee Safety Program already underway.

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STATE POLICE

Major Walker requested approval of item number 277-10. Moved is the item as follows:

277-10

New Jersey State Police Troops D and E - Reports of Activities, submitted for the eight months through September, 2010, including 2009 – 2010 Yearly Comparisons, were presented by Major Walker, New Jersey State Police Troop D Commander.

On motion by Commissioner DuPont, seconded by Commissioner Diaz, the Authority unanimously accepted the reports and received for file.

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PUBLIC COMMENT

Prior to the final action of the day being taken, Chairman Simpson opened the floor to public comment on other matters related to the Authority.

FRANCELINE EHRET

Franceline Ehret spoke regarding the New Jersey Comptroller's report recently released. She stated that she wanted to set the record straight. Ehret quoted from the report, "While tolls are going up the Authority is overpaying employees, management, and for health care services." Her comments included statements that employees are not being overpaid. The provisions of the contract are what they are. She felt that the comments made in the Comptroller's report were bias. The toll increases are specific to the widening projects on the Turnpike and Parkway, with \$1.2 billion allocated for the tunnel. Of course the Turnpike will have to consider certain changes; however, the article points out things that do not apply to members. Salaries are in the median

increment of the State. An article talks about the median income being \$63,342 in New Jersey because of the cost of living in this State. Authority employees are no less or more deserving than anyone else. For people to say that we should not have salaries to provide for our families and calling for our jobs to be privatized has our members very upset. If positions get privatized more people are going to be on the unemployment line. Our members are very dedicated and professional and they do not receive snow bonuses on top of overtime. To go ahead and privatize the Turnpike Authority is a terrible mistake. People should come and do our job, talk to toll collectors to see what the job is, it's not just about making change and giving directions. Maintenance workers who work on cone trucks will tell you that it is a very dangerous and terrifying experience. We want to make certain for the record that some of the things in this report are being misstated.

Chairman Simpson stated that privatization is not a done deal and that safety is always first.

Commissioner DuPont spoke briefly regarding the Comptrollers Report and that Comptroller Boxer was counsel for the Authorities Unit and participated in negotiations between NJTA and the unions in 2007. Commissioner DuPont said, "We are not perfect in any way and we will be a better Authority with a team effort between the Authority and the Unions." Commissioner DuPont cited the fact that the Executive Director has reduced overtime by fifty percent (50%); has reduced positions with the assistance and input of the management team, successfully removed approximately one hundred (100) vehicles from the Authority's fleet and successfully outsourced certain services. "We can do this together because we have had a history together working as a team. Changes have been instituted to the Authority and these changes are recognized and we will move forward with some of them. There is a lot of good in the Authority and we will fight together with this Board.

Chairman Simpson indicated that it was reassuring to know that the report found no smoking guns or misappropriated funds, nothing secretive in the report. The Authority showed professionalism in its procurement. Long before the Comptroller's report we made it clear that we will change spending practices and reduce costs, and we will look for the ways to save money. Whether it is procurement processing, cancelling capital projects or revising capital programs that don't create value, it will be reviewed. We started here at day one, this is the beginning and it is part of a continuing process.

MURRAY BODIN

Murray Bodin stated that he met with Director Hill to discuss issues. Although they had a good discussion they disagree on issues. He asked for the Board's help. Mr. Bodin asked, "What is the image that the Turnpike and Parkway want to project?" He indicated that grass is cut up to the edge of the fence and you can see houses, gas stations, etc. The image should be 'green' and the Authority should cut less grass, trim it only to separate the community by a natural environment which will make drivers less distracted. Mr. Bodin indicated that he spoke with the

State Police and he believes they should turn out their lights when making stops so that it is not a distraction for other drivers. Police lights create rubbernecking for the motorists. He concluded with statements that the Authority should let the brush grow to reduce unnecessary distractions, get rid of excess signage and reduce the amount of lights that are used unnecessarily.

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The motion to adjourn was made by Commissioner DuPont, seconded by Commissioner Singleton and, after the voice vote, the motion was duly adopted. The Authority adjourned at 11:11 A.M., to meet on Wednesday, December 15, 2010, at 9:30 A.M.

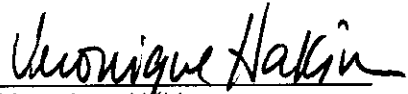
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The Executive Director acknowledges receipt of the following documents for file:

ADDITIONAL REPORTS:

Report of Purchases – for the one-month period: September 1 through September 30, 2010.

Report of Construction Progress – Period Ending October 8, 2010.


Veronique Hakim
Executive Director