

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

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

October 23, 2012

Dear Governor Christie:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the re-scheduled meetings of the New Jersey Transit Corporation, NJ Transit Rail Operations, Inc., NJ Transit Bus Operations, Inc., NJ Transit Mercer, Inc., and NJ Transit Morris, Inc., Board of Directors held on Monday, October 15, 2012.

Sincerely,

Original Signed By

Joyce J. Zuczek
Acting Board Secretary

Enclosures

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

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., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Monday, October 15, 2012.

Present:

James S. Simpson, Chairman
Bruce M. Meisel, Vice Chairman
Regina Egea, Governor's Representative
James C. Finkle, Jr., Board Member
Flora M. Castillo, Board Member
Myron Shevell, Board Member (by telephone)

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

Chairman Simpson convened the Open Session at 9:08 a.m. in accordance with the Open Public Meetings Act.

Chairman Simpson asked for a motion to adopt the minutes of the August 8, 2012 meetings. A motion was made by Board Member Myron P. Shevell, seconded by Board Member Flora M. Castillo and adopted.

Advisory Committee Report

Suzanne Mack thanked the Chairman for the opportunity to speak first so she could attend another meeting. Ms. Mack thanked Executive Director Weinstein and Board Member Finkle, who is the Board liaison to the Advisory Committees, for attending the quarterly Advisory Committee meeting. The Committee discussed MAP-21 and federal funding initiatives that will support the activities of NJ TRANSIT. Ms. Mack hopes federal funding will minimize the amount of money needed from the State. She said the committee was pleased to have that update including the update on bus operations.

Ms. Mack was asked by both the North and South Advisory Committees to attend the Board Meeting because after the monthly Advisory Committee meeting, they were notified of the new initiative to take the managerial employees out of the free pass program. She said that Anna Marie Gonnella Rosato's remarks have been submitted in writing for the Board's review.

Ms. Mack said there are 20 people on the Advisory Committees; there should be 30 people but they are low on membership. She said in 1980 when the corporation was formed, the By-laws were set and a prior Board in 1980 passed a resolution giving the committee members a role in advising the Corporation as to the public transportation service provided in its operating division.

Ms. Mack thanked Executive Director Weinstein and Board Member Finkle for taking the time to talk to her and Mrs. Anna Marie Gonnella Rosato by conference call the other day to explain the impact on the Advisory Committees. She thought everyone was losing the privilege and they certainly can understand the economic issues in the State, but now understands that this action includes the non-agreement employees and agreement employees will be subject to negotiation in the future.

Ms. Mack said if everyone was losing the privilege, they would understand why they would be included. However since a large percentage of employees will continue to have the ability to use the passes for transportation, she asked that the Advisory Committees be excluded from the current initiative because of the nature of the mission of the committees which requires them to ride the trains and buses and advise on operations.

Ms. Mack said many of their members are retired and, as volunteers losing the pass would severely impact some Advisory Committee members who are retired. Ms. Mack said she has faith the Executive Director and the Board will work with the Advisory Committees because they value them but she asked that action related to the Advisory Committees be postponed until they can work out the details. She said it is revenue neutral since they are volunteers and would need to be reimbursed otherwise. Ms. Mack said part of Mrs. Anna Marie Gonnella Rosato's comments were that she hopes that the corporation can come up with a system where the Advisory Committees can ride free and freely, which is the system they have in place now.

Ms. Mack noted that the South Hudson bus service is being extended in Hudson County and said they are very grateful. She mentioned that all three colleges along that line use that service and appreciate NJ TRANSIT continuing that service.

Public Comments on Agenda Items and Other Matters

There were 37 public comments. Chairman Simpson said the Board would first hear the employees, then retirees and then the other speakers regarding the pass issue. Chairman Simpson said due to the large number of speakers on the same topic, in

which the Board is intimately aware of the issue, and for the sake of time, while not diminishing the seriousness of the issue for the employees, each speaker would have two minutes to speak on the transit pass issue.

Chairman Simpson asked that each employee begin by giving his/her name, department and how he/she gets to work. Chairman Simpson said if at the end of the time period, an individual feels all points were not mentioned, he/she would be welcome to email the Executive Director and Board Members. Chairman Simpson said after the comments on the transit pass, the Board will vote on that item.

Joseph Nicoletti, Manager of Fare Enforcement for NJ TRANSIT Police, said he has been an NJ TRANSIT employee since 2000. He said his fellow employees will speak regarding many of the issues pertaining to eliminating the pass that has been in effect for 30 years and they are all valid reasons. Mr. Nicoletti said he wanted to use his time to expand on one of the issues. He asked how many people have personally been involved in responding to terrorist attacks. He said he has a Medal of Valor for his involvement in the response to the first World Trade Center bomb attack. Mr. Nicoletti said, at the time of that attack, he was a Port Authority Police Officer assigned to the PATH and had been a police officer since 1979, a 14-year veteran at the time.

Mr. Nicoletti retold a story of what he witnessed that day when he approached the World Trade Center. He said the story told to him was that a transformer exploded in a parking garage. Mr. Nicoletti described the geography of the building. He saw many people injured and covered in soot. He gave a description of the scene that included structural damage and many serious injuries. Mr. Nicoletti said the only way to prevent terrorism is by preventative observation by people who are there regularly. He said Chief Trucillo has trained the employees regarding how to respond to terrorism. The employees know the system, including what should be there and what should not be there. Mr. Nicoletti said having trained employees riding transit saves lives.

Robert Seelogy said he has been with NJ TRANSIT for 15 years and is a Corporate Trainer in the Human Resources Department. He takes the North Jersey Coast Line train. Mr. Seelogy said not being able to use the pass would cost him \$3,888 per year. Mr. Seelogy said when he told his wife they were losing their passes, she started crying saying they were going to lose their house. He is the main breadwinner in his family and he has two jobs to try to make ends meet. He said everyday he rides the system, he is NJ TRANSIT. He is the eyes and ears of the company and he helps people find where they are going. Mr. Seelogy said if there is ever a problem, he is there to help NJ TRANSIT employees get the job done. He does not view the pass as an entitlement; he views it as a necessity.

Justin Roxas is a Safety Supervisor for the Rail Safety Department and he uses bus and rail to get to work, depending on where his duties are that day. Mr. Roxas said NJ TRANSIT Managers are the best qualified to take the Manager positions. He explained that most managers previously worked in a craft on the railroad and he believes that is also true for the bus department. Mr. Roxas said as a result of working

in these prior positions, these managers have the knowledge and power to help maintain the system that leads to on-time performance.

Mr. Roxas said if the passes are taken away, an undue financial hardship will be placed on all employees and force many to return to their original crafts back on the railroad and in the bus department to make ends meet for their families. He said the policy will not only affect the morale of management employees, and cause the company to lose quality management, but also will affect the morale of union employees as well because they will be forced to lose their seniority when the management employees return to union positions.

Mr. Roxas said companies such as Google have proven that treating your employees well will lead to high morale and high quality work. He said the unfortunate truth of low morale is apathy and apathy will lead to lower quality work. He challenged the Board to stand up to the political pressure and let employees continue to use the passes and provide the service that the State needs. Mr. Roxas said New York is the center of the world and they need to get those people to work safely and quickly.

Alan Zahn is a Chief Train Master for Rail Operations. He has been employed by NJ TRANSIT since 2000 and he became a non-agreement management employee in 2005. He loves his job and is proud to be an NJ TRANSIT employee. Mr. Zahn said NJ TRANSIT management employees have suffered during the last five years. He said due to the dire straits of the New Jersey Budget, NJ TRANSIT management employees have not had a raise in five years and have suffered a 33 percent decline in pension contributions. Mr. Zahn said employees in the crafts have not suffered that.

Mr. Zahn said he took a \$30,000-40,000 reduction in pay from being a Locomotive Engineer to take a management position which he loves. He said the Executive Director has the Scorecard and they are looking to employees to make sure customers continue to be satisfied with their ride. Mr. Zahn said NJ TRANSIT will lose management because employees losing the transportation passes will result in employees going back to their craft because a lot of employees in Penn Plaza and those who have to ride buses cannot afford the commute.

Mr. Zahn said he works in Morrisville so he drives to work daily. He rides trains on a regular basis and has responded to hundreds of fatalities and service disruptions as a rider on the train and has assisted in these situations when there have been signal problems. Mr. Zahn asked the Board to please not take the passes because they are desperately needed by employees and it does not cost the State or the riding public a dime.

Pat Siano works in the Rail Safety Training Department and commutes from Hazlet by train. She does not think the Board knows all that the employees do. She said they all work outside the scope of their jobs and hours because when they were hired, they were told they were essential employees and that they were to use their pass to be on

duty 24 hours a day in times of need. Ms. Siano said employees were encouraged to do this and they went into work on holidays and during blizzards and hurricanes.

Ms. Siano said employees have helped many customers on their lines. As an employee, she has helped many passengers including injured passengers waiting for Emergency Medical Services by holding their hands and calming them down. Ms. Siano said all employees have done this as well as bought tickets for many passengers who could not afford them. She said of all the tickets she has bought, she has only been paid back three times but she did it anyway and never sent a letter telling the company what she did, nor received a lunch thanking her for her efforts. Ms. Siano said she is most proud of her involvement in assisting a couple who were leaving for the Cayman Islands but left behind their itinerary and passports on a train before they flew onto Fort Lauderdale. She tracked them down and sent their items back to them FedEx same day and worked late to make sure the package made it to them. Ms. Siano said she received a letter from the couple thanking her. She later received another letter from the couple saying that often they read in the newspaper and talk about how mankind is going wrong, but they did not want to forget about people like her who have assisted them in the past and wanted to thank her again.

Ms. Siano said when she walked through the hallways of NJ TRANSIT the last couple of weeks; she saw an emptiness in the employees' eyes. She asked who on the Board recognizes employee accomplishments and is fighting for them. Ms. Siano said as a taxpayer, she wants these employees on the trains and buses to make sure passengers arrive at their destinations safely.

Adiele Enyinnia is an Associate Project Engineer for the Signal Department. He has been in the position for the past six years and there have been no promotions during that time and no raises for the past four years. Mr. Enyinnia said during the past six years, his cost of living has risen and there has been no corresponding salary increase or adjustment.

Mr. Enyinnia said he is the breadwinner in his household. He said property taxes, food prices, etc. have risen but there has been no increase in his salary. Mr. Enyinnia said he had to have his disabled brother move in so he could afford his mortgage. His homeowner relief was erased by the property tax increase. Mr. Enyinnia said everyone is feeling the pinch and more are finding life more difficult.

Mr. Enyinnia said non-agreement employees have made sacrifices including furlough days, contributing more money towards their pension, losing employer matched contributions to their 401Ks. He said there are some benefits he still uses to help him keep afloat like the NJ Manufacturer's insurance discount, cell phone discount and most importantly, the passes. He relies on the pass to transport him to and from work because it is too expensive to drive and park. Mr. Enyinnia said it is another financial burden if the pass is taken away. Although the pass provides unlimited rides, 99.9 percent of the time he uses it to get to and from work. Mr. Enyinnia said having the

pass makes employees more productive and boosts morale in the face of these harsh economic times.

Bonnye Randolph is a Lead System Analyst Programmer and has been employed by NJ TRANSIT for 29 years. She uses both bus and rail to get to work. Ms. Randolph finds the decision regarding the transportation passes to be the hardest slap she has ever taken in her career at NJ TRANSIT. As a non-agreement employee, she is a member of the Emergency Response Team. Ms. Randolph said she takes pride in what she does for NJ TRANSIT and she goes out on her own time to help customers. She said there have been no cost of living increases for non-agreement employees since 1980 and no merit increases for over five years for some employees.

Ms. Randolph said it is her understanding that it is a long standing policy that the pass is not a perk, as it was described in the newspaper, it is an incentive. She said when employees step onto NJ TRANSIT property or equipment, they are working and they are the eyes and ears of NJ TRANSIT. Ms. Randolph asked, as a paying customer, what incentive employees will have to continue to be the eyes and ears of NJ TRANSIT.

Ms. Randolph said employees volunteer on their own time to be an ambassador who assists customers during special events. She said the biggest event, the Superbowl, is coming up in a few years and NJ TRANSIT depends on employees to volunteer to assist with these events. She asked what incentive there will be for employees to continue to volunteer to be an ambassador during these events if employees are being slapped very hard in the face by having the transportation passes taken away.

Ms. Randolph said in reality there are not 1,800 employees affected but rather most of the employees in Headquarters and a few outlying locations will be affected. She said the reality is more like 500 employees affected and that reduces the potential \$1.6 million in revenue that is supposed to be generated.

Ms. Randolph thanked the Board for listening to her and hopes the Board will take into consideration the feelings of all the employees who have dedicated most of their lives to the company.

Theresa Malone works in the Disability and Workers Compensation Department and has been employed by NJ TRANSIT for 18 years. She said in 2004, her salary was reduced and as a result of the financial hardship, she lost her vehicle. Ms. Malone said she used her vehicle everyday so it was a serious hardship.

Ms. Malone said she is a volunteer for the Emergency Response Team, contributes to the Scorecard, and just received an outstanding nomination for customer service. She said she wants to continue.

Allen Kratz works in the Real Estate Division within the Finance Department. He said taking the passes away is bad for two reasons: equity and economics.

Mr. Kratz said a decade ago he left the private sector and gave up a higher salary, stock options and bonuses, but part of the bargain in exchange for working for NJ TRANSIT was the transportation pass. He said it is against equity and fairness to take the passes away now.

Mr. Kratz said it is basic economics that an employer pays an employee. However, he said here the employee is paying the employer for something it costs the employer nothing to provide. Mr. Kratz said this is upside down economics.

Mr. Kratz said if the passes are taken away, employees will be paying NJ TRANSIT \$100-300 per month to go to work, instead of using that money on other purchases which generate tax benefits for the State of New Jersey. He said this is contrary to the Governor's initiative to raise tax revenues.

Kelly Giblin has worked for NJ TRANSIT for 27 years. He said this change in policy would be devastating to the employees and the company as a whole. Mr. Giblin said there has been no merit or cost of living increase, and based on the draft budgets, it does not look like that will change until at least Fiscal Year 2015. Additionally, he said there is no pension for new hires, employees have had their sick and vacation policies change, and decreases in contributions to their retirement accounts.

Mr. Giblin said that through all the challenges, NJ TRANSIT's employees continue to strive as professionals. Mr. Giblin said when the Scorecard was introduced more than a year ago; employees embraced the challenge to be better and delivered. He said instead of being rewarded employees are now losing their commuting pass and it amounts to between a 5 to 25 percent pay cut and it is affecting employee morale.

Mr. Giblin said the best and brightest employees are looking utterly despondent. He is afraid NJ TRANSIT will lose these employees and will be unable to replace them with anyone near their caliber. Mr. Giblin said he spoke to a member of the Human Resource Department and they are concerned about how they will attract talented employees with salaries well below the salaries at other companies, the pension eliminated, and now the last selling point, the transportation passes, are being eliminated.

Mr. Giblin said NJ TRANSIT is the only mass transit agency in the country that does not provide the transportation passes. He told Vice Chairman Meisel and Board Member Finkle that they as successful business men would not do anything to hurt their own companies. He also told Board Member Castillo that as the leader of APTA, she knows NJ TRANSIT is less likely to attract the best and brightest now.

Tom Harney, Director for Bus Maintenance Training, said he started as a bus cleaner in 1978 for Transport of New Jersey at the New Brunswick Garage. He said two months after he started there was a blizzard that crippled the State and he ended up staying overnight at the garage. Mr. Harney said at 8:00 am, Frank Patikowski, one of the guys they considered an old timer, walked into the garage. When Mr. Harney asked how he

traveled there, Mr. Patikowski said he walked from his home in Metuchen 10 miles away because the roads were unpassable. Mr. Harney said Mr. Patikowski took a Mack truck and drove the bus routes so he could help anyone who needed it whether they were bus passengers or not. Mr. Harney said he asked Mr. Patikowski why he did it and in response was told that they are transit workers, people depend on them, and it is the right thing to do.

Mr. Harney said over the years, NJ TRANSIT workers have worked through snowstorms, floods, blackouts and 9/11 because it was the right thing to do. Mr. Harney said that he, as an old timer, is asking the Board to vote no because it is the right thing to do. He said they may be overruled and the action implemented through executive order or another legislative process, but at least everyone would know the Board did the right thing.

Al Arocha said he has been a proud employee since 1978. He said if this issue is mainly about economics, the Board should focus on one thing. Mr. Arocha said having employees ride on transit helps maintain quality assurance because employees can spot problems and easily diagnose issues. He said because of the employee's training, they can spot if there is improper treatment of a customer or if there is an operational condition or problem. Mr. Arocha said, as a passenger, he knows who to call directly to handle an issue without tying up the customer service telephone line. He said having employees like him riding the system helps avoid problems becoming larger ones. He said most employees will find other means of transportation if the passes are taken away and the company will lose their experienced eyes and ears on the equipment.

James Flynn works in the Community Mobility Department. In addition to speaking, Mr. Flynn also submitted a written statement that provided further details.

Mr. Flynn's said he has always been very grateful and proud to be an employee of NJ TRANSIT for 16 years and to have helped provide transit services for people in New Jersey. He said he is 62 years old and has worked for 36+ years at the local, county, and state level helping senior citizens, people with disabilities, and low income residents as a driver, dispatcher, operations manager, and administrator. He began his career in 1976 with Morris County's CETA program making \$2.10/hour delivering hot meals to sick people and taking them to hospitals, nutrition's sites, and day cares, to visit loved ones in nursing homes. He was fresh out of a monastery, no girlfriend, no wife, no kids. Seven kids later, again no wife, he is back living like a monk, and trying to "support" his family, asking for a "ride" while still trying to help people get rides.

Mr. Flynn told the Board his mode of transportation depends on where he is living. He lives and eats at his 84-year-old mother's home, his brother's home in Denville, the home of his kids and their mom in Bernardsville, and rents a room to sleep in when he wears out his welcome at either. He told the Board that taking away the pass will make it very difficult for employees. Mr. Flynn said he takes home \$423.83 every two weeks and after paying rent, he only has \$200 left for other things. In his written statement, Mr. Flynn explained that he is divorced and gives his former wife and kids the \$1,000

balance of his take home pay every two weeks to help pay for their home's \$3,250 per month mortgage, food, and utilities. He does not have a car and uses the train to get to and from wherever he is staying: Denville, Bernardsville, and room rentals. He has parent plus college loans of \$ 333,322.72 in his name.

Mr. Flynn explained that five of their seven kids live at home because they owe so much in college loans and have jobs that do not allow them to live and eat anywhere else while they make good on paying their student loans, including the ones in his name. He said one of his kids is one in college. Mr. Flynn explained that their middle daughter was born neurologically impaired and suffered physical and mental abuse at the hands of other kids when she was 20 and again this year by staff at a group home where she stayed for 6 months. Currently she is in Carrier Clinic and looks like she is going to be involuntarily committed to a state hospital in the next few weeks. This is a very difficult time for his family. Mr. Flynn stated that he did not mean to dump all of his family struggles on the Board and he knows many people at work, in the country and in the world suffer so much more. He is thankful for what he does have: his family and job and nice people to work with and for.

Mr. Flynn understands the concerns about fairness and accountability to the public as well as need for additional revenue but does not think of the pass as a "perk". And even if it is not contractual, he always thought of it as part of his job. He could not and would not have left work in Morris County 5 miles from his home 16 years ago if the pass had not been part of the offer.

A deep degree of sadness, kind of a pall, overshadows Mr. Flynn due to this decision by NJ TRANSIT, or higher government officials. He has always taught his kids and believed that the Government cares. This decision, in Mr. Flynn's opinion, does not reflect real care, real love, for "family" or for the larger community or society in which we live. Alternatives and reasons offered to employees hit him with such emptiness.

Mr. Flynn told the Board he volunteers at the St. Francis Church breadline and he was there that morning. He loves to go there before work and help give out the food, a coat, or listen to someone who needs to talk. They remind him of what is important in life, and how short life is, and how life can change for any of us. His daughter reminds him of this too, as she fights voices in her mind that seek to destroy her. The employee pass is one way NJ TRANSIT can provide "bread" to workers, not take it away, at a time in life when so many of are hurting. Mr. Flynn explained that all of us sacrifice in so many other ways, many in silence.

He said he was afraid to speak before the Board but when he opened his bible that morning, he saw a passage that said "Don't be afraid to speak, you are worth more than many sparrows." Mr. Flynn said the employees at NJ TRANSIT are worth more than many sparrows. He urged the Board to reconsider allowing all NJ TRANSIT employees to ride transit without charge.

Martin Judd is the Senior Director for Environmental Services. He said he has heard this about leveling the playing field. Mr. Judd said he does not agree with the idea that NJ TRANSIT employees are like those at the Port Authority of New York and New Jersey, the NJ Turnpike Authority or the Parkway. He said he has never come into contact with those employees when he drives on those roads. Mr. Judd said he comes into contact with NJ TRANSIT employees everyday when he rides the system. He said the performance of the NJ TRANSIT employees he encounters impacts the service received and safety of the ride.

Mr. Judd said EZ Pass can be used on multiple systems that those employees are not responsible for running. He said in contrast, NJ TRANSIT employees can only use the pass on the NJ TRANSIT system. Mr. Judd said NJ TRANSIT employees provide a valuable service to the company when they ride the system. He said employees improve the safety and security of the system and they can identify problems with the equipment early on.

Mr. Judd said employees have dedicated countless volunteer hours to assist in emergencies and special events. He said the crown jewel, the Superbowl, will be in a few years and taking the passes may make it difficult to obtain volunteers to assist with these types of special events.

Mr. Judd said it is already difficult to attract qualified employees with skills in technical areas and losing the passes will make it more difficult. He said his department keeps the company in compliance with environmental regulations and needs to attract qualified employees. Mr. Judd said recently, they were forced to take their third choice candidate because the first two would not take the job because the benefits were that competitive with the industry.

Lawrence Hamm works in the Government and Community Relations Department. He has been an NJ TRANSIT employee for 20 years. Mr. Hamm asked the Board to vote against the proposal to revoke the transportation passes. He believes it is fundamentally unfair to revoke the pass from one group of employees and keep it for other employees. Mr. Hamm asked that the Board vote no for the sake of fairness. He said taking the passes will create hardship in a myriad of ways on the employees.

Kris Dubon has been an NJ TRANSIT employee since 1993. She started in the Bus Payroll Department and currently works in the Employee Engagement Department that was created this year. Ms. Dubon said her monthly pass from Metuchen would cost her \$193 per month. She said this is a reduced fare for people with disabilities because she has multiple sclerosis.

Ms. Dubon said all her fellow employees have spoken avidly on issues she had planned on voicing. She has been a member of the Emergency Response Team since 1993. Ms. Dubon said employees are the eyes and ears of the system and she feels privileged to be providing that service for NJ TRANSIT. She recounted a recent

onboard crisis in which she saved someone's life. She assisted in stopping a train so a woman was not dragged off the platform by the train.

Ms. Dubon urged the Board to reconsider and do the right thing. She said employees were just informed last Monday about the proposed Board Item. Ms. Dubon said there are not 1,800 employees affected as of that morning but rather 1,714 and only about 300 employees use the pass.

Greg Hutton is a retired NJ TRANSIT employee. He asked the Board to allow them to keep the passes. Mr. Hutton said while in college, he did research on national transportation and Amtrak in particular. He said through his research he learned that benefits to employees are the best of the company based on simple math and logic. Mr. Hutton said the pass has no effect on costs and he does not understand why the Board would eliminate a benefit that does not cost the company anything. He does not believe the statement that they are trying to bring money to Treasury is valid.

Mr. Hutton said the basic conditions of employment which are important to the employee are established at the beginning of the employment relationship. He said employers are required to provide written particulars regarding the minimum provided to employees. Mr. Hutton questioned how the transportation passes, including the retiree pass, which allows them to ride the system, can be taken back now and whether it was legal in court. He said there is no financial cost of providing the transportation pass.

Jocelyn Long works in the Customer Service and Communication Department. She said she is seeking clarification regarding how this decision was made. Ms. Long said communication of how the decision was reached is extremely important to the employee and to the public.

Ms. Long said news reports mentioned \$1.6 million in revenue generated but she wonders over what period of time this is and how it was calculated. She said some employees work at different locations and do not travel on NJ TRANSIT as a result.

Ms. Long asked what part of the equation calculated employee volunteer time. She said major service events and emergencies are handled with volunteer time and wondered what value was placed on that.

Ms. Long asked for clarification regarding what is the value placed on removing the benefit; whether it was part of the fringe benefits in the Fiscal Year 2013 budget, and if so what it will be charged to.

Ms. Long said if the Board Item is approved, she hopes there will be accounting and reporting back on a monthly or annual basis regarding the revenue generation used to justify the decision.

Ms. Long asked the Board to delay approving until more information, regarding why it is essential to take this action now, can be provided to the public and employees.

Shonte Croom is a Recruiter and said she is not personally impacted by the elimination of the passes because she commutes from the Poconos. She was speaking in support of her co-workers. Ms. Croom said she loves working for NJ TRANSIT as a Recruiter for Operational Services. She said she provides excellent service even though she knows the external candidates will receive more benefits than she does as a non-agreement employee.

Ms. Croom said she currently works paycheck to paycheck. She volunteers as a member of the Emergency Response Team and an ambassador for events. Ms. Croom said she cannot afford lavish vacations so she takes her family on day trips riding NJ TRANSIT's trains and buses to keep up her family's morale.

Ms. Croom loves what she does in her job, loves NJ TRANSIT, but she just wants to feel like the company supports its employees.

Fred Rubenstein retired in June 2011 from working for NJ TRANSIT as a Chief Regional Supervisor in Bus Operations. Mr. Rubenstein told Chairman Simpson they used to work together at the MTA. Mr. Rubenstein said he has a retiree pass from the MTA and NJ TRANSIT.

Mr. Rubenstein said he used his NJ TRANSIT pass for the second time when he used it to travel to the Board Meeting. He mentioned a situation in which he observed a wheelchair customer stuck on a lift. Mr. Rubenstein said because he understood the issue and because it was the right thing to do, he provided assistance. He said that is what the issue is about; doing the right thing.

Mr. Rubenstein it was the employees who helped NJ TRANSIT increase on-time performance and keep the fare system stable. He told Board Member Castillo millions have already been saved through safety measures and believes that if the employees are challenged to save the money that the passes will generate, they will find a way to do it.

James Schwarzwald retired from a position as a manager for NJ TRANSIT. He said he spent a considerable amount of time working on the recent restructuring of Rutgers. Mr. Schwarzwald said the Rutgers University Board did not rubber stamp the Governor's plan. He said with considerable input, a new better plan was put forth. Mr. Schwarzwald suggested the NJ TRANSIT Board take a similar approach regarding the passes. He said if you want to attract the best and brightest, abuse by other agencies should have no bearing on NJ TRANSIT employees. Mr. Schwarzwald said NJ TRANSIT's employees live in various locations in the area and that is beneficial to the agency.

Mr. Schwarzwald mentioned the collapse of the World Trade Center, the 75-day strike by PATH in 1982, and the 1983 NJ TRANSIT Railroad strike. He said all non-agreement employees are considered essential employees and worked through

those situations, in addition to the various states of emergency declared by the Governor.

Jerry Lutin retired in 2007 from his non-agreement employee position in the Planning Department. He said he wanted to highlight his experience commuting and the reason it is important to provide the pass.

Mr. Lutin said customers expect consistent service. He said employees need to ride on NJ TRANSIT services in order to observe the service and the system's ability to handle the customers. Mr. Lutin said on average, a person needs to ride 10 times to observe this. He said every time the employees use their pass, they add to their knowledge of the system and that knowledge and experience helps employees advance to more positions within the company. Mr. Lutin said this additional knowledge is training without any expense to NJ TRANSIT.

Mr. Lutin said he understands it is tough for the Board Members to decide against the Governor since three report to him but he pointed out that there are four public members of the Board.

Stephen Thorpe is a member of the Senior Citizen and Disabled Residents Transportation Advisory Committee (SCDRTAC) and a County Transportation Advisory Board. He spoke on behalf of the SCDRTAC members regarding the adverse impact it would have on them. Mr. Thorpe said the press release did not specifically mention the advisory boards but if the policy does apply to them, he said it would adversely affect their ability to be the eyes and ears necessary to ensure Senior Citizens are accommodated by NJ TRANSIT.

Mr. Thorpe said he is semi-retired and he rides NJ TRANSIT in his spare time just to observe. He said if the pass is taken away, his eyes and ears protecting other citizens will be removed. In regards to the employees, he said taking the pass away will cause NJ TRANSIT to lose their eyes and ears which benefit the customers, and is a de facto pay cut that adversely affects those on the low end of the pay scale.

David Peter Alan is a member of the Senior Citizen and Disabled Residents Transportation Advisory Committee (SCDRTAC) and he said while most members agree with him, he was speaking on his own behalf.

Mr. Alan said he does not see how NJ TRANSIT or its customers will benefit from Item 1210-52 (revocation of riding privileges for employees, retirees and advisory committee). Mr. Alan said while the Item does not mention Advisory Committee Members, they do not wish to rely on this lack of mention to expect that the same policy will not also be applied to them. They are all concerned about the effect the policy would have on their members, as well as the members of the other two Advisory Committees. He said their committee is established by statute and members are required by statute to participate in activities regarding transit for seniors and people with disabilities. Mr. Alan said if they are forced to pay fares that would create a

disincentive to pursuing their statutory mandate. He said if Advisory Committee members are required to pay out of pocket to ride transit that they are mandated to observe, they will ride less, and they will therefore be less effective at performing their functions.

Mr. Alan said Advisory Committee members receive no pay from NJ TRANSIT and many members live on fixed incomes. He said it would place a strain on their finances to pay fares required for travel to other places in New Jersey, especially for SCDRTAC since its geographic scope is the entire state. Mr. Alan asked for an exception for the advisory boards.

Mr. Alan said nonunion employees at NJ TRANSIT have not received a pay raise in several years. The effect of a further pay cut in the form of an expense of up to \$3600 per year for commuting, would constitute a hardship for all employees, with the possible exception of those at the highest level. Mr. Alan said the Item is a pay cut of about \$300 per month for the employees that is just plain unfair.

Mr. Alan said the managerial employees have relied on transit as part of their compensation, and may have begun their careers at NJ TRANSIT on management's representation that it would be part of their compensation. He said it is easy to predict the effect of the unilateral withdrawal of this part of their pay on those people and their morale. While he knows many managers at NJ TRANSIT, and believes they will continue to do the best they can on the job, there is always some loss in productivity when employee morale suffers, despite the best efforts of the employees themselves.

Mr. Alan said the action will have a demoralizing effect on the workforce and if NJ TRANSIT expects the employees to be as productive as a happy workforce, they are very much mistaken. Mr. Alan said it may cost NJ TRANSIT more than the revenue it expects to generate. Mr. Alan told the Board they should not expect to see employees providing volunteer time any more. He said the action is not good for management and it is not good for the riders.

Mr. Alan said it will discourage employee use of transit service. He said some employees will choose to commute by automobile; a practice that they have been attempting to discourage. Mr. Alan said such a result cannot be good for downtown Newark. He said NJ TRANSIT Headquarters was placed near Penn Station for convenience to transit. Mr. Alan said there is little parking space in the immediate area, so demand for that space from NJ TRANSIT employees (who will receive a greater tax benefit than if they use transit) will have the negative effect of making parking space scarce elsewhere in downtown Newark.

Mr. Alan said Retirees face an even worse situation. They worked for NJ TRANSIT for years, relying on a future pension, including the right to use NJ TRANSIT services as part of their retirement package. Retirees are not "at will" employees. They have put in already and have no official status to object now.

Mr. Alan said it does not make sense to squeeze money out of its employees unless NJ TRANSIT changes its policies of spending money on big ticket items like dual mode locomotives which cost three times as much as conventional diesels and 100 multilevel cars that the company does not know what to do with. Mr. Alan said the cost of one car would allow this benefit to continue for three to four years.

Mr. Alan said this is not an industry practice and Board Member Castillo can confirm that practice. Mr. Alan said several Board Members do not work for the Governor and are supposedly non-political public members. He said this is their chance to do something for the people who risk their lives to make NJ TRANSIT's service safer.

Janna Chernetz is a New Jersey Advocate for the Tri-State Transportation Campaign. Ms. Chernetz said she is troubled by the proposal. She said this is the consequence of Trenton's refusal to put money into the Transportation Trust Fund and as a result there is a transportation funding crisis causing transportation agencies to take actions to save money at the expense of the public. She said these types of consequences will continue until Trenton stops refusing to focus on the funding issue.

Ray Greaves spoke on behalf of the Amalgamated Transit Union (ATU) regarding how this type of action is another attack and tax increase on the middle class. Mr. Greaves said all working middle class people are under attack. He said this does nothing to help New Jersey Taxpayers.

Mr. Greaves said NJ TRANSIT's non-agreement employees have worked without pay increase for years, been downsized and asked to do more with less, and volunteer their own time without compensation. He said now the State and Governor are asking for another tax increase while at the same time providing tax cuts to the wealthiest and giving money to banks through absurd interest rate swap deals.

Mr. Greaves said the employees have earned the benefit as part of their package. He said it is not unusual for the private sector to give employees discounted services. Mr. Greaves said the action would not save money, providing the pass does not incur additional costs, and extra bus or rail service will not result from the action. Mr. Greaves said taking the passes will not do anything to improve the lives of the middle class.

Josephine Evans is a Reporting Officer in Rail Operations. She said she reports accidents and injuries to the Federal Government each month. Ms. Evans said the current initiative is not in concert with the demand for a high level of service to the customer.

Ms. Evans said NJ TRANSIT needs to treat employees highly in order to have employees treat customers with a high level of service. She said Nordstrom's employees treat customers with a high level of service because they treat the employees the same. She said NJ TRANSIT should set the example for the industry and country and treat their employees like the best of the best.

Alan Maiman is the Deputy General Manager for Bus Service Planning. He said he has been employed for 30 years and drives 30 miles to Hamilton to take the Northeast Corridor. Mr. Maiman said this is not about money. He said he learned in the question and answer sessions that this is not about money. Mr. Maiman said the Governor's Office and Authorities Unit is pushing this because there is some kind of perception of inequity.

Mr. Maiman said the press release references reform three times. He said reform means they are correcting an abuse. He said NJ TRANSIT employees did not abuse the use of the pass.

Mr. Maiman said the founding fathers of NJ TRANSIT had the wisdom to create a Board of Directors with four public members in addition to the three who are the Governor's representatives. Mr. Maiman urged the board to oppose the Board Item and vote no. He said this is bad for employee morale. He said 99 percent of employees think the Board acts as a rubber stamp. He said he may be naive but he believes the Board will do the right thing regardless of whether it ends up going through in the end.

Betsy Stern works in the Safety Department and has been employed by NJ TRANSIT for 25 years. She takes the Northeast Corridor from Princeton Junction. She said she is thrilled every time she uses her pass because she is so proud of what she does for the company and for the environment. She questioned how NJ TRANSIT expects employees to promote mass transit if they no longer use it themselves.

Andrew E. Schwartz was not present for the meeting but submitted a statement for the record. He is a resident of Andover Township in Sussex County and has been an employee of NJ TRANSIT for eight years. He apologized for not being able to personally deliver his statement due to prior obligations. His statement relates to the proposal to terminate non-agreement travel privileges.

Mr. Schwartz drives from his home in Andover Township to the NJ TRANSIT facility in Dover, where he has always considered to be the location where his work day begins. When he parks his car and walks to the platform, he always takes notice as to the conditions along his route to the platform out of concern for safety and security issues as well as anything else that may impact NJ TRANSIT's customers. He considers it pride in where he works and concern for the bottom line – delivering excellent service to their customers.

Mr. Schwartz continues explaining that along the way he has called to report: covers missing from crossing gate mechanisms; hazardous snow and ice conditions on stairs, ramps and the platform itself; unsightly accumulations of trash in and around the station on stairs, ramps and the platform itself; unsightly accumulations of trash in and around the station and platform environment; and non-functioning signage and damaged CCTV cameras.

While standing on the platform, prominently displaying his NJ TRANSIT ID, Mr. Schwartz has helped first-time users of the system and others find their train and answer questions about transfers/connections. He used his smart device to look-up whether trains stop at a particular station and at what time. He has held the hands and arms of physically challenged individuals who would otherwise not make it to the train or even the platform if he did not help. Mr. Schwartz has also reported suspicious activity to NJ TRANSIT Police. He once rendered aid to a passenger who, while running to catch a light rail train, fell on the stairs and sustained a bleeding injury to his head. Mr. Schwartz applied pressure to the head wound, disregarding his own safety, while at the same time, contacting NJ TRANSIT police for assistance.

While riding the system, Mr. Schwartz reported faulty equipment, missing or improper PA announcements, improper or missing visual messages, unsanitary bathroom conditions, and helped lift heavy luggage onto racks. He also helped people find the proper lost and found facility so they could try to retrieve lost personal articles. He has stood up and given his seat to other passengers; he also was ready to help if needed, when he witnessed on more than one occasion a train crew member dealing with less-than-polite customers or fare-evaders.

Mr. Schwartz mentioned that unfortunately, the transit system is a highly-valued target by terrorists. He is a former Air Force Intelligence Officer who has received anti-terrorism training as a part of his service to this county and he applies it every day as he rides the system. Mr. Schwartz pointed out that there are many other employees who have received Patriot training and they also apply that training as they ride the system.

Mr. Schwartz believes he acts as a customer service representative, customer advocate, and guardian of safety and security while he rides the system. However, he says this will all come to an end. He will not be riding the system any further if this proposal is adopted. No further reports of equipment or safety issues. No more benefit from his years as an Air Force Intel officer. Mr. Schwartz questions the price of the proposal: The safety and security of NJ TRANSIT's employees and customers as well as the quality of service the customers receive.

Mr. Schwartz does not see a rational reason to terminate the employee ride pass. If there was ever a time for the Board to demonstrate real courage and show they care about the employees and the services they provide to the riding public, he believes now is the time. He believes there is no place for politics when it comes to the safety and security of the citizens of New Jersey and others who ride the NJ TRANSIT system each and every day.

Mr. Schwartz believes it would be a bad decision - a short-sighted decision - and political "stunt" to terminate the transit pass and that the transit pass must be retained and all employees must continue to provide the value they always have by using the transit pass to ride the system as much as possible. He believes one of the paths to company success must be for leadership to support the employees in knowing the product, using the product, and selling the product. Mr. Schwartz believes taking away

the transit pass does just the opposite. He urged the Board to do the right thing, the courageous thing, and vote against the termination of the transit pass.

In addition, there were 15 emails submitted by employees and retirees in opposition to Board Item 1210-52 Personnel: Modifications to NJ TRANSIT's Non-Agreement Employee ID issuance & Use.

Executive Director Weinstein presented the following Action Item for approval:

1210-52: PERSONNEL: MODIFICATIONS TO NJ TRANSIT'S NON AGREEMENT EMPLOYEE ID ISSUANCE & USE

The State of New Jersey is addressing public employee policies to ensure they continue to fulfill the State's long-term fiscal responsibility to its citizens. In an effort to ensure value for customers and accountability for New Jersey taxpayers, authorization is requested to make necessary changes to Corporate Policy 3.27 "Employee ID Issuance & Use" in order to eliminate the ability of non-agreement employees and non-agreement retirees to have unlimited access to the public transportation system effective January 1, 2013.

Board Member James C. Finkle Jr. moved the resolution and Board Member Myron P. Shevell seconded it. Chairman Simpson took a roll call vote and it was unanimously adopted.

Chairman Simpson continued with the public speakers discussing additional agenda and non-agenda matters. He announced the remaining speakers would each have five minutes to speak.

Murray Bodin questioned why NJ TRANSIT buses do not have steering wheels the size of a car and speed indicators in digital form. Mr. Bodin referenced a Supreme Court decision to make a correlation regarding his concern of who is responsible for the decision to use the bus steering wheels and speed indicators that are utilized by NJ TRANSIT's buses.

Chairman Simpson told Mr. Bodin that they would have to get back to him because there is a lot of engineering involved.

Jack May introduced himself as the Vice President of the New Jersey Association of Railroad Passengers (NJ-ARP). He thanked Executive Director Weinstein for his response on the two light rail initiatives that he brought up at the March meeting. He is grateful that NJ TRANSIT will create a pilot program with respect to the removal of parking fees on weekends for Hudson-Bergen Light Rail customers, as result of one of their suggestions. Mr. May believes this will increase ridership and has a good chance of even lifting revenue. While disappointed about the rejection of their ideas regarding

the Newark Light Rail's Broad Street branch, he can understand it, considering NJ Transit's "challenge in the current fiscal climate."

Regarding the agenda item that awards a contract to LTK Engineering Services for the design of Multilevel Power Cars to create Electric Multiple Unit sets, NJ-ARP is pleased that this important program is now moving forward after a two-month delay. The concept of operating Electric Multiple Unit cars in suburban railroad services is very attractive and is commonplace throughout the world. For quite some time NJ-ARP has been urging that when Arrow III cars wear out, they be replaced with units that contain many of the characteristics found in Electric Multiple Units, similar to those double-deck ones currently operated in the Chicago area.

In September 2005, when the original contract with LTK Engineering Services was awarded, NJ-ARP was pleased that NJ TRANSIT appeared to be on the verge of acquiring a fleet of modern Electric Multiple Unit cars. And now that the supporting documentation for the agenda item states that these cars are wanted to improve operations in both areas of low ridership as well as the Northeast Corridor, with peak-hour capacity at Penn Station New York to be increased by about eight percent, they are even more pleased.

Mr. May believes a usual benefit for this type of car is that their utilization will allow for improved running times compared to locomotive-hauled push-pull trains, as typical Electric Multiple Units have better acceleration and shorter stopping distances. He believes this is important on all lines, but especially where stations are close together, as on Montclair and inner portion of Morris & Essex.

Mr. May believes this situation presents something new, a three-car Multilevel set with only one car motored. He thinks the Multilevel Vehicle Power Cars could almost be characterized as locomotives with two cars attached. Mr. May said NJ TRANSIT stated the performance it is requiring for a Multilevel Power Car and the two Multilevel Vehicles will be equivalent to that of three Arrow III cars. NJ-ARP is happy about that, as in their opinion the performance characteristics of the 35-year-old Arrow III cars have been excellent. Mr. May believes this will assure that the future needs of NJ TRANSIT's riders will be met. They believe it is very important to have a fast rail system.

Mr. May believes one of NJ TRANSIT's major problems, which arrives every autumn, is traction on fallen leaves, especially after stopping on grades. Mr. May said the Arrow III cars currently perform satisfactorily while push-pull trains have problems. They expect that the required design of these cars will allow them to cope effectively with these seasonal conditions.

According to Mr. May, one of the well-known benefits of this type of car is that it allows better control of the makeup of trains to reflect ridership needs, less wasteful dragging around of empty cars closed to the public, which is especially important on the lighter trafficked Montclair and Gladstone lines. Additionally, according to Mr. May, NJ TRANSIT has indicated that unlike Arrow III cars, the propulsion system of these

cars will be capable of automatic transition between the 12 kV 25 Hz and 25 kV 60 Hz AC power systems currently used. Mr. May said like the ALP-46 electric locomotives, they will also be able to run to New Haven, Connecticut in similar situations to the current football specials, but in consists proportional to ridership demands.

By requiring these new Multilevel Power Cars to be able to run in trains with NJ TRANSIT's current Multilevel equipment, NJ-ARP believes it is especially important that the couplers be designed to permit the cars to be quickly and easily split from, and connected to, other Multilevel cars. Mr. May expects NJ TRANSIT is asking LTK to design the coupler's functionality with that in mind. He expects this because he believes the ease of automatic coupling may make it possible to operate additional one-seat riders to Penn Station, New York, especially during off-peak periods. Mr. May thinks short sets of Gladstone branch cars may be able to be attached to Midtown Direct trains at Summit, and this would eliminate the inconvenience to Gladstone line passengers resulting in having to change trains. Mr. May reminded everyone that there was a time that the Delaware, Lackawanna and Western railroad performed this on a regular basis at Summit; he wonders if it can be brought back. After considering the content of this statement, they hope NJ TRANSIT will share their feelings about this.

Mr. May expressed NJ-ARP's interest in knowing the total strategy of NJ TRANSIT's rail fleet management. Specifically, they want to know the following: How many of these Multilevel Vehicle Power Cars will be ordered? How many of the remaining Arrow III cars will be replaced? How will that number change current requirements for the Multilevel Vehicles, Comets and Arrow III cars, compared to what will be operated in the future when Multilevels replace the Arrows? They realize the number of such Power Cars to be ordered may be affected by their cost, and that will not be known exactly until the bidding process is undertaken. They hope that when LTK provides the information about the expected cost of these cars, the information will be made public, along with the capital budget requirements for this program.

Mr. May said NJ TRANSIT has already indicated that this approach provides "significant capital cost advantages" compared with replacing the Arrow III cars on a car for car basis. NJ-ARP agrees and congratulates NJ TRANSIT for that. They request NJ TRANSIT not squeeze every penny of capital costs from this project so as to compromise the inherent advantages of Electric Multiple Unit operation. NJ-ARP has full confidence that LTK will specify the best possible cars as long as their instructions are consistent with that goal. All in all, NJ-ARP wants to see NJ TRANSIT operate a better and faster service, so it will attract more passengers and take more automobiles off the road. NJ-ARP urged the Board to approve this agenda item.

Philip Craig said he is the Director of the New Jersey Association of Railroad Passengers (NJ-ARP). Mr. Craig expressed NJ-ARP's support of the statements made by Jack May and urged the Board of Directors of the New Jersey Transit Corporation to approve Item 1210-5, Rolling Stock Program Engineering Assistance Contract Amendment for Design of Multilevel Power Cars.

Mr. Craig pointed out that in addition to the benefits stated in the Agenda Item, senior staff members of NJ TRANSIT, in response to their questions, advised them that the Multilevel Power Cars will be capable of: 1) Transitioning automatically between the 25 kV 60 HZ AC electrification of the Morris & Essex, Gladstone and the Montclair-Boonton lines and the 12 kV 25 HZ AC electrification of the Northeast Corridor and North Jersey Coast lines will allow electric multiple-unit trains powered by Multilevel Power Cars to operate in Midtown Direct service to and from New York's Penn Station, something that cannot be done at present from the Hoboken Division with the Jersey Arrow III cars. In addition, he said it will provide a degree of flexibility in operations heretofore unavailable, especially in emergency situations; 2) Being coupled with Multilevel cab cars and Multilevel coaches to create three-car units that, in turn, can form trains of three, six, nine or twelve cars will enhance the ability of NJ TRANSIT Rail Operations to provide more convenient and economical train service through its electrified zones; and 3) Operating at speeds of up to 125 miles per hour while accelerating and decelerating at the same rate as the Jersey Arrow III Electric Multilevel Units will be of considerable importance when Amtrak completes its program to increase its speed limit on the Northeast Corridor to 160 miles per hour.

Mr. Craig believes the number of Multilevel Power Cars that NJ TRANSIT will acquire after their specifications have been prepared will be determined at a future date. Nevertheless, they note that the Arrow III Fleet once consisted of 230 cars and that NJ TRANSIT Rail Operations intends to retain 160 of them in service for next few years. They presume this will be until the 100 additional Multilevel coaches now on order and a yet-to-be-determined number of Multilevel Power Cars are delivered and placed in service. This suggests to NJ-ARP that a substantial order for Multilevel Power Cars ought to be purchased so that use of Electric Multiple Unit trains and their benefits for the traveling public can be maximized.

To ensure that there is a prudent and wise expenditure of public funds in conjunction with the future Multilevel Power Car procurement, NJ-ARP urged the Board to require that its staff prepare a comprehensive fleet-wide rolling stock utilization plan, including assignments by individual railroad line and spare requirements for all its ALP-46 electric locomotives, ALP-45DP dual mode locomotives, diesel-electric locomotives, single level coaches, multilevel coaches, and the proposed multilevel power cars in advance of seeking bids on a specific number of Multilevel Power Cars. They believe that this information should be reviewed by the Board's Capital Planning, Policy and Privatization Committee and then made public as part of any Agenda Item authorizing the taking of bids and the subsequent award of a contract for the purchase of Multilevel Power Cars.

Mr. Craig also commented that they too consider LTK Engineering Services pre-eminently qualified to prepare specifications for the proposed Multilevel Power Cars. While this proposed contract amendment is described as a "sole/single source to provide the engineering assistance," they observe that the original contract award was competitive, involving several other proposers and that awards were made for similar services to STV Engineers, Inc. and Booz Allen & Hamilton.

James Raleigh outlined the three parts to his comments: 1) Ongoing processes or projects with big ramifications to NJ TRANSIT that he wants to remind the Board about, 2) Open Items, and 3) Agenda Items.

Mr. Raleigh began by citing ongoing processes and projects not specific to the agenda that affect passenger rail improvement infrastructure. He cited the PRIIA Law, Section 212, which he believes relates to cost allocation. Mr. Raleigh mentioned the Amtrak cost sharing and mentioned that costs will be drastically different in a few years and he does not think NJ TRANSIT will be able to afford to own as many trains as a result. He suggested someone at NJ TRANSIT should look into this and keep the public informed.

Next, Mr. Raleigh cited the PRIAA/FRA Northeast Corridor Scoping Document as having big ramifications on NJ TRANSIT. He mentioned public input was extended to October 19, 2012. Mr. Raleigh would like to know when the public will see what was submitted during the scoping process.

Mr. Raleigh mentioned the Amtrak Update contains the Gateway from Newark to New York Penn Station and the Amtrak Update has no regional rail information. He wonders where and when they will see NJ TRANSIT suggestions representing New Jersey residents.

Mr. Raleigh mentioned the West end of the platform for Tracks 5-10 are barricaded and asked whether this is part of the TIGER Grant for Moynihan Phase One, where New Jersey is with respect to the more important part of NJ TRANSIT on Tracks 1-4, and the ongoing work Northwest of the Northeast Corridor Portal Bridge.

Mr. Raleigh finished the first part of his comments by questioning some large equipment that appears to be making foundation or piers for the new North Bridge and asked who is paying for this, whether NJ TRANSIT is involved in the design work, and whether the NJ TRANSIT's Board ever authorized any work beyond the Record of Decision for the Portal Bridge enhancement.

Mr. Raleigh began the second part of his comments regarding open items the Chairman of the Board made at the March 2012 Board Meeting. He questioned the costs to bring the Northeast Corridor up to the NJ TRANSIT service quality, and what will be the use for the Dual-Powered Locomotives that NJ TRANSIT currently owns. Mr. Raleigh believes the trains should be used to go to New York Penn Station.

The third part of Mr. Raleigh's comments related to agenda items. Regarding Board Item 1210-48, Capital Planning and Programs Task Order Consultant Contracts, he would like to see more detail on the change in task structures. He would also like to know where he can consult the five Requests for Proposals, the proposals submitted, and the evaluations to select three teams. Mr. Raleigh also wants to know when these were reviewed and recommended by the Board's Capital Planning, Policy and Privatization Committee. Mr. Raleigh is disturbed by the ongoing lack of detail provided for the Board and the Public about the justification for the contract for Board Item

1210-51: Rail Rolling Stock Program. He asked where are the long term fleet and operations plans.

Mr. Raleigh would like to know why Board Item 1210-53, Settlement as to Claims Asserted by Barnard/Judlau Joint Venture, was not on the preliminary agenda. He said he hopes the Board has had more time than the public to review this item. Mr. Raleigh said the public was provided this information after the close of business less than 24 business hours before this meeting. He finds no recommendation from staff on this resolution, merely a statement of Benefits. Mr. Raleigh said if this item is deferred to executive session, he would like some results reported before the close of this meeting. He suggested that since there was no contract, that the Board rejects this resolution.

Joseph Clift complained that the final agenda was not available until close to 6:00 pm on Friday evening. He said when the proposed agenda is distributed to the public, it should include all board items for public review. He said that is how the MTA distributes their board agendas. He questioned why all the details were not provided the week before but said if there was a change, it was understandable. He requested the Board Meeting Minutes be posted publicly at the time they are sent to the Governor's Office so the public has the opportunity to address clerical errors before the minutes are approved.

Mr. Clift referenced his handout and recommended the Board not approve the Watsessing Station Restoration in Board Item 1210-50. Mr. Clift said historic preservation is not the core mission for NJ TRANSIT; he said this is a mobility company. Mr. Clift argued that there were only two bids and the cost is 32 percent, or \$0.9 million, over project budget and the details do not reflect an earlier phase. He stated the bids were 37 percent over NJ TRANSIT's engineer-prepared estimate for the construction contract by almost one half a million dollars. He recommended the Board send the historic preservation and economic development project back to Bloomfield Township to take the lead. Mr. Clift said these non-mobility projects are why there is not money available for the Northeast Corridor.

Mr. Clift expressed concerns regarding Board Item 1210-51, Rail Rolling Stock Program: Engineering Assistance Contract Amendment for Design of Multilevel power Cars. Mr. Clift recommended the Board table the Item until enough information is provided to make an informed decision. He questioned the mathematical details for the 8 percent greater capacity. Mr. Clift believes there should be a fleet plan exercise that provides a plan for all of NJ TRANSIT's equipment. He is concerned about purchasing a unique single car that is strong enough to drag two other cars but which no one else uses. Mr. Clift explained the normal process is to take two to three units and distribute the load, space and cost. He believes the Multilevel Power Cars would be harder to maintain, obtain parts, and could result in an orphaned project because of the small number of cars.

Mr. Clift is also concerned about Board Item 1210-53, the Settlement with Barnard/Judlau Joint Venture. He urged the Board not to approve the Item. He

believes there is no legal basis for the claim. His view is that Judlau initiated work without a contract at its own risk and does not believe there is a reason for NJ TRANSIT to compensate Judlau for losing its gamble. Mr. Clift believes this is a significant amount of money that could be used more effectively towards improvements to the Northeast Corridor.

Mr. Clift believes there are three items that should have been on the agenda: 1) An answer to Chairman Simpson's March 2012 request for information regarding the costs to fix the Northeast Corridor; 2) An answer to Chairman Simpson's March 2012 request for an explanation of the need for ten power diesel locomotives and the plan for use line by line; and 3) The extension of Northeast Corridor Joint Benefit Capital and Operating Agreements with Amtrak which expired September 30th.

Mr. Clift quoted Senate Majority Leader Mitch McConnell's statement that "The biggest threat to the future of this country – there's nothing even close – is the unsustainable path we're on, driven by excessive generosity beyond our ability to pay on very popular programs. You cannot straighten this country out until you solve that problem." Mr. Clift believes this states the issue he sees as the desperate need for leadership from the policy-making body of NJ TRANSIT, in putting the Rail capital investment policy on the right track from the wrong track it has been on for a very long time.

Vice Chairman Meisel asked Mr. Clift to repeat or elaborate on his statement regarding the double decker cars. Mr. Clift explained that for the Arrow Fleet, most are married pairs with two semi-permanently coupled. He explained that if you have 194 units, it is made up of 97 pairs and one car in the pair has a compressor and the other has the air conditioner, and this saves space, weight and cost.

Mr. Clift compared the NJ TRANSIT Multilevels to the LIRR bi-levels and explained that the underneath floor space is used for passengers, which is wonderful for the passengers, but you lose space for the equipment. He has concerns regarding how all of the equipment can be accommodated in one high passenger capacity vehicle and believes enough information has not been provided.

Orrin Getz commutes on the Pascack Valley Line. He thanked NJ TRANSIT for their cooperation with Metro North regarding the express service that started the day of the Board Meeting. Mr. Getz enjoyed his commute and although there were a few slowdowns, he made his connection at Secaucus Station. Mr. Getz believes it complied with Vice Chairman Meisel's plan to take a scalpel to the line because it bypasses Bergen County. Mr. Getz believes it is a wonderful addition that met the goal of Rockland County.

Mr. Getz believes there is an important problem that needs to be addressed. He attended the September 27, 2012 New York City Metropolitan Transportation Council (NYMTC) meeting and said the chair for the NJ TRANSIT Advocate Member was vacant. He noted that there have been other times the seat was vacant as well. Mr. Getz believes it is important to maintain the connection and there is no reason there

should ever be no NJ TRANSIT representative. He hopes NJ TRANSIT will correct this problem.

Mr. Getz informed the Board that the day before Metro North started the largest service improvements in history and is hiring new staff. Mr. Getz noted that NJ TRANSIT may lose staff to Metro North due to the Board Item to change the pass policy for non-agreement employees. Mr. Getz believes NJ TRANSIT will lose employees to Metro North's benefit.

Mr. Getz noted that Metro North actively goes after the reverse commuter and off-peak riders with lower fares and their employees have passes so they can monitor the trains to see how they are running. He recommended NJ TRANSIT should look to copy what Metro North is doing to be so successful.

David Peter Alan spoke in his personal capacity and for the Lackawanna Coalition later in his statement. There are several items on this agenda of concern to Mr. Alan, and he only has time to address a few.

Mr. Alan is loyal to the Montclair Line, but the price of Item 1210-50, Restoration of Watsessing Station: Construction Contract Award, is \$8500 for each of the station's 200 riders. If there are 100 riders who make round trips, that amounts to \$17,000 per person. That is a lot of money to spend, when employees are being forced to take a pay cut. At the very least, he believes the town of Bloomfield should be paying some of the cost.

Mr. Alan is also concerned about the \$5.6 million settlement with Barnard/Judlau Joint Venture in Item 1210-53. He believes that payment amounts to 55 percent of their claim; a huge percentage without litigation. It is far from "nuisance value" and the facts of the case as explained in the Agenda do not indicate Barnard/Judlau Joint Venture would have a good chance of winning. Mr. Alan pointed out they did not have an executed contract, and 55 percent of their expectation claim is a very high number for any potential reliance claim.

Vice Chairman Meisel expressed his belief that there was a promissory estoppels claim involved. Mr. Alan still believes that is a lot to pay for that type of claim.

On behalf of the Lackawanna Coalition, Mr. Alan commended the Board for taking the Rail Rolling Stock Program: Engineering Assistance Contract Amendment for Design of Multilevel Power Cars off the agenda at the last meeting. They agreed and said that they would like to know enough about the Item to comment intelligently on it. However, he believes it is unfortunate that the Item is back on the current agenda in its identical form. They still do not have enough information to comment intelligently on it and believe it is a defeat for transparency.

The Lackawanna Coalition has always objected to the use of multilevel cars on the Morris & Essex and other lines of concern. Their stations are close together, and the

terrain is hilly. Mr. Alan believes their schedules are significantly slower than they were in the past, and the multilevel cars can contribute to that, with their lack of fast acceleration, and their door placement. It takes time to get on and off these trains through the narrow doors located near and at the end of the car. Without more information, they do not see how converting this equipment to self-powered will help improve their schedule.

Mr. Alan expressed The Lackawanna Coalition's suggestion that instead, NJ TRANSIT test some of the new Electric Multilevel Unit cars running on SEPTA. He explained that they come to Trenton, so they can certainly be used on the Northeast Corridor. Mr. Alan believes it should be a simple matter to modify the electrical systems so they can run on both the Northeast Corridor and the Morris & Essex. Mr. Alan believes using existing equipment is far less expensive than building something unique and expensive. Mr. Alan argued that as NJ TRANSIT demands sacrifice from its employees and retirees, NJ TRANSIT should be prepared to make some sacrifices, too.

Ray Greaves, speaking on behalf of the Amalgamated Transit Union, strongly urged the Board to pass Item 1210-49, Bus Safety Shields. He explained that it is a long time in the works. Mr. Greaves knows a strong majority of their members welcome the shields. They know the shields will not solve all the problems with Operator assault but there are confident the shields will be beneficial. Mr. Greaves is also pleased NJ TRANSIT maintenance facility personnel will install the shields.

Mr. Greaves explained that the shields are one piece of the puzzle to protect Operators. He noted that the Amalgamated Transit Union and NJ TRANSIT Management are working diligently to continue to improve safety for Operators. Mr. Greaves made special note to thank a variety of the union locals, Jim Gigantino the former Vice President and General Manager of Bus Operations, Joyce Gallagher the current Vice President and General Manager of Bus Operations, Stan Wrobel the Deputy General Manager for Bus Maintenance and Police Chief Trucillo for their efforts in improving safety for Bus Operators.

Board Member Comments

Chairman Simpson asked the Board Members if they had any comments regarding the public speakers' comments.

Chairman Simpson apologized to the public speakers who said they did not receive a follow-up on their questions and/or recommendations. He said he has been spoiled at other agencies who typically give answers when he asks for them. Chairman Simpson said he wanted the record to show he is disturbed by the lack of follow-up by staff to the Board on issues such as the dual mode locomotives, off-peak fares for which he has not heard anything, bus strategy for the Port Authority Bus Terminal including whether there is an opportunity to pick passengers up from the street, the Northeast Corridor for which he asked to be personally involved in during the March Board Meeting, and Rail Grade

Safety. Upon Chairman Simpson's inquiry regarding whether Rail Grade Safety was on the agenda as he requested, staff confirmed that it would be addressed at the meeting.

Chairman Simpson told staff they are responsible as senior level Assistant Executive Directors to respond to those issues within their domain. He also said the Board Secretary and other staff members should assist in keeping pending issues on the schedule until they are resolved.

Senior Citizen and Disabled Resident Transportation Advisory Committee Report

David Peter Alan, a member of the Senior Citizen and Disabled Transportation Advisory Committee (SCDRTAC), explained that due to the emergent nature of an item on the agenda, the short notice before it is considered, and since their Chair, Sam Podeitz, and Vice-Chair, Maryann Mason, could not be present to speak, he was appointed to speak for their committee, in their stead. Because they oppose the application of the policy expressed in Board Item 1210-52 to Advisory Committee members, they wanted to speak before the Board.

Under normal circumstances, they would have waited until November or December to report that they have completed the review of applications by the counties for grants from the Casino Revenue Fund to help defray the cost of providing transportation services to seniors and persons with disabilities. They are aware that casino revenue is declining. Despite declining funds, the counties are all doing an extraordinary job of serving a client base that is always growing, as the population grows older and more people become disabled.

The Committee now meets only at transit-accessible locations, either at NJ TRANSIT's Headquarters, two buildings away from the Trenton train station, or at the Delaware River Port Authority offices at the Aquarium stop on the River Line in Camden. They consider this an improvement in their own accessibility.

It came to their attention only last week that management has proposed a policy that would revoke the riding privileges of NJ TRANSIT employees not covered by a collective bargaining agreement, as well as retirees. The agenda item itself did not mention Advisory Committee Members, but they do not wish to rely on this lack of mention to expect that the same policy will not also be applied to them. They are all especially concerned about the effect that the policy would have on their members, as well as the members of the other two Advisory Committees, if they are included in its application. They have submitted a resolution, urging NJ TRANSIT to allow the members of the three Advisory Committees to keep their riding privileges.

Their committee is established by statute, and the members are required by statute to participate in activities regarding transit and transportation services for senior citizens and persons with disabilities. They understand that the other Advisory Committees also have a mandate to observe how transit and other transportation services are offered, and report to management. These activities take time, and they give that time willingly.

If they are forced to pay fares, that would create a disincentive to pursuing their statutory mandate.

Advisory Committee members receive no compensation from NJ TRANSIT, unlike employees who receive their pay, or retirees, who were paid by NJ TRANSIT in the past. All of the members of the committees are either senior citizens or persons with disabilities. Many of the members, as well as members of the other two Advisory Committees, live on fixed or otherwise limited incomes. For those it would constitute a strain on their finances to pay the fares required for travel to other places in New Jersey, especially for the Senior Citizens and Disabled Resident Transportation Advisory Committee, since its geographic scope is the entire State.

They doubt that NJ TRANSIT could realize enough revenue from subjecting Advisory Committee Members to this policy that it is worth the difficulty that it would impose on them. There are only thirty Advisory Committee Members in the entire State. Certainly they believe that a few exceptions will not hurt NJ TRANSIT's bottom line. They stand prepared to continue serving the senior and disabled constituencies of New Jersey, and they are sure that the members of the other two advisory committees feel the same way. They do not believe it is fair to start forcing them to pay for the privilege. They urge NJ TRANSIT to refrain from applying the proposed policy to Advisory Committee members.

Board Administration Committee Report

Board Member James C. Finkle, Jr. presented the Administration Committee report to the Board. The Administration Committee discussed the purchase of 820 Safety Shield Kits to retrofit the transit buses. The safety shield affords a greater level of protection without interfering with passenger communication or fare transactions.

Board Capital Planning, Policy & Privatization Committee Report

Vice Chairman Bruce Meisel presented the Capital Planning, Policy & Privatization report to the Board. The Capital Planning, Policy & Privatization Committee discussed the South Hudson County Local Bus Service contract which includes two routes that serve a combined ridership of 2.2 million annual customer trips.

The Committee also reviewed the Capital Planning and Programs Task Order Consultant Contracts. The availability of task order contracts allows the opportunity to use consultants already pre-qualified for specific work efforts which minimize the time and cost needed to initiate and complete work.

The Committee also reviewed the contract amendment for the design of multilevel power cars which will replace the outdated Arrow III vehicles. The new self-propelled railcars will feature all of the customer amenities that are provided on the existing multilevel fleet, including two-by-two seating, and will also include on-board propulsion that will allow the cars to operate without a locomotive.

Board Customer Service Committee Report

Board Member Flora Castillo presented the Customer Service report to the Board. The Customer Service Committee discussed National Customer Service Week which took place the first week in October. This nationally-recognized week provides an opportunity for organizations to raise companywide awareness of the importance of customer service. The Committee also discussed customer service trends and analysis in bus, rail and light rail.

Executive Director's Monthly Report

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

On-Time Performance

Executive Director Weinstein explained that NJ TRANSIT Rail set another on-time performance record for the month at a rate of 97.6 percent, tying NJ TRANSIT's all-time best performance set in April of this year. Executive Director Weinstein mentioned that in September, NJ TRANSIT came close to the record for the month with an on-time performance rate of 97.3 percent, just shy of the 97.5 percent record set in September 1995.

Aquatrack

Executive Director Weinstein reminded the Board that Fall is a difficult time of year when the combination of falling leaves and wet weather causes "slippery rail," an age-old problem that affects all railroads in the Northeast. He explained that when falling leaves are crushed by train wheels, the decaying leaf material creates an oily residue that coats the rails, resulting in poor traction for trains and possible delays, especially on rainy days. To help combat slippery rail and keep trains running on time, NJ TRANSIT is again deploying AquaTrack, a high-pressure washing system that delivers water directly to the top of the rail to cleanse away the oily residue. Executive Director Weinstein explained that even with NJ TRANSIT's best effort, customers are reminded that they may wish to allow extra travel time during the season.

Rail Schedule Change

Executive Director Weinstein reminded everyone that the day before the meeting the new rail timetables took effect systemwide, with the exception of the Atlantic City Rail Line. The new timetables reflect some significant changes on the Northeast Corridor, Morris and Essex and Montclair lines to increase seating capacity and address crowding conditions on evening peak trains.

Rail Safety Presentation

Chairman Simpson apologized because he did not see this on the agenda. Acting Board Secretary said that it is part of the Executive Director's Report.

Vice Chairman Meisel asked for a copy of the Metro North operating contract with regard to the Pascack Valley Line.

Executive Director Weinstein introduced Vice President and General Manager of Rail Operations Kevin O'Connor to provide an overview of Rail Safety. A copy of the Rail Safety presentation is attached.

Fleet Plan and Electric Multiple Unit (EMU) Multilevels: Capacity and Performance Presentation

Executive Director Weinstein introduced Steve Santoro, Assistant Executive Director of Capital Planning and Programs, to discuss the future of NJ TRANSIT's Rail Fleet Plan to optimize capacity and performance.

Mr. Santoro said there is a Board Item for multilevel power cars and staff thought it was appropriate to provide an overview of the fleet plan, including the Electric Multiple Unit multilevel, before the Board votes on the item. He said the presentation will explain where NJ TRANSIT is now, where it wants to go, and why it wants to go there. Charles Ingoglia said he would try to keep the presentation brief since it was getting late and afterwards, Kevin O'Connor and Steve Santoro would answer questions.

Chairman Simpson expressed his belief that Mr. Ingoglia should take his time because he did not think the Board had been adequately engaged on the topic. Chairman Simpson said he had a private briefing but afterwards he had more questions. He said his questions are at the 5,000- and 30,000-foot level. Chairman Simpson said some Board Members are new and are not engineers.

Board Member Shevell said he agreed with the Commissioner that he was not adequately advised regarding the matter.

Mr. Ingoglia started presenting the long-term strategy for NJ TRANSIT's rail fleet by discussing the current Comet fleet. Chairman Simpson asked what the average age of the Comets was and Mr. Ingoglia said the average age was 11 years old. Chairman Simpson asked whether this was because of rehab and Mr. Ingoglia responded in the affirmative. When Chairman Simpson asked the useful life of a Comet car, Kevin O'Connor, Vice President and General Manager of Rail Operations, said it was 30 years. Chairman Simpson asked whether the Arrow's useful life was 35 years and received an affirmative answer. Chairman Simpson asked whether the shelf life of the vehicle procurement being presented to the Board was 35 years or more. Mr. Santoro said it was 30 years for the bi-level coach.

Mr. Ingoglia said the current vehicles were built when Carter was President and rehabilitated during the end of Reagan's second term. He said they would not take NJ TRANSIT into the next decade. Mr. Ingoglia said more than 300 multilevels were deployed to the satisfaction of Rail Operations and passengers. He said 100 more multilevels would be arriving and the plan is to retire 60 Arrow III cars. Vice Chairman Meisel asked for clarification regarding the total number of multilevels once the 100 new multilevels were delivered. Mr. Santoro said 421 multilevels plus the 8 assigned to the casinos, making a total of 429 multilevel coaches.

Chairman Simpson asked whether staff provided the Board with anything more than a summary page or a three page narrative at the committee meetings such as the CP3 Committee Meeting. In response to Chairman Simpson asking what the Board Members received, Mr. Santoro said they received a narrative and a presentation. Chairman Simpson asked whether the Board received anything remotely resembling a rail fleet management plan. In response, Mr. Santoro said the Board had not received a comprehensive rail fleet management plan. Chairman Simpson said he had grown accustomed to written rail fleet strategy plans as FTA Administrator and his ten years with the New York MTA.

Chairman Simpson said he understands the Arrows are 35 years old and need to be replaced but he is concerned about making a decision that will impact NJ TRANSIT for the next 40 years, well past the year 2050, without enough information. He has concerns about buying vehicles with unproven technology that are not on the market. Chairman Simpson asked the following questions: How can you have a self propelled car capable of pulling/pushing at least two other heavy bi-level coaches share electric, propulsion, generators, heating and air conditioning and still have ample room for passengers? What will the cost be and how much money will it cost to operate and maintain and is it really needed? Chairman Simpson said he is having a hard time understanding the problem that NJ TRANSIT is trying to solve. Chairman Simpson said he had questions regarding the replacement standards and staff's assertions that NJ TRANSIT needs more rail cars when 30 percent of the bi-level coaches are not in service now during peak demand. He questioned why extra heavy bi-level coaches would be used on smaller trains in low ridership areas and compared it to buying a 747 for a flight to Buffalo that is half full.

Chairman Simpson said he believes staff needs to give more information to the Board regarding the overall fleet strategy. He voiced concern about whether the weight of the cars would be a problem, resulting in longer start and stop times. Vice Chairman Meisel said he also wants to understand the impact of the vehicle weight on the tracks and operational efficiency for generation of power or energy to operate the train.

Mr. Santoro said all the points and questions are valid. He said those are the elements, and others, that are considered when staff designs the cars or fleet specific to NJ TRANSIT operations. Mr. Santoro said all were considered and discussed. He said they gave an acceleration plan that compared 10 multilevel cars with one locomotive and found it was not adequate for NJ TRANSIT's system. Mr. Santoro said

NJ TRANSIT's system includes areas where stations are close together and acceleration and deceleration is a necessary element which pointed to the multilevel consists. He said another necessary element is capacity. Since NJ TRANSIT will not be bringing more trains into New York, Mr. Santoro said the goal is to have as many seats as possible per train car. He said although ridership dropped in 2008, it is growing and expected to continue growing. Mr. Santoro said there are already seat capacity issues into Manhattan and they need to make a decision to plan for the future. He said they want to optimize the number of seats to Manhattan and accommodate growth on other parts of the system. Chairman Simpson indicated that all of the trains are not headed to Manhattan.

Chairman Simpson said he calculates there is an average of 137 seats on existing multilevel coaches using a weighted average and asked whether the increased eight percent capacity is per car or train. Mr. Santoro said the increased eight percent is per train. Chairman Simpson questioned how that was possible. Mr. Santoro said they estimate that the multilevel power cars can seat about 109 people while holding the power converters needed to power the car. Chairman Simpson asked Mr. Santoro if that was about 30 seats and Mr. Santoro confirmed it.

Mr. Santoro said another element is passenger comfort. He said the public responded very favorably to the two-by-two seats in the multilevel. Thus, Mr. Santoro said given the three major elements: passenger amenities, acceleration/deceleration and capacity, the Electric Multiple Unit multilevels were considered the best solution for long-term service to customers. He said they provide more flexibility since they are designed to connect to existing multilevel coaches. Mr. Santoro said the goal is to have a full multilevel fleet using existing coaches and power coaches. He said in the future when ridership grows; NJ TRANSIT will have to buy more multilevel coaches to meet the three elements.

Chairman Simpson questioned why so many extra multilevel coaches were being acquired now. Mr. O'Connor said the 100 multilevels were obtained before they looked into the power cars. He said NJ TRANSIT will retire 70 Arrows currently in use and will only utilize the Arrows where it is necessary such as on the Gladstone Line to address capacity and the Northeast Corridor middle zone between New Brunswick and Metropark and the Princeton Dinky to address the acceleration/deceleration needs. Mr. O'Connor explained that the number of Arrow train cars in the shop is higher due to the higher failure rate than multilevel cars. He also explained that the current multilevel use is affected by factors such as 1) the shop count for the 92-100 day maintenance, and 2) 30 plus vehicles that still have issues the manufacturer has to address before they are put into use.

Vice Chairman Meisel questioned why NJ TRANSIT should be the first one to use the Multilevel Electric Multiple Unit and why NJ TRANSIT designed it when no one else is using it. He said he has concerns about being the pioneer in new technology, especially when it is such a huge investment. Mr. Santoro stated that they are not the first cars. He said there is a power car on-site now: the single level Electric Multiple Unit

which is based on the concept of a single car providing the power to accommodate itself and other cars. Mr. O'Connor said it is used on the Princeton Dinky and Gladstone Lines. Mr. Santoro said Europe has a power car concept and Switzerland uses a third generation power car concept. He said all propulsion and electronic systems are in one car and it operates in Switzerland now.

Chairman Simpson said he did not believe staff has made the case for the power cars given the Board's concerns regarding the technology. He said they have not been able to see it used anywhere else. He said they received a nice picture of the one from Switzerland but they do not have enough information to move forward in spending so much money and tying up NJ TRANSIT until 2050.

Chairman Simpson said at the New York MTA, traction power constitutes the largest proportion of the total MTA energy consumption and he assumes the same can be said for NJ TRANSIT. He said there has been no discussion to the Board on improving efficiency, weight savings and reducing total power traction demand without compromising performance or passenger service. By cutting weight, MTA saved over \$105,000 per ten car train per year in energy savings. Chairman Simpson said the big picture is still missing and approving the item now would be like writing a blank check. He said he wants to see a recapitalization plan for the next 5 years. He said it needs to be like the airlines and take into account seating capacity, and the Board's concerns regarding producing the next generation Electric Multiple Units and power units with less weight. Chairman Simpson said weight is what got them into this problem. He said issues such as the 100 multilevel cars need to be part of the plan, in addition to the impact of the power cars on the tracks, wheels, brakes and other financial considerations. Chairman Simpson estimated that 1.6 million pounds would be towed around not including the weight of the locomotive with a fully loaded ten car train. He said he has not seen the Board presented with a strategy other than "let's sign the check".

Chairman Simpson suggested staff go online to see Amtrak's version 3.1 strategy. He said he is not in favor of moving forward because he is afraid they would be saddled for 50 years with something that turns out to be a disaster in ten years because the case was not made.

Board Member Shevell said who knows what the car will do; what are we the guinea pigs? Chairman Simpson said he can put the item before the Board for a vote. Executive Director Weinstein requested that in light of the questions, he be allowed to withdraw the item. He asked the Chairman to communicate the exact forum when staff can present the information and that a decision be made whether or not to move forward once that information has been provided.

Chairman Simpson again suggested staff look at Amtrak's 3.1 version strategy and make one that follows that template for NJ TRANSIT. Vice Chairman Meisel said he read the Amtrak strategy and found it incredibly thorough. He said it looks at a number of factors such as timeline, cost and energy from all levels.

Vice Chairman Meisel said he is a newer member and not an engineer but he can make an analysis if given the information. He said NJ TRANSIT is fortunate to have a Commissioner of Transportation for which this is not his first rodeo. Vice Chairman Meisel said given Chairman Simpson's experience in federal government, New York and a variety of other circumstances, if the Chairman feels discomfort, the Board needs to pay attention. He said there is a saying that there is no such thing as a bad student, just bad teachers.

Vice Chairman Meisel suggested the best way to approach providing the information is to assume no one on the Board knows anything other than how to read and make decisions. He said the information needs to be provided in a format that argues that this case is the best course of action. Vice Chairman Meisel said being a pioneer makes him nervous. He said the Commissioner does not accept principles that make him nervous and the Board should not vote on the concept. He said concepts can look great while the details do not. Vice Chairman Meisel said he does not want his successors in a few years to say, what were they thinking? He said this is staff's opportunity to educate the Board about railroad cars, locomotives, tracks and capacity. Vice Chairman Meisel suggested that rather than looking at this negatively like the Board is picking on them, they should look at it as an opportunity to educate the Board so they do their job better.

Chairman Simpson said the U.S. Department of Transportation Office of the Inspector General opined on and helped improve the Amtrak Railcar Strategy. He suggested NJ TRANSIT act similarly and present their written strategy and have it looked at by the Office of the Inspector General.

Vice Chairman Meisel made a motion to refer the item back to the Capital Planning, Policy and Privatization Committee and asked that as the Chair of that committee, he be notified in advance so he can notify Chairman Simpson. Chairman Simpson seconded the motion. During discussion, Board Member Finkle echoed the thoughts of his fellow board members and asked that NJ TRANSIT investigate the scope, size and need in the plan, leaving no stone unturned, and explain where NJ TRANSIT is going and why. There was a unanimous vote for the motion to refer Board Item 1210-51: Rail Rolling Stock Program: Engineering Assistance Contract Amendment for Design of Multilevel Power Cars back to the Capital Planning, Policy and Privatization Committee.

Executive Director Weinstein said that concludes his monthly report.

Action Items:

Executive Director Weinstein presented the following Action Items for approval:

1210-47: SOUTH HUDSON COUNTY LOCAL BUS SERVICE CONTRACT

The South Hudson County Local Bus Service Contract will provide for the operation of local bus service on Routes 10 and 119. A private carrier, Number 22 Hillside, an Academy Company of Hoboken, New Jersey, has operated these routes on an interim basis until the completion of a competitive procurement process.

Authorization is requested to enter into a contract with Number 22 Hillside to operate the South Hudson Local Bus Service in the Hudson County area between points to Bayonne, Journal Square Bus Terminal in Jersey City and Port Authority Bus Terminal in New York City for a 44 month base period and one 24-month option period through June 25, 2018, at a total cost not to exceed \$28,378,013, plus five percent for contingencies.

Board Member Flora M. Castillo moved the resolution, Vice Chairman Bruce M. Meisel seconded it, and it was unanimously adopted.

1210-48: CAPITAL PLANNING AND PROGRAMS TASK ORDER CONSULTANT CONTRACTS: CORRIDOR PLANNING, ENVIRONMENTAL CONSULTING SERVICES, QUALITATIVE AND QUANTITATIVE RESEARCH, RAIL OPERATIONS AND INFRASTRUCTURE PLANNING, AND STATIONS, ACCESS AND SITE PLANNING

There is an on-going need for consultant services in various planning and engineering disciplines. Task Order Contracts allow for the retention of specialized engineering and planning expertise that is not available in house.

Authorization is requested to enter into contracts with the firms listed in Exhibit A of the Board Item for engineering, research and planning support services at a total cost not to exceed \$15,000,000, subject to the availability of funds. Each contract will extend for a period of three years from the date of contract execution. The maximum task and contract limits are shown in Exhibit B of the Board Item.

Chairman Simpson asked about the total authorization amount and whether it was accurate. Mr. Santoro explained that there is a per contract limit applicable to the firms hired and the amount varies by contract. Vice Chairman Meisel asked Mr. Santoro to clarify as he was saying that the sum total does not equal all the individual items because the individual contracts can vary in amount. Mr. Santoro confirmed that

the overall authorization is less than the sum of the maximum per contract amount authorized because some contracts are less than others. In response to Chairman Simpson's question clarifying the limits for firms not yet selected, Mr. Santoro explained that as NJ TRANSIT assigns tasks, they ask for proposals from firms within the category. Mr. Santoro explained that no amount has been assigned for future tasks not yet assigned.

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

1210-49: BUS SAFETY SHIELDS

Providing a safe, secure environment for customers, employees and the communities NJ TRANSIT serves is critical. In support of that initiative, and in response to growing concerns about the safety and security of bus operators during the normal conduct of their daily driving activities, authorization is requested to enter into a sole source contract with BENTECH Inc. of Philadelphia, Pennsylvania, for the purchase of 820 safety shield kits containing the side panel, side driver door, and all parts required to retrofit a NABI transit bus at a cost of \$2,220 per kit for a total authorization not to exceed \$1,820,400, plus five percent for contingencies, subject to the availability of funds.

Vice Chairman Bruce M. Meisel moved the resolution, Board Member James C. Finkle Jr. seconded it, and it was unanimously adopted.

1210-50: RESTORATION OF HISTORIC WATSESSING STATION: CONSTRUCTION CONTRACT AWARD

The second phase of the ongoing station rehabilitation program at Watsessing Station includes exterior restoration of the station building to preserve the historic character of the station as well as site improvements, installation of security cameras, passenger communication systems and signage to improve the customer experience. This project will benefit the more than 200 customers who use the station each day and also will support the Township of Bloomfield's redevelopment efforts. A federal grant for \$1.9 million has been identified for this project.

Authorization is requested to enter into a contract with John O'Hara Company, Inc. of East Orange, New Jersey, for restoration of the station building, canopies and other customer enhancements in the amount of \$1,677,802.75, plus five percent for contingencies, subject to the availability of funds. I ask your approval.

Board Member Flora M. Castillo moved the resolution, Vice Chairman Bruce M. Meisel seconded it, and it was unanimously adopted.

1210-51: RAIL ROLLING STOCK PROGRAM: ENGINEERING ASSISTANCE CONTRACT AMENDMENT FOR DESIGN OF MULTILEVEL POWER CARS

This item was not approved. During the Executive Director's Report, Vice Chairman Meisel made a motion to refer the Item back to the Capital Planning, Policy & Privatization Committee for more review and information. Chairman Simpson seconded the motion, and the motion referring the Item back to the Capital Planning, Policy & Privatization Committee was unanimously adopted.

1210-52: PERSONNEL: MODIFICATION TO NJ TRANSIT'S NON-AGREEMENT EMPLOYEE ID ISSUANCE & USE

This item was presented earlier during this meeting.

1210-53: SETTLEMENT AS TO CLAIMS ASSERTED BY BARNARD/JUDLAU JOINT VENTURE (BJJV), LOW BIDDER ON MANHATTAN TUNNELS CONTRACT

Request for a settlement of a Notice of Claim asserted by Barnard Judlau Joint Venture, which entity was the low bidder for the Manhattan Tunnels Contract. This contract, which was the largest in scope and cost of the three design/build contracts for the excavation of the proposed tunnels and fan plant shafts, was bid in November 2009. Although this Board authorized award to Barnard Judlau Joint Venture as the lowest bidder in December 2009, it was never formally awarded. It filed a claim for approximately \$10,300,000 as amended under the Contractual Liability Act.

NJ TRANSIT has been successful in resolving this claim. The costs sought have been audited and the amount of the settlement has been approved by the Office of the Attorney General.

Authorization is requested to enter into a Settlement Agreement with Barnard/Judlau Joint Venture in order to resolve all claims and alleged claims arising out of the work it performed while awaiting award of the Manhattan Tunnels Contract. Under the Settlement a lump sum of \$5,600,000 will be paid to Barnard/Judlau Joint Venture in satisfaction of all claims and work performed.

Chairman James S. Simpson noted that he is recused on this board item (1210-53) and asked Vice Chairman Bruce M. Meisel to Chair this portion of the meeting.

Vice Chairman Bruce M. Meisel moved the resolution, Board Member Flora M. Castillo seconded it, and it was unanimously adopted.

Chairman Simpson concluded the open session agenda items at approximately 12:12 p.m. and requested a motion to enter Executive Session to discuss contract negotiations, attorney-client, litigation and personnel matters. A motion was made by Board Member Myron P. Shevell, seconded by Vice Chairman Bruce M. Meisel, and unanimously adopted.

Chairman James S. Simpson, Vice Chairman Bruce M. Meisel and Board Members Regina M. Egea, Flora M. Castillo and James C. Finkle, Jr. returned to open session at approximately 12:20 p.m.

Adjournment

Since there were no further comments or business, Chairman James S. Simpson called for adjournment and a motion to adjourn was made by Vice Chairman Bruce M. Meisel, seconded by Board Member Flora M. Castillo, and unanimously adopted. The meeting was adjourned at approximately 12:21 p.m.

(NJT Board - 10/15/2012)

44820

Rail Safety

E-Cubed: Education – Engineering - Enforcement



NJ TRANSIT Rail's Focus

“Focusing on “Education-Engineering-Enforcement”, NJ TRANSIT’s ongoing programs focus on reducing accidents and injuries involving trespassers and the effects of these incidents on our customers and co-workers.”

Education

- NJ TRANSIT Safety Education Program*
 - 496 School Presentations
 - 44 Community Events
 - 70,191 students reached
- New Educational Video – *“It’s Your Choice”*
- 2 PSAS
 - *“You Don’t Win”*
 - *“You’re Dead”*



**Numbers represent January 2011 – September 2012*

Engineering

- 33 stations have received Customer Safety Fencing or Signage Enhancements
- “No Trespassing” Bi-lingual signs at 4 locations
- “Right of Way” Fencing at 4 locations
- Horizontal Bollards at 2 locations
- Variable Message Signs at 12 locations



Engineering

- Experimental Enhancements
 - “Another Train Coming” audible/visual sign installed at Plauderville Station
 - Pedestrian Gate Skirt installed at Aberdeen/Matawan Station



Enforcement

- *Trespasser Intrusion Program (T.I.P)*
- State trespassing statute included on “No Trespassing” Signage
- Increased enforcement targeted at high risk crossings*
 - Motor-vehicle Crossing Violations 248
 - Trespass Arrests + Inference Arrests 219
 - Pedestrian Crossing Violations 14



*numbers from October 2011 – September 2012

Next Steps

- **Education**

- Increase public outreach through Rail Safety Education Program
- Encourage more communities to take advantage of the program
safety@njtransit.com

- **Engineering**

- Conduct Hazard Analysis at 14 high risk grade crossings
- Evaluate data collected by FRA Volpe Center at two locations with experimental enhancements
- Further analysis of experimental improvements made at high risk trespasser incident areas
- Further installation of bi-lingual signage and “Right of Way” fencing throughout the rail system

- **Enforcement**

- Continue rail crossing enforcement at high risk trespasser locations

(NJT Board - 10/15/2012)

44827

Rail Safety

E-Cubed: Education – Engineering - Enforcement



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

OCTOBER 15, 2012

MINUTES	PAGE
➤ CALL TO ORDER	-
➤ APPROVAL OF MINUTES OF PREVIOUS MEETINGS	44831
➤ PUBLIC COMMENTS ON AGENDA ITEMS AND OTHER MATTERS	-
➤ BOARD MEMBER COMMENTS	-
➤ ADVISORY COMMITTEE REPORT	-
➤ SENIOR CITIZEN AND DISABLED RESIDENT TRANSPORTATION ADVISORY COMMITTEE REPORT	-
➤ BOARD COMMITTEE REPORTS	-
*Administration Committee	
*Capital Planning, Policy & Privatization Committee	
*Customer Service Committee	-
➤ EXECUTIVE DIRECTOR'S MONTHLY REPORT	44832

ACTION ITEMS

1210-47	SOUTH HUDSON COUNTY LOCAL BUS SERVICE CONTRACT	44855
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Authorization to enter into NJ TRANSIT Contract No. 12-038 with Number 22 Hillside, LLC (an Academy Company) of Hoboken, New Jersey, to operate the South Hudson Local Bus Service in the Hudson County area and between points to Bayonne, Journal Square Bus Terminal in Jersey City and Port Authority Bus Terminal (PABT) in New York City for a 44-month base period and one 24-month option period (a total of 68 months) from November 10, 2012 through June 25, 2018, at a total cost not to exceed \$28,378,013, plus five percent for contingencies, for a total contract authorization of \$29,796,914, subject to the availability of funds.

1210-48 CAPITAL PLANNING AND PROGRAMS TASK ORDER CONSULTANT CONTRACTS: CORRIDOR PLANNING, ENVIRONMENTAL CONSULTING SERVICES, QUALITATIVE AND QUANTITATIVE RESEARCH, RAIL OPERATIONS AND INFRASTRUCTURE PLANNING, AND STATIONS, ACCESS AND SITE PLANNING 44860

Authorization to enter into NJ TRANSIT Contract Nos. 13-001 through 13-005 with the firms listed in Exhibit A for engineering, research and planning support services on a task order basis in five disciplines: Corridor Planning, Environmental Consulting Services, Qualitative and Quantitative Research, Rail Operations and Infrastructure Planning, and Stations, Access and Site Planning at a total cost for all 15 contracts not to exceed \$15,000,000, subject to the availability of funds. Each contract will extend for a period of three years from the date of contract execution; the maximum task and contract limits are shown in Exhibit B.

1210-49 BUS SAFETY SHIELDS 44870

Authorization to enter into a sole source contract with BENTECH Inc. of Philadelphia, Pennsylvania for the purchase of 820 safety shield kits containing the side panel, side driver door, and all parts required to retrofit a NABI transit bus at a cost of \$2,220 per kit for a total authorization not to exceed \$1,820,400, plus five percent for contingencies, subject to the availability of funds.

1210-50 RESTORATION OF HISTORIC WATSESSING STATION: CONSTRUCTION CONTRACT AWARD 44874

Authorization to enter into NJ TRANSIT Contract No.12-049X with John O'Hara Company, Inc. of East Orange, New Jersey for restoration of the station building, canopies and other customer enhancements in the amount of \$1,677,802.75, plus five percent for contingencies, subject to the availability of funds.

1210-51 RAIL ROLLING STOCK PROGRAM: ENGINEERING ASSISTANCE CONTRACT AMENDMENT FOR DESIGN OF MULTILEVEL POWER CARS 44877

Authorization to amend NJ TRANSIT Contract No. 05-078 with LTK Engineering Services, Inc. of Ambler, Pennsylvania, for engineering assistance to modify the previously-developed single-level, self-propelled electric multiple unit rail car specification for a Multilevel Power Car and support NJ TRANSIT's procurement activities for the new vehicles at a cost not to exceed \$1,400,000, plus five percent for contingencies, for a total contract authorization of \$5,208,000, subject to the availability of funds.

1210-52 PERSONNEL: MODIFICATIONS TO NJ TRANSIT'S NON- AGREEMENT EMPLOYEE ID ISSUANCE & USE 44882

Authorization to make necessary changes to ID Issuances and Uses Policies in order to eliminate the ability of non-agreement employees and non-agreement retirees to have unlimited access to the NJ TRANSIT public transportation system.

1210-53 SETTLEMENT AS TO CLAIMS ASSERTED BY BARNARD/JUDLAU JOINT VENTURE (BJJV), LOW BIDDER ON MANHATTAN TUNNELS CONTRACT 44885

Authorization to enter into a Settlement Agreement with Barnard/Judlau Joint Venture (BJJV) to resolve all claims and alleged claims arising out of design work and mobilization performed by BJJV while awaiting award of the Manhattan Tunnels Contract. Under the terms of the settlement, a lump sum amount of \$5,600,000 (Five Million, Six Hundred Thousand Dollars) will be paid to BJJV in satisfaction of all claims and for all work performed.

➤ **EXECUTIVE SESSION AUTHORIZATION 44890**

➤ **ADJOURNMENT**

APPROVAL OF MINUTES

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

WHEREAS, pursuant to Section 4(f) of the New Jersey Public Transportation Act of 1979, the minutes of actions taken at the August 8, 2012 Board meetings of the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. were forwarded to the Governor on August 10, 2012;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the August 8, 2012 New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. Board of Directors' meetings are hereby approved.

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

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

TO: BOARD OF DIRECTORS
FROM: JAMES W. WEINSTEIN
DATE: OCTOBER 15, 2012
SUBJECT: EXECUTIVE DIRECTOR'S REPORT - OCTOBER 2012

NJ TRANSIT's Rail Operations division continued its strong performance in recent months, setting yet another on-time performance record for the month in August at a rate of 97.6 percent, tying the agency's all-time best performance set in April of this year. In September, Rail came close to NJ TRANSIT's record for the month, with an on-time performance rate of 97.3 percent, just shy of the 97.5 percent record set in September 1995. I am pleased to report that five of the past ten months have been record months for Rail on-time performance—a positive trend that we aim to continue. Congratulations once again to the hard working men and women of our Rail Operations division.

On a related note, with autumn well underway, it is that time of year when the combination of falling leaves and wet weather causes "slippery rail"—an age-old problem that affects all railroads in the Northeast. When falling leaves are crushed by train wheels, the decaying leaf material creates an oily residue that coats the rails, resulting in poor traction for trains and possible delays. To help combat slippery rail and keep trains running on time, NJ TRANSIT is again deploying AquaTrack, a high-pressure washing system that delivers water directly to the top of the rail to cleanse away the oily residue. AquaTrack operates primarily on the Morris & Essex and Montclair-Boonton lines, as well as the Pascack Valley and Main/Bergen County lines. To supplement AquaTrack, we strategically spread sand on the rails in advance of peak-period trains to increase traction, and we have an extensive tree-trimming program along the railroad right-of-way. Even with our best efforts, we remind customers that they may wish to allow extra travel time during the autumn season.

Yesterday, new rail timetables took effect systemwide, with the exception of the Atlantic City Rail Line. The new timetables reflect some significant changes on the Northeast Corridor, Morris & Essex and Montclair-Boonton lines to increase seating capacity and address crowding conditions on PM peak trains. These are issues that we have regularly heard about through feedback from our customers, and we want them to know we are listening and making real improvements. We will continue to monitor ridership and make adjustments as needed, and we encourage customers to review new timetables on the affected lines.

Last month, together with Commissioner Simpson, NJ TRANSIT held an event at Plauderville Station in Garfield to highlight a new rail safety device we are piloting at the Outwater Lane grade crossing. At that location, we installed a new "Another Train Coming" rail safety device designed to enhance pedestrian safety around the tracks, to warn pedestrians that although they may have seen one train depart, another train may be approaching unseen from the other direction. The installation is part of an ongoing effort, under the Commissioner's leadership, to ramp up rail safety across the state through recommendations from the NJ Safety at Railroad Crossings Leadership Oversight Committee the Commissioner convened last year.

In light of recent improvements we have made for our Rail customers, we want our Bus customers to know that we are also focusing our attention on operations at the Port Authority Bus Terminal. Our Scorecard metrics and feedback from customer surveys, focus groups, and "We Are Listening" forums have indicated that there is much work to be done to boost our customer satisfaction in this area. Through this feedback, we have prioritized the areas most in need of improvement, including the handling of service disruptions—particularly communications during disruptions—the weekday PM and evening schedules, and improving on-time performance.

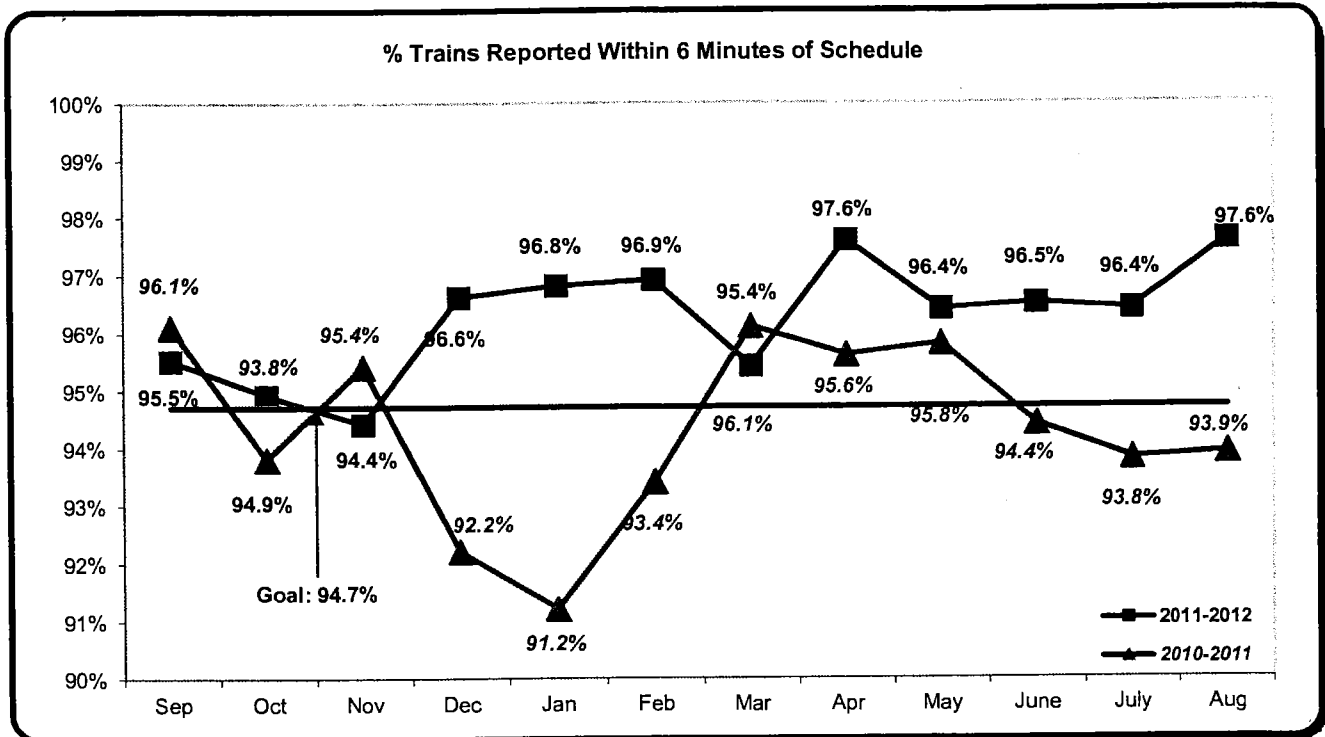
We are currently analyzing the data we collected, but our goal is to apply the Scorecard methodology that we used to improve Rail on-time performance in order to achieve a similar result for our interstate bus customers, who make up 21 percent of all NJ TRANSIT customers systemside. Our Bus Operations division will be keenly focused on the routes with the lowest on-time performance and any remedial actions that can be taken to improve them. Equally important, we will also look to work smarter with our partners at the Port Authority to improve the efficiency of the bus terminal. Just as we learned when we addressed Rail on-time performance issues, success will not be rendered overnight, but we are taking on the challenges at the Port Authority Bus Terminal with a laser focus to improve customer satisfaction for those who ride our bus system to and from New York City. I look forward to reporting back to the Board when we have completed our initial analysis.

EXECUTIVE DIRECTOR'S MONTHLY REPORT OCTOBER 2012

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

PERFORMANCE MEASURES

NJ TRANSIT ON-TIME PERFORMANCE RAIL SEPTEMBER 2010 - AUGUST 2012



	2011	2012	# Change
August Comparison	93.9%	97.6%	3.7%

	2010-2011	2011-2012	# Change
12-Month Average September - August	96.1%	95.5%	0.6%

Analysis:

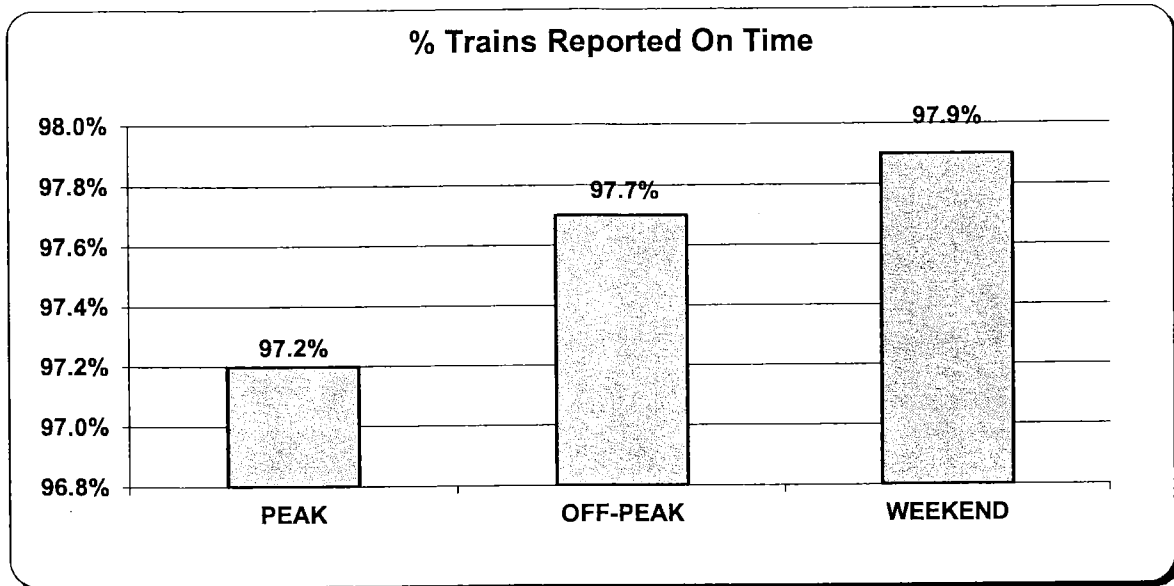
Rail On-Time Performance was 97.6% for August 2012. Of the 19,136 trains scheduled to operate, 18,679 were on time, while 457 trains (or 2.4%) were delayed. Key causes included:

- Heavy travel due to events at PNC and Meadowlands, as well as NJT equipment failures on August 2.
- The opening of Portal Bridge for marine traffic on August 12.
- Amtrak overhead wire failure on August 29.

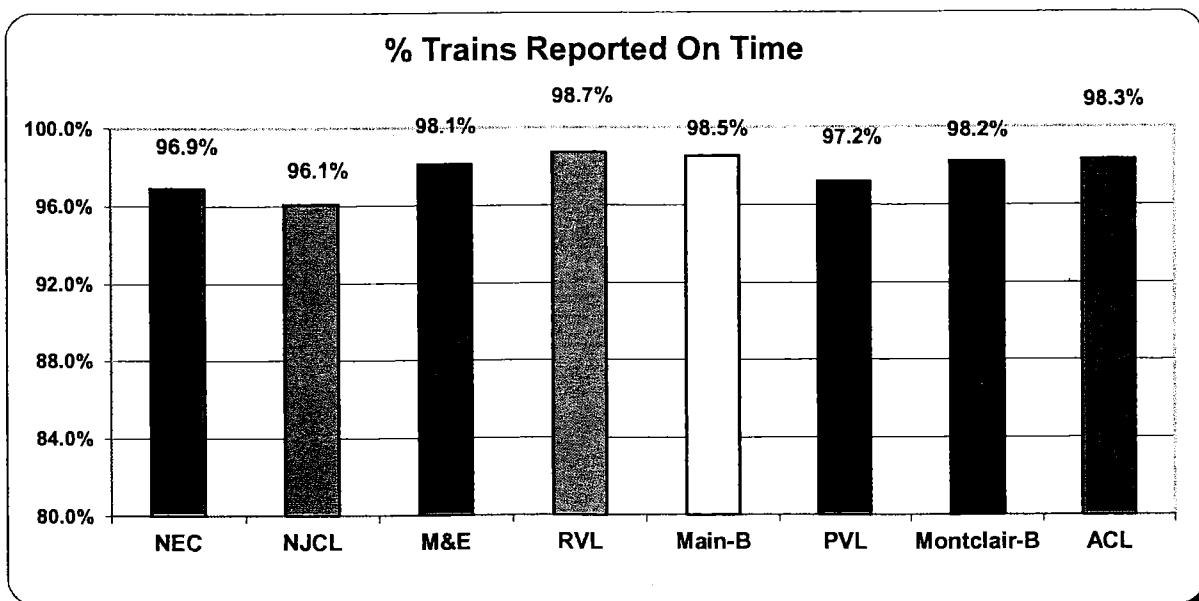
The 12-month average for Rail On-Time Performance for September 2011 - August 2012 was 95.5%.

ON-TIME PERFORMANCE RAIL

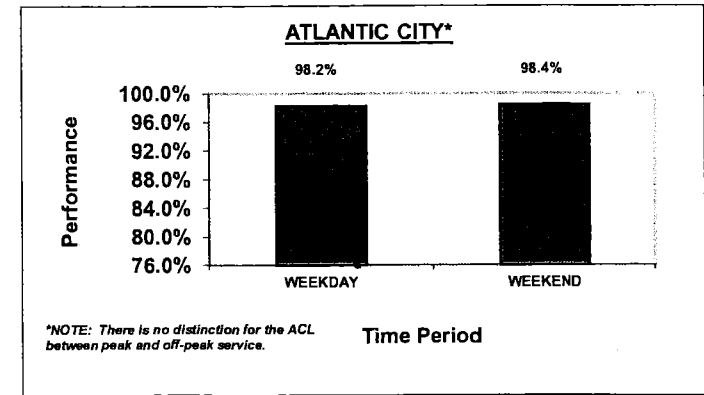
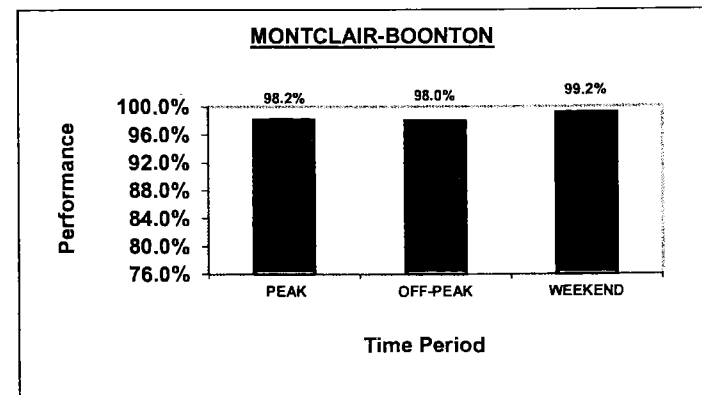
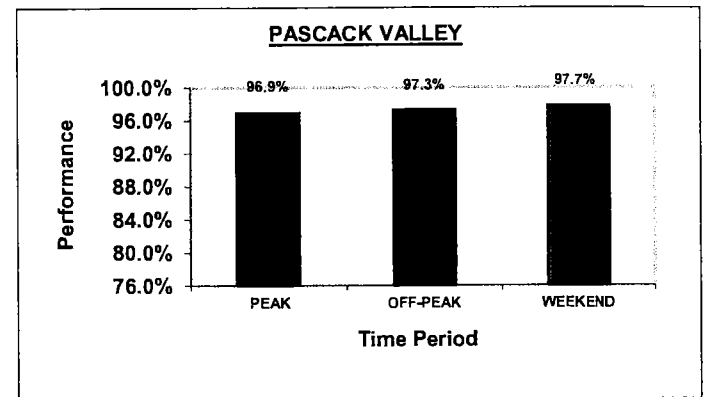
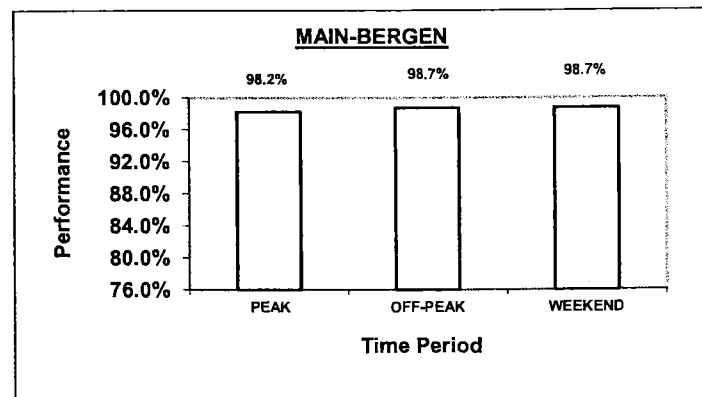
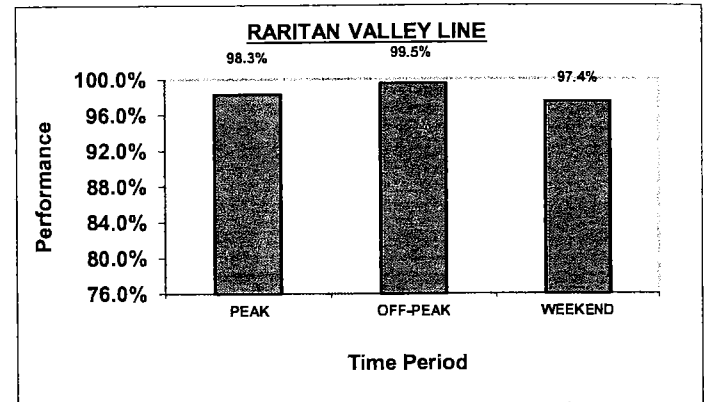
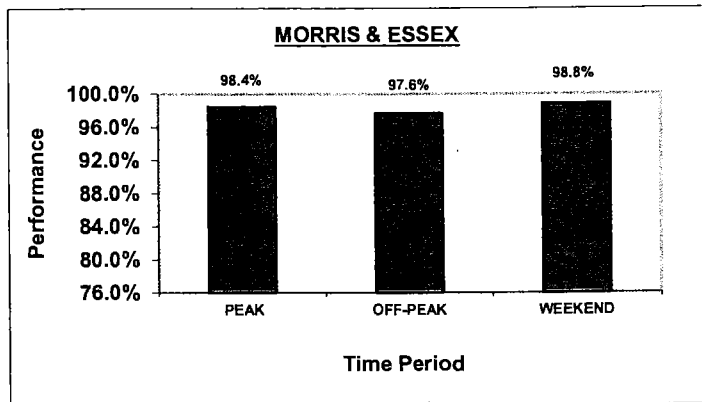
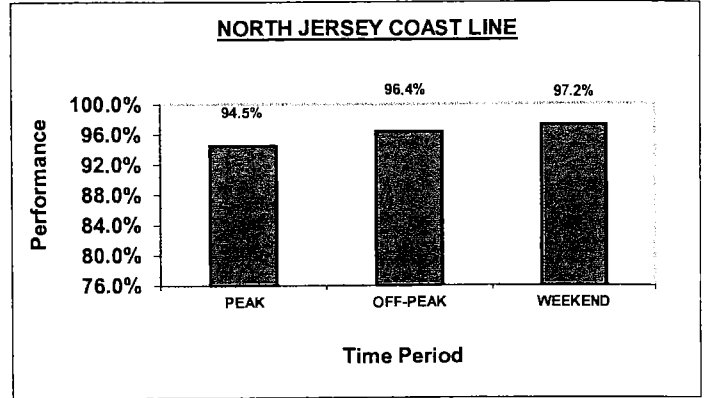
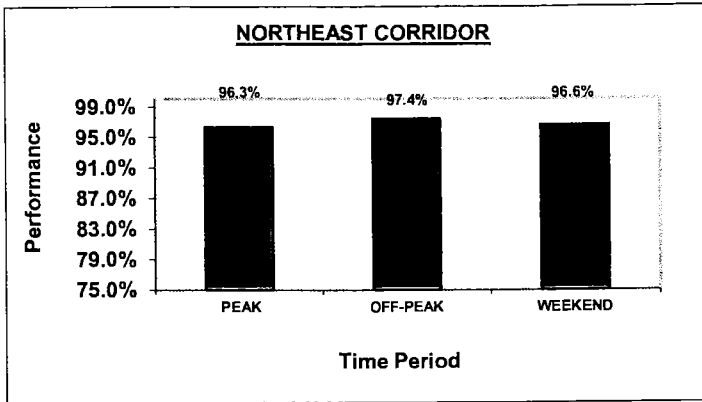
SUMMARY BY TIME PERIOD AUGUST 2012



SUMMARY BY LINE AUGUST 2012

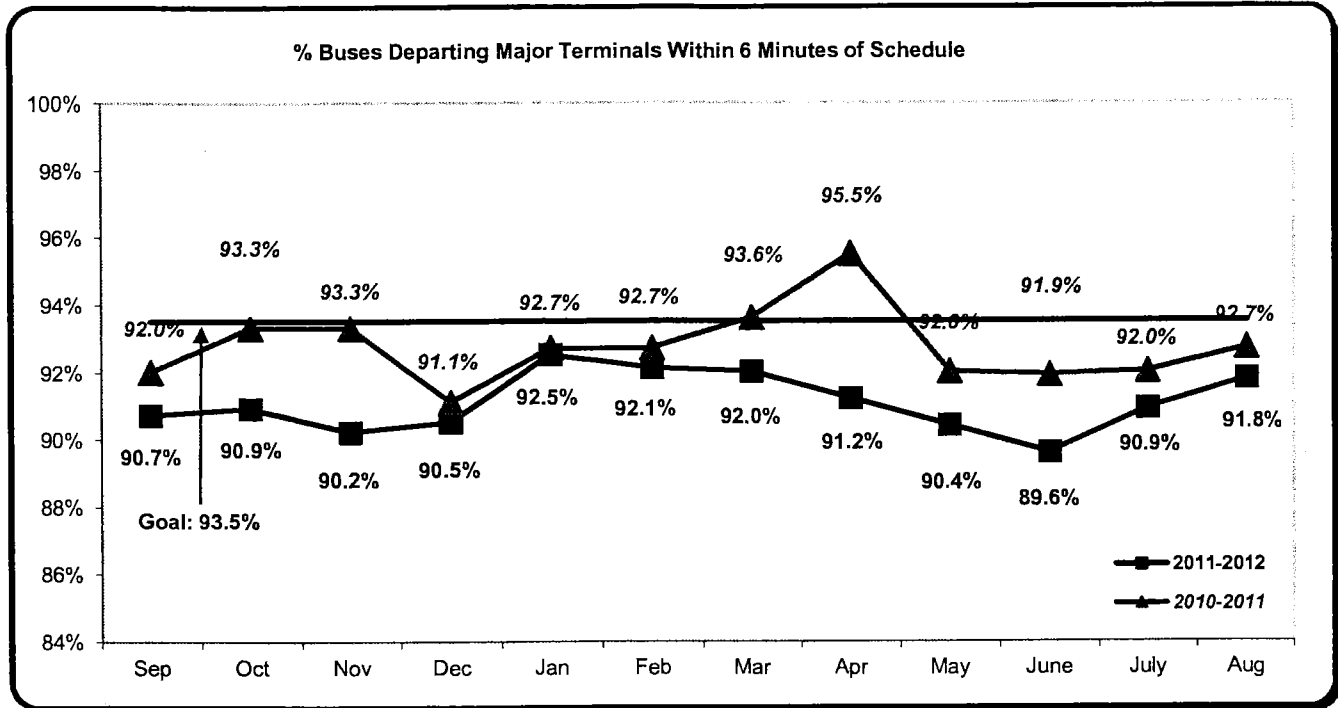


ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD AUGUST 2012



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

NJ TRANSIT ON-TIME PERFORMANCE BUS SEPTEMBER 2010 - AUGUST 2012



	2011	2012	% Change
August Comparison	92.7%	91.8%	-0.9%

	2010-2011	2011-2012	% Change
12-Month Average September - August	92.7%	91.1%	-1.6%

Analysis:

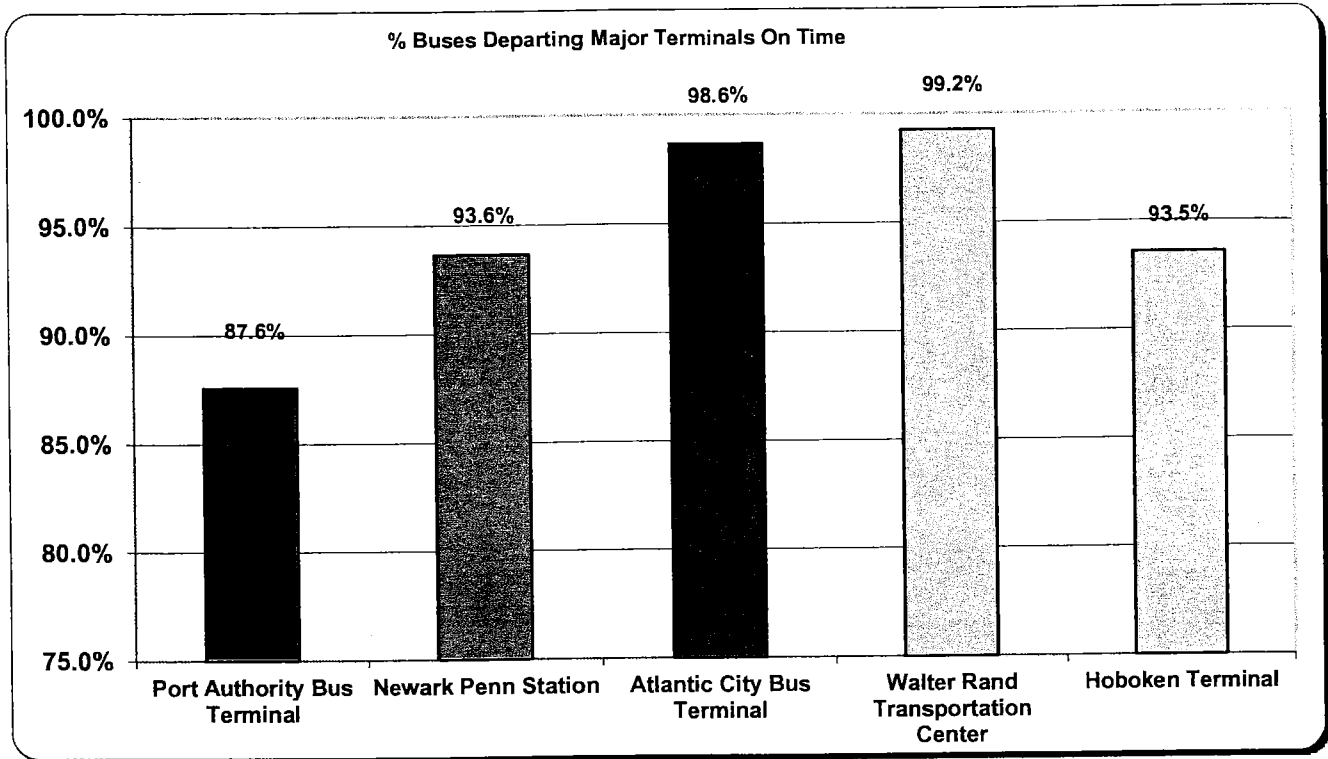
Bus On-Time Performance was 91.8% for August 2012. Of the 40,832 monitored departures, 3,357 (or 8.2%) experienced delays. Key causes included:

- Ongoing construction on an entrance ramp delaying Port Authority buses during the month of August.
- Mechanical issues and congestion around Newark Penn Station throughout the month.
- Heavy traffic, detours and congestion affecting Hoboken buses throughout the month.

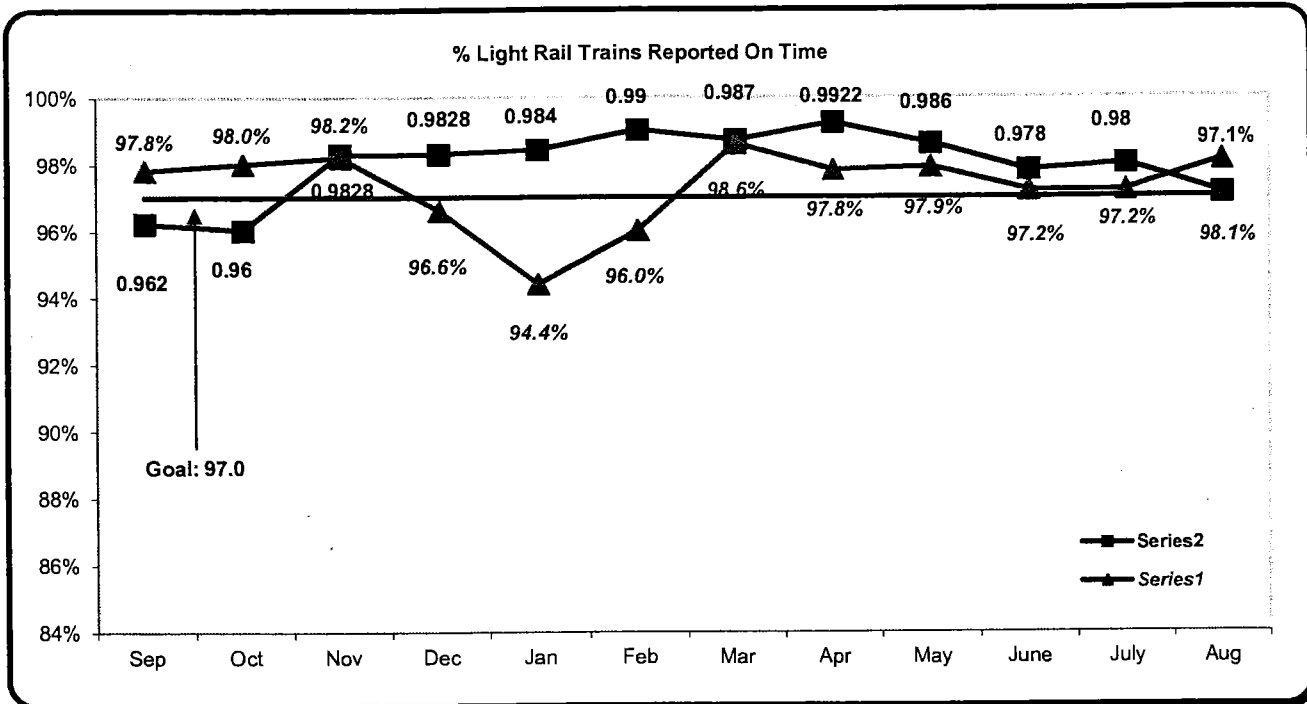
The 12-month average for Bus On-Time Performance for September 2011 - August 2012 was 91.1%.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL AUGUST 2012



NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL SEPTEMBER 2010 - AUGUST 2012



*Note: Starting May 2007

	2011	2012	# Change
August Comparison	97.1%	98.2%	1.1%

	2010-2011	2011-2012	# Change
12-Month Average September - August	97.3%	98.0%	0.7%

Analysis:

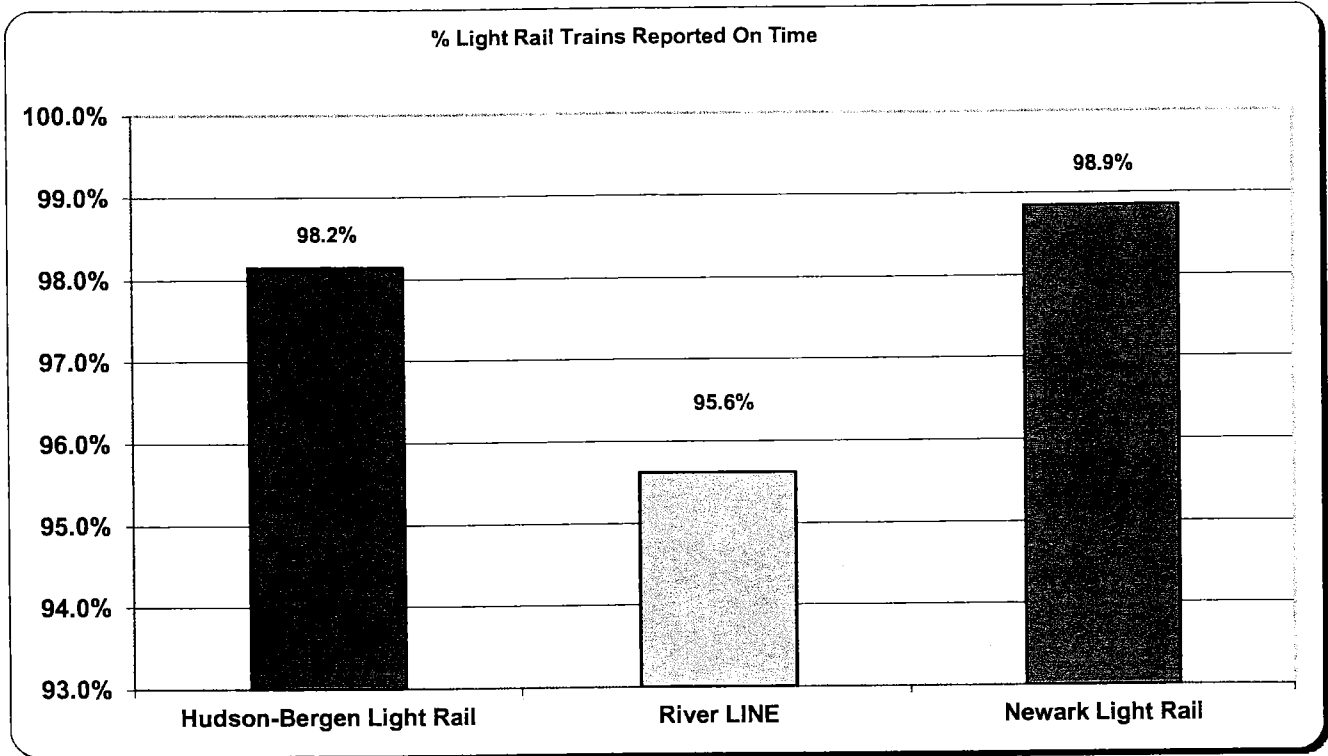
Light Rail On-Time Performance systemwide was 98.2% for the month of August 2012. Of the 27,831 scheduled trains, 507 (or 1.8%) experienced delays. Key causes included:

- Event traffic at the Entertainment Center in Camden affecting River Line service on August 3.
- Equipment failure on Newark Light Rail on August 6.
- Auto blocking HBLR tracks on August 18.

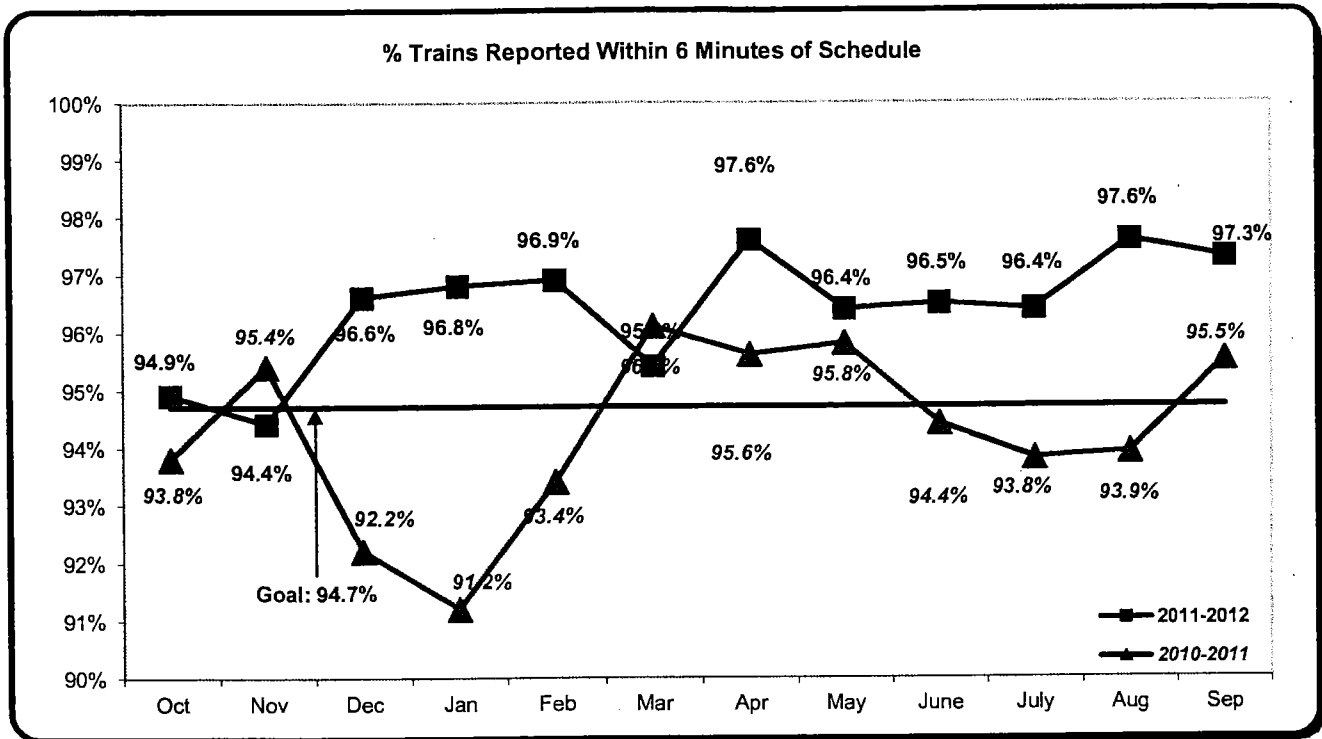
The 12-month average for Light Rail On-Time Performance for September 2011 - August 2012 was 98.0%.

ON-TIME PERFORMANCE LIGHT RAIL

SUMMARY BY LINE AUGUST 2012



NJ TRANSIT ON-TIME PERFORMANCE RAIL OCTOBER 2010 - SEPTEMBER 2012



	2011	2012	# Change
September Comparison	95.5%	97.3%	1.8%

	2010-2011	2011-2012	# Change
12-Month Average October - September	94.3%	96.4%	-2.1%

Analysis:

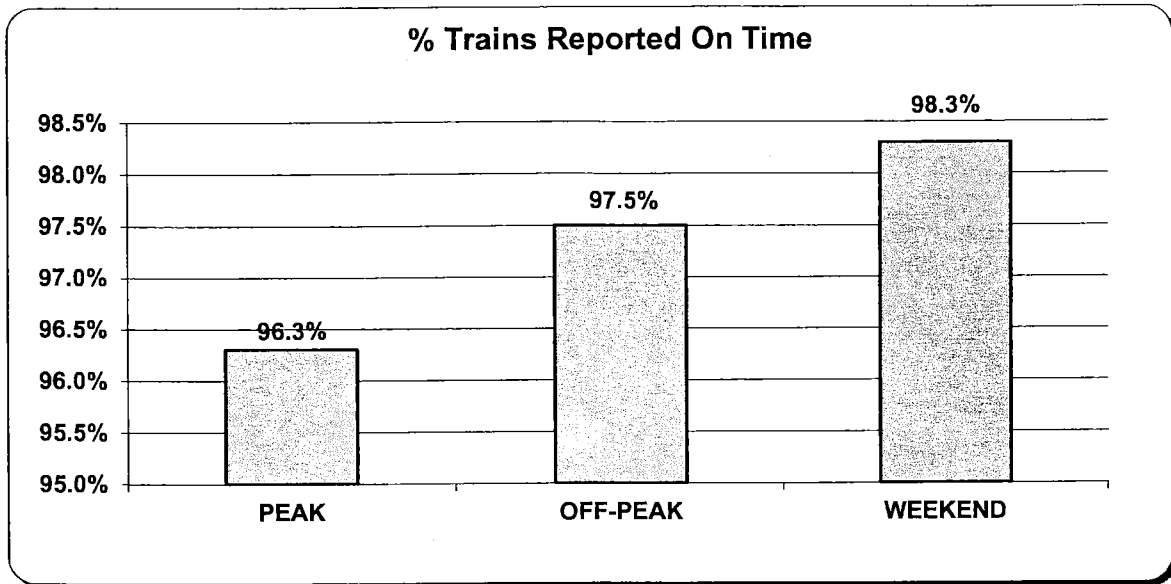
Rail On-Time Performance was 97.3% for September 2012. Of the 17,536 trains scheduled to operate, 17,068 were on time, while 468 trains (or 2.7%) were delayed. Key causes included:

- Heavy travel due to events at the Meadowlands, as well as NJT equipment failures on Sept. 19.
- Switch and equipment failures, as well as track interference on Sept. 22.

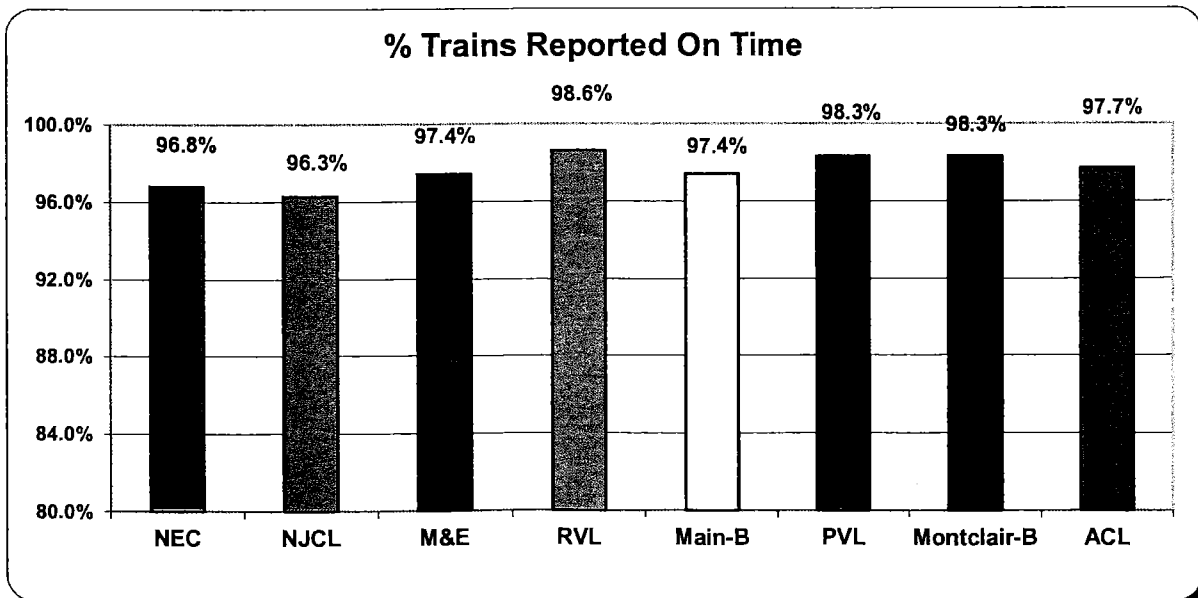
The 12-month average for Rail On-Time Performance for October 2011-September 2012 was 96.4%.

ON-TIME PERFORMANCE RAIL

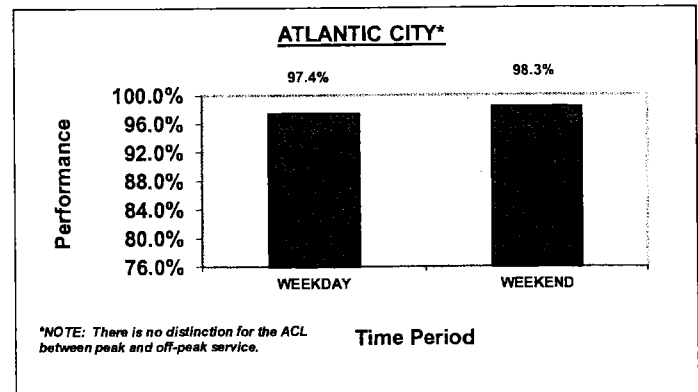
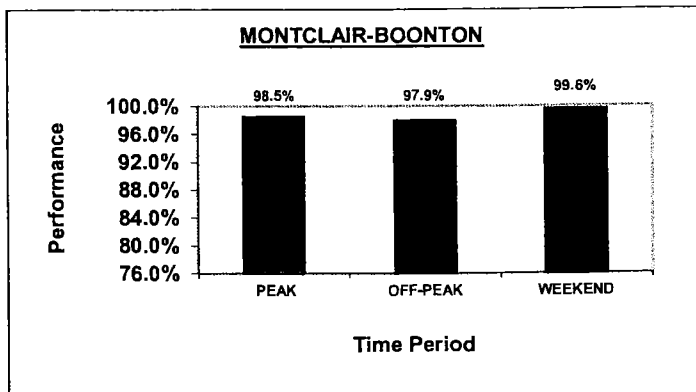
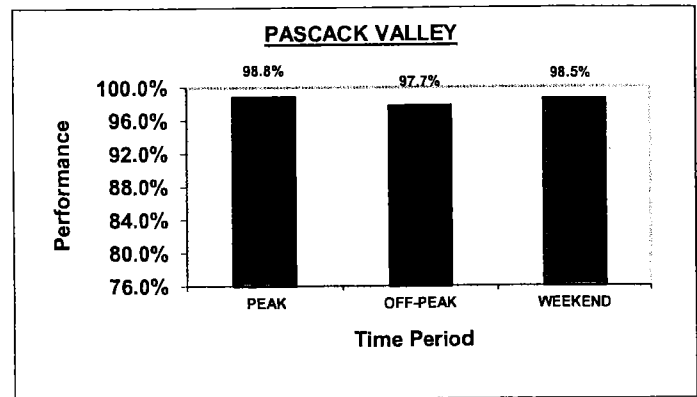
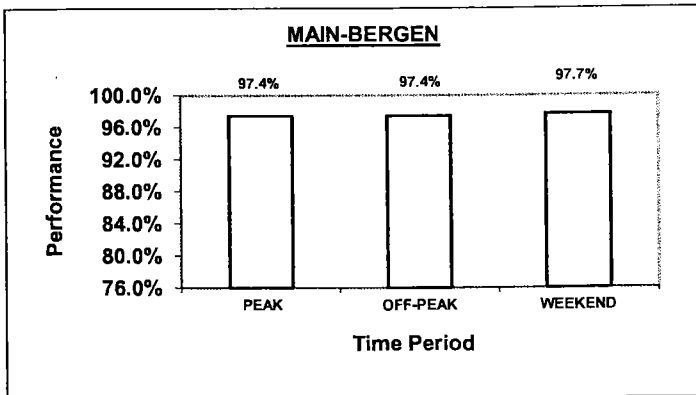
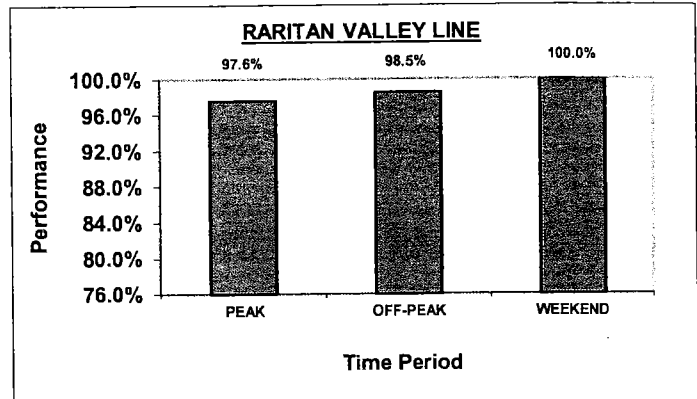
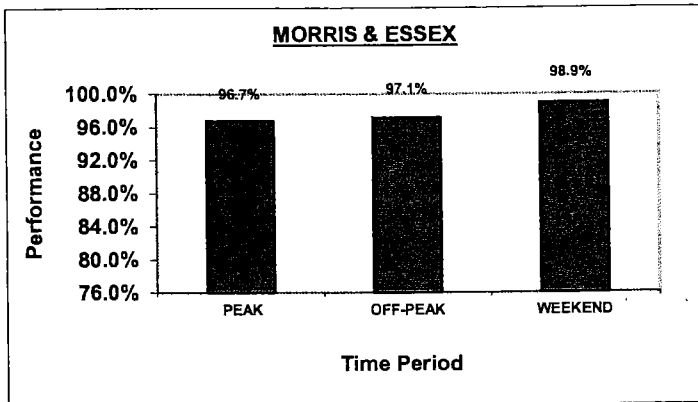
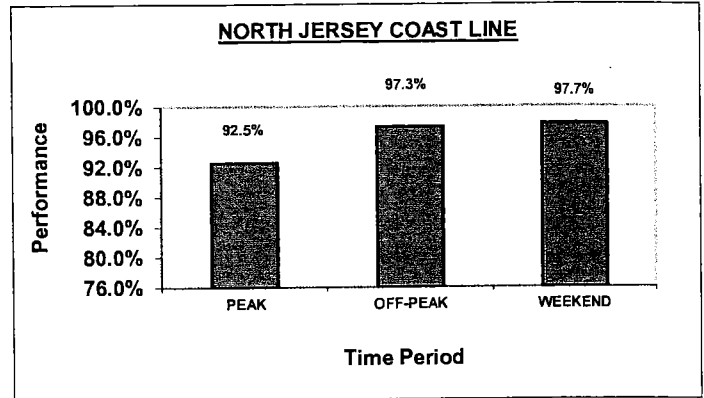
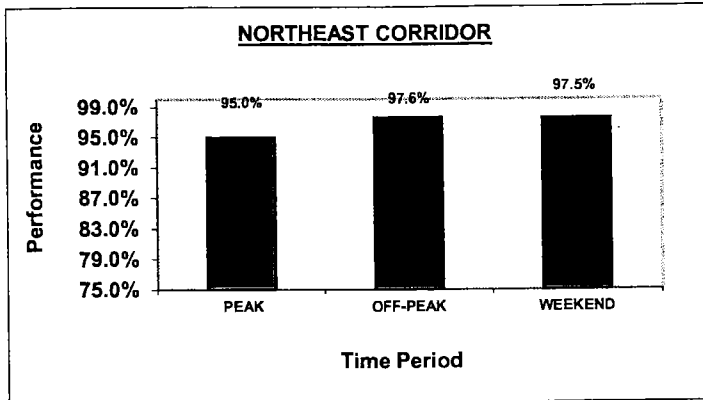
SUMMARY BY TIME PERIOD SEPTEMBER 2012



SUMMARY BY LINE SEPTEMBER 2012

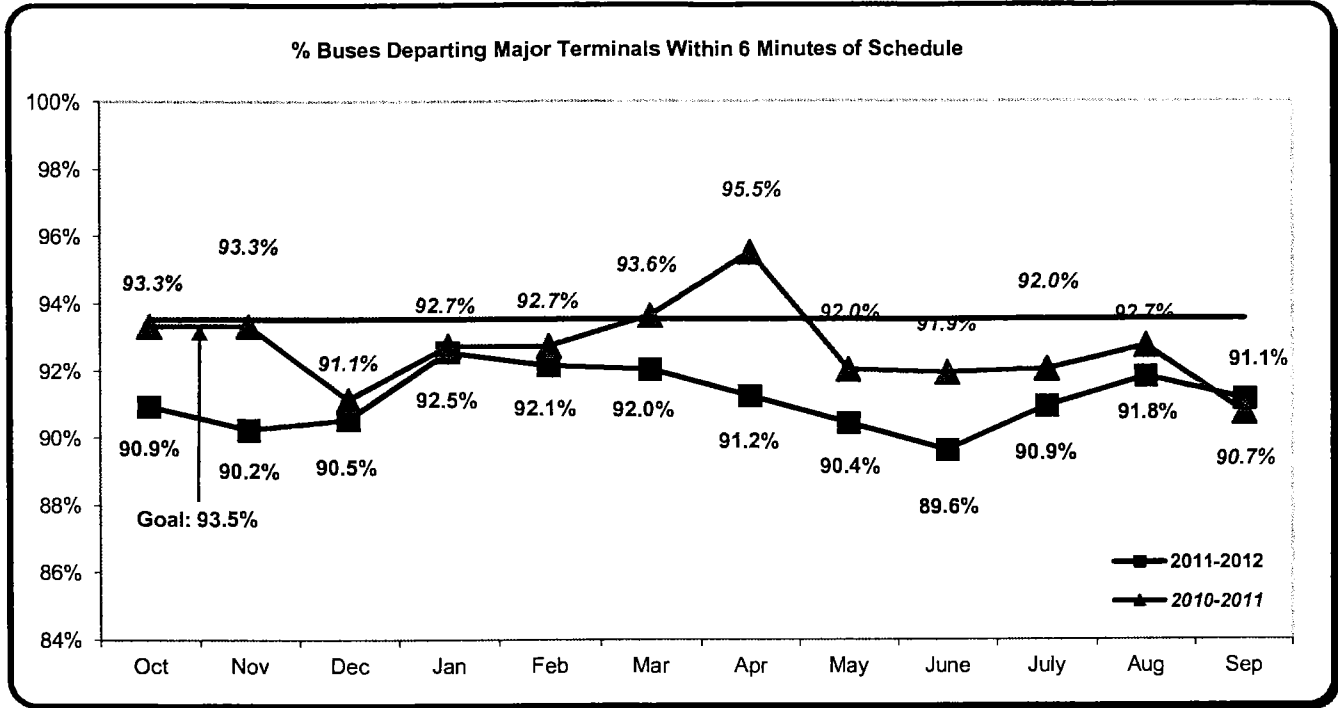


ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD SEPTEMBER 2012



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

NJ TRANSIT ON-TIME PERFORMANCE BUS OCTOBER 2010 - SEPTEMBER 2012



	2011	2012	% Change
September Comparison	90.7%	91.1%	0.4%

	2010-2011	2011-2012	% Change
12-Month Average October - September	92.6%	91.1%	-1.5%

Analysis:

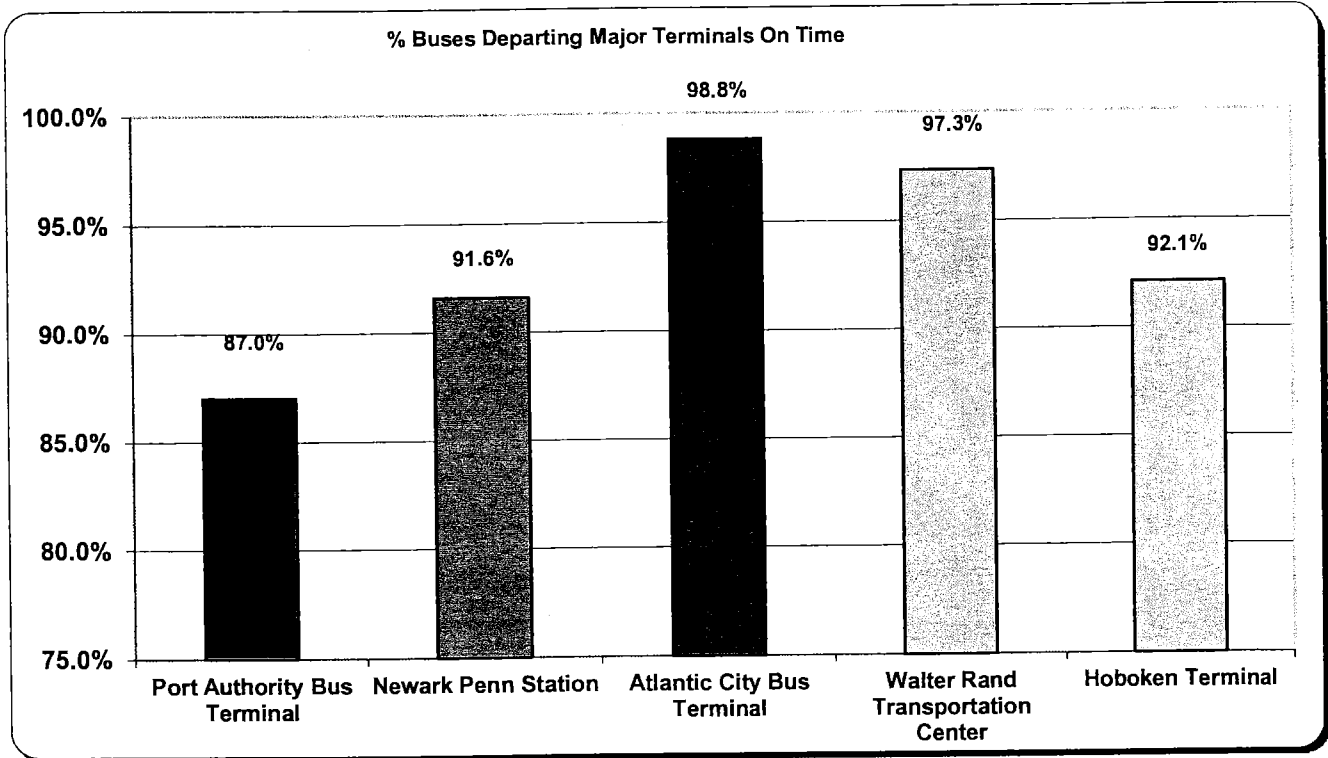
Bus On-Time Performance was 91.1% for September 2012. Of the 34,951 monitored departures, 3,112 (or 8.9%) experienced delays. Key causes included:

- Ongoing construction on an entrance ramp delaying Port Authority buses during the month of Sept.
- Mechanical issues and congestion around Newark Penn Station throughout the month.
- Heavy traffic, detours and congestion affecting Hoboken buses throughout the month.

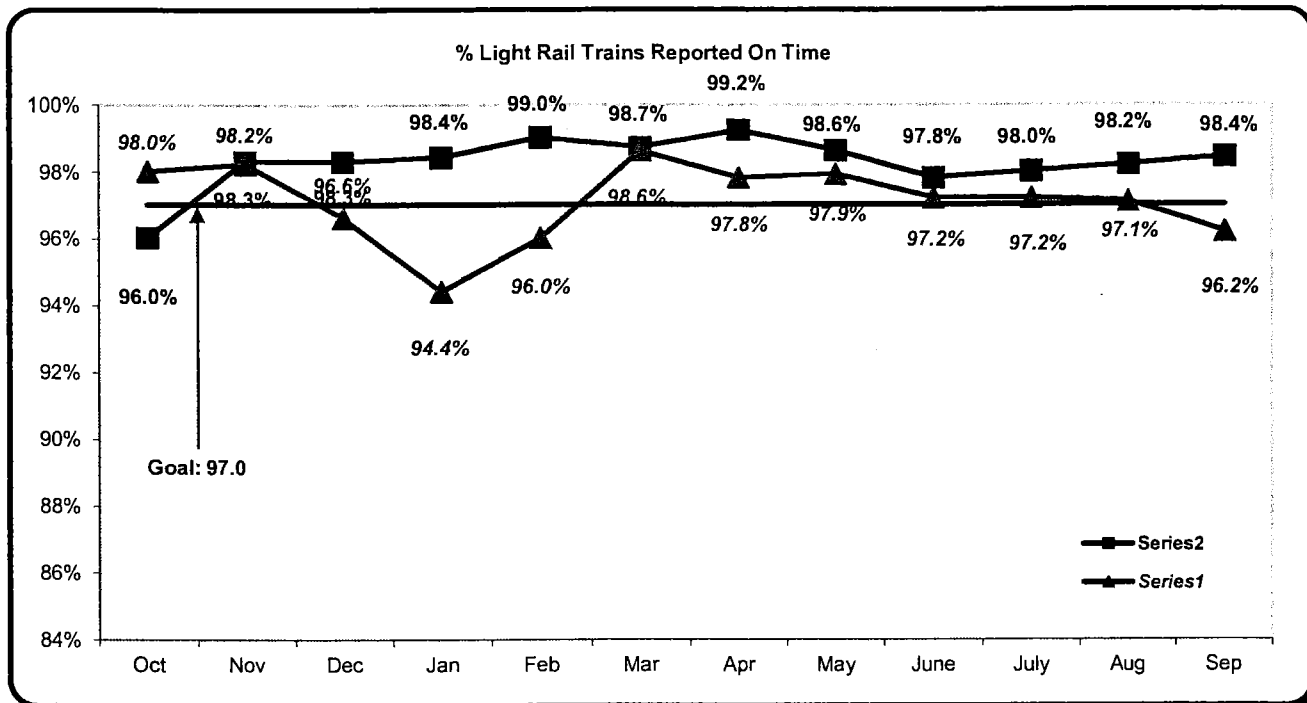
The 12-month average for Bus On-Time Performance for October 2011 - September 2012 was 91.1%.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL SEPTEMBER 2012



NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL OCTOBER 2010 - SEPTEMBER 2012



*Note: Starting May 2007

	2011	2012	# Change
September Comparison	96.2%	98.4%	2.2%

	2010-2011	2011-2012	# Change
12-Month Average October - September	97.1%	98.2%	1.1%

Analysis:

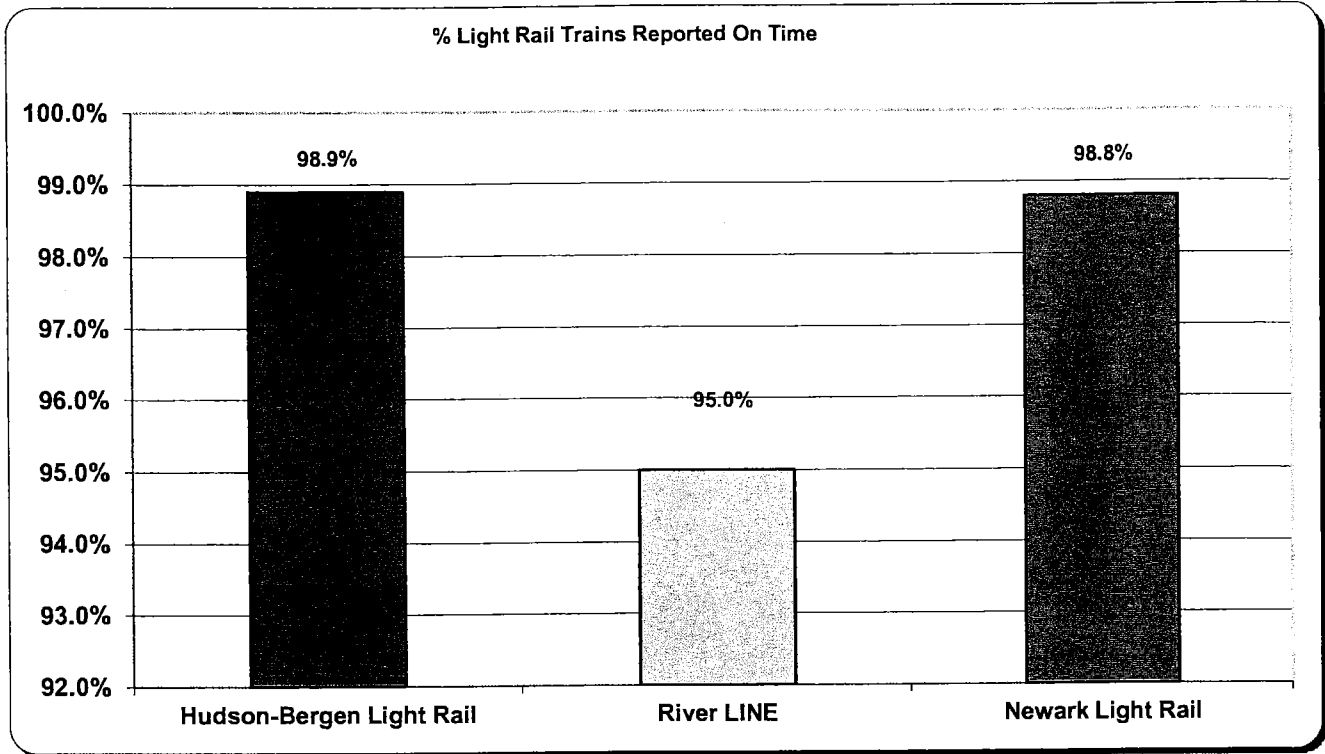
Light Rail On-Time Performance systemwide was 98.4% for the month of September 2012. Of the 25,222 scheduled trains, 395 (or 1.6%) experienced delays. Key causes included:

- Flooding in Camden affecting River Line service on September 4.
- Adverse weather and downed tree in overhead wires impacting Newark Light Rail service on September 18.
- Auto striking side of light rail vehicle affecting Hudson-Bergen Light Rail service on September 24.

The 12-month average for Light Rail On-Time Performance for October 2011 - September 2012 was 98.2%.

ON-TIME PERFORMANCE LIGHT RAIL

SUMMARY BY LINE SEPTEMBER 2012



DBE/MBE PROGRAM

NJ TRANSIT – Office of Business Development DBE/SBE Participation

Federally Funded Contracts

NJ TRANSIT awarded \$44,396,383.31 in federal funds October through September FY 12.* Disadvantaged Business Enterprises (DBEs) received \$5,217,627.11 or 11.75 percent in federal-funded contract dollars during this period from either race conscious and race neutral awards.

DBE Goal Attainment FY 2011 to Date September 30, 2012 10.34%

Contracts awarded \$317,197,787.77
DBEs Received \$32,499,026.87

State Funded Contracts

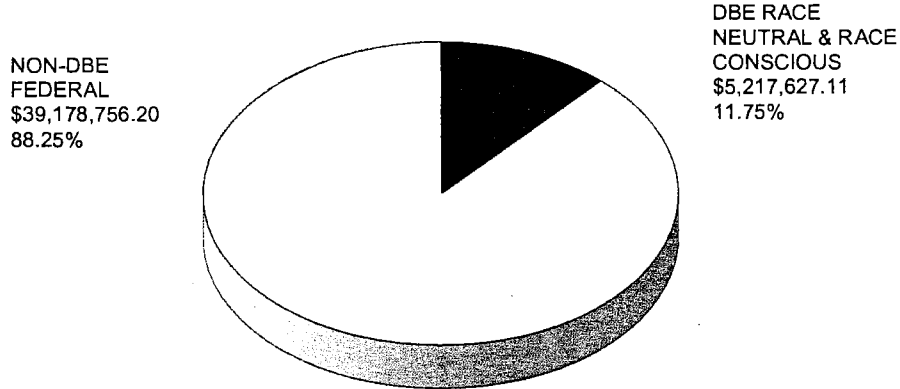
NJ TRANSIT awarded \$92,952,242.96 in state-funded contract dollars July through September FY 13. ** Of that total, Small Business Enterprises (SBEs) received \$7,322,928.15 or 7.87 percent.

Category 1 SBEs received \$504,183.00 or 0.54 percent.
Category 2 SBEs received \$1,849,124.19 or 1.98 percent.
Category 3 SBEs received \$179,614.00 or 0.19 percent.
Category 4 SBEs received \$782,530.36 or 0.84 percent.
Category 5 SBEs received \$4,007,476.60. or 4.31 percent.
Category 6 SBEs received \$0 or .0 percent. ***

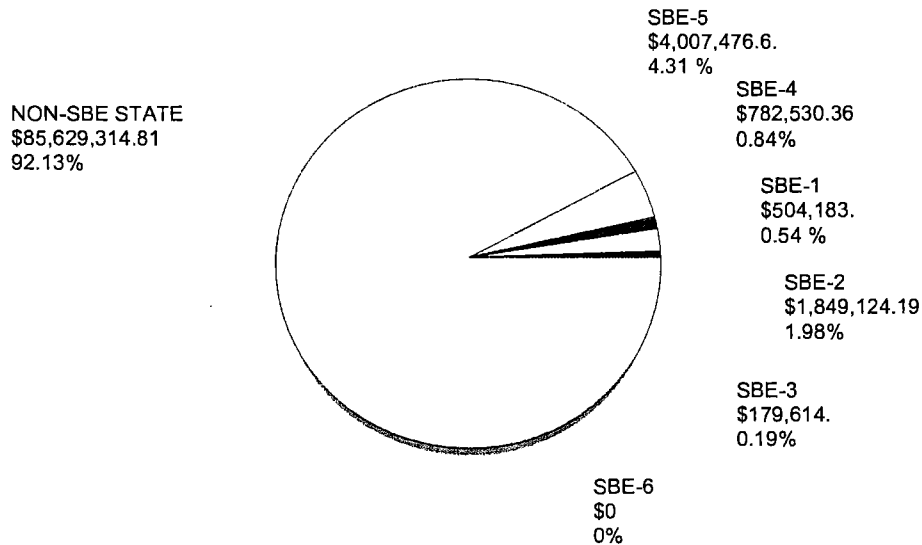
Federal & State Contracts Total

NJ TRANSIT awarded \$16,358,954.15 in federal and state contract dollars during October reporting period. Of that total, \$4,986,006.04 or 30.47 percent of federal and state contract dollars were won by DBEs and SBEs.

**DBE PARTICIPATION
FEDERAL CONTRACTS
FEDERAL FYTD (THROUGH SEPTEMBER FY12)***



**SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD (THROUGH SEPTEMBER FY13) ****



Federal Fiscal Year 2012 Beginning October 1, 2011*
State Fiscal Year Beginning July 1, 2013**
(This report covers contracts above \$29,000)

EMPLOYEE RECOGNITION

NJ TRANSIT employees bid farewell after outstanding careers

Eight NJ TRANSIT employees retired in August with careers ranging from 11 to 32 years of service:

1. Arthur H. Ronne (Warwick, NY) Bus Operator, Wayne Garage – 32 years
2. Matthew J. Gale (Westwood) Repairman "A," Fairview Garage – 31 years
3. Luther Anthony (Pisacataway) Bus Operator, Oradell Garage – 25 years
4. Mack Tucker (East Windsor) Bus Operator, Hamilton Garage – 23 years
5. Huntley D. Brown (Montclair) Bus Operator, Orange Garage – 22 years
6. Thomas F. Clark (Farmingdale) Manager Tech Service/Rail, MMC – 20 years
7. Curmett A. Morris (Passaic) Bus Operator, Wayne Garage – 15 years
8. Carolyn L. Martin (Newark) Bus Operator, Wayne Garage – 11 years

NJ TRANSIT employees bid farewell after outstanding careers

Nineteen NJ TRANSIT employees retired in September with careers ranging from 10 to 35 years of service:

1. Thomas M. Donlon (Woodbridge) Foreman Garage II, Wayne Garage – 35 years
2. William Ulmer (Wanaque) Supv. Dist./NBC Stkm., NBC – 33 years
3. Cheryl Griffin (Paterson) Bus Operator, Market Street Garage – 29 years
4. Curtis Rimler (Morrisville, PA) Customer Svc Training & Supt, Penn Plaza – 29 years
5. Lawrence C. Whoy, III (Northfield) Foreman Garage I, Egg Harbor Township – 28 years
6. Pascual Arana (Newark) Repairman "A," Wayne Garage – 27 years
7. Nghia Nguyen (Nutley) Repairman "A," Orange Garage – 27 years
8. Joseph Vigilante (Analomink, PA) Manager Train Operations, Hoboken – 25 years
9. John Andreula (Old Bridge) Sr. Training Specialist, Ferry Street – 23 years
10. Plummer W. Whitehead (East Orange) Bus Operator, Hilton Garage – 23 years
11. Geoffrey P. Hubbs (Brooklyn, NY) Chief Engineer Signal, Penn Plaza – 22 years
12. Reginald Lane (Plainfield) Bus Operator, Oradell Garage – 19 years
13. Sidney Snelling (East Orange) Light Rail Operator, City Subway – 19 years
14. Thomas E. Richmond (Plainsboro) Bus Operator, Howell Garage – 17 years
15. Almet Thomas (Millville) Bus Operator, Egg Harbor Garage – 15 years
16. Haslyn B. Bathersfield (Trenton) Bus Operator, Hamilton Garage – 13 years
17. Carlo Nicolas (New Milford) Bus Operator, Oradell Garage – 11 years
18. Robert D. Carroll (Garfield) Cleaner, Oradell Garage – 10 years
19. Joseph Dazilme (Newark) Bus Operator, Orange Garage – 10 years

ACTION ITEMS

ITEM 1210-47: SOUTH HUDSON COUNTY LOCAL BUS SERVICE CONTRACT

BENEFITS

This contract will provide for the operation of local bus service in the South Hudson County area on Routes 10 and 119. These two routes serve a combined ridership of 2.2 million annual customer trips. These two routes were previously operated by private carriers. The ramifications of this service elimination were significant. Over 40 percent of the annual customer trips were utilizing NJ TRANSIT's Monthly Bus Pass Program. As a result, NJ TRANSIT took over the operation when the private carriers advised that the routes would be eliminated. Since November 2011, Number 22 Hillside LLC has operated these routes on an interim basis as part of the Hudson County Local Bus Service. The interim operation was approved for one year to allow sufficient time for the completion of a competitive procurement and benchmarking.

ACTION (Scorecard: Financial Performance, Customer Experience)

Staff seeks authorization to enter into NJ TRANSIT Contract No. 12-038 with Number 22 Hillside, LLC (an Academy Company) of Hoboken, New Jersey, to operate the South Hudson Local Bus Service in the Hudson County area and between points to Bayonne, Journal Square Bus Terminal in Jersey City and Port Authority Bus Terminal (PABT) in New York City for a 44-month base period and one 24-month option period (a total of 68 months) from November 10, 2012 through June 25, 2018, at a total cost not to exceed \$28,378,013, plus five percent for contingencies, for a total contract authorization of \$29,796,914, subject to the availability of funds.

PURPOSE

Authorization of this contract will continue bus service on these two routes in south Hudson County.

BACKGROUND

History

On October 3, 2011, NJ TRANSIT was notified by Trans-Hudson Express/Red & Tan Lines (a Coach USA company) of their intent to discontinue service on the #99S from Bayonne through Jersey City to the Port Authority Bus Terminal (PABT) in New York City. NJ TRANSIT explored various options for the continuation of this service and, as a result, elected to amend the existing Hudson County Local Bus Service contract with Number 22 Hillside, LLC to operate this service until such time as a competitive procurement process could be completed. NJ TRANSIT's Board of Directors approved this contract amendment at their November 2011 meeting (Item 1111-59). NJ TRANSIT changed the route name from #99S to NJ TRANSIT's #119 Bayonne–Jersey City–New York.

On March 2, 2012, NJ TRANSIT was notified by Trans-Hudson Express/Red & Tan Lines (a Coach USA company) of their intent to discontinue service on the #10 Route from Bayonne through Jersey City to the Journal Square Bus Terminal in Jersey City. Without this service, #10 Route riders from Bayonne and Jersey City would have no other alternative via Kennedy Boulevard, a major corridor, to travel to Journal Square in Jersey City, a major intermodal facility that provides connections to PATH and NJ TRANSIT bus service. NJ TRANSIT elected again to amend the existing Hudson County Local Bus Service contract with Number 22 Hillside, LLC to operate this service. NJ TRANSIT's Board of Directors approved this contract amendment at their April 2012 meeting (Item 1204-12). NJ TRANSIT retained the same route number but changed the route name to Bayonne–Jersey City.

Procurement

On April 10, 2012, NJ TRANSIT advertised a Request for Proposals (RFP) for the South Hudson County Local Bus Service in *The Star-Ledger* and *The Trenton Times*. A Pre-Proposal Conference was held on April 25, 2012 at NJ TRANSIT Headquarters. The RFP requested proposals from private motorbus carriers to provide local bus service in South Hudson County for an initial contract period of 44 months and for one option period of 24 months. The RFP required prospective carriers to provide a proposed price for both the base contract period and the two-year option period. A minimum score of 75 points on the technical proposal was required for the cost proposal to be considered; cost proposals for any firm that did not receive the minimum score would be returned unopened.

Proposals were due on June 1, 2012 and NJ TRANSIT received responses from two bus companies: Number 22 Hillside, LLC., a subsidiary of Academy Lines, LLC and First Transit, Inc. The responses included a technical proposal and a cost proposal. However, First Transit, Inc. could not locate an alternate appropriate operating facility and, as a result, requested that their bid be removed from consideration. First Transit's technical proposal was not reviewed and the cost proposal was returned unopened.

The technical proposal from Number 22 Hillside, LLC was reviewed by the Technical Evaluation Committees (TECs) comprised of:

- Finance – Budgets
- Bus Operations – Bus Service Planning
- CP&P – Private Carrier Affairs

The final scores for Number 22 Hillside, LLC are as follows:

FACTOR	NUMBER 22 HILLSIDE, LLC
Technical	97.00
Cost	100.00
Total	197.00

The competitive procurement process utilized by NJ TRANSIT for contracting bus service provides for a comparison of private carrier cost proposals for the operation of the proposed routes to be contracted to the benchmark cost by NJ TRANSIT Bus Operations. The Amalgamated Transit Union (ATU) participates in this process to enable NJ TRANSIT Bus Operations to submit a competitive benchmark.

The comparison of costs for operation of the bus routes is presented below:

CARRIER	EVALUATED COST
Number 22 Hillside, LLC Hoboken, New Jersey	\$ 28,378,013
NJ TRANSIT Bus Operations Newark, New Jersey	\$ 45,751,301

The Office of Business Development assigned a five percent Category 3 SBE goal. The estimate for this contract is \$28,065,208.84.

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

FISCAL IMPACTS

Requested Authorization: This Authorization \$ 28,378,013 + 5% contingency
Total Authorization \$ 29,796,914

Total Project Cost: \$ 29,796,914

Projected Date of Completion: June 2018

Anticipated Source of Funds: Operating Budget

FY13 (8 months)	\$ 2,928,593
FY14	\$ 4,639,877
FY15	\$ 4,816,693
FY16	\$ 5,090,331
FY17	\$ 5,297,957
FY18	\$ 5,604,562

DBE/SBE Goal: 5% Category 3 SBE

NJ Build Amount: N/A

Future Related Authorizations: None

**Impact on Subsequent
Operating Budgets:**

\$ 25,442,200 Revenue*

\$ 28,378,013 Contract Cost

\$ 2,935,813 Operating loss over contract term (68
months)

* Revenue does not reflect future ridership changes
or fare adjustments

RESOLUTION

WHEREAS, Trans-Hudson Express/Red & Tan Tours decided to discontinue service on two routes between Bayonne, Journal Square and the Port Authority Bus Terminal (PABT); and

WHEREAS, staff has determined that it is in the best public interest to continue to operate these routes which serve 2.2 million annual customer trips; and

WHEREAS, staff has determined that it is appropriate to provide local bus service in the South Hudson County area; and

WHEREAS, upon completion of a competitive procurement process, it was determined that Number 22 Hillside LLC (An Academy Company) submitted the proposal that provides the best value and is in the best interest of NJ TRANSIT;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to enter into NJ TRANSIT Contract No. 12-038 with Number 22 Hillside, LLC (an Academy Company) of Hoboken, New Jersey, to operate the South Hudson Local Bus Service in the Hudson County area and between points to Bayonne, Journal Square Bus Terminal in Jersey City and Port Authority Bus Terminal (PABT) in New York City for a 44-month base period and one 24-month option period (a total of 68 months) from November 10, 2012 through June 25, 2018, at a total cost not to exceed \$28,378,013, plus five percent for contingencies, for a total contract authorization of \$29,796,914, subject to the availability of funds.

ITEM 1210-48: CAPITAL PLANNING AND PROGRAMS TASK ORDER CONSULTANT CONTRACTS: CORRIDOR PLANNING, ENVIRONMENTAL CONSULTING SERVICES, QUALITATIVE AND QUANTITATIVE RESEARCH, RAIL OPERATIONS AND INFRASTRUCTURE PLANNING, AND STATIONS, ACCESS AND SITE PLANNING

BENEFITS

NJ TRANSIT has an on-going need for consultant services in various planning and engineering disciplines. The volume of work increases and decreases in response to needs and available funding and, as a result, it is costly and impractical to retain an in-house work force sufficient to meet maximum workloads. Task order contracts also allow retention of specialized expertise that is rarely cost-effective to maintain in-house. Additionally, the availability of task order contracts affords the opportunity to use consultants already pre-qualified for specific work efforts, thus minimizing the time and cost needed to initiate and complete work. Contracting with a limited number of consultants also provides a greater measure of control over the work being performed.

ACTION (Scorecard: Corporate Accountability)

Staff seeks authorization to enter into NJ TRANSIT Contract Nos. 13-001 through 13-005 with the firms listed in Exhibit A for engineering, research and planning support services on a task order basis in five disciplines: Corridor Planning, Environmental Consulting Services, Qualitative and Quantitative Research, Rail Operations and Infrastructure Planning, and Stations, Access and Site Planning at a total cost for all 15 contracts not to exceed \$15,000,000, subject to the availability of funds. Each contract will extend for a period of three years from the date of contract execution; the maximum task and contract limits are shown in Exhibit B.

PURPOSE

Authorization of these task order contracts will provide available labor as needed to support NJ TRANSIT's Capital Program, handle specialized work loads, address critical issues, ensure environmental compliance, and engage specialized engineering and planning expertise not available in-house.

BACKGROUND

History

In 1992 staff requested and the Board authorized the first task order contracts for environmental services, architecture and engineering design, and bridge and structural engineering design. Based on the success of these contracts, the Board authorized subsequent contracts for these services as well as adding task order contracts for facility and site planning/conceptual engineering, market research, transit demand modeling and analysis, bus and rail service planning, construction management

services, site planning and engineering, transit-friendly general planning, public transit planning, and vertical transportation services.

The following table shows the authorizations for the various task order contracts for the 2009 program.

2009 TASK ORDER CONSULTANTS PROGRAM

Contract No.	Discipline	Task Limit	Contract Limit (per firm)
09-085	Construction Management	\$ 600,000	\$ 5,500,000
09-086	Architectural/Engineering	\$ 500,000	\$ 5,000,000
09-087	Bridge and Railway Engineering	\$ 500,000	\$ 3,000,000
09-088	Environmental Engineering	\$ 500,000	\$ 5,000,000
09-089	Vertical Transportation	\$ 400,000	\$ 3,000,000
09-090	Site Planning and Transit Analysis	\$ 350,000	\$ 4,500,000
09-091	Stations, Access and Parking Planning	\$ 350,000	\$ 3,000,000
09-092	Transit-Friendly Planning, Land Use and Development	\$ 500,000	\$ 3,000,000
09-093	Rail Operations and Infrastructure Planning	\$ 500,000	\$ 4,000,000
09-094	Travel Demand Forecasting	\$ 450,000	\$ 4,000,000
09-095	Vehicle and Equipment Engineering	\$ 350,000	\$ 3,000,000
09-096	Qualitative and Quantitative Research	\$ 500,000	\$ 3,000,000
Total Authorization – All Contracts		\$ 32,050,000	

Justification

The planning, design and engineering effort required to implement NJ TRANSIT's Capital Program can be provided in three ways: in-house forces, traditional competitive procurements (Request for Proposal), and task order contracts.

NJ TRANSIT staff generally is responsible for the design of routine projects such as station rehabilitation work. Traditional competitive procurements are used for planning and engineering projects that are complex, requiring several different disciplines to interact, and have schedules compatible with the time required for contracting with consultants through this process.

Currently, under the traditional competitive procurement process, professional services contracts valued at \$36,000 or more require the solicitation of offers through a publicly advertised Request for Proposal. The Request for Proposal (RFP) includes a description of the services to be purchased, all significant evaluation factors and their

relative importance, and any other relevant information such as schedule dates and deadlines for the completion of the work. Staff prepares a Technical Specification package, which includes pertinent details, a project summary, and a scope of work for inclusion in the RFP. The scope of work describes the technical requirements to be met as well as what services are to be completed for each milestone from inception to completion.

The introduction of task order contracts resulted from the recognition that

- it is not practical to staff in-house capabilities to meet maximum needs;
- it is more cost-effective to supplement core staff resources with outside consultants when workloads increase;
- some design tasks require specialized expertise that is not cost-effective to maintain in-house as it is needed only occasionally; and,
- many of the tasks need to be completed on a schedule that is not achievable with the required procurement process.

Without the task order consultant contracts to supplement in-house forces, implementing the Capital Program could require an increase of in-house design staff as well as Procurement staff and Division of Law staff. Bidding each assignment separately would delay program implementation.

Procurement

Early in 2012 staff assessed the current Task Order Consultant Contracts to determine if the program should be continued. The assessment included a review of whether the disciplines addressed future needs. As a result, staff recommended that one discipline be dropped (Vehicle and Equipment Engineering), two disciplines be combined (Site Planning and Transit Analysis and Stations, Access and Parking Planning is now Stations, Access and Site Planning) and two disciplines be added (Corridor Planning and Community Transportation). In addition, staff recommended that the resulting 12 disciplines be procured as three separate packages, based on the expiration dates of the current Task Order Consultant Contracts, to reduce the burden on the consultant community as well as on staff. The three Task Order Consultant Contract packages are:

Package One

- Corridor Planning
- Environmental Consulting Services
- Qualitative and Quantitative Research
- Rail Operations and Infrastructure Planning
- Stations, Access and Site Planning

Package Two

- Architectural/Engineering
- Bridge and Railway Engineering
- Travel Demand Forecasting

Package Three

- Community Transportation
- Construction Management Services
- Transit-Friendly Planning, Land Use and Development
- Vertical Transportation

A Request for Proposals for the Task Order Consultant Contracts first package was advertised in *The Star-Ledger* and *The Trenton Times* on May 25, 2012 and Pre-Proposal Conferences were held on June 7, 2012. Proposals were received on June 28, 2012 and were evaluated by Technical Evaluation Committees (TECs) assembled with knowledge relevant to each discipline. The TECs are listed below.

TECHNICAL EVALUATION COMMITTEES

RFP	Discipline	Technical Evaluation Committees
13-001	Corridor Planning	CP&P Capital Planning (two members) CP&P Light Rail Operations (one member)
13-002	Environmental Consulting Services	CP&P Environmental Services (three members) CP&P Construction & Project Management (one member)
13-003	Qualitative and Quantitative Research	CP&P Research (three members) CP&P Travel Demand Forecasting Marketing (one member)
13-004	Rail Operations & Infrastructure Engineering	CP&P Capital Planning (three members) Rail Operations Rail Service Planning (one member)
13-005	Stations, Access and Site Planning	CP&P Capital Planning (three members) Rail Operations Infrastructure Design (one member)

At the Pre-Proposal Conferences and in the RFP materials, the interested firms were advised that the Task Order Consultant Contract Program would be advertised as three separate packages. Prime Consultants could submit proposals for more than one discipline; however, a Prime Consultant would be limited to receiving two contract awards, with a combined total contract limit of \$5,000,000. Firms responding as a Prime Consultant were not allowed to respond as a subconsultant on another team within the same discipline, but were not precluded from responding as a subconsultant

on another team within a different discipline. Firms submitting proposals as a Prime Consultant for more than one discipline under this Task Order Consultant Contract Program were advised to clearly state in the cover letters of each proposal their order of preference for award of a contract should the firm be evaluated as one of the most qualified for more than one discipline.

Firms were also advised of the two future advertisements for proposals. The second package was advertised in August 2012 and the third package is anticipated to be advertised in October 2012. The total authorization for all three packages will be \$32,050,000, the same total authorization as the 2009 Task Order Consultant Contract Program.

Based on the written submissions, firms were short-listed for oral interviews which were held in late July 2012 and early August, and those firms judged most responsive by the TECs were selected for the 2012 Task Order Consultant Contract Program.

The Office of Business Development assigned a 25 percent DBE goal for each contract in the five disciplines included in Package 1.

SELECTION PROCESS (Number of Firms)

Discipline	Proposals Submitted	Oral Interviews	Selected
Corridor Planning	8	4	3
Environmental Consulting Services	12	4	3
Qualitative and Quantitative Research	9	5	3
Rail Operations and Infrastructure Planning	4	NA	3
Stations, Access and Site Planning	8	5	3

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

FISCAL IMPACTS

Requested Authorization: \$ 15,000,000 (Total – 15 three-year contracts)

Total Project Cost: \$ 15,000,000

Projected Date of Completion: December 2015

Anticipated Source of Funds: Federal Transit Administration
Transportation Trust Fund

DBE/SBE Goal: 25% DBE for each contract in Package 1

***NJ Build* Amount:** None

Future Related Authorizations: Task Order Consultant Contracts Packages 2 and 3

**Impacts on Subsequent
Operating Budgets:** None

RESOLUTION

WHEREAS, NJ TRANSIT seeks to improve and expand its transportation facilities; and

WHEREAS, NJ TRANSIT has a continuing need for consultant services in the fields of corridor planning; environmental consulting services; qualitative and quantitative research; rail operations and infrastructure planning; and stations, access and site planning; and

WHEREAS, Task Order Consultant Contracts will be used on an as-needed basis to supplement in-house staff; and

WHEREAS, Task Order Consultant Contracts are needed to support NJ TRANSIT's capital program, address critical issues and ensure environmental compliance; and

WHEREAS, Task Order Consultant Contracts will provide specialized expertise which is rarely cost-effective to maintain in-house; and

WHEREAS, following the completion of a competitive procurement process, it was determined that 15 firms submitted the most advantageous proposals for the five disciplines;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to enter into NJ TRANSIT Contract Nos. 13-001 through 13-005 with the firms listed in Exhibit A for engineering, research and planning support services on a task order basis in five disciplines: Corridor Planning, Environmental Consulting Services, Qualitative and Quantitative Research, Rail Operations and Infrastructure Planning, and Stations, Access and Site Planning at a total cost for all 15 contracts not to exceed \$15,000,000, subject to the availability of funds. Each contract will extend for a period of three years from the date of contract execution; the maximum task and contract limits are shown in Exhibit B.

SELECTED FIRMS

CONTRACT NO. 13-001 CORRIDOR PLANNING – 3 FIRMS

Jacobs Engineering Group Inc. (Morristown, New Jersey) with 4ward Planning, LLC; AKRF, Inc.; Gannett Fleming, Inc.; Howard/Stein-Hudson Associates, Inc.; Malick & Scherer, P.C.; Resource Systems Group, Inc.; and Sam Schwartz Engineering, PLLC

McCormick Taylor, Inc. (Philadelphia, Pennsylvania) with 4ward Planning, LLC; Amy S. Greene Environmental Consultants, Inc.; Arch Street Communications; Fitzgerald & Halliday, Inc.; GGES, LLC; HNTB Corporation; LTK Engineering Services; Nelson/Nygaard Consulting Associates, Inc.; PBS Engineering & Associates, P.C.; Phillips Preiss & Grygiel, LLC; Project for Public Spaces; and SI Engineering, P.C.

URS Corporation (New York, New York) with AKRF, Inc.; InGroup, Inc.; LTK Engineering Services; Nelson/Nygaard Consulting Associates, Inc.; and TechniQuest Corporation

CONTRACT NO. 13-002 – ENVIRONMENTAL CONSULTING SERVICES – 3 FIRMS

BEM Systems, Inc. (Chatham, New Jersey) with AKRF, Inc.; Gannett Fleming, Inc.; Chemtech Consulting Group, Inc.; Jersey Boring & Drilling, Inc.; PARS Environmental, Inc.; and S2C2, Inc.

Hatch Mott MacDonald (Millburn, New Jersey) with AMEC Environmental & Infrastructure, Inc.; Groundwater Treatment & Technology, Inc.; Radin Consulting, Inc.; Michael Baker Jr., Inc.; Richard Grubb & Associates Inc.; Amy S. Greene Environmental Consultants, Inc.; Hager-Richter Geoscience, Inc.; Hampton-Clarke, Inc.; Aqua Pro-Tech Laboratories; Advance Drilling, Inc.; Summit Drilling Company, Inc.; Subsurface Environmental Technologies, LLC; and Hill Environmental Group, Inc.

Roux Associates, Inc. (West Deptford, New Jersey) with Advanced Drilling, Inc.; Subsurface Environmental Technologies, LLC; Hill Environmental Group, Inc.; ARCH2, Inc.; Radin Consulting, Inc.; Chemtech Consulting Group, Inc.; Batta Environmental Associates, Inc.; GTS Consultants, Inc.; ACT Engineers, Inc.; Amy S. Greene Environmental Consultants, Inc.; Hager-Richter Geoscience, Inc.; Accutest Laboratories; Allstate Power Vac, Inc.; Aqua Pro-Tech Laboratories; DeMaio's Incorporated; DPK Consulting, LLC; Disposal Systems, Inc.; Ground/Water Treatment & Technology, Inc.; Hampton-Clarke, Inc.; KS Engineers, PC; Lippincott Jacobs Consulting Engineers; and Summit Drilling Co., Inc.

SELECTED FIRMS

CONTRACT NO. 13-003 – QUALITATIVE AND QUANTITATIVE RESEARCH – 3 FIRMS

Clarion Research (New York, New York) with Taurus Marketing Research; Ideal Data, Inc.; M. Davis and Company; and Maximum Research

Resources Systems Group, Inc. (White River Junction, Vermont) with ETC Institute; Vanasse Hangen Brustlin, Inc.; Howard/Stein-Hudson Associates, Inc.; Dikita Enterprises, Inc.; Taurus Market Research; and Zebra Strategies

WB&A Market Research (Crofton, Maryland) with Eureka Facts and Medina Marketing Services

CONTRACT 13-004 – RAIL OPERATIONS AND INFRASTRUCTURE PLANNING – 3 FIRMS

Gannett Fleming, Inc. (Newark, New Jersey) with Sowinski Sullivan Architects, PC; AKRF, Inc.; BEM Systems, Inc.; Jacobs Engineering Group, Inc.; Integrated Strategic Resources, LLC; Naik Consulting Group, PC; and JCMS, Inc.

Parsons Brinckerhoff (Newark, New Jersey) with LTK Engineering Services; AECOM; Anne Strauss-Wieder, Inc.; DW Smith Associates; Integrated Strategic Resources; Malick and Scherer, P.C.; Sowinski Sullivan Architects; STV Incorporated; and TranSystems

Systra Consulting, Inc. (Little Falls, New Jersey) with Parsons Transportation Group Inc.; Sowinski Sullivan Architects, PC; Matrix New World Engineering, Inc.; Radin Consulting, Inc.; Integrated Strategic Resources LLC; and Watchung Transportation

CONTRACT 13-005 – STATIONS, ACCESS & SITE PLANNING – 3 FIRMS

Christopher P. Statile (Oakland, New Jersey) with Abrams-Cherwony Group; Timothy Haahs & Associates Inc.; SYSTRA; DeBiasse & Seminara, P.C.; MEGA Engineering, Inc.; Amy S. Greene Environmental Consultants, Inc.; and Richard Grubb & Associates

HNTB (New York, New York) with Cambridge Systematic Inc.; CHANCE Management Advisors Inc.; KS Engineers, PC; Amy S. Greene Environmental Consultants, Inc.; SI Engineering, PC; Sowinski Sullivan Architects, PC; Matrix New World Engineering, Inc.; PDK Commercial Photographers, Ltd; YU & Associates, Inc.; and ARCH2 Inc.

Stantec Consulting Services Inc. (Rochelle Park, New Jersey) with Amy S. Greene Environmental Consultants, Inc.; AmerCom Corp.; and Richard Grubb and Associates, Inc.

Contract No.	Discipline	Task Limit	Contract Limit (per firm)
13-001	Corridor Planning	\$ 500,000	\$ 1,500,000
13-002	Environmental Consulting Services	\$ 500,000	\$ 4,000,000
13-003	Qualitative and Quantitative Research	\$ 500,000	\$ 1,500,000
13-004	Rail Operations and Infrastructure Planning	\$ 500,000	\$ 3,000,000
13-005	Stations, Access and Site Planning	\$ 400,000	\$ 1,500,000
Total Authorization – All Contracts		\$ 15,000,000	

ITEM 1210-49:

BUS SAFETY SHIELDS

BENEFITS

Providing a safe, secure environment for customers, employees and the communities which NJ TRANSIT serves is a critical strategic area of focus within NJ TRANSIT's Scorecard initiative. In support of that initiative, and in response to growing concerns about the safety and security of bus operators during the normal conduct of their daily driving activities, NJ TRANSIT Bus Operations intends to equip all of its NABI non-full service transit bus fleet, and the NABI non-full service transit bus fleet assigned to the private carriers with whom NJ TRANSIT contracts for service, with a specially designed safety shield. The safety shield, when added to the existing rear and side barriers, encloses approximately 75 percent of the bus operator compartment, and affords a greater level of operator protection without interfering with passenger communication or fare transactions. Although the safety shield will leave a portion of the operator's compartment exposed, it will serve to provide a level of protection against thrown fluids and objects and many forms of physical aggression.

Upon completion of the program, 1100 NABI buses will be equipped with the safety shield. The shield is already installed on 70 buses and will be installed on 210 buses at the NABI manufacturing facility; the remaining 820 are already in service. Most of the 820 (those operated directly by NJ TRANSIT) will be retrofitted by NJ TRANSIT personnel at the Newark Shops. The remainder is operated by private carriers under contract to NJ TRANSIT and will be retrofitted through other arrangements. It is anticipated that it will take up to 24 months to complete the installation. Installation schedules will focus on those garage locations with routes that are the most vulnerable to incidents of aggression.

ACTION (Scorecard: Safety and Security)

Staff seeks authorization to enter into a sole source contract with BENTECH Inc. of Philadelphia, Pennsylvania for the purchase of 820 safety shield kits containing the side panel, side driver door, and all parts required to retrofit a NABI transit bus at a cost of \$2,220 per kit for a total authorization not to exceed \$1,820,400, plus five percent for contingencies, subject to the availability of funds.

PURPOSE

Authorization to enter into a sole source contract with BENTECH Inc. will enable NJ TRANSIT to retrofit 820 NABI buses used on routes throughout the State with protective safety shields.

BACKGROUND

In Spring 2010, in response to concerns over the number of altercations between bus operators and bus passengers, NJ TRANSIT collaborated with NABI on the design of a safety shield that could be installed on the new transit buses being manufactured and delivered by NABI. BENTECH, Inc., a subcontractor to NABI, was one of two suppliers approached by NJ TRANSIT to design the safety shield. The other supplier, TCB Industries, Inc., was not able to produce a design that met our requirements. BENTECH, Inc.'s design has been approved by New Jersey Motor Vehicle Commission and is the design currently in use.

Upon completion of the design, NJ TRANSIT sought and received the required waiver from the New Jersey Motor Vehicle Commission which specifically exempted the shield from the prohibition that no "door or similar device shall completely separate the driver from the interior of the autobus". The granting of the waiver allowed NJ TRANSIT to install the shield on five buses at Ironbound Garage location and operate those buses in regular route service for a 90-day test period. The five buses were retrofitted and placed in service in October 2010.

During the 90-day test period, it was determined that a latching device was required on the inside of the shield to secure the door on the operator's side. A latch was designed and NJ TRANSIT again sought a waiver from the New Jersey Motor Vehicle Commission for the design and installation of the latch. At the same time, NJ TRANSIT requested a waiver to equip and operate up to 65 more buses within Essex County so that a more comprehensive test could be conducted. New Jersey Motor Vehicle Commission approved both requests in March 2011. Additional buses were fitted with the shield and placed in service in Orange Garage starting in November 2011. Full deployment of the additional buses was completed at Orange Garage in January 2012. In July 2012, 25 buses with shields were moved from Orange Garage to Hilton Garage in response to growing concerns about operator/passenger altercations on routes operated from that garage.

One final modification has been made to the shield in response to concerns raised by operators about glare from the glass on the shield. NJ TRANSIT replaced the glass on four of the shields with a glass (low glare "Optiview") that has an anti-glare lamination membrane. Complaints about glare were significantly reduced as a result. All subsequent installations will use the non-glare glass.

The New Jersey Motor Vehicle Commission's decision to grant NJ TRANSIT's request to expand the New Jersey Motor Vehicle Commission's waiver so that we can equip all the NABI buses with the shield is contingent upon assurance to the New Jersey Motor Vehicle Commission that the BENTECH design will continue to be used. It has been determined that BENTECH Inc. is certified to be the sole/single source for the purchase of 820 safety shield kits to retrofit the NABI transit buses in accordance with NJ TRANSIT Procurement Regulations N.J.A.C. 16:72 and Executive Order 37.

Throughout this process, NJ TRANSIT's labor unions reviewed the safety shield design and suggested modifications. All of their proposed modifications were considered and many were incorporated in the final design, subject to the New Jersey Motor Vehicle Commission approval. Additionally, operators have been surveyed to gauge their response to the shields. Response has been mixed, however, a majority of those surveyed recommended that NJ TRANSIT install the shields on more buses.

The total number of incidents of operator assault/harassment system-wide has increased six percent for the six-month period from January to June 2012 over the same time period in 2011. The installation of safety shields on buses is one piece of a larger program to provide the safest and most secure environment for operators. In addition to the existing silent alert to the Control Center, NJ TRANSIT has also enhanced the Emergency Alarm features on the bus to include activation of strobe lights on the roof of the bus, flashing of a "Call Police" destination sign and activation of the Drive Cam camera. NJ TRANSIT Police continue to focus on areas and routes that are most problematic and programs such as the recent *BUSSAFE* initiative (a new counter-terror and criminal deterrence effort designed to provide high police visibility to the nation's mass transit bus systems) have increased the awareness of local municipal Police departments.

NJ TRANSIT believes that the installation of safety shields is a necessary measure that will afford operators an additional level of protection without interfering with passenger communications or fare collection.

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

FISCAL IMPACTS

Requested Authorization:	\$1,820,400 plus 5% contingency
Total Project Cost:	\$1,820,400 plus 5% contingency
Projected Date of Completion:	January 2015
Anticipated Source of Funds:	CP&P Immediate Action Funds
DBE/SBE Goal:	N/A
<i>NJ Build</i> Amount:	N/A
Related/Future Authorization:	N/A
Impacts on Subsequent Operating Budgets:	N/A

RESOLUTION

WHEREAS, Providing a safe, secure environment for NJ TRANSIT customers, employees and the communities which NJ TRANSIT serves is a critical strategic area of focus for NJ TRANSIT; and

WHEREAS, In response to concerns about the safety and security of bus operators, NJ TRANSIT Bus Operations intends to equip all of its NABI non-full service transit bus fleet, and the NABI non-full service transit bus fleet assigned to the private carriers with whom NJ TRANSIT contracts for service, with a specially designed safety shield; and

WHEREAS, BENTECH Inc. of Philadelphia, Pennsylvania has designed a safety shield that is currently in use and is the design that has been approved by New Jersey Motor Vehicle Commission; and

WHEREAS, New Jersey Motor Vehicle Commission's decision to grant NJ TRANSIT's request to expand the New Jersey Motor Vehicle Commission's waiver so that we can equip all the NABI buses with the shield is contingent upon assurance to the New Jersey Motor Vehicle Commission that this design will continue to used; and

WHEREAS, it has been determined that BENTECH Inc. is certified to be the sole/single source for the purchase of 820 safety shield kits to retrofit the NABI transit buses in accordance with NJ TRANSIT Procurement Regulations N.J.A.C. 16:72 and Executive Order 37;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into a sole source contract with BENTECH Inc. of Philadelphia, Pennsylvania for the purchase of 820 safety shield kits containing the side panel, side driver door, and all parts required to retrofit a NABI transit bus at a cost of \$2,220 per kit for a total authorization not to exceed \$1,820,400, plus five percent for contingencies, subject to the availability of funds.

**ITEM 1210-50: RESTORATION OF HISTORIC WATSESSING STATION:
CONSTRUCTION CONTRACT AWARD**

BENEFITS

Watsessing Station is located on NJ TRANSIT's Montclair-Boonton Line in the Township of Bloomfield, Essex County, New Jersey. This station, which is eligible for listing on the National Register of Historic Places, was constructed in 1912 and consists of a one-story brick station building at the street level with side concrete platforms and cantilevered concrete canopies below street level.

This project is the second phase of an ongoing station rehabilitation program. It will include exterior restoration of the station building to preserve the historic character of the station, and site improvements surrounding the station building at the street and platform levels. In addition, the project will include installation of security cameras, passenger communication systems and updated signage to improve the customer experience.

This project will benefit the more than 200 customers who use the station each day and also will support the Township of Bloomfield's redevelopment efforts by restoring the station as a vital gateway to the business district and residential community. A federal grant for \$1.9 million has been identified for this project.

ACTION (Scorecard: Customer Experience, Safety and Security)

Staff seeks authorization to enter into NJ TRANSIT Contract No.12-049X with John O'Hara Company, Inc. of East Orange, New Jersey for restoration of the station building, canopies and other customer enhancements in the amount of \$1,677,802.75, plus five percent for contingencies, subject to the availability of funds.

PURPOSE

This construction contract will restore the station building exterior, rehabilitate the canopies at the west end of the platforms and make site improvements at Watsessing Station on the Montclair-Boonton Line.

BACKGROUND

Project Justification

This project will preserve the historic character and bring the station to a state of good repair. NJ TRANSIT customers will benefit from real-time service information, enhanced amenities and an improved station area. This project also supports Bloomfield Township's redevelopment efforts by restoring the station as a vital gateway to the business district and residential community.

Procurement Status

The E-Bid Invitation for Bid was advertised on BID EXPRESS, NJ TRANSIT's electronic bid system, on May 24, 2012 and in local newspapers on May 24, 2012. A Pre-Bid Conference was held on June 14, 2012, at the Watsessing Train Station. Bids were received electronically and opened on July 16, 2012 at 2:00 p.m.

The Office of Business Development assigned a 21 percent DBE goal for this project. The Engineer's Estimate for this scope of work is \$1,226,000.

E-BID 12-049X RESULTS

Company	Total Bid Price
John O'Hara Company, Inc. East Orange, New Jersey	\$ 1,677,802.75
DMR Construction Services Inc. Waldwick, New Jersey	\$ 1,699,955.00

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

FISCAL IMPACTS:

Requested Amount: \$1,677,802.75 + 5 percent for contingencies

Total Project Cost: \$2,780,000

Projected Date of Completion: October 2013

Anticipated Source of Funds: Federal Transit Administration/TTF

Diversity Goal: 21% DBE

Future/Related Authorizations: None

***NJ Build* Amount:** \$0

**Impact on Subsequent
Operating Budgets:** None

RESOLUTION

WHEREAS, Watsessing Station is located on NJ TRANSIT's Montclair-Boonton Line in the Township of Bloomfield, Essex County, New Jersey and is eligible for listing on the National Register of Historic Places; and

WHEREAS, this project will benefit the more than 200 customers who use the station each day; and

WHEREAS, the station platforms, canopies and retaining walls were previously rehabilitated as part of the first phase of station improvements in 2007; and

WHEREAS, the next phase of the project includes exterior restoration of the station building, site improvements at street and platform levels and installation of security cameras, passenger communication systems and updated signage to improve the customer experience; and

WHEREAS, following a competitive procurement process, John O'Hara Company, Inc. of East Orange, New Jersey submitted the lowest responsive bid for the project;

NOW, THEREFORE, BE IT RESOLVED, that the Chairman or Executive Director is authorized to enter into NJ TRANSIT Contract No.12-049X with John O'Hara Company, Inc. of East Orange, New Jersey for restoration of the station building, canopies and other customer enhancements in the amount of \$1,677,802.75, plus five percent for contingencies, subject to the availability of funds.

THIS ITEM WAS NOT APPROVED AND HAS BEEN DEFERRED TO THE CAPITAL PLANNING, POLICY AND PRIVATIZATION COMMITTEE

ITEM 1210-51: RAIL ROLLING STOCK PROGRAM: ENGINEERING ASSISTANCE CONTRACT AMENDMENT FOR DESIGN OF MULTILEVEL POWER CARS

BENEFITS

Since 2005, NJ TRANSIT's multilevel vehicles have enhanced the comfort and quality of service for customers and improved the reliability of rail service wherever they are operated. The vehicles feature state of the art onboard communications, wider seats and more leg room, and improved mechanical systems that are less prone to weather conditions.

NJ TRANSIT's rail fleet management strategy includes use of more multilevel rail cars to maximize capacity for customers in the capacity-constrained Hudson River Tunnels and Penn Station New York. NJ TRANSIT has already deployed 321 multilevel vehicles in revenue service and an additional 100 multilevel vehicles have been ordered and will be delivered in the year ahead.

The single-level, self-propelled Arrow III Electric Multiple Unit (EMU) rail cars, which were manufactured nearly 35 years ago, are the next vehicles in NJ TRANSIT's fleet that require replacement. NJ TRANSIT will replace these outdated Arrow III vehicles with new Multilevel Power Cars (MPCs). These new self-propelled rail cars will feature all of the customer amenities that are provided on the existing multilevel fleet including the two by two seating, but will also include onboard propulsion that will allow the cars to operate without a locomotive.

The MPCs will be mixed with the current fleet of Multilevels to provide self-propelled train sets without locomotives. Since these new train sets will utilize rail cars from the existing fleet, there are significant capital cost advantages to these new MPC vehicles versus replacement of the Arrow III fleet on a car for car basis.

The new multilevel trains with MPCs will increase the peak hour capacity into New York Penn Station by approximately eight percent. The Multilevel Power Cars will meet all current Federal regulations and accessibility requirements. These vehicles will provide operational flexibility for both smaller trains that operate in low ridership areas as well as with longer trains that operate in places such as the Northeast Corridor.

ACTION (Scorecard: Customer Experience)

Staff seeks a procurement by exception authorization to amend NJ TRANSIT Contract No. 05-078 with LTK Engineering Services, Inc. of Ambler, Pennsylvania, for engineering assistance to modify the previously-developed single-level, self-propelled

electric multiple unit rail car specification for a Multilevel Power Car and support NJ TRANSIT's procurement activities for the new vehicles at a cost not to exceed \$1,400,000, plus five percent for contingencies, for a total contract authorization of \$5,208,000, subject to the availability of funds.

PURPOSE

LTK Engineering Services, Inc. was previously authorized by NJ TRANSIT's Board of Director's to develop specifications for a new fleet of single-level, self-propelled EMU rail cars. With a change in focus on trans-Hudson River transit capacity, NJ TRANSIT has updated its fleet strategy to provide more multilevel vehicles to maximize limited tunnel and station capacity.

To support the procurement of the Multilevel Power Cars, NJ TRANSIT requires further engineering assistance to modify the previously-developed EMU rail car specification into one for this type of vehicle. LTK Engineering Services, Inc. will also conduct industry review meetings with interested vendors, perform analysis on existing and future traction power system performance and support vendor selection activities.

BACKGROUND

Through a competitive process, LTK Engineering Services, Inc. was selected to perform the engineering assistance for the EMU rail car project. The Board approved the contract award in September 2005 (Item 0509-75). The engineering support for this project originally involved concept development, creating a technical specification, assistance in completing a request for proposal, and support in selecting a vendor to purchase 110 new Electric Multiple Units (EMU) to replace the Arrow III self-propelled vehicles.

From 2005 through 2010, the self-propelled EMU rail car project went through the development of technical specification, request for proposal development, advertisement, bid review, and negotiations with vendors who have submitted proposals. However, before a final vendor could be selected, the project was put on hold for various reasons including termination of the Access to the Region's Core Project and a comprehensive review of the fleet plan.

This updated MPC project involves integration of technical specifications for the existing multilevel vehicles with previously developed technical specifications for new self-propelled EMU cars. LTK Engineering Services, Inc. authored both technical specifications and offers the most efficient and expeditious approach to complete the technical specification for the new Multilevel Power Cars.

LTK Engineering Services, Inc. worked with NJ TRANSIT internal stakeholders to develop EMU technical specifications that built upon service-proven technologies for reliable performance. These requirements will be merged with the successful technical attributes of the current multilevel fleet to build a vehicle offering the same high level of

service customers have come to expect. The new technical specifications for the Multilevel Power Cars will incorporate new performance requirements associated with multilevel trainset operations.

By re-starting the LTK Engineering Services, Inc. contract for engineering assistance, NJ TRANSIT eliminates any learning curve associated with bringing a new consultant on-board. LTK Engineering Services, Inc. has all of the resources and qualifications to carry-on this work in an efficient, expeditious manner resulting in technical specifications that are consistent with NJ TRANSIT's goals for this project.

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

FISCAL IMPACTS

Requested Authorization: \$1,400,000.00 + 5% contingency

Total Project Cost: \$1,400,000.00

Projected Date of Completion: September 2014

Anticipated Source of Funds: TTF/FTA

DBE/SBE: 20% DBE

***NJ Build* Amount:** NA

Related/Future Authorizations: Multilevel Power Car Purchase
Additional Engineering Assistance

**Impact on Subsequent
Operating Budgets:** None

RESOLUTION

WHEREAS, NJ TRANSIT's multilevel vehicles have enhanced the comfort and quality of service for customers and improved the reliability of rail service wherever they are operated; and

WHEREAS, NJ TRANSIT's updated rail fleet management strategy includes use of more multilevel rail cars to maximize capacity for customers in the capacity-constrained Hudson River Tunnels and Penn Station New York; and

WHEREAS, NJ TRANSIT's existing single-level, self-propelled Arrow III Electric Multiple Unit (EMU) rail cars, which were manufactured nearly 35 years ago, are the next vehicles in the rail fleet that require replacement; and

WHEREAS, NJ TRANSIT will replace these outdated Arrow III vehicles with new Multilevel Power Cars (MPCs) that feature all of the customer amenities that are provided on the existing multilevel fleet and also include onboard propulsion that will allow the cars to operate without a locomotive; and

WHEREAS, staff requires engineering assistance to revise the existing single-level EMU rail car specification into one for a Multilevel Power Cars, conduct industry review meetings with interested vendors, analyze existing and future traction power system performance, and support vendor selection activities; and

WHEREAS, LTK Engineering Services, Inc. was previously authorized by NJ TRANSIT's Board of Director's to develop specifications for a new fleet of single-level, self-propelled rail cars; and

WHEREAS, it has been determined that LTK Engineering Service, Inc. is the sole/single source to provide engineering assistance to revise and amend the Electric Multiple Unit specification into a Multilevel Power Car specification 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 amend NJ TRANSIT Contract No. 05-078 with LTK Engineering Services, Inc. of Ambler, Pennsylvania, for engineering assistance to modify the previously-developed single-level, self-propelled rail car specification for a Multilevel Power Car and support NJ TRANSIT's procurement activities for the new vehicles at a cost not to exceed \$1,400,000, plus five percent for contingencies, for a total contract authorization of \$5,208,000, subject to the availability of funds.

ITEM 1210-52: PERSONNEL: MODIFICATIONS TO NJ TRANSIT'S NON-AGREEMENT EMPLOYEE ID ISSUANCE & USE

BENEFITS

The State of New Jersey is addressing public employee policies to ensure they continue to fulfill the State's long-term fiscal responsibility to its citizens. As conscientious stewards of the public's money, NJ TRANSIT periodically reviews and revises its policies and practices.

In an effort to ensure value for customers and accountability for New Jersey taxpayers, NJ TRANSIT will revise a personnel policy that affords all non-agreement employees and non-agreement retirees unlimited access to the NJ TRANSIT system.

ACTION (Scorecard: Corporate Accountability)

Staff seeks authorization to make necessary changes to ID Issuances and Uses Policies in order to eliminate the ability of non-agreement employees and non-agreement retirees to have unlimited access to the NJ TRANSIT public transportation system.

PURPOSE

NJ TRANSIT continually reviews benefits and related policies to ensure the agency is following best practices in public management.

NJ TRANSIT recommends an amendment to Corporate Policy 3.27 Employee ID Issuance & Use effective January 1, 2013 to eliminate employee pass privileges for commutation and general personal use. This action initially affects 1,800 out of 11,000-plus NJ TRANSIT employees.

This 30-plus year-old blanket privilege for these employees will be replaced with a restrictive policy to be implemented on January 1, 2013. The revised policy will permit system-wide travel only for employees engaged in NJ TRANSIT-related business.

NJ TRANSIT is mindful of the financial constraints faced by customers and taxpayers alike. Through the enactment of these changes, NJ TRANSIT is continuing to implement greater efficiencies and economies, foster a more open and transparent agency, reduce costs and keep faith with customers and taxpayers alike.

Through these revisions, NJ TRANSIT estimates it could generate up to \$1.6 million in additional revenue annually.

The change in travel passage policy follows other steps NJ TRANSIT has taken to increase agency accountability to the public. On July 13, 2011, the NJ TRANSIT Board of Directors reformed the agency's vacation and sick leave policy practices for non-

agreement employees and non-agreement retirees. These reforms included the elimination of sick day payouts for new employees, and a requirement that sick time be used on a first-earned, first-used basis.

These and other efforts have helped make NJ TRANSIT a more efficient, more transparent and more fiscally accountable organization. The results speak for themselves – improved on-time performance, the second-lowest budget growth in the past 15 years, and a third straight budget without a fare increase.

RESOLUTION

WHEREAS, NJ TRANSIT is changing a 30-plus year practice of free system-wide travel in support of the State of New Jersey's continuing effort to ensure government delivers sustainable, fiscally-responsible services to taxpayers; and

WHEREAS, the NJ TRANSIT Board of Directors intends to provide fair employment policies to the Agency's non-agreement personnel and non-agreement retirees while also supporting efforts to ensure New Jersey's public agencies carry out their duties with due fiscal prudence;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is directed to make necessary changes to ID Issuances & Uses policies in order to eliminate the ability of non-agreement employees and non-agreement retirees to have unlimited access to the NJ TRANSIT public transportation system.

ITEM 1210-53: SETTLEMENT AS TO CLAIMS ASSERTED BY BARNARD/JUDLAU JOINT VENTURE (BJJV), LOW BIDDER ON MANHATTAN TUNNELS CONTRACT

BENEFITS:

This Settlement resolves the pending claims for compensation and quantifies the amount of compensation to be paid which is significantly less than the amended claim, thereby preventing costly and time consuming litigation.

ACTION: (Scorecard: Financial Performance, Corporate Accountability)

Staff seeks authorization to enter into a Settlement Agreement with Barnard/Judlau Joint Venture (BJJV) to resolve all claims and alleged claims arising out of design work and mobilization performed by BJJV while awaiting award of the Manhattan Tunnels Contract. Under the terms of the settlement, a lump sum amount of \$5,600,000 (Five Million, Six Hundred Thousand Dollars) will be paid to BJJV in satisfaction of all claims and for all work performed.

PURPOSE:

To resolve all claims or alleged claims emanating from the Manhattan Tunnels Contract and procure partially completed design documents relating thereto and thereby closeout this Contract. Design work performed by the low bidder primarily relates to the deep shaft at 12th Avenue in Manhattan, utility and site investigation, three rock cores, and proposed deep subsurface tunnels. The Palisades Tunnels Contract was closed out earlier this year. Similarly the Tonnelle Avenue Underpass Contract is in the process of being closed out. This is the remaining construction contract to be closed out and thus will finalize all three ARC contracts that were bid.

BACKGROUND:

History: On November 04, 2009, BJJV submitted a bid in the amount of \$583 million to complete final design and construct a shaft and four running tunnels among other work as part of The Trans-Hudson Express Tunnel Project, also known as the Access to the Region's Core (ARC). Three separate bids were submitted by prequalified tunnel contractor/design teams. This was to be the largest of the three design/build tunnel contracts in scope, complexity and cost. BJJV was determined by NJ TRANSIT to be the lowest responsive and responsible bidder. The Board authorized the award on December 09, 2009.

BJJV began to mobilize shortly after the Board authorized award and had begun negotiations with suppliers of TBMs and conveyors. As of December 24, 2009, BJJV began the design process for the pending contract apparently by reason of the Board approval, despite lack of a formal award. BJJV agreed to extend its bid validity until May 04, 2010, a second extension until September 30, 2010, and eventually a third extension. After the first extension of the bid validity, BJJV entered into an interim Agreement with its design team in February 2010 to commence the final design required under the terms and conditions of the contract even though it had not yet been executed.

The Bid was canceled by letter dated November 10, 2010 after the ARC Project was canceled in October. Thus no award of the Manhattan Tunnels Contract was ever made, although the low bidder had completed more than 50 percent of the final design plans, drawings, reports and other specified design documents necessary for construction of the shaft and four tunnels. In fact, elements of the shaft were 75 percent completed. BJJV had also advanced the TBM design and negotiated numerous subcontracts as well as establishing a field office.

Amount of the BJJV Claim: BJJV filed a claim on or about January 25, 2011 of \$9,569,816.75. Ultimately BJJV increased its damage claim to \$10,300,393.51 as of June 2012.

SETTLEMENT:

A settlement is recommended in the amount of \$5.6 Million. This number reduces the claim by about \$4.7 Million. It will also save significant costs of litigation that could be extensive. The Settlement is found to be reasonable under the circumstances. The base costs were audited by Internal Audit and the amount of the Settlement was approved by the Attorney General's Office. Plans were reviewed by the Consulting Engineer for the Project. It is in NJ TRANSIT's best interest to resolve this claim in an amicable manner.

As part of the Settlement Agreement, BJJV and its Joint Venture partners will release NJ TRANSIT and The Port Authority of New York & New Jersey (PANYNJ) from all claims arising out of its bid for the Manhattan Tunnels Contract or related to the bringing of the claim. Furthermore, BJJV will indemnify NJ TRANSIT and PANYNJ from all claims asserted by third parties such as subcontractors, design consultants and suppliers. Moreover, all Design Documents generated by BJJV and its design consultants, relating to Manhattan Tunnels Contract, are to be provided to NJ TRANSIT for its retention and use.

FISICAL IMPACTS:

Requested Authorization:	\$5.6 Million
Projected Date of Completion: (Execution of Settlement Agreement):	November 10, 2012
Anticipated Source of Funds:	FY09 TTF
DBE/SBE Goal:	N/A
Related/Future Authorization:	N/A

RESOLUTION

WHEREAS, on November 04, 2009, Barnard Judlau Joint Venture (BJJV) submitted a bid in the amount of \$583 Million to complete the final design and construct a shaft and four running tunnels among other work as part of The Trans-Hudson Express (THE) Tunnel Project, also known as the Access to the Region's Core (ARC); and

WHEREAS, three separate bids were submitted by prequalified tunnel contractor/design teams; ARC Contractors (China Construction); Triple S, a joint venture (Skanska, Shea & Schiavone), and Barnard Judlau Joint Venture (BJJV); and

WHEREAS, BJJV was determined by NJ TRANSIT to be the lowest responsive and responsible bidder and the NJ TRANSIT Board authorized the award on December 09, 2009; and

WHEREAS, no award of the Manhattan Tunnels Contract was ever made; however, BJJV as the low bidder completed more than 50 percent of the final design plans, drawings, reports and other specified design documents necessary for construction of the shaft and four running tunnels; and

WHEREAS, THE Tunnel Project was canceled in late October, 2010; termination of the Bid for Manhattan Tunnels Contract was made on November 10, 2010; and

WHEREAS, NJ TRANSIT received a Notice of Claim from BJJV for costs arising while awaiting the award of the Manhattan Tunnels Contract dated January 25, 2011 estimated to be \$9,569,816.75 and ultimately increased to \$10,300,393.51 as of June 2012; and

WHEREAS, NJ TRANSIT, to its satisfaction, had the claimed costs audited and the design documents reviewed by licensed professional engineers, after which the parties entered into a series of negotiations that resulted in an amicable resolution of a payment of \$5.6 Million; and

WHEREAS, the settlement is to be memorialized through a written settlement agreement setting forth the terms and conditions of the settlement subject to approval of the Office of the Attorney General;

NOW THEREFORE, BE IT RESOLVED that the Vice Chairman or Executive Director or his designee is authorized to enter into a Settlement Agreement with BJJV resolving BJJV's claim emanating out of the Manhattan Tunnels Bid and is further authorized to pay the sum of \$5,600,000 (Five Million, Six Hundred Thousand Dollars), in accord with the terms and conditions of said Settlement Agreement.

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.