

Jon S. Corzine
Governor

Stephen Dilts
Board Chairman

Richard R. Sarles
Executive Director



May 15, 2009

Dear Governor Corzine:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the regularly scheduled meetings of the New Jersey Transit Corporation, NJ Transit Rail Operations, Inc., NJ Transit Bus Operations, Inc., and NJ Transit Mercer, Inc. Board of Directors held on Wednesday, May 13, 2009.

I certify that the open session minutes are true and correct.

Sincerely,

A handwritten signature in black ink, appearing to read "Gwen A. Watson". The signature is fluid and cursive, with a large initial "G" and "W".

Gwen A. Watson
Board Secretary

Enclosures

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

Minutes of the actions taken at the Open Session of the regularly scheduled Board of Directors' meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc. and NJ TRANSIT Mercer, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Wednesday, May 13, 2009.

Present:

Stephen Dilts, Chairman
Myron P. Shevell, Vice Chairman
James A. Carey, Jr., Governor's Representative
Patrick O'Connor, Treasurer's Representative
Kenneth E. Pringle
Susan L. Hayes

Richard R. Sarles, Executive Director
Gwen A. Watson, Board Secretary
H. Charles Wedel, Chief Financial Officer & Treasurer
Lynn Bowersox, Assistant Executive Director, Communications & Customer Service
James Gigantino, Vice President & General Manager, Bus Operations
William Duggan, Vice President & General Manager, Rail Operations
Steve Santoro, Assistant Executive Director, Capital Planning and Programs
Alma Scott-Buczak, Assistant Executive Director, Human Resources
Leotis Sanders, Vice President, Diversity
Warren A. Hersh, Auditor General
Kenneth Worton, Deputy Attorney General

Chairman Stephen Dilts convened the Open Session at 9:15 a.m. in accordance with the Open Public Meetings Act and asked for a motion to enter Executive Session to discuss contract negotiations and attorney-client, litigation and personnel matters. A motion was made by Patrick O'Connor, seconded by James A. Carey and unanimously adopted.

Chairman Stephen Dilts reconvened the Open Session at 10:15 a.m. and asked for a motion to adopt the minutes of the April 8, 2009 meeting. A motion was made by Patrick O'Connor and seconded by Kenneth E. Pringle and adopted.

Executive Director Richard R. Sarles highlighted the following from his monthly business report.

Mass Transit Tunnel

Executive Director Sarles said he received great news last week for federal support of the Mass Transit Tunnel. Executive Director Sarles acknowledged the hard work of Governor Corzine and the Congressional delegation, especially Senators Frank Lautenberg and Robert Menendez, with President Obama and Vice President Biden, to include \$200 million in funding for the project in the President's Fiscal Year 2010 budget proposal.

More important is that the project is being recommended for an Early Systems Work Agreement, which demonstrates the decision by the federal government to commit long-term federal support. Executive Director Sarles explained that an Early Systems Work Agreement means that a project has the full backing of the federal government. In addition, he said, just yesterday a Letter of No Prejudice for the project was received from the Federal Transit Administration.

Executive Director Sarles said NJ TRANSIT is in an "all systems go" mode that makes it all the more appropriate today for the Board to consider approval of the first construction contract for the Mass Transit Tunnel. From brainstorming sessions 14 years ago, leading to scores of ideas on how to meet increasing trans-Hudson ridership demand, to today we are standing ready to put shovels in the ground for a project that will benefit New Jerseyans for generations.

The Board item proposes a contract for the Tonelle Avenue Underpass, a bridge that will carry Route 1 & 9 auto traffic and pedestrians over the new Mass Transit Tunnel tracks. Arrangements are being made for a groundbreaking in a matter of weeks to mark the transition from planning to construction. The Mass Transit Tunnel is creating and maintaining an estimated 6,000 jobs during construction and will support an estimated 44,000 new permanent jobs after it opens. When the economy recovers, the Mass Transit Tunnel positions New Jersey and the region for growth. It ensures a mobile workforce that gives the region a competitive edge in attracting new companies and new jobs.

NJ TRANSIT and its partner in this project, the Port Authority of New York & New Jersey, have arrived at this point thanks to the vision and tenacity of many people. Executive Director Sarles thanked the elected leaders in New Jersey and New York, and especially Senators Lautenberg and Menendez and Governor Corzine for the ongoing fight for funding.

Fiscal Year 2010 Budget

Executive Director Sarles said he and Chairman Dilts testified before both the Assembly and Senate budget committees on the Fiscal Year 2010 budget proposal. This coming year, expenses will be reduced by \$22.5 million. There is an 18-month suspension of merit pay increases for non-union employees, a hiring freeze for administrative departments which means employees will be asked to take on more duties; a furlough program consistent with the State's and other savings through early retirement of 140 employees, abolishing vacant positions, a dependent health care audit, reduced marketing/printing expenses, elimination of the 800 number and consolidation of office space. As a result of these efforts, administrative expenses have been reduced to eight cents per dollar which is the lowest in NJ TRANSIT's history.

Executive Director Sarles anticipates slight increases in revenue from commercial interests and ridership growth. He said these cuts will allow NJ TRANSIT to absorb the proposed reduction in state assistance of \$62 million without major service cuts or a fare increase. If any revenue variables change, the budget will have to be revisited. He said \$1.3 billion is being spent on capital projects that expand public transportation and

create jobs. Executive Director Sarles said he would return to the Board in July with a final budget proposal.

Safety

Executive Director Sarles was pleased to announce that NJ TRANSIT is closing the book on the age-old railroad tradition of operating trains in low-level territory with open doors to maintain schedules. Crews had to physically close part of the train's exit platform in order for riders to exit. With the growing fleet of Multilevels, NJ TRANSIT has retired all the Comet I railcars. With no Comet I's to contend with, NJ TRANSIT can end the practice of operating with open doors, enhancing customer safety. He noted that more than 260 Multilevels are on the property, out of the 329 on order,

Rutherford Station

Executive Director Sarles said the Board will consider a contract to restore the interior of Rutherford Station for the more than 1,000 customers who use it each day. This project will restore and preserve one of the State's historic assets. The rehabilitation includes work on the ceiling, floor, windows, doors, benches, frames and moldings.

Passaic-Bergen Rail Service

Executive Director Sarles said the Board will consider a long-term agreement with NYS&W that will allow NJ TRANSIT to construct and operate rail service between Hawthorne and Hackensack. The new Passaic-Bergen service will operate on 10 miles of the NYS&W right of way connecting nine stations, including a connection to the Main Line and new park/ride facilities. This project would not have been possible had it not been for the efforts of Congressman Bill Pascrell, who has been a tireless advocate. Executive Director Sarles acknowledged Congressman Pascrell's Communications Director Caley Gray.

Passing of Dr. Ellen M. Brockmann

Executive Director Sarles said NJ TRANSIT lost a valued member of the Citizens Advisory Committee. Dr. Ellen M. Brockmann of Wayne passed away last month. She brought wisdom and warmth to her role as an advocate for customers with disabilities. She served on the Citizens Advisory Committee since 2003. Her unwavering moral compass always pointed NJ TRANSIT in the right direction in its efforts to expand accessibility to the system. Executive Director Sarles extended condolences to her family and friends.

Advisory Committee

William Wright presented the Advisory Committee report. Mr. Wright said the Advisory Committee will have a formal meeting in June and many members are currently attending the TransAction Conference. The Committee is pleased that President Obama has added money to the budget for this important project which is a vital

connection that benefits both New Jersey and New York. Mr. Wright said the Committee is pleased with the stimulus monies for Edison Station and the bus rapid transit system. In addition, everyone is happy to see no fare increase and hopes next year to see a stable funding package.

Board Member Susan L. Hayes presented the Capital Planning, Policy & Privatization Committee report to the Board. The Committee discussed the progress of the Access to the Region's Core Mass Transit Tunnel project and reviewed the procurement for the first construction segment at Tonelle Avenue in North Bergen. The Committee was also briefed on the Memorandum of Understanding for the Passaic-Bergen Rail Service, and was updated on phase two of the rehabilitation project at Rutherford Station, which was built in 1898. The Committee also heard a presentation from Peter Garino on the agency's Technology Program Prioritization.

Board Member Patrick O'Connor presented the Administration Committee report to the Board. The Committee discussed purchasing vehicles for the Access Link service. These vehicle purchase contracts will enable NJ TRANSIT to purchase 137 minibuses, 24 vans and 15 sedans. The Committee also discussed the item regarding Sole/Single Source Vendors.

There were seven public comments on agenda items. Board Secretary Watson announced a three minute time limit for speakers.

William Wright, longtime rail advocate, said the Mass Transit Tunnel project is vital and he is happy to see it continuing in the proper direction to build it as well as receiving funds from the federal government. He said unfortunately some public comments are negative about the project, but they offer no alternative. Mr. Wright noted that New York City never invited NJ TRANSIT to Grand Central. He said the growth is south of Penn Station. Mr. Wright congratulated the Board for keeping this project moving and for keeping the focus on the target of getting people into Manhattan.

George Haikalis, Institute for Rational Urban Mobility (IRUM), is concerned about reducing traffic congestion and improving the livability of dense urban areas. He asked the Board to consider a less costly and more passenger friendly plan. A simple track connection from the new tunnels directly into existing tracks and platforms at Penn Station is favored by transit advocates and can be completed much more quickly than NJ TRANSIT's plan for deep cavern terminal below 34th Street. NJ TRANSIT's plan costs \$3 billion more than the track connection plan and adds more travel time.

Mr. Haikalis said the connection plan was carefully studied in the February 2007 Draft Environmental Impact Study. Contrary to claims by NJ TRANSIT, this connection is not disruptive as it passes through vacant industrial land in the west midtown area and was, in fact, approved by the two Manhattan Community Boards directly affected. No specific analysis has been revealed by NJ TRANSIT to support its claim that Penn Station lacks the capacity to handle additional trains from the new tunnel. Rather, the analysis made available in the Major Investment Summary report indicates exactly the opposite--Penn Station can adequately support the additional train service. The details

of this analysis contained in the Major Investment Summary report remain hidden from public view.

Mr. Haikalis said Governor Corzine is facing unprecedented budget problems and this is not the time to begin an \$11 billion project which lacks a full funding plan. He said the Obama Administration will almost certainly have the good sense to reject NJ TRANSIT's plan and asked senior management at NJ TRANSIT to move forward with the track connection plan.

James T. Raleigh thanked the Commissioner and Executive Director Sarles for meeting with the transit advocates in Trenton. Mr. Raleigh said he was asked to speak on behalf of David Peter Alan, Lackawanna Coalition. He said it has been said that the Coalition is totally opposed to the tunnel, but David Peter Alan and the Lackawanna Coalition have constantly expressed their opposition not to go to 34th Street Station. Mr. Raleigh believes there is misunderstanding. He also said the Sierra Club is opposed to the 34th Street Station and the massive amount of materials to be excavated.

Caley Gray, on behalf of U.S. Representative Bill Pascrell, said the Congressman wanted to appear before the Board personally but, due to congressional issues in Washington, was unable to attend this meeting. Mr. Gray thanked the Board and NJ TRANSIT staff for their efforts with the Passaic Bergen rail line and urged the Board to formally authorize the Memorandum of Understanding between NJ TRANSIT and the NYS&W railroad. This agreement will lay out the scope of work that needs to be done and will increase transit access for hundreds of North Jersey residents. Mr. Gray said people are looking for alternative modes of transportation and there are a number of families without cars. He said the first phase of the project will allow people to connect with jobs. It will also relieve traffic congestion and take cars off of Routes 4 and 80 which are the most congested roadways in the State.

Jerry Keenan, Executive Vice President, New Jersey Alliance for Action, said the Alliance for Action is a consortium of business and labor members with a goal of improving the economy and protecting the environment. Speaking as a lifelong resident of New Jersey, Mr. Keenan energetically expressed his happiness to attend the Board meeting because it is an historic day with the authorization of the first construction contract for the Mass Transit Tunnel project. He said years ago it was thought the tunnel would never happen and now it starts today. Mr. Keenan said a lot of work has gone into this project with local, county and state support and now federal support with President Obama putting money into the budget. He said we are in this for the long haul and the federal government will back up this project. Mr. Keenan said he cannot wait for the day when he and his children can ride through the new tunnel.

Leonard Nix questioned the need for the \$10 billion tunnel and said there are a lot of other things in New Jersey that the money could be used for. Mr. Nix said he believes he could get funds and build a railroad from Port Jervis to the Hudson River and asked who he could speak to about that. Executive Director Sarles said Steve Santoro would be the person to follow-up with.

Kate Slevin, Tri-State Transportation Campaign, congratulated the Board on the progress for the Mass Transit Tunnel and said it is truly an exciting day for riders. Ms. Slevin said Tri-State supports this project which is vital to the economic recovery and growth. Ms. Slevin said the Mass Transit Tunnel is truly a tunnel to somewhere and congratulated everyone in the room for making this happen.

Board Member Flora Castillo joined the meeting by telephone at 10:40 a.m.

Executive Director Sarles presented the following Action Items for approval:

0905-25: MASS TRANSIT TUNNEL/ACCESS TO THE REGION'S CORE: TONNELLE AVENUE UNDERPASS – CONSTRUCTION SERVICES, CONSTRUCTION MANAGEMENT SERVICES, CONSTRUCTION ASSISTANCE SERVICES & INSURANCE COVERAGE

Authorization is requested to award the very first construction contract for the Mass Transit Tunnel/Access to the Region's Core for a new underpass on Tonnelle Avenue in North Bergen. A competitive procurement process produced 10 bidders for this first segment of the \$8.7 billion Access to the Region's Core project. The successful proposer was Ferreira Construction Company Inc. of Branchburg at a cost of \$14,236,425. Concurrent with this construction contract request, authorization is requested to amend an existing construction management services agreement to encompass the Tonnelle Avenue underpass with THE CM Consortium, a joint venture of Tishman Corporation, Parsons Corporation and Arup at a cost not to exceed \$1.5 million plus five percent for contingencies. Authorization is also requested to amend an existing contract with THE Partnership, a joint venture of Parsons Brinckerhoff Inc., STV Inc. and DMJM Harris for construction assistance design services for this underpass at a cost not to exceed \$610,000 plus five percent for contingencies. Authorization is also requested to amend the Owner-Controlled Insurance Program (OCIP), administered by Marsh USA, to provide additional coverage for the Tonnelle Avenue Underpass project at a cost not to exceed \$635,000 plus five percent for contingencies, subject to the availability of funds.

Kenneth E. Pringle recused himself from voting on this item. Myron P. Shevell moved the resolution, Patrick O'Connor seconded it and it was adopted.

0905-26: ACCESS LINK VEHICLE PURCHASE CONTRACTS

NJ TRANSIT operates federally mandated paratransit service expressly for those customers who cannot use the fixed route local bus service. This Access Link service currently provides over 3,000 trips per day. Authorization is requested to approve three contracts. The first is to purchase 137 minibuses, with an option for an additional 20, from Starcraft Bus Division in an amount not to exceed \$9,655,343 plus five percent for

contingencies. Authorization is requested to purchase 24 vans with an option for 10 additional vans from Shepard Brothers in an amount not to exceed \$1,828,231 plus five percent for contingencies. Authorization is requested to purchase 57 sedans with an option for an additional 15 sedans from Winner Ford in an amount not to exceed \$1,981,584 plus five percent for contingencies. These purchases will meet the fleet needs through Fiscal Year 2011.

Patrick O'Connor moved the resolution, James A. Carey, Jr. seconded it and it was unanimously adopted.

0905-27: SOLE/SINGLE SOURCE VENDORS PURCHASE OF REPLACEMENT PARTS AND SERVICES (BUS, RAIL, LIGHT RAIL AND HEADQUARTERS)

Materials and services which are available from only one source of supply are exempt from competitive procurement. For the most part, these are vendors which have proprietary control over the manufacture of parts and components and the provision of technical services for NJ TRANSIT equipment. NJ TRANSIT continually seeks to develop specifications to reduce reliance on sole source vendors. Authorization is requested to enter into sole or single source procurement-by-exception contracts for the purchase of materials and services from approved vendors set forth in Exhibit A, subject to adjustments, to support Bus, Rail, Light Rail and Headquarters operations at a cost not to exceed \$18,000,000 for a 12 month period. This is four million less than last year's request. The Board will be notified of new firms whose aggregate spending exceeds \$250,000 within the fiscal year.

Myron P. Shevell, Kenneth E. Pringle and Susan L. Hayes recused themselves from voting on this item. Flora Castillo moved the resolution, Patrick O'Connor seconded it and it was adopted.

0905-28: HUDSON-BERGEN LIGHT RAIL LITIGATION SUPPORT: COMPENSATION OF EXPERT CONSULTANT (TRAUNER CONSULTING SERVICES)

Trauner Consulting Services, Inc. is an established firm providing comprehensive construction claims consulting including expertise in delays/scheduling/claims analysis and tunneling/engineering. The New Jersey Office of the Attorney General, Division of Law has retained Trauner Consulting Services, Inc. in defending a lawsuit filed by Twenty-First Century Rail Corporation, the Design-Build-Operate-Maintain contractor for the Hudson-Bergen Light Rail MOS-II project, and its subcontractor, Frontier-Kemper/Shea/Bemo, Joint Venture. Plaintiffs are seeking payment of approximately \$100 million. The DOL has requested that NJ TRANSIT reimburse the expert consultant directly and has reviewed and approved the Trauner Consulting Service, Inc. proposal for

this effort, which includes work until the end of the mediation process. Authorization is requested to pay Trauner Consulting Services Inc. in the amount of \$3,000,000, subject to the availability of funds.

Patrick O'Connor moved the resolution, Kenneth E. Pringle seconded it and it was unanimously adopted.

**0905-29: RUTHERFORD STATION INTERIOR REHABILITATION:
CONSTRUCTION CONTRACT AWARD**

Constructed on the Bergen County Line in 1898, Rutherford Station is listed on both the State and National Registers of Historic Places, and has become a community landmark. At the juncture of NJ TRANSIT's Main and Bergen commuter rail lines, the station serves approximately 2,050 average weekday passenger trips and offers a 20-minute trip to Hoboken Terminal and a 35-minute trip to New York Penn Station in midtown Manhattan. Restoration of the interior is the second phase of the station rehabilitation program and will arrest interior and structural deterioration of the building and provide an attractive and useful centerpiece for the Borough's central business district. This rehabilitation project has been accelerated as part of Governor Corzine's economic stimulus program. Authorization is requested to contract with Collette Contracting, Inc. for rehabilitation of the Rutherford Station interior in the amount of \$988,000, plus five percent for contingencies, subject to the availability of funds.

Myron P. Shevell moved the resolution, Susan L. Hayes seconded it and it was unanimously adopted.

**0905-30: RISK MANAGEMENT: INSURANCE BROKER SERVICES FOR THE
MASS TRANSIT TUNNEL PROJECT**

A competitive procurement was conducted for insurance broker services to assist in the development, implementation and administration of an individual Owner Controlled Insurance Program for the Mass Transit Tunnel Project. Authorization is requested for Willis HRH as broker of record to be responsible for procurement of necessary insurance coverages. These include workers' compensation/employers' liability, maritime liability, general and excess liability, builders' risk, environmental liability, railroad protective liability and terrorism insurance. Due to the long-term, complex nature of this project, NJ TRANSIT is requesting an initial nine year retention with two two-year extensions. The total cost will not exceed \$8,154,000 plus five percent for contingencies, subject to the availability of funds. .

Patrick O'Connor moved the resolution, Susan L. Hayes seconded it and it was unanimously adopted.

Executive Director Sarles presented the following Consent Items for approval:

0905-31: PASSAIC-BERGEN RAIL SERVICE: MEMORANDUM OF UNDERSTANDING

Authorization to enter into a non-binding Memorandum of Understanding with the New York, Susquehanna, and Western Railway (NYS&W) which outlines certain business terms and conditions pertaining to NJ TRANSIT's proposal to construct and operate the Passaic-Bergen Rail Service project using the NYS&W Main Line right-of-way between the Borough of Hawthorne in Passaic County and the City of Hackensack in Bergen County.

0905-32: OVER VIEW DISPLAY (OVD) MAINTENANCE CONTRACT FOR THE TMAC SYSTEM

Authorization to enter into a sole-source contract with Activu® Incorporated of Denville, New Jersey to provide professional services to maintain NJ TRANSIT's OverView Display system for a period of three years at a cost not to exceed \$424,850 plus five percent for contingencies.

The Consent Calendar was moved by Myron P. Shevell and seconded by Patrick O'Connor.

There were five public comments on non-agenda items.

Malcolm Dunn, BOSS Tunnel Vision, congratulated NJ TRANSIT for increasing the goals 25 percent and upward on the Tonnelie Avenue project. He encouraged NJ TRANSIT to maintain these goals. Mr. Dunn said there are minority companies and disadvantaged business enterprises that can provide their services to work on the Mass Transit Tunnel project. He said NJ TRANSIT was absent of the knowledge that these firms had the tunnel boring capabilities while decisions were being made. Mr. Dunn encouraged NJ TRANSIT to bring those minority and disadvantaged business enterprise firms forward on this project. Mr. Dunn said today is an historic date and it should be noted that the last tunnel was built exclusively by a dominant ethnic group and acknowledged that the Mass Transit Tunnel is being built by a diverse group.

James T. Raleigh, Monmouth Battlefield, expressed concern about the Monmouth County Freeholders' proposed alternatives for a rail link that would allow passengers from Monmouth and Ocean counties to connect to lines in Middlesex County. Mr. Raleigh said one alternative is to traverse the Monmouth Battlefield State Park in Manalapan which is not only an environmental issue, but ignores the fact that the Park is a national and state historic landmark.

Rose Heck mentioned that the work of the Assembly Light Rail Panel continues to come to fruition when the Delaware River Port Authority (DRPA) announced that light rail will be coming to Glassboro. Ms. Heck said that was part of the original light rail plan and she was happy to see that happen.

Ms. Heck said she was very concerned about the public hearings for Northern Branch. She asked NJ TRANSIT to contact the Federal Transit Administration to expedite the review of the Draft Environmental Impact Statement so public hearings can be scheduled. Ms. Heck said it is very frustrating for everyone since this has been at a standstill for over a year.

Leonard Nix expressed his objection to several proposed projects. He said the rail line into the Sports Complex is a dead end. He also said the Pascack Valley Line could be coordinated better since it causes more motor vehicle traffic. He said the \$10 billion Mass Transit Tunnel is money being wasted. Mr. Nix said a lot of work needs to be done in Hackensack. A medical building was built next to the Essex Street rail station which is the only station that has parking in town and now its always full due to the medical building. Mr. Nix noted that he does not trust anyone in state government.

George Haikalis commented on the collapse of regional planning in the tri-state area that results in a disconnected station plan. Mr. Haikalis said instead of one MPO for the tri-state area, there are 10 MPOs. He said there are three different timetables and three different pricing structures which is a serious flaw and hurts everyone economically in the long term. Mr. Haikalis said transit advocates would like to see a transit system used to its fullest as an alternative to congestion. He said interoperability should be the top issue on the agenda.

Since there were no further comments or business, Chairman Dilts called for adjournment and a motion to adjourn was made by Myron P. Shevell seconded by Kenneth E. Pringle and unanimously adopted. The meeting was adjourned at approximately 11:05 a.m.

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

MAY 13, 2009

MINUTES

- **EXECUTIVE SESSION AUTHORIZATION** **41040**
- **APPROVAL OF MINUTES OF PREVIOUS MEETINGS** **41041**
- **EXECUTIVE DIRECTOR'S MONTHLY REPORT** **41042**
- **ADVISORY COMMITTEE REPORTS**
- **BOARD COMMITTEE REPORTS**
 - *Capital Planning, Policy & Privatization Committee
 - *Administration Committee
- **PUBLIC COMMENTS ON AGENDA ITEMS**

ACTION ITEMS

- 0905-25 MASS TRANSIT TUNNEL/ACCESS TO THE REGION'S CORE: TONNELLE AVENUE UNDERPASS – CONSTRUCTION SERVICES, CONSTRUCTION MANAGEMENT SERVICES, CONSTRUCTION ASSISTANCE SERVICES & INSURANCE COVERAGE** **41066**

Authorization to award a contract to Ferreira Construction Company, Inc. of Branchburg, NJ for construction of a new underpass on Tonnelle Avenue in North Bergen, New Jersey at a cost not to exceed \$13,558,500 plus five percent for contingencies, for a total contract authorization of \$14,236,425 subject to the availability of funds. The construction contract will be awarded after NJ TRANSIT receives a Letter of No Prejudice from the Federal Transit Administration.

Authorization to amend the contract (No. 06-111) with THE CM Consortium, a joint venture of Tishman Corporation, Parsons Corporation and Arup of Newark, New Jersey, for construction management services for a new underpass on Tonnelle Avenue in

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
NJ TRANSIT RAIL OPERATIONS, INC.
NJ TRANSIT MERCER, INC.
REGULARLY SCHEDULED BOARD OF DIRECTORS MEETING
MAY 13, 2009
MNUTES
PAGE 2

North Bergen, New Jersey at a cost not to exceed \$1,500,000 plus five percent for contingencies, for a revised total contract authorization of \$51,975,000 subject to the availability of funds.

Authorization to amend the contract (No. 06-046) with THE Partnership, a joint venture of Parsons Brinckerhoff, Inc., STV Inc., and DMJM Harris, Inc. of Newark, New Jersey, for construction assistance design services for a new underpass on Tonnelle Avenue in North Bergen, New Jersey at a cost not to exceed \$610,000 plus five percent for contingencies for a revised total contract authorization of \$225,859,062 subject to the availability of funds.

Authorization to amend the Owner-Controlled Insurance Program (OCIP) administered by Marsh USA to provide additional coverage for the Tonnelle Avenue Underpass project at a cost not to exceed \$635,000 plus five percent for contingency, subject to the availability of funds.

0905-26 ACCESS LINK VEHICLE PURCHASE CONTRACTS

41071

Authorization to contract (No. 09-069) with Starcraft Bus Division of Forest River/Jersey Shore Bus Sales of Elkhart, Indiana, for the purchase of 137 minibuses with an option for an additional 20 minibuses in an amount not to exceed \$9,655,343 plus five percent for contingencies, subject to the availability of funds.

Authorization to contract (No. 09-074) with Shepard Brothers of Canandaigua, New York, for the purchase of 24 vans with an option for an additional 10 vans in an amount not to exceed \$1,828,231 plus five percent for contingencies, subject to the availability of funds.

Authorization to contract (No. 09-072) with Winner Ford of Cherry Hill, New Jersey, for the purchase of 57 sedans with an option for an additional 15 sedans in an amount not to exceed \$1,981,584 plus five percent for contingencies, subject to the availability of funds.

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NJ TRANSIT MERCER, INC.
REGULARLY SCHEDULED BOARD OF DIRECTORS MEETING
MAY 13, 2009
MNUTES
PAGE 4

CONSENT ITEMS

0905-31 PASSAIC-BERGEN RAIL SERVICE: MEMORANDUM OF UNDERSTANDING 41091

Authorization to enter into a non-binding Memorandum of Understanding with the New York, Susquehanna, and Western Railway (NYS&W) which outlines certain business terms and conditions pertaining to NJ TRANSIT's proposal to construct and operate the Passaic-Bergen Rail Service project using the NYS&W Main Line right-of-way between the Borough of Hawthorne in Passaic County and the City of Hackensack in Bergen County.

0905-32 OVER VIEW DISPLAY (OVD) MAINTENANCE CONTRACT FOR THE TMAC SYSTEM 41094

Authorization to enter into a sole-source contract with Activu® Incorporated of Denville, New Jersey to provide professional services to maintain NJ TRANSIT's OverView Display system for a period of three years at a cost not to exceed \$424,850 plus five percent for contingencies.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

EXECUTIVE SESSION AUTHORIZATION

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

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

APPROVAL OF MINUTES

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

WHEREAS, pursuant to Section 4(f) of the New Jersey Public Transportation Act of 1979, the minutes of actions taken at the April 8, 2009, Board meetings of the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc. and NJ TRANSIT Mercer, Inc. were forwarded to the Governor on April 10, 2009;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the April 8, 2009 New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc. and NJ TRANSIT Mercer, Inc. Board of Directors' meetings are hereby approved.


Jon S. Corzine
Governor

NJ TRANSIT
One Penn Plaza East
Newark, New Jersey 07105-2248
973-491-7000



Stephen Dilts
Board Chairman

Richard R. Sarles
Executive Director

TO: BOARD OF DIRECTORS
FROM: RICHARD R. SARLES 
DATE: MAY 13, 2009
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – MAY 2009

Last week, the Mass Transit Tunnel (MTT) gained strong federal support in the form of both near-term funding and a commitment of long-term federal support from President Barack Obama's administration. Thanks to the hard work of Governor Jon Corzine and our congressional delegation, especially Senators Frank Lautenberg and Robert Menendez, with President Obama and Vice President Joe Biden, the Mass Transit Tunnel is designated to receive \$200 million in the President's Fiscal Year 2010 federal budget. Importantly, the project is also being recommended for an Early Systems Work Agreement, meaning the project has the full backing of the federal government.

Today the Board will consider approval of the Mass Transit Tunnel's first construction contract, for the Tonelle Avenue Underpass—a bridge that will carry Route 1 & 9 vehicular and pedestrian traffic over the new MTT tracks. We are making arrangements for groundbreaking in a matter of weeks to mark the transition from planning to construction. As you know, the MTT is creating and maintaining an estimated 6,000 jobs during construction, and will support an estimated 44,000 new permanent jobs after it opens. When the economy recovers, the MTT will position New Jersey and the region for growth, ensuring a mobile workforce that gives the region a competitive edge in attracting new companies and new jobs.

Another item for the Board's consideration today is a contract to restore the interior of the historic Rutherford Station for the more than 1,000 customers who use it each day. The project will restore and preserve one of the State's historic assets, with work that includes refurbishing the ceiling, floor, windows, doors, benches, frames and moldings.

Also before the Board is an agreement with the New York, Susquehanna & Western Railway (NYS&W) that advances NJ TRANSIT's plan to construct and operate the Passaic-Bergen Line along more than 8 miles of the NYS&W Main Line right-of-way between the Borough of Hawthorne in Passaic County and the City of Hackensack in Bergen County. Passaic-Bergen rail service will serve nine new stations, including a connection to NJ TRANSIT's Main Line. The project would not be possible without the efforts of Congressman Bill Pascrell, who has been a strong advocate for this cross-county service.

Turning to the budget, I recently testified before both the Assembly and Senate budget committees on the Fiscal Year 2010 budget proposal. In the coming year, we will reduce expenses by \$22.5 million. As a result, we have reduced administrative expenses to eight cents per dollar, the lowest in NJ TRANSIT history. On the revenue side, we have projected a modest ridership growth in anticipation of some upturn in the economy.

As we have said, the cuts allow us to manage the proposed \$62 million reduction in state assistance without major service reductions or a fare increase. I will come back to the Board in July with a final budget proposal.

Lastly, I regret to report that last month, we lost a valued member of one of our Citizens Advisory Committees with the death of Dr. Ellen M. Brockmann of Wayne, who served on the committee since 2003. Ellen brought wisdom and warmth to her role as an advocate for customers with disabilities. We extend our condolences to her family.

EXECUTIVE DIRECTOR'S MONTHLY REPORT MAY 2009

- 1. HIGHLIGHTS**
- 2. CUSTOMER AND COMMUNITY INITIATIVES**
- 3. EMPLOYEE RECOGNITION**
- 4. DBE/MBE PROGRAM**
- 5. PERFORMANCE MEASURES**

HIGHLIGHTS

Strong federal support for Mass Transit Tunnel

On May 7, NJ TRANSIT and the Port Authority of New York & New Jersey hailed news that President Barack Obama has designated the ARC Mass Transit Tunnel to receive \$200 million in the administration's Fiscal Year 2010 federal budget. This brings the total federal funding commitment to the Mass Transit Tunnel project so far to nearly \$400 million.

Governor Corzine has made the Mass Transit Tunnel a top transit priority. The Governor's efforts resulted in the commitment of \$5.7 billion in regional funding for the MTT, including \$3 billion from the Port Authority of New York and New Jersey and \$2.7 billion from the New Jersey Turnpike Authority, state congestion mitigation funds and the state Transportation Trust Fund.

The Mass Transit Tunnel will create 6,000 construction and related jobs a year over the life of the project, and generate 44,000 permanent jobs upon completion. The Tunnel will add \$10 billion in gross regional product and \$4 billion in additional real personal income.

Construction of the MTT will break a transportation bottleneck at the Hudson River, where the existing 100-year-old commuter rail tunnel under the river has only two tracks that are pushed to their functional limits each rush hour with NJ TRANSIT and Amtrak trains. The Mass Transit Tunnel will more than double peak capacity between New Jersey and Manhattan from 23 trains per hour to 48.

In addition to two new side-by-side single-track tunnels, the project will create a state-of-the-art expansion to Penn Station New York, with wider platforms and more escalators to ease commuters' trips. The new tracks also will provide direct access to NYC subway lines, PATH trains and existing Penn Station services.

The project will also create one-seat (direct) commutes to New York for NJ TRANSIT customers on seven commuter rail lines – Main/Bergen County, Port Jervis, Pascack Valley, Montclair-Boonton west of Montclair State University, Morris & Essex west of Dover, Raritan Valley, and North Jersey Coast south of Long Branch, as well as future rail expansion lines and more frequent service and more express service on all lines.

NJ TRANSIT averts fare increase

In prepared testimony submitted to the Assembly Budget Committee on April 28, NJ TRANSIT Executive Director Richard Sarles said that NJ TRANSIT's FY10 budget does not include a fare increase for riders, despite reduced state operating support for the agency.

NJ TRANSIT will balance its budget by cutting administrative expenses by \$22.5 million to partly offset the shortfall, and use funds made available by the U.S. Department of Transportation.

The agency has reduced administrative cost to an all-time low with expenses now accounting for only eight cents out of every operating dollar, with a full 92 cents going to service delivery. On a cost-per-passenger-mile basis, NJ TRANSIT is more cost effective than its peer agencies.

NJ TRANSIT eliminated 140 jobs this year through attrition and early retirement, and has instituted both hiring and wage freezes for non-agreement employees. It also expects significant savings in FY10 from a dependent health benefit audit, reduced marketing expenses, and cut backs in printing and customer service call center hours made possible through technology that allows customers to get more information online.

NJ TRANSIT also is proposing a \$1.3 billion capital program focused on safety and state of good repair investments, as well as expansion projects.

NJ TRANSIT awards its first stimulus construction contract for parking expansion at Edison Station

The NJ TRANSIT Board of Directors approved its first federal stimulus-funded construction contract on April 8 for a project that will more than double parking capacity at Edison Station on the Northeast Corridor.

Under a \$4.7 million construction contract awarded to Petillo Inc. of Flanders, New Jersey, NJ TRANSIT will create nearly 500 new parking spaces—more than enough to accommodate everyone currently on a waiting list for parking at the station. In addition, the project will generate roughly 110 jobs during construction, expected to start in June.

The new parking lot, along with new lighting and sidewalks, will be built adjacent to the outbound platform with access from Kilmer Road. A traffic signal will be installed at the intersection of Kilmer Road and the entrance road to the new lot.

The project also includes repaving and reconfiguring one of two existing lots on the inbound side of the tracks to optimize capacity and improve traffic flow, and creating a public space south of the station building.

Current parking capacity at Edison is 362 spaces. After the new lot is opened and the existing lot is reconfigured, the station will feature 816 spaces—more than double the current inventory. There are currently about 370 names on a waiting list for parking at Edison.

NJ TRANSIT will own the new lot and will seek bids for an operator. Park America operates the existing two lots, one of which NJ TRANSIT owns with the other jointly owned by NJ TRANSIT and Edison Township.

The project is expected to be completed by early 2010.

Edison Station is the 13th busiest of the 164 stations and terminals served by NJ TRANSIT, serving nearly 7,000 customers each weekday with direct service to Newark, Secaucus Junction and Penn Station New York, among other destinations.

Officials break ground on express bus service connecting residents with major employment centers

On April 20, NJ TRANSIT Executive Director Richard Sarles joined Essex County Executive Joseph N. DiVincenzo, Jr. and Bloomfield Mayor Raymond McCarthy to break ground on the installation of new bus shelters and traffic technology that will support enhanced bus service along the busy Bloomfield Avenue corridor in the Township of Bloomfield and the City of Newark.

Funding for the new shelters is being provided through the American Recovery and Reinvestment Act (ARRA). The project is expected to create about 16 jobs.

The new shelters and traffic technology will support enhanced express bus service along Bloomfield Avenue, linking residential areas in Bloomfield and Newark with major employment centers in downtown Newark and at Newark Liberty International Airport. By eliminating the need to transfer between routes, the new bus service will provide a one-seat ride to the airport, as well as a connection to existing bus service to the port areas of Elizabeth and Newark.

In April 2008, NJ TRANSIT launched the state's first "premium" local bus service—Go Bus—along Springfield Avenue between Irvington Bus Terminal and Newark Penn Station. Go Bus features a unique identity, easily identifiable bus stops with improved lighting and passenger information displays, and upgraded onboard amenities.

Go Bus, developed with feedback from customers, serves as a model for Bloomfield Avenue and other heavily-traveled corridors and paves the way for Bus Rapid Transit (BRT) in the state, providing a platform to add features associated with BRT systems.

In February 2009, the NJ TRANSIT Board of Directors authorized a \$1.3 million contract with Metroclean Express of Long Island City, New York, for the construction of new bus shelters, signs, lighting and site improvements at locations in Bloomfield and Newark.

Completion of construction work is anticipated by the end of the year.

CUSTOMER AND COMMUNITY INITIATIVES

NJ TRANSIT provides safety lessons for driver education classes

In an effort to help teen drivers operate vehicles in a safe manner near railroads and buses, NJ TRANSIT has provided two class periods of multimedia instructional material to 631 public, private and charter schools throughout the state.

The lesson plans, developed in partnership with Operation Lifesaver and the New Jersey Division of Highway Traffic Safety and approved by the state Department of Education, have been given to driver education teachers to supplement existing curricula. The lessons were piloted last year at eight high schools, where teachers, administrators and students provided valuable feedback.

Among the critical safety lessons emphasized in PowerPoint and DVD formats are:

- Never stop on tracks. If gates begin to lower, continue crossing to completely clear the tracks.
- Never go around lowered crossing gates. They indicate a train is approaching.
- Before you start to operate a vehicle over a railroad crossing, be certain you have enough room on the opposite side to completely cross the tracks.
- The law requires you to yield to transit buses that are re-entering the flow of traffic after making a stop.

In addition to these new lesson plans, NJ TRANSIT promotes safety by visiting hundreds of schools each year to provide age-appropriate safety lessons for elementary, middle and high school students. In 2008, a total of 95,000 students at 286 schools were reached.

On Earth Day, rail yard gets a new role: bird sanctuary

NJ TRANSIT in partnership with the Borough of Bay Head and the New Jersey Audubon Society celebrated Earth Day on April 22 with the installation of new nesting sites for three bird species at the Bay Head Rail Yard.

The goal is to attract breeding pairs of Ospreys, Wood Ducks and Eastern Screech Owls to the rail yard, where nearby woods and bodies of fresh and brackish water provide ideal natural habitat.

Eleven nesting boxes and platforms have been installed on rail yard property to attract the birds, including seven boxes for Wood Ducks, two for Eastern Screech Owls and two platforms for Ospreys. Wood Ducks are among a very few North American duck species which nest in trees.

The locations of the nesting sites were selected in consultation with officials from the New Jersey Audubon Society's Sandy Hook Bird Observatory. The duck and owl boxes have been installed in the woods inside the rail yard track loop, in an area that is off-limits to the public due to the train activity. The Osprey platforms, on the other hand, have been positioned between the rail yard employee parking lot and Twilight Lake, easily visible from Twilight Road and Lake Avenue.

Volunteers in Bay Head built the nesting boxes and platforms, which were installed by NJ TRANSIT rail operations personnel.

Environment-friendly NJ TRANSIT

- Nationwide, use of public transportation saves the equivalent of 4.2 billion gallons of gasoline annually.
- NJ TRANSIT customers save 589,000 metric tons of carbon dioxide from being emitted into the atmosphere annually by taking transit instead of driving.
- NJ TRANSIT bus fleet includes 76 buses powered by Compressed Natural Gas and seven with diesel-electric hybrid engines. Additional 90 hybrid vehicles in non-revenue fleet.
- NJ TRANSIT is in the process of replacing 1,145 buses (about half of the buses it operates) with new models that will utilize ultra-low sulfur diesel fuel, reducing NOx emissions by 90 percent and particulate matter by 80 percent compared to the buses they will replace.
- Testing the use of renewable bio-fuel blend for diesel locomotive fleet.
- In process of acquiring dual-powered locomotives that will operate under electric power where available and diesel power elsewhere, reducing diesel fuel consumption.

EMPLOYEE RECOGNITION

NJ TRANSIT employees bid farewell after outstanding careers

Nineteen NJ TRANSIT employees retired in April with careers ranging from 10 to 40 years of service:

1. Thomas Golembiewski (Sparta) Assistant Manager Locomotives, MMC – 40 years
2. William H. Wallace (Stockton) Sr. Construction Dev., Penn Plaza – 36 years
3. James E. Johnson (Pennsauken) Bus Operator, Washington Township – 35 years
4. Ismael Rodriguez (Middlesex) Sr. Dir. Risk Management, Penn Plaza – 31 years
5. Thomas Christopher (Williamstown) Repairman, Washington Township – 30 years
6. Steven Jurow (Bloomfield) Dir. Capital Proj. Management, Penn Plaza – 29 years
7. Maureen B. Penniplede (Hohokus) Assistant Dir. HR SP, Penn Plaza – 29 years
8. Paula E. McDougald (Old Bridge) Bus Operator, Hilton Garage – 28 years
9. Michele Vigh (Bloomfield) Union Officer, Market Street – 28 years
10. William H. Hines, Jr. (Clayton) Mechanic Shop, Newton Avenue – 27 years
11. Robert Martinez (Passaic) Bus Operator, Wayne Garage – 26 years
12. Adrien J. Saintus (Trenton) Bus Operator, Hamilton Garage – 22 years
13. Lawrence Rosenberg (Brick) Bus Operator, Howell Garage – 21 years
14. Lee G. Johnson (Mays Landing) Bus Operator, Egg Harbor – 20 years
15. Donald C. Clark (Trenton) Bus Operator, Hamilton Garage – 18 years
16. Willie L. Easter (East Orange) Bus Operator, Hilton Garage – 17 years
17. Richard H. Goeken (Whiting) Lead Network Engineer, Penn Plaza – 17 years
18. Delince Desravines (Roselle) Bus Operator, Greenville Garage – 16 years
19. Joseph Brandao (Howell) Bus Operator, Howell Garage – 10 years

DBE/MBE PROGRAM

NJ TRANSIT – Office of Business Diversity DBE/SBE Participation

Federally Funded Contracts

\$27,451,350 in federal funds were awarded during October through April of FY 09.* Disadvantaged Business Enterprises (DBEs) were awarded \$5,261,758 or 19.2 percent, which includes both race conscious and race neutral awards.

State Funded Contracts

\$92,053,298 in state-funded contract dollars were awarded during July through April FY 09. ** Of that total, Small Business Enterprises (SBEs) received \$20,028,440 or 21.7 percent. Category 1 SBEs received \$219,768 or 0.2 percent. Category 2 SBEs received \$5,836,016 or 6.3 percent. Category 3 SBEs received \$3,352,214 or 3.6 percent. Category 4 SBEs received \$0.00 or 0.0 percent. Category 5 SBEs received \$10,620,442 or 11.5 percent. ***

Federal & State Contracts Total

\$119,504,648 in federal and state contract dollars were awarded by NJ TRANSIT during this reporting period. Of that total, \$25,290,198 or 21.2 percent of federal and state contract dollars was won by DBEs and SBEs.

*Fiscal year beginning October 1, 2008

**Fiscal year beginning July 1, 2008

***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

**DBE PARTICIPATION
FEDERAL CONTRACTS
FEDERAL FYTD (THROUGH APRIL 09)***

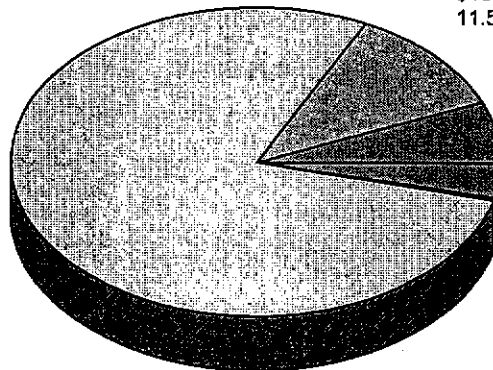
NON-DBE
FEDERAL
\$22,189,592
80.8%



DBE RACE
NEUTRAL & RACE
CONSCIOUS
\$5,261,758
19.2%

**SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD (THROUGH APRIL 09)****

NON-SBE STATE
\$72,024,858
78.2%



SBE-5
\$10,620,442
11.5%

SBE-2
\$5,836,016
6.3%

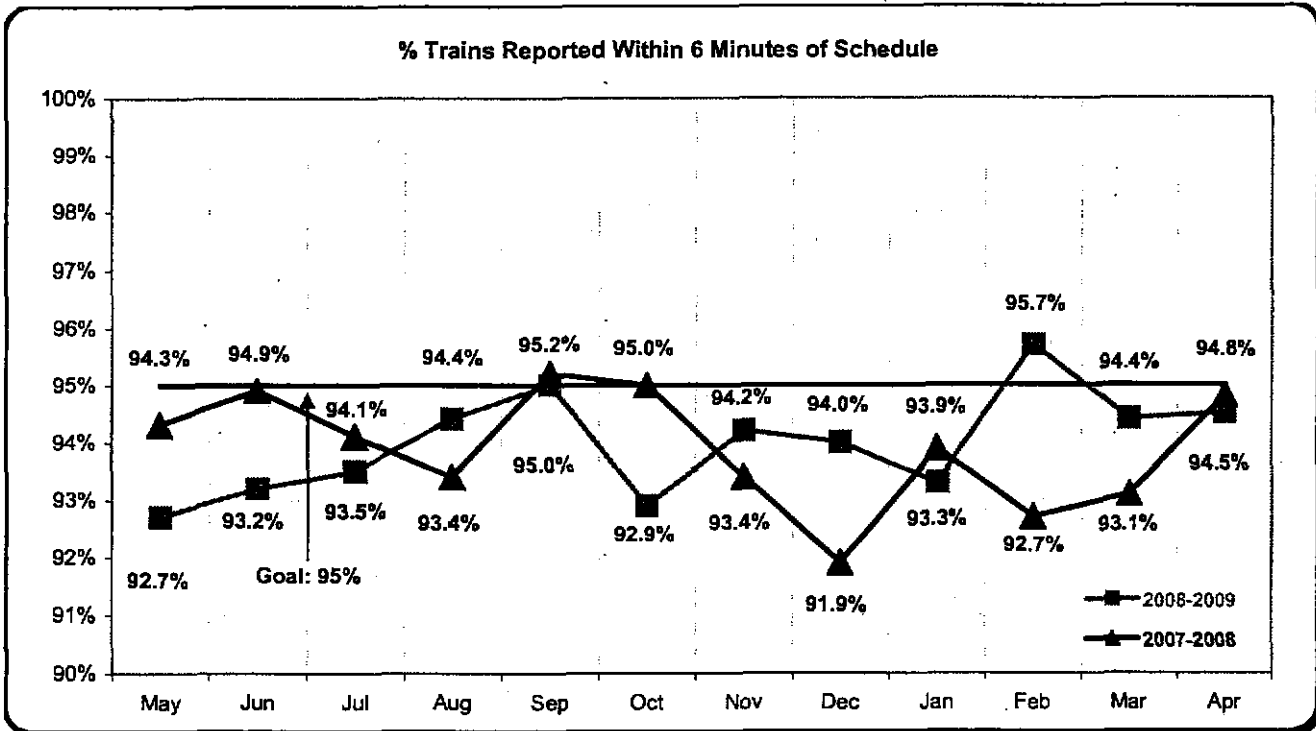
SBE-3
\$3,352,214
3.6%

SBE-1
\$219,768
0.2%

Fiscal Year Beginning October 1, 2008*
Fiscal Year Beginning July 1, 2008**
(This report covers contracts above \$29,000)

PERFORMANCE MEASURES

NJ TRANSIT ON-TIME PERFORMANCE RAIL MAY 2007 - APRIL 2009



	2008	2009	# Change
April Comparison	94.8%	94.5%	-0.3%

	2007-2008	2008-2009	# Change
12-Month Average May - April	93.9%	94.0%	0.1%

Analysis:

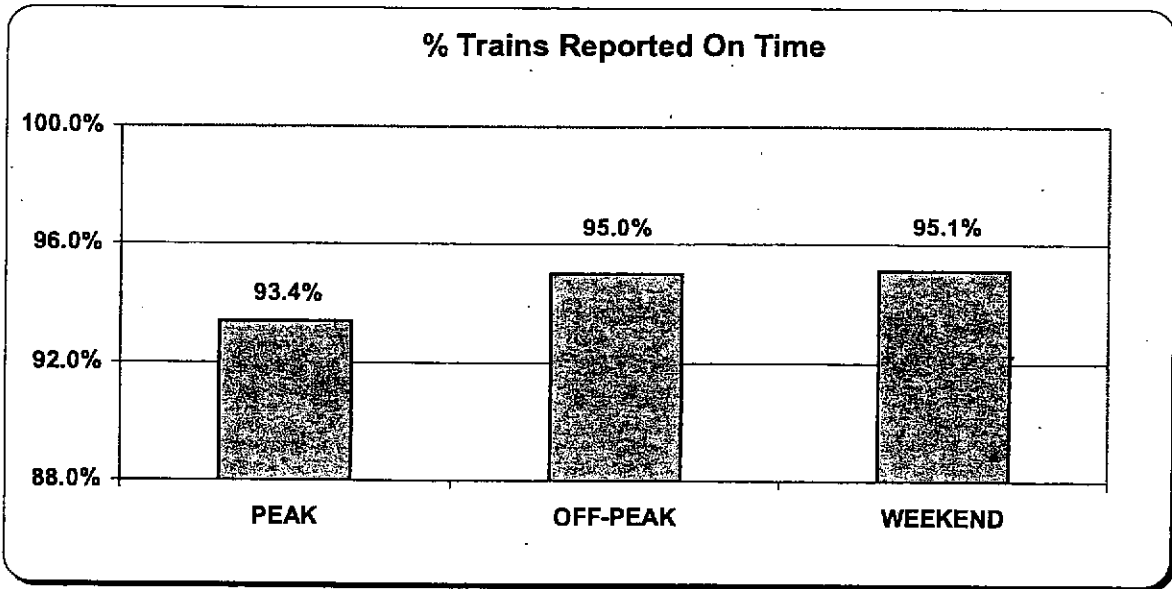
Rail On-Time Performance was 94.5% for April 2009. Of the 19,129 trains that were scheduled to operate, 18,076 were on time, while 1,053 trains (or 5.5%) were delayed. Key causes of delay included:

- A track problem at Hoboken Terminal on 4/13.
- A brush fire on the Northeast Corridor near Secaucus on 4/28.
- Downed overhead wires on the Northeast Corridor in Metuchen on 4/29.

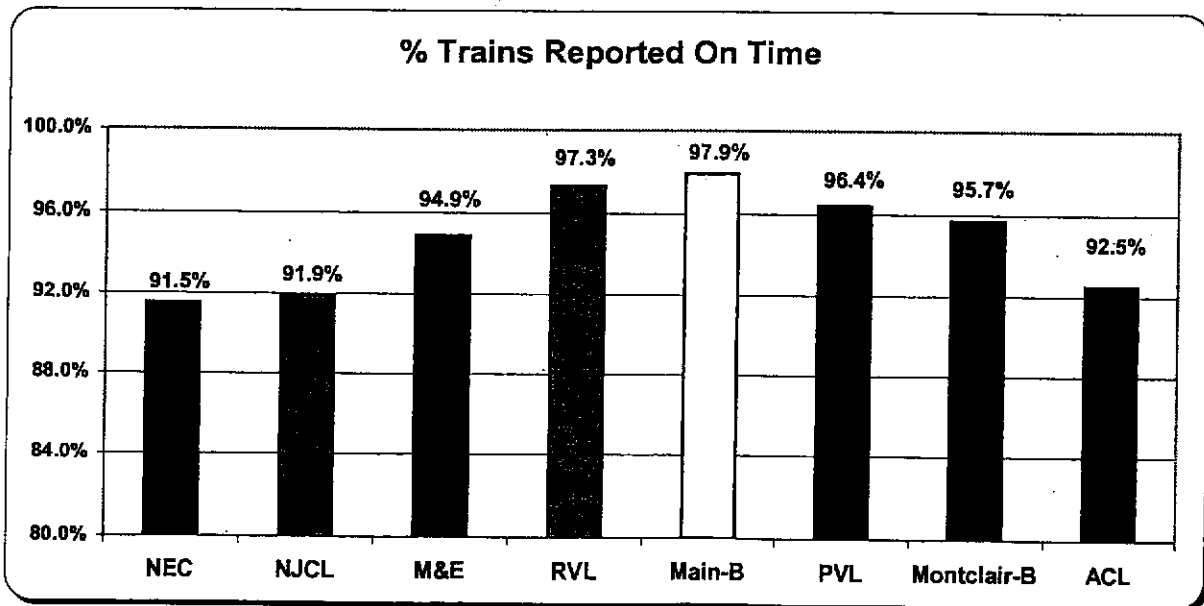
The 12-month average for Rail On-Time Performance for May 2008 - April 2009 was 94%.

ON-TIME PERFORMANCE RAIL

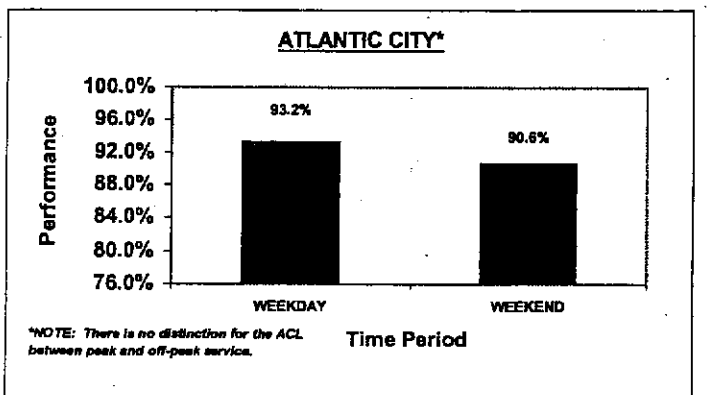
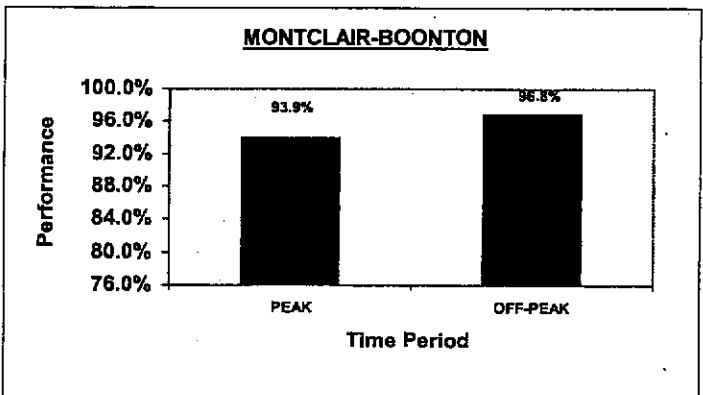
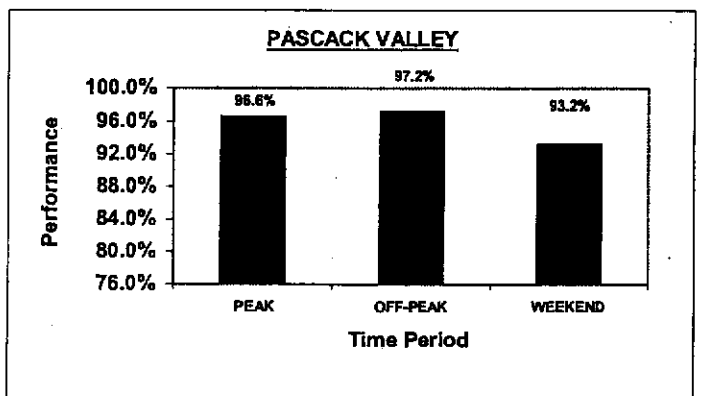
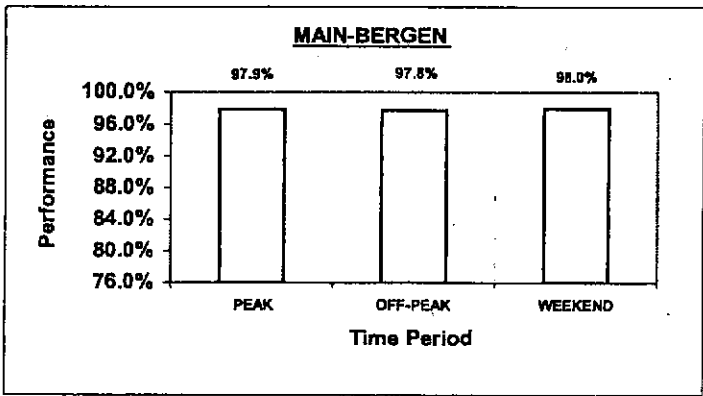
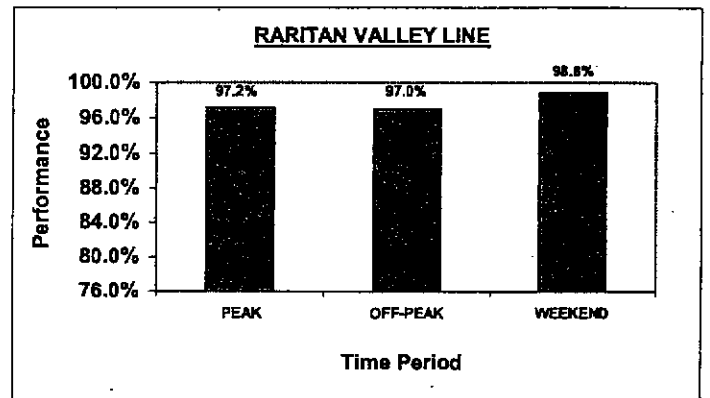
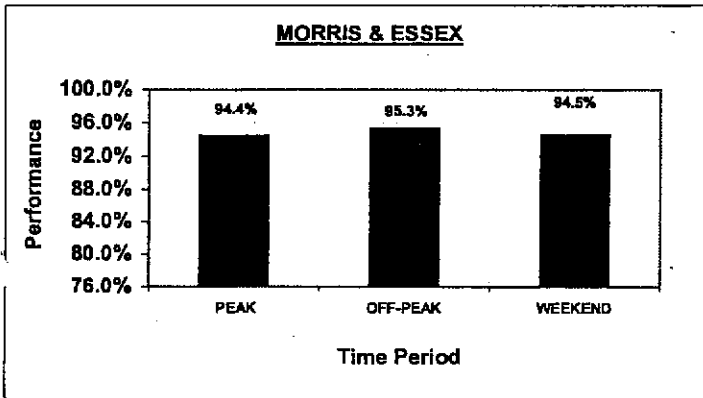
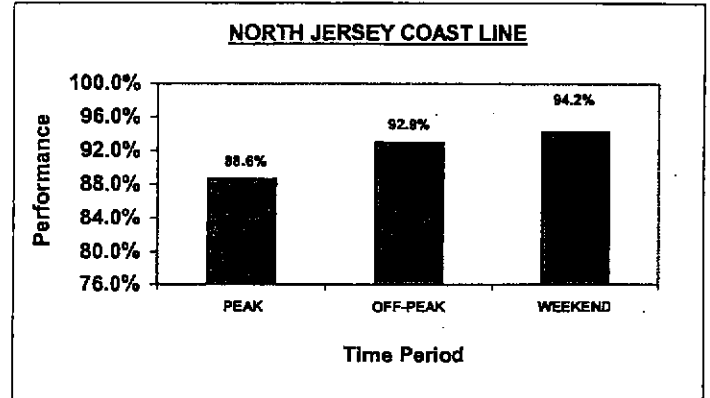
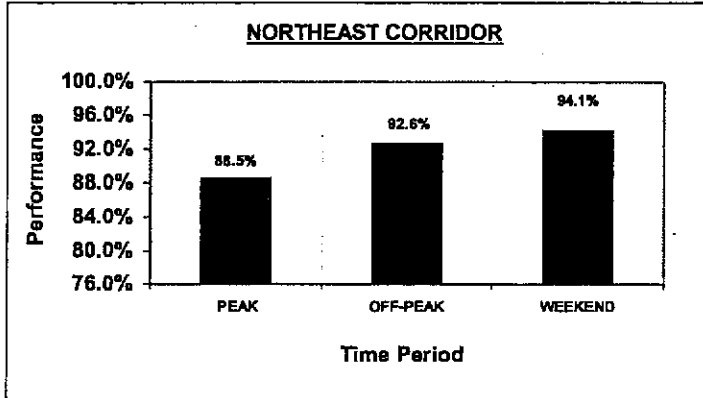
SUMMARY BY TIME PERIOD APRIL 2009



SUMMARY BY LINE APRIL 2009

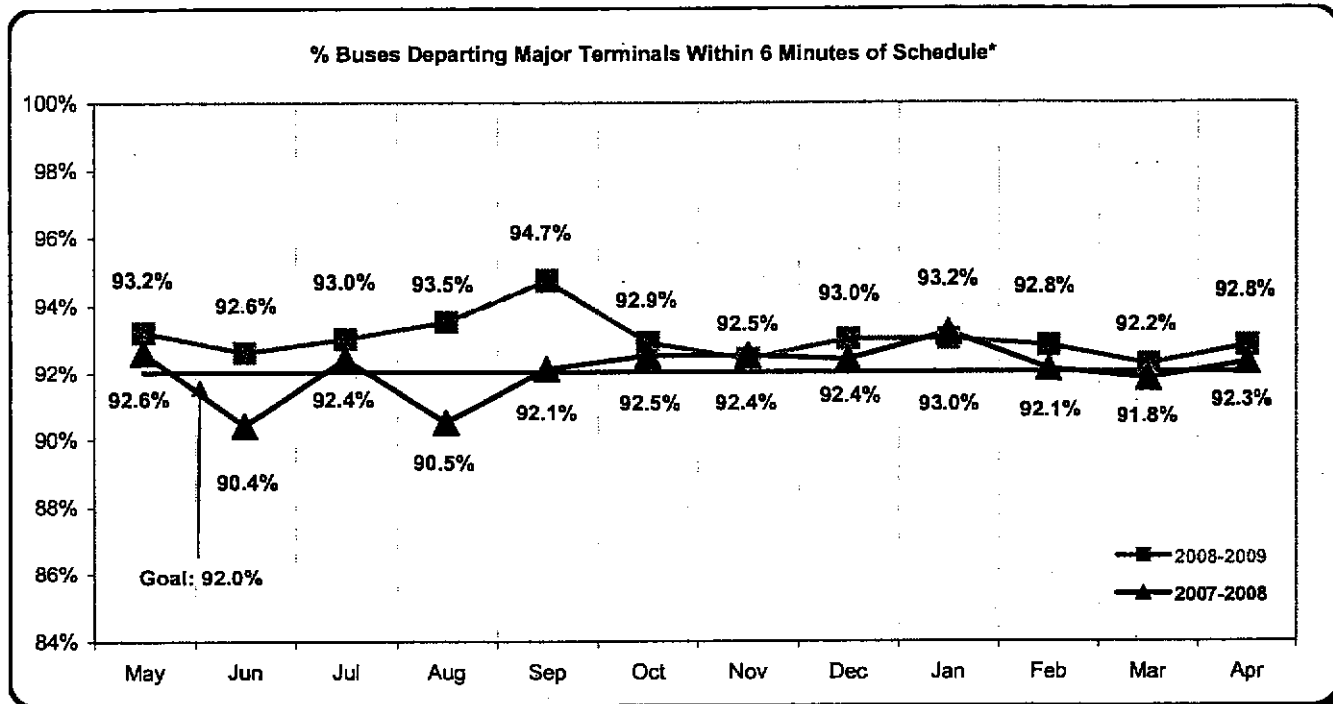


ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD APRIL 2009



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

NJ TRANSIT ON-TIME PERFORMANCE BUS MAY 2007 - APRIL 2009



*Note: Includes the Walter Rand Transportation Center, Atlantic City Bus Terminal, Port Authority Bus Terminal, Newark Penn Station, and, as of July, 2008, Hoboken Terminal.

	2008	2009	% Change
April Comparison	92.3%	92.8%	0.5%

	2007-2008	2008-2009	% Change
12-Month Average May - April	92.1%	93.0%	0.9%

Analysis:

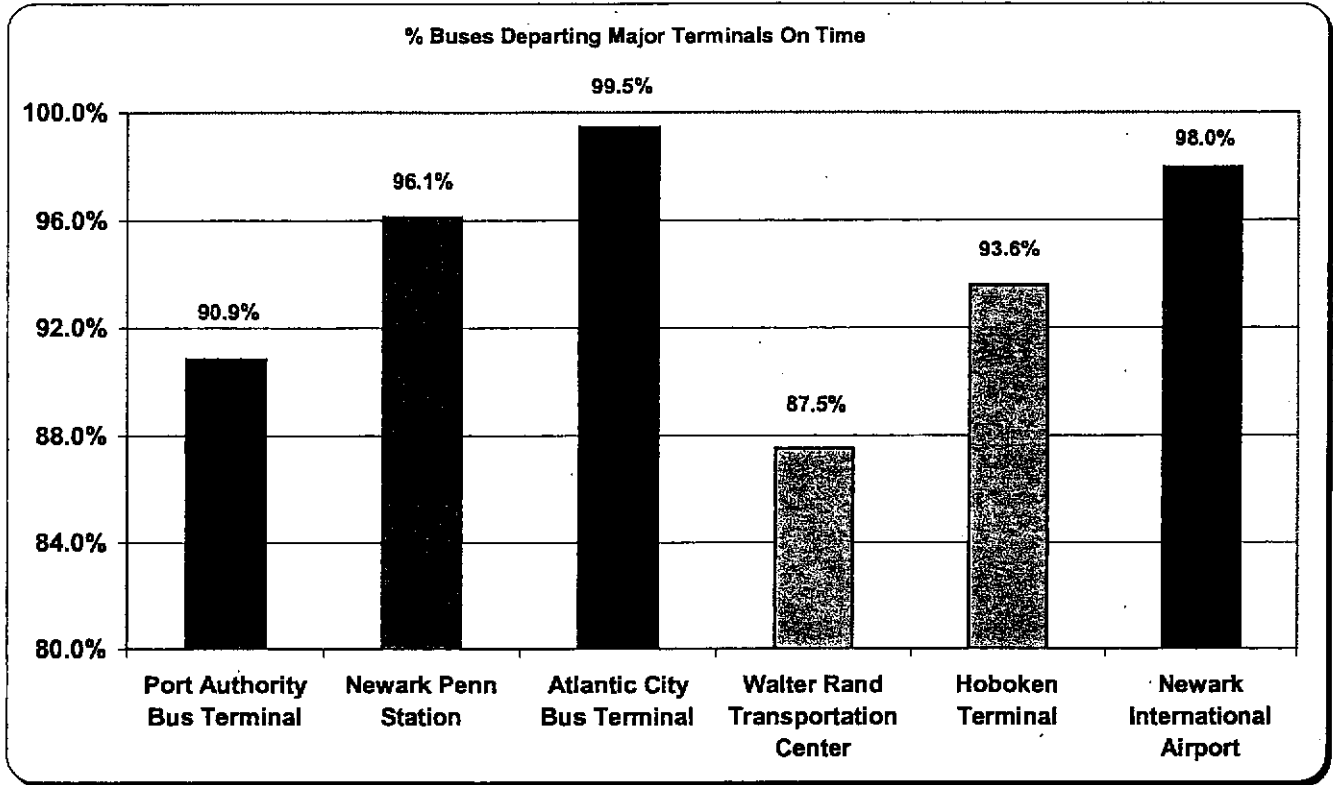
Bus On-Time Performance was 92.8% for April 2009. Of the 35,134 monitored departures, 2,524 (or 7.1%) experienced delays. Key causes of delay:

- Port Authority buses were impacted by a disabled truck in the Lincoln Tunnel on 4/9.
- Traffic congestion on the Garden State Parkway affected Atlantic City Terminal buses on 4/18 and 24.
- Delays on local roads from the St. Patrick's Day parade impacted Newark Penn Station buses on 4/14.
- Walter Rand Transportation Center buses were affected by inclement weather on 4/20 and 22.

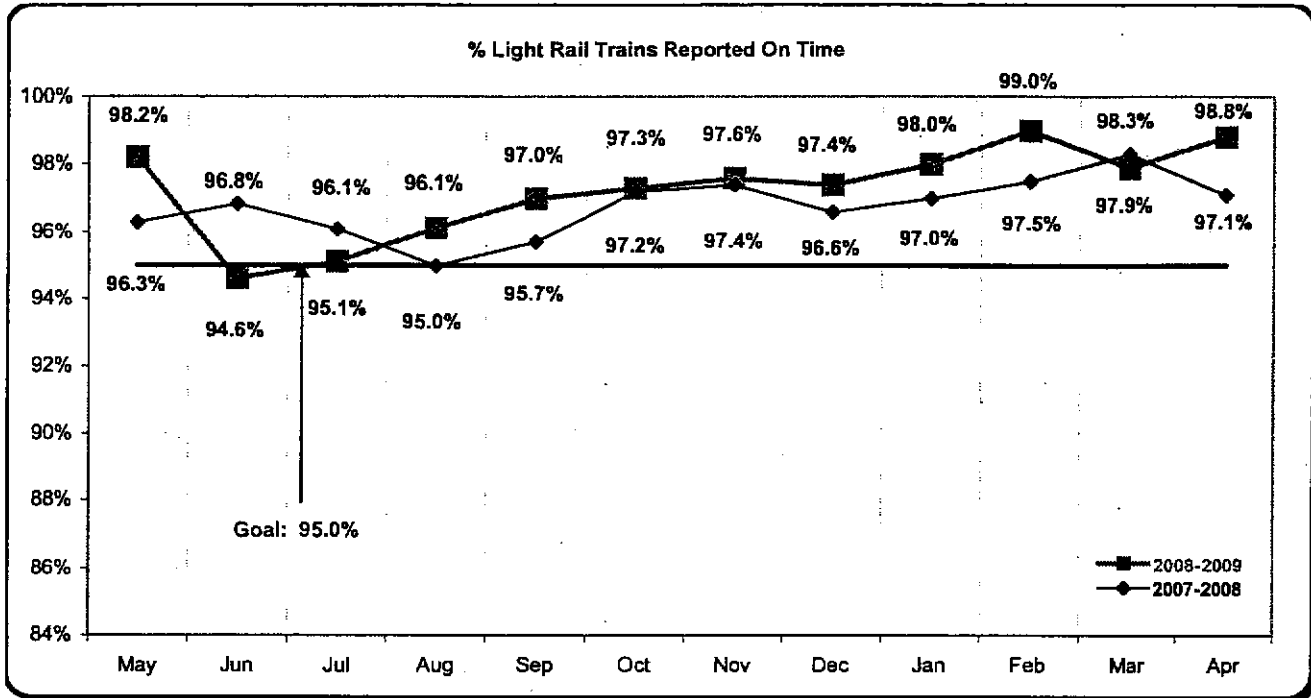
The 12-month average for Bus On-Time Performance for May 2008 - April 2009 was 93%.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL APRIL 2009



NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL - SYSTEMWIDE MAY 2007- APRIL 2009



*Note: Starting May 2007

	2008	2009	# Change
April Comparison	97.1%	98.8%	1.7%

	2007-2008	2008-2009	# Change
12-Month Average May - April	NA	97.3%	NA

Analysis:

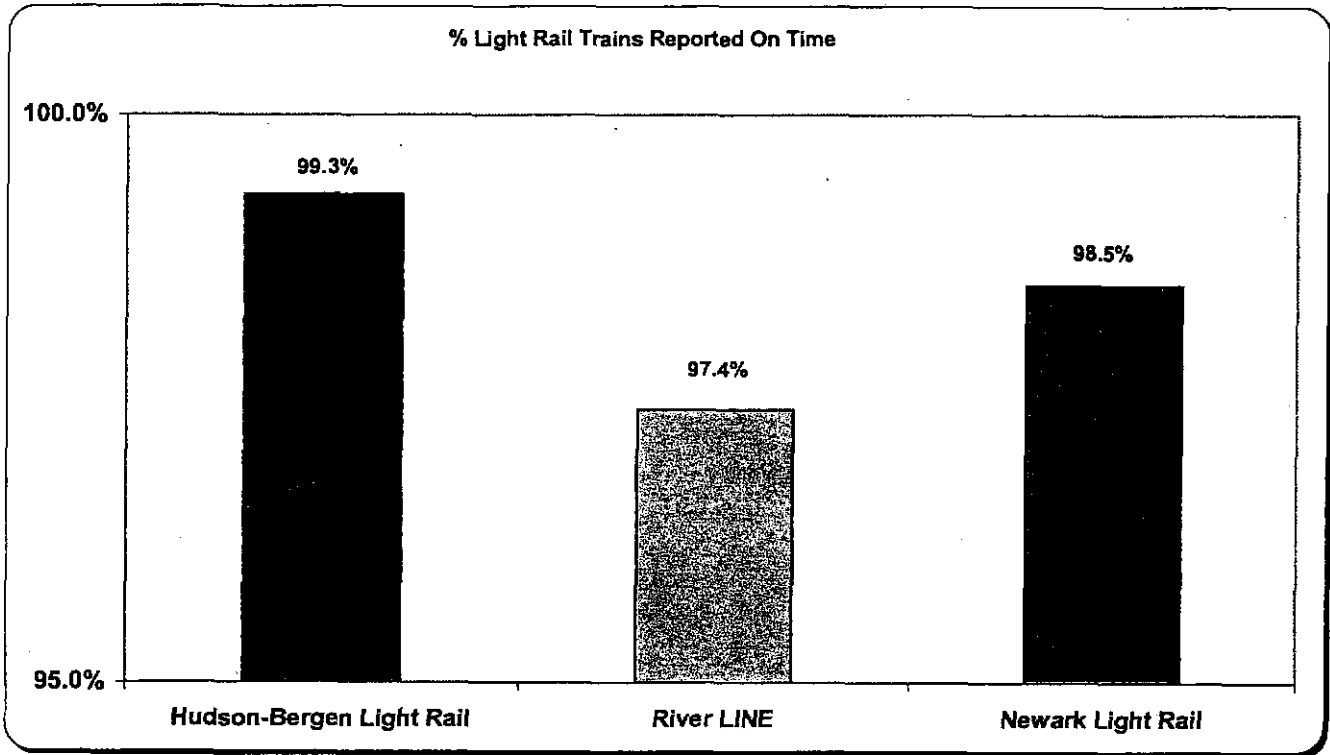
Light Rail On-Time Performance systemwide was 98.8% for the month of April 2009. Of the 31,452 scheduled trains, 375 (or 1.2%) experienced delays. Key causes of delay included:

- An auto accident at 6th Street in Jersey City on 4/23.
- Mechanical failures on the River LINE on 4/24.
- Newark Light Rail trains were affected by a switch failure on 4/16.

The 12-month average for Light Rail On-Time Performance for May 2008 - April 2009 was 97.3%.

ON-TIME PERFORMANCE LIGHT RAIL

SUMMARY BY LINE APRIL 2009



ACTION ITEMS

ITEM 0905-25: MASS TRANSIT TUNNEL/ACCESS TO THE REGION'S CORE: TONNELLE AVENUE UNDERPASS – CONSTRUCTION SERVICES, CONSTRUCTION MANAGEMENT SERVICES, CONSTRUCTION ASSISTANCE SERVICES, & AMENDMENT TO OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)

BENEFITS

In January, the Federal Transit Administration issued a Record of Decision on the Final Environmental Impact Statement and approved the start of final design for the Mass Transit Tunnel/Access to the Region's Core (ARC) project. The overall project has been divided into 25 contract packages, the first of which is ready for construction and includes a new underpass that will allow the new ARC railroad tracks to pass below Routes 1 & 9 (also known as Tonnelle Avenue) in North Bergen, NJ. This construction contract and related construction management and construction assistance services are funded by the American Recovery and Reinvestment Act of 2009 (ARRA) and will create or sustain about 150 jobs.

The ARC project, when completed, will double the existing rail capacity of the century-old trans-Hudson rail infrastructure, to meet the region's continuing demand for commuter rail services into Manhattan. The ARC project will be constructed through the Meadowlands, under the New Jersey Palisades and Hudson River, to an expansion of Penn Station under 34th Street. The project is being advanced in partnership with The Port Authority of New York and New Jersey.

ARC will break the trans-Hudson bottleneck, by providing more commuter rail service, more express service, and more direct service from stations throughout the entire system. It will provide a transfer free, one seat ride to passengers on the Main, Bergen, Pascack Valley, Raritan Valley, North Jersey Coast Line, and other portions of the NJ TRANSIT system for passengers to New York City. The project will improve our region's environment, economy, and quality of life.

PURPOSE

The Tonnelle Avenue Underpass is a new underpass that will allow the new ARC tracks to pass under Tonnelle Avenue. NJ TRANSIT will require the contractor to keep Tonnelle Avenue open throughout the project and all four lanes open during peak traffic periods.

This construction contract also includes demolition of a fast food restaurant, and a portion of a warehouse to prepare for the future ARC track alignment. Finally, the construction contract will provide for the relocation of utilities along the roadway and construction of the new railroad embankment immediately to the west of Tonnelle Avenue.

The construction management services will include inspection and quality assurance of all work and materials incorporated into the project, coordination with utility providers, site safety and security; all in compliance with contract documents. The construction

assistance services will include review of shop drawings, resolution of unforeseen design issues, and responses to requests for information from the contractor.

Finally, NJ TRANSIT's existing Owner-Controlled Insurance Program (OCIP) will be used to secure insurance for this contract to provide enhanced overall coverage, better administrative control over claims, and higher limits of liability coverage for DBE subcontractors.

ACTION (Justification: Core System Capacity)

Staff seeks authorization to award a contract to Ferreira Construction Company, Inc. of Branchburg, NJ for construction of a new underpass on Tonnelle Avenue in North Bergen, New Jersey at a cost not to exceed \$13,558,500 plus five percent for contingencies, for a total contract authorization of \$14,236,425 subject to the availability of funds. The construction contract will be awarded after NJ TRANSIT receives a Letter of No Prejudice from the Federal Transit Administration.

Staff seeks authorization to amend the contract (No. 06-111) with THE CM Consortium, a joint venture of Tishman Corporation, Parsons Corporation and Arup of Newark, New Jersey, for construction management services for a new underpass on Tonnelle Avenue in North Bergen, New Jersey at a cost not to exceed \$1,500,000 plus five percent for contingencies, for a revised total contract authorization of \$51,975,000 subject to the availability of funds.

Staff seeks authorization to amend the contract (No. 06-046) with THE Partnership, a joint venture of Parsons Brinckerhoff, Inc., STV Inc., and DMJM Harris, Inc. of Newark, New Jersey, for construction assistance design services for a new underpass on Tonnelle Avenue in North Bergen, New Jersey at a cost not to exceed \$610,000 plus five percent for contingencies for a revised total contract authorization of \$225,859,062 subject to the availability of funds.

Staff seeks authorization to amend the Owner-Controlled Insurance Program (OCIP) administered by Marsh USA to provide additional coverage for the Tonnelle Avenue Underpass project at a cost not to exceed \$635,000 plus five percent for contingency, subject to the availability of funds.

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

FISCAL IMPACTS

Requested Authorizations: \$13,558,500 + 5% contingencies for construction services for a total contract authorization of \$14,236,425

 \$1,500,000 + 5% contingencies for construction management services for a revised total contract authorization of \$51,975,000

\$610,000 + 5% contingencies for construction assistance design services for a revised total contract authorization of \$225,859,062

\$635,000 + 5% contingencies for insurance under NJ TRANSIT's existing rolling wrap up insurance program

Total Project Cost:	\$8.7 Billion (Year of Expenditure)
Projected Date of Completion:	March 2012 (Tonnelle Avenue Underpass)
Anticipated Source of Funds:	American Recovery & Reinvestment Act, FTA, CMAQ, TTF, NJ Turnpike, PANYNJ
Diversity Goal:	DBE – 35 percent for construction services DBE – 25 percent for construction management services DBE – 21.5 percent for construction assistance services
Related/Future Authorizations:	N/A
Impacts on Subsequent Operating Budgets:	TBD

RESOLUTION

WHEREAS, in January 2009, the Federal Transit Administration issued a Record of Decision on the Final Environmental Impact Statement and approved the start of final design for the Mass Transit Tunnel/Access to the Region's Core (ARC) project; and

WHEREAS, the first contract is ready for construction and includes a new underpass that will allow the new ARC railroad tracks to pass below Tonnelle Avenue in North Bergen, NJ; and

WHEREAS, the selection of the construction services contractor followed a competitive procurement process which resulted in the selection of the lowest responsive and responsible bidder; and

WHEREAS, the construction management contract for the Mass Transit Tunnel/Access to the Region's Core project was previously awarded by a competitive procurement process and included a contract option to provide project controls and construction management services during construction; and

WHEREAS, the design services contract for the Mass Transit Tunnel/Access to the Region's Core project was previously awarded by a competitive procurement process and included a contract option for construction assistance services during construction; and

WHEREAS, NJ TRANSIT's existing Owner-Controlled Insurance Program (OCIP) will be used to secure insurance for this contract to provide enhanced overall coverage, better administrative control over claims, and higher limits of liability coverage for DBE subcontractors.

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to award a contract to Ferreira Construction Company, Inc. of Branchburg, NJ for construction of a new highway bridge on Tonnelle Avenue in North Bergen, New Jersey at a cost not to exceed \$13,558,500 plus five percent for contingencies, for a total contract authorization of \$14,236,425 subject to

the availability of funds. The construction contract will be awarded after NJ TRANSIT receives a Letter of No Prejudice from the Federal Transit Administration;

BE IT ALSO RESOLVED that the Chairman or Executive Director is authorized to amend the contract (No. 06-111) with THE CM Consortium, a joint venture of Tishman Corporation, Parsons Corporation and Arup of Newark, New Jersey, for construction management services for the Tonnelle Avenue Underpass project at a cost not to exceed \$1,500,000 plus five percent for contingencies, for a revised total contract authorization of \$51,975,000 subject to the availability of funds;

BE IT ALSO RESOLVED that the Chairman or Executive Director is authorized to amend the contract (No. 06-046) with THE Partnership, a joint venture of Parsons Brinckerhoff, Inc., STV Inc., and DMJM Harris, Inc. of Newark, New Jersey, for construction assistance design services for the Tonnelle Avenue Underpass project at a cost not to exceed \$610,000 plus five percent for contingencies, for a revised total contract authorization of \$225,859,062 subject to the availability of funds;

BE IT ALSO RESOLVED that the Chairman or Executive Director is authorized to amend the Owner-Controlled Insurance Program (OCIP) administered by Marsh USA to provide additional coverage for the Tonnelle Avenue Underpass project at a cost not to exceed \$635,000 plus five percent for contingency, subject to the availability of funds.

ITEM 0905-26: ACCESS LINK VEHICLE PURCHASE CONTRACTS

BENEFITS

Federal law requires public entities operating fixed route transportation systems to provide paratransit services for individuals with disabilities. The paratransit service is expressly for those customers who cannot use the fixed route service. NJ TRANSIT provides paratransit service everywhere in the state where fixed route local bus transportation systems operated by NJ TRANSIT, or private carriers under contract to NJ TRANSIT, are operated. Access Link currently provides over 3,000 trips per day in the 18-county service area.

These vehicle purchase contracts will enable NJ TRANSIT to purchase minibuses and sedans enabling Access Link contractors to provide reliable paratransit service for customers. These three contracts call for the purchase, respectively, of 137 minibuses with an option for an additional 20 minibuses, 24 vans with an option for an additional 10 vans and 57 sedans with an option for an additional 15 sedans to replace and expand the fleet to meet needs through Fiscal Year 2011.

Funding for this project is being provided as part of the American Recovery and Reinvestment Act of 2009 (ARRA) economic stimulus program. NJ TRANSIT estimates that the ARRA funds in this project will generate 157 jobs.

PURPOSE

Authorization of these contracts will ensure that NJ TRANSIT remains in compliance with its federal obligation to provide the ADA paratransit service to residents and visitors. It will ensure that those who are unable to use NJ TRANSIT's fixed route local bus service have the opportunity to become more independent and increase their community participation. Approval of these contracts will continue support of NJ TRANSIT's mandate of serving customers with disabilities in safe, reliable vehicles.

ACTION (Justification: Mandate)

Staff seeks authorization to contract (No. 09-069) with Starcraft Bus Division of Forest River/Jersey Shore Bus Sales of Elkhart, Indiana, for the purchase of 137 minibuses with an option for an additional 20 minibuses in an amount not to exceed \$9,655,343 plus five percent for contingencies, subject to the availability of funds.

Staff also seeks authorization to contract (No. 09-074) with Shepard Brothers of Canandaigua, New York, for the purchase of 24 vans with an option for an additional 10 vans in an amount not to exceed \$1,828,231 plus five percent for contingencies, subject to the availability of funds.

Staff also seeks authorization to contract (No. 09-072) with Winner Ford of Cherry Hill, New Jersey, for the purchase of 57 sedans with an option for an additional 15 sedans in

an amount not to exceed \$1,981,584 plus five percent for contingencies, subject to the availability of funds.

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

FISCAL IMPACTS

Requested Authorization:

Starcraft/Jersey Shore	\$	9,655,343	+ 5% contingency
Shepard Brothers	\$	1,828,231	+ 5% contingency
Winner Ford	\$	1,981,584	+ 5% contingency

Total Project Cost: \$ 13,750,000

Projected Date of Completion: 2011

Anticipated Source of Funds: Federal Transit Administration (Stimulus Funding)

Diversity Goal: Transit Vehicle Manufacturer

NJ Build Amount: None

Related/Future Authorization: Purchase of additional minibuses and sedans

RESOLUTION

WHEREAS, in July 1990, the Americans with Disabilities Act (ADA) was signed into law requiring public entities operating fixed route transportation systems to provide paratransit services for individuals with disabilities; and

WHEREAS, Access Link must purchase new vehicles to replace and expand the current fleet to meet current and future demands; and

WHEREAS, upon completion of a competitive procurement process, Starcraft Division of Forest River/Jersey Shore Bus Sales, Shepard Brothers, and Winner Ford were determined to be the most responsive and responsible bidders;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to contract (No. 09-069) with Starcraft Bus Division of Forest River/Jersey Shore Bus Sales of Elkhart, Indiana, for the purchase of 137 minibuses with an option for an additional 20 minibuses in an amount not to exceed \$9,655,343 plus five percent for contingencies, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to contract (No. 09-074) with Shepard Brothers of Canandaigua, New York, for the purchase of 24 vans with an option for an additional 10 vans in an amount not to exceed \$1,828,231 plus five percent for contingencies, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to contract (No. 09-072) with Winner Ford of Cherry Hill, New Jersey, for the purchase of 57 sedans with an option for an additional 15 sedans in an amount not to exceed \$1,981,584 plus five percent for contingencies, subject to the availability of funds.

ITEM 0905-27: SOLE/SINGLE SOURCE VENDORS PURCHASE OF REPLACEMENT PARTS AND SERVICES (BUS, RAIL, LIGHT RAIL AND HEADQUARTERS)

BENEFITS

Materials and services which are available from only one source of supply are exempt from competitive procurement under N.J.A.C. 16:72-1.5(d) and for the most part the vendors have proprietary control over the manufacture of parts and components and the provision of technical services for NJ TRANSIT equipment.

The need for NJ TRANSIT to exercise sole and single source authority relates to specific areas of procurement, including, but not limited to, the following:

Replacement Parts from Original Equipment Manufacturers (OEMs)

These parts or components are needed to repair and maintain rolling stock equipment specifically designed by the OEM manufacturer, where available technical data does not assure that a part or component supplied by another vendor will adequately perform the same function it replaces.

Examples of major sole source vendors include Bombardier Transportation, Rail Systems, Inc., (EMD), ALSTOM Transportation, Kinkisharyo Inc., WABTEC Passenger Transit, MCI Service Parts, NeoPart and Prevost-Nova Bus.

Sole Supplier Services

Certain apparatus can only be serviced and/or tested by sole/single source vendors. For example, Sperry Rail Services is the only industry-recognized source capable of simultaneously testing rail by induction and ultrasound methods; Harsco Track Technologies is the only known source to provide Track Laying Machine Services for the installation of concrete ties; and Solari Corporation is the only qualified source for the repair of Solari display units.

Rail Rolling Stock Brake Shoes

NJ TRANSIT operates approximately 1,200 passenger rail cars and locomotives daily. Brake shoes and pads are replaced on all in-service equipment through periodic and daily inspections. Electric and Diesel Locomotive and Multilevel Passenger Car brake shoes and pads are specialized equipment and are available from one source of supply. Based upon past experience and test results, these products alone have met the required acceptable stop distances, wheel heat generation and acceptable shoe and wheel wear.

Additional Bus, Rail and Light Rail Requirements

Over the past years, the Board has annually authorized sole/single approved source contracts for various materials and services. In each of the previous authorizations, the funding was predicated upon the anticipated volume of sole source purchases. Staff continually seeks, where feasible, to develop specifications and reduce reliance on sole source vendors. Examples of items that have been removed from prior authorizations include Comet Passenger Car brake pads and rotors, non-revenue vehicle repair services, train servicing and traction motor and gear unit repairs.

A list of Fiscal Year 2009 sole/single source vendors is set forth in Exhibit A. The list is not inclusive but represents the best compilation of suppliers known to be in this category. Exhibit A may be revised by additions or deletions as needs change such as the delivery of new or rehabilitated equipment, extension of existing projects or services, warranty requirements, etc. All items or services purchased on a sole/single source basis will be subject to price or cost analysis to ensure the reasonableness of the prices quoted.

PURPOSE

The operation and maintenance of NJ TRANSIT Bus, Rail and Headquarters requires the purchase of maintenance spares, services, modifications, upgrades and other programs, which can only be obtained from approved sole and single sources.

As such, it has been determined that the vendors utilized under this authorization are certified to be the sole/single sources for the purchase of materials and services in accordance with NJ TRANSIT Procurement Regulations N.J.A.C. 16:72-1.5 and Executive Order No. 37.

ACTION (Justification : State of Good Repair)

Staff requests authorization to enter into sole or single source procurement-by-exception contracts for the purchase of materials and services from approved vendors set forth in Exhibit A (subject to adjustments), to support Bus, Rail, Light Rail and Headquarters operations at a cost not to exceed \$18,000,000. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period.

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

FISCAL IMPACTS:

Requested Authorization:	\$18,000,000
Total Project Cost:	\$18,000,000

Projected Date of Completion:	June 30, 2010
Anticipated Source of Funds:	FY 2010 Operating Budget Capital Budgets
Diversity Goals:	N/A
Related Authorization:	N/A

RESOLUTION

WHEREAS, NJ TRANSIT requires maintenance items and services to support the operation of various major equipment; and

WHEREAS, it is necessary to obtain these required maintenance items and services from sole or single sources; and

WHEREAS, pursuant to N.J.A.C. 16:72 competitive procurement requirements may be waived in instances where only one source of supply is available; and

WHEREAS, it has been determined that the vendors utilized under this authorization are certified to be the sole/single sources for the purchase of materials and services in accordance with NJ TRANSIT Procurement Regulations N.J.A.C. 16:72-1.6 and Executive Order No. 37;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into sole/single source, procurement-by-exception, contracts for the purchase of parts and services from approved sole/single source vendors set forth in Exhibit A, subject to adjustments and Board notification of new firms whose aggregate spend exceeds \$250,000, at a total cost not to exceed \$18,000,000 for the period July 1, 2009 to June 30, 2010, subject to the availability of funds.

SOLE SOURCE/SINGLE SOURCE VENDORS NJ TRANSIT
FISCAL YEAR 2010

	VENDOR NAME	CITY	STATE	SBE/MBE
1	ABB C/O Burgoyne Sales	Edison	NJ	
2	ABB Control Inc.	Wichita Falls	TX	
3	ABB Power T&D	St Louis	MO	
4	ABM - American Building Maint	New York	NY	
5	AFL Comm/Dossert Corp.	Duncan	SC	
6	Alstom Signaling (GRS)	Rochester	NY	
7	Alstom Transport Service NA	Lisle	IL	
8	Amerex Corp.	Trussville	AL	
9	Anchor Brake Shoe Co	Park Ridge	IL	
10	Anixter, Inc.	Cranbury	NJ	
11	Assetworks, Inc.	Wayne	PA	
12	Atlantic Detroit Diesel	Lodi	NJ	
13	Atlantic Import & Export Corp.	Branchburg	NJ	
14	Bombardier Inc/Aftermarket	Ontario	Canada	
15	Business Innovations	Las Vegas	NV	SBE
16	C-K Composites	Mt. Pleasant	PA	
17	Cleveland Price	Trafford	PA	
18	Clever Devices	Syosset	NY	
19	CMI-Promex	Pedricktown	NJ	SBE
20	Columbus Steel Castings	Columbus	OH	
21	Cooper Bearings, Inc.	Georgetown	DE	MBE
22	Cubic Transp Systems	Tullahoma	TN	
23	Cummins Metropower	Newark	NJ	MBE
24	Drivecam Inc.	San Diego	CA	
25	Dustcontrol, Inc.	Wilmington	NC	
26	Faiveley Rail	Exton	PA	
27	Federal Metal Products	Ferndale	PA	
28	Ferraz Shawmut Inc	Newburyport	MA	
29	Foley, Inc.	Piscataway	NJ	SBE
30	Gar-Ren Tool & Machine Co.	Prospect Park	PA	WBE
31	GE Global Signals	Hingham	MA	
32	GE Transportation Parts LLC	Erie	PA	
33	General Electric Energy	Philadelphia	PA	
34	Harsco Track Technologies	Cayce-West Columbia	SC	
35	Hi Tran Corporation	Flemington	NJ	
36	Hirail Corporation	Lisbon	IA	SBE
37	Hoffman Services Inc.	Newark	NJ	

**SOLE SOURCE/SINGLE SOURCE VENDORS NJ TRANSIT
FISCAL YEAR 2010**

38	Honeywell, Inc	Marlton	NJ	
39	Imtech Corp.	Denville	NJ	
40	Ingersoll-Rand Air Center	Edison	NJ	
41	Inter Swiss Ltd.	Chicago	IL	
42	ISE Research Corp.	Poway	CA	SBE
43	Jala Equipment Co	Ft Lauderdale	FL	SBE
44	Jamaica Bearings	New Hyde Park	NY	SBE
45	JMA Rail Products	Carol Stream	IL	
46	Johnson Controls Inc	Edison	NJ	
47	Kim Hotstart Mfg. Co.	Spokane	WA	
48	Kinkisharyo International LLC	Jersey City	NJ	
49	Knorr Brake Corp/NYAB	Westminster	MD	
50	LBBA Technologies	Quebec	CA	
51	Lift-U-Inc.	Escalon	CA	
52	Lincoln Service & Equipment	Durham	CT	
53	Luminator-A Mark IV Industries	Plano	TX	
54	Matrix Railway Corp	West Babylon	NY	SBE
55	MCI Service Parts	Schaumburg	IL	
56	Microphor Inc.	Willits	CA	SBE
57	Modern Track Machinery	Elgin	IL	
58	Moore Wallace NA	Edison	NJ	
59	Morbern, Inc.	Toronto	Canada	
60	Motive Equipment	New Berlin	WI	
61	National Railway Supply	Savannah	GA	
62	Orgo-Thermit Inc	Manchester	NJ	
63	ORX Railway Corporation	Tipton	PA	
64	Pandrol USA	Bridgeport	NJ	SBE
65	Penn Machine Company	Carnegie	PA	SBE
66	Portec Inc. RMP	Pittsburgh	PA	
67	Precision Transmission	Colmar	PA	SBE
68	Prevost-Novabus Parts	Elgin	IL	
69	Pyle Connector Corp.	Sidney	NY	
70	Quantum Engineering Inc	Orange Park	FL	
71	Rail Systems Inc.	Houma	LA	
72	Railroad Friction Prod	Laurinburg	NC	
73	Rails Company	Maplewood	NJ	SBE
74	Rosbro Engineering	Blainville, QC	Canada	
75	Safetran Systems	Louisville	KY	
76	Saft America, Inc.	Cockeysville	MD	
77	Siemens Building Tech.	Pine Brook	NJ	

**SOLE SOURCE/SINGLE SOURCE VENDORS NJ TRANSIT
FISCAL YEAR 2010**

78	Simmons Machine Tool Corp.	Albany	NY	
79	Simplex Grinnell	Rockaway	NJ	
80	Sperry Rail Service	Danbury	CT	
81	Stavola Construction Materials	Bound Brook	NJ	SBE
82	Tessco Technologies	Hunt Valley	MD	
83	Transtech of SC	Piedmont	SC	
84	Transtech Corp USA	Mahwah	NJ	
85	Turtle & Hughes	Bridgewater	NJ	SBE
86	Union Switch & Signal	Batesburg	SC	
87	United Knitting Machine	Kulpville	PA	SBE
88	VAE Nortrak, Inc.	Birmingham	AL	
89	Vapor Rail	Quebec	Canada	
90	Wabtec Passenger Transit	Spartanburg	SC	
91	Wabtec/Stone Air	Columbia	SC	
92	Warner Radiator	Paducah	KY	
93	Wayfarer Transit Systems	Elizabeth	NJ	
94	Whiting Corp.	Monee	IL	

**ITEM 0905-28: HUDSON-BERGEN LIGHT RAIL LITIGATION SUPPORT:
COMPENSATION OF EXPERT CONSULTANT (TRAUNER
CONSULTING SERVICES)**

BENEFITS

Trauner Consulting Services, Inc. is an established firm providing comprehensive construction claims consulting. The retention of Trauner Consulting Services, Inc. will provide NJ TRANSIT with additional resources and expertise in the defense of a major construction litigation.

PURPOSE

The New Jersey Office of the Attorney General Division of Law (DOL) has retained Trauner Consulting Services, Inc. as a construction claims consultant in defending the lawsuit filed by Twenty-First Century Rail Corporation, the Design-Build-Operate-Maintain (DBOM) contractor for the Hudson-Bergen Light Rail MOS-II project, and its subcontractor, Frontier-Kemper/Shea/Bemo, Joint Venture. Plaintiffs are seeking payment of approximately \$100 million.

The DOL has requested that NJ TRANSIT reimburse the expert consultant directly and has reviewed and approved the Trauner Consulting Service, Inc. proposal for this effort, which includes work to the end of the mediation process.

The total cost of the Hudson-Bergen Light Rail MOS-II project is approximately \$1.2 billion.

ACTION (Justification: Legal Defense)

Staff seeks authorization to reimburse Trauner Consulting Services Inc., of Philadelphia, Pennsylvania, for expert consultant services in the amount of \$3,000,000, 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: \$ 3,000,000

Total Project Cost: TBD

Projected Date of Completion: TBD

Anticipated Source of Funds: Transportation Trust Fund

Diversity Goal: NA

***NJ Build* Amount:** NA

Related/Future Authorizations: Settlement of claim
Additional expert consultant services

**Impacts on Subsequent
Operating Budgets:** N/A

RESOLUTION

WHEREAS, NJ TRANSIT requires additional resources and construction claims expertise in conjunction with defending a lawsuit filed by Twenty-First Century Rail Corporation, the Design-Build-Operate-Maintain (DBOM) contractor for the Hudson-Bergen Light Rail project and its subcontractor; and

WHEREAS, the New Jersey Office of the Attorney General Division of Law (DOL) has retained Trauner Consulting Services, Inc., to provide expert consultant services to assist NJ TRANSIT in this matter; and

WHEREAS, the Division of Law has requested that NJ TRANSIT reimburse Trauner Consulting Services, Inc. directly;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to reimburse Trauner Consulting Services Inc., of Philadelphia, Pennsylvania, for expert consultant services in the amount of \$3,000,000, subject to the availability of funds.

**ITEM 0905-29: RUTHERFORD STATION INTERIOR REHABILITATION:
CONSTRUCTION CONTRACT AWARD**

BENEFITS

Constructed on the Bergen County Line in 1898, Rutherford Station is listed on both the State and National Registers of Historic Places, and has become a community landmark. At the juncture of NJ TRANSIT's Main and Bergen commuter rail lines, the station serves approximately 2,050 average weekday passenger trips and offers a 20-minute trip to Hoboken Terminal and a 35-minute trip to New York Penn Station in midtown Manhattan. Restoration of the interior is Phase II of the station rehabilitation program. It will arrest interior and structural deterioration of the building and provide an attractive and useful centerpiece for the Borough's central business district.

PURPOSE

Authorization of this contract will permit Phase II of the station rehabilitation program. This construction contract will include restoration of the main station building elements: restoration and painting of all interior plaster surfaces; restoration or replacement of all windows; restoration and staining of all wood frames, moldings, doors, coffered ceiling, and wood benches; and repair or replacement of the floor system as necessary in order to maintain the structural integrity, replacement of the floor tiles, repair or replacement of the tiles in the restroom facilities. In the taxi stand building, exterior windows and doors will be replaced. Since the building is on the New Jersey Register of Historic Places, the work will comply with State Historic Preservation Office requirements for the rehabilitation of historic structures.

This project has been accelerated as part of Governor Corzine's economic stimulus program. NJ TRANSIT estimates that this project will generate 14 jobs.

ACTION (Justification: State-of-Good Repair)

Staff seeks authorization to enter into a contract (No. 09-084X) with Collette Contracting, Inc. of Rutherford, New Jersey, for rehabilitation of the Rutherford Station interior in the amount of \$988,000, plus five percent for contingencies, subject to the availability of funds.

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

FISCAL IMPACTS:

Requested Amount: \$ 988,000 + 5% contingency

Total Project Cost: \$ 1,980,000

Projected Date of Completion: March 2010

Anticipated Source of Funds: Federal Transit Administration

Diversity Goal: 23% DBE

***NJ Build* Amount:** NA

Future/Related Authorizations: None

**Impact on Subsequent
Operating Budgets:** None

RESOLUTION

WHEREAS, restoration of the interior of Rutherford Station will arrest deterioration and secure the structure; and

WHEREAS, the station is on the State and National Registers of Historic Places and requires stewardship; and

WHEREAS, the project will include restoration and painting of all interior plaster surfaces; restoration or replacement of all windows; restoration and staining of all wood frames, moldings, doors, coffered ceiling, and wood benches; and repair or replacement of the floor system as necessary in order to maintain the structural integrity, replacement of the floor tiles, repair or replacement of the tiles in the restroom facilities; and

WHEREAS, upon completion of a competitive procurement process, it was determined that Collette Contracting, Inc. was the lowest responsive, responsible bidder;

NOW, THEREFORE, BE IT RESOLVED, that the Chairman or Executive Director is authorized to enter into a contract (No. 09-084X) with Collette Contracting, Inc. of Rutherford, New Jersey for rehabilitation of the Rutherford Station interior in the amount of \$988,000, plus five percent for contingencies, subject to the availability of funds.

ITEM 0905-30: RISK MANAGEMENT: INSURANCE BROKER SERVICES FOR THE MASS TRANSIT TUNNEL PROJECT

BENEFITS

NJ TRANSIT is seeking insurance broker services to assist in the development, implementation and administration of an individual Owner Controlled Insurance Program ("OCIP") for THE Mass Transit Tunnel project and be responsible for the procurement of necessary insurance coverages. Due to the long-term, complex nature of the project, it is recommended that the insurance broker be retained for an initial period of nine years and options for two two-year extensions.

Under the OCIP program, NJ TRANSIT will purchase insurance as stipulated in the construction contracts related to the exposures of the projects for the protection of NJ TRANSIT, its construction manager, contractors, all tiers of subcontractors, the Port Authority of New York and New Jersey and Amtrak. NJ TRANSIT will pay for the cost of the insurance directly rather than paying such costs indirectly by inclusion in contractor bids. Since 1994, NJ TRANSIT has used an OCIP for its larger construction projects and has obtained much broader and higher limits of coverage than could have been provided by contractors. In particular, the program provides limits of insurance for SBE/DBE sub-contractors that would otherwise be unobtainable. Additional benefits of implementing an OCIP that result in cost savings to NJ TRANSIT include an enhanced and coordinated safety program, project-specific coverage, extended completed operations coverage, and more efficient claims handling.

PURPOSE

THE Mass Transit Tunnel Project will include a two-track tunnel under the Hudson River, a connection that will allow for a one-seat ride to New York City for passengers on diesel rail lines who currently transfer at Newark or Secaucus, and additional improvements that will allow NJ TRANSIT to double its rail capacity into New York City during peak hours and improve service. The estimated cost of THE Tunnel Project is \$8,700,000,000.

This approval secures the insurance coverage required to protect the interests and investments of NJ TRANSIT, its contractors and subcontractors, the Port Authority of New York and New Jersey, Amtrak and any other railroad whose interests may be affected. Coverages provided through the OCIP include but are not limited to the following:

- Workers' Compensation/Employers' Liability
- Maritime Liability
- General and Excess Liability
- Builders' Risk
- Environmental Liability
- Railroad Protective Liability
- Terrorism

ACTION (Justification: Safety and Internal Efficiencies)

Staff seeks authorization to retain as broker of record Willis HRH for THE Mass Transit Tunnel Project at a cost not to exceed \$8,154,000 for a nine year period plus two two-year options plus five percent contingency subject to the availability of funds.

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

FISCAL IMPACTS

Requested Authorization:	THE Tunnel Project \$8,154,000 + 5% contingency
Total Project Cost:	Same as above
Projected Date of Completion:	2022
Anticipated Source of Funds:	FTA, TTF, CMAQ, NJ Turnpike, PANYNJ
Diversity Goal:	20%
Related/Future Authorizations:	N/A
Impacts on Subsequent Operating Budgets:	None

RESOLUTION

WHEREAS THE Mass Transit Tunnel Project will include a two-track tunnel under the Hudson River and additional improvements that will allow NJ TRANSIT to double its rail capacity into New York City during peak hours and improve service; and

WHEREAS, due to the long-term nature and complexity of the project, it is in the best interest of NJ TRANSIT to contract for an OCIP for the project which will provide for uniformity of coverage, reduced administrative costs, an enhanced safety program and better control over premiums;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to retain as broker of record Willis HRH for THE Tunnel Project at a cost not to exceed \$8,154,000 for a nine year period plus two two-year options plus five percent contingency subject to the availability of funds.

CONSENT CALENDAR

ITEM 0905-31: PASSAIC-BERGEN RAIL SERVICE: MEMORANDUM OF UNDERSTANDING

BENEFITS

The Passaic-Bergen Rail Service project will connect Hawthorne and Hackensack, serving nine new stations along the New York, Susquehanna and Western Railway (NYS&W) Main Line rail corridor. The proposed rail service will offer new public transit options with a transfer to NJ TRANSIT's Main Line commuter rail line and possible future passenger connections to commuter rail service on NJ TRANSIT's Bergen County and Pascack Valley Lines. The Passaic-Bergen Prospect Avenue Station will be located in close proximity to the Essex Street and Anderson Street Stations on NJ TRANSIT's Pascack Valley Line.

The project leverages existing rail infrastructure with new construction to create a passenger rail network for some of New Jersey's most populated communities. The expanded rail network will provide travel alternatives to congested roadways and improve access to employment and recreational destinations. The service also is expected to support economic investment in the communities along its route.

PURPOSE

The NYS&W and NJ TRANSIT have negotiated a Memorandum of Understanding (MOU) that will serve as the basis of a long-term agreement for use of the NYS&W's Main Line from the City of Hackensack in Bergen County to the Borough of Hawthorne in Passaic County for the Passaic-Bergen Rail Service project.

Pursuant to this MOU, the parties will endeavor to execute a 75-year easement agreement for use of the NYS&W right-of-way for NJ TRANSIT to construct and operate the project. Subsequent to execution of the MOU, the parties will initiate negotiations of a property agreement as well as a construction agreement and an operating agreement. Board approval for these agreements will be sought separately.

ACTION (Justification: System Expansion)

Staff seeks authorization to enter into a non-binding Memorandum of Understanding with the New York, Susquehanna, and Western Railway (NYS&W) which outlines certain business terms and conditions pertaining to NJ TRANSIT's proposal to construct and operate the Passaic-Bergen Rail Service project using the NYS&W Main Line right-of-way between the Borough of Hawthorne in Passaic County and the City of Hackensack in Bergen County.

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

FISCAL IMPACT

Requested Authorization: Approval of Memorandum of Understanding

Total Project Cost: \$ 179,000,000 (not including vehicles)

Projected Date of Completion: 2013

Anticipated Source of Funds: Transportation Trust Fund

Diversity Goal: NA

***NJ Build* Amount:** NA

Future Related Authorizations: Easement Agreement for NYS&W Right-of-Way
Construction Agreement with NYS&W
Operating Agreement with NYS&W
General Construction Contract(s)
Construction Management Services
Engineering Assistance during Construction
Rail Rolling Stock Purchase and Reconditioning
Private Property Acquisition

Impact on Future Operating Budgets: NA

RESOLUTION

WHEREAS, the Passaic-Bergen Rail Service project will provide new rail passenger service between the Borough of Hawthorne in Passaic County and the City of Hackensack in Bergen County and intermediate points along the New York, Susquehanna & Western Railway (NYS&W) Main Line and will support economic investment; and

WHEREAS, the Passaic-Bergen Rail Service project leverages existing rail infrastructure with new construction to create a passenger rail network for some of New Jersey's most populated communities;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to enter into a non-binding Memorandum of Understanding with the New York, Susquehanna, & Western Railway (NYS&W) which outlines certain business terms and conditions pertaining to NJ TRANSIT's proposal to construct and operate the Passaic-Bergen Rail Service project using the NYS&W Main Line right-of-way between the Borough of Hawthorne in Passaic County and the City of Hackensack in Bergen County.

ITEM 0905-32: OVER VIEW DISPLAY (OVD) MAINTENANCE CONTRACT FOR THE TMAC SYSTEM

BENEFITS

NJ TRANSIT's contract with ARINC Incorporated ensures proper software maintenance support of the TMAC (Train Management and Control) system. TMAC provides Rail Operations the tools to control the movement of trains on NJ TRANSIT's rail lines via the train dispatcher's direct control of railroad switches and signals. The system provides real time control of the high voltage electric overhead wire system, automated passenger information to the 164 rail stations and remote control of moveable bridges. The TMAC system is required to operate at 100 percent availability for the train and power dispatchers. The TMAC system has performed to date at close to 99.99 percent availability.

Annual TMAC systems maintenance responsibilities include the OverView Display (OVD) system. The train and power dispatchers rely upon the OVD system to graphically present to the dispatchers the real time track and power infrastructure status in order to manipulate train movement and power distribution as the dispatchers require.

PURPOSE

Currently, the OVD wall is maintained by ARINC utilizing Activu® as a subcontractor. NJ TRANSIT holds licenses with Activu® Incorporated for the use of their software (of which they are the sole proprietor) to operate the OVD wall system. Staff is seeking a separate, sole-source authorization with Activu® Incorporated for a period of three years to maintain Activu® software and the maintenance of the OVD walls. Contracting directly with Activu® will eliminate the fee currently charged by ARINC for this maintenance and will allow for direct contact with Activu®.

ACTION (Justification: Customer Service and Business Efficiency)

Staff seeks authorization to enter into a sole-source contract with Activu® Incorporated of Denville, New Jersey to provide professional services to maintain NJ TRANSIT's OverView Display system for a period of three years at a cost not to exceed \$424,850 plus five percent for contingencies.

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

FISCAL IMPACTS

Requested Authorization: \$424,850

Total Project Cost: \$424,850 plus 5% for contingency

Projected Date of Completion: July 2013

Anticipated Source of Funds: Operating

Diversity Goals: N/A

**Impact on Subsequent
Operating Budgets:** \$286,360

RESOLUTION

WHEREAS, Rail Operations currently utilizes the TMAC system, which provides centralized train traffic control, high voltage power distribution control, remote operation of movable span bridges and automated customer information distribution; and

WHEREAS, the train and power dispatchers rely upon the TMAC OverView Display (OVD) system to graphically present to the dispatchers the real time track and power infrastructure status in order to manipulate train movement and power distribution; and

WHEREAS, ARINC Incorporated currently subcontracts with Activu® Incorporated to maintain the OVD and its software; and

WHEREAS, NJ TRANSIT holds licenses with Activu®, Incorporated for the use of their software to run the OverView Display system; and

WHEREAS, contracting with Activu® Incorporated for OVD software and hardware maintenance will provide a cost saving and direct contact with the vendor;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into a sole-source contract with Activu®, Incorporated of Denville, New Jersey for professional services to maintain NJ TRANSIT's TMAC system OverView Display software and hardware and associated services as directed for a period of three years at a cost not to exceed \$424,850 plus five percent for contingency subject to the availability of funds.