

Richard J. Codey
Acting Governor

Jack Lettiere
Board Chairman

George D. Warrington
Executive Director



December 15, 2005

Dear Governor Codey:

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 Tuesday, December 13, 2005.

Sincerely,

Gwen A. Watson
Board Secretary

Enclosures

Honorable Richard J. Codey
Acting Governor, State of New Jersey
State House
Trenton, NJ 08625

(NJT BOARD – 12/13/05)

Minutes of the actions taken at the Open Session of the re-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 Tuesday, December 13, 2005.

Present:

Jack Lettiere, Chairman
Myron P. Shevell, Vice Chairman
Verice Mason, Governor's Representative
Kenneth E. Pringle
Flora Castillo
Patrick W. Parkinson
Robert Smartt

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

Chairman Jack Lettiere convened the Open Session at 9:20 am in accordance with the Open Public Meetings Act and asked for a motion to enter Executive Session to discuss personnel and litigation matters and contract negotiations. A motion was made by Myron P. Shevell, seconded by Verice Mason and unanimously adopted.

Chairman Jack Lettiere reconvened the Open Session at 10:20 am and asked for a motion to adopt the minutes of the November 21, 2005 meeting. A motion was made by Myron P. Shevell, seconded by Flora Castillo and unanimously adopted.

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

Executive Director Warrington said the holiday shopping season is a time of year when NJ TRANSIT welcomes thousands of new and occasional riders on the system. He said extra rail and bus service has been added this year to reflect holiday season travel patterns, including 16 extra weekend express trains to and from New York, as well as extra bus service on more than two dozen routes serving major New Jersey shopping centers. He said NJ TRANSIT continues to see ridership growth for the

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season. In particular, since the beginning of November, weekend rail ridership is five percent ahead of last year's record setting demand, with all lines posting increases.

Executive Director Warrington said one of the standouts is the Main/Bergen Line, which boasted its highest monthly ticket sales ever in October, and ridership for the month was up more than eight percent over last fiscal year. He said this increase is the result of service enhancements made on the weekends and during off-peak periods, improvements in service frequency, better connections through Secaucus Junction and a focused marketing campaign to build leisure ridership.

He said the focus on the Main/Bergen County Line began a year ago when NJ TRANSIT restructured fall timetables to provide more evening service during the week, particularly from 7:00 p.m. until midnight.

In the spring, NJ TRANSIT doubled service during the midday period (between 10:00 a.m. and 3:00 p.m.) to offer two trains an hour in each direction between Suffern and Hoboken and hourly service on each of the branches.

Executive Director Warrington said NJ TRANSIT also increased service from the new Ramsey Route 17 station with two new morning peak express trains serving the station. He said monthly pass sales have doubled from that station (123 in April to 266 in October)

Executive Director Warrington said the most recent timetable change last month introduced weekend service at Plauderville Station on the Bergen County Line. NJ TRANSIT has focused on building awareness of the expanded service using relatively low-cost, high-impact tools including email and direct mail communications with potential customers along the lines.

Executive Director Warrington was pleased to report that ridership at Secaucus Junction is up more than 40 percent over last year with the station now routinely handling more than 10,500 trips each weekday. He said the station has seen its top three busiest days in just the past three weeks, the highest being 11,547 on Wednesday, November 23, 2005 the day before Thanksgiving.

Executive Director Warrington said less than two months ago, NJ TRANSIT launched weekend service from the new Port Imperial station on Hudson-Bergen Light Rail. He said the station provides Weehawken customers with new access to Hoboken Terminal, where connections can be made to buses, PATH and commuter rail service. Eventually, the station will serve as a "gateway to the river," connecting customers to a brand new ferry terminal directly across from Port Imperial Boulevard scheduled to open in the spring.

Executive Director Warrington said in late January or early February, NJ TRANSIT will open two new stations on the system, Bergenline Avenue Station in Union City and

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Tonnelle Avenue Station, along with a 750-space park-and-ride facility in North Bergen. NJ TRANSIT expects these stations to be two of the system's busiest.

Executive Director Warrington said he would announce a date for the opening of the two stations at the end of this month, after system testing and training is complete. He said about two weeks before the opening, NJ TRANSIT will begin to phase in new service patterns and service frequencies to acquaint current customers and staff before full service is implemented.

To assist customers further, NJ TRANSIT will have customer service representatives at key stations along the line, including Pavonia-Newport, West Side Avenue and 2nd Street. As part of the new service patterns, NJ TRANSIT will begin operating almost all two-car trains during the peak periods, immediately doubling capacity for most trains.

Executive Director Warrington said there has been a dramatic ridership growth on the system, with first quarter ridership up approximately 25 percent over the same period last year. The two-car trains will enable NJ TRANSIT to keep pace with the demand curve, providing more seats to more customers. He said there will also be an increase in peak-period service every five minutes (over today's six-minute intervals) for customers traveling within the core sections of the system, and will offer departures every ten minutes from the endpoint terminals (instead of today's every 12 minutes).

Executive Director Warrington said as part of the customer education effort, riders began receiving information about the new stations in English and in Spanish last week. This effort will continue over the next several months, through seat drops, station posters, announcements and local newspapers, as well as on NJ TRANSIT's website.

Executive Director Warrington said NJ TRANSIT is closely following developments in New York City, as the MTA concludes its contract negotiations. Executive Director Warrington said last week, several members of his staff participated in meetings with New York City's Office of Emergency Management and other New York City agencies, to hear about their plans in the event of a work stoppage at the New York City Transit Authority later this week. He said NJ TRANSIT will continue to discuss contingencies with New York City agencies over the next several days to better assist NJ TRANSIT customers as necessary. In the event of a work stoppage, NJ TRANSIT would be prepared to redeploy customer service personnel so that NJ TRANSIT has more representatives on hand at New York Penn Station, Hoboken Terminal, Newark Penn Station and the Port Authority Bus Terminal to assist customers. In addition, NJ TRANSIT would also be prepared to have transportation management staff on standby Thursday night into Friday morning to assist where needed. He said customers will be kept informed through NJ TRANSIT's website and the My Transit Alert system, as well as through broadcast traffic reports.

Executive Director Warrington highlighted the item, Selection of Providers for Health and Wellness Program on today's agenda.

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He said like every other private and public sector business, NJ TRANSIT is facing increasing cost pressures associated with rising healthcare expenses. While NJ TRANSIT is self-insured, it retains the most cost-effective providers of healthcare networks and administrative services needed to manage the healthcare programs.

Executive Director Warrington asked the Board for their consideration today for these companies to continue to administer and process employee claims. This recommendation follows a competitive procurement process and negotiations that enabled NJ TRANSIT to reduce transaction fees from today's levels. Executive Director Warrington said this administrative focus is the first step in what will be a comprehensive review of healthcare costs.

Executive Director Warrington said over the next several months, NJ TRANSIT will retain professional support to assist in analyzing all of the healthcare plan designs to benchmark public and private best practices, with an eye toward improving the economics of healthcare benefits. Executive Director Warrington said he would update the progress as NJ TRANSIT takes a careful look at plans and identifies opportunities around healthcare costs and potential efficiencies.

Executive Director Warrington wished everyone a safe and happy holiday season.

Chairman Lettiere said NJ TRANSIT and NJDOT are working closely together to arrange facilities around the State if there is an MTA strike. Chairman Lettiere said a formal announcement would be made in the next few days.

Chairman Lettiere congratulated Kenneth E. Pringle and Flora Castillo on their renomination to the NJ TRANSIT Board of Directors.

Ms. Castillo said she is proud to be a member of the Board of Directors and she will continue to be a voice for employees and customers.

Mr. Pringle said he is honored to be a member of the Board of Directors and looks forward to working with his colleagues on the Board.

Suzanne Mack presented the Advisory Committee report to the Board. Ms. Mack wished everyone a happy holiday season. She said the Advisory Committee has not met since her last report to the Board. Ms. Mack said she had an opportunity to hear Chairman Lettiere's speech regarding the renewal of the Transportation Trust Fund. Ms. Mack commended Chairman Lettiere for his inspirational speech and agreed that the Transportation Trust Fund is an investment in the future for children and grandchildren. Ms. Mack commended the Board of Directors, Executive Director Warrington and staff on the remarkable accomplishments on capital projects. She said even though there have been cuts in funding on the Federal level; NJ TRANSIT continues to execute projects and move forward.

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There was one public comment on an agenda item.

Al Cafiero on behalf of Senator Cardinale's office commented on the item, Hudson-Bergen Light Rail MOS-2, MOS-3 & Extension West General Design Consultant and Environmental Services Consultant. Mr. Cafiero said the name Hudson-Bergen Light Rail should be changed to Hudson Light Rail since it is not serving Bergen County. Mr. Cafiero invited the Board Members to visit Tenafly so they can see the transportation problem in that town.

Executive Director Warrington presented the following Action Items for approval:

0512-106: HUDSON-BERGEN LIGHT RAIL MOS-2, MOS-3 & EXTENSION WEST GENERAL DESIGN CONSULTANT, PROJECT MANAGEMENT ASSISTANCE CONSULTANT AND ENVIRONMENTAL SERVICES CONSULTANT

Authorization is requested to continue contracts with three firms to complete work and close out the Hudson Bergen Light Rail (HBLR) MOS-2 phase during 2006. This action will also allow staff to continue work on extending the HBLR further into Bayonne--to 8th Street--as well as support the Sports and Exposition Authority's examination of the feasibility of extending the HBLR from North Bergen to the Meadowlands Complex. The first item is a request to continue funding Parsons Brinckerhoff Quade & Douglas for general design services in the amount of \$4,000,000 plus five percent for contingencies. Second, staff is seeking to increase funding by \$3,500,000 million plus five percent for contingencies for Booz Allen Hamilton for project management assistance. Finally, staff is seeking to increase funding for BEM Systems, Inc. for environmental services in the amount of \$300,000 plus 10 percent for contingencies.

Kenneth E. Pringle moved the resolution, Verice Mason seconded it and it was unanimously adopted.

0512-107: SELECTION OF PROVIDERS FOR HEALTH AND WELLNESS PROGRAM

Authorization is requested to allow staff to enter into contracts for administration of the health and wellness programs for active and retired employees and their eligible dependents. After an extensive competitive procurement process, the plan administrators are the incumbents and, in all cases, staff negotiated reductions in the per employee fees paid to these providers for claims processing. NJ TRANSIT is self-insured for hospitalization and medical coverage, prescription, dental and vision care, substance abuse and supplemental sickness coverage although these plans require employee contributions. Additional components are entirely employee paid and include supplemental life insurance and long-term

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disability. Within the next few months, NJ TRANSIT will retain expert assistance in assessing plan design with an eye toward identifying opportunities to reduce cost curves relating to health care overtime. Authorization is requested to approve service contracts with Horizon Blue Cross Blue Shield of New Jersey for medical and dental coverage, Express Scripts Inc. for prescription drugs, Vision Service Plan for vision coverage, Cigna Behavioral Health for Mental Health and Substance Abuse, Broadspire for Supplemental Sickness coverage, The Hartford for Long Term Disability and Prudential Insurance for Life and Accidental Death and Dismemberment Insurance. The contracts will run from January 1, 2006 for three years, with administrative fees not to exceed \$4,900,000 per year, with two one year renewal options.

Verice Mason moved the resolution, Kenneth E. Pringle seconded it and it was unanimously adopted.

Executive Director Warrington presented the following Consent Items for approval:

0512-108: PLAINFIELD STATION HIGH-LEVEL PLATFORMS: CONSTRUCTION CONTRACT AMENDMENT FOR PROJECT CLOSE-OUT

Authorize the Chairman or Executive Director to amend contract (No. 00-054) with Prismatic Development Corporation of Fairfield, NJ, for construction of high-level platforms and related work at Plainfield Station at a cost not to exceed \$100,118 for a total contract authorization of \$8,405,192.

0512-109: REPLACEMENT OF THE TIMBER TRESTLES APPROACH SPANS AND THE THROUGH-GIRDER FLANKING SPAN OF THE BIG SHARK RIVER DRAWBRIDGE

Authorize the Chairman or Executive Director to contract (#06-005) with HNTB Corporation of NY, for preparation of concept development, preliminary engineering, and 30 percent design plans and specifications for the replacement of the timber trestle approach spans and the steel through-girder flanking span of the Big Shark River Drawbridge, at a cost not to exceed \$443,057, plus five percent for contingencies.

Board Member Kenneth E. Pringle recused himself from voting on Item #0512-109, Replacement of the Timber Trestles Approach Spans and the Through-Girder Flanking Span of the Big Shark River Drawbridge.

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

There were three public comments on non-agenda items.

Kimberly Cardinal, Hoboken resident, thanked the Board of Directors and NJ TRANSIT staff for repainting the mural on Observer Highway that displayed a mushroom cloud. She said she especially appreciated Bill Duggan's updates on the project and his attention to detail. She said the paint matches perfectly and she and the citizens of Hoboken are very pleased with the completion of this project. She commended Mr. Duggan and his staff for a job well done.

Rose Heck said she was very proud of the many accomplishments made in the last year by NJ TRANSIT and NJDOT. She said many projects would not have been completed without Chairman Lettiere's assistance. Ms. Heck thanked Executive Director Warrington for opening the Cape May Seashore Line service and said the residents and the Mayor and the President of the Cape May Seashore Line are very pleased.

Ms. Heck expressed concern about the public meeting date of February 22, 2006 to discuss the diesel multiple units on the Hudson-Bergen Light Rail line. She said people want to comment on this important project and February 22, 2006 is in the middle of the winter season when the weather could be extremely poor.

Ms. Heck said that Mr. Cafiero has asked for information regarding the Hudson-Bergen Light Rail line but, to date, has not received a response. She asked if information could be forwarded to him.

Ms. Heck also commented on the renewal of the Transportation Trust Fund and said she is ready, willing and able to assist in that regard if necessary. Ms. Heck congratulated Chairman Lettiere on his positive speech on how the Transportation Trust Fund is an investment in New Jersey. Ms. Heck wished everyone a happy holiday season.

Chairman Lettiere thanked Executive Director Warrington and the entire staff at NJ TRANSIT for the tremendous job they have done during this past year. Chairman Lettiere said he has visited other transportation agencies around the country and he is proud that NJ TRANSIT is recognized for its integrity and dedication, which makes it the greatest public corporation in the United States. Chairman Lettiere said it is his distinct honor to be Chairman of the NJ TRANSIT Board of Directors. Chairman Lettiere wished everyone a safe and happy holiday season and encouraged the use of public transportation.

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

The meeting was adjourned at approximately 11:25 am.

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NJ TRANSIT BUS OPERATIONS, INC.
NJ TRANSIT RAIL OPERATIONS, INC.
NJ TRANSIT MERCER, INC.
REGULARLY SCHEDULED BOARD OF DIRECTORS MEETING

DECEMBER 13, 2005

MINUTES

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PUBLIC COMMENTS ON AGENDA ITEMS	-

ACTION ITEMS

0512-106	HUDSON-BERGEN LIGHT RAIL MOS-2, MOS-3 & EXTENSION WEST GENERAL DESIGN CONSULTANT, PROJECT MANAGEMENT ASSISTANCE CONSULTANT AND ENVIRONMENTAL SERVICES CONSULTANT	36987
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Authorize the Chairman or Executive Director to increase the funding of Contract No. 93CJ001 in the amount of \$4,000,000 plus five percent for contingencies for professional services related to the design and construction of the Hudson-Bergen Light Rail (HBLR) with Parsons Brinckerhoff Quade and Douglas, Inc. of Newark, NJ, the general design consultant. This authorization will bring the total contract authorization to \$147,978,271

Further, authorize the Chairman or Executive Director to increase the funding of Contract No. 95CJ021 in the amount of \$3,500,000 plus five percent for contingencies for professional services related to the design and construction of the HBLR with Booz Allen Hamilton of McLean, VA, the project management assistance consultant. This authorization will bring the total contract authorization to \$42,456,961

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Further, authorize the Chairman or Executive Director to increase the funding of Contract No. 91CJ0035 in the amount of \$300,000 plus 10 percent for contingencies for professional services related to the design and construction of the HBLR with BEM Systems, Inc. of Chatham, NJ, the environmental services consultant. This authorization will bring the total contract authorization to \$31,804,926.

0512-107 **SELECTION OF PROVIDERS FOR HEALTH AND WELLNESS PROGRAM** 36993

Authorize the Chairman or Executive Director to enter into administrative services contracts with Horizon Blue Cross Blue Shield of New Jersey for medical and dental coverage, Express Scripts, Inc. for prescription drug coverage, Vision Service Plan for vision coverage, CIGNA Behavioral Health for mental health/substance abuse coverage, Broadspire for supplemental sickness coverage and The Hartford for long-term disability. Staff also seeks authorization to contract with The Prudential Insurance Company of America for life and accidental death & dismemberment insurance coverage. These contracts will provide healthcare and survivor income benefits to active and retired NJ TRANSIT employees and their eligible dependents, beginning January 1, 2006, for a period of three (3) years, with administrative fees not to exceed \$4,900,000 per year, and with two one-year renewal options, subject to the availability of funds.

CONSENT CALENDAR

0512-108 **PLAINFIELD STATION HIGH-LEVEL PLATFORMS: CONSTRUCTION CONTRACT AMENDMENT FOR PROJECT CLOSE-OUT** 36998

Authorize the Chairman or Executive Director to amend contract (No. 00-054) with Prismatic

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Development Corporation of Fairfield, NJ, for construction of high-level platforms and related work at Plainfield Station at a cost not to exceed \$100,118 for a total contract authorization of \$8,405,192.

0512-109

REPLACEMENT OF THE TIMBER TRESTLES APPROACH SPANS AND THE THROUGH-GIRDER FLANKING SPAN OF THE BIG SHARK RIVER DRAWBRIDGE

37001

Staff seeks authorization to contract (#06-005) with HNTB Corporation of NY, for preparation of concept development, preliminary engineering, and 30% design plans and specifications for the replacement of the timber trestle approach spans and the steel through-girder flanking span of the Big Shark River Drawbridge, at a cost not to exceed \$443,057, 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 personnel and litigation matters and contract negotiations; and

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

APPROVAL OF MINUTES

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

WHEREAS, pursuant to Section 4(f) of the New Jersey Public Transportation Act of 1979, the minutes of actions taken at the November 21, 2005 Board meeting of the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc. and NJ TRANSIT Mercer, Inc. were forwarded to the Governor on November 22, 2005;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the November 21, 2005 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.

Richard J. Codey
Acting Governor

Jack Lettiere
Board Chairman

George D. Warrington
Executive Director



TO: BOARD OF DIRECTORS
FROM: GEORGE D. WARRINGTON
DATE: DECEMBER 13, 2005
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – DECEMBER 2005

Last month, I highlighted some of our initiatives to encourage people to take advantage of public transportation during the busy holiday season, including the addition of 16 weekend express trains to- and from New York and extra bus service on more than two dozen routes serving major New Jersey shopping centers. I am pleased to report strong ridership so far this season, with all lines posting increases, and weekend ridership since the beginning of November up nearly five percent over last year's record setting demand.

In particular, Main/Bergen Line ridership has shown significant growth, with numbers in the first quarter tracking nearly 13 percent higher than last year. Weekend and off-peak service enhancements, improvements in frequency, better connections through Secaucus Junction, and an aggressive marketing campaign to build leisure ridership have no doubt contributed to this increase. On a related note, ridership at Secaucus Junction is up more than 40 percent over last year, with the station now routinely handling more than 10,500 trips each weekday.

The Hudson-Bergen Light Rail (HBLR) has also shown dramatic ridership growth, with first quarter ridership up approximately 25 percent over the same period last year. Less than two months ago, we extended weekend HBLR service to the new Port Imperial Station in Weehawken, providing customers with new access to Hoboken Terminal for connections to buses, PATH and commuter rail service. Early next year, we will open two new stations on the system—Bergenline Avenue Station in Union City and Tonnelle Avenue Station in North Bergen, expected to be two of the system's busiest.

Prior to opening day, we will begin operating under a new service pattern that will mean more frequent trains and more seating capacity for all Hudson-Bergen Light Rail customers. During peak periods, we will begin running almost all two-car trains—immediately doubling our seating capacity on most trains. In addition, we will increase the frequency of peak-period service to every 5 minutes (over the current 6-minute intervals) within the core sections of the system, and will offer departures every ten minutes from the endpoint terminals (as compared to every 12 minutes today). Customers from Lincoln Harbor, which had previously seen a departure every 15 minutes will now find one every 5 minutes during the peak. Finally, we will offer new direct service between Jersey City and stations on the northern extension (2nd Street, 9th Street, Lincoln Harbor and Port Imperial), eliminating the need for customers to transfer in Hoboken Terminal. These service enhancements will allow us to accommodate thousands of new riders while improving service for our current customers.

From all of us at NJ TRANSIT, best wishes for a safe and happy holiday season.

EXECUTIVE DIRECTOR'S MONTHLY REPORT DECEMBER 2005

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

HIGHLIGHTS

NJ TRANSIT to become anchor rail tenant at Moynihan Station

Moynihan Station Development Corporation has executed a Memorandum of Understanding with NJ TRANSIT that will enable NJ TRANSIT to become the anchor rail tenant at the new Moynihan Station on 8th Avenue in New York City.

Both the Moynihan Station Development Corporation (MSDC) Board of Directors and the NJ TRANSIT Board of Directors approved a Memorandum of Understanding permitting NJ TRANSIT to negotiate a 99-year lease for 35,000 square feet of exclusive space designated for passengers, customer service, and transportation support.

Under the agreement, the intent is for NJ TRANSIT to exercise operational control of the new station, and NJ TRANSIT will integrate the new facilities on Eighth Avenue with both its existing platform and station operations under Seventh Avenue in Penn Station, as well as the planned multi-level station under 34th Street as part ARC. NJ TRANSIT is expected to pay MSDC \$2.3 million annually for the exclusive space.

ARC features the new Trans-Hudson Express (THE) Tunnel as its centerpiece and together with added track, station and train storage facilities will double trans-Hudson rail capacity to meet peak period demand for service between New Jersey and Manhattan—projected to surge to 86,000 passengers by 2025. One of the first phases of the program includes extending existing Penn Station to better vertical circulation, including access to Moynihan Station.

In presenting the MOU for Board approval November 21, NJ TRANSIT Executive Director George Warrington noted that the Moynihan station rail facility is ideally located not only for access to existing Midtown destinations, but also as an anchor in the planned redevelopment of Midtown Manhattan and the west side.

Moynihan Station will feature improved access to platforms; reduce delays and dwell time for all rail users; and alleviate congestion by increasing passenger capacity and circulation. The Moynihan Station project will create an expansive 300,000 square feet space for the train station itself, 850,000 square feet for commercial space and up to one million square feet of air rights for a residential housing tower across Eighth Avenue. The Post Office will continue to occupy 250,000 square feet in the building.

According to MSDC, it is estimated that the Station and residential tower to be built at One Penn West will create more than 10,000 temporary construction jobs and more than 3,300 permanent

jobs. When completed, this project is expected to generate more than \$50 million in annual tax revenue for the City and State. It is expected to cost \$818 million to build.

The Federal Transit Administration (FTA) is currently reviewing NJ TRANSIT's application to begin preliminary engineering of THE Tunnel project, as well as the Draft Environmental Impact Statement. Once the FTA review is complete, public hearings are expected to begin early next year.

Bus acquisition to add seats on 31 routes

With bus ridership at an all time high, the NJ TRANSIT Board of Directors authorized the purchase of 53 cruiser buses and the lease of up to 20 cruiser buses to provide capacity to meet ridership demand.

The additional buses, which will be phased into service over the next nine months, will enable NJ TRANSIT to increase capacity on 31 routes in Hudson, Essex, Bergen, Passaic and Union counties, the Route 9 corridor, and routes in Atlantic City and South Jersey.

In addition, the new buses will allow for operational flexibility as NJ TRANSIT takes buses out of service to upgrade onboard fare collection equipment starting in mid-2006. During the upgrade, nearly 2,100 fare registers will be replaced and more than 1,000 fare boxes will be rehabilitated.

Total bus ridership climbed to a record 519,000 average weekday trips during FY05, with ridership on New York commuter routes increasing 8.4 percent. Preliminary ridership data for the first quarter of FY06 indicate a further gain of approximately six percent.

In advance of the Board authorization, NJ TRANSIT bus planners completed an analysis of fleet utilization relative to recent ridership trends and expected growth. The study identified the need to add equipment for increased ridership, as well as the need to adjust schedules to reflect the impact of traffic congestion on service quality.

The new buses will be manufactured in accordance with specifications similar to those used in NJ TRANSIT's bus purchase during 2000-2002, ensuring compatibility across the 900 cruiser bus fleet and allowing for cost efficiencies in the areas of operator and maintenance training, parts, inventory costs and availability, as well as special equipment used to maintain the buses.

Factoring for general inflation, higher steel prices and new ADA and environmental mandates, the cost of the new buses is comparable to the price per vehicle paid by NJ TRANSIT during its procurement of more than 1,000 buses in 2000.

NJ TRANSIT upgrading TVMs for speed, ease of use

The automated machines responsible for dispensing more than 39 million NJ TRANSIT tickets each year will become faster and more customer friendly as a result of action taken November 21 by the NJ TRANSIT Board of Directors. The Board approved a contract with Ascom Transport Systems, allowing for the complete overhaul and upgrade of all 543 machines currently in service, as well as the purchase of 157 new machines and associated maintenance and support services.

The new generation of TVMs will be easier to use for all customers—including those with disabilities—featuring larger ATM-style screens that will enable users to make selections simply by touching icons on an interactive display. For easier viewing in outdoor conditions, the displays will be angled toward the customer and will be six times brighter than the models they replace.

The new user interface will enable NJ TRANSIT to offer a wider array of ticketing options at each machine. For the first time, customers will be able to select their origin and destination by touching station names on the screen, rather than looking up and entering a three-digit code. Customers will also be able to purchase joint tickets from other carriers, including PATH, PATCO, SEPTA, Metro-North and NY Waterway.

In addition, the machines will automatically remember the five most recent itineraries purchased via credit card, enabling customers to repeat past transactions in a fraction of the time. For example, a monthly customer who purchases a rail pass to Hoboken with a ferry connection to New York will have the option to purchase that same itinerary again with a touch of a button, simply by using the same credit card.

The machines' onboard computers will be upgraded with faster processors and a more stable operating system that will reduce the transaction time for customers and result in an even higher level of reliability than the current fleet, which boasts an uptime of more than 98 percent. The machines will also be fully compatible with the smart card technology currently being developed by PATH and PATCO, as well as any future smart card program developed by NJ TRANSIT.

Other features include faster bill acceptors, voice-activated audio that meets federal ADA requirements, multiple language capability and a new "fast fare" option for rail customers traveling between major stations.

This Board action will enable NJ TRANSIT to introduce or add TVMs at several stations on the Main, Bergen County, Pascack Valley, Morris & Essex and Raritan Valley lines, as well as provide machines to support upcoming capital projects such as the Newark City Subway extension to Broad Street and the new Meadowlands Rail Station.

Ascom introduced the first NJ TRANSIT ticket vending machine in 1987. Since then, the company has invested time and resources into improving NJ TRANSIT's point-of-sale equipment to make it as customer friendly as possible. Ascom has helped NJ TRANSIT reduce back office costs by providing the resources needed to support point-of-sale hardware and software, including programming and maintenance. In addition, the company provides faregate customer representatives at Secaucus Junction and the Newark Airport Rail Station.

CUSTOMER AND COMMUNITY INITIATIVES

NJ TRANSIT honors legacy of Rosa Parks

NJ TRANSIT joined other transportation agencies around the nation in honoring the legacy of Rosa Parks on December 1, 2005, the 50th anniversary of the civil rights icon's arrest for challenging segregated busing. To pay tribute, NJ TRANSIT placed commemorative posters behind the driver's seats of 2,000 buses, and displayed banners in Newark Penn Station, Trenton Station, Secaucus Junction, New York Penn Station, and Hoboken Terminal.

The anniversary tribute marked the beginning of NJ TRANSIT's year-long focus on Parks' contribution to history. On December 5, the agency, together with the NJ chapter of the Conference of Minority Transportation Officials (COMTO), unveiled the likeness of a plaque that will be installed in Parks' honor at Irvington Bus Terminal. In addition, NJ TRANSIT will develop an education program in schools for Black History Month.

NJ TRANSIT offers 'early getaway' and extra service for Thanksgiving holiday weekend

NJ TRANSIT offered "early getaway" rail and bus service starting at noon on Wednesday, November 23 for the benefit of customers leaving work early for the Thanksgiving holiday. In addition, 18 extra trains ran on Thursday, November 24 on the Northeast Corridor, Morris & Essex, Raritan Valley, and North Jersey Coast lines to accommodate customers traveling to the Macy's Thanksgiving Day Parade, as well as those visiting family and friends in New Jersey.

On Friday, November 25, one of the busiest shopping days of the year, NJ TRANSIT again operated "early getaway" trains from New York Penn Station and Hoboken Terminal starting at noon. Also, additional bus service was offered on more than a dozen lines to major New Jersey shopping centers, including Bergen Mall, Elizabeth Center, Garden State Plaza, Jersey Gardens, Livingston Mall, Newport Centre Mall, Paramus Park Mall, The Mall at Short Hills, The Mall at Mill Creek, Harmon Meadow, Willowbrook Mall, Woodbridge Center Mall, Cherry Hill Mall, Hamilton Mall, Moorestown Mall, Quaker Bridge Mall and Shore Mall.

NJ TRANSIT's Family Super Saver Fare, which allows up to two children 11 and under to ride free with each fare-paying adult, remained in effect from 7 p.m. Wednesday, November 23 until 6 a.m. Monday, November 28.

EMPLOYEE RECOGNITION

NJ TRANSIT employees bid farewell after outstanding careers

Six NJ TRANSIT employees retired in December with careers ranging from 17 to 30 years of service:

1. Thomas Moore (Tinton Falls) Penn Plaza Sr. Director Meadows Trans. – 30 years
2. William E. Walker (Landing) GOB Chief Regional Supervisor – 27 years
3. Pedro L. DeCos (Wallington) Oradell Garage Bus Operator – 23 years
4. Gordon Henry (Willingboro) Penn Plaza Sr. Forecasting Analyst – 20 years
5. Thomas C. Brennan (Clifton) Market Street Garage Repairman "A" – 18 years
6. Carol M. Greaney (Summit) Ferry Street Program Coordinator – 17 years

DBE/MBE PROGRAM

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

\$723,987 in federal funds were awarded during October thru November of FY 06*. Disadvantaged Business Enterprises (DBEs) did not receive any federal-funded contract dollars during this period.

State Funded Contracts

\$166,938,481 in state-funded contract dollars was awarded during July thru November FY 06. ** Of that total, Small Business Enterprises (SBEs) received \$20,678,520 or 12.4 percent. Category 1 SBEs received \$2,748,091 or 1.9 percent. Category 2 SBEs received \$0. Category 3 SBEs received \$8,124,302 or 4.9 percent. Category 4 SBEs received \$3,820,245 or 2.3 percent. Category 5 SBEs received \$5,590,795 or 3.3 percent. ***

Federal & State Contracts Total

\$167,662,468 in federal and state contract dollars was awarded by NJ TRANSIT during this reporting period. Of that total, \$20,678,520 or 12.3 percent of federal and state contract dollars was won by SBEs.

Hudson-Bergen Light Rail Transit System Project

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

* Fiscal year beginning October 1, 2005

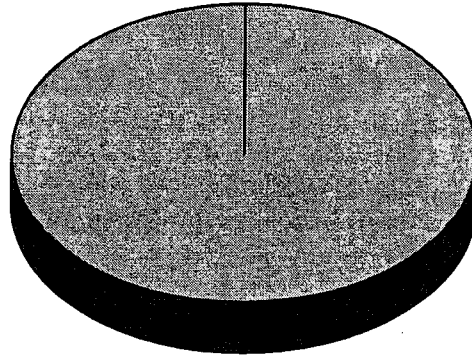
** Fiscal year beginning July 1, 2005

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

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

**DBE PARTICIPATION
FEDERAL CONTRACTS
FEDERAL FYTD (THRU NOVEMBER 2005)**

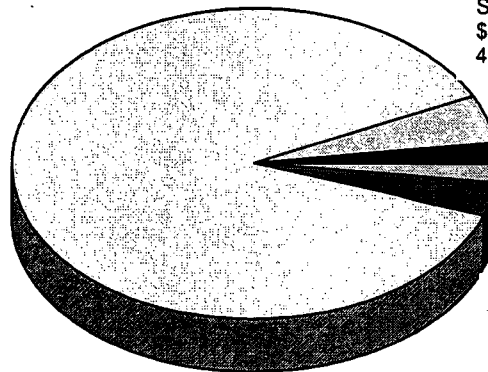
NON-DBE
FEDERAL
\$723,987
100%



DBE RACE
NEUTRAL &
RACE
CONSCIOUS
\$0
0%

**SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD (THRU NOVEMBER 2005)**

NON-SBE STATE
\$146,259,961
87.6%



SBE-3
\$8,124,302
4.9%

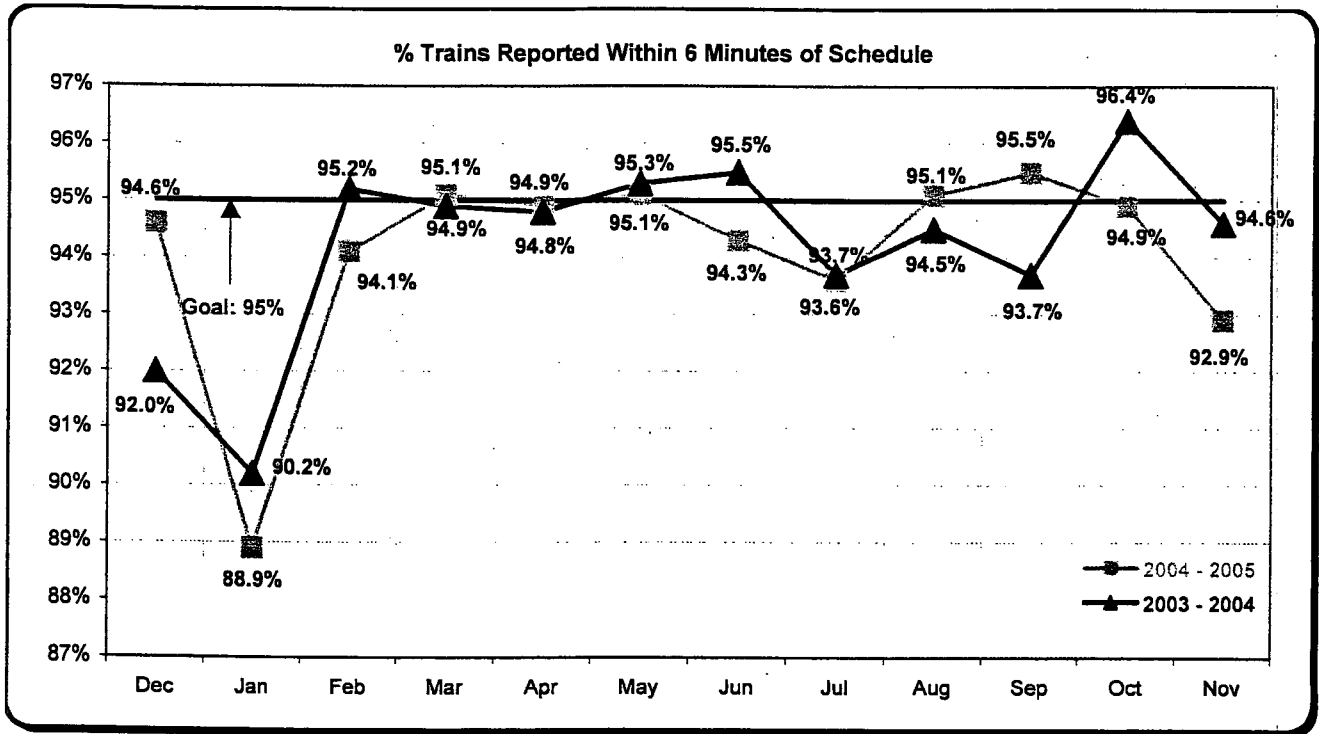
SBE-4
\$3,820,245
2.3%

SBE-1
\$3,143,178
1.9%

SBE-5
\$5,590,795
3.3%

PERFORMANCE MEASURES

NJ TRANSIT ON-TIME PERFORMANCE RAIL DECEMBER 2003 - NOVEMBER 2005



	2004	2005	# Change
November Comparison	94.6%	92.9%	-1.7%

	2003 - 2004	2004 - 2005	# Change
12-Month Average December - November	94.2%	94.1%	-0.1%

Analysis:

Systemwide, Rail On-Time Performance for November 2005 was 92.9%. Of the 18,807 trains that were scheduled to operate, 17,481 were on time, while 1,326 trains (or 7.1%) were delayed. Causes of delay included:

Amtrak problems with infrastructure on several days of the month;

Difficulty closing the Portal Bridge on November 5th;

A debris and paper fire in a tunnel near New York during the morning rush hour on November 8th;

Weather-related delays from a storm during the evening rush hour on November 16th;

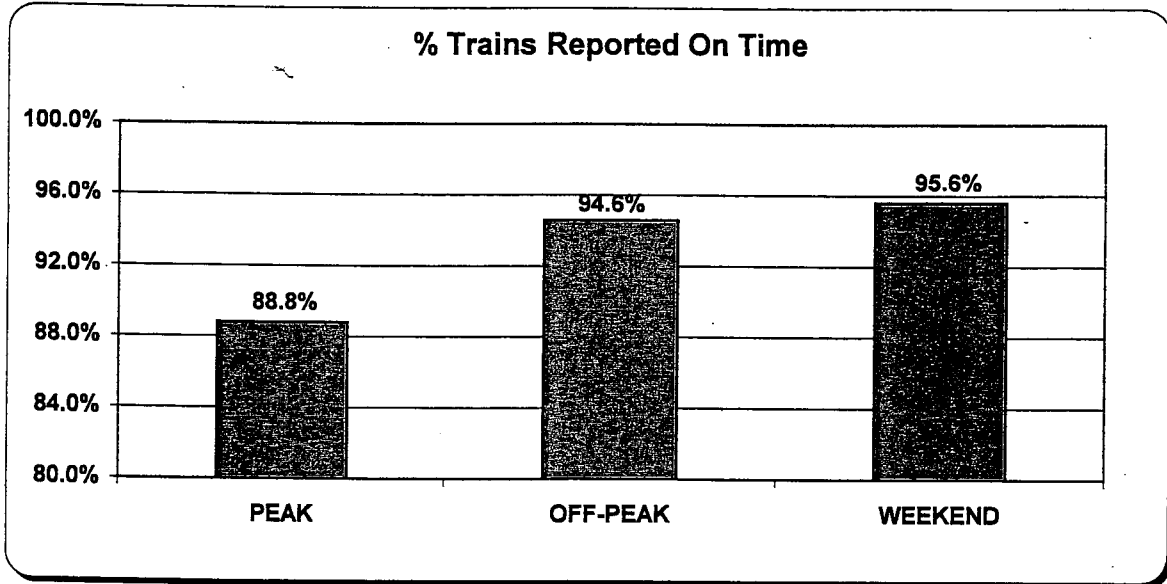
A disabled train near Penn Station New York during the morning rush hour on November 29th; and

Five trespassing incidents (including four fatalities) during the month. Year-to-date, trespasser fatalities are significantly below last year's level.

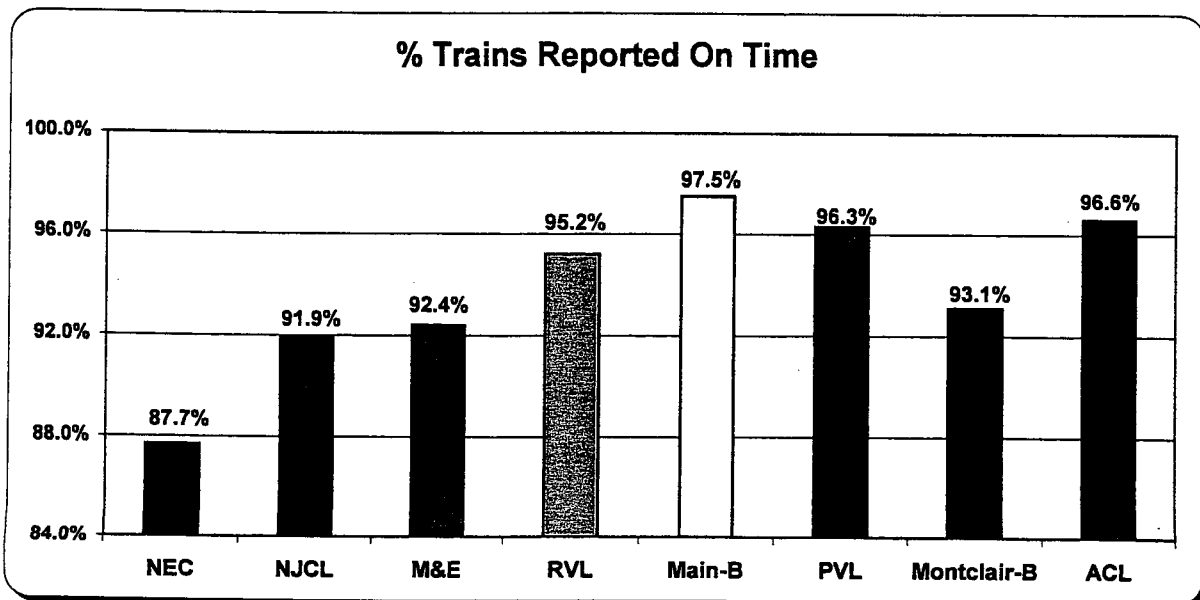
The 12-month average for Rail On-Time Performance systemwide for December 2004 - November 2005 was 94.1%, nearly identical to the average for the previous 12-month period.

ON-TIME PERFORMANCE RAIL

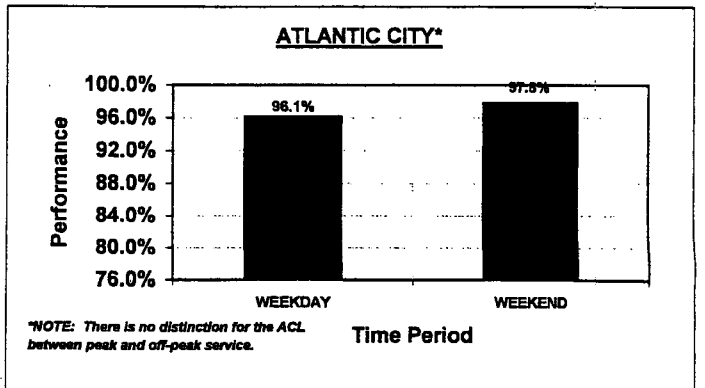
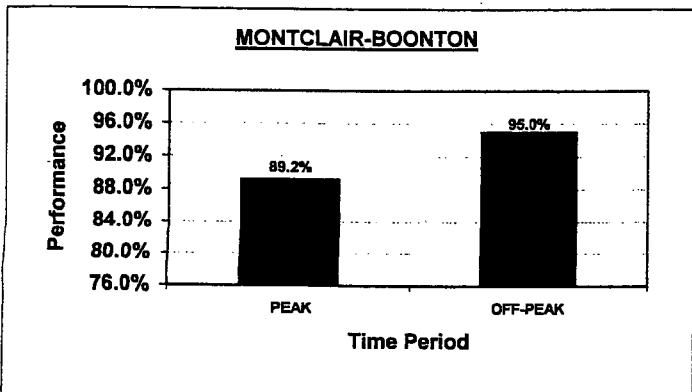
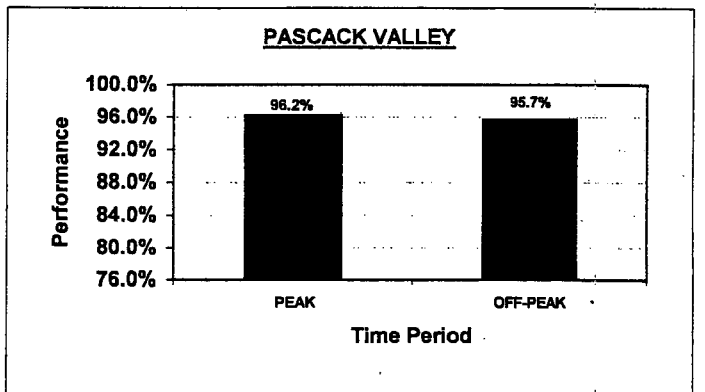
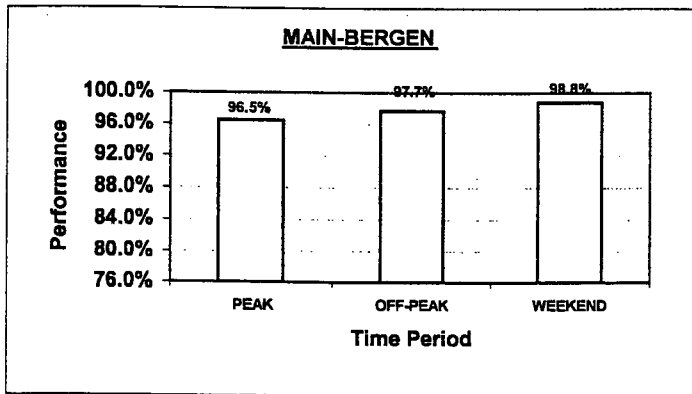
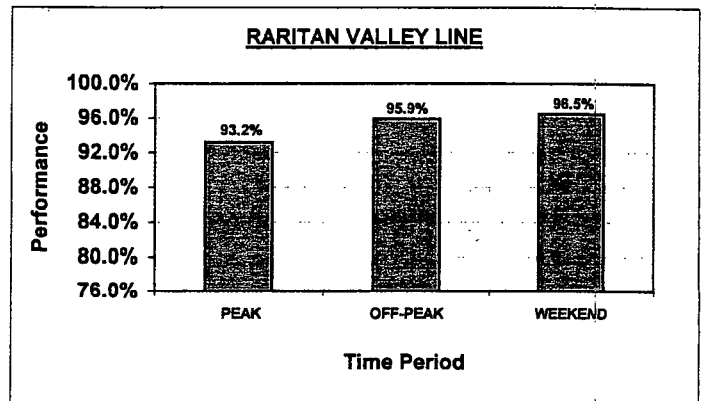
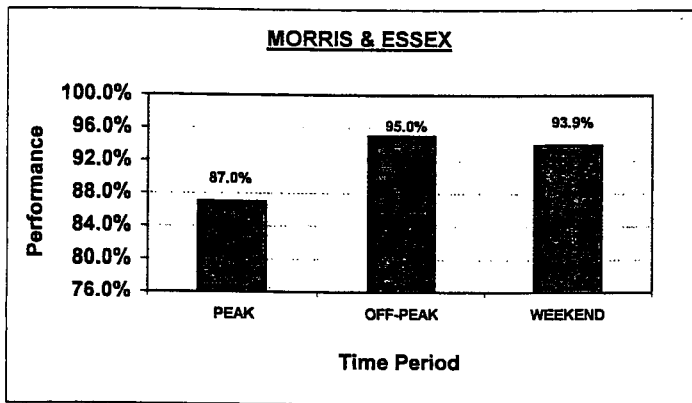
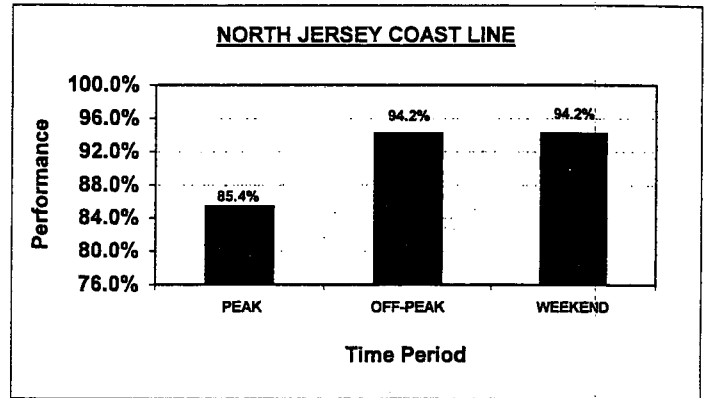
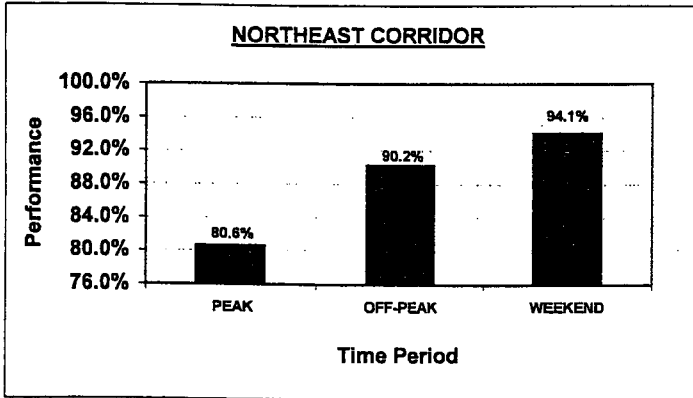
SUMMARY BY TIME PERIOD NOVEMBER 2005



SUMMARY BY LINE NOVEMBER 2005

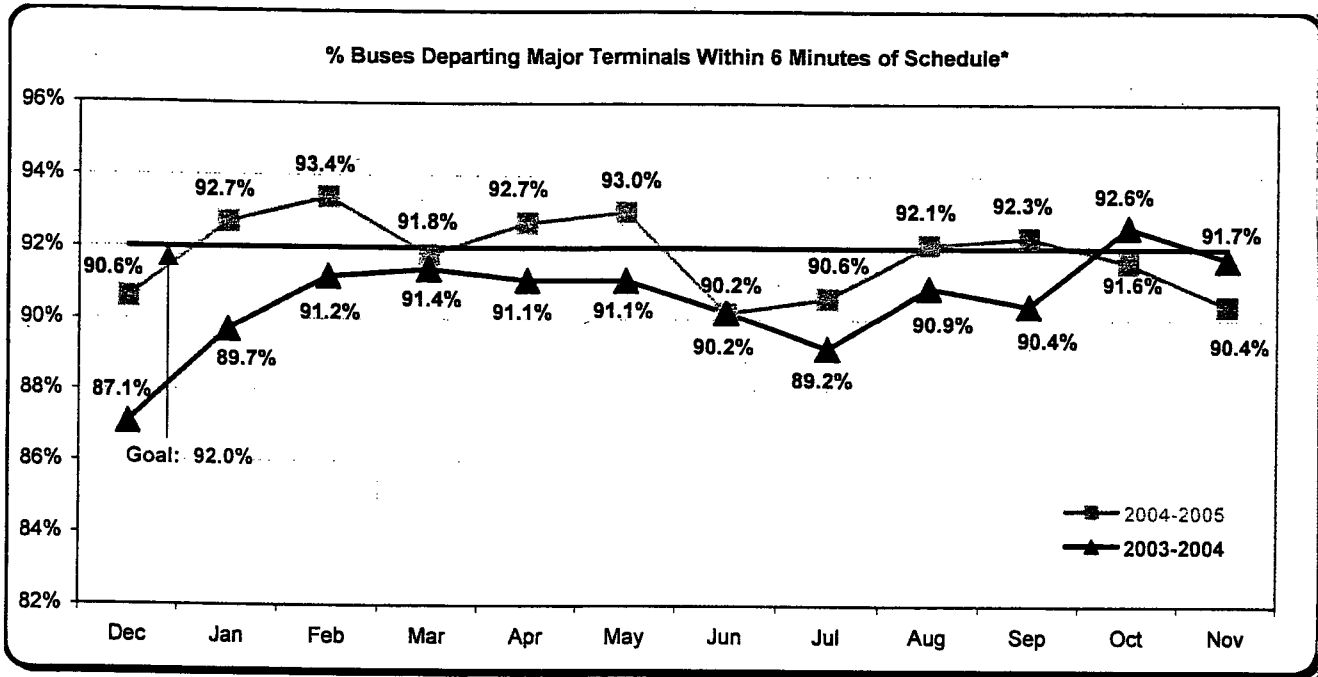


ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD NOVEMBER 2005



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

NJ TRANSIT ON-TIME PERFORMANCE BUS DECEMBER 2003 - NOVEMBER 2005



	2004	2005	# Change
November Comparison	91.7%	90.4%	-1.3%

	2003-2004	2004-2005	# Change
12-Month Average December - November	90.6%	91.8%	1.2%

Analysis:

Bus On-Time Performance for November 2005 was 90.4%. Of the 29,785 monitored departures, 2,854 (or 9.6%) experienced delays. Key sources of delay included:

Heavy traffic congestion near the Walter Rand Transportation Center on November 1st and 2nd;

A mechanical breakdown in the north tube of the Lincoln Tunnel resulting in gridlock conditions near the Port Authority Bus Terminal on November 4th;

A car accident near the Walter Rand Transportation Center during the morning rush hour on November 7th;

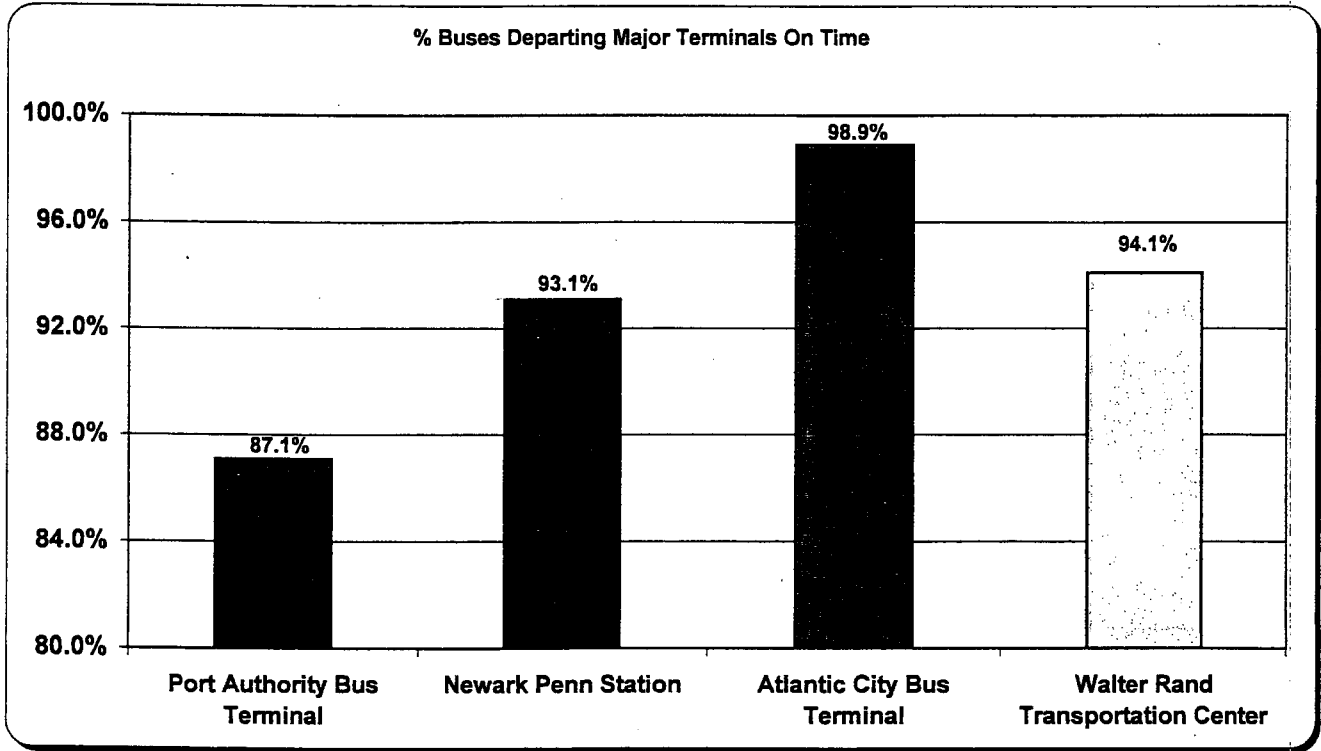
Two mechanical breakdowns in the Lincoln Tunnel on November 23rd; and

Heavy traffic during the Thanksgiving holiday.

The 12-month average for Bus On-Time Performance for December 2004 - November 2005 was 91.8%, 1.2 percentage points above the average for the previous 12-month period.

ON-TIME PEFORMANCE BUS

SUMMARY BY TERMINAL NOVEMBER 2005

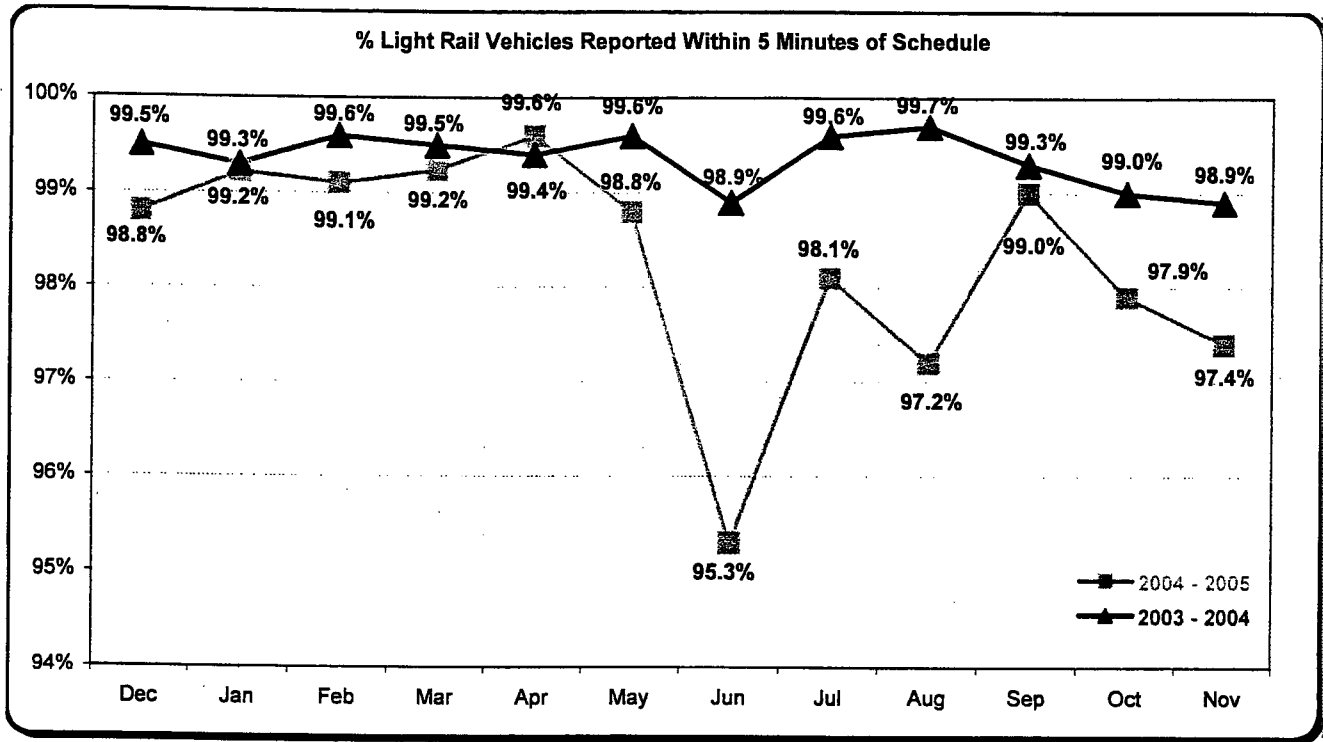


NJ TRANSIT

ON-TIME PERFORMANCE

HUDSON-BERGEN LIGHT RAIL

DECEMBER 2003 - NOVEMBER 2005



	2004	2005	# Change
November Comparison	98.9%	97.4%	-1.5%

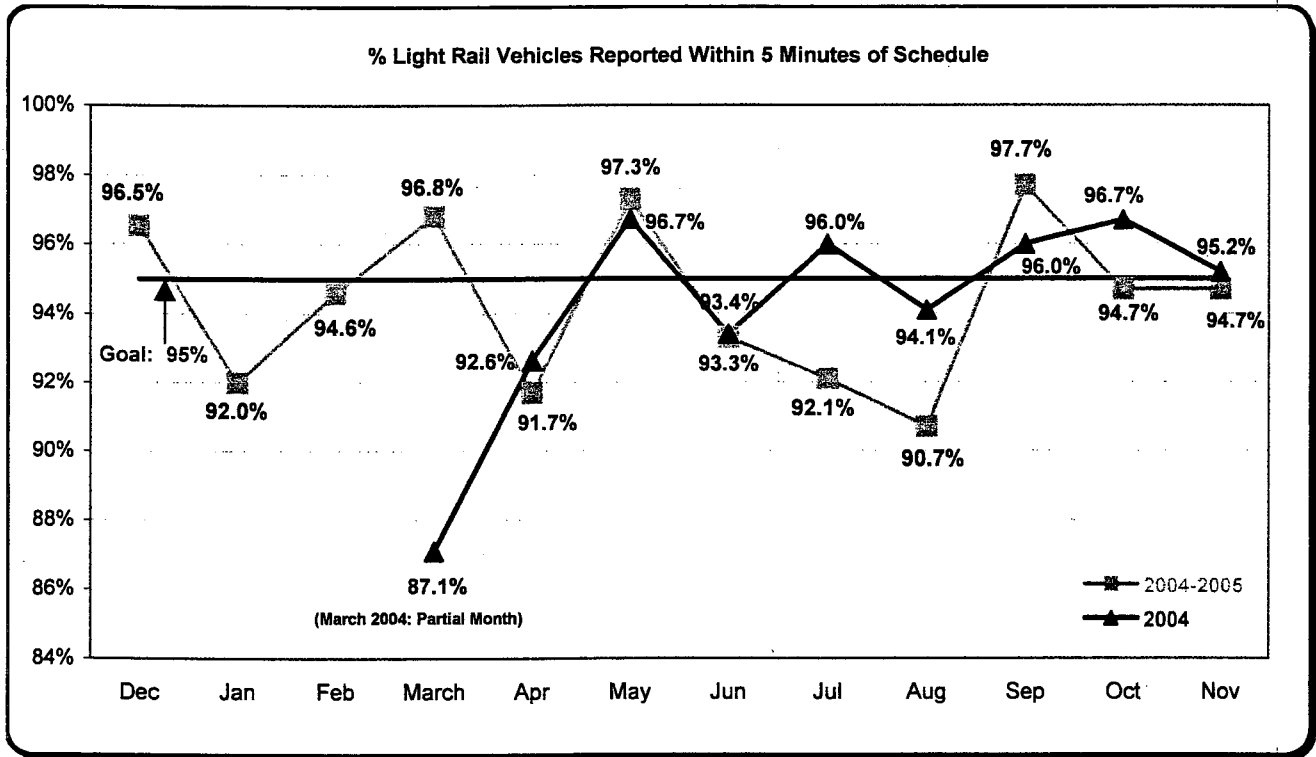
	2003 - 2004	2004 - 2005	# Change
12-Month Average December - November	99.4%	98.3%	-1.1%

Analysis:

Hudson-Bergen Light Rail (HBLR) On-Time Performance for November 2005 was 97.4%. Of the 15,820 scheduled trips for the month, 408 (or 2.6%) were delayed. The primary cause of delay was the performance of scheduled infrastructure maintenance throughout the month.

The 12-month average for HBLR On-Time Performance for December 2004 - November 2005 was 98.3%, 1.1 percentage points below the average for the previous 12-month period.

NJ TRANSIT ON-TIME PERFORMANCE River LINE MARCH 2004 - NOVEMBER 2005



	2004	2005	# Change
November Comparison	95.2%	94.7%	-0.5%

	2004	2004 - 2005	# Change
12-Month Average December - November	N/A	94.3%	N/A

Analysis:

River LINE On-Time Performance for November 2005 was 94.7%, just below the goal of 95.0%. Of the 2,926 trips scheduled for the month, 154 (5.3%) were delayed. Major causes of delay included:

A Conrail derailment in Burlington Yard on November 4th;

A signal failure and an emergency preparedness drill in Camden on November 16th;

An automobile on the tracks on November 21st; and

An equipment failure on November 29th.

The 12-month average for River LINE On-Time Performance for December 2004 - November 2005 was 94.3%.

ACTION ITEMS

ITEM 0512-106: HUDSON-BERGEN LIGHT RAIL MOS-2, MOS-3 & EXTENSION WEST GENERAL DESIGN CONSULTANT, PROJECT MANAGEMENT ASSISTANCE CONSULTANT AND ENVIRONMENTAL SERVICES CONSULTANT

BENEFITS

Hudson-Bergen Light Rail (HBLR) provides a clean, efficient, and convenient link among some of New Jersey's most heavily populated areas. The initial segment of the light rail system (MOS-1) connects Jersey City and Bayonne to Hoboken Terminal. The project close-out for this segment is nearing completion.

The second segment, MOS-2, extends the system from 34th Street to 21st Street in Bayonne, and through the cities of Hoboken, Weehawken, Union City and West New York to its terminus at a major park and ride facility at Tonnelle Avenue in North Bergen. On October 22, 2005, light rail service was extended to Port Imperial (Weehawken) on weekends and the full MOS-2 extension will be operational in 2006 with the opening of stations at Bergenline Avenue (Union City/West New York), and Tonnelle Avenue (North Bergen).

The third segment, MOS-3, is proposed to extend the system south from 21st Street to 8th Street in Bayonne. Additionally, an extension of the HBLR west to Secaucus has also been proposed.

PURPOSE

NJ TRANSIT has contracted with various firms to provide professional services for the implementation of the HBLR system. Beginning in 1991 with the environmental review for the project, staff has requested annual authorization increases for the professional services contracts. The proposed authorizations will extend the professional services contracts through 2006 as the two primary phases of the project come to a close.

NJ TRANSIT contracted with Parsons Brinckerhoff Quade & Douglas, Inc. (PBQ&D) to provide general design services for the HBLR, with Booz Allen Hamilton (BAH) to provide project management assistance for the HBLR, and with BEM Systems, Inc. (BEM) to provide environmental consultant services for disposal of contaminated and regulated waste for the HBLR. This request will be the final request for consultant services supporting the design and construction activities of MOS-2. These services include review of required submittals, field reviews and verifications, and other support activities needed to complete the HBLR MOS-2 as well as serving as the Engineer-of-Record for portions of the Weehawken Tunnel construction. PBQ&D will also provide conceptual planning assistance for the extension of the HBLR west to Secaucus.

Increased funding will allow BAH to continue to provide project management, quality assurance and quality control, and procurement support for project closeout and schedule analysis assistance for the HBLR MOS-2.

Increased funding will allow BEM to continue to provide professional services related to disposal of contaminated and regulated waste and oversight activities for the HBLR MOS-2. In addition, BEM will provide these same professional services in support of the extension of the HBLR west to Secaucus, and HBLR MOS-2 to 8th Street.

It is anticipated that the assistance of all these consultants will be required throughout the duration of the MOS-2 construction and project close-out. Staff may seek additional authorization from the Board to continue consultant services for extension of the HBLR west to Secaucus, and HBLR MOS-3 to 8th Street.

ACTION (Capital Program Justification: New System Expansion)

Staff seeks authorization to increase the funding of Contract No. 93CJ001 in the amount of \$4,000,000 plus five percent for contingencies for professional services related to the design and construction of the Hudson-Bergen Light Rail (HBLR) with Parsons Brinckerhoff Quade and Douglas, Inc. of Newark, NJ, the general design consultant. This authorization will bring the total contract authorization to \$147,978,271

Further, staff seeks authorization to increase the funding of Contract No. 95CJ021 in the amount of \$3,500,000 plus five percent for contingencies for professional services related to the design and construction of the HBLR with Booz Allen Hamilton of McLean, VA, the project management assistance consultant. This authorization will bring the total contract authorization to \$42,456,961

Staff also seeks authorization to increase the funding of Contract No. 91CJ0035 in the amount of \$300,000 plus 10 percent for contingencies for professional services related to the design and construction of the HBLR with BEM Systems, Inc. of Chatham, NJ, the environmental services consultant. This authorization will bring the total contract authorization to \$31,804,926.

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

FISCAL IMPACT

Requested Authorization:	PBQ&D Increase	\$ 4,000,000 + 5%
	PB Total Authorization	\$ 147,978,271
	BAH Increase	\$ 3,500,000 + 5%
	BAH Total Authorization	\$ 42,456,961
	BEM Increase	\$ 300,000 + 10%
	BEM Total Authorization	\$ 31,804,926

Past Authorizations:

PBQ&D

March 23, 1993	\$ 4,500,000	
October 26, 1993	\$ 5,757,030	
March 30, 1994	\$ 3,342,970	
November 30, 1994	\$ 19,800,000	
September 27, 1995	\$ 6,311,964	
November 28, 1995	\$ 31,370,000	
July 29, 1996	\$ 14,218,036	
September 9, 1998	\$ 1,100,000	
May 12, 1999	\$ 1,200,000	
July 14, 1999	\$ 5,700,000	
July 12, 2000	\$ 2,400,000	
December 13, 2000	\$ 6,000,000	
December 12, 2001	\$ 7,631,000	
December 11, 2002	\$ 7,500,000	
December 10, 2003	\$ 6,900,000	
November 13, 2002	\$ 9,000,000	
December 15, 2004	\$ 10,521,210 + 5%	
Total Previous	\$ 143,778,271	

BAH

December 20, 1994	\$ 1,000,000	
September 27, 1995	\$ 3,900,000	
July 29, 1996	\$ 5,700,000	
July 14, 1999	\$ 3,800,000	
August 9, 2000	\$ 2,970,000	
December 13, 2000	\$ 3,850,000	
June 13, 2001	\$ 1,500,000	
December 12, 2001	\$ 2,997,000	
December 11, 2002	\$ 3,400,000	
December 10, 2003	\$ 3,850,000	
December 15, 2004	\$ 5,538,058 + 5%	
Total Previous	\$ 38,781,961	

BEM

August 2, 1991	\$ 1,073,082 + 10%
September 29, 1992	\$ 1,027,698 + 10%
October 26, 1993	\$ 4,120,000 + 10%
July 6, 1994	\$ 160,000 + 10%
April 19, 1996	\$ 8,113,963
February 11, 1998	\$ 400,000
September 9, 1998	\$ 1,000,000
January 13, 1999	\$ 1,710,000 + 10%
December 13, 2000	\$ 3,650,000 + 10%
December 12, 2001	\$ 1,700,000 + 10%
December 11, 2002	\$ 1,800,000
December 10, 2003	\$ 2,100,000
November 13, 2002	\$ 850,000
December 15, 2004	\$ 2,205,550 + 10%
Total Previous	\$31,474,926

Expenditures to Date:	As of September 30, 2005
	PBQ&D \$ 140,304,643.42
	BAH \$ 30,692,797.33
	BEM \$ 29,243,616.89

Total Project Cost:	MOS-2 \$ 1,215,400,000
	MOS-3 \$ 88,991,000

Date of Project Completion:	MOS-2 2006
	MOS-3 TBD

Capital Program Amount:		<u>MOS-1</u>	<u>MOS-2</u>	<u>MOS-3</u>
	FY07	\$10.1 M	\$125.3 M	\$0.0 M
	FY08	\$10.1 M	\$ 75.2 M	\$0.0 M
	FY09	\$10.1 M	\$ 25.6 M	\$0.0 M
	FY10	\$10.1 M	\$ 27.9 M	\$0.0 M
	FY11	\$10.1 M	\$ 6.04 M	\$0.0 M

Operating Budget Amount: None

Anticipated Source of Funds: FTA Grants and Transportation Trust Fund
FTA Full Funding Grant Agreement
Grant Anticipation Notes
Economic Development Agency Bonds

CPAS Cost Objective: ELK, ESM, HKL, HKM

DBE Goal: A/E Services – 30%

Related/Future Authorizations:

For MOS-3 and extensions west
Additional Annual Authorizations for Parsons
Brinckerhoff Quade & Douglas, Inc.
Additional Annual Authorizations for Booz Allen
Hamilton
Additional Annual authorizations for BEM
Systems, Inc.

**Impacts on Subsequent
Operating budgets:**

N/A

RESOLUTION

WHEREAS, NJ TRANSIT will complete the two primary phases of the Hudson-Bergen Light Rail project in 2006 and requires support through final project closeout; and

WHEREAS, NJ TRANSIT contracted with Parsons Brinckerhoff Quade & Douglas, Inc. to provide general design services for the Hudson-Bergen Light Rail (HBLR); and

WHEREAS, NJ TRANSIT contracted with Booz Allen Hamilton to provide project management assistance for the HBLR; and

WHEREAS, NJ TRANSIT contracted with BEM Systems, Inc. to provide environmental consultant services for disposal of contaminated and regulated waste for the HBLR; and

WHEREAS, the Board authorized that subsequent contract work orders for services provided by these firms be issued periodically through the duration of the project;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to amend Contract No. 93CJ001 with Parsons Brinckerhoff Quade & Douglas, Inc. of Newark, NJ the Hudson-Bergen Light Rail general design consultant, in the amount of \$4,000,000 plus five percent for contingencies for a total contract authorization of \$147,978,271, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to amend Contract No. 95CJ021 with Booz Allen Hamilton of McLean, VA, the Hudson-Bergen Light Rail project management assistance consultant, in the amount of \$3,500,000 plus five percent for contingencies for a total contract authorization of \$42,456,961, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to amend Contract No. 91CJ0035 with BEM Systems, Inc. of Chatham, NJ, the Hudson-Bergen Light Rail environmental services consultant, in the amount of \$300,000 plus 10 percent for contingencies for a total contract authorization of \$31,804,926, subject to the availability of funds.

ITEM 0512-107: SELECTION OF PROVIDERS FOR HEALTH AND WELLNESS PROGRAM**BENEFITS**

NJ TRANSIT provides its agreement and non-agreement employees with a comprehensive health benefits program. The program includes: Medical, Prescription Drug, Dental, Vision Care, Life and AD&D Insurance, Mental Health/Substance Abuse, Long-term Disability and Supplemental Sickness coverage. The majority of NJ TRANSIT's health benefits program is self-insured; accordingly, NJ TRANSIT seeks benefit program providers that serve as program administrators and offer extensive physician and hospital networks at discounted rates and purchasing programs that pass through discounts to control prescription drug and other costs. These providers are hired to manage and process NJ TRANSIT employee claims through their related networks. Each of the providers is paid an administrative fee for services. (Life and AD&D coverage is not self-insured, but is a premium-based insured benefit, and in addition, Long-term Disability, Supplemental Life, Dependent Life and AD&D coverage are completely employee paid.)

NJ TRANSIT has sought proposals from providers in each of the benefit categories to compare the expected cost of claims and associated savings achieved through the use of the providers network and their administrative services fees. Given the competitive environment, NJ TRANSIT was successful in retaining the most advantageous networks providing the most significant discounts while negotiating lower administrative fees for the services provided.

PURPOSE

Authorization of these contracts will allow NJ TRANSIT to continue to provide its active and retired employees and their eligible dependents medical, dental, prescription drug, vision care, mental health/substance abuse, supplemental sickness, long-term disability, and life and accidental death and dismemberment insurance coverage.

ACTION

Staff seeks authorization to enter into administrative services contracts with Horizon Blue Cross Blue Shield of New Jersey for medical and dental coverage, Express Scripts, Inc. for prescription drug coverage, Vision Service Plan for vision coverage, CIGNA Behavioral Health for mental health/substance abuse coverage, Broadspire for supplemental sickness coverage and The Hartford for long-term disability. Staff also seeks authorization to contract with The Prudential Insurance Company of America for life and accidental death & dismemberment insurance coverage. These contracts will provide healthcare and survivor income benefits to active and retired NJ TRANSIT employees and their eligible dependents, beginning January 1, 2006, for a period of three (3) years, with administrative fees not to exceed \$4,900,000 per year, and with two one-year renewal options, subject to the availability of funds.

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

FISCAL IMPACTS

Requested Amount:	\$4,900,000 per year for the three years beginning January 1, 2006 Not to exceed annual budgeted amounts for Option Years
Total Project Cost:	\$24,500,000 through 12/31/2010
Projected Date of Completion:	12/31/2010, if both one-year renewal options are exercised
Anticipated Source of Funds:	FY2006-FY2011 Operating Budgets, if both one-year renewal options are exercised
DBE Goal:	N/A

RESOLUTION

WHEREAS, NJ TRANSIT provides its agreement and nonagreement employees with a comprehensive health benefits program; and

WHEREAS, NJ TRANSIT seeks to achieve cost-effective administration of its health benefits program through a competitive procurement process; and

WHEREAS, upon completion of a competitive procurement process, it was determined that Horizon Blue Cross Blue Shield of New Jersey for medical and dental administration, Express Scripts, Inc. for prescription drug administration, Vision Service Plan for vision care administration, CIGNA Behavioral Health for mental health/substance abuse administration, Broadspire for supplemental sickness administration, The Hartford for long term disability administration, and The Prudential Insurance Company of America for life and accidental death and dismemberment insurance coverage were determined to be the highest ranked proposers;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to contract with Horizon Blue Cross Blue Shield of New Jersey for medical and dental administrative services, Express Scripts, Inc. for prescription drug administrative services, Vision Service Plan for vision care administrative services, CIGNA Behavioral Health for mental health/substance abuse administrative services, Broadspire for supplemental sickness administrative services, The Hartford for long term disability administrative services, and The Prudential Insurance Company of America for life and accidental death and dismemberment insurance coverage. These contracts will provide healthcare and survivor income benefits to active and retired NJ TRANSIT employees and their eligible dependents, beginning January 1, 2006, for a period of three years, with administrative fees not to exceed \$4,900,000 per year, and with two one-year renewal options, subject to the availability of funds.

ATTACHMENT A
PAGE 1 OF 1

**SELECTION OF CARRIERS FOR HEALTHCARE & SURVIVOR INCOME
BENEFITS**

MEDICAL (including FSA plan administration)

Horizon Blue Cross Blue Shield of New Jersey
3 Penn Plaza East
Newark, NJ 07101

DENTAL

Horizon Healthcare Dental Services
3 Penn Plaza East
Newark, NJ 07101

PRESCRIPTION DRUG

Express Scripts, Inc.
711 Ridgedale Avenue
East Hanover, NJ 07936

VISION

Vision Service Plan
1 Gatehall Drive
Parsippany, NJ 07054

MENTAL HEALTH/SUBSTANCE ABUSE

Cigna Behavioral Health
52 Coopers Lane
Rivervale, NJ 07675

SUPPLEMENTAL SICKNESS

Broadspire
1601 SW 90 Terrace
Plantation, FL 33324-4036

LONG TERM DISABILITY

The Hartford
100 Campus Drive, Suite 250
Florham Park, NJ 07932

LIFE & ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE

The Prudential Insurance Company of America
290 West Mount Pleasant Avenue
Livingston, NJ 07039

CONSENT CALENDAR

ITEM 0512-108: PLAINFIELD STATION HIGH-LEVEL PLATFORMS: CONSTRUCTION CONTRACT AMENDMENT FOR PROJECT CLOSE-OUT

BENEFITS

New high-level platforms, a rehabilitated pedestrian tunnel, and the restored historic station building at Plainfield Station on the Raritan Valley Line opened to customers in 2002. The station is fully accessible to all customers and compliant with the Americans with Disabilities Act.

The proposed contract amendment will close out the construction contract with Prismatic Development Corporation.

PURPOSE

This authorization will allow for the final payment and closeout of the construction contract with Prismatic Development Corporation of Fairfield, NJ, for the construction of high-level platforms, rehabilitation of the existing pedestrian tunnel, and renovations to the existing historic station building at Plainfield Station. NJ TRANSIT negotiated final payment in consideration for canopy design changes made during the project and other unrelated construction delays. The delays resulted primarily from utility work related to demolition of the westbound station building.

ACTION (Justification: Capacity, Customer Service Improvement, Economic Development)

Staff seeks authorization to amend contract (No. 00-054) with Prismatic Development Corporation of Fairfield, NJ, for construction of high-level platforms and related work at Plainfield Station at a cost not to exceed \$100,118 for a total contract authorization of \$8,405,192.

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

FISCAL IMPACTS:

Requested Authorization: \$100,118 for a total contract authorization of \$8,405,192 including contingencies

Past Authorizations: March 2000 – construction contract \$7,909,595 + 5% contingency

March 2000 – construction management \$273,267 + 5% contingency

Expenditures to Date:	\$11,738,000
Total Project Cost:	\$12,238,000
Date of Project Completion:	December 2002
Capital Program Amount:	\$ 12,238,000
Operating Budget Amount:	None
Anticipated Source of Funds:	Transportation Trust Fund (TTF)
CPAS Cost Objective:	CHP, EAB, ESD
DBE Goal:	14%
Future Related Authorizations:	None
Impacts on Subsequent Operating Budgets:	NA

RESOLUTION

WHEREAS, new high-level platforms, a rehabilitated pedestrian tunnel, and the restored historic station building at Plainfield Station on the Raritan Valley Line opened to customers in 2002; and

WHEREAS, NJ TRANSIT negotiated final payment with Prismatic Development Corporation of Fairfield, NJ, the construction contractor, in consideration for design changes made during the project and other unrelated construction delays; and

WHEREAS, the proposed authorization will allow final payment to the construction contractor and close-out of the project;

NOW, THEREFORE, BE IT RESOLVED, that the Chairman or Executive Director is authorized to amend the contract with Prismatic Development Corporation of Fairfield, NJ, for construction of high-level platforms and related work at Plainfield Station at a cost not to exceed \$100,118 for a total contract authorization of \$8,405,192.

ITEM 0512-109: REPLACEMENT OF THE TIMBER TRESTLES APPROACH SPANS AND THE THROUGH-GIRDER FLANKING SPAN OF THE BIG SHARK RIVER DRAWBRIDGE

BENEFITS

The replacement of the timber trestles approach spans and the girder span of the Big Shark River railroad drawbridge on the North Jersey Coast Line will restore it to a "state-of-good-repair," ensure public safety, and maintain reliable railroad commuter services.

PURPOSE

This authorization is for the award of the first phase of this three-phase project. This design effort will lead to the replacement of the timber structure necessary to meet "state-of-good-repair" initiatives and to ensure the continued service life of the Big Shark River Drawbridge crossing for many years to come.

The Big Shark River Drawbridge constructed in 1921, is located in Belmar and Avon-by-the-Sea on NJ TRANSIT's North Jersey Coast Line. The timber stringers, pier caps, and sections of the timber pile bents above the waterline were replaced in the 1980s. In the spring of 2003 temporary repairs were made to a majority of the timber trestle piles below the waterline by posting (splicing) in new sections and by encasing other piles with epoxy concrete grout.

The overall condition of the bridge has worsened due to the moderate/severe deterioration of the timber trestle approach spans.

ACTION (Justification: State of Good Repair)

Staff seeks authorization to contract (#06-005) with HNTB Corporation of NY, for preparation of concept development, preliminary engineering, and 30% design plans and specifications for the replacement of the timber trestle approach spans and the steel through-girder flanking span of the Big Shark River Drawbridge, at a cost not to exceed \$443,057, plus five percent for contingencies.

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

FISCAL IMPACT

Requested Contract Authorization (phase I only): \$ 443,057 +5% contingency

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

Anticipated Design Contract Start: Jan 16, 2006

Projected Date of Design Completion of Phase I: April 2006

**Projected Date of Design Completion
of all 3 Phases:** June 2008

Anticipated Source of Funds: State 2005-2006

SBE Goal: 25%

Future/Related Authorization: 100% Design
Construction Services
Construction

RESOLUTION

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

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

WHEREAS, upon completion of a competitive procurement process, HNTB Corporation was determined to be the highest ranked proposer;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to contract with HNTB Corporation of NY, to perform the preliminary engineering phase for replacement of the timber trestle spans and the through-girder flanking span of the Big Shark River Drawbridge, at a cost not to exceed \$443,057, plus five percent for contingencies.