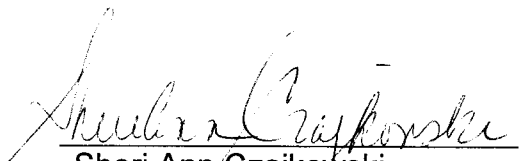


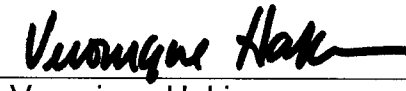
**CERTIFICATION
OF
NEW JERSEY TURNPIKE AUTHORITY**

I, Veronique Hakim, hereby certify that I am the Executive Director of the New Jersey Turnpike Authority and as such **Executive Director** certify that the attached copy of PROCEEDINGS OF THE NEW JERSEY TURNPIKE AUTHORITY is a true and correct copy of the Minutes of the **September 24, 2013** Regular Meeting of the Authority.

IN WITNESS THEREOF, I have hereunto set my hand and affixed the official seal of the New Jersey Turnpike Authority **this 24th day of September, 2013.**

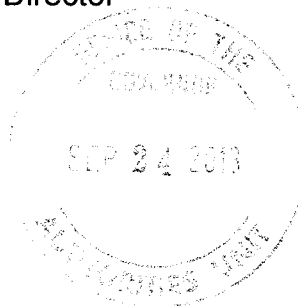
ATTEST:


Sheri Ann Czajkowski
Assistant Secretary to the
Authority


Veronique Hakim,
Executive Director

Corporate Seal

Date: September 24, 2013



**Received in the Governor's Office on September 24, 2013
(hand delivered)**

Received by:

LASHENA KIRK
Print Name


Signature

Veto Period Ends:

October 8, 2013
(Write in the date the veto period ends)

**PROCEEDINGS OF NEW JERSEY TURNPIKE AUTHORITY
BOARD MEETING**

Tuesday, September 24, 2013

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

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PRESENT

Present were Chairman James Simpson, Vice Chairman Ronald Gravino, Treasurer Michael DuPont; Commissioner Harold Hodes; Commissioner Ulises Diaz; Commissioner Daniel Becht; and Commissioner Jan Walden. Commissioner Raymond Pocino was absent. The meeting commenced at 9:30 a.m.

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ALSO PRESENT

Executive Director Veronique Hakim; Chief Operating Officer John O'Hern; Acting Chief Engineer – Robert Fischer; General Counsel Bruce Harris; Chief Financial Officer Donna Manuelli; Human Resources Director Mary-Elizabeth Garrity; Director of Internal Audit James Carone; Acting Director of Maintenance Joseph Lentini; Acting Director of Operations Henry Eibel; Director of Procurement and Materials Management Andrea Ward; Chief Information Officer Barry Pelletteri; Electronic Toll Collection Director Dennis Switaj; Director of Tolls Robert Quirk; Troop Commander Eric Heitmann, State Police Troop D; and Assistant Secretary to the Authority Sheri Ann Czajkowski.

Also present were: Governors' Authorities Unit Representatives Regina Egea and Peter Simon; additional individuals consisting of other NJTA employees; interested organizations; the general public; and from the media: The Home News Tribune and The Bergen Record.

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NOTICE OF MEETING

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

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ACTION ON MINUTES

The Executive Director reported that ten days, excluding Saturdays, Sundays and holidays, have elapsed since Governor Chris Christie received the proceedings of the regular meeting of August 20, 2013; he did not exercise his power to veto any items in those minutes.

Upon motion made by Treasurer DuPont and seconded by Commissioner Diaz the minutes of the meeting was unanimously approved.

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RECUSALS

The Executive Director reported recusals or abstentions submitted for the record:

- Commissioner Hodes: 364-09-2013

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PUBLIC COMMENT

No public speakers.

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COMMISSIONER'S COMMENTS

No Commissioner's comments.

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MAINTENANCE

Acting Director of Maintenance requested approval of item number 364-09-2013. Moved as a group those items are as follows:

364-09-2013

In a document dated September 5, 2013, Recommendation to Award Contract No. T500.292 to Alna Construction Corp. for the New Jersey Turnpike for a Salt Shed at Turnpike Milepost 117.2N, Ridgefield Park Village, Bergen County, Supplemental Capital Fund No. 08007022, in an amount of \$5,186,794.25, was approved.

This contract involves the construction of a new salt shed, foundations, de-icing equipment, office trailer, drainage, grading, paving, site and utility work at Turnpike Milepost 117.2N in Ridgefield Park Village, Bergen County, New Jersey.

One (1) bid proposal was received on September 4, 2013 for the above publicly advertised contract, as shown on the attached bid summary sheet. The Maintenance Department negotiated a reduction in the contract amount from \$5,349,000 to \$5,186,794.25. The negotiated contract amount is within 10 percent of the Engineer's Estimate in the amount of \$4,715,267.50. Alna Construction Corp. has previously performed work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. T500.292 be awarded to the low bidder, Alna Construction Corp. of Secaucus, New Jersey, in the amount of \$5,186,794.25. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection

to same. Bids were procured and authorization is being sought to award this contract in accordance with N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

The General Consultant, HNTB Corporation, concurs with this recommendation.

On motion by Treasurer DuPont and seconded by Commissioner Diaz, the Authority unanimously approved item number 364-09-2013; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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HUMAN RESOURCES

Director of Human Resources Mary-Elizabeth Garrity requested approval of item number 355-09-2013. Moved is the item as follows:

355-09-2013

Human Resources Director Garrity submitted the Personnel Agenda, dated September 24, 2013, and requested confirmation of the personnel matters contained therein. The Executive Director certified the recommendations for consideration.

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

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LAW

General Counsel Bruce Harris requested approval of item numbers 356-09-2013 through 359-09-2013. Moved as a group those items are as follows:

356-09-2013

In a memorandum dated September 12, 2013, Authorization to Declare Property Surplus to the Authority's Needs, Garden State Parkway, Parcel 4579X, Township of Hillside, Union County, was approved.

Certain property owned by the Authority known as Parcel 4579X, located in the Township of Hillside, Union County, consists of approximately 1,523 square feet of land located along North Union Avenue. Said property is not being used by the Authority, but is adjacent to property owned by 1386 Liberty, LLC.

In accordance with the Authority's Surplus Property Policy, the Law Department has circulated information regarding the property to the Chief Engineer, the Acting Director of Maintenance, the Director of Operations and the Authority's Engineering Consultant, HNTB Corporation, for review. Each has reviewed the information regarding Parcel 4579X and all have

(NJTA Board Meeting – 09/24/2013)

certified that the Authority no longer requires the property and will not need the property in the future.

1386 Liberty, LLC has expressed interest in purchasing Parcel 4579X for its fair market value, which the Authority's Real Estate Consultant, Value Research Group ("VRG"), has determined to be \$4,600.00. VRG has further opined that Parcel 4579X is a small, triangular plot of land that does not meet local zoning requirements for lot size, width or depth. Therefore Parcel 4579X is subject to two exceptions to the Authority's Surplus Property Policy requiring public bidding, as Parcel 4579X is both "landlocked, undersized or severely impaired," and the "character or condition of the property make it impractical to advertise publicly for competitive bids."

Accordingly, it is recommended that authorization be given to declare Parcel 4579X as surplus to the Authority's needs. It is further recommended that the Executive Director be authorized to take any steps necessary to sell Parcel 4579X to 1386 Liberty, LLC for the fair market value of \$4,600.00, in accordance with the Authority's Surplus Property Policy.

357-09-2013

In a memorandum dated September 10, 2013, **Authorization to Declare Property Surplus to the Authority's Needs, New Jersey Turnpike, Section 5, Parcel 1036XC-1, Township of Woodbridge, Middlesex County**, was approved.

Certain property owned by the Authority known as Parcel 1036XC-1, located in the Township of Woodbridge, Middlesex County, consists of approximately 1.883 acres of land located along Port Reading Avenue. Said property is not being used by the Authority and inquiries have been made to the Authority regarding the Property's availability for sale.

In accordance with the Authority's Surplus Property Policy, the Law Department has circulated information regarding the property to the Chief Engineer, the Acting Director of Maintenance, the Director of Operations and the Authority's Engineering Consultant, HNTB Corporation, for review. Each has reviewed the information regarding 1036XC-1 and all have certified that the Authority no longer requires the property and will not need the property in the future.

Accordingly, it is recommended that authorization be given to declare Parcel 1036XC-1 as surplus to the Authority's needs. It is further recommended that the Executive Director be authorized to take any steps necessary to prepare for the sale of the Property in accordance with the Authority's Surplus Property Policy, upon review and approval of such action by the Law Department.

358-09-2013

In a memorandum dated September 12, 2013, **Ratification of Builders Risk premium**

expended in excess of \$35,000, was approved.

In June of 2009, via Agenda Item 164-09, the Commissioners ratified the placement of various insurance lines in furtherance of the Authority's Rolling Owner Controlled Insurance Program ("OCIP"), including placement of Builders Risk insurance for a term from July 15, 2009 through December 31, 2014, at a \$20,000,000 limit (per loss and per occurrence) for use on a project-by-project basis, at the Authority's option. The authorized deposit premium of \$100,000 was paid to Torus Specialty Insurance Company. The original authorization required Commissioner ratification for all projects for which the Authority sought coverage that required payment of a premium over \$35,000.

Placement of the Builders Risk policy in connection with contract A500.274, construction of Troop D – Moorestown Station, required a payment of \$41,179, for which ratification is sought.

Authorization is requested to make payment of the above amount.

359-09-2013

In a memorandum dated September 10, 2013, **Authorization to Enter Into a Settlement Agreement with Robert W. Rubenstein, Esq., and Gaylord, Yuska & Rubenstein, LLC n/k/a Gaylord Popp (the "GYR Firm"), in an amount of \$80,000 (to be received by the Authority)**, was approved.

This matter arises out of a failure of Defendant Robert W. Rubinstein, Esq., to properly reimburse the New Jersey Turnpike Authority for the Authority's lien arising out of a worker's compensation award paid by the Authority to Rubenstein's client, Jennifer Echo-Corona. Echo-Corona's husband, Michael Corona, was an Authority employee who was killed while performing routine work activities along the Garden State Parkway in 2003. Ms. Echo-Corona was represented by Mr. Rubenstein, then of the GYR Firm, in this worker's compensation matter. Pursuant to the workers' compensation settlement, the Authority agreed to pay Ms. Echo-Corona a funeral benefit of \$3,500 and a monthly survivorship dependency of \$1,804.28, or \$451.07 per week for 450 weeks, or until such time as she may remarry.

In addition to the workers' compensation claim, Ms. Echo-Corona brought a third-party wrongful death action against the driver of the vehicle which struck and killed her husband. Mr. Rubenstein represented her in that matter as well. A settlement was entered with \$130,000 to be distributed to Ms. Echo-Corona. The Authority asserted a lien against the proceeds from the third-party claim, as permitted under New Jersey law, to preclude Ms. Echo-Corona's double recovery. The Authority's calculated lien was \$131,373.76, however Mr. Rubenstein dispersed the \$130,000 proceeds directly to his client despite the lien.

To recover the lien, the Authority reduced the weekly benefits by two-thirds (\$451.07 to \$150.36), as permitted by statute. As this will only recover \$42,096 over the life of the payments, leaving a balance of \$89,277.76, the Authority also sued Rubenstein and the GYR Firm for the

remaining amount. After negotiations, Mr. Rubenstein and the GYR Firm eventually agreed to settle this matter for \$80,000. The Law Department recommends that this settlement offer be accepted as it will permit the Authority to recover 94% of the total lien (\$122,086 out of \$130,000).

Therefore it is recommended that the Authority's Commissioners approve the settlement of this matter pursuant to the terms set forth above. It is also recommended that the Authority's Commissioners authorize the Executive Director to execute any and all documents in furtherance of same.

On motion by Treasurer DuPont and seconded by Commissioner Becht, the Authority unanimously approved item numbers 356-09-2013 through 359-09-2013; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ENGINEERING

Acting Chief Engineer Robert Fischer requested approval of item numbers 360-09-2013 through 363-09-2013. Treasurer DuPont welcomed Mr. Fischer in his acting role as Chief Engineer stating that his wealth of experience and knowledge will make his transition appear to be seamless. Moved are the items as follows:

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PUBLIC BID SOLICITATIONS – AWARD OF CONTRACTS

360-09-2013

In a document dated September 3, 2013, **Recommendation to Award Contract No. A900.322 for the New Jersey Turnpike and Garden State Parkway to Joseph M. Sanzari, Inc. for the Immediate and Scheduled Repairs, Milepost 0 to 122 New Jersey Turnpike and Milepost 0 to 172 Garden State Parkway, Various Funds, in an amount Not to Exceed \$3,000,000.00,** was approved.

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

Engineering Department by work orders for a period of two years, with an option for a one year extension at the sole discretion of the Authority.

Five bid proposals were received on August 21, 2013 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal of 5.45% may be compared to the second low bid proposal of 7.75%. These percentages represent a weighted average mark-up on the contractor's time and materials cost of performing the work. The low bidder, Joseph M. Sanzari, Inc., has previously performed work for the Authority and is considered competent to complete this contract.

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

It is, therefore, recommended that Contract No. A900.322 be awarded to the low bidder, Joseph M. Sanzari, Inc. of Hackensack, New Jersey in the amount of \$3,000,000. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. Bids for this work were procured, and the authorization being sought is to award this contract to the lowest responsible bidder, in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.2, and Executive Order No. 37 (Corzine 2006).

The General Consultant, HNTB Corporation, concurs with this recommendation.

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ORDER FOR PROFESSIONAL SERVICES (OPS)

361-09-2013

In a document dated September 10, 2013, **Recommendation to Issue Supplement A to Order for Professional Services No. A3319 to Greenman-Pedersen, Inc. for the Garden State Parkway and New Jersey Turnpike of Supervision of Construction Services for Contract Nos.: T600.102B, Installation of Variable Message Signs at New and Existing Locations on the Turnpike North; and, P600.102E, Installation of Variable Message Signs at New and Existing Locations on the Parkway North, Ten Year Capital Program Fund No.: 39006014, Amount of Supplement A \$ 225,000.00,** was approved.

This Order for Professional Services was issued at the April 2011 Commission Meeting in the amount of \$2,638,000.00 to provide supervision of construction services for Contract Nos. T600.102B and P600.102E to ensure that the referenced contracts were constructed in accordance with the Contract Plans and Specifications.

Both contracts have incurred significant delays due to weather, utility issues and

coordination of lane closures with other ongoing Authority contracts. The delays have been beyond the Contractor's control and will result in significant time extensions to each contract.

Supplement A will authorize Greenman-Pedersen, Inc. to provide additional supervision of construction services required for Contract Nos. T600.102B, and P600.102E, which have been delayed as noted above. The additional services are identical in nature to the original scope of services provided for under Order for Professional Services No. A3319.

Greenman-Pedersen, Inc. submitted a proposal to provide the required services. The proposal has been reviewed, negotiated and is considered fair and reasonable for the services to be provided.

It is, therefore, recommended that Supplement A to Order for Professional Services No. A3319 be issued to Greenman-Pedersen, Inc. not to exceed the amount of \$225,000.00, with compensation on the same basis as the original Order for Professional Services. The addition of this amount increases the total authorized fee from \$2,638,000.00 to \$2,863,000.00. The original contract was procured pursuant to N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8.

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NON-COMPETITIVE PROCUREMENTS

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MISCELLANEOUS

362-09-2013

In a document dated September 13, 2013, **Request for Authorization to Enter into Agreement No. 79-13 with the New Jersey Department of Transportation for the New Jersey Turnpike, requesting Authorization to enter into a Cost Reimbursement Agreement associated with Pulaski Skyway Bridge Rehabilitation Project, Supplemental Capital Fund No. 08027023, in an amount of \$6,000,000.00**, was approved.

The New Jersey Department of Transportation ("NJDOT") and Authority desire to enter into a Cost Reimbursement Agreement in an amount not to exceed \$6.0 million to reimburse the Authority for certain costs to be incurred by the Authority as a result of additional traffic impacts from the NJDOT's Pulaski Skyway Bridge Rehabilitation Project ("Pulaski Project"). The following items will be included in the Agreement:

- The construction of a temporary shoulder use lane control system to assist in managing the use of the right shoulder of the eastbound Newark Bay – Hudson County Extension (NB-HCE) as a third traffic lane during peak traffic hours between Interchanges 14 and 14C to accommodate additional traffic as a result of the Pulaski Project. The reimbursement includes design, construction and supervision costs.
- Construction costs related to the acceleration of construction stages of Contract

No. T100.125 to accommodate NJDOT's traffic line striping request along the eastbound NB-HCE at Ramp B (Grand Street exit ramp) to accommodate additional traffic as a result of the Pulaski Project.

- Standby wrecker service during peak traffic hours on the NB-HCE between Interchanges 14 and 14C to expedite the removal of disabled vehicles during the Pulaski Project.

It is, therefore, requested that the Executive Director be authorized to enter into a Cost Reimbursement Agreement in an amount not to exceed \$6.0 million with the New Jersey Department of Transportation to cover the items outlined above. It is further recommended that the Commissioners authorize the Executive Director to execute any such other documents and take any such other actions as are deemed necessary to effectuate the intent of this authorization.

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ACKNOWLEDGE REPORTS OF
ENGINEERING EXPENDITURES UNDER DELEGATED AUTHORITY

363-09-2013

The Board acknowledges the reports of Engineering Expenditures Under Delegated Authority as indicated below:

- Construction Contract Progress Report
- Change Order Summary
- Utility Order Report

On motion by Vice Chairman Gravino and seconded by Treasurer DuPont, the Authority unanimously approved item numbers 360-09-2013 through 362-09-2013, and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda. The Authority unanimously accepted the reports contained in item number 363-09-2013 and received same for file.

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PROCUREMENT ("PMM")

Director of Purchasing Andrea Ward requested approval of item numbers 365-09-2013 through 373-09-2013. Moved as a group those items are as follows:

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PUBLIC BIDS SOLICITATIONS

365-09-2013

In a document dated September 12, 2013, **a Recommendation for Solar-Powered Message Boards to Signalisation Ver-Mac Inc., R-102186, Budget Codes: 040 00 710 650080 04008125, in an amount of \$487,675.00,** was approved.

Authorization is requested to award a contract for 20 trailer-mounted solar-powered

message boards with GPS for traffic control on both roadways. These message boards will include global positioning systems; five of them will also include side-fired radar and camera systems. Bidders were required to bid unit and total prices for the equipment. The bid was fully advertised and the nine vendors listed in the Authority’s database for the referenced equipment were notified of the procurement. On August 27, 2013, three bids were received as follows:

<u>Vendor</u>	<u>Boards w/ GPS (15)</u>	<u>Boards w/ GPS & Camera (5)</u>	<u>Total Bid Price</u>
Atlas Flasher and Supply Co., Inc. Mickleton, NJ	\$17,695.00	\$31,695.00	\$423,900.00
Signalistation Ver-Mac Inc. Quebec, Canada	\$19,995.00	\$37,550.00	\$487,675.00
Garden State Highway Products, Inc. Vineland, NJ	\$23,416.30	\$34,095.65	\$521,722.75
Estimate: \$435,000.00			

The apparent low bidder, Atlas Flasher and Supply Co., Inc. (“Atlas”) took several exceptions to the specifications. The ITS’ and Operations’ staff reviewed Atlas’ bid and found the exceptions to be significant deviations from the specifications. For example, first, the specifications stated that the hydraulic lift switch should not be located in the locked control box so that Operations’ staff could quickly and easily change the signs without access to the secure control box. This requirement is a custom feature which adds cost to the message boards. Atlas did not include this feature. Second, the specifications were clear with respect to the sign size and operating height of the message boards. Atlas’ proposed sign contains three fewer rows of pixels than specified and its proposed operating height is 41 inches shorter than specified. These discrepancies could result in reduced visibility which will adversely affect a motorists’ ability to read the signs. Given these technical deviations, it is recommended that Atlas’ bid be rejected. The bid submitted by the second low bidder, Signalistation Ver-Mac, Inc. (“Ver-Mac”) contained two minor exceptions to the specifications. Ver-Mac proposed fully welded panels, which Authority staff determined to be a structural improvement over the specifications for riveted panels. In addition, Ver-Mac proposed displace modules with the following dimensions: 17 3/8” x 19 7/8” versus the specified 20” x 22 ½”. Staff determined that the difference is insignificant as no exceptions were taken to the usable display size or height.

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

Accordingly, authorization is requested to award a contract to Signalistation Ver-Mac Inc. in a total amount not to exceed \$487,675.00. Authorization is further requested for the Executive Director to approve any additional purchases made under the 3-year open-end purchase option at the agreed-upon price terms.

366-09-2013

In a document dated September 6, 2013, **a Recommendation for Axle Counting Treadles from The Revenue Markets, Inc., RM-101943, Budget Codes: Various, in an amount of \$136,420.00**, was approved.

Authorization is requested to award a contract for two types of axle counting treadles for both roadways. The treadles are utilized to verify the accuracy of toll transactions by counting vehicle axles as a component step in the toll audit reconciliation process. Bidders were required to bid unit and total prices for each type of treadle. The bid was fully advertised and the three vendors listed in the Authority database for the referenced commodity were notified of the procurement. Unit prices can be obtained from the Procurement and Materials Management Department. On August 27, 2013 one bid was received as follows:

<u>Vendor</u>	<u>Total Price</u>
The Revenue Markets, Inc., Accord, NY	\$ 136,420.00

Departmental Estimate: \$130,000.00

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

Accordingly, authorization is requested to award a contract to The Revenue Markets, Inc. in a total amount not to exceed \$136,420.00, subject to funding availability at the time of ordering. Authorization is further requested for the Executive Director to approve each of the two, one-year extensions upon satisfactory performance by the vendor.

367-09-2013

In a document dated September 12, 2013, **a Recommendation to reject the sole bid for 2013-2016 Snow Removal and Salting Services, Turnpike MP 113 – 122 (Rutherford) Re-bid, RM-100715**, was approved.

The Maintenance Department requisitioned snow removal and salting services on the New Jersey Turnpike from milepost 113.0 (District 8-Rutherford) to milepost 122.0 ("Plow Services"). This contract was re-bid as no responsive bids were received at prior bid opening. Bidders were required to bid "Regular" and "Stand-By" hourly rates for each location. The bid was fully advertised and 53 vendors in the Authority database were notified of the procurement. On August 29, 2013, one bid was received from DeFino Contracting Company, Cliffwood Beach, NJ ("DeFino").

DeFino quoted an hourly rate of \$1,200.00 for Regular Time and \$700.00 for Standby Time. Staff reviewed DeFino's bid and determined that it was excessive compared to the average bid rates for this season (\$403.23 for Regular plowing and \$349.23 for Standby). Consistent with the Authority's enabling statute, staff is attempting to negotiate and establish a contract for the Plow Services in time for the 2013-2014 snow season. Given that this contract constitutes supplemental Plow Services to the referenced Area, Maintenance Department staff is confident that they can make alternative plowing arrangements to fully perform the Plow Services, if necessary.

Accordingly, authorization is requested to reject the bid submitted by DeFino Contracting Company.

368-09-2013

In a document dated September 12, 2013, a Recommendation for 55-Gallon Clear Trash Bags to Reject and Rebid the Contract, RM-102380, was approved.

The Inventory Section of the Procurement and Materials Management Department ("PMM") requisitioned trash bags to restock inventory necessary for the maintenance of the Authority's facilities. Bidders were required to quote unit and total prices for 200,000, 55-gallon clear trash bags. The 12 vendors listed in the Authority's database for this commodity were notified of this procurement. On September 11, 2013, eight bids were received. Upon review of the bids, PMM staff discovered that there was a discrepancy between the dimensions of the bags stated on the quotation sheet (35" x 59") on Page 6 of the bid versus the detailed specifications (38" x 59") on Page 7 of the bid. As the bids reflected this discrepancy, it was impossible to compare them to determine the lowest bidder for purposes of award. Thus, it is recommended that the bids be rejected and the contract be re-bid promptly with the correct item dimensions. The current contract will expire on November 8, 2013 and replenishment of the bags is needed as soon as possible.

Accordingly, it is recommended that all bids be rejected and the contract be rebid. It is further recommended that authority to award the contract to the lowest responsible bidder be delegated to the Executive Director upon receipt of bids.

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STATE CONTRACTS AND FEDERAL CONTRACTS

369-09-2013

In a document dated September 10, 2013, a Recommendation for Bulk Rock Salt For Brining to International Salt Company LLC, RM- 102721, Budget Codes: Various, State Contract No. 83371, expiring 1/ 31/2014, in an amount of \$800.000.00, was approved.

Authorization is requested to award a contract to International Salt Company LLC to

provide bulk rock salt to three locations on the New Jersey Turnpike and four locations on the Garden State Parkway. This product will be used in the Accubrine additive blending systems ("ABS-2") with storage tanks used to pre-treat the Authority's roadways prior to snow storms. The pre-treatment reduces the accumulation of snow and ice. The anticipated expenditure is \$800,000.00, based on an estimate of 9,500 tons. The unit price is \$80.00 per ton.

This contract will be procured under State Contract No. 82737 in accordance with N.J.A.C. 19:9-2.5(a), promulgated pursuant to N.J.S.A. 27:23-1 et seq., the Authority's enabling legislation, and Executive Order No. 37 (Corzine 2006) which permit the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey. The State Contract is valid through January 31, 2014.

Accordingly, authorization is requested to award a contract to International Salt Company LLC for the purchase of bulk rock salt at a total cost not to exceed \$800,000.00, subject to funding availability at the time of order.

370-09-2013

In a document dated September 18, 2013, **a Recommendation for Kronos Hardware, Software, Licenses, and Support to SHI International Corp., RM-102365, Budget Code: Various, State Contract No. 77560 expiring 6/30/2015, in an amount Not to Exceed \$2,000,000.00,** was approved.

Authorization is requested to award a contract to SHI International Corp. to provide the Authority with hardware, software, licenses, and support for integration with the PeopleSoft architecture. The Kronos hardware, software, services, and support will enable the Authority to comply with P.L. 2013, Chapter 28 mandate which requires, by July 1, 2014, that all employees be enrolled in direct deposit and have access to their net pay and W-2 forms through a self-service internet portal. In addition to delivering the framework for a self-service portal, other enhancements will be possible such as real-time data collection; cost analysis; workforce management; automation of schedules; timekeeping; accruals; leave and attendance administration; as well as dashboard-capable reporting. This platform will deliver industry best practices and achieve greater returns of efficiency and effectiveness by integrating with the Authority's Human Resources' PeopleSoft environment.

This contract will be procured under State Contract No. 77560 in accordance with N.J.A.C. 19:9-2.5(a), promulgated pursuant to N.J.S.A. 27:23-1 et seq., the Authority's enabling legislation, and Executive Order No. 37 (Corzine 2006) which permit the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey. The State Contract is valid through June 30, 2015. In accordance with the terms of the State Contract, the Authority was required to solicit competitive quotes from three vendors. The following quotes were received. A third vendor, En Pointe Technologies, Inc., was

solicited but did not submit a quote.

SHI International Corp., Somerset, NJ	\$1,538,831.76
Dell Marketing Inc., Buffalo Grove ,IL	\$1,540,253.67

In an effort to complete the overall project in a strict timeframe, the ITS Department has requested additional funding up to \$2,000,000.00 in order to incorporate any additional items necessary to complete the integration with the PeopleSoft architecture.

Accordingly, authorization is requested to award a contract to SHI International Corp. to provide Kronos hardware, software, licenses, and support for integration with the PeopleSoft architecture in a total amount not to exceed \$2,000,000.00.

371-09-2013

In a document dated September 11, 2013, a Recommendation for Toughbook Laptop Replacement to CDW Government Inc., R-102545, Budget Code: 00 010 830 480030, State Contract No. 75583 expiring 8/31/2014, in an amount of \$94,787.20, was approved.

Authorization is requested to award a contract to CDW Government Inc. to supply 20 replacement Toughbook laptop computers. The laptops which can support wireless and email connectivity will be primarily used by field equipment technicians. The majority of the equipment being replaced was purchased before 2004 and has reached end-of-life.

This contract will be procured under State Contract No. 75583 in accordance with N.J.A.C. 19:9-2.5(a), promulgated pursuant to N.J.S.A. 27:23-1 et seq., the Authority's enabling legislation, and Executive Order No. 37 (Corzine 2006) which permit the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey. The State Contract is valid through August 31, 2014.

Accordingly, authorization is requested to award a contract to CDW Government Inc. for 20 Toughbook laptop computers in an amount not to exceed \$94,787.20.

372-09-2013

In a document dated September 11, 2013, a Recommendation Front Load Trash Service at Roadway Facilities (Modification), to: (1) Waste Management of NJ, Contract No.1477, State Contract No.77549 expiring 9/13/14, in an amount of \$340,000.00; (2) Integrated Waste Systems Inc., Contract No. 1478, State Contract No. 77548 expiring 9/13/14, in an amount of \$42,000.00; and (3) Tri State Carting Inc., Contract No. 1479, State Contract No.77546 expiring 9/13/14, in an amount of \$30,000.00, RM- 103028, Budget Codes: Various, State Contract Nos. 77549, 77546, 77548 expiring 9/13/2014, for a total amount of \$412,000.00, was approved.

On April 19, 2011 the Authority awarded State Contracts to three vendors: Waste Management of NJ, Inc.; Integrated Waste Systems, Inc.; and Tri State Carting, Inc. for the

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supply of front load trash service. This service is needed for trash removal at all maintenance facilities on both roadways. The three State Contracts have been extended through September 13, 2014 and additional funds are requested to continue referenced services.

The Maintenance Department has requested that Contract No. 1477 with Waste Management of NJ Inc. be increased by \$340,000, Contract No. 1478 with Integrated Waste Systems, Inc. be increased by \$42,000.00 and Contract No. 1479 with Tri State Carting, Inc. be increased by \$30,000.00, through the term of the contracts.

Staff reviewed current pricing for the trash service and found that State Contract 2011 pricing is more cost effective than bidding the service at today's prices.

State Contract Nos. 77549, 77546, 77548 were procured in accordance with N.J.A.C. 19:9-2.5(a), promulgated pursuant to N.J.S.A. 27:23-1 et seq., the Authority's enabling legislation, and Executive Order No. 37 (Corzine 2006) which permit the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey.

Accordingly, approval is requested to increase the authorized amount of Contract No. 1477 with Waste Management of NJ, Inc. by \$340,000.00 for a new total authorized amount of \$1,158,350, Contract No. 1479 with Tri State Carting, Inc. by \$30,000.00 for a new total authorized amount of \$128,750.00 and Contract 1478 with Integrated Waste Systems, Inc. by \$42,000.00 for a new authorized amount of \$112,700.00, through September 13, 2014, all subject to funding availability at the time of service.

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PROFESSIONAL SERVICES

373-09-2013

In a document dated September 13, 2013, **a Recommendation for Auditing of Utility Bills to TriStem, Ltd, RM-100662, Budget Code: Various, in an amount of \$160,000.00 (2 Years)**, was approved.

The New Jersey Turnpike Authority issued a request for proposal ("RFP") for a firm to provide auditing services for utility bills paid by the Authority. The intent of the RFP was to obtain an experienced firm that will determine whether the Authority's utility bills are being billed in compliance with the correct terms/rates and conditions. The firm will also determine whether the Authority is being overbilled and being billed for inactive accounts. The scope of services included a comprehensive retrospective audit of all utility payments, including electric, natural gas, heating oil, water and telephone, as well as quarterly audits going forward for the length of the contract. The compensation structure outlined in the RFP is broken into two parts: 1) for the retrospective audit, the firm will receive an amount equal to a percentage of the overbillings; and 2) for the on-going quarterly reviews, the firm will receive a flat fee.

The RFP was advertised on July 10, 2013 in the Star Ledger and the Trenton Times and posted on the Authority's and the State's websites. In addition, the 10 firms listed in the Authority's database for the referenced services were notified of the procurement. On August 8, 2013 proposals were received from 2 firms:

**TriStem, Ltd., Hewitt, Texas ("TriStem")
Energy Advantage, Buffalo, NY**

An Evaluation Committee (the "Committee"), which was approved by the Executive Director, consisted of personnel from the Authority's Internal Audit, Finance, Maintenance and Procurement and Materials Management Departments.

Based on the Committee's review of the proposals, the Committee invited both firms to make oral presentations, after which each firm was asked to clarify various provisions within each of their proposals and provide a best and final offer ("BAFO"). The Committee then re-scored each firm and prepared an Evaluation Report which detailed the evaluation process and set forth its findings and recommendations based on the criteria set forth in the RFP.

Energy Advantage, the second ranked firm, is primarily a full service firm which specializes in utility bill processing, payment and reporting but did not exhibit significant experience in auditing similar public entities.

TriStem's proposal and oral presentation demonstrated a clear understanding of the Authority's needs and proposed a well experienced team. This firm specializes in auditing utility bills only and has been delivering this type of service to public entities for over 30 years.

TriStem proposed and will receive three types of compensation: 1) 49% of the amount of any overbillings found in the retrospective audit; 2) 49% of the amount of any future telephone billing savings for one year; and 3) \$20,000 as a flat fee per quarter for on-going quarterly audits.

The Committee concluded that TriStem is the most qualified firm and recommends that it be awarded the contract. Accordingly, authorization is requested to award a contract to TriStem, Ltd. for auditing of utility bills for a two-year contract with the option, delegated to the Executive Director, to extend for two additional one-year terms for an amount not to exceed \$160,000.00 for the initial 2-year term. The Committee anticipates that this amount will be reimbursed by the recoveries from overbilling.

The process for the professional services contracts was conducted in accordance with N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.1(b) promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006). This award is also contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee pursuant to Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008), and having no objection to same.

On motion by Treasurer DuPont and seconded by Vice Chairman Gravino, the Authority unanimously approved of item numbers 365-09-2013 through 373-09-2013; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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GENERAL BUSINESS

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ITS

Director of ETC Dennis Switaj requested approval of item number 374-09-2013. In October of 2008, the Board of Commissioners, as part of the toll increase process, approved an E-ZPass Green Pass Discount program. The program, which was to last for five (5) years, provides a discount to E-ZPass users who drive low emission vehicles that achieve 45 miles per gallon. The program is set to expire in two (2) months -- November of 2013 -- and the Authority seeks authorization to extend this program for an additional five (5) years and broaden the number of low emission vehicles that can qualify for the discount. Moved the item as follows:

374-09-2013

In a document dated September 12, 2013, **for a Recommendation to Adopt Resolution Extending and Modifying the E-ZPass Green Pass Discount**, was approved.

At its October 10, 2008 meeting, under Agenda Item No. 192-08, the Authority's Board of Commissioners authorized the implementation of a revised toll proposal which included the addition of several new "off-peak" discounts for E-ZPass customers. One of the new discounts was an additional 10% "Green Pass" off-peak E-ZPass discount. The specifics of this discount as authorized are:

- Discount is available only through the NJ E-ZPass Program.
- Discount applies off-peak only.
- Discount is 10% off the off-peak rate.
- Customers must enroll in the plan and provide proof of eligibility (vehicles that obtain at least 45 miles per gallon and meet the California Super Ultra Low Emission Vehicles (SULEV) standard).
- Private account only (no business or commercial).
- Tag specific program. Applies only to specified tag within the account. (A green color tag will be issued to the patron.)
- Discount is available on both the Turnpike and Parkway.
- All trips are eligible for the discount provided they are off-peak.
- Aggregate value of discount is capped at \$250,000 per year for all eligible participants.
- Discount expires November 30, 2013.

Staff believes that this program is beneficial for the residents of New Jersey and for the environment. As such staff recommends that the program be continued for another five (5) years and that eligibility be expanded to include electric or hybrid vehicles which are certified to the Super Ultra Low Emission Vehicles Standard (SULEV) and achieving a United States Environmental Protection Agency (USEPA) highway fuel economy rating of 45 miles per gallon or more. The new expiration date for the Green Pass Discount would be November 30, 2018.

Therefore, the Board is hereby requested to adopt the attached resolution extending and modifying the "Green Pass" discount program as detailed above.

On motion by Treasurer DuPont and seconded by Commissioner Becht, the Authority unanimously approved of item number 374-09-2013; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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FINANCE

Chief Financial Officer ("CFO") Donna Manuelli requested approval of item number 375-09-2013 and 376-09-2013. Treasurer DuPont stated that the financial overview of the Authority is well done and is a reflection of the leadership of this Authority.

Chairman Simpson asked CFO Manuelli about the investment policy that is being adopted. Manuelli advised that the Authority did not have a formal policy regarding in what the Authority can invest its bond proceeds. The Authority, however, adhered to the limitations set forth in the General Bond Resolution. But the Bond Resolution did not provide a comprehensive policy regarding permissible investments. ED Hakim stated that the investment policy being approved today lays out the constraints that the Authority follows for investments and formalizes what has been followed in the past. Moved is the items as follows:

375-09-2013

CFO Manuelli presented the Financial Summary for the eight (8) months ended August 31, 2013.

376-09-2013

In a memorandum dated September 12, 2013, a Recommendation for Authorization to Adopt Investment Policy, was approved.

At its December 19, 2012 meeting, the Authority's Board of Commissioners adopted Financial Management Principles and Guidelines. Among other things, the Financial Management Principles and Guidelines require the Authority to adopt an Investment Policy.

The purpose of the Investment Policy is to define guidelines and operational factors governing the investment of all funds held by the New Jersey Turnpike Authority (the "Authority") or its bond trustees. This Investment Policy is intended to show compliance with all provisions of the New Jersey Turnpike Authority Act of 1948, constituting Chapter 454 of the Laws of New Jersey of 1948, as amended and supplemented (the "Act") relating to investment of funds of the Authority, as well as provisions of the resolution of the Authority adopted on August 20, 1991 and entitled, "Turnpike Revenue Bond Resolution", as amended and restated on September 26, 1991, and as further amended and restated on November 22, 1991, as the same has been and will be further amended, restated and supplemented from time to time (the "Bond Resolution").

The attached Investment Policy sets forth:

- Investment Objectives
- Permitted Investments

- Investment Concentration Limits
- Investment Quality Targets
- Maximum Maturities
- Security Purchase Requirements
- Reporting Requirements

In addition to the authorization to adopt the Investment Policy, authorization is requested to designate and authorize the following individuals to invest the funds of the Authority, subject to the terms and conditions of the Investment Policy:

- Executive Director
- Chief Operating Officer/Deputy Executive Director
- Chief Financial Officer
- Comptroller
- Treasury Manager
- Cash Manager

Based upon the requirements set forth in the Authority's Financial Management Principles and Guidelines, as well as management's commitment to fiscal prudence and overall transparency, approval is requested to adopt the attached Investment Policy. Your approval of this recommendation is respectfully requested.

NEW JERSEY TURNPIKE AUTHORITY

Investment Policy

September 2013

I. INTRODUCTION

A. Purpose of Investment Policy

The purpose of the Investment Policy is to define guidelines and operational factors governing the investment of all funds held by the New Jersey Turnpike Authority (the "Authority") or its bond trustees. This Investment Policy is intended to show compliance with all provisions of the Act (as defined herein) relating to investment of funds of the Authority, as well as provisions of the Authority's Bond Resolution (as defined herein). The Investment Policy will be reviewed by the Authority's Chief Financial Officer no less than once every 2 years, and any changes to this document will be presented to the Authority's Board of Commissioners for approval. This Investment Policy will be made available on the Authority's website, <http://www.state.nj.us/turnpike>.

B. The Authority

The Authority is a public body corporate and politic of the State of New Jersey created under and by virtue of the New Jersey Turnpike Authority Act of 1948, constituting Chapter 454 of the Laws of New Jersey of 1948, as amended and supplemented (the "Act"). Pursuant to the Act, the Authority is authorized and empowered to, subject to any agreement with the bondholders, invest moneys of the Authority not required for immediate use, including proceeds from the sale of any bonds, in such obligations, securities and other investments as the Authority shall deem prudent. All investments that have been purchased or will be purchased under and pursuant to, and/or in accordance with, the terms and provision of the Act and a resolution of the Authority adopted on August 20, 1991 and entitled, "Turnpike Revenue Bond Resolution", as amended and restated on September 26, 1991, and as further amended and restated on

November 22, 1991, as the same has been and will be further amended, restated and supplemented from time to time (the “Bond Resolution”). Capitalized terms used herein which are not otherwise defined shall have the meaning given to such terms in the Bond Resolution.

C. **Best Interest of the Authority**

Although adherence to this Investment Policy is desirable, deviations from this Policy may be appropriate from time to time to address: (i) changing financial goals; (ii) changing financial markets; and (iii) unique market opportunities. As a result, the general best interests of the Authority shall supersede any provision of this Investment Policy, provided that those provisions mandated by the Act or the Bond Resolution cannot be superseded without amendments to the Act or the Bond Resolution.

II. **INVESTMENT OBJECTIVES**

- A. All investment decisions will meet the following requirements:
 - 1. Safeguard and preserve the principal amount of invested funds.
 - 2. Manage and maintain adequate liquidity to meet cash flow requirements, including bond payments.
 - 3. Maintain demand bank balances at minimum levels consistent with sound operations.
 - 4. Maximize the total rate of return on invested funds.

III. **PERMITTED INVESTMENTS**

- A. Eligible securities are defined in the Bond Resolution and shall include:
 - 1. Any direct and general obligations of, or any obligations guaranteed by, the United States of America, including but not limited to interest obligations of the Resolution Funding Corporation or any successor thereto.
 - 2. Any obligations of any state or political subdivision of a state which bonds are fully secured as to principal and interest by an irrevocable pledge of moneys or direct and general obligations of, or obligations guaranteed by the United States of America, which moneys or obligations are segregated in trust and pledged for the benefit of the holders of the bonds.
 - 3. Certificates of ownership of the principal or interest of direct and general obligations of, or obligations guaranteed by, the United States of America, which obligations are held in trust by a commercial bank which is a member of the Federal Reserve System.
 - 4. Bonds, debentures, notes or other evidences of indebtedness issued by any agency or instrumentality of the United States to the extent such obligations are guaranteed by the United States or by another such agency the obligations (including guarantees) of which are guaranteed by the United States.
 - 5. Bonds, debentures, notes or other evidences of indebtedness issued by any of

the following agencies:

- Government National Mortgage Assn. (GNMA)
- Federal Home Loan Mortgage Corp. (FHLMC)
- Federal National Mortgage Assn. (FNMA)
- Federal Home Loan Banks (FHLB)
- Federal Land Banks
- Federal Intermediate Credit Banks
- Banks for Cooperatives
- Tennessee Valley Authority
- United States Postal Service
- Farmers Home Administration
- Export-Import Bank
- Federal Financing Bank
- Student Loan Marketing Assn.(SLMA);

6. Negotiable or non-negotiable certificates of deposit issued by any bank, trust company or national banking association, which certificates of deposit shall be continuously secured or collateralized by obligations described in subparagraphs 1,2,3,4 and 5 above, which shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and shall be lodged with the Trustee, as custodian, by the bank, trust company or national banking association issuing such certificates of deposit.
7. Uncollateralized negotiable or non-negotiable certificates of deposit issued by any bank, trust company or national banking association, the unsecured obligations of which are rated in one of the two highest rating categories, without regard to rating sub-categories, by Moody Investors Service (Moody's) and Standard & Poor's (S&P).
8. Repurchase agreements collateralized by obligations described in subparagraphs 1,2,3,4, and 5 above with any registered broker/dealer subject to the Securities Investors Protection Corporation jurisdiction, which has an uninsured, unsecured and unguaranteed obligation rated "Prime-1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P, or any commercial bank with the above ratings provided:
 - A. A master repurchase agreement or specific written repurchase agreement governs the transaction, which characterizes the transaction as a purchase and sale of securities.
 - B. The securities are held free and clear of any lien, by the Trustee or an independent third party acting solely as agent for the Trustee, and such third party is (i) a Federal Reserve Bank, (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus, and undivided profits of not less than \$75,000,000, or

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- (iii) a bank approved in writing for such purpose by each Credit Issuer, if any, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee.
 - C. A perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 CFR 306.1 et seq. or 31 CFR 350.0 et seq. or a successor provision in such securities is created for the benefit of the Trustee.
 - D. The repurchase agreement has a term of six month or less, or the Authority will value the collateral securities no less frequently than monthly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two business days of such valuation.
 - E. The repurchase agreement matures on or before a debt service payment date (or other appropriate liquidation period).
 - F. The fair market value of the securities in relation to the amount of the repurchase obligation is equal to at least 100%.
9. Banker's acceptances, Eurodollar deposits and certificates of deposit (in addition to the certificates of deposit provided for by subparagraphs 6 and 7 above) of the domestic branches of foreign banks having a capital and surplus of \$1,000,000,000 or more, or any bank or trust company organized under the laws of the United States of America or Canada, or any state or province thereof, having capital and surplus, in the amount of \$1,000,000,000; provided that the aggregate maturity value of all such banker's acceptances and certificates of deposit held at any time as investment of funds under the Bond Resolution with respect to any particular bank, trust company or national association shall not exceed 5% of its capital and surplus; and provided further that any such bank, trust company, or national association shall be rated in one of the two highest rating categories, without regard to rating sub-categories, by both Moody's and S&P.
10. Other obligations of the United States of America or any agency thereof which may then be purchased with funds belonging to the State of New Jersey or which are legal investments for savings banks in the State of New Jersey.
11. Deposits in the New Jersey Cash Management Fund.
12. Obligations of any state, commonwealth or possession of the United States or a political subdivision thereof or any agency or instrumentality of such a state, commonwealth, possession or political subdivision, provided that at the time of their purchase such obligations are rated in either of the two highest rating categories by

both Moody's and S&P.

13. Commercial paper with a maturity date not in excess of 270 days rated A1+ and P-1 by Moody's at the time of such investment, issued by an entity incorporated under the laws of the United States or any state thereof.

IV. INVESTMENT PRACTICES

A. Investment Concentration

It is the policy of the Authority to diversify its investment portfolio. Assets held in the investment portfolio shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific class of securities. The Authority will maintain an investment concentration not to exceed the percentages noted below. The Chief Financial Officer, or designee, is authorized to approve any deviation from these limits on a case by case basis.

1. There are no limitations on investments carrying the full faith and credit of the United States Government, including repurchase agreements collateralized by such investments.
2. Investments in any single Federal Agency not carrying the full faith and credit of the United States Government are limited to 40% of the portfolio.
3. Investments in Certificates of Deposit are limited to 30% of the portfolio.
4. Investments made in Commercial Paper are limited to 30% of the total portfolio.
5. Investments in Municipal securities are limited to 30% of the total portfolio.
6. Investments in any one single issuer (excluding US Treasury and Federal Agency securities) are limited to 5% of the portfolio.

B. Quality of Investments

All investments shall be made with judgment and care, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of capital as well as the probable income to be derived.

All investments ratings shall be based on security ratings at the time of purchase. In the event of a downgrade in rating, the Chief Financial Officer, or designee, will determine whether to sell or hold the investment. The Authority will not make an investment in an issuer who has a negative outlook associated with their credit rating, except for US Treasury or Federal Agencies. The portfolio's average credit quality should be rated Aa3/AA- or better by Moody's/S&P.

C. Maximum Maturity

At the time of purchase, the maturity of each security in the portfolio may not exceed the following maximum timeframes for the respective fund in which the investment is made in accordance with the Bond Resolution or Authority policy. The

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maximum maturity will take into account any call, put, prepayment or other features that may impact maturity. All investments mature no later than necessary to provide moneys when needed for payments to be made from such funds.

- Revenue Funds – 1 year (by Bond Resolution)
- Construction Funds – 5 years (by Authority Policy)
- Maintenance Reserve Fund – 2 years (by Bond Resolution)
- Special Projects Reserve Fund – 2 years (by Bond Resolution)
- General Reserve Fund – 3 years (by Bond Resolution)
- Debt Service Fund – 1 year (by Authority Policy)
- Charges Fund – 3 months (by Authority Policy)
- Debt Reserve Fund – 5 years (by Bond Resolution)

Investments are generally purchased with the intent of holding to maturity, but the Chief Financial Officer, or designee, has the flexibility to restructure and rebalance portfolio holdings to manage risk and take advantage of market opportunities.

D. Security Purchases

All securities purchased by the Authority under this Investment Policy shall be designated as assets of the Authority and shall be conducted on a delivery-versus-payment (DVP) basis, with the securities delivered to a designated Authority custodian. The securities will be protected through the use of a third-party custodian/safekeeping agent, which may be a Trustee. A minimum of three (3) informal bids or offers will be solicited for direct purchases of securities. The award will be based on lowest cost for purchase. The Authority may use electronic trading screens to facilitate the informal bid process.

V. REPORTING REQUIREMENTS

- A. On an annual basis, the Authority's Finance Department will prepare an Investment Plan, which will specify the targets for average invested balances, average maturity and average yield by fund. The report will also include concentration targets by investment type and issuer for the upcoming year considering current and projected market conditions.
- B. On a quarterly basis, the Authority's Finance Department will prepare an investment report which details actual performance compared to the Investment Plan.
- C. On a monthly basis, the Authority's Finance Department will prepare the following:
 - Schedule of Investments by fund;
 - Detailed purchases, maturities, sales of investments by fund;
 - Investments by Issuer;
 - Credit ratings by Issuer;
 - Average invested balances, maturity and yield by fund.

On motion by Treasurer DuPont and seconded by Commissioner Hodes, the Authority unanimously approved of item numbers 375-09-2013 and 376-09-2013; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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OPERATIONS

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Acting Director of Operations Henry Eibel requested approval of item numbers 377-09-2013. Moved the item as follows:

377-09-2013

Acting Director Eibel requested acceptance of the Resume of All Fatal Accidents for the Garden State Parkway and New Jersey Turnpike: Period 01/01/2013 through 09/09/2013; both with 2012-2013 Yearly Comparisons through August, 2013.

On motion by Commissioner Diaz and seconded by Treasurer DuPont, the Authority unanimously approved item number 377-09-2013; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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EXECUTIVE DIRECTOR'S REMARKS

ED Hakim stated that frequently we talk about the men and women who work for the Authority and Troop D and how they touch our motorists in different ways. Last week, there was a serious accident on the Turnpike. Trooper Ryan Kauffmann, an 8-year veteran of the State Police, and Austin McCabe, a 33 year Authority employee, swiftly responded to the accident site and by all accounts, saved a man's life. This is a wonderful example of the men and women who go above and beyond the call of duty. ED Hakim publicly acknowledged the efforts of Kaufmann and McCabe and thanked all of the employees for their exemplary efforts exhibited throughout the year.

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STATE POLICE

Troop Commander Eric Heitmann requested for approval of item number 378-09-2013. Moved is the item as follows:

378-09-2013

Commander Heitmann requested acceptance of the New Jersey State Police Troop D Activity Reports, for August 2013, with 2012 – 2013 Yearly Comparisons.

On motion by Vice Chairman Gravino and seconded by Commissioner Hodes, the Authority unanimously accepted the reports contained in item number 378-09-2013 and received same for file.

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EXECUTIVE SESSION

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

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

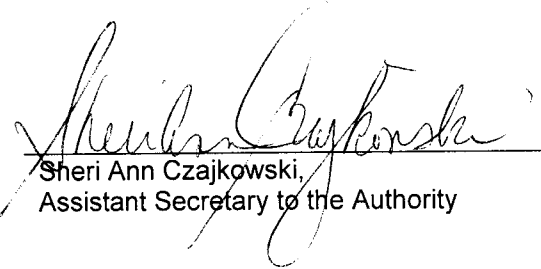
The motion was made by Commissioner Hodes and seconded by Treasurer DuPont, and, after the voice vote, the motion was duly adopted by the Board of Commissioners of the New Jersey Turnpike Authority.

Executive Session was adjourned at 10:05 a.m.; Vice Chairman Gravino resumed the public portion of the meeting.

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The motion to adjourn was made by Treasurer DuPont and seconded by Vice Chairman Gravino, and, after the voice vote, the motion was duly adopted. The Authority adjourned at 10:07 a.m., to meet on Tuesday, October 22, 2013, at 9:30 a.m.

ATTEST:


Sheri Ann Czajkowski,
Assistant Secretary to the Authority


Veronique Hakim,
Executive Director

Date: September 24, 2013