

**NJ TRANSIT BOARD MEETING  
MINUTES  
OPEN SESSION  
3/9/2011**

Chris Christie, Governor  
Kim Guadagno, Lieutenant Governor  
James S. Simpson, Board Chairman  
James Weinstein, Executive Director

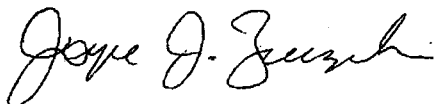
**NJ TRANSIT**  
One Penn Plaza East  
Newark, NJ 07105-2246  
973-491-7000

March 11, 2011

Dear Governor Christie:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the regularly scheduled meetings of the New Jersey Transit Corporation, NJ Transit Rail Operations, Inc., NJ Transit Bus Operations, Inc., NJ Transit Mercer, Inc., and NJ Transit Morris, Inc. Board of Directors held on Wednesday, March 9, 2011.

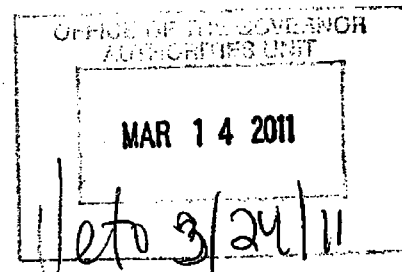
Sincerely,



Joyce J. Zuczek  
Acting Board Secretary

Enclosures

Honorable Chris Christie  
Governor, State of New Jersey  
State House  
Trenton, NJ 08625

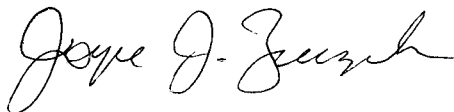


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Sincerely,

A handwritten signature in cursive script that reads "Joyce J. Zuczek".

Joyce J. Zuczek  
Acting Board Secretary

Enclosures

Honorable Chris Christie  
Governor, State of New Jersey  
State House  
Trenton, NJ 08625

**NJ TRANSIT BOARD MEETING  
NARRATIVE  
OPEN SESSION  
3/9/2011**

(NJT Board – 03/09/2011)

Minutes of the actions taken at the Open Session of the regularly scheduled Board of Directors' meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc. and NJ TRANSIT Mercer, Inc. and NJ TRANSIT Morris, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Wednesday, March 9, 2011.

**Present:**

Myron P. Shevell, Acting Chairman  
 Johanna Jones, Governor's Representative  
 Joseph Bertoni, Designee for Chairman James S. Simpson  
 Steve Petrecca, Treasurer's Representative

James Weinstein, Executive Director  
 Joyce J. Zuczek, Acting Board Secretary  
 Penny Bassett-Hackett, Acting Assistant Executive Director, Communications & Customer Service  
 James Gigantino, Vice President & General Manager, Bus Operations  
 Kevin O'Connor, Vice President & General Manager, Rail Operations  
 Christopher Trucillo, Chief of Police  
 Kim Vaccari, Chief Financial Officer & Treasurer  
 Steve Santoro, Assistant Executive Director, Capital Planning & Programs  
 Alma Scott-Buczak, Assistant Executive Director, Human Resource  
 Leotis Sanders, Vice President, Office of Civil Rights and Diversity Programs  
 Warren A. Hersh, Auditor General  
 Kenneth Worton, Deputy Attorney General

Acting Chairman Shevell convened the Open Session at 9:05 a.m. in accordance with the Open Public Meetings Act and asked for a motion to adopt the minutes of the February 9, 2011 meetings. A motion was made by Johanna Jones seconded by Joseph Bertoni and adopted.

Executive Director Weinstein welcomed Joseph Bertoni to the Board Meeting and said Mr. Bertoni is Chairman Simpson's designee.

Executive Director Weinstein said that after 30 years of service, Gwen Watson, Board Secretary, has retired from NJ TRANSIT. He thanked Ms. Watson for her years of service and expressed best wishes for good health and happiness in her retirement. With Ms. Watson's retirement, Executive Director Weinstein said Joyce J. Zuczek will be the Acting Board Secretary.

Executive Director James Weinstein highlighted the following from his monthly business report.

**HIGH GAS PRICES**

Executive Director Weinstein addressed a subject that is capturing the headline, high gas prices. With gas prices rising nearly two cents a day in recent weeks, NJ TRANSIT is following all of the developments very closely. An increase in the price of gas impacts NJ TRANSIT in two ways, there is a budget impact as well as a ridership impact. If 2008 is an indication of how a spike in gas prices affects NJ TRANSIT ridership, there is a

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“tipping point” at about \$3.25 to \$3.50 per gallon where people start diverting from auto to transit.

With this in mind, NJ TRANSIT is working on plans to add capacity should it become necessary. The goal is to absorb any ridership increase without incurring extraordinary costs. NJ TRANSIT will do whatever it can to respond.

On the budget side, NJ TRANSIT believes that it can manage the unfavorable fuel line item through effective budget management in other areas. For example, NJ TRANSIT has instructed departments to be even more prudent when making decisions around spending money all with an eye toward continuing to run a safe system.

In addition, NJ TRANSIT is looking at such fuel-saving measures as using bio-fuel blends, and exploring whether there are pricing opportunities as well as reminding operators to further reduce idling and challenging staff to look for other ways to save.

Executive Director Weinstein believes that if the budget is managed properly, including controlling the expenses associated with ridership growth, NJ TRANSIT will be able to close out the fiscal year on budget.

It is important for people to understand that this is having a major impact on NJ TRANSIT, as every one-penny increase in the cost of diesel fuel equates to a \$360,000 impact to the operating budget on an annual basis. NJ TRANSIT will continue to provide updates and monitor both ridership and gas prices over the coming weeks to do whatever it can to provide the best service for new and current customers.

### **MY TRANSIT ON TWITTER**

Executive Director Weinstein said NJ TRANSIT is at the forefront of customer information technology using a multitude of platforms, including web, mobile, digital screens, interactive voice systems and feeds. At the core of many of these services is the ‘My Transit’ system, which is celebrating its ten year anniversary this year. My Transit is the envy of the transit industry. It is technology developed by NJ TRANSIT employees that enables NJ TRANSIT to provide alerts and advisories across communication channels simultaneously, meaning the information read on the website is identical to the alert received on the phone, which is the same as the message heard when calling the customer service line.

My Transit content is continually updated throughout the day, every day of the year, letting customers know about everything from elevator outages and stairway closures, to bus detours and train delays.

Executive Director Weinstein was pleased to announce that NJ TRANSIT is going to significantly expand the reach of the My Transit system by integrating the system with Twitter.

Twitter is the social media phenomenon that is revolutionizing the way people communicate. It has evolved from a way for friends to share what they are doing into an advanced tool for using streams of information, called feeds.

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NJ TRANSIT is launching 13 such feeds: one for each of the rail and light rail lines, as well as two feeds for bus: Northern and Southern routes.

NJ TRANSIT customers can choose to follow these new feeds as a way of tapping into My Transit content without even going through a sign-up process. Through Twitter, customers will now be able to get the same content they would get if they were signed up for alerts.

Executive Director Weinstein said as an example, he commutes on the Northeast Corridor and he now has the option of following the Northeast Corridor twitter feed, which is "at NJ TRANSIT underscore NEC" (@NJTRANSIT\_NEC), to see a continually updated stream of all the alerts and advisories that pertain to the Northeast Corridor. New tweets are automatically generated whenever a My Transit alert or advisory is sent out. Customers who wish to receive customized alerts and advisories for their specific trip can continue to receive emails through the My Transit system.

### **SCORECARD**

Executive Director Weinstein was pleased to provide the Board with an overview of a new initiative NJ TRANSIT is announcing today that will provide the public with a measurement of how the corporation is performing. Called the "Scorecard," this initiative will use metrics to set corporate-wide standards of accountability and create transparency for the public, helping NJ TRANSIT make strategic decisions to maximize resources as well as illustrating how NJ TRANSIT is managing its commitment to excellence. NJ TRANSIT will launch the Scorecard with the start of the new Fiscal Year in July and will report Scorecard results on a quarterly basis on njtransit.com.

As a public document, for the first time, the Scorecard will provide the taxpayers of New Jersey and the customers with a clear window into how NJ TRANSIT is performing. By committing to this effort, NJ TRANSIT will hold up the Scorecard as the standard by which it gets measured by the people who use the system every day.

The Scorecard will show both strengths and weaknesses and Executive Director Weinstein fully expects that NJ TRANSIT's warts will show, but they will provide clear insight into where it needs to improve in order to provide a greater return to the taxpayer.

To support this effort, NJ TRANSIT is currently developing a system of metrics to provide a baseline for measuring NJ TRANSIT's performance in the areas of: customer satisfaction, safety and security, financial health and service accountability

While the metrics are still being finalized, Executive Director Weinstein said the measure of customer service will include customer satisfaction ratings for NJ TRANSIT services, as well as other measures such as the average time it takes to process a customer inquiry, and on-time performance for the system's bus, rail and light rail lines and Access Link service. NJ TRANSIT's measure of safety and security will take into account statistics compiled by the NJ TRANSIT Police Department. NJ TRANSIT will measure the agency's financial health by including data on budget variance, pension

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liability coverage, farebox recovery and operating subsidy per customer. Service and accountability will be measured in terms of revenue per hour, ridership, fare stability, and Disadvantaged and Small Business Enterprise goals.

To support the Scorecard effort, NJ TRANSIT will also measure performance by department using Key Operating Measures or Department Performance Indicators to provide essential information on a daily, monthly and quarterly basis to department heads.

These measures are intended to provide a comprehensive picture of how NJ TRANSIT is functioning, as well as to provide employees of each department with a clear sense of how they can individually succeed and support the broader goals of NJ TRANSIT.

The Scorecard will also incorporate data gathered from quarterly customer surveys, marking the first time in NJ TRANSIT's history that it will be conducting systemwide customer satisfaction surveys on a regular, ongoing basis.

NJ TRANSIT intends for the Scorecard to be a living, breathing document, and in order for this to work, NJ TRANSIT needs customer input to be the life blood that feeds it. To that end, NJ TRANSIT is putting out a call to action for customers, encouraging them to get involved and let NJ TRANSIT know about their experiences riding the system. Starting today, customers may pre-register at [njtransit.com](http://njtransit.com) for the first customer survey, which will be conducted in April.

As a public transportation agency, effective management comes from measuring itself in critical areas so that NJ TRANSIT can best serve the customers, who in turn provide the ultimate measure of performance.

Executive Director Weinstein strongly believes that if NJ TRANSIT is not measuring, it is not managing. However, this initiative is not only about measuring, it is also about helping NJ TRANSIT begin to reform and transform itself. Executive Director Weinstein is confident that the Scorecard initiative will give NJ TRANSIT the ability to make meaningful management decisions on a daily basis and focus on what is most important, a tie-in to the customer experience. Executive Director Weinstein believes that the Scorecard will serve as a springboard for building new confidence and credibility for NJ TRANSIT as the State's public transportation system.

### **RETIREMENT PRESENTATION**

Executive Director Weinstein recognized one of the employees who is retiring this month after an outstanding 42 years of service with NJ TRANSIT and its predecessors. Ida Watson, who has been with NJ TRANSIT from the very beginning and worked in several areas of the agency including Ticket Sales, Payroll, and for the last 19 years the Fixed Asset Division of the Finance Department, is saying farewell after a long career of dedicated service. Executive Director Weinstein thanked her for her commitment to the agency and the customers and wished her well in her retirement.

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### ADVISORY COMMITTEE

Suzanne Mack presented the Advisory Committee report. Ms. Mack said NJ TRANSIT staff is wonderful and echoed their devotion. She said the Advisory Committee had a meeting with the Executive Director and they are very interested in the budget situation. With the recent demise of the Access to the Region's Core project, the Committee is pleased to see all the work being done within the agency and they are interested to see how it will move forward in the future.

Ms. Mack said the Committee heard a good presentation on the alternatives analysis process for the Hudson-Bergen Light Rail Route 440 extension. She said a revitalization is planned for western Jersey City in the vicinity of Route 440.

Ms. Mack said they are planning to have a joint North and South Jersey Advisory Committee in Atlantic City during the Transaction Conference.

### PUBLIC COMMENTS ON AGENDA ITEMS

There were five public comments on agenda items. Acting Board Secretary Zuczek announced a three minute time limit for speakers.

**Orrin Getz, Rockland County and New Jersey Association of Railroad Passengers.** Mr. Getz stated that he was in full support of the Advanced Speed Enforcement System – Positive Train Control board item. He advised the Board that he is happy with the result of the Pascack Valley Line improvements. Mr. Getz reminded the Board that there had been a proposal to operate a siding in Oradell at Golf. The communities had been opposed to it in the past. However, now that there is all-day service on the Pascack Valley Line and operating the siding should be reconsidered. He believes that the communities will now be more accepting of the proposal.

Mr. Getz also stated that NJ TRANSIT should work with MetroNorth to operate through service using Penn Station New York. The football service demonstrates that the service is viable. This type of service would reduce costs and utilize equipment more efficient.

Mr. Getz complimented NJ TRANSIT on My Transit stating that he has found it useful. He also mentioned that he is involved as part of the advisory committee on the I-287/Tappan Zee Bridge study. He thinks that the interface with NJ TRANSIT service is defective and should be re-evaluated.

**Joseph Cliff** commented on the Advanced Speed Enforcement System – Positive Train Control board item. He stated that the Federal Railroad Administration requirement is an unfunded mandate and that NJ TRANSIT's safety record is very good. Therefore, he does not think that expending \$155M for these improvements should be required. He said NJ TRANSIT does not have a safety problem and he wonders if this has to be done in a time of fiscal crisis. Mr. Cliff questioned whether all of the proposed improvements were necessary.

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Acting Chairman Shevell responded by saying that it would be foolhardy not to do everything the agency could to implement safety measures and said you cannot put a price on safety.

Mr. Cliff added that he thought the scorecard concept is a great idea and would be valuable to passengers to find out how their service is performing.

**David Peter Allen, Lackawanna Coalition.** Mr. Allen congratulated Gwen Watson on her retirement and then stated that Joyce J. Zuczek is one of the most helpful people at the agency.

Mr. Allen wished the Agency well with the scorecard and stated that no one has pushed harder than he for transparency. He volunteered to assist in any way.

Regarding the Advanced Speed Enforcement System – Positive Train Control board item, Mr. Allen questioned whether there was any way to meet the requirements less expensively. He stated that NJ TRANSIT should try to get other funding for the implementation.

Finally, Mr. Allen stated that he is involved in a Federal Railroad Administration initiative on temporal separation. He asked whether the installation of Positive Train Control would eliminate the requirements for temporal separation of freight and non-compliant light rail services, thus allowing later light rail service. Kevin O'Connor, Vice President/General Manager, Rail Operations stated that the current rules preclude the concurrent operation. Furthermore, light rail is not considered commuter rail and so is not subject to the requirement for Positive Train Control implementation.

**Murray Bodin** stated that technology has advanced so that his new hearing aids cut down the background noise allowing him to use his mobile phone easily even on railroad platforms. The Positive Train Control system should be able to tell someone who is on the rail platform that a train is coming thus eliminating the need for trains to sound the horns as they enter the station. NJ TRANSIT should start looking at new ways to use technology. Mr. Bodin stated that Governor Christie has taught the world to question the way things have been done in the past.

**James Raleigh** spoke on two issues: First, he looks forward to the new scorecard. He hopes that its implementation will assist with transfers within New Jersey. Mr. Raleigh stated that he always has trouble with getting information for the transfer in Secaucus. The second issue was Mr. Raleigh asked for the distribution of the final agenda well in advance of the meeting.

Executive Director Weinstein presented the following Action Items for approval:

**1103-12:      ADVANCED SPEED ENFORCEMENT SYSTEM II POSITIVE TRAIN CONTROL (ASES II PTC): AWARD OF IMPLEMENTATION CONTRACT**

The 2008 Rail Safety Improvement Act mandates the implementation of a Positive Train Control system on all passenger and freight rail lines by December 2015. NJ TRANSIT's current cab signaling system prevents

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train-to-train collisions at speeds of 20 mph or greater. This new system will extend that protection to trains traveling less than 20 mph and provides more protection for roadway workers, event recorders and integrates with Amtrak and other freight railroads. The implementation of the new positive train control technology will be completed in phases. Phase I will be the development and prototype program, Phase II will be the pilot demonstration program and Phase III will be the systemwide installation, completion and closeout. After a competitive procurement, authorization is requested to contract with Parsons Transportation Group for all three phases of the project at a cost not to exceed \$155,622,970 plus five percent for contingencies.

Joseph Bertoni moved the resolution, Steve Petrecca seconded it and it was unanimously adopted.

**1103-13: TRAIN MANAGEMENT AND CONTROL SYSTEM (TMAC) MAINTENANCE SOLE SOURCE CONTRACT**

All of NJ TRANSIT's train movements systemwide are monitored and controlled by the Train Management and Control System, known as TMAC which was first deployed in 2003 by ARINC, Inc.. Dispatchers use TMAC to align switches and display signals, for real-time control of the high voltage overhead wire system, for remote control of moveable bridges and for passenger announcements on the status of train service. This proprietary technology is the backbone of the rail system. ARINC's maintenance contract for TMAC expires mid-year, and authorization is requested to enter into a sole source contract with ARINC to continue to maintain and support the TMAC system for a period of one year, plus four one-year options at a cost not to exceed \$1,463,287 plus five percent for contingencies.

Steve Petrecca moved the resolution, Joseph Bertoni seconded it and it was unanimously adopted.

**1103-14: TWENTY-FIRST CENTURY RAIL CORPORATION AND FRONTIER-KEMPER/SHEA/BEMO, JOINT VENTURE V. NJ TRANSIT AND PARSONS, BRINCKERHOFF, QUADE & DOUGLAS, INC.: PROPOSED SETTLEMENT OF LITIGATION**

In December 2008, Twenty-First Century Rail Corporation and Frontier-Kemper/Shea Bemo filed a lawsuit against NJ TRANSIT and Parsons Brinckerhoff Quade & Douglas claiming that changes in the scope of work and site conditions resulted in delays to the Hudson-Bergen Light Rail MOS-2 project. As a result of recent settlement discussions, the parties have negotiated an agreement. Authorization is requested to settle the

(NJT Board – 03/09/2011)

litigation between NJ TRANSIT and Twenty-First Century Rail Corporation and Frontier-Kemper/Shea/Bemo for \$18,500,000 including all claims and counterclaims, subject to the availability of funds. No additional contract authorization is required for this settlement.

Steve Petrecca moved the resolution, Joseph Bertoni seconded it and it was unanimously adopted.

There were six public comments on non-agenda items. Acting Board Secretary Zuczek announced a three minute time limit for speakers.

### **PUBLIC COMMENTS ON NON-AGENDA ITEMS**

**Commissioner Walter Jacobs**, Essex County stated that he has had several experiences with buses not waiting for senior citizens. He suggested that bus drivers be given sensitivity training for dealing with senior citizens. He stated that more senior citizens will be riding the system in the future. Mr. Shevell responded that he thought that was a very worthwhile suggestion.

**Joseph Clift** talked about how to make something happen to cross the Hudson River more affordable since Amtrak does not have access to funding sources for their proposed Gateway Tunnel. Mr. Clift and Mr. Raleigh are proposing a Minimum Operable Segment or Phase I that will fit into the Gateway project and that would eventually provide access to the East Side. Mr. Clift stated that the goals of the Minimum Operable Segment would be more reliable service and more capacity with the funding that is available. He suggested that NJ TRANSIT consider maximizing the use of "other people's money" including getting back into the Federal Transit Administration's New Starts Program to obtain the funding forfeited by the cancellation of the Access to the Region's Core project. Mr. Clift requested the opportunity to discuss his proposal.

**James Raleigh** has been discussing the proposal for new trans-Hudson crossings this week at the NJTPA, the Senate Budget Committee meeting and the Assembly Budget Committee meeting. He is also still advocating for the Middlesex-Ocean project, eliminating Monmouth from further consideration. Mr. Raleigh stated that the project has been "studied to death" and that NJ TRANSIT should start looking at the mitigation efforts as well as identifying the funding required to start construction.

Regarding trans-Hudson rail capacity, Mr. Raleigh stated that two new tunnels are needed for growth as well as operational flexibility. There is also a need for a new two-track bridge over the Hackensack River. He urged agency cooperation.

**David Peter Allen** stated that a member of the New Jersey Association of Railroad Passenger rides the North Jersey Coast Line to the Lackawanna Coalition meetings and requested that he call the Board's attention to the lack of North Jersey Coast Line trains that stop at Rahway, thus making connections to the Northeast difficult. He complimented NJ TRANSIT on the service improvements on the Raritan Valley Line on Sunday.

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Mr. Allen stated that Governor Christie's proposed \$42.5M increase in NJ TRANSIT's operating subsidy should be given back to the riders in the form of restoration of service cuts, particularly on the Morris & Essex Line, and in off-peak fares. NJ TRANSIT riders deserve a break and restoring the reduced off-peak fares would encourage riders to use rail service when capacity is not an issue. He also recommended that peak fares to Penn Station New York be raised and those to Hoboken reduced so that riders would divert to services that have capacity.

**Murray Bodin** complimented the Executive Director on the strides the agency is making in distributing information to transit users. He stated that NJ TRANSIT is a leader in the way information is provided.

**Albert Papp Jr.** read a letter that the New Jersey Association of Railroad Passengers sent to US Department of Transportation Secretary Ray LaHood regarding Florida's refusal of federal High Speed Rail funds. He stated that the Executive Director and Transportation Commissioner should advise Governor Christie that these funds are available.

### **ADJOURNMENT**

Acting Chairman Shevell recognized Gwen Watson's distinguished 30 year career at NJ TRANSIT. He thanked her for her years of service and hopes she enjoys her retirement.

Since there were no further comments or business, Acting Chairman Shevell called for adjournment and a motion to adjourn was made by Johanna Jones, seconded by Joseph Bertoni and unanimously adopted. The meeting was adjourned at approximately 10:03 a.m.

**NEW JERSEY TRANSIT CORPORATION**  
**NJ TRANSIT BUS OPERATIONS, INC.**  
**NJ TRANSIT RAIL OPERATIONS, INC.**  
**NJ TRANSIT MERCER, INC.**  
**NJ TRANSIT MORRIS, INC.**  
**REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS**

MARCH 9, 2011

MINUTES

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- ADVISORY COMMITTEE REPORTS -
- PUBLIC COMMENTS ON AGENDA ITEMS -

ACTION ITEMS

- 1103-12    **ADVANCED SPEED ENFORCEMENT SYSTEM II POSITIVE TRAIN CONTROL (ASES II PTC): AWARD OF IMPLEMENTATION CONTRACT** 43068

Authorization to contract (No. 10-099X) with Parsons Transportation Group of New York, New York, for Phases I, II and III of the ASES II PTC Program, plus Options, at a cost not to exceed \$155,622,970, plus five percent for contingencies, subject to the availability of funds.

- 1103-13    **TRAIN MANAGEMENT AND CONTROL SYSTEM (TMAC) MAINTENANCE SOLE SOURCE CONTRACT** 43071

Authorization to enter into a sole source contract with ARINC, Inc. of Annapolis, Maryland, in accordance with Executive Order No. 37 and NJ TRANSIT Procurement Regulations N.J.A.C. 16:72-1.6, to provide technical services to maintain and support the Train Management and Control System for a period of one year, plus four one-year options at a cost not to exceed \$1,463,287, plus five percent for contingencies, subject to the availability of funds.

NEW JERSEY TRANSIT CORPORATION  
NJ TRANSIT BUS OPERATIONS, INC.  
NJ TRANSIT RAIL OPERATIONS, INC.  
NJ TRANSIT MERCER, INC.  
NJ TRANSIT MORRIS, INC.  
REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS  
MARCH 9, 2011  
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PAGE 2

**1103-14 TWENTY-FIRST CENTURY RAIL CORPORATION AND FRONTIER-  
KEMPER/SHEA/BEMO, JOINT VENTURE V. NJ TRANSIT AND PARSONS,  
BRINCKERHOFF, QUADE & DOUGLAS, INC.: PROPOSED SETTLEMENT  
OF LITIGATION 43074**

Staff seeks authorization to settle the litigation between NJ TRANSIT and Twenty-First Century Rail Corporation and Frontier-Kemper/Shea/BEMO, Joint Venture, for \$18,500,000, including all claims and counterclaims (Contract 96CT001), subject to the availability of funds. No additional contract authorization is required for this settlement; therefore, the total contract authorization remains \$2,594,047,922 plus annual adjustments as set forth in the contract.

**PUBLIC COMMENTS ON NON-AGENDA ITEMS**

**APPROVAL OF MINUTES**

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

**WHEREAS**, pursuant to Section 4(f) of the New Jersey Public Transportation Act of 1979, the minutes of actions taken at the February 9, 2011, Board meetings of the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. were forwarded to the Governor on February 11, 2011;

**NOW, THEREFORE, BE IT RESOLVED** that the minutes of actions taken at the February 9, 2011 New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. Board of Directors' meetings are hereby approved.

**Chris Christie, Governor**  
**Kim Guadagno, Lieutenant Governor**  
**James S. Simpson, Board Chairman**  
**James Weinstein, Executive Director**

**NJ TRANSIT**  
One Penn Plaza East  
Newark, NJ 07105-2246  
973-491-7000

**TO:** BOARD OF DIRECTORS  
**FROM:** JAMES W. WEINSTEIN   
**DATE:** MARCH 9, 2011  
**SUBJECT:** EXECUTIVE DIRECTOR'S REPORT – MARCH 2011

Today NJ TRANSIT is unveiling a new initiative that will provide the public with a measurement of how the corporation is performing. Called the "Scorecard," this initiative will use metrics to set corporate-wide standards of accountability and create transparency for the public, helping us make strategic decisions to maximize our resources as well as illustrating how we are managing our commitment to excellence. As a public document, for the first time, the Scorecard will provide the taxpayers of New Jersey and our customers alike a clear window into how we are performing. By committing to this effort, NJ TRANSIT will hold up the Scorecard as the standard by which we get measured by the people who use our system every day. In addition, the Scorecard will show the agency's strengths and weaknesses, providing clear insight into where NJ TRANSIT needs to improve in order to provide a greater return to the taxpayer. To support this effort, we are currently developing a system of metrics to provide a baseline for measuring NJ TRANSIT's performance in the areas of customer satisfaction, safety and security, financial health and service accountability.

The baseline will also incorporate information gathered from quarterly customer surveys, marking the first time in NJ TRANSIT history that the agency will be conducting systemwide customer satisfaction surveys on a regular, ongoing basis. We intend for the Scorecard to be a living, breathing document, one that requires customer input to feed it and make it work. To that end, we are putting out a call to action for our customers, encouraging them to get involved and let us know about their experiences riding our system. Starting today, customers may pre-register at [njtransit.com](http://njtransit.com) for the first customer survey, which will be conducted in April.

While the metrics are still being finalized, the agency's measure of customer service will include customer satisfaction ratings for NJ TRANSIT services and other measures such as the average time it takes to process a customer inquiry, and on-time performance for the system's bus, rail and light rail lines and Access Link service. Our measure of safety and security will take into account statistics compiled by the NJ TRANSIT Police Department. We also will measure the agency's financial health by including data on budget variance, pension liability coverage, farebox recovery and operating subsidy per customer. Service and accountability will be measured in terms of revenue per hour, ridership, fare stability, and Disadvantaged and Small Business Enterprise goals.

To support the Scorecard effort, NJ TRANSIT will also look at performance by department using Key Operating Measures or Department Performance Indicators to provide essential information on a daily, monthly and quarterly basis to department heads. This information is intended to provide a comprehensive picture of how NJ TRANSIT is functioning, as well as to provide employees of each department with a clear sense of how they can individually succeed and support the broader goals of NJ TRANSIT.

As a public transportation agency, effective management comes from measuring ourselves in critical areas so that we can best serve our customers, who in turn provide the ultimate measure of our performance. I strongly believe that if we aren't measuring, we aren't managing. I am confident that the Scorecard initiative will give us the ability to begin to reform and transform ourselves so that we can make meaningful management decisions on a daily basis and focus on what is most important, giving us a tie-in to the customer experience. We also believe that the Scorecard will serve as a springboard for building new confidence and credibility for NJ TRANSIT as the State's public transportation system.

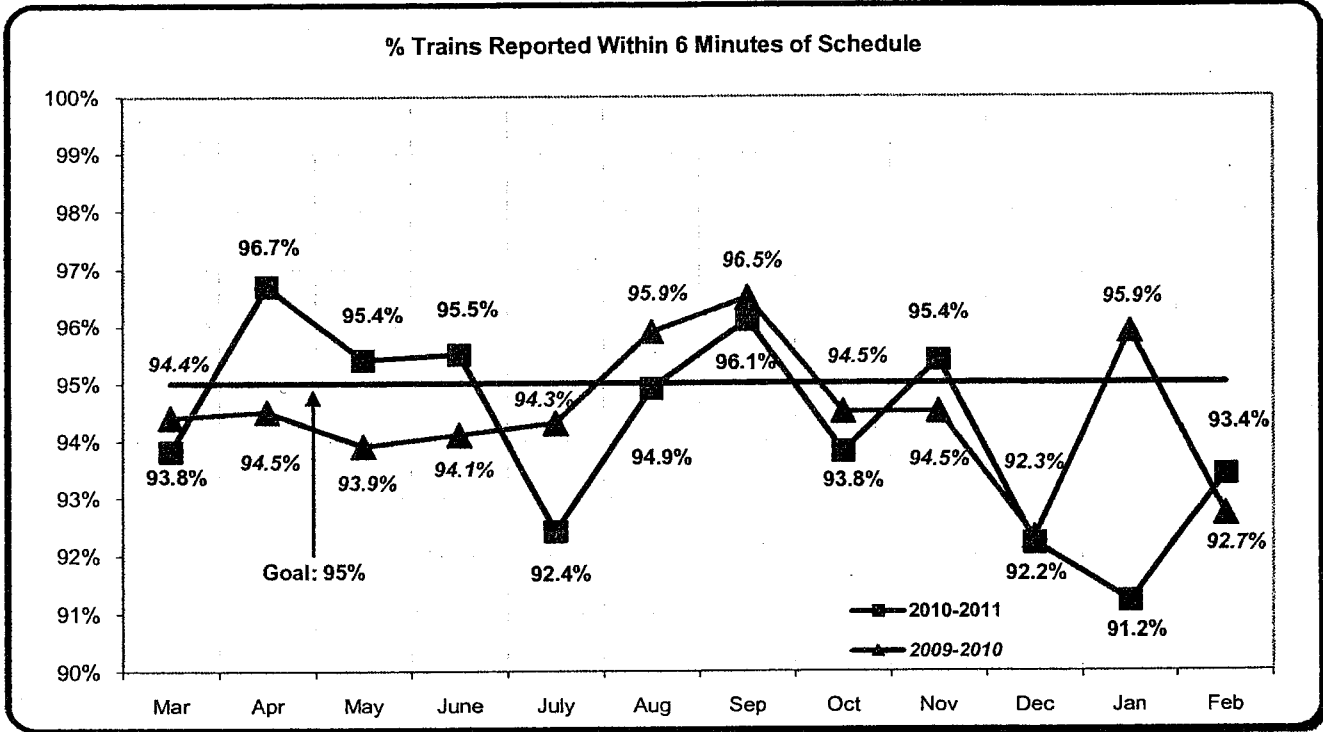
NJ TRANSIT will launch the Scorecard in July to coincide with the corporation's new Fiscal Year 2012. Scorecard results will be reported and updated quarterly on [njtransit.com](http://njtransit.com).

# **EXECUTIVE DIRECTOR'S MONTHLY REPORT MARCH 2011**

- 1. PERFORMANCE MEASURES**
- 2. DBE/MBE PROGRAM**
- 3. EMPLOYEE RECOGNITION**

# **PERFORMANCE MEASURES**

# NJ TRANSIT ON-TIME PERFORMANCE RAIL MARCH 2009 - FEBRUARY 2011



	2010	2011	# Change
February Comparison	92.7%	93.4%	0.7%

	2009-2010	2010-2011	# Change
12-Month Average March - February	94.5%	94.2%	-0.3%

**Analysis:**

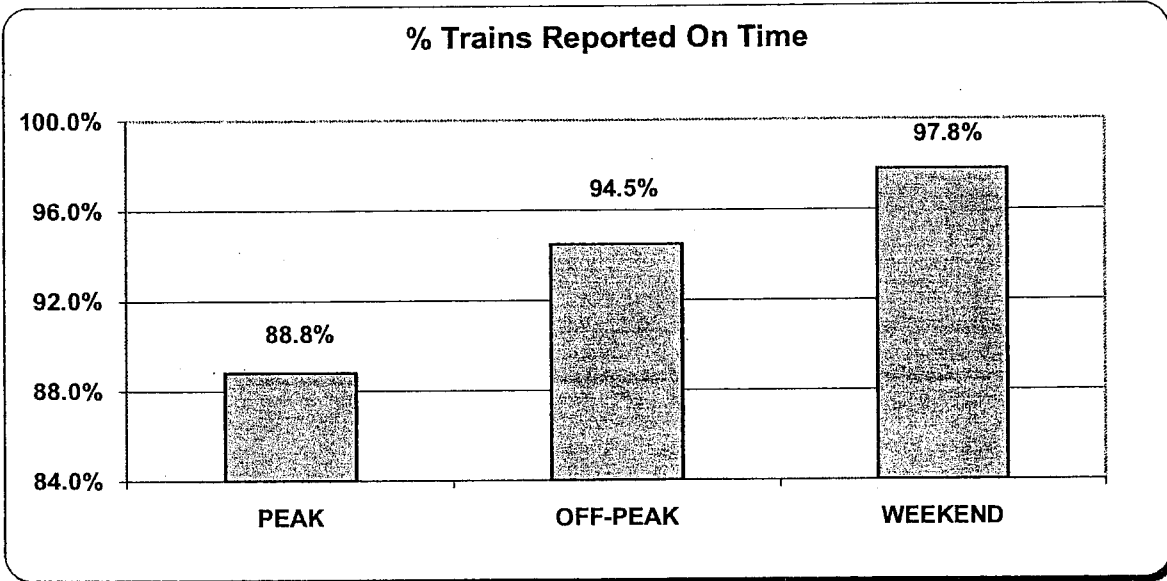
Rail On-Time Performance was 93.4% for February 2011. Of the 16,552 trains scheduled to operate, 15,465 were on time, while 1,087 trains (or 6.6%) were delayed. Key causes included:

- Weather conditions and equipment failure on February 2.
- Amtrak disabled train on February 7.
- Portal Bridge opening for marine traffic and equipment issues on February 22.

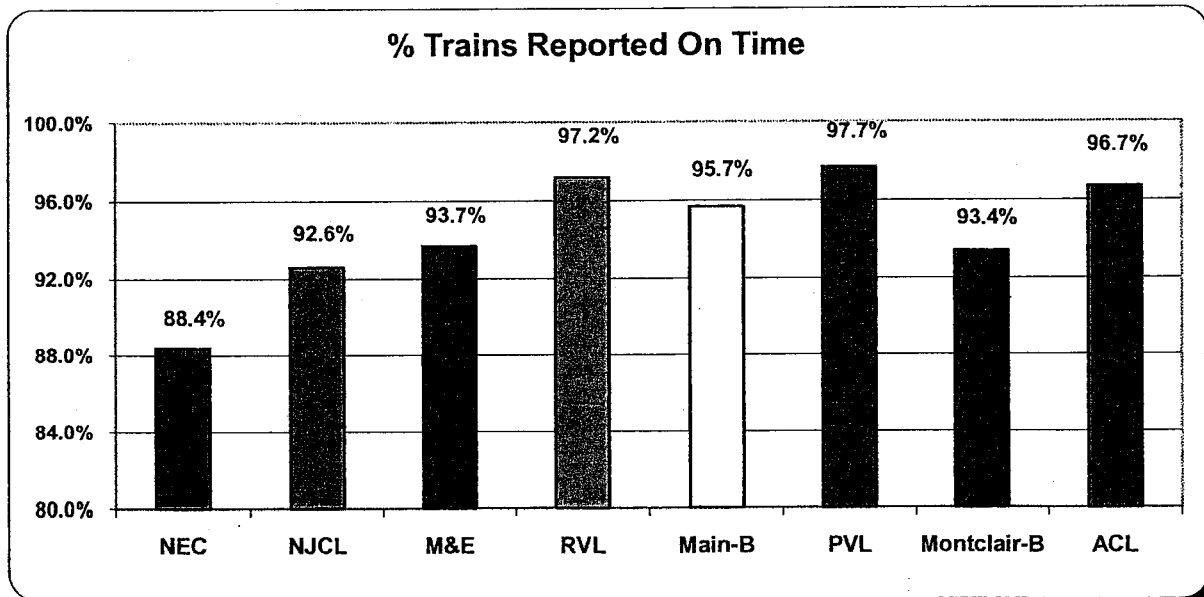
The 12-month average for Rail On-Time Performance for March 2010 - February 2011 was 94.2%.

# ON-TIME PERFORMANCE RAIL

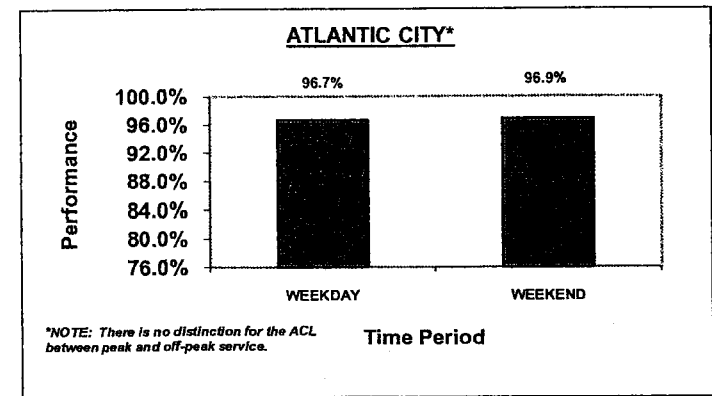
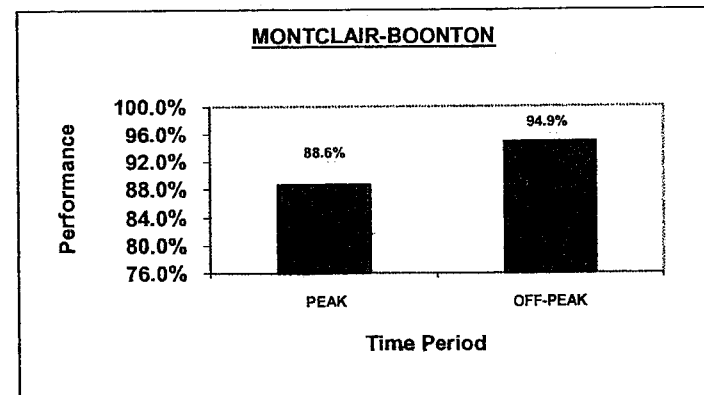
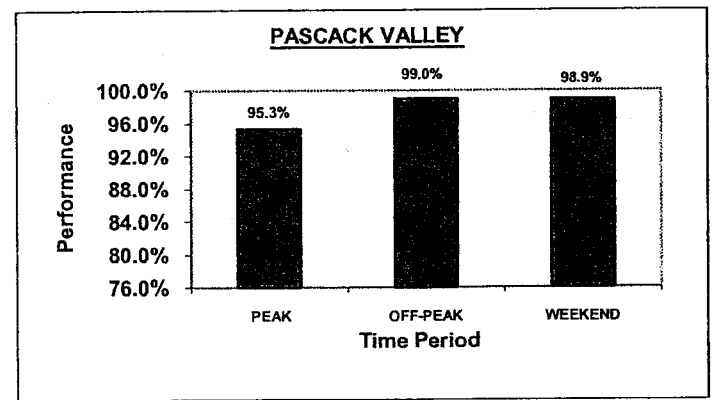
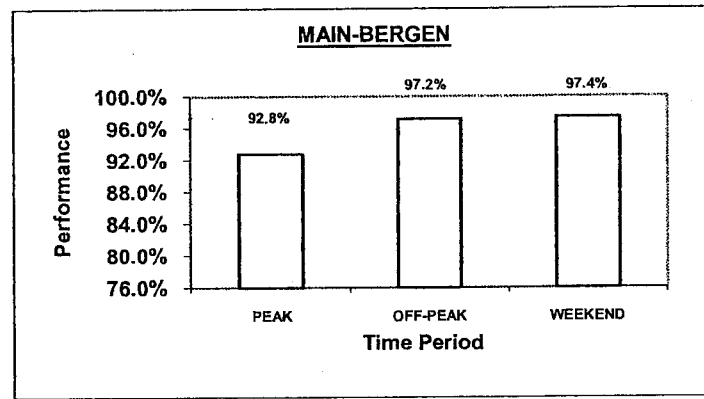
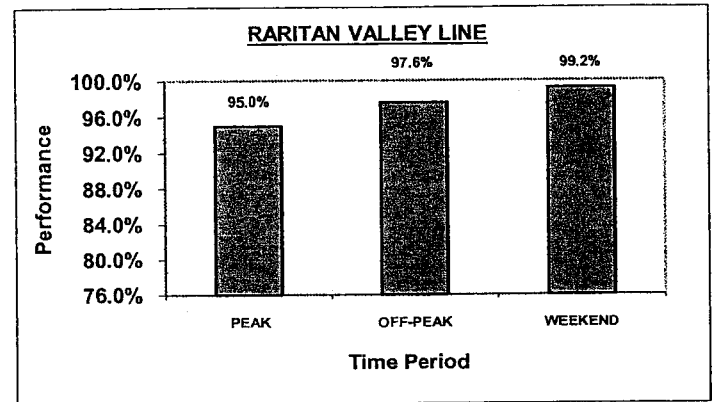
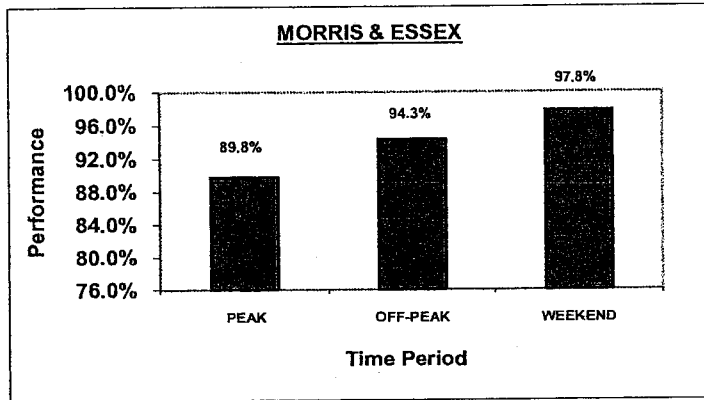
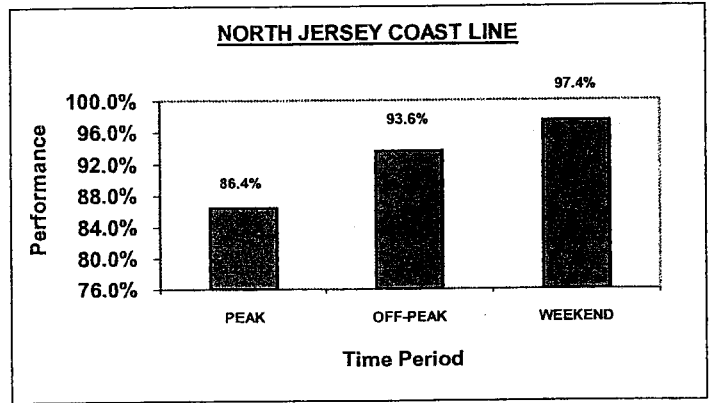
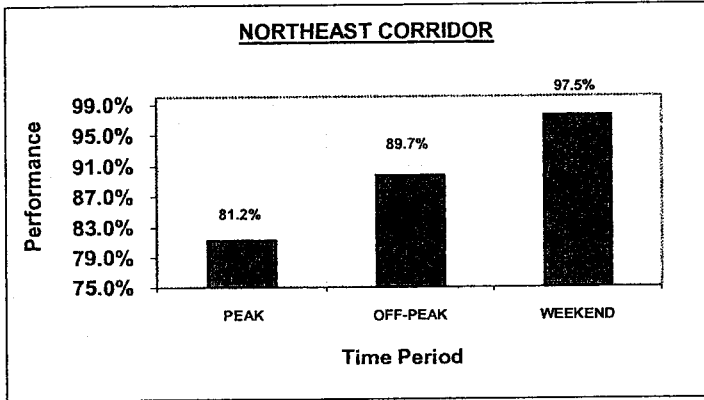
## SUMMARY BY TIME PERIOD FEBRUARY 2011



## SUMMARY BY LINE FEBRUARY 2011



# ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD FEBRUARY 2011



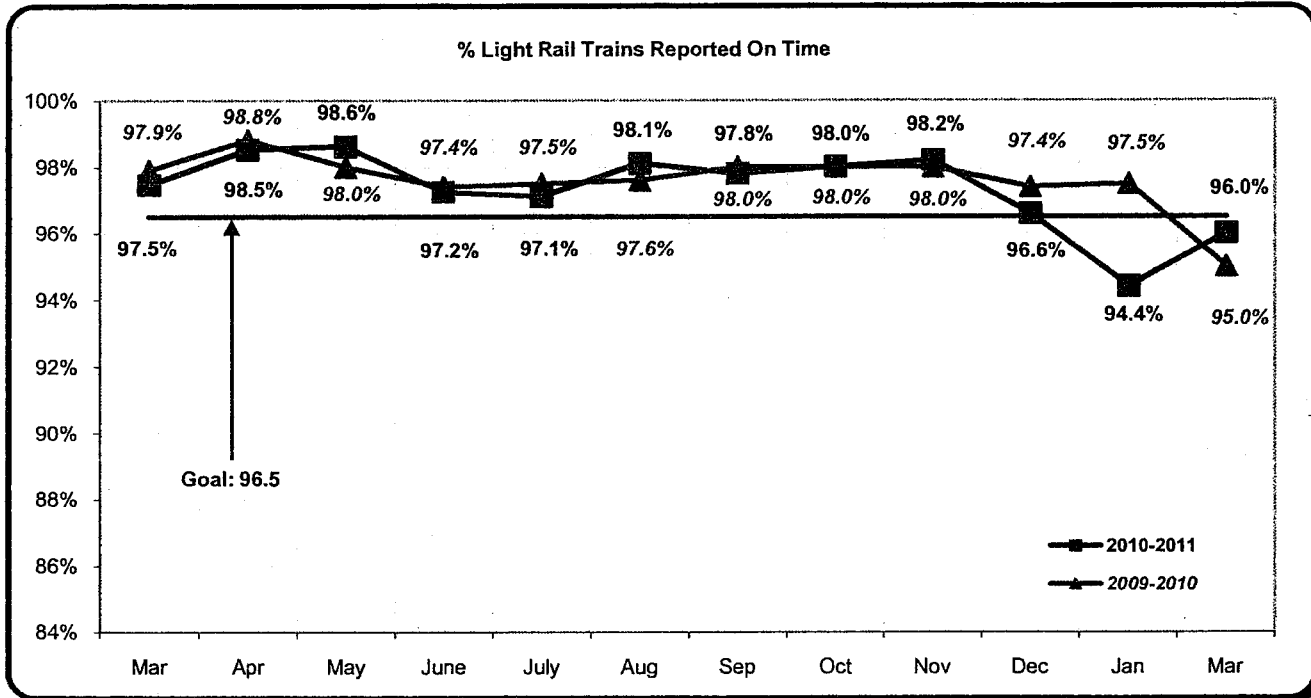
\*NOTE: There is no distinction for the ACL between peak and off-peak service.

# NJ TRANSIT

## ON-TIME PERFORMANCE

### LIGHT RAIL - SYSTEMWIDE

#### MARCH 2009 - FEBRUARY 2011



\*Note: Starting May 2007

	2010	2011	# Change
February Comparison	95.0%	96.0%	1.0%

	2009-2010	2010-2011	# Change
12-Month Average March - February	97.6%	97.3%	-0.3%

**Analysis:**

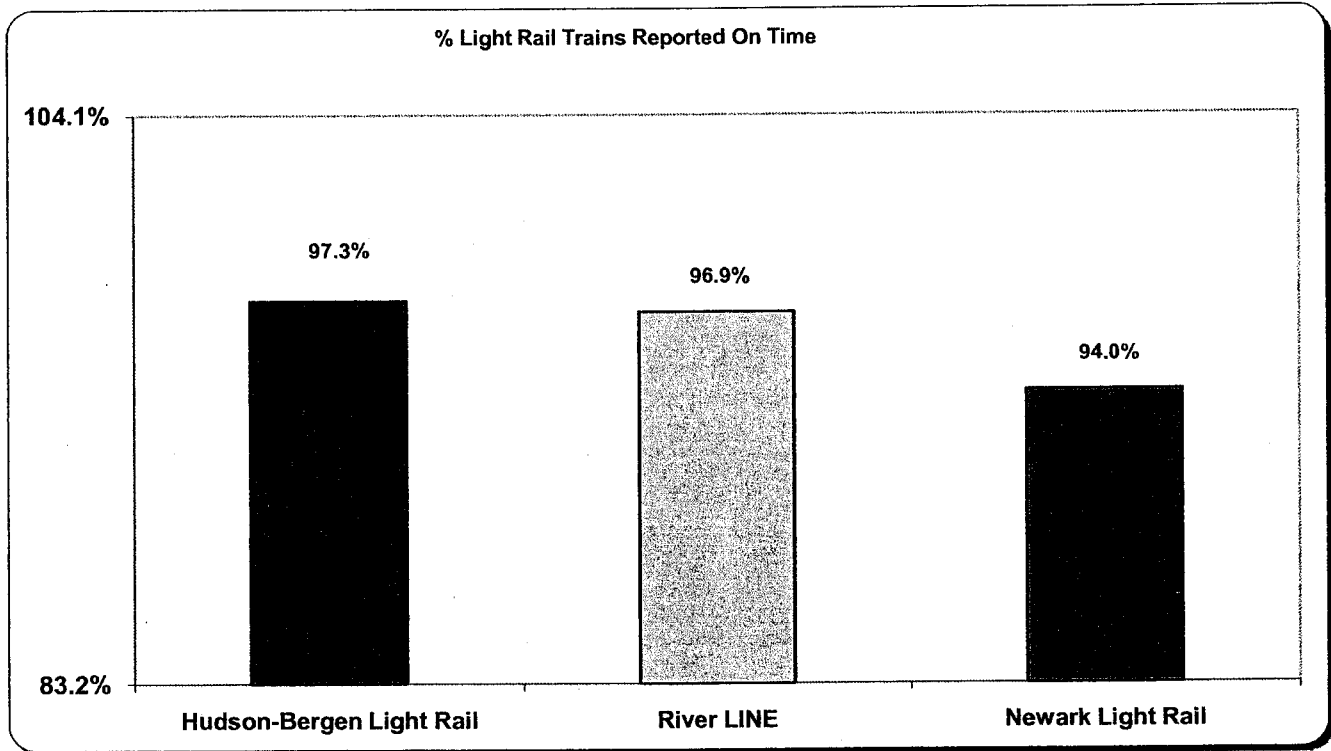
Light Rail On-Time Performance systemwide was 96.0% for the month of February 2011. Of the 24,291 scheduled trains, 997 (or 4.0%) experienced delays. Key causes included:

- Weather conditions impacting Newark Light Rail trains on February 1.
- Major ice storm delaying HBLR service on February 2.
- Switch failure delaying River Line trains on February 7.

The 12-month average for Light Rail On-Time Performance for March 2010 - February 2011 was 97.3%.

# ON-TIME PERFORMANCE LIGHT RAIL

## SUMMARY BY LINE FEBRUARY 2011



# **DBE/MBE PROGRAM**

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

**Federally Funded Contracts**

\$536,154 in federal funds were awarded October through February of FY 11.\* Disadvantaged Business Enterprises (DBEs) were not awarded any federal-funded contract dollars during this period from either race conscious and race neutral awards.

**State Funded Contracts**

\$26,190,945 in state-funded contract dollars were awarded July through February FY 11. \*\* Of that total, Small Business Enterprises (SBEs) received \$6,137,422 or 23.4 percent. Category 1 SBEs received \$438,140 or 1.7 percent. Category 2 SBEs received \$1,701,307 or 6.5 percent. Category 3 SBEs received \$31,351 or 0.1 percent. Category 4 SBEs received \$559,463 or 2.1 percent. Category 5 SBEs received \$3,407,161 or 13 percent. Category 6 SBEs received \$0 or 0 percent.\*\*\*

**Federal & State Contracts Total**

\$26,727,099 in federal and state contract dollars were awarded by NJ TRANSIT during this reporting period. Of that total, \$6,137,422 or 23 percent of federal and state contract dollars was won by DBEs and SBEs.

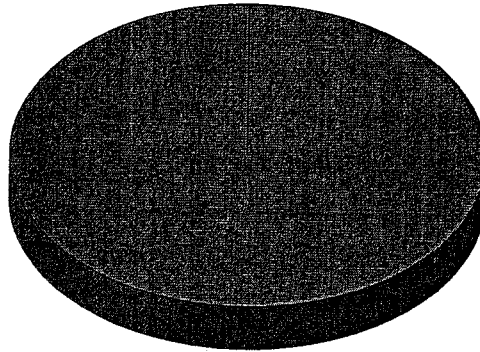
\*Fiscal year beginning October 1, 2010

\*\*Fiscal year beginning July 1, 2010

\*\*\*Cat 1-Less than \$500,000 gross revenues, Cat 2-Less than \$5 million, Cat 3-Less than \$12 million, Cat 4 (construction)-Less than \$1 million, Cat 5 (construction)-Less than \$17,420,000, Cat 6 (construction)-Up to \$33.5 million

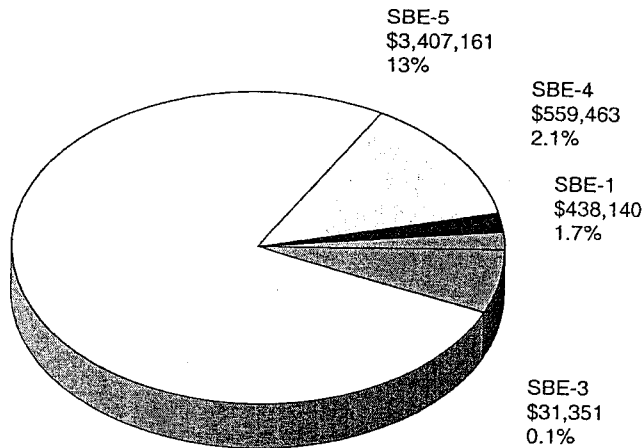
**DBE PARTICIPATION  
FEDERAL CONTRACTS  
FEDERAL FYTD (THROUGH FEBRUARY FY11)\***

NON-DBE  
FEDERAL  
\$536,154  
100%



**SBE PARTICIPATION  
STATE CONTRACTS  
STATE FYTD (THROUGH FEBRUARY FY11)\*\***

NON-SBE STATE  
\$20,053,523  
76.6%



**Fiscal Year Beginning October 1, 2010\***  
**Fiscal Year Beginning July 1, 2010\*\***  
(This report covers contracts above \$29,000)

# **EMPLOYEE RECOGNITION**

**NJ TRANSIT employees bid farewell after outstanding careers**

Nineteen NJ TRANSIT employees retired in February with careers ranging from 13 to 32 years of service:

1. Palmer B. Bethea (Matawan) Principal Rail Operations Planner, Penn Plaza – 32 years
2. Jeannine Brown (Somers Point) Bus Operator, Egg Harbor Township – 29 years
3. Phillip Kresefski (Branchburg) Lead Mail Clerk, General Office Building – 29 years
4. Phillip H. McQuellen, Jr. (Berkeley Heights) Depot Master, Big Tree Garage – 29 years
5. David R. Scott, Jr. (Hillside) Bus Operator, Orange Garage – 29 years
6. Ricardo Merino (Union Beach) Mechanic, Meadowlands Garage – 28 years
7. Hortesia Ochoa (West New York) Cleaner, Meadowlands Garage – 28 years
8. Stanley E. Zdanowicz (South Amboy) Manager Signal Design, Penn Plaza – 28 years
9. Edward J. Bogin (Bayonne) Repairman "A," Meadowlands Garage – 25 years
10. John E. Hosey (Teaneck) Bus Operator, Meadowland Garage – 25 years
11. Vincent Marino (North Bergen) Depot Clerk "A," Meadowlands Garage – 25 years
12. Lenora Eady (Newark) Bus Operator, Orange Garage – 24 years
13. Willis M. Williams (Paterson) Bus Operator, Wayne Garage – 24 years
14. Novella L. Turner (Camden) Bus Operator, Newton Avenue – 21 years
15. Alfonso A. Hernandez (Union City) Bus Operator, Meadowlands Garage – 20 years
16. Stephen J. Pepper (Waldwick) Field Salary Inspector "A," Wayne Garage – 20 years
17. Felix Thomas (Jersey City) Bus Operator, Greenville Garage – 19 years
18. Yvonne Sterling (Paterson) Depot Master, Market Street Garage – 15 years
19. Edwin R. Rivera (Newark) Bus Operator, Big Tree Garage – 13 years

**ACTION ITEMS**

**ITEM 1103-12:      ADVANCED SPEED ENFORCEMENT SYSTEM II POSITIVE  
TRAIN CONTROL (ASES II PTC):      AWARD OF  
IMPLEMENTATION CONTRACT**

**BENEFITS**

The Rail Safety Improvement Act of 2008 became Federal law, mandates the implementation of a Positive Train Control (PTC) system on all passenger and Class I freight rail lines by the end of December 2015. In early 2010, the Federal Railroad Administration (FRA) promulgated new performance-based regulations to address the statutory requirements and establish guidelines for railroads that must install PTC systems.

NJ TRANSIT is now required to implement PTC on all its commuter rail lines in addition to the existing cab signaling system that is currently in operation. NJ TRANSIT's PTC system will incorporate the existing cab signaling technology to achieve improved safety and regulatory compliance. This system, known as the Advanced Speed Enforcement System II (ASES II), will provide interoperability with Amtrak's NEC Advanced Civil Speed Enforcement System II technology and the freight-based Vital Electronic Train Management System as required by Federal Regulations.

**PURPOSE**

The implementation of the ASES II PTC system will be achieved in planned phases of a comprehensive program that includes: development, prototype testing, a pilot demonstration project, systemwide installation, testing, commissioning, and training; and, assist NJ TRANSIT with PTC document submissions to the FRA in fulfillment of regulatory requirements and in accordance with FRA-mandated deadlines.

The authorization of this contract will initiate work on the ASES II PTC Phase I (PTC Development and Prototype program). Upon successful completion of Phase I, the Contractor will proceed with Phase II (PTC Pilot Demonstration Program) and Phase III (PTC Systemwide Installation, Completion and Closeout).

The scope of work also includes options for modification of MetroNorth vehicles; modification to existing NJ TRANSIT vehicles to accommodate a new ASES II PTC Engineer's display unit; furnishing ASES II PTC wayside equipment to MetroNorth for installation on the Southern Tier and interface with NJ TRANSIT's Rail Operations Center; provision of ASES II PTC on the Lehigh Line portion of the Raritan Valley Line; and, an extended warranty for the ASES II PTC system.

**ACTION (Justification: Mandate)**

Staff requests authorization to contract (No. 10-099X) with Parsons Transportation Group of New York, New York, for Phases I, II and III of the ASES II PTC Program, plus Options, at a cost not to exceed \$155,622,970, plus five percent for contingencies, subject to the availability of funds.

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

**FISCAL IMPACTS**

**Requested Authorization:** \$ 155,622,970 + 5% contingency

**Total Project Cost:** \$ 225,000,000

**Projected Date of Completion:** December 2016

**Anticipated Source of Funds:** Transportation Trust Fund  
MetroNorth

**Diversity Goal:** 10% DBE

**NJ Build Amount:** NA

**Future/Related Authorizations:** Additional Engineering Support for ASES II PTC  
Implementation Contract Phase III  
Additional Engineering Support for ASES II PTC  
Implementation Contract Options  
Acquisition of 220 MHz Radio Frequency Spectrum

**Impact on Subsequent  
Operating Budget:** \$ 4,000,000 annually

**RESOLUTION**

**WHEREAS**, the Rail Safety Improvement Act of 2008 mandates the implementation of a Positive Train Control (PTC) system on all NJ TRANSIT commuter rail lines by the end of December 2015; and

**WHEREAS**, NJ TRANSIT has identified a program to implement the Advanced Speed Enforcement System II Positive Train Control (ASES II PTC) system as essential to complying with this requirement; and

**WHEREAS**, after the completion of a two-step competitive procurement process, it was determined that Parsons Transportation Group submitted the lowest responsive, responsible bid;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to contract (No. 10-099X) with Parsons Transportation Group of New York, New York, for Phases I, II and III of the ASES II PTC Program, plus Options, at a cost not to exceed \$155,622,970, plus five percent for contingencies, subject to the availability of funds.

**ITEM 1103-13: TRAIN MANAGEMENT AND CONTROL SYSTEM (TMAC)  
MAINTENANCE SOLE SOURCE CONTRACT**

**BENEFITS**

NJ TRANSIT's Train Management and Control System (TMAC) monitors and controls the movement of trains systemwide. It is the technology backbone of New Jersey's commuter rail system without which rail service could not be operated.

Train dispatchers use the TMAC system to align switches and display signals to provide a clear and safe route for trains. The TMAC system also provides real-time control of the high-voltage electric overhead wire system, remote control of moveable bridges, and automated passenger announcements on the status of train service. Since its deployment in 2003, the TMAC system has performed at an availability rate of 99.99 percent.

This mission-critical system was previously designed and implemented by ARINC, Inc. of Annapolis, Maryland following a competitive procurement process. NJ TRANSIT has contracted with the same vendor to provide ongoing system maintenance for this proprietary, highly-specialized train management system. The proposed maintenance contract will continue to ensure the system is maintained for a high-degree of reliability and will provide technical support for system improvements when needed.

**PURPOSE**

NJ TRANSIT holds licenses with ARINC, Inc. of Annapolis, Maryland for the TMAC system to provide for control of train movements, power distribution, remote control of moveable bridges, and automated passenger announcements. The vendor also provides annual maintenance of the system. The current contract will expire in mid-2011 and renewal of the maintenance contract will ensure the proper maintenance support and continued correction of latent defects and miscellaneous minor improvements as circumstances dictate.

**ACTION (Justification: Safety, Customer Service and Business Efficiency)**

Staff seeks authorization to enter into a sole source contract with ARINC, Inc. of Annapolis, Maryland, in accordance with Executive Order No. 37 and NJ TRANSIT Procurement Regulations N.J.A.C. 16:72-1.6, to provide technical services to maintain and support the Train Management and Control System for a period of one year, plus four one-year options at a cost not to exceed \$1,463,287, plus five percent for contingencies, subject to the availability of funds.

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

**FISCAL IMPACTS**

<b>Requested Authorization:</b>	\$1,463,287 + 5% for contingencies
<b>Total Project Cost:</b>	\$1,536,452
<b>Diversity Goals:</b>	N/A
<b>Related/Future Authorizations:</b>	Request for professional services to review and develop TMAC system for additional functions; Request for future maintenance services
<b>Impacts on Subsequent Operating Budgets:</b>	\$307,300 annually (estimated) consistent with current annual budget allocations for these services

**RESOLUTION**

**WHEREAS**, NJ TRANSIT's Train Management and Control System (TMAC) monitors and controls the movement of trains systemwide and is the technology backbone of New Jersey's commuter rail system without which rail service could not be operated; and

**WHEREAS**, train dispatchers use the TMAC system to align switches and display signals to provide a clear and safe route for trains; and

**WHEREAS**, the TMAC system also provides real-time control of the high-voltage electric overhead wire system, remote control of moveable bridges, and automated passenger announcements on the status of train service; and

**WHEREAS**, the reliability of TMAC has been excellent and the proposed maintenance contract will continue to ensure the system is maintained for a high-degree of reliability and will provide technical support for system improvements when needed;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to enter into a sole source contract with ARINC, Inc. of Annapolis, Maryland, in accordance with Executive Order No. 37 and NJ TRANSIT Procurement Regulations N.J.A.C. 16:72-1.6, to provide technical services to maintain and support the Train Management and Control System for a period of one year, plus four one-year options at a cost not to exceed \$1,463,287, plus five percent for contingencies, subject to the availability of funds.

**ITEM 1103-14: TWENTY-FIRST CENTURY RAIL CORPORATION AND FRONTIER-KEMPER/SHEA/BEMO, JOINT VENTURE V. NJ TRANSIT AND PARSONS, BRINCKERHOFF, QUADE & DOUGLAS, INC.: PROPOSED SETTLEMENT OF LITIGATION**

**BENEFITS**

In November 2000, NJ TRANSIT and Twenty-First Century Rail Corporation (TFCRC), comprised of Raytheon Infrastructure, Inc. (now URS Energy & Construction, Inc.) and Kinkyshario-Itochu, executed a change order to the existing contract to design, build, operate, and maintain the Hudson-Bergen Light Rail (HBLR) MOS-2 project. The new scope of work included the extension of the HBLR an additional six miles. Part of this scope involved widening the existing Weehawken rail tunnel, constructing an underground station and an at-grade entrance plaza and supporting facilities, referred to as the N30 work. Parsons, Brinckerhoff, Quade & Douglas (PB) performed the N30 final design as part of their General Design Consultant contract with NJ TRANSIT. TFCRC awarded a subcontract to Frontier-Kemper/Shea/BEMO (FKSB) to construct the N30 work designed by PB.

In December 2008, TFCRC/FKSB filed suit against NJ TRANSIT and PB, claiming that design changes by PB, changed site conditions, and changes to the scope of work directed by NJ TRANSIT resulted in delays to the project with associated increased costs. TFCRC/FKSB is seeking \$116,791,196 including interest.

The litigation has been progressing under a court-ordered case management schedule. Paper discovery as well as e-mail discovery have been completed and depositions have begun.

During the past six months NJ TRANSIT and TFCRC/FKSB have been in settlement discussions and have agreed to settle the claims between them. The proposed Settlement Agreement provides that NJ TRANSIT will pay TFCRC/FKSB \$18,500,000 to settle all claims and counterclaims. All TFCRC warranty obligations under the contract remain unchanged and in place through the end of the operate-maintain period.

**PURPOSE**

The Attorney General's Office approved the terms of this settlement and Board authorization is required to settle all claims resulting from the MOS-2 portion of the contract.

**ACTION**

Staff seeks authorization to settle the litigation between NJ TRANSIT and Twenty-First Century Rail Corporation and Frontier-Kemper/Shea/BEMO, Joint Venture, for \$18,500,000, including all claims and counterclaims (Contract 96CT001), subject to the availability of funds. No additional contract authorization is required for this settlement; therefore, the total contract authorization remains \$2,594,047,922 plus annual adjustments as set forth in the contract.

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

**FISCAL IMPACTS**

**Requested Authorization:** Settlement of Claim with no increase in contract authorization

**Total Project Cost:** \$ 1,152,790,000 (MOS-2 and Grade Separations, includes litigation)

**Projected Date of Completion:** N/A

**Anticipated Source of Funds:** Transportation Trust Fund (for claim settlement)

**Diversity Goal:** NA

**NJ Build Amount:** NA

**Related/Future Authorizations:** None

**Impacts on Subsequent Operating Budgets:** None

**RESOLUTION**

**WHEREAS**, Twenty-First Century Rail Corporation and Frontier-Kemper/Shea/BEMO have filed suit seeking to recover \$116,791,196 for claims, including interest, as a result of its work as the design-build-operate-maintain contractor for the N30 portion of the Hudson Bergen Light Rail MOS-2 project; and

**WHEREAS**, litigation commenced on December 5, 2008 and has been progressed under court-ordered case management; and

**WHEREAS**, as a result of recent settlement discussions the parties have negotiated a settlement agreement which will settle this litigation, and all outstanding claims and counterclaims, on terms and conditions that staff believes are in the best interests of NJ TRANSIT;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to settle the litigation between NJ TRANSIT and Twenty-First Century Rail Corporation and Frontier-Kemper/Shea/BEMO, Joint Venture, for \$18,500,000, including all claims and counterclaims (Contract 96CT001), subject to the availability of funds. No additional contract authorization is required for this settlement; therefore, the total contract authorization remains \$2,594,047,922 plus annual adjustments as set forth in the contract.

Chris Christie, Governor  
Kim Guadagno, Lieutenant Governor  
James S. Simpson, Board Chairman  
James Weinstein, Executive Director

**NJ TRANSIT**

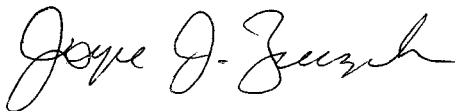
One Penn Plaza East  
Newark, NJ 07105-2246  
973-491-7000

March 11, 2011

Dear Governor Christie:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the regularly scheduled meetings of the New Jersey Transit Corporation, NJ Transit Rail Operations, Inc., NJ Transit Bus Operations, Inc., NJ Transit Mercer, Inc., and NJ Transit Morris, Inc. Board of Directors held on Wednesday, March 9, 2011.

Sincerely,



Joyce J. Zuczek  
Acting Board Secretary

Enclosures

Honorable Chris Christie  
Governor, State of New Jersey  
State House  
Trenton, NJ 08625

(NJT Board – 03/09/2011)

Minutes of the actions taken at the Open Session of the regularly scheduled Board of Directors' meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc. and NJ TRANSIT Mercer, Inc. and NJ TRANSIT Morris, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Wednesday, March 9, 2011.

**Present:**

Myron P. Shevell, Acting Chairman  
 Johanna Jones, Governor's Representative  
 Joseph Bertoni, Designee for Chairman James S. Simpson  
 Steve Petrecca, Treasurer's Representative

James Weinstein, Executive Director  
 Joyce J. Zuczek, Acting Board Secretary  
 Penny Bassett-Hackett, Acting Assistant Executive Director, Communications & Customer Service  
 James Gigantino, Vice President & General Manager, Bus Operations  
 Kevin O'Connor, Vice President & General Manager, Rail Operations  
 Christopher Trucillo, Chief of Police  
 Kim Vaccari, Chief Financial Officer & Treasurer  
 Steve Santoro, Assistant Executive Director, Capital Planning & Programs  
 Alma Scott-Buczak, Assistant Executive Director, Human Resource  
 Leotis Sanders, Vice President, Office of Civil Rights and Diversity Programs  
 Warren A. Hersh, Auditor General  
 Kenneth Worton, Deputy Attorney General

Acting Chairman Shevell convened the Open Session at 9:05 a.m. in accordance with the Open Public Meetings Act and asked for a motion to adopt the minutes of the February 9, 2011 meetings. A motion was made by Johanna Jones seconded by Joseph Bertoni and adopted.

Executive Director Weinstein welcomed Joseph Bertoni to the Board Meeting and said Mr. Bertoni is Chairman Simpson's designee.

Executive Director Weinstein said that after 30 years of service, Gwen Watson, Board Secretary, has retired from NJ TRANSIT. He thanked Ms. Watson for her years of service and expressed best wishes for good health and happiness in her retirement. With Ms. Watson's retirement, Executive Director Weinstein said Joyce J. Zuczek will be the Acting Board Secretary.

Executive Director James Weinstein highlighted the following from his monthly business report.

**HIGH GAS PRICES**

Executive Director Weinstein addressed a subject that is capturing the headline, high gas prices. With gas prices rising nearly two cents a day in recent weeks, NJ TRANSIT is following all of the developments very closely. An increase in the price of gas impacts NJ TRANSIT in two ways, there is a budget impact as well as a ridership impact. If 2008 is an indication of how a spike in gas prices affects NJ TRANSIT ridership, there is a

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“tipping point” at about \$3.25 to \$3.50 per gallon where people start diverting from auto to transit.

With this in mind, NJ TRANSIT is working on plans to add capacity should it become necessary. The goal is to absorb any ridership increase without incurring extraordinary costs. NJ TRANSIT will do whatever it can to respond.

On the budget side, NJ TRANSIT believes that it can manage the unfavorable fuel line item through effective budget management in other areas. For example, NJ TRANSIT has instructed departments to be even more prudent when making decisions around spending money all with an eye toward continuing to run a safe system.

In addition, NJ TRANSIT is looking at such fuel-saving measures as using bio-fuel blends, and exploring whether there are pricing opportunities as well as reminding operators to further reduce idling and challenging staff to look for other ways to save.

Executive Director Weinstein believes that if the budget is managed properly, including controlling the expenses associated with ridership growth, NJ TRANSIT will be able to close out the fiscal year on budget.

It is important for people to understand that this is having a major impact on NJ TRANSIT, as every one-penny increase in the cost of diesel fuel equates to a \$360,000 impact to the operating budget on an annual basis. NJ TRANSIT will continue to provide updates and monitor both ridership and gas prices over the coming weeks to do whatever it can to provide the best service for new and current customers.

### **MY TRANSIT ON TWITTER**

Executive Director Weinstein said NJ TRANSIT is at the forefront of customer information technology using a multitude of platforms, including web, mobile, digital screens, interactive voice systems and feeds. At the core of many of these services is the ‘My Transit’ system, which is celebrating its ten year anniversary this year. My Transit is the envy of the transit industry. It is technology developed by NJ TRANSIT employees that enables NJ TRANSIT to provide alerts and advisories across communication channels simultaneously, meaning the information read on the website is identical to the alert received on the phone, which is the same as the message heard when calling the customer service line.

My Transit content is continually updated throughout the day, every day of the year, letting customers know about everything from elevator outages and stairway closures, to bus detours and train delays.

Executive Director Weinstein was pleased to announce that NJ TRANSIT is going to significantly expand the reach of the My Transit system by integrating the system with Twitter.

Twitter is the social media phenomenon that is revolutionizing the way people communicate. It has evolved from a way for friends to share what they are doing into an advanced tool for using streams of information, called feeds.

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NJ TRANSIT is launching 13 such feeds: one for each of the rail and light rail lines, as well as two feeds for bus: Northern and Southern routes.

NJ TRANSIT customers can choose to follow these new feeds as a way of tapping into My Transit content without even going through a sign-up process. Through Twitter, customers will now be able to get the same content they would get if they were signed up for alerts.

Executive Director Weinstein said as an example, he commutes on the Northeast Corridor and he now has the option of following the Northeast Corridor twitter feed, which is "at NJ TRANSIT underscore NEC" (@NJTRANSIT\_NEC), to see a continually updated stream of all the alerts and advisories that pertain to the Northeast Corridor. New tweets are automatically generated whenever a My Transit alert or advisory is sent out. Customers who wish to receive customized alerts and advisories for their specific trip can continue to receive emails through the My Transit system.

### **SCORECARD**

Executive Director Weinstein was pleased to provide the Board with an overview of a new initiative NJ TRANSIT is announcing today that will provide the public with a measurement of how the corporation is performing. Called the "Scorecard," this initiative will use metrics to set corporate-wide standards of accountability and create transparency for the public, helping NJ TRANSIT make strategic decisions to maximize resources as well as illustrating how NJ TRANSIT is managing its commitment to excellence. NJ TRANSIT will launch the Scorecard with the start of the new Fiscal Year in July and will report Scorecard results on a quarterly basis on njtransit.com.

As a public document, for the first time, the Scorecard will provide the taxpayers of New Jersey and the customers with a clear window into how NJ TRANSIT is performing. By committing to this effort, NJ TRANSIT will hold up the Scorecard as the standard by which it gets measured by the people who use the system every day.

The Scorecard will show both strengths and weaknesses and Executive Director Weinstein fully expects that NJ TRANSIT's warts will show, but they will provide clear insight into where it needs to improve in order to provide a greater return to the taxpayer.

To support this effort, NJ TRANSIT is currently developing a system of metrics to provide a baseline for measuring NJ TRANSIT's performance in the areas of: customer satisfaction, safety and security, financial health and service accountability

While the metrics are still being finalized, Executive Director Weinstein said the measure of customer service will include customer satisfaction ratings for NJ TRANSIT services, as well as other measures such as the average time it takes to process a customer inquiry, and on-time performance for the system's bus, rail and light rail lines and Access Link service. NJ TRANSIT's measure of safety and security will take into account statistics compiled by the NJ TRANSIT Police Department. NJ TRANSIT will measure the agency's financial health by including data on budget variance, pension

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liability coverage, farebox recovery and operating subsidy per customer. Service and accountability will be measured in terms of revenue per hour, ridership, fare stability, and Disadvantaged and Small Business Enterprise goals.

To support the Scorecard effort, NJ TRANSIT will also measure performance by department using Key Operating Measures or Department Performance Indicators to provide essential information on a daily, monthly and quarterly basis to department heads.

These measures are intended to provide a comprehensive picture of how NJ TRANSIT is functioning, as well as to provide employees of each department with a clear sense of how they can individually succeed and support the broader goals of NJ TRANSIT.

The Scorecard will also incorporate data gathered from quarterly customer surveys, marking the first time in NJ TRANSIT's history that it will be conducting systemwide customer satisfaction surveys on a regular, ongoing basis.

NJ TRANSIT intends for the Scorecard to be a living, breathing document, and in order for this to work, NJ TRANSIT needs customer input to be the life blood that feeds it. To that end, NJ TRANSIT is putting out a call to action for customers, encouraging them to get involved and let NJ TRANSIT know about their experiences riding the system. Starting today, customers may pre-register at [njtransit.com](http://njtransit.com) for the first customer survey, which will be conducted in April.

As a public transportation agency, effective management comes from measuring itself in critical areas so that NJ TRANSIT can best serve the customers, who in turn provide the ultimate measure of performance.

Executive Director Weinstein strongly believes that if NJ TRANSIT is not measuring, it is not managing. However, this initiative is not only about measuring, it is also about helping NJ TRANSIT begin to reform and transform itself. Executive Director Weinstein is confident that the Scorecard initiative will give NJ TRANSIT the ability to make meaningful management decisions on a daily basis and focus on what is most important, a tie-in to the customer experience. Executive Director Weinstein believes that the Scorecard will serve as a springboard for building new confidence and credibility for NJ TRANSIT as the State's public transportation system.

### **RETIREMENT PRESENTATION**

Executive Director Weinstein recognized one of the employees who is retiring this month after an outstanding 42 years of service with NJ TRANSIT and its predecessors. Ida Watson, who has been with NJ TRANSIT from the very beginning and worked in several areas of the agency including Ticket Sales, Payroll, and for the last 19 years the Fixed Asset Division of the Finance Department, is saying farewell after a long career of dedicated service. Executive Director Weinstein thanked her for her commitment to the agency and the customers and wished her well in her retirement.

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### ADVISORY COMMITTEE

Suzanne Mack presented the Advisory Committee report. Ms. Mack said NJ TRANSIT staff is wonderful and echoed their devotion. She said the Advisory Committee had a meeting with the Executive Director and they are very interested in the budget situation. With the recent demise of the Access to the Region's Core project, the Committee is pleased to see all the work being done within the agency and they are interested to see how it will move forward in the future.

Ms. Mack said the Committee heard a good presentation on the alternatives analysis process for the Hudson-Bergen Light Rail Route 440 extension. She said a revitalization is planned for western Jersey City in the vicinity of Route 440.

Ms. Mack said they are planning to have a joint North and South Jersey Advisory Committee in Atlantic City during the Transaction Conference.

### PUBLIC COMMENTS ON AGENDA ITEMS

There were five public comments on agenda items. Acting Board Secretary Zuczek announced a three minute time limit for speakers.

**Orrin Getz, Rockland County and New Jersey Association of Railroad Passengers.** Mr. Getz stated that he was in full support of the Advanced Speed Enforcement System – Positive Train Control board item. He advised the Board that he is happy with the result of the Pascack Valley Line improvements. Mr. Getz reminded the Board that there had been a proposal to operate a siding in Oradell at Golf. The communities had been opposed to it in the past. However, now that there is all-day service on the Pascack Valley Line and operating the siding should be reconsidered. He believes that the communities will now be more accepting of the proposal.

Mr. Getz also stated that NJ TRANSIT should work with MetroNorth to operate through service using Penn Station New York. The football service demonstrates that the service is viable. This type of service would reduce costs and utilize equipment more efficient.

Mr. Getz complimented NJ TRANSIT on My Transit stating that he has found it useful. He also mentioned that he is involved as part of the advisory committee on the I-287/Tappan Zee Bridge study. He thinks that the interface with NJ TRANSIT service is defective and should be re-evaluated.

**Joseph Clift** commented on the Advanced Speed Enforcement System – Positive Train Control board item. He stated that the Federal Railroad Administration requirement is an unfunded mandate and that NJ TRANSIT's safety record is very good. Therefore, he does not think that expending \$155M for these improvements should be required. He said NJ TRANSIT does not have a safety problem and he wonders if this has to be done in a time of fiscal crisis. Mr. Clift questioned whether all of the proposed improvements were necessary.

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Acting Chairman Shevell responded by saying that it would be foolhardy not to do everything the agency could to implement safety measures and said you cannot put a price on safety.

Mr. Clift added that he thought the scorecard concept is a great idea and would be valuable to passengers to find out how their service is performing.

**David Peter Allen, Lackawanna Coalition.** Mr. Allen congratulated Gwen Watson on her retirement and then stated that Joyce J. Zuczek is one of the most helpful people at the agency.

Mr. Allen wished the Agency well with the scorecard and stated that no one has pushed harder than he for transparency. He volunteered to assist in any way.

Regarding the Advanced Speed Enforcement System – Positive Train Control board item, Mr. Allen questioned whether there was any way to meet the requirements less expensively. He stated that NJ TRANSIT should try to get other funding for the implementation.

Finally, Mr. Allen stated that he is involved in a Federal Railroad Administration initiative on temporal separation. He asked whether the installation of Positive Train Control would eliminate the requirements for temporal separation of freight and non-compliant light rail services, thus allowing later light rail service. Kevin O'Connor, Vice President/General Manager, Rail Operations stated that the current rules preclude the concurrent operation. Furthermore, light rail is not considered commuter rail and so is not subject to the requirement for Positive Train Control implementation.

**Murray Bodin** stated that technology has advanced so that his new hearing aids cut down the background noise allowing him to use his mobile phone easily even on railroad platforms. The Positive Train Control system should be able to tell someone who is on the rail platform that a train is coming thus eliminating the need for trains to sound the horns as they enter the station. NJ TRANSIT should start looking at new ways to use technology. Mr. Bodin stated that Governor Christie has taught the world to question the way things have been done in the past.

**James Raleigh** spoke on two issues: First, he looks forward to the new scorecard. He hopes that its implementation will assist with transfers within New Jersey. Mr. Raleigh stated that he always has trouble with getting information for the transfer in Secaucus. The second issue was Mr. Raleigh asked for the distribution of the final agenda well in advance of the meeting.

Executive Director Weinstein presented the following Action Items for approval:

**1103-12:      ADVANCED SPEED ENFORCEMENT SYSTEM II POSITIVE TRAIN CONTROL (ASES II PTC): AWARD OF IMPLEMENTATION CONTRACT**

The 2008 Rail Safety Improvement Act mandates the implementation of a Positive Train Control system on all passenger and freight rail lines by December 2015. NJ TRANSIT's current cab signaling system prevents

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train-to-train collisions at speeds of 20 mph or greater. This new system will extend that protection to trains traveling less than 20 mph and provides more protection for roadway workers, event recorders and integrates with Amtrak and other freight railroads. The implementation of the new positive train control technology will be completed in phases. Phase I will be the development and prototype program, Phase II will be the pilot demonstration program and Phase III will be the systemwide installation, completion and closeout. After a competitive procurement, authorization is requested to contract with Parsons Transportation Group for all three phases of the project at a cost not to exceed \$155,622,970 plus five percent for contingencies.

Joseph Bertoni moved the resolution, Steve Petrecca seconded it and it was unanimously adopted.

**1103-13: TRAIN MANAGEMENT AND CONTROL SYSTEM (TMAC) MAINTENANCE SOLE SOURCE CONTRACT**

All of NJ TRANSIT's train movements systemwide are monitored and controlled by the Train Management and Control System, known as TMAC which was first deployed in 2003 by ARINC, Inc.. Dispatchers use TMAC to align switches and display signals, for real-time control of the high voltage overhead wire system, for remote control of moveable bridges and for passenger announcements on the status of train service. This proprietary technology is the backbone of the rail system. ARINC's maintenance contract for TMAC expires mid-year, and authorization is requested to enter into a sole source contract with ARINC to continue to maintain and support the TMAC system for a period of one year, plus four one-year options at a cost not to exceed \$1,463,287 plus five percent for contingencies.

Steve Petrecca moved the resolution, Joseph Bertoni seconded it and it was unanimously adopted.

**1103-14: TWENTY-FIRST CENTURY RAIL CORPORATION AND FRONTIER-KEMPER/SHEA/BEMO, JOINT VENTURE V. NJ TRANSIT AND PARSONS, BRINCKERHOFF, QUADE & DOUGLAS, INC.: PROPOSED SETTLEMENT OF LITIGATION**

In December 2008, Twenty-First Century Rail Corporation and Frontier-Kemper/Shea Bemo filed a lawsuit against NJ TRANSIT and Parsons Brinckerhoff Quade & Douglas claiming that changes in the scope of work and site conditions resulted in delays to the Hudson-Bergen Light Rail MOS-2 project. As a result of recent settlement discussions, the parties have negotiated an agreement. Authorization is requested to settle the

(NJT Board – 03/09/2011)

litigation between NJ TRANSIT and Twenty-First Century Rail Corporation and Frontier-Kemper/Shea/Bemo for \$18,500,000 including all claims and counterclaims, subject to the availability of funds. No additional contract authorization is required for this settlement.

Steve Petrecca moved the resolution, Joseph Bertoni seconded it and it was unanimously adopted.

There were six public comments on non-agenda items. Acting Board Secretary Zuczek announced a three minute time limit for speakers.

### **PUBLIC COMMENTS ON NON-AGENDA ITEMS**

**Commissioner Walter Jacobs**, Essex County stated that he has had several experiences with buses not waiting for senior citizens. He suggested that bus drivers be given sensitivity training for dealing with senior citizens. He stated that more senior citizens will be riding the system in the future. Mr. Shevell responded that he thought that was a very worthwhile suggestion.

**Joseph Cliff** talked about how to make something happen to cross the Hudson River more affordable since Amtrak does not have access to funding sources for their proposed Gateway Tunnel. Mr. Cliff and Mr. Raleigh are proposing a Minimum Operable Segment or Phase I that will fit into the Gateway project and that would eventually provide access to the East Side. Mr. Cliff stated that the goals of the Minimum Operable Segment would be more reliable service and more capacity with the funding that is available. He suggested that NJ TRANSIT consider maximizing the use of "other people's money" including getting back into the Federal Transit Administration's New Starts Program to obtain the funding forfeited by the cancellation of the Access to the Region's Core project. Mr. Cliff requested the opportunity to discuss his proposal.

**James Raleigh** has been discussing the proposal for new trans-Hudson crossings this week at the NJTPA, the Senate Budget Committee meeting and the Assembly Budget Committee meeting. He is also still advocating for the Middlesex-Ocean project, eliminating Monmouth from further consideration. Mr. Raleigh stated that the project has been "studied to death" and that NJ TRANSIT should start looking at the mitigation efforts as well as identifying the funding required to start construction.

Regarding trans-Hudson rail capacity, Mr. Raleigh stated that two new tunnels are needed for growth as well as operational flexibility. There is also a need for a new two-track bridge over the Hackensack River. He urged agency cooperation.

**David Peter Allen** stated that a member of the New Jersey Association of Railroad Passenger rides the North Jersey Coast Line to the Lackawanna Coalition meetings and requested that he call the Board's attention to the lack of North Jersey Coast Line trains that stop at Rahway, thus making connections to the Northeast difficult. He complimented NJ TRANSIT on the service improvements on the Raritan Valley Line on Sunday.

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Mr. Allen stated that Governor Christie's proposed \$42.5M increase in NJ TRANSIT's operating subsidy should be given back to the riders in the form of restoration of service cuts, particularly on the Morris & Essex Line, and in off-peak fares. NJ TRANSIT riders deserve a break and restoring the reduced off-peak fares would encourage riders to use rail service when capacity is not an issue. He also recommended that peak fares to Penn Station New York be raised and those to Hoboken reduced so that riders would divert to services that have capacity.

**Murray Bodin** complimented the Executive Director on the strides the agency is making in distributing information to transit users. He stated that NJ TRANSIT is a leader in the way information is provided.

**Albert Papp Jr.** read a letter that the New Jersey Association of Railroad Passengers sent to US Department of Transportation Secretary Ray LaHood regarding Florida's refusal of federal High Speed Rail funds. He stated that the Executive Director and Transportation Commissioner should advise Governor Christie that these funds are available.

### **ADJOURNMENT**

Acting Chairman Shevell recognized Gwen Watson's distinguished 30 year career at NJ TRANSIT. He thanked her for her years of service and hopes she enjoys her retirement.

Since there were no further comments or business, Acting Chairman Shevell called for adjournment and a motion to adjourn was made by Johanna Jones, seconded by Joseph Bertoni and unanimously adopted. The meeting was adjourned at approximately 10:03 a.m.

**NEW JERSEY TRANSIT CORPORATION**  
**NJ TRANSIT BUS OPERATIONS, INC.**  
**NJ TRANSIT RAIL OPERATIONS, INC.**  
**NJ TRANSIT MERCER, INC.**  
**NJ TRANSIT MORRIS, INC.**  
**REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS**

MARCH 9, 2011

MINUTES

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| ➤ | APPROVAL OF MINUTES OF PREVIOUS MEETINGS | 43053 |
| ➤ | EXECUTIVE DIRECTOR'S MONTHLY REPORT      | 43054 |
| ➤ | ADVISORY COMMITTEE REPORTS               | -     |
| ➤ | PUBLIC COMMENTS ON AGENDA ITEMS          | -     |

ACTION ITEMS

- |         |  |       |
|---------|--|-------|
| 1103-12 | <b>ADVANCED SPEED ENFORCEMENT SYSTEM II POSITIVE TRAIN CONTROL (ASES II PTC): AWARD OF IMPLEMENTATION CONTRACT</b> | 43068 |
|---------|--|-------|

Authorization to contract (No. 10-099X) with Parsons Transportation Group of New York, New York, for Phases I, II and III of the ASES II PTC Program, plus Options, at a cost not to exceed \$155,622,970, plus five percent for contingencies, subject to the availability of funds.

- |         |  |       |
|---------|--|-------|
| 1103-13 | <b>TRAIN MANAGEMENT AND CONTROL SYSTEM (TMAC) MAINTENANCE SOLE SOURCE CONTRACT</b> | 43071 |
|---------|--|-------|

Authorization to enter into a sole source contract with ARINC, Inc. of Annapolis, Maryland, in accordance with Executive Order No. 37 and NJ TRANSIT Procurement Regulations N.J.A.C. 16:72-1.6, to provide technical services to maintain and support the Train Management and Control System for a period of one year, plus four one-year options at a cost not to exceed \$1,463,287, plus five percent for contingencies, subject to the availability of funds.

NEW JERSEY TRANSIT CORPORATION  
NJ TRANSIT BUS OPERATIONS, INC.  
NJ TRANSIT RAIL OPERATIONS, INC.  
NJ TRANSIT MERCER, INC.  
NJ TRANSIT MORRIS, INC.  
REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS  
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**1103-14 TWENTY-FIRST CENTURY RAIL CORPORATION AND FRONTIER-KEMPER/SHEA/BEMO, JOINT VENTURE V. NJ TRANSIT AND PARSONS, BRINCKERHOFF, QUADE & DOUGLAS, INC.: PROPOSED SETTLEMENT OF LITIGATION 43074**

Staff seeks authorization to settle the litigation between NJ TRANSIT and Twenty-First Century Rail Corporation and Frontier-Kemper/Shea/BEMO, Joint Venture, for \$18,500,000, including all claims and counterclaims (Contract 96CT001), subject to the availability of funds. No additional contract authorization is required for this settlement; therefore, the total contract authorization remains \$2,594,047,922 plus annual adjustments as set forth in the contract.

**PUBLIC COMMENTS ON NON-AGENDA ITEMS**

**APPROVAL OF MINUTES**

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

**WHEREAS**, pursuant to Section 4(f) of the New Jersey Public Transportation Act of 1979, the minutes of actions taken at the February 9, 2011, Board meetings of the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. were forwarded to the Governor on February 11, 2011;

**NOW, THEREFORE, BE IT RESOLVED** that the minutes of actions taken at the February 9, 2011 New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. Board of Directors' meetings are hereby approved.

**Chris Christie**, Governor  
**Kim Guadagno**, Lieutenant Governor  
**James S. Simpson**, Board Chairman  
**James Weinstein**, Executive Director

**NJ TRANSIT**  
One Penn Plaza East  
Newark, NJ 07105-2246  
973-491-7000

**TO:** BOARD OF DIRECTORS  
**FROM:** JAMES W. WEINSTEIN  
**DATE:** MARCH 9, 2011  
**SUBJECT:** EXECUTIVE DIRECTOR'S REPORT – MARCH 2011

Today NJ TRANSIT is unveiling a new initiative that will provide the public with a measurement of how the corporation is performing. Called the "Scorecard," this initiative will use metrics to set corporate-wide standards of accountability and create transparency for the public, helping us make strategic decisions to maximize our resources as well as illustrating how we are managing our commitment to excellence. As a public document, for the first time, the Scorecard will provide the taxpayers of New Jersey and our customers alike a clear window into how we are performing. By committing to this effort, NJ TRANSIT will hold up the Scorecard as the standard by which we get measured by the people who use our system every day. In addition, the Scorecard will show the agency's strengths and weaknesses, providing clear insight into where NJ TRANSIT needs to improve in order to provide a greater return to the taxpayer. To support this effort, we are currently developing a system of metrics to provide a baseline for measuring NJ TRANSIT's performance in the areas of customer satisfaction, safety and security, financial health and service accountability

The baseline will also incorporate information gathered from quarterly customer surveys, marking the first time in NJ TRANSIT history that the agency will be conducting systemwide customer satisfaction surveys on a regular, ongoing basis. We intend for the Scorecard to be a living, breathing document, one that requires customer input to feed it and make it work. To that end, we are putting out a call to action for our customers, encouraging them to get involved and let us know about their experiences riding our system. Starting today, customers may pre-register at njtransit.com for the first customer survey, which will be conducted in April.

While the metrics are still being finalized, the agency's measure of customer service will include customer satisfaction ratings for NJ TRANSIT services and other measures such as the average time it takes to process a customer inquiry, and on-time performance for the system's bus, rail and light rail lines and Access Link service. Our measure of safety and security will take into account statistics compiled by the NJ TRANSIT Police Department. We also will measure the agency's financial health by including data on budget variance, pension liability coverage, farebox recovery and operating subsidy per customer. Service and accountability will be measured in terms of revenue per hour, ridership, fare stability, and Disadvantaged and Small Business Enterprise goals.

To support the Scorecard effort, NJ TRANSIT will also look at performance by department using Key Operating Measures or Department Performance Indicators to provide essential information on a daily, monthly and quarterly basis to department heads. This information is intended to provide a comprehensive picture of how NJ TRANSIT is functioning, as well as to provide employees of each department with a clear sense of how they can individually succeed and support the broader goals of NJ TRANSIT.

As a public transportation agency, effective management comes from measuring ourselves in critical areas so that we can best serve our customers, who in turn provide the ultimate measure of our performance. I strongly believe that if we aren't measuring, we aren't managing. I am confident that the Scorecard initiative will give us the ability to begin to reform and transform ourselves so that we can make meaningful management decisions on a daily basis and focus on what is most important, giving us a tie-in to the customer experience. We also believe that the Scorecard will serve as a springboard for building new confidence and credibility for NJ TRANSIT as the State's public transportation system.

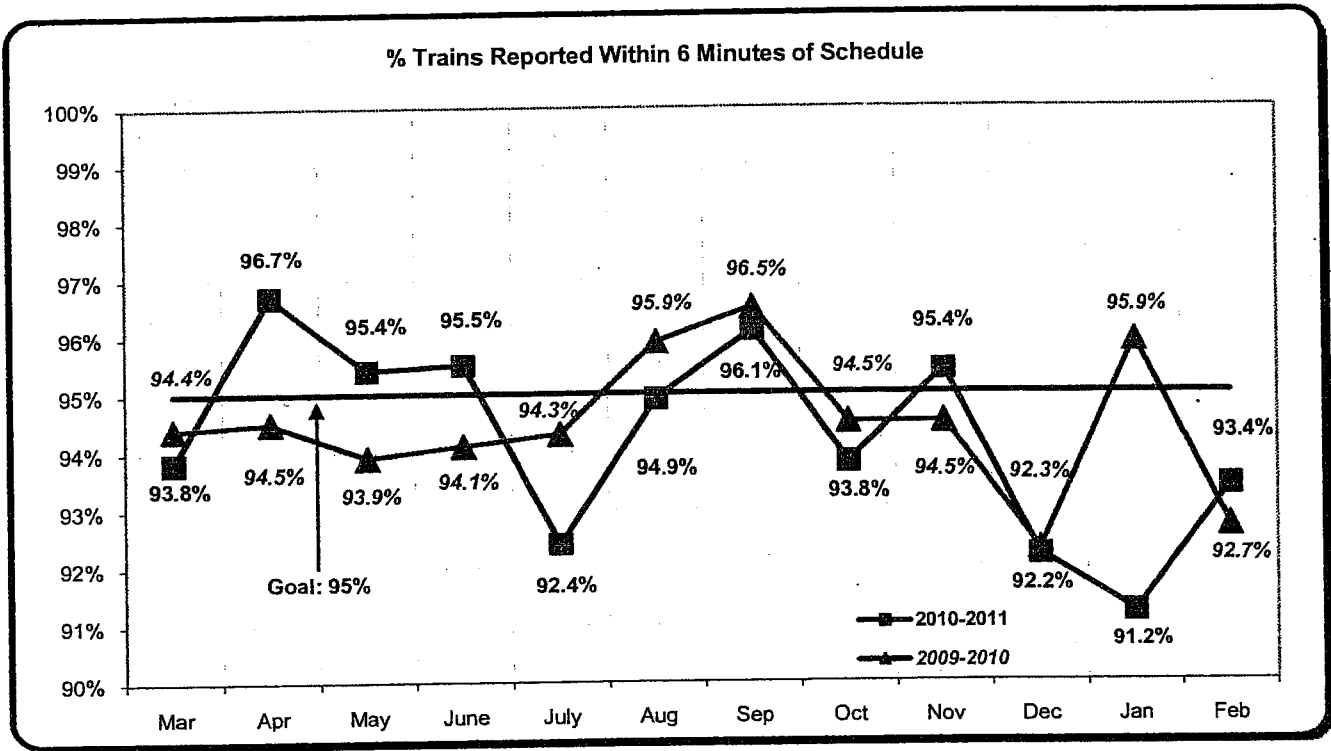
NJ TRANSIT will launch the Scorecard in July to coincide with the corporation's new Fiscal Year 2012. Scorecard results will be reported and updated quarterly on njtransit.com.

# **EXECUTIVE DIRECTOR'S MONTHLY REPORT MARCH 2011**

- 1. PERFORMANCE MEASURES**
- 2. DBE/MBE PROGRAM**
- 3. EMPLOYEE RECOGNITION**

# **PERFORMANCE MEASURES**

# NJ TRANSIT ON-TIME PERFORMANCE RAIL MARCH 2009 - FEBRUARY 2011



	2010	2011	# Change
February Comparison	92.7%	93.4%	0.7%
12-Month Average March - February	2009-2010 94.5%	2010-2011 94.2%	# Change -0.3%

**Analysis:**

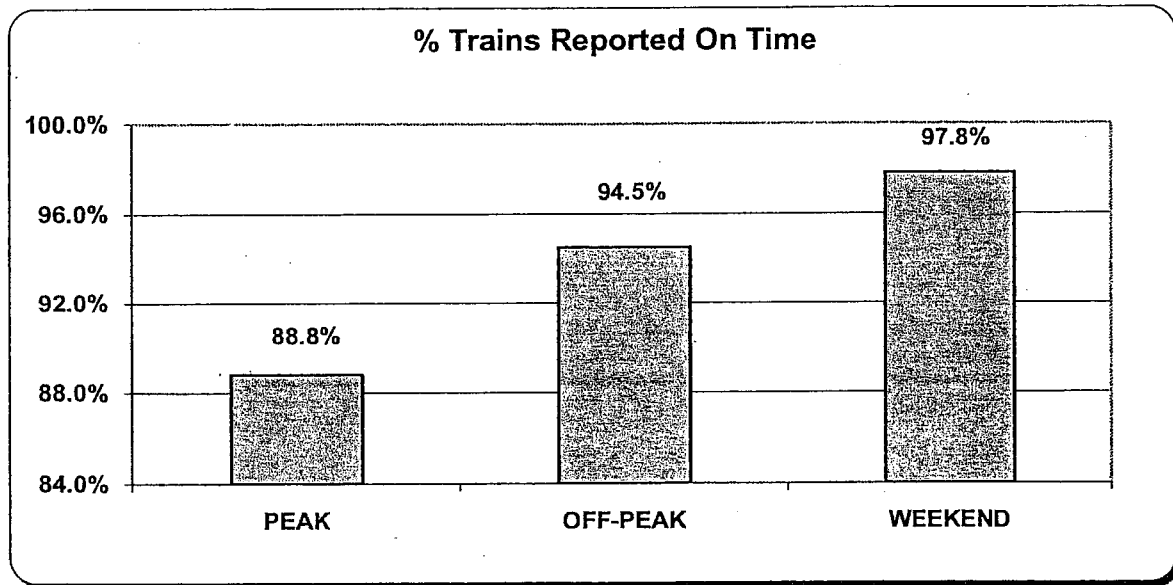
Rail On-Time Performance was 93.4% for February 2011. Of the 16,552 trains scheduled to operate, 15,465 were on time, while 1,087 trains (or 6.6%) were delayed. Key causes included:

- Weather conditions and equipment failure on February 2.
- Amtrak disabled train on February 7.
- Portal Bridge opening for marine traffic and equipment issues on February 22.

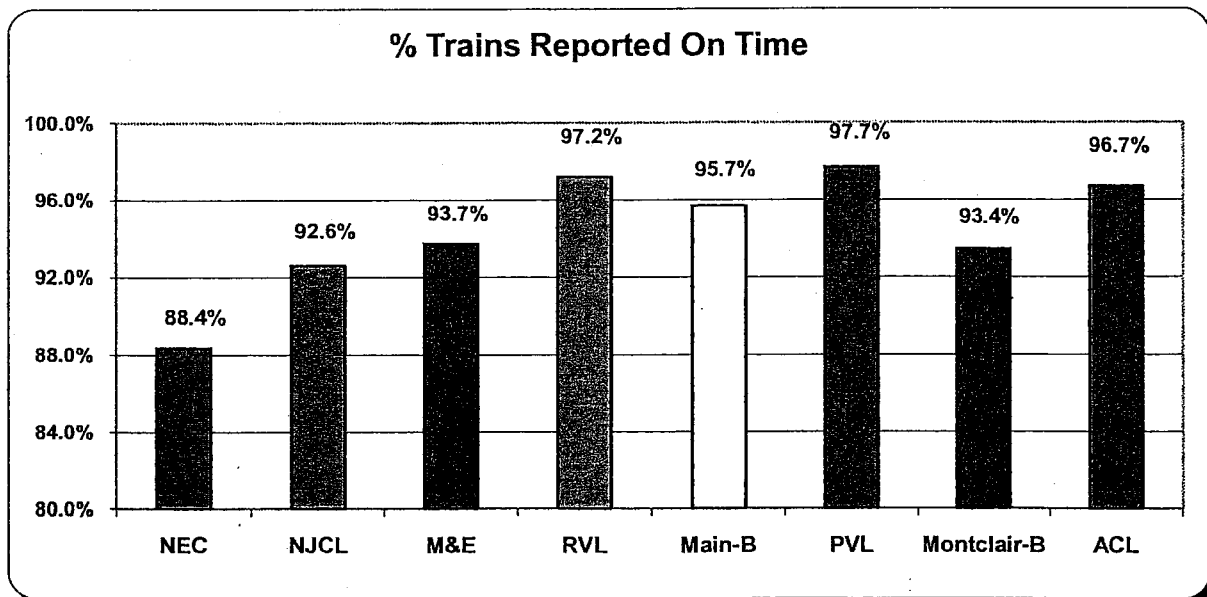
The 12-month average for Rail On-Time Performance for March 2010 - February 2011 was 94.2%.

# ON-TIME PERFORMANCE RAIL

## SUMMARY BY TIME PERIOD FEBRUARY 2011

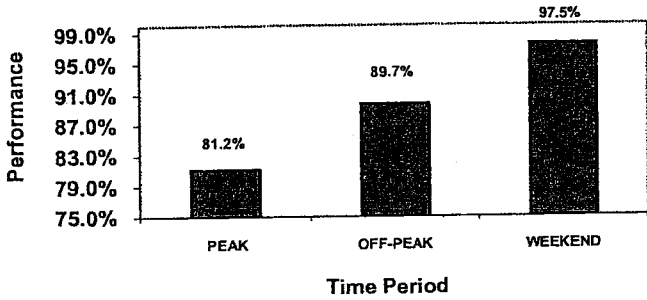


## SUMMARY BY LINE FEBRUARY 2011

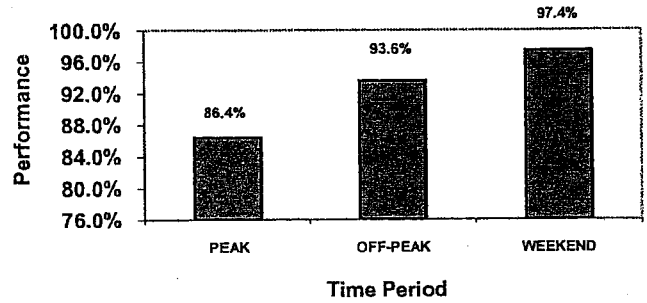


# ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD FEBRUARY 2011

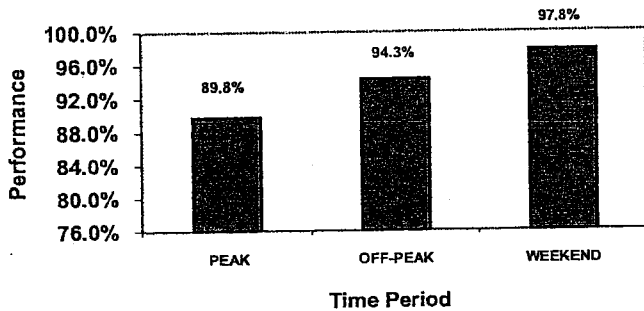
**NORTHEAST CORRIDOR**



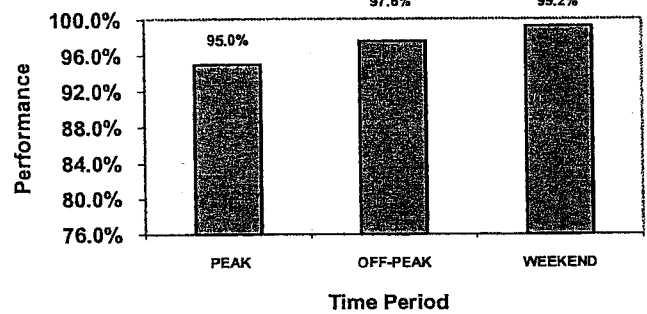
**NORTH JERSEY COAST LINE**



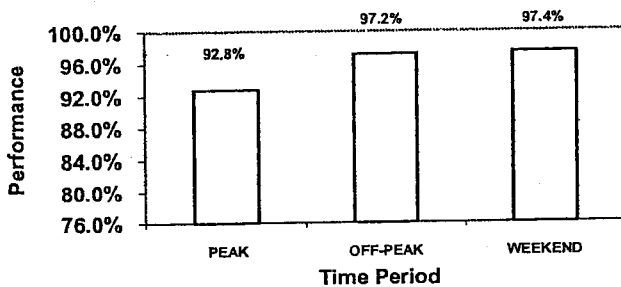
**MORRIS & ESSEX**



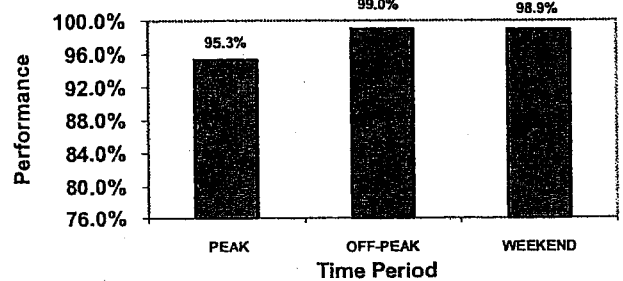
**RARITAN VALLEY LINE**



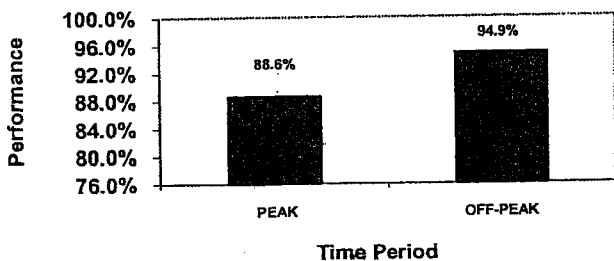
**MAIN-BERGEN**



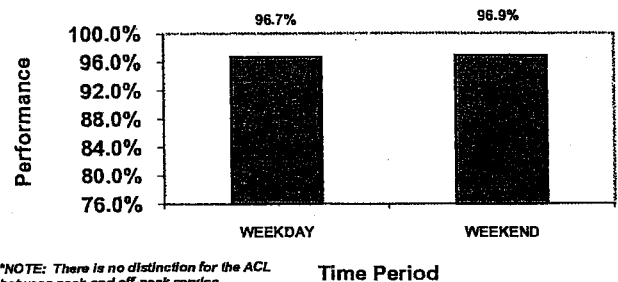
**PASCACK VALLEY**



**MONTCLAIR-BOONTON**



**ATLANTIC CITY\***



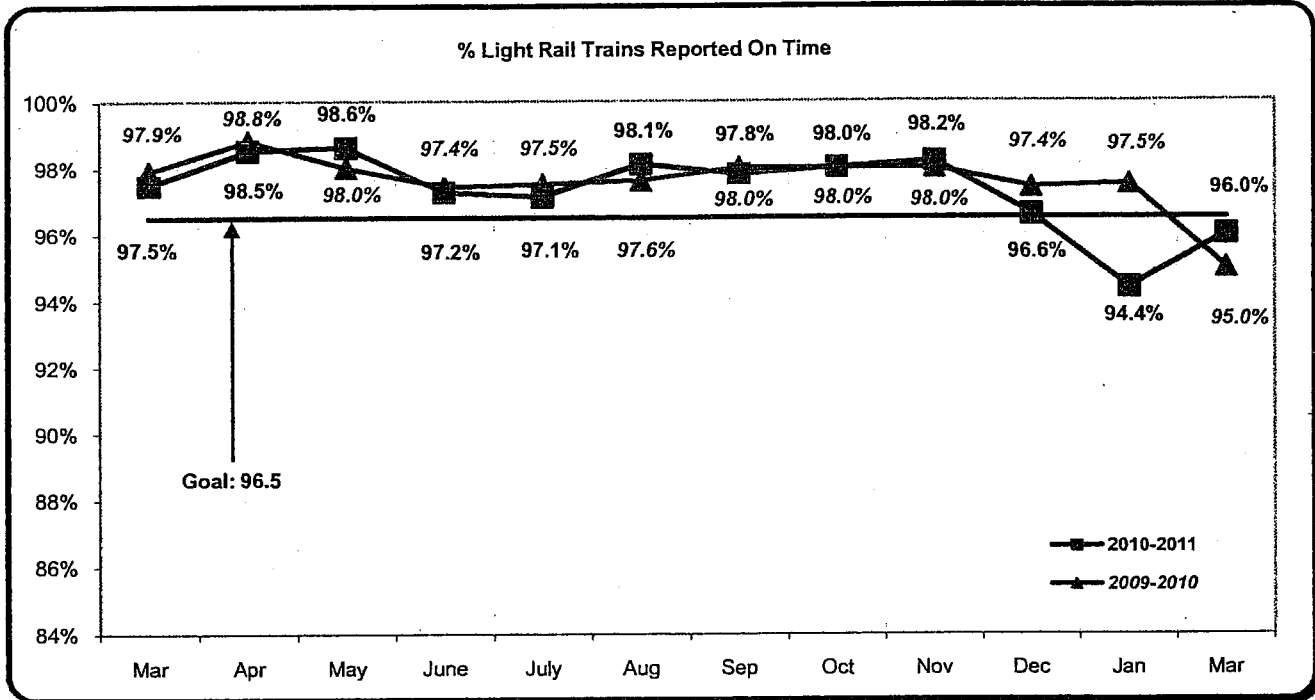
\*NOTE: There is no distinction for the ACL between peak and off-peak service.

# NJ TRANSIT

## ON-TIME PERFORMANCE

### LIGHT RAIL - SYSTEMWIDE

#### MARCH 2009 - FEBRUARY 2011



\*Note: Starting May 2007

	2010	2011	# Change
February Comparison	95.0%	96.0%	1.0%

	2009-2010	2010-2011	# Change
12-Month Average March - February	97.6%	97.3%	-0.3%

**Analysis:**

Light Rail On-Time Performance systemwide was 96.0% for the month of February 2011. Of the 24,291 scheduled trains, 997 (or 4.0%) experienced delays. Key causes included:

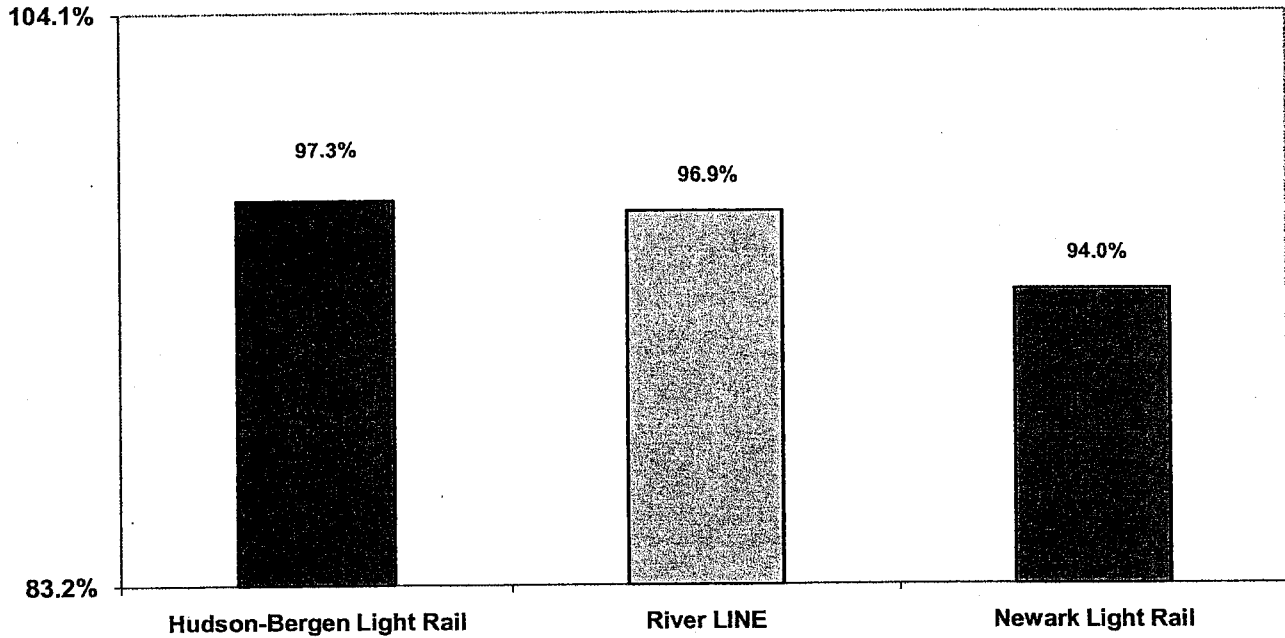
- Weather conditions impacting Newark Light Rail trains on February 1.
- Major ice storm delaying HBLR service on February 2.
- Switch failure delaying River Line trains on February 7.

The 12-month average for Light Rail On-Time Performance for March 2010 - February 2011 was 97.3%.

# ON-TIME PERFORMANCE LIGHT RAIL

## SUMMARY BY LINE FEBRUARY 2011

% Light Rail Trains Reported On Time



# **DBE/MBE PROGRAM**

NJ TRANSIT – Office of Business Diversity DBE/SBE Participation

Federally Funded Contracts

\$536,154 in federal funds were awarded October through February of FY 11.\* Disadvantaged Business Enterprises (DBEs) were not awarded any federal-funded contract dollars during this period from either race conscious and race neutral awards.

State Funded Contracts

\$26,190,945 in state-funded contract dollars were awarded July through February FY 11. \*\* Of that total, Small Business Enterprises (SBEs) received \$6,137,422 or 23.4 percent. Category 1 SBEs received \$438,140 or 1.7 percent. Category 2 SBEs received \$1,701,307 or 6.5 percent. Category 3 SBEs received \$31,351 or 0.1 percent. Category 4 SBEs received \$559,463 or 2.1 percent. Category 5 SBEs received \$3,407,161 or 13 percent. Category 6 SBEs received \$0 or 0 percent.\*\*\*

Federal & State Contracts Total

\$26,727,099 in federal and state contract dollars were awarded by NJ TRANSIT during this reporting period. Of that total, \$6,137,422 or 23 percent of federal and state contract dollars was won by DBEs and SBEs.

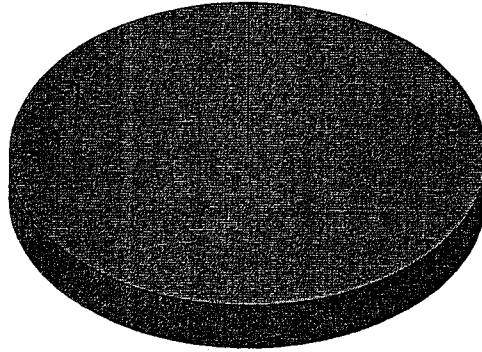
\*Fiscal year beginning October 1, 2010

\*\*Fiscal year beginning July 1, 2010

\*\*\*Cat 1-Less than \$500,000 gross revenues, Cat 2-Less than \$5 million, Cat 3-Less than \$12 million, Cat 4 (construction)-Less than \$1 million, Cat 5 (construction)-Less than \$17,420,000, Cat 6 (construction)-Up to \$33.5 million

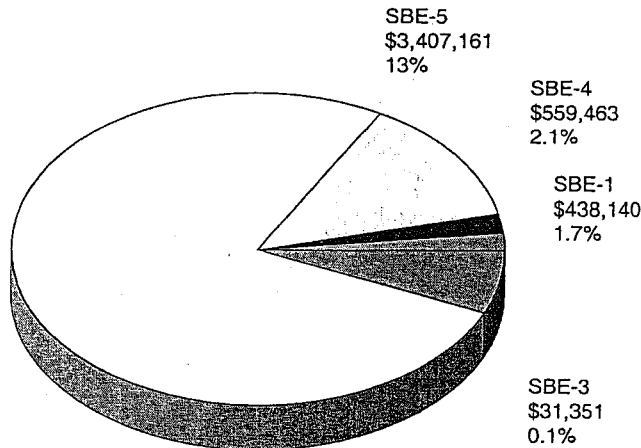
**DBE PARTICIPATION  
FEDERAL CONTRACTS  
FEDERAL FYTD (THROUGH FEBRUARY FY11)\***

NON-DBE  
FEDERAL  
\$536,154  
100%



**SBE PARTICIPATION  
STATE CONTRACTS  
STATE FYTD (THROUGH FEBRUARY FY11)\*\***

NON-SBE STATE  
\$20,053,523  
76.6%



**Fiscal Year Beginning October 1, 2010\***  
**Fiscal Year Beginning July 1, 2010\*\***  
(This report covers contracts above \$29,000)

# **EMPLOYEE RECOGNITION**

**NJ TRANSIT employees bid farewell after outstanding careers**

Nineteen NJ TRANSIT employees retired in February with careers ranging from 13 to 32 years of service:

1. Palmer B. Bethea (Matawan) Principal Rail Operations Planner, Penn Plaza – 32 years
2. Jeannine Brown (Somers Point) Bus Operator, Egg Harbor Township – 29 years
3. Phillip Kresefski (Branchburg) Lead Mail Clerk, General Office Building – 29 years
4. Phillip H. McQuellen, Jr. (Berkeley Heights) Depot Master, Big Tree Garage – 29 years
5. David R. Scott, Jr. (Hillside) Bus Operator, Orange Garage – 29 years
6. Ricardo Merino (Union Beach) Mechanic, Meadowlands Garage – 28 years
7. Hortesia Ochoa (West New York) Cleaner, Meadowlands Garage – 28 years
8. Stanley E. Zdanowicz (South Amboy) Manager Signal Design, Penn Plaza – 28 years
9. Edward J. Bogin (Bayonne) Repairman "A," Meadowlands Garage – 25 years
10. John E. Hosey (Teaneck) Bus Operator, Meadowland Garage – 25 years
11. Vincent Marino (North Bergen) Depot Clerk "A," Meadowlands Garage – 25 years
12. Lenora Eady (Newark) Bus Operator, Orange Garage – 24 years
13. Willis M. Williams (Paterson) Bus Operator, Wayne Garage – 24 years
14. Novella L. Turner (Camden) Bus Operator, Newton Avenue – 21 years
15. Alfonso A. Hernandez (Union City) Bus Operator, Meadowlands Garage – 20 years
16. Stephen J. Pepper (Waldwick) Field Salary Inspector "A," Wayne Garage – 20 years
17. Felix Thomas (Jersey City) Bus Operator, Greenville Garage – 19 years
18. Yvonne Sterling (Paterson) Depot Master, Market Street Garage – 15 years
19. Edwin R. Rivera (Newark) Bus Operator, Big Tree Garage – 13 years

# **ACTION ITEMS**

**ITEM 1103-12:      ADVANCED SPEED ENFORCEMENT SYSTEM II POSITIVE  
TRAIN CONTROL (ASES II PTC):      AWARD OF  
IMPLEMENTATION CONTRACT**

**BENEFITS**

The Rail Safety Improvement Act of 2008 became Federal law, mandates the implementation of a Positive Train Control (PTC) system on all passenger and Class I freight rail lines by the end of December 2015. In early 2010, the Federal Railroad Administration (FRA) promulgated new performance-based regulations to address the statutory requirements and establish guidelines for railroads that must install PTC systems.

NJ TRANSIT is now required to implement PTC on all its commuter rail lines in addition to the existing cab signaling system that is currently in operation. NJ TRANSIT's PTC system will incorporate the existing cab signaling technology to achieve improved safety and regulatory compliance. This system, known as the Advanced Speed Enforcement System II (ASES II), will provide interoperability with Amtrak's NEC Advanced Civil Speed Enforcement System II technology and the freight-based Vital Electronic Train Management System as required by Federal Regulations.

**PURPOSE**

The implementation of the ASES II PTC system will be achieved in planned phases of a comprehensive program that includes: development, prototype testing, a pilot demonstration project, systemwide installation, testing, commissioning, and training; and, assist NJ TRANSIT with PTC document submissions to the FRA in fulfillment of regulatory requirements and in accordance with FRA-mandated deadlines.

The authorization of this contract will initiate work on the ASES II PTC Phase I (PTC Development and Prototype program). Upon successful completion of Phase I, the Contractor will proceed with Phase II (PTC Pilot Demonstration Program) and Phase III (PTC Systemwide Installation, Completion and Closeout).

The scope of work also includes options for modification of MetroNorth vehicles; modification to existing NJ TRANSIT vehicles to accommodate a new ASES II PTC Engineer's display unit; furnishing ASES II PTC wayside equipment to MetroNorth for installation on the Southern Tier and interface with NJ TRANSIT's Rail Operations Center; provision of ASES II PTC on the Lehigh Line portion of the Raritan Valley Line; and, an extended warranty for the ASES II PTC system.

**ACTION (Justification: Mandate)**

Staff requests authorization to contract (No. 10-099X) with Parsons Transportation Group of New York, New York, for Phases I, II and III of the ASES II PTC Program, plus Options, at a cost not to exceed \$155,622,970, plus five percent for contingencies, subject to the availability of funds.

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

**FISCAL IMPACTS**

**Requested Authorization:** \$ 155,622,970 + 5% contingency

**Total Project Cost:** \$ 225,000,000

**Projected Date of Completion:** December 2016

**Anticipated Source of Funds:** Transportation Trust Fund  
MetroNorth

**Diversity Goal:** 10% DBE

**NJ Build Amount:** NA

**Future/Related Authorizations:** Additional Engineering Support for ASES II PTC  
Implementation Contract Phase III  
Additional Engineering Support for ASES II PTC  
Implementation Contract Options  
Acquisition of 220 MHz Radio Frequency Spectrum

**Impact on Subsequent Operating Budget:** \$ 4,000,000 annually

**RESOLUTION**

**WHEREAS**, the Rail Safety Improvement Act of 2008 mandates the implementation of a Positive Train Control (PTC) system on all NJ TRANSIT commuter rail lines by the end of December 2015; and

**WHEREAS**, NJ TRANSIT has identified a program to implement the Advanced Speed Enforcement System II Positive Train Control (ASES II PTC) system as essential to complying with this requirement; and

**WHEREAS**, after the completion of a two-step competitive procurement process, it was determined that Parsons Transportation Group submitted the lowest responsive, responsible bid;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to contract (No. 10-099X) with Parsons Transportation Group of New York, New York, for Phases I, II and III of the ASES II PTC Program, plus Options, at a cost not to exceed \$155,622,970, plus five percent for contingencies, subject to the availability of funds.

**ITEM 1103-13: TRAIN MANAGEMENT AND CONTROL SYSTEM (TMAC)  
MAINTENANCE SOLE SOURCE CONTRACT**

**BENEFITS**

NJ TRANSIT's Train Management and Control System (TMAC) monitors and controls the movement of trains systemwide. It is the technology backbone of New Jersey's commuter rail system without which rail service could not be operated.

Train dispatchers use the TMAC system to align switches and display signals to provide a clear and safe route for trains. The TMAC system also provides real-time control of the high-voltage electric overhead wire system, remote control of moveable bridges, and automated passenger announcements on the status of train service. Since its deployment in 2003, the TMAC system has performed at an availability rate of 99.99 percent.

This mission-critical system was previously designed and implemented by ARINC, Inc. of Annapolis, Maryland following a competitive procurement process. NJ TRANSIT has contracted with the same vendor to provide ongoing system maintenance for this proprietary, highly-specialized train management system. The proposed maintenance contract will continue to ensure the system is maintained for a high-degree of reliability and will provide technical support for system improvements when needed.

**PURPOSE**

NJ TRANSIT holds licenses with ARINC, Inc. of Annapolis, Maryland for the TMAC system to provide for control of train movements, power distribution, remote control of moveable bridges, and automated passenger announcements. The vendor also provides annual maintenance of the system. The current contract will expire in mid-2011 and renewal of the maintenance contract will ensure the proper maintenance support and continued correction of latent defects and miscellaneous minor improvements as circumstances dictate.

**ACTION (Justification: Safety, Customer Service and Business Efficiency)**

Staff seeks authorization to enter into a sole source contract with ARINC, Inc. of Annapolis, Maryland, in accordance with Executive Order No. 37 and NJ TRANSIT Procurement Regulations N.J.A.C. 16:72-1.6, to provide technical services to maintain and support the Train Management and Control System for a period of one year, plus four one-year options at a cost not to exceed \$1,463,287, plus five percent for contingencies, subject to the availability of funds.

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

**FISCAL IMPACTS**

<b>Requested Authorization:</b>	\$1,463,287 + 5% for contingencies
<b>Total Project Cost:</b>	\$1,536,452
<b>Diversity Goals:</b>	N/A
<b>Related/Future Authorizations:</b>	Request for professional services to review and develop TMAC system for additional functions; Request for future maintenance services
<b>Impacts on Subsequent Operating Budgets:</b>	\$307,300 annually (estimated) consistent with current annual budget allocations for these services

## RESOLUTION

**WHEREAS**, NJ TRANSIT's Train Management and Control System (TMAC) monitors and controls the movement of trains systemwide and is the technology backbone of New Jersey's commuter rail system without which rail service could not be operated; and

**WHEREAS**, train dispatchers use the TMAC system to align switches and display signals to provide a clear and safe route for trains; and

**WHEREAS**, the TMAC system also provides real-time control of the high-voltage electric overhead wire system, remote control of moveable bridges, and automated passenger announcements on the status of train service; and

**WHEREAS**, the reliability of TMAC has been excellent and the proposed maintenance contract will continue to ensure the system is maintained for a high-degree of reliability and will provide technical support for system improvements when needed;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to enter into a sole source contract with ARINC, Inc. of Annapolis, Maryland, in accordance with Executive Order No. 37 and NJ TRANSIT Procurement Regulations N.J.A.C. 16:72-1.6, to provide technical services to maintain and support the Train Management and Control System for a period of one year, plus four one-year options at a cost not to exceed \$1,463,287, plus five percent for contingencies, subject to the availability of funds.

**ITEM 1103-14: TWENTY-FIRST CENTURY RAIL CORPORATION AND FRONTIER-KEMPER/SHEA/BEMO, JOINT VENTURE V. NJ TRANSIT AND PARSONS, BRINCKERHOFF, QUADE & DOUGLAS, INC.: PROPOSED SETTLEMENT OF LITIGATION**

**BENEFITS**

In November 2000, NJ TRANSIT and Twenty-First Century Rail Corporation (TFCRC), comprised of Raytheon Infrastructure, Inc. (now URS Energy & Construction, Inc.) and Kinkyshario-Itochu, executed a change order to the existing contract to design, build, operate, and maintain the Hudson-Bergen Light Rail (HBLR) MOS-2 project. The new scope of work included the extension of the HBLR an additional six miles. Part of this scope involved widening the existing Weehawken rail tunnel, constructing an underground station and an at-grade entrance plaza and supporting facilities, referred to as the N30 work. Parsons, Brinckerhoff, Quade & Douglas (PB) performed the N30 final design as part of their General Design Consultant contract with NJ TRANSIT. TFCRC awarded a subcontract to Frontier-Kemper/Shea/BEMO (FKSB) to construct the N30 work designed by PB.

In December 2008, TFCRC/FKSB filed suit against NJ TRANSIT and PB, claiming that design changes by PB, changed site conditions, and changes to the scope of work directed by NJ TRANSIT resulted in delays to the project with associated increased costs. TFCRC/FKSB is seeking \$116,791,196 including interest.

The litigation has been progressing under a court-ordered case management schedule. Paper discovery as well as e-mail discovery have been completed and depositions have begun.

During the past six months NJ TRANSIT and TFCRC/FKSB have been in settlement discussions and have agreed to settle the claims between them. The proposed Settlement Agreement provides that NJ TRANSIT will pay TFCRC/FKSB \$18,500,000 to settle all claims and counterclaims. All TFCRC warranty obligations under the contract remain unchanged and in place through the end of the operate-maintain period.

**PURPOSE**

The Attorney General's Office approved the terms of this settlement and Board authorization is required to settle all claims resulting from the MOS-2 portion of the contract.

**ACTION**

Staff seeks authorization to settle the litigation between NJ TRANSIT and Twenty-First Century Rail Corporation and Frontier-Kemper/Shea/BEMO, Joint Venture, for \$18,500,000, including all claims and counterclaims (Contract 96CT001), subject to the availability of funds. No additional contract authorization is required for this settlement; therefore, the total contract authorization remains \$2,594,047,922 plus annual adjustments as set forth in the contract.

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

**FISCAL IMPACTS**

**Requested Authorization:** Settlement of Claim with no increase in contract authorization

**Total Project Cost:** \$ 1,152,790,000 (MOS-2 and Grade Separations, includes litigation)

**Projected Date of Completion:** N/A

**Anticipated Source of Funds:** Transportation Trust Fund (for claim settlement)

**Diversity Goal:** NA

**NJ Build Amount:** NA

**Related/Future Authorizations:** None

**Impacts on Subsequent Operating Budgets:** None

**RESOLUTION**

**WHEREAS**, Twenty-First Century Rail Corporation and Frontier-Kemper/Shea/BEMO have filed suit seeking to recover \$116,791,196 for claims, including interest, as a result of its work as the design-build-operate-maintain contractor for the N30 portion of the Hudson Bergen Light Rail MOS-2 project; and

**WHEREAS**, litigation commenced on December 5, 2008 and has been progressed under court-ordered case management; and

**WHEREAS**, as a result of recent settlement discussions the parties have negotiated a settlement agreement which will settle this litigation, and all outstanding claims and counterclaims, on terms and conditions that staff believes are in the best interests of NJ TRANSIT;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to settle the litigation between NJ TRANSIT and Twenty-First Century Rail Corporation and Frontier-Kemper/Shea/BEMO, Joint Venture, for \$18,500,000, including all claims and counterclaims (Contract 96CT001), subject to the availability of funds. No additional contract authorization is required for this settlement; therefore, the total contract authorization remains \$2,594,047,922 plus annual adjustments as set forth in the contract.

**Chris Christie**, Governor  
**Kim Guadagno**, Lieutenant Governor  
**James S. Simpson**, Board Chairman  
**James Weinstein**, Executive Director

**NJ TRANSIT**

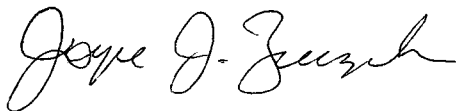
One Penn Plaza East  
Newark, NJ 07105-2246  
973-491-7000

March 11, 2011

Dear Governor Christie:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the regularly scheduled meetings of the New Jersey Transit Corporation, NJ Transit Rail Operations, Inc., NJ Transit Bus Operations, Inc., NJ Transit Mercer, Inc., and NJ Transit Morris, Inc. Board of Directors held on Wednesday, March 9, 2011.

Sincerely,



Joyce J. Zuczek  
Acting Board Secretary

Enclosures

Honorable Chris Christie  
Governor, State of New Jersey  
State House  
Trenton, NJ 08625

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Minutes of the actions taken at the Open Session of the regularly scheduled Board of Directors' meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc. and NJ TRANSIT Mercer, Inc. and NJ TRANSIT Morris, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Wednesday, March 9, 2011.

**Present:**

Myron P. Shevell, Acting Chairman  
 Johanna Jones, Governor's Representative  
 Joseph Bertoni, Designee for Chairman James S. Simpson  
 Steve Petrecca, Treasurer's Representative

James Weinstein, Executive Director  
 Joyce J. Zuczek, Acting Board Secretary  
 Penny Bassett-Hackett, Acting Assistant Executive Director, Communications & Customer Service  
 James Gigantino, Vice President & General Manager, Bus Operations  
 Kevin O'Connor, Vice President & General Manager, Rail Operations  
 Christopher Trucillo, Chief of Police  
 Kim Vaccari, Chief Financial Officer & Treasurer  
 Steve Santoro, Assistant Executive Director, Capital Planning & Programs  
 Alma Scott-Buczak, Assistant Executive Director, Human Resource  
 Leotis Sanders, Vice President, Office of Civil Rights and Diversity Programs  
 Warren A. Hersh, Auditor General  
 Kenneth Worton, Deputy Attorney General

Acting Chairman Shevell convened the Open Session at 9:05 a.m. in accordance with the Open Public Meetings Act and asked for a motion to adopt the minutes of the February 9, 2011 meetings. A motion was made by Johanna Jones seconded by Joseph Bertoni and adopted.

Executive Director Weinstein welcomed Joseph Bertoni to the Board Meeting and said Mr. Bertoni is Chairman Simpson's designee.

Executive Director Weinstein said that after 30 years of service, Gwen Watson, Board Secretary, has retired from NJ TRANSIT. He thanked Ms. Watson for her years of service and expressed best wishes for good health and happiness in her retirement. With Ms. Watson's retirement, Executive Director Weinstein said Joyce J. Zuczek will be the Acting Board Secretary.

Executive Director James Weinstein highlighted the following from his monthly business report.

**HIGH GAS PRICES**

Executive Director Weinstein addressed a subject that is capturing the headline, high gas prices. With gas prices rising nearly two cents a day in recent weeks, NJ TRANSIT is following all of the developments very closely. An increase in the price of gas impacts NJ TRANSIT in two ways, there is a budget impact as well as a ridership impact. If 2008 is an indication of how a spike in gas prices affects NJ TRANSIT ridership, there is a

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“tipping point” at about \$3.25 to \$3.50 per gallon where people start diverting from auto to transit.

With this in mind, NJ TRANSIT is working on plans to add capacity should it become necessary. The goal is to absorb any ridership increase without incurring extraordinary costs. NJ TRANSIT will do whatever it can to respond.

On the budget side, NJ TRANSIT believes that it can manage the unfavorable fuel line item through effective budget management in other areas. For example, NJ TRANSIT has instructed departments to be even more prudent when making decisions around spending money all with an eye toward continuing to run a safe system.

In addition, NJ TRANSIT is looking at such fuel-saving measures as using bio-fuel blends, and exploring whether there are pricing opportunities as well as reminding operators to further reduce idling and challenging staff to look for other ways to save.

Executive Director Weinstein believes that if the budget is managed properly, including controlling the expenses associated with ridership growth, NJ TRANSIT will be able to close out the fiscal year on budget.

It is important for people to understand that this is having a major impact on NJ TRANSIT, as every one-penny increase in the cost of diesel fuel equates to a \$360,000 impact to the operating budget on an annual basis. NJ TRANSIT will continue to provide updates and monitor both ridership and gas prices over the coming weeks to do whatever it can to provide the best service for new and current customers.

### **MY TRANSIT ON TWITTER**

Executive Director Weinstein said NJ TRANSIT is at the forefront of customer information technology using a multitude of platforms, including web, mobile, digital screens, interactive voice systems and feeds. At the core of many of these services is the ‘My Transit’ system, which is celebrating its ten year anniversary this year. My Transit is the envy of the transit industry. It is technology developed by NJ TRANSIT employees that enables NJ TRANSIT to provide alerts and advisories across communication channels simultaneously, meaning the information read on the website is identical to the alert received on the phone, which is the same as the message heard when calling the customer service line.

My Transit content is continually updated throughout the day, every day of the year, letting customers know about everything from elevator outages and stairway closures, to bus detours and train delays.

Executive Director Weinstein was pleased to announce that NJ TRANSIT is going to significantly expand the reach of the My Transit system by integrating the system with Twitter.

Twitter is the social media phenomenon that is revolutionizing the way people communicate. It has evolved from a way for friends to share what they are doing into an advanced tool for using streams of information, called feeds.

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NJ TRANSIT is launching 13 such feeds: one for each of the rail and light rail lines, as well as two feeds for bus: Northern and Southern routes.

NJ TRANSIT customers can choose to follow these new feeds as a way of tapping into My Transit content without even going through a sign-up process. Through Twitter, customers will now be able to get the same content they would get if they were signed up for alerts.

Executive Director Weinstein said as an example, he commutes on the Northeast Corridor and he now has the option of following the Northeast Corridor twitter feed, which is “at NJ TRANSIT underscore NEC” (@NJTRANSIT\_NEC), to see a continually updated stream of all the alerts and advisories that pertain to the Northeast Corridor. New tweets are automatically generated whenever a My Transit alert or advisory is sent out. Customers who wish to receive customized alerts and advisories for their specific trip can continue to receive emails through the My Transit system.

### **SCORECARD**

Executive Director Weinstein was pleased to provide the Board with an overview of a new initiative NJ TRANSIT is announcing today that will provide the public with a measurement of how the corporation is performing. Called the “Scorecard,” this initiative will use metrics to set corporate-wide standards of accountability and create transparency for the public, helping NJ TRANSIT make strategic decisions to maximize resources as well as illustrating how NJ TRANSIT is managing its commitment to excellence. NJ TRANSIT will launch the Scorecard with the start of the new Fiscal Year in July and will report Scorecard results on a quarterly basis on [njtransit.com](http://njtransit.com).

As a public document, for the first time, the Scorecard will provide the taxpayers of New Jersey and the customers with a clear window into how NJ TRANSIT is performing. By committing to this effort, NJ TRANSIT will hold up the Scorecard as the standard by which it gets measured by the people who use the system every day.

The Scorecard will show both strengths and weaknesses and Executive Director Weinstein fully expects that NJ TRANSIT’s warts will show, but they will provide clear insight into where it needs to improve in order to provide a greater return to the taxpayer.

To support this effort, NJ TRANSIT is currently developing a system of metrics to provide a baseline for measuring NJ TRANSIT’s performance in the areas of: customer satisfaction, safety and security, financial health and service accountability

While the metrics are still being finalized, Executive Director Weinstein said the measure of customer service will include customer satisfaction ratings for NJ TRANSIT services, as well as other measures such as the average time it takes to process a customer inquiry, and on-time performance for the system’s bus, rail and light rail lines and Access Link service. NJ TRANSIT’s measure of safety and security will take into account statistics compiled by the NJ TRANSIT Police Department. NJ TRANSIT will measure the agency’s financial health by including data on budget variance, pension

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liability coverage, farebox recovery and operating subsidy per customer. Service and accountability will be measured in terms of revenue per hour, ridership, fare stability, and Disadvantaged and Small Business Enterprise goals.

To support the Scorecard effort, NJ TRANSIT will also measure performance by department using Key Operating Measures or Department Performance Indicators to provide essential information on a daily, monthly and quarterly basis to department heads.

These measures are intended to provide a comprehensive picture of how NJ TRANSIT is functioning, as well as to provide employees of each department with a clear sense of how they can individually succeed and support the broader goals of NJ TRANSIT.

The Scorecard will also incorporate data gathered from quarterly customer surveys, marking the first time in NJ TRANSIT's history that it will be conducting systemwide customer satisfaction surveys on a regular, ongoing basis.

NJ TRANSIT intends for the Scorecard to be a living, breathing document, and in order for this to work, NJ TRANSIT needs customer input to be the life blood that feeds it. To that end, NJ TRANSIT is putting out a call to action for customers, encouraging them to get involved and let NJ TRANSIT know about their experiences riding the system. Starting today, customers may pre-register at [njtransit.com](http://njtransit.com) for the first customer survey, which will be conducted in April.

As a public transportation agency, effective management comes from measuring itself in critical areas so that NJ TRANSIT can best serve the customers, who in turn provide the ultimate measure of performance.

Executive Director Weinstein strongly believes that if NJ TRANSIT is not measuring, it is not managing. However, this initiative is not only about measuring, it is also about helping NJ TRANSIT begin to reform and transform itself. Executive Director Weinstein is confident that the Scorecard initiative will give NJ TRANSIT the ability to make meaningful management decisions on a daily basis and focus on what is most important, a tie-in to the customer experience. Executive Director Weinstein believes that the Scorecard will serve as a springboard for building new confidence and credibility for NJ TRANSIT as the State's public transportation system.

### **RETIREMENT PRESENTATION**

Executive Director Weinstein recognized one of the employees who is retiring this month after an outstanding 42 years of service with NJ TRANSIT and its predecessors. Ida Watson, who has been with NJ TRANSIT from the very beginning and worked in several areas of the agency including Ticket Sales, Payroll, and for the last 19 years the Fixed Asset Division of the Finance Department, is saying farewell after a long career of dedicated service. Executive Director Weinstein thanked her for her commitment to the agency and the customers and wished her well in her retirement.

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### ADVISORY COMMITTEE

Suzanne Mack presented the Advisory Committee report. Ms. Mack said NJ TRANSIT staff is wonderful and echoed their devotion. She said the Advisory Committee had a meeting with the Executive Director and they are very interested in the budget situation. With the recent demise of the Access to the Region's Core project, the Committee is pleased to see all the work being done within the agency and they are interested to see how it will move forward in the future.

Ms. Mack said the Committee heard a good presentation on the alternatives analysis process for the Hudson-Bergen Light Rail Route 440 extension. She said a revitalization is planned for western Jersey City in the vicinity of Route 440.

Ms. Mack said they are planning to have a joint North and South Jersey Advisory Committee in Atlantic City during the Transaction Conference.

### PUBLIC COMMENTS ON AGENDA ITEMS

There were five public comments on agenda items. Acting Board Secretary Zuczek announced a three minute time limit for speakers.

**Orrin Getz, Rockland County and New Jersey Association of Railroad Passengers.** Mr. Getz stated that he was in full support of the Advanced Speed Enforcement System – Positive Train Control board item. He advised the Board that he is happy with the result of the Pascack Valley Line improvements. Mr. Getz reminded the Board that there had been a proposal to operate a siding in Oradell at Golf. The communities had been opposed to it in the past. However, now that there is all-day service on the Pascack Valley Line and operating the siding should be reconsidered. He believes that the communities will now be more accepting of the proposal.

Mr. Getz also stated that NJ TRANSIT should work with MetroNorth to operate through service using Penn Station New York. The football service demonstrates that the service is viable. This type of service would reduce costs and utilize equipment more efficient.

Mr. Getz complimented NJ TRANSIT on My Transit stating that he has found it useful. He also mentioned that he is involved as part of the advisory committee on the I-287/Tappan Zee Bridge study. He thinks that the interface with NJ TRANSIT service is defective and should be re-evaluated.

**Joseph Clift** commented on the Advanced Speed Enforcement System – Positive Train Control board item. He stated that the Federal Railroad Administration requirement is an unfunded mandate and that NJ TRANSIT's safety record is very good. Therefore, he does not think that expending \$155M for these improvements should be required. He said NJ TRANSIT does not have a safety problem and he wonders if this has to be done in a time of fiscal crisis. Mr. Clift questioned whether all of the proposed improvements were necessary.

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Acting Chairman Shevell responded by saying that it would be foolhardy not to do everything the agency could to implement safety measures and said you cannot put a price on safety.

Mr. Clift added that he thought the scorecard concept is a great idea and would be valuable to passengers to find out how their service is performing.

**David Peter Allen, Lackawanna Coalition.** Mr. Allen congratulated Gwen Watson on her retirement and then stated that Joyce J. Zuczek is one of the most helpful people at the agency.

Mr. Allen wished the Agency well with the scorecard and stated that no one has pushed harder than he for transparency. He volunteered to assist in any way.

Regarding the Advanced Speed Enforcement System – Positive Train Control board item, Mr. Allen questioned whether there was any way to meet the requirements less expensively. He stated that NJ TRANSIT should try to get other funding for the implementation.

Finally, Mr. Allen stated that he is involved in a Federal Railroad Administration initiative on temporal separation. He asked whether the installation of Positive Train Control would eliminate the requirements for temporal separation of freight and non-compliant light rail services, thus allowing later light rail service. Kevin O'Connor, Vice President/General Manager, Rail Operations stated that the current rules preclude the concurrent operation. Furthermore, light rail is not considered commuter rail and so is not subject to the requirement for Positive Train Control implementation.

**Murray Bodin** stated that technology has advanced so that his new hearing aids cut down the background noise allowing him to use his mobile phone easily even on railroad platforms. The Positive Train Control system should be able to tell someone who is on the rail platform that a train is coming thus eliminating the need for trains to sound the horns as they enter the station. NJ TRANSIT should start looking at new ways to use technology. Mr. Bodin stated that Governor Christie has taught the world to question the way things have been done in the past.

**James Raleigh** spoke on two issues: First, he looks forward to the new scorecard. He hopes that its implementation will assist with transfers within New Jersey. Mr. Raleigh stated that he always has trouble with getting information for the transfer in Secaucus. The second issue was Mr. Raleigh asked for the distribution of the final agenda well in advance of the meeting.

Executive Director Weinstein presented the following Action Items for approval:

**1103-12:      ADVANCED SPEED ENFORCEMENT SYSTEM II POSITIVE TRAIN CONTROL (ASES II PTC): AWARD OF IMPLEMENTATION CONTRACT**

The 2008 Rail Safety Improvement Act mandates the implementation of a Positive Train Control system on all passenger and freight rail lines by December 2015. NJ TRANSIT's current cab signaling system prevents

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train-to-train collisions at speeds of 20 mph or greater. This new system will extend that protection to trains traveling less than 20 mph and provides more protection for roadway workers, event recorders and integrates with Amtrak and other freight railroads. The implementation of the new positive train control technology will be completed in phases. Phase I will be the development and prototype program, Phase II will be the pilot demonstration program and Phase III will be the systemwide installation, completion and closeout. After a competitive procurement, authorization is requested to contract with Parsons Transportation Group for all three phases of the project at a cost not to exceed \$155,622,970 plus five percent for contingencies.

Joseph Bertoni moved the resolution, Steve Petrecca seconded it and it was unanimously adopted.

**1103-13: TRAIN MANAGEMENT AND CONTROL SYSTEM (TMAC) MAINTENANCE SOLE SOURCE CONTRACT**

All of NJ TRANSIT's train movements systemwide are monitored and controlled by the Train Management and Control System, known as TMAC which was first deployed in 2003 by ARINC, Inc.. Dispatchers use TMAC to align switches and display signals, for real-time control of the high voltage overhead wire system, for remote control of moveable bridges and for passenger announcements on the status of train service. This proprietary technology is the backbone of the rail system. ARINC's maintenance contract for TMAC expires mid-year, and authorization is requested to enter into a sole source contract with ARINC to continue to maintain and support the TMAC system for a period of one year, plus four one-year options at a cost not to exceed \$1,463,287 plus five percent for contingencies.

Steve Petrecca moved the resolution, Joseph Bertoni seconded it and it was unanimously adopted.

**1103-14: TWENTY-FIRST CENTURY RAIL CORPORATION AND FRONTIER-KEMPER/SHEA/BEMO, JOINT VENTURE V. NJ TRANSIT AND PARSONS, BRINCKERHOFF, QUADE & DOUGLAS, INC.: PROPOSED SETTLEMENT OF LITIGATION**

In December 2008, Twenty-First Century Rail Corporation and Frontier-Kemper/Shea Bemo filed a lawsuit against NJ TRANSIT and Parsons Brinckerhoff Quade & Douglas claiming that changes in the scope of work and site conditions resulted in delays to the Hudson-Bergen Light Rail MOS-2 project. As a result of recent settlement discussions, the parties have negotiated an agreement. Authorization is requested to settle the

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litigation between NJ TRANSIT and Twenty-First Century Rail Corporation and Frontier-Kemper/Shea/Bemo for \$18,500,000 including all claims and counterclaims, subject to the availability of funds. No additional contract authorization is required for this settlement.

Steve Petrecca moved the resolution, Joseph Bertoni seconded it and it was unanimously adopted.

There were six public comments on non-agenda items. Acting Board Secretary Zuczek announced a three minute time limit for speakers.

### **PUBLIC COMMENTS ON NON-AGENDA ITEMS**

**Commissioner Walter Jacobs**, Essex County stated that he has had several experiences with buses not waiting for senior citizens. He suggested that bus drivers be given sensitivity training for dealing with senior citizens. He stated that more senior citizens will be riding the system in the future. Mr. Shevell responded that he thought that was a very worthwhile suggestion.

**Joseph Clift** talked about how to make something happen to cross the Hudson River more affordable since Amtrak does not have access to funding sources for their proposed Gateway Tunnel. Mr. Clift and Mr. Raleigh are proposing a Minimum Operable Segment or Phase I that will fit into the Gateway project and that would eventually provide access to the East Side. Mr. Clift stated that the goals of the Minimum Operable Segment would be more reliable service and more capacity with the funding that is available. He suggested that NJ TRANSIT consider maximizing the use of "other people's money" including getting back into the Federal Transit Administration's New Starts Program to obtain the funding forfeited by the cancellation of the Access to the Region's Core project. Mr. Clift requested the opportunity to discuss his proposal.

**James Raleigh** has been discussing the proposal for new trans-Hudson crossings this week at the NJTPA, the Senate Budget Committee meeting and the Assembly Budget Committee meeting. He is also still advocating for the Middlesex-Ocean project, eliminating Monmouth from further consideration. Mr. Raleigh stated that the project has been "studied to death" and that NJ TRANSIT should start looking at the mitigation efforts as well as identifying the funding required to start construction.

Regarding trans-Hudson rail capacity, Mr. Raleigh stated that two new tunnels are needed for growth as well as operational flexibility. There is also a need for a new two-track bridge over the Hackensack River. He urged agency cooperation.

**David Peter Allen** stated that a member of the New Jersey Association of Railroad Passenger rides the North Jersey Coast Line to the Lackawanna Coalition meetings and requested that he call the Board's attention to the lack of North Jersey Coast Line trains that stop at Rahway, thus making connections to the Northeast difficult. He complimented NJ TRANSIT on the service improvements on the Raritan Valley Line on Sunday.

(NJT Board – 03/09/2011)

Mr. Allen stated that Governor Christie's proposed \$42.5M increase in NJ TRANSIT's operating subsidy should be given back to the riders in the form of restoration of service cuts, particularly on the Morris & Essex Line, and in off-peak fares. NJ TRANSIT riders deserve a break and restoring the reduced off-peak fares would encourage riders to use rail service when capacity is not an issue. He also recommended that peak fares to Penn Station New York be raised and those to Hoboken reduced so that riders would divert to services that have capacity.

**Murray Bodin** complimented the Executive Director on the strides the agency is making in distributing information to transit users. He stated that NJ TRANSIT is a leader in the way information is provided.

**Albert Papp Jr.** read a letter that the New Jersey Association of Railroad Passengers sent to US Department of Transportation Secretary Ray LaHood regarding Florida's refusal of federal High Speed Rail funds. He stated that the Executive Director and Transportation Commissioner should advise Governor Christie that these funds are available.

### **ADJOURNMENT**

Acting Chairman Shevell recognized Gwen Watson's distinguished 30 year career at NJ TRANSIT. He thanked her for her years of service and hopes she enjoys her retirement.

Since there were no further comments or business, Acting Chairman Shevell called for adjournment and a motion to adjourn was made by Johanna Jones, seconded by Joseph Bertoni and unanimously adopted. The meeting was adjourned at approximately 10:03 a.m.

**NEW JERSEY TRANSIT CORPORATION  
 NJ TRANSIT BUS OPERATIONS, INC.  
 NJ TRANSIT RAIL OPERATIONS, INC.  
 NJ TRANSIT MERCER, INC.  
 NJ TRANSIT MORRIS, INC.  
 REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS**

**MARCH 9, 2011**

<b>MINUTES</b>	<b>PAGE</b>
➤ <b>APPROVAL OF MINUTES OF PREVIOUS MEETINGS</b>	<b>43053</b>
➤ <b>EXECUTIVE DIRECTOR'S MONTHLY REPORT</b>	<b>43054</b>
➤ <b>ADVISORY COMMITTEE REPORTS</b>	-
➤ <b>PUBLIC COMMENTS ON AGENDA ITEMS</b>	-

**ACTION ITEMS**

<b>1103-12</b>	<b>ADVANCED SPEED ENFORCEMENT SYSTEM II POSITIVE TRAIN CONTROL (ASES II PTC): AWARD OF IMPLEMENTATION CONTRACT</b>	<b>43068</b>
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Authorization to contract (No. 10-099X) with Parsons Transportation Group of New York, New York, for Phases I, II and III of the ASES II PTC Program, plus Options, at a cost not to exceed \$155,622,970, plus five percent for contingencies, subject to the availability of funds.

<b>1103-13</b>	<b>TRAIN MANAGEMENT AND CONTROL SYSTEM (TMAC) MAINTENANCE SOLE SOURCE CONTRACT</b>	<b>43071</b>
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Authorization to enter into a sole source contract with ARINC, Inc. of Annapolis, Maryland, in accordance with Executive Order No. 37 and NJ TRANSIT Procurement Regulations N.J.A.C. 16:72-1.6, to provide technical services to maintain and support the Train Management and Control System for a period of one year, plus four one-year options at a cost not to exceed \$1,463,287, plus five percent for contingencies, subject to the availability of funds.

NEW JERSEY TRANSIT CORPORATION  
NJ TRANSIT BUS OPERATIONS, INC.  
NJ TRANSIT RAIL OPERATIONS, INC.  
NJ TRANSIT MERCER, INC.  
NJ TRANSIT MORRIS, INC.  
REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS  
MARCH 9, 2011  
MINUTES  
PAGE 2

**1103-14 TWENTY-FIRST CENTURY RAIL CORPORATION AND FRONTIER-  
KEMPER/SHEA/BEMO, JOINT VENTURE V. NJ TRANSIT AND PARSONS,  
BRINCKERHOFF, QUADE & DOUGLAS, INC.: PROPOSED SETTLEMENT  
OF LITIGATION 43074**

Staff seeks authorization to settle the litigation between NJ TRANSIT and Twenty-First Century Rail Corporation and Frontier-Kemper/Shea/BEMO, Joint Venture, for \$18,500,000, including all claims and counterclaims (Contract 96CT001), subject to the availability of funds. No additional contract authorization is required for this settlement; therefore, the total contract authorization remains \$2,594,047,922 plus annual adjustments as set forth in the contract.

**PUBLIC COMMENTS ON NON-AGENDA ITEMS**

**APPROVAL OF MINUTES**

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

**WHEREAS**, pursuant to Section 4(f) of the New Jersey Public Transportation Act of 1979, the minutes of actions taken at the February 9, 2011, Board meetings of the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. were forwarded to the Governor on February 11, 2011;

**NOW, THEREFORE, BE IT RESOLVED** that the minutes of actions taken at the February 9, 2011 New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. Board of Directors' meetings are hereby approved.

**Chris Christie**, Governor  
**Kim Guadagno**, Lieutenant Governor  
**James S. Simpson**, Board Chairman  
**James Weinstein**, Executive Director

**NJ TRANSIT**  
One Penn Plaza East  
Newark, NJ 07105-2246  
973-491-7000

TO: BOARD OF DIRECTORS  
FROM: JAMES W. WEINSTEIN  
DATE: MARCH 9, 2011  
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – MARCH 2011

Today NJ TRANSIT is unveiling a new initiative that will provide the public with a measurement of how the corporation is performing. Called the "Scorecard," this initiative will use metrics to set corporate-wide standards of accountability and create transparency for the public, helping us make strategic decisions to maximize our resources as well as illustrating how we are managing our commitment to excellence. As a public document, for the first time, the Scorecard will provide the taxpayers of New Jersey and our customers alike a clear window into how we are performing. By committing to this effort, NJ TRANSIT will hold up the Scorecard as the standard by which we get measured by the people who use our system every day. In addition, the Scorecard will show the agency's strengths and weaknesses, providing clear insight into where NJ TRANSIT needs to improve in order to provide a greater return to the taxpayer. To support this effort, we are currently developing a system of metrics to provide a baseline for measuring NJ TRANSIT's performance in the areas of customer satisfaction, safety and security, financial health and service accountability.

The baseline will also incorporate information gathered from quarterly customer surveys, marking the first time in NJ TRANSIT history that the agency will be conducting systemwide customer satisfaction surveys on a regular, ongoing basis. We intend for the Scorecard to be a living, breathing document, one that requires customer input to feed it and make it work. To that end, we are putting out a call to action for our customers, encouraging them to get involved and let us know about their experiences riding our system. Starting today, customers may pre-register at [njtransit.com](http://njtransit.com) for the first customer survey, which will be conducted in April.

While the metrics are still being finalized, the agency's measure of customer service will include customer satisfaction ratings for NJ TRANSIT services and other measures such as the average time it takes to process a customer inquiry, and on-time performance for the system's bus, rail and light rail lines and Access Link service. Our measure of safety and security will take into account statistics compiled by the NJ TRANSIT Police Department. We also will measure the agency's financial health by including data on budget variance, pension liability coverage, farebox recovery and operating subsidy per customer. Service and accountability will be measured in terms of revenue per hour, ridership, fare stability, and Disadvantaged and Small Business Enterprise goals.

To support the Scorecard effort, NJ TRANSIT will also look at performance by department using Key Operating Measures or Department Performance Indicators to provide essential information on a daily, monthly and quarterly basis to department heads. This information is intended to provide a comprehensive picture of how NJ TRANSIT is functioning, as well as to provide employees of each department with a clear sense of how they can individually succeed and support the broader goals of NJ TRANSIT.

As a public transportation agency, effective management comes from measuring ourselves in critical areas so that we can best serve our customers, who in turn provide the ultimate measure of our performance. I strongly believe that if we aren't measuring, we aren't managing. I am confident that the Scorecard initiative will give us the ability to begin to reform and transform ourselves so that we can make meaningful management decisions on a daily basis and focus on what is most important, giving us a tie-in to the customer experience. We also believe that the Scorecard will serve as a springboard for building new confidence and credibility for NJ TRANSIT as the State's public transportation system.

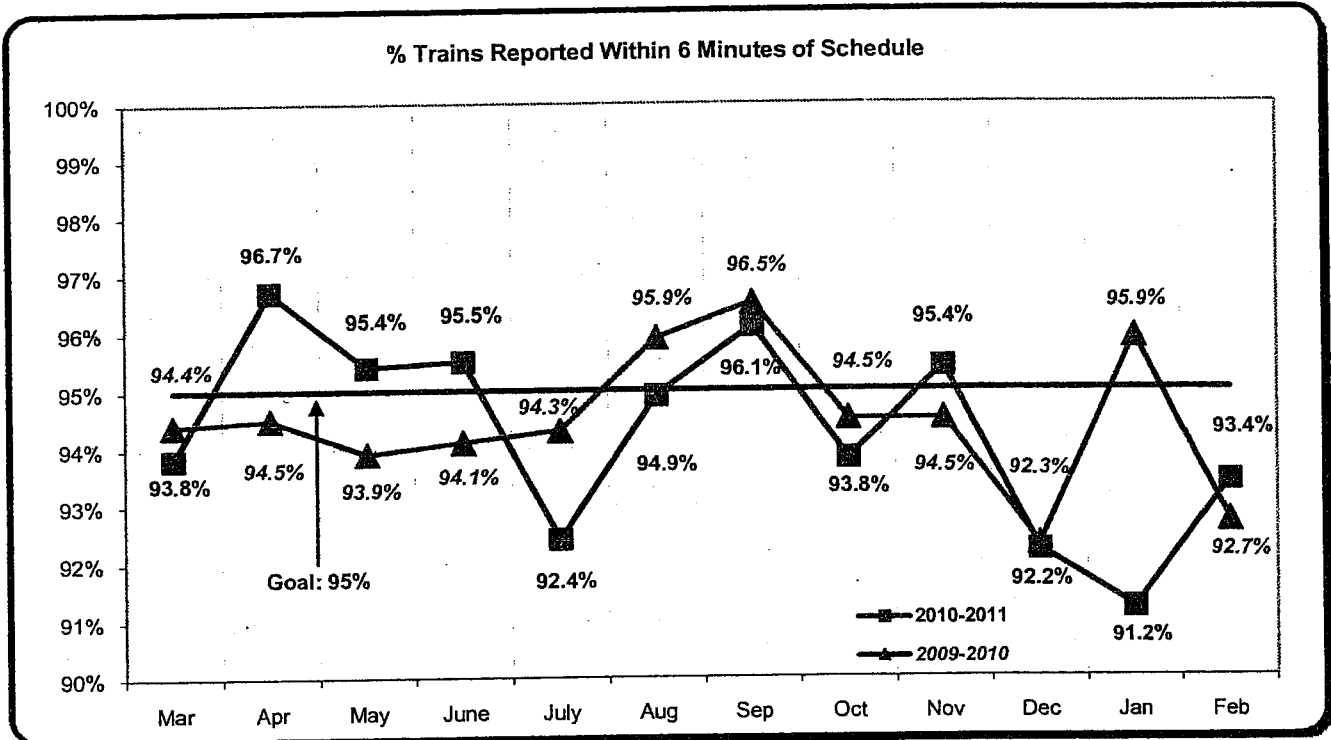
NJ TRANSIT will launch the Scorecard in July to coincide with the corporation's new Fiscal Year 2012. Scorecard results will be reported and updated quarterly on [njtransit.com](http://njtransit.com).

# **EXECUTIVE DIRECTOR'S MONTHLY REPORT MARCH 2011**

- 1. PERFORMANCE MEASURES**
- 2. DBE/MBE PROGRAM**
- 3. EMPLOYEE RECOGNITION**

# **PERFORMANCE MEASURES**

# NJ TRANSIT ON-TIME PERFORMANCE RAIL MARCH 2009 - FEBRUARY 2011



	2010	2011	# Change
February Comparison	92.7%	93.4%	0.7%

	2009-2010	2010-2011	# Change
12-Month Average March - February	94.5%	94.2%	-0.3%

**Analysis:**

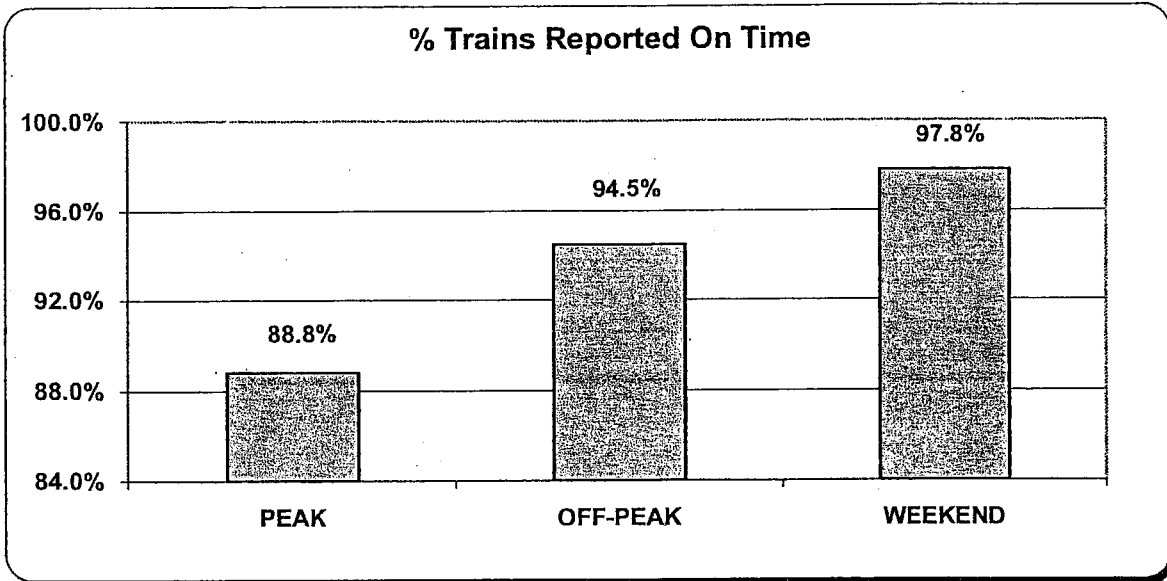
Rail On-Time Performance was 93.4% for February 2011. Of the 16,552 trains scheduled to operate, 15,465 were on time, while 1,087 trains (or 6.6%) were delayed. Key causes included:

- Weather conditions and equipment failure on February 2.
- Amtrak disabled train on February 7.
- Portal Bridge opening for marine traffic and equipment issues on February 22.

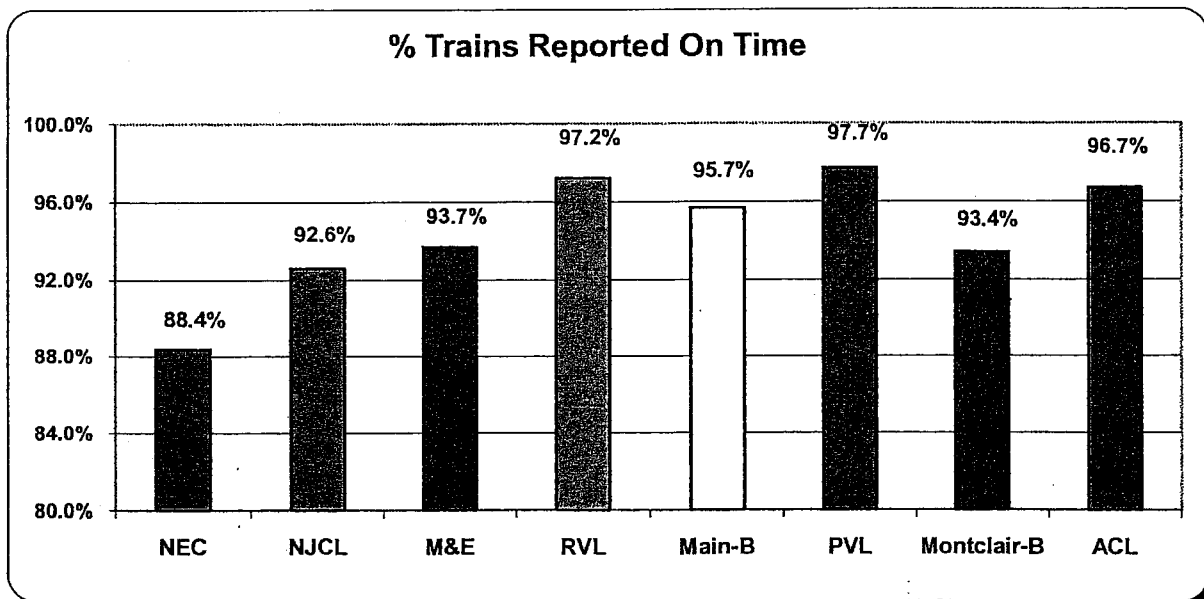
The 12-month average for Rail On-Time Performance for March 2010 - February 2011 was 94.2%.

# ON-TIME PERFORMANCE RAIL

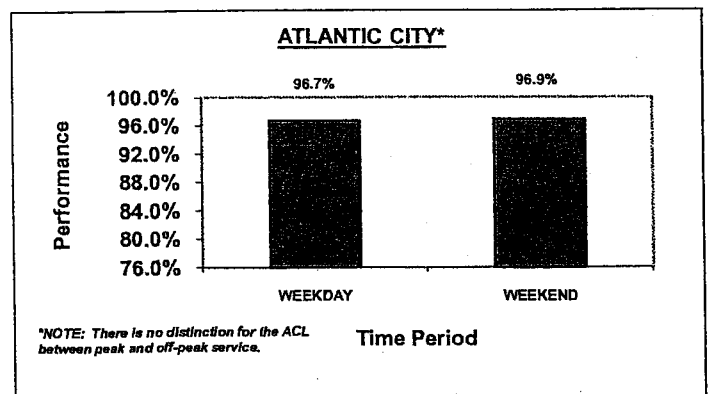
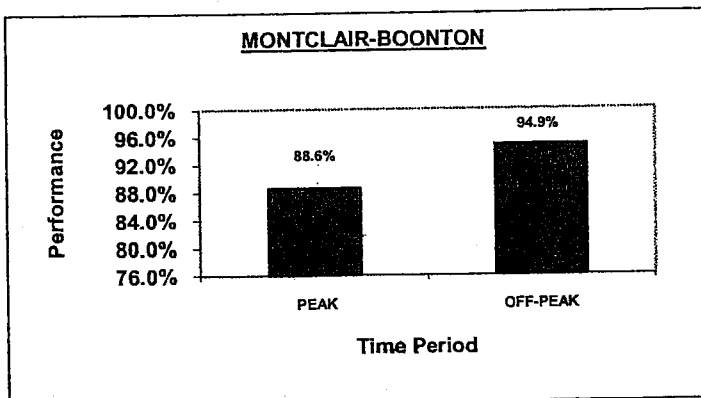
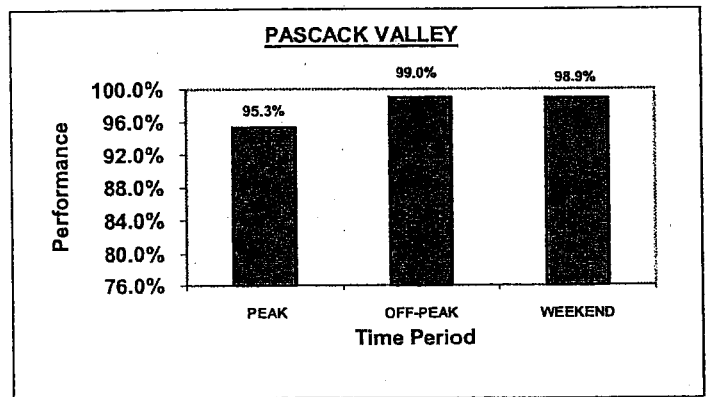
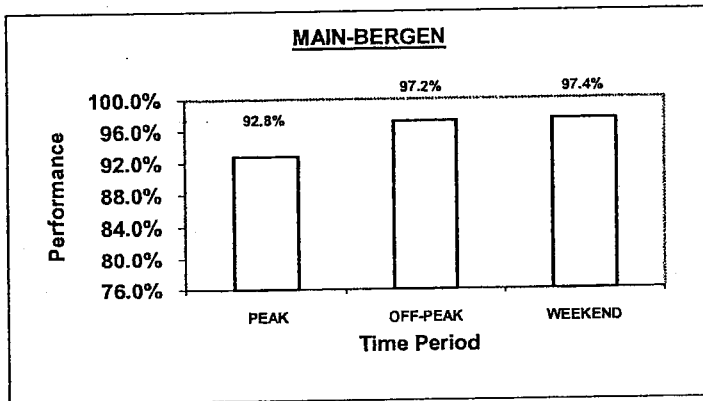
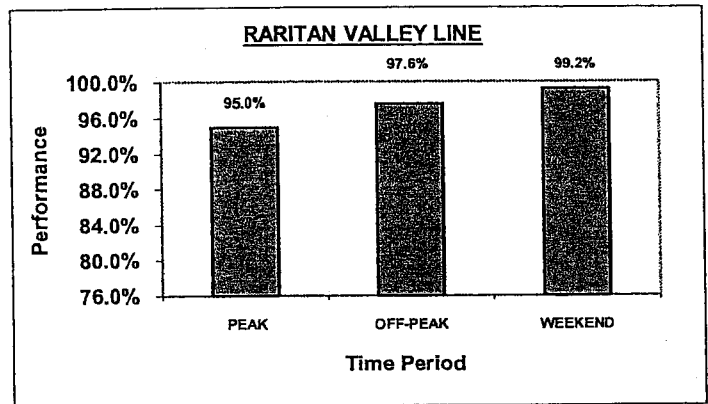
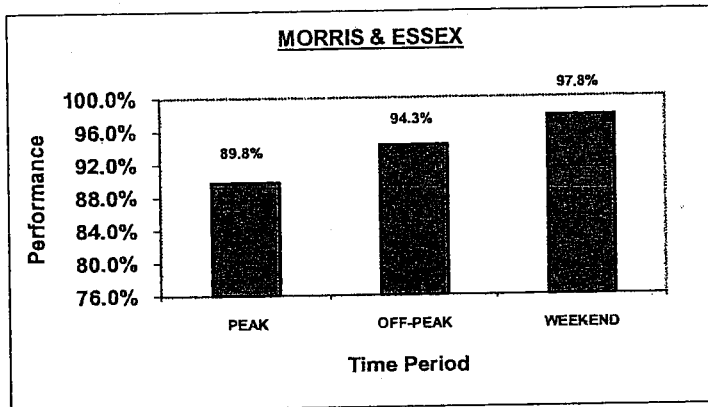
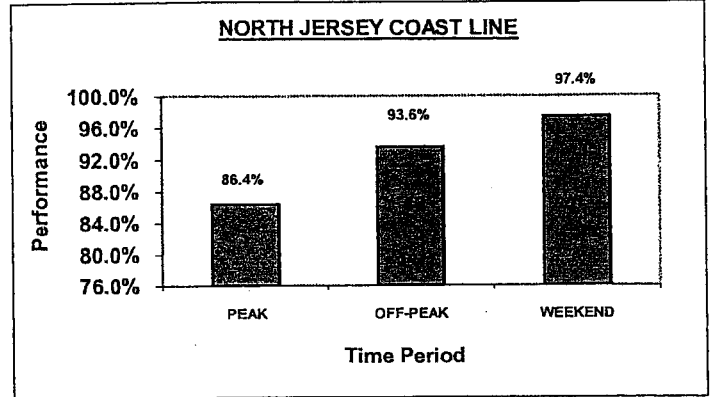
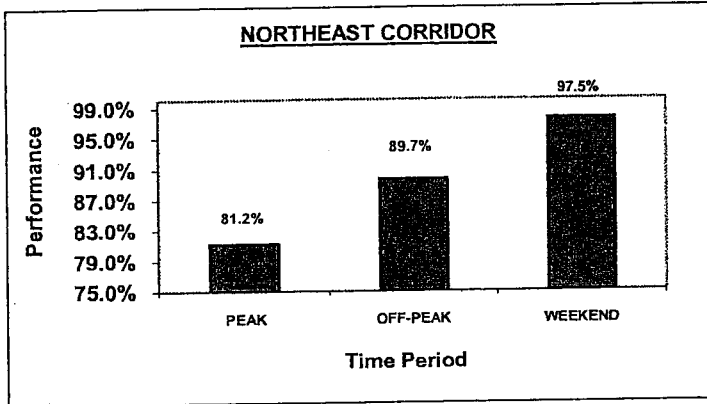
## SUMMARY BY TIME PERIOD FEBRUARY 2011



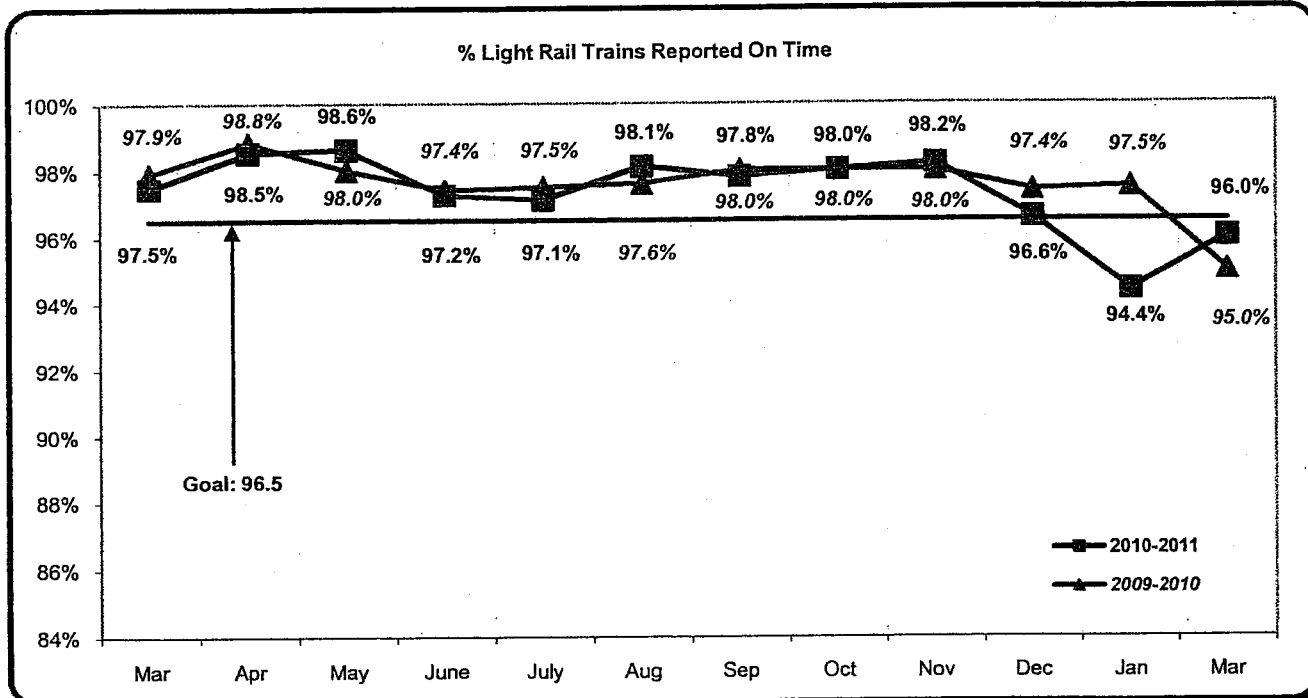
## SUMMARY BY LINE FEBRUARY 2011



# ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD FEBRUARY 2011



## NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL - SYSTEMWIDE MARCH 2009 - FEBRUARY 2011



\*Note: Starting May 2007

	2010	2011	# Change
February Comparison	95.0%	96.0%	1.0%

	2009-2010	2010-2011	# Change
12-Month Average March - February	97.6%	97.3%	-0.3%

**Analysis:**

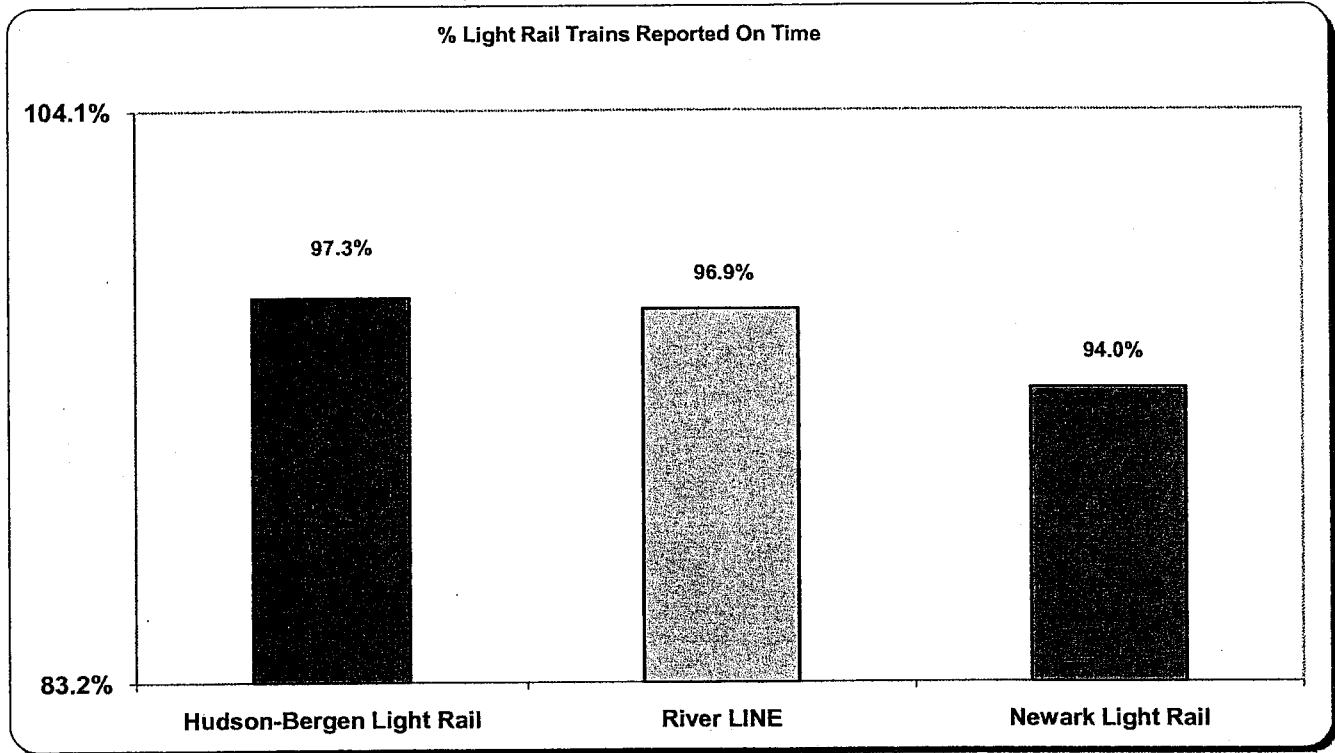
Light Rail On-Time Performance systemwide was 96.0% for the month of February 2011. Of the 24,291 scheduled trains, 997 (or 4.0%) experienced delays. Key causes included:

- Weather conditions impacting Newark Light Rail trains on February 1.
- Major ice storm delaying HBLR service on February 2.
- Switch failure delaying River Line trains on February 7.

The 12-month average for Light Rail On-Time Performance for March 2010 - February 2011 was 97.3%.

# ON-TIME PERFORMANCE LIGHT RAIL

## SUMMARY BY LINE FEBRUARY 2011



# **DBE/MBE PROGRAM**

NJ TRANSIT – Office of Business Diversity DBE/SBE Participation

Federally Funded Contracts

\$536,154 in federal funds were awarded October through February of FY 11.\* Disadvantaged Business Enterprises (DBEs) were not awarded any federal-funded contract dollars during this period from either race conscious and race neutral awards.

State Funded Contracts

\$26,190,945 in state-funded contract dollars were awarded July through February FY 11. \*\* Of that total, Small Business Enterprises (SBEs) received \$6,137,422 or 23.4 percent. Category 1 SBEs received \$438,140 or 1.7 percent. Category 2 SBEs received \$1,701,307 or 6.5 percent. Category 3 SBEs received \$31,351 or 0.1 percent. Category 4 SBEs received \$559,463 or 2.1 percent. Category 5 SBEs received \$3,407,161 or 13 percent. Category 6 SBEs received \$0 or 0 percent.\*\*\*

Federal & State Contracts Total

\$26,727,099 in federal and state contract dollars were awarded by NJ TRANSIT during this reporting period. Of that total, \$6,137,422 or 23 percent of federal and state contract dollars was won by DBEs and SBEs.

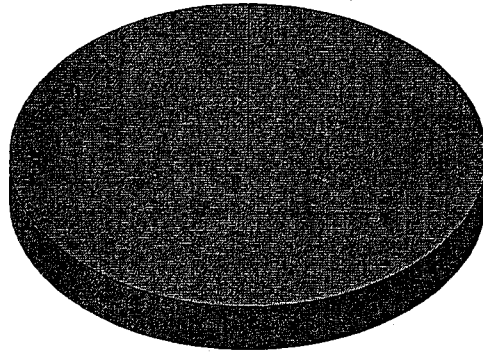
\*Fiscal year beginning October 1, 2010

\*\*Fiscal year beginning July 1, 2010

\*\*\*Cat 1-Less than \$500,000 gross revenues, Cat 2-Less than \$5 million, Cat 3-Less than \$12 million, Cat 4 (construction)-Less than \$1 million, Cat 5 (construction)-Less than \$17,420,000, Cat 6 (construction)-Up to \$33.5 million

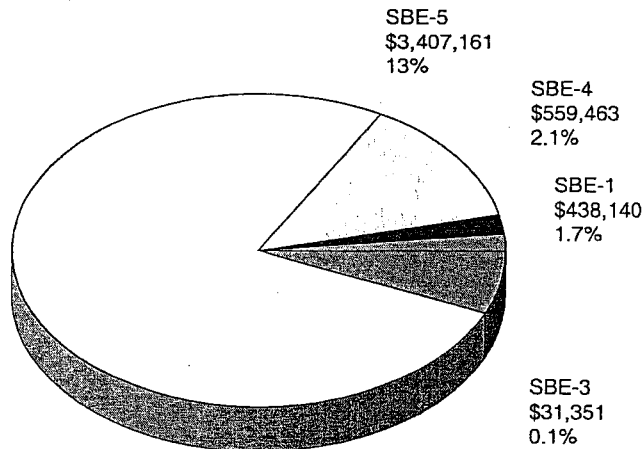
**DBE PARTICIPATION  
FEDERAL CONTRACTS  
FEDERAL FYTD (THROUGH FEBRUARY FY11)\***

NON-DBE  
FEDERAL  
\$536,154  
100%



**SBE PARTICIPATION  
STATE CONTRACTS  
STATE FYTD (THROUGH FEBRUARY FY11)\*\***

NON-SBE STATE  
\$20,053,523  
76.6%



**Fiscal Year Beginning October 1, 2010\***  
**Fiscal Year Beginning July 1, 2010\*\***  
(This report covers contracts above \$29,000)

# **EMPLOYEE RECOGNITION**

**NJ TRANSIT employees bid farewell after outstanding careers**

Nineteen NJ TRANSIT employees retired in February with careers ranging from 13 to 32 years of service:

1. Palmer B. Bethea (Matawan) Principal Rail Operations Planner, Penn Plaza – 32 years
2. Jeannine Brown (Somers Point) Bus Operator, Egg Harbor Township – 29 years
3. Phillip Kresefski (Branchburg) Lead Mail Clerk, General Office Building – 29 years
4. Phillip H. McQuellen, Jr. (Berkeley Heights) Depot Master, Big Tree Garage – 29 years
5. David R. Scott, Jr. (Hillside) Bus Operator, Orange Garage – 29 years
6. Ricardo Merino (Union Beach) Mechanic, Meadowlands Garage – 28 years
7. Hortesia Ochoa (West New York) Cleaner, Meadowlands Garage – 28 years
8. Stanley E. Zdanowicz (South Amboy) Manager Signal Design, Penn Plaza – 28 years
9. Edward J. Bogin (Bayonne) Repairman “A,” Meadowlands Garage – 25 years
10. John E. Hosey (Teaneck) Bus Operator, Meadowland Garage – 25 years
11. Vincent Marino (North Bergen) Depot Clerk “A,” Meadowlands Garage – 25 years
12. Lenora Eady (Newark) Bus Operator, Orange Garage – 24 years
13. Willis M. Williams (Paterson) Bus Operator, Wayne Garage – 24 years
14. Novella L. Turner (Camden) Bus Operator, Newton Avenue – 21 years
15. Alfonso A. Hernandez (Union City) Bus Operator, Meadowlands Garage – 20 years
16. Stephen J. Pepper (Waldwick) Field Salary Inspector “A,” Wayne Garage – 20 years
17. Felix Thomas (Jersey City) Bus Operator, Greenville Garage – 19 years
18. Yvonne Sterling (Paterson) Depot Master, Market Street Garage – 15 years
19. Edwin R. Rivera (Newark) Bus Operator, Big Tree Garage – 13 years

# **ACTION ITEMS**

**ITEM 1103-12:      ADVANCED SPEED ENFORCEMENT SYSTEM II POSITIVE  
TRAIN CONTROL (ASES II PTC):      AWARD OF  
IMPLEMENTATION CONTRACT**

**BENEFITS**

The Rail Safety Improvement Act of 2008 became Federal law, mandates the implementation of a Positive Train Control (PTC) system on all passenger and Class I freight rail lines by the end of December 2015. In early 2010, the Federal Railroad Administration (FRA) promulgated new performance-based regulations to address the statutory requirements and establish guidelines for railroads that must install PTC systems.

NJ TRANSIT is now required to implement PTC on all its commuter rail lines in addition to the existing cab signaling system that is currently in operation. NJ TRANSIT's PTC system will incorporate the existing cab signaling technology to achieve improved safety and regulatory compliance. This system, known as the Advanced Speed Enforcement System II (ASES II), will provide interoperability with Amtrak's NEC Advanced Civil Speed Enforcement System II technology and the freight-based Vital Electronic Train Management System as required by Federal Regulations.

**PURPOSE**

The implementation of the ASES II PTC system will be achieved in planned phases of a comprehensive program that includes: development, prototype testing, a pilot demonstration project, systemwide installation, testing, commissioning, and training; and, assist NJ TRANSIT with PTC document submissions to the FRA in fulfillment of regulatory requirements and in accordance with FRA-mandated deadlines.

The authorization of this contract will initiate work on the ASES II PTC Phase I (PTC Development and Prototype program). Upon successful completion of Phase I, the Contractor will proceed with Phase II (PTC Pilot Demonstration Program) and Phase III (PTC Systemwide Installation, Completion and Closeout).

The scope of work also includes options for modification of MetroNorth vehicles; modification to existing NJ TRANSIT vehicles to accommodate a new ASES II PTC Engineer's display unit; furnishing ASES II PTC wayside equipment to MetroNorth for installation on the Southern Tier and interface with NJ TRANSIT's Rail Operations Center; provision of ASES II PTC on the Lehigh Line portion of the Raritan Valley Line; and, an extended warranty for the ASES II PTC system.

**ACTION (Justification: Mandate)**

Staff requests authorization to contract (No. 10-099X) with Parsons Transportation Group of New York, New York, for Phases I, II and III of the ASES II PTC Program, plus Options, at a cost not to exceed \$155,622,970, plus five percent for contingencies, subject to the availability of funds.

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

**FISCAL IMPACTS**

**Requested Authorization:** \$ 155,622,970 + 5% contingency

**Total Project Cost:** \$ 225,000,000

**Projected Date of Completion:** December 2016

**Anticipated Source of Funds:** Transportation Trust Fund  
MetroNorth

**Diversity Goal:** 10% DBE

**NJ Build Amount:** NA

**Future/Related Authorizations:** Additional Engineering Support for ASES II PTC  
Implementation Contract Phase III  
Additional Engineering Support for ASES II PTC  
Implementation Contract Options  
Acquisition of 220 MHz Radio Frequency Spectrum

**Impact on Subsequent Operating Budget:** \$ 4,000,000 annually

**RESOLUTION**

**WHEREAS**, the Rail Safety Improvement Act of 2008 mandates the implementation of a Positive Train Control (PTC) system on all NJ TRANSIT commuter rail lines by the end of December 2015; and

**WHEREAS**, NJ TRANSIT has identified a program to implement the Advanced Speed Enforcement System II Positive Train Control (ASES II PTC) system as essential to complying with this requirement; and

**WHEREAS**, after the completion of a two-step competitive procurement process, it was determined that Parsons Transportation Group submitted the lowest responsive, responsible bid;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to contract (No. 10-099X) with Parsons Transportation Group of New York, New York, for Phases I, II and III of the ASES II PTC Program, plus Options, at a cost not to exceed \$155,622,970, plus five percent for contingencies, subject to the availability of funds.

**ITEM 1103-13: TRAIN MANAGEMENT AND CONTROL SYSTEM (TMAC)  
MAINTENANCE SOLE SOURCE CONTRACT**

**BENEFITS**

NJ TRANSIT's Train Management and Control System (TMAC) monitors and controls the movement of trains systemwide. It is the technology backbone of New Jersey's commuter rail system without which rail service could not be operated.

Train dispatchers use the TMAC system to align switches and display signals to provide a clear and safe route for trains. The TMAC system also provides real-time control of the high-voltage electric overhead wire system, remote control of moveable bridges, and automated passenger announcements on the status of train service. Since its deployment in 2003, the TMAC system has performed at an availability rate of 99.99 percent.

This mission-critical system was previously designed and implemented by ARINC, Inc. of Annapolis, Maryland following a competitive procurement process. NJ TRANSIT has contracted with the same vendor to provide ongoing system maintenance for this proprietary, highly-specialized train management system. The proposed maintenance contract will continue to ensure the system is maintained for a high-degree of reliability and will provide technical support for system improvements when needed.

**PURPOSE**

NJ TRANSIT holds licenses with ARINC, Inc. of Annapolis, Maryland for the TMAC system to provide for control of train movements, power distribution, remote control of moveable bridges, and automated passenger announcements. The vendor also provides annual maintenance of the system. The current contract will expire in mid-2011 and renewal of the maintenance contract will ensure the proper maintenance support and continued correction of latent defects and miscellaneous minor improvements as circumstances dictate.

**ACTION (Justification: Safety, Customer Service and Business Efficiency)**

Staff seeks authorization to enter into a sole source contract with ARINC, Inc. of Annapolis, Maryland, in accordance with Executive Order No. 37 and NJ TRANSIT Procurement Regulations N.J.A.C. 16:72-1.6, to provide technical services to maintain and support the Train Management and Control System for a period of one year, plus four one-year options at a cost not to exceed \$1,463,287, plus five percent for contingencies, subject to the availability of funds.

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

**FISCAL IMPACTS**

**Requested Authorization:** \$1,463,287 + 5% for contingencies

**Total Project Cost:** \$1,536,452

**Diversity Goals:** N/A

**Related/Future Authorizations:** Request for professional services to review and develop TMAC system for additional functions; Request for future maintenance services

**Impacts on Subsequent Operating Budgets:** \$307,300 annually (estimated) consistent with current annual budget allocations for these services

**RESOLUTION**

**WHEREAS**, NJ TRANSIT's Train Management and Control System (TMAC) monitors and controls the movement of trains systemwide and is the technology backbone of New Jersey's commuter rail system without which rail service could not be operated; and

**WHEREAS**, train dispatchers use the TMAC system to align switches and display signals to provide a clear and safe route for trains; and

**WHEREAS**, the TMAC system also provides real-time control of the high-voltage electric overhead wire system, remote control of moveable bridges, and automated passenger announcements on the status of train service; and

**WHEREAS**, the reliability of TMAC has been excellent and the proposed maintenance contract will continue to ensure the system is maintained for a high-degree of reliability and will provide technical support for system improvements when needed;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to enter into a sole source contract with ARINC, Inc. of Annapolis, Maryland, in accordance with Executive Order No. 37 and NJ TRANSIT Procurement Regulations N.J.A.C. 16:72-1.6, to provide technical services to maintain and support the Train Management and Control System for a period of one year, plus four one-year options at a cost not to exceed \$1,463,287, plus five percent for contingencies, subject to the availability of funds.

**ITEM 1103-14: TWENTY-FIRST CENTURY RAIL CORPORATION AND FRONTIER-KEMPER/SHEA/BEMO, JOINT VENTURE V. NJ TRANSIT AND PARSONS, BRINCKERHOFF, QUADE & DOUGLAS, INC.: PROPOSED SETTLEMENT OF LITIGATION**

**BENEFITS**

In November 2000, NJ TRANSIT and Twenty-First Century Rail Corporation (TFCRC), comprised of Raytheon Infrastructure, Inc. (now URS Energy & Construction, Inc.) and Kinkyshario-Itochu, executed a change order to the existing contract to design, build, operate, and maintain the Hudson-Bergen Light Rail (HBLR) MOS-2 project. The new scope of work included the extension of the HBLR an additional six miles. Part of this scope involved widening the existing Weehawken rail tunnel, constructing an underground station and an at-grade entrance plaza and supporting facilities, referred to as the N30 work. Parsons, Brinckerhoff, Quade & Douglas (PB) performed the N30 final design as part of their General Design Consultant contract with NJ TRANSIT. TFCRC awarded a subcontract to Frontier-Kemper/Shea/BEMO (FKSB) to construct the N30 work designed by PB.

In December 2008, TFCRC/FKSB filed suit against NJ TRANSIT and PB, claiming that design changes by PB, changed site conditions, and changes to the scope of work directed by NJ TRANSIT resulted in delays to the project with associated increased costs. TFCRC/FKSB is seeking \$116,791,196 including interest.

The litigation has been progressing under a court-ordered case management schedule. Paper discovery as well as e-mail discovery have been completed and depositions have begun.

During the past six months NJ TRANSIT and TFCRC/FKSB have been in settlement discussions and have agreed to settle the claims between them. The proposed Settlement Agreement provides that NJ TRANSIT will pay TFCRC/FKSB \$18,500,000 to settle all claims and counterclaims. All TFCRC warranty obligations under the contract remain unchanged and in place through the end of the operate-maintain period.

**PURPOSE**

The Attorney General's Office approved the terms of this settlement and Board authorization is required to settle all claims resulting from the MOS-2 portion of the contract.

**ACTION**

Staff seeks authorization to settle the litigation between NJ TRANSIT and Twenty-First Century Rail Corporation and Frontier-Kemper/Shea/BEMO, Joint Venture, for \$18,500,000, including all claims and counterclaims (Contract 96CT001), subject to the availability of funds. No additional contract authorization is required for this settlement; therefore, the total contract authorization remains \$2,594,047,922 plus annual adjustments as set forth in the contract.

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

**FISCAL IMPACTS**

**Requested Authorization:** Settlement of Claim with no increase in contract authorization

**Total Project Cost:** \$ 1,152,790,000 (MOS-2 and Grade Separations, includes litigation)

**Projected Date of Completion:** N/A

**Anticipated Source of Funds:** Transportation Trust Fund (for claim settlement)

**Diversity Goal:** NA

**NJ Build Amount:** NA

**Related/Future Authorizations:** None

**Impacts on Subsequent Operating Budgets:** None

## RESOLUTION

**WHEREAS**, Twenty-First Century Rail Corporation and Frontier-Kemper/Shea/BEMO have filed suit seeking to recover \$116,791,196 for claims, including interest, as a result of its work as the design-build-operate-maintain contractor for the N30 portion of the Hudson Bergen Light Rail MOS-2 project; and

**WHEREAS**, litigation commenced on December 5, 2008 and has been progressed under court-ordered case management; and

**WHEREAS**, as a result of recent settlement discussions the parties have negotiated a settlement agreement which will settle this litigation, and all outstanding claims and counterclaims, on terms and conditions that staff believes are in the best interests of NJ TRANSIT;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to settle the litigation between NJ TRANSIT and Twenty-First Century Rail Corporation and Frontier-Kemper/Shea/BEMO, Joint Venture, for \$18,500,000, including all claims and counterclaims (Contract 96CT001), subject to the availability of funds. No additional contract authorization is required for this settlement; therefore, the total contract authorization remains \$2,594,047,922 plus annual adjustments as set forth in the contract.

**Chris Christie, Governor**  
**Kim Guadagno, Lieutenant Governor**  
**James S. Simpson, Board Chairman**  
**James Weinstein, Executive Director**

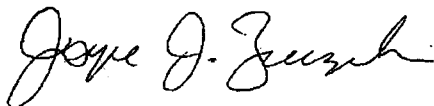
**N TRANSIT**  
One Penn Plaza East  
Newark, NJ 07105-2246  
973-491-7000

March 11, 2011

Dear Governor Christie:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the regularly scheduled meetings of the New Jersey Transit Corporation, NJ Transit Rail Operations, Inc., NJ Transit Bus Operations, Inc., NJ Transit Mercer, Inc., and NJ Transit Morris, Inc. Board of Directors held on Wednesday, March 9, 2011.

Sincerely,



Joyce J. Zuczek  
Acting Board Secretary

Enclosures

Honorable Chris Christie  
Governor, State of New Jersey  
State House  
Trenton, NJ 08625

