

Chris Christie, Governor
Kim Guadagno, Lieutenant Governor
Jamie Fox, Board Chairman
Veronique Hakim, Executive Director

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

June 15, 2015

Dear Governor Christie:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the regularly scheduled meetings of the New Jersey Transit Corporation, NJ Transit Rail Operations, Inc., NJ Transit Bus Operations, Inc., NJ Transit Mercer, Inc., and NJ Transit Morris, Inc., Board of Directors held on Wednesday, June 10, 2015.

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 regularly 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 Wednesday, June 10, 2015.

Present

Jamie Fox, Chairman
Bruce M. Meisel, Vice Chairman
John Spinello, Governor's Representative
Steven Petrecca, Treasurer's Representative
Myron P. Shevell, Board Member
James C. Finkle, Jr., Board Member
Flora M. Castillo, Board Member
Raymond W. Greaves, Board Member (Non-Voting) (By Telephone)

Also Present

Veronique Hakim, Executive Director
Neil Yellin, Deputy Executive Director
Dennis Martin, Vice President/General Manager, Bus Operations
Robert Lavell, Vice President/General Manager, Rail Operations
John Squitieri, Chief, Light Rail and Contract Services
Christopher Trucillo, Chief of Police
Warren Hersh, Auditor General
Kathleen M. Sharman, Chief Financial Officer & Treasurer
Michael Slack, Chief Information Officer
Penelope Bassett, Assistant Executive Director, Communications & Customer Service
Steve Santoro, Assistant Executive Director, Capital Planning & Programs
Gardner Tabon, Chief, Office of System Safety
Michael Gonnella, Deputy Attorney General
Joyce J. Zuczek, Acting Board Secretary
Alma Scott-Buczak, Assistant Executive Director, Succession Planning and Workforce Development

Raji Jacob, Office of System Safety, provided a Public Safety Message.

Chairman Fox convened the Open Session at 9:12 a.m. in accordance with the Open Public Meetings Act.

Acting Board Secretary Zuczek announced that adequate notice of the regularly scheduled meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations Inc., NJ TRANSIT Bus Operations, Inc. NJ TRANSIT Mercer, Inc. and NJ TRANSIT Morris, Inc. was provided in accordance with the Open Public Meetings Act, Chapter 231, P.L. 1975, and the meetings were occurring concurrently. Notices

were mailed to newspapers of general distribution, forwarded to the Secretary of State, Trenton, New Jersey, and sent to each individual, agency and organization that requested such notice. In addition, notices of the meetings were posted in the main lobby of NJ TRANSIT's Headquarters in Newark, New Jersey. Acting Board Secretary Zuczek announced that the Board Meeting was being video recorded

Chairman Fox asked for a motion to adopt the minutes of the May 13, 2015 Board meetings. A motion was made by Vice Chairman Bruce M. Meisel, seconded by Board Member Flora M. Castillo and unanimously adopted.

Public Comments on Agenda Items and Other Matters

There were 11 public comments. Acting Board Secretary Zuczek announced the public comments would be limited to five minutes in order to give everyone an opportunity to be heard.

Tim Sevener, Resident of Mount Tabor, provided a petition against the fare and service adjustments proposal. The petition states that there were major fare increases and service adjustments in 2010; that NJ TRANSIT provided key mobility through the snowstorms; and that lower fares and more service are needed to increase green transit riders. He read some of the comments provided by the individuals who signed the petition.

Orrin Getz, Resident of Rockland County, spoke against the proposed elimination of Pascack Valley Line Train 1601. He believes Pearl River is a desirable location that attracts millennials to the suburbs and that late train service from New York City is necessary.

Mr. Getz wants improved service, not cuts. He believes installing the Golf Siding in Oradell and Vale Siding in Park Ridge will improve service.

Mr. Getz wants NJ TRANSIT to provide long range plans including a strategic plan for 10 to 20 years so the Legislature and public officials can plan. Additionally, he wants a fleet plan for rail and bus.

Mr. Getz wants NJ TRANSIT to study reinstating off-peak fares to increase ridership. Additionally, he believes NJ TRANSIT should have more in-house expertise, instead of hiring consultants, to save money.

Randy Glucksman, Representative of the rail community in Rockland County, said he worked in transit for more than four decades. He spoke against the proposed elimination of Pascack Valley Line Train 1601, the 12:45 a.m. departure from Hoboken.

Mr. Glucksman believes there are too many gaps in service and not enough trains on the Pascack Valley Line that serves residents of Bergen and Rockland counties.

Mr. Glucksman said there has been no raise in the gas tax on drivers, while the polls indicate that drivers would be okay with an increase in the gas tax.

Mr. Glucksman said there is a safety issue at Nanuet Station and a fence needs to be installed. Mr. Glucksman said the material is there, but they need NJ TRANSIT's cooperation.

Mr. Glucksman said the line for the staircase at Secaucus Station was unduly long due to the delay with scanning barcodes to get through the gates.

Steve Lanset, Resident of Highland Park, is a frequent rider and the volunteer Transportation Chair for the New Jersey Sierra Club. They are opposed to the fare and service adjustment proposals because they believe it penalizes the riders, their families, employers, and merchants. Mr. Lanset said this causes more use of cars, which is environmentally costly because it increases pollution and congestion.

Mr. Lanset noted there has been no gas tax increase since 1988, while there have been eight transit fare increases. He thinks an increased gas tax is necessary and can be used to fill potholes, fix rusting bridges, and make transit fares affordable.

Mr. Lanset said the Governor refuses to consider a gas tax and has no plan for stable transportation funding. Mr. Lanset asked NJ TRANSIT leadership to reject the fare and service adjustment proposals and request the Governor provide more stable funding.

Murray Bodin said there was an article about NJ TRANSIT safety that was far from the truth. Mr. Bodin said NJ TRANSIT is a good organization that is concerned about safety, has a better record and knows what it is doing better than other agencies.

Mr. Bodin wants traffic lights, like those used by light rail and automobiles, to replace the flashing red railroad crossing lights. He said the flashing red lights date back 65 years and have never been changed. NJ TRANSIT is responsible for hundreds of crossings and Mr. Bodin requested to change them to the traffic lights. Mr. Bodin will attend a meeting in San Antonio, Texas that will be attended by the rail traffic engineers who write the manual for traffic devices.

Cyndi Steiner, Executive Director for the New Jersey Bike and Walk Coalition, said the Coalition opposes the fare proposal. She believes raising fares will result in more car use, increased congestion, and make it more dangerous for pedestrians and bikers. Ms. Steiner said this will begin a downward spiral that will leave a substandard transit system and congestion.

Ms. Steiner said the current generation walks and bikes and believes a variety of transportation options are necessary for the State's economic future.

David Peter Alan said the Board will vote next month to raise fares and eliminate service. Mr. Alan said most of the Board were not present at the public hearings to hear

the riders' complaints. The riders complained about poor quality of service and objected to paying more money for less service, especially when the existing services are inadequate. Mr. Alan said some riders complained that they alone were paying more for the eighth time since the 1988 gas tax increase. He also said some criticized the Board Members for not caring enough to attend the hearings.

Mr. Alan said as a person who depends on NJ TRANSIT for mobility, he invites the Board Members to ride with him sometime to see what it is like to ride NJ TRANSIT. He said on the Morris and Essex Line it is easy to go to New York City, but almost impossible to go anyplace in New Jersey because of big gaps in connecting service which discourage discretionary riders.

Mr. Alan thought the special shuttle bus between Trenton and West Trenton was good but was not well publicized. The train and River LINE departures were not coordinated to allow connections Mr. Alan said.

Mr. Alan does not believe any Board member is a regular transit rider so he wants to assist them in experiencing and understanding the transit rider experience.

Vice Chairman Meisel commented that Mr. Alan made some aggressive assumptions in the beginning of his statement. Vice Chairman Meisel does not agree with many of the assumptions. Vice Chairman Meisel said the Board Members listen and spend hours, off the dais, doing other things in their role as Board Members.

Janna Chernetz, Tri-State Transportation Campaign, voiced concern about school children trying to cross the tracks in the Union/Hillside/Newark area on the Raritan Valley Line. Ms. Chernetz spoke against the proposed fare and service adjustments. She said the conversation would be different if the fare hikes resulted in system expansion and more reliable service.

Ms. Chernetz believes the current situation is due to backsliding investment in transit. She said the direct NJ TRANSIT subsidy has declined in the last decade, the Transportation Trust Fund is a catastrophe, and the funding neglect has been passed from administration to administration. Ms. Chernetz called on the Governor, Senate President, and Legislature to prioritize the budget to stave off the fare hikes and provide complete funding of the Transportation Trust Fund.

Ms. Chernetz said there is legislation pending to add one regular rail rider and one regular bus rider to the NJ TRANSIT Board as voting members. She said NJ TRANSIT's statute states there should be one regular transit rider, but based on the Board Member webpage, she cannot tell which member it is.

Toni Granato, Represents the Sierra Club, many of whom live in urban areas and use transit. She spoke against the proposed fare and service adjustments, and asked that other alternatives be considered. Ms. Granato said it will hurt commuters and

NJ TRANSIT. She is concerned about ensuring there will be public transportation in New Jersey in the future.

Ms. Granato said the state gas tax has not been raised since before she was born, while the NJ TRANSIT fares have been raised eight times. She said the more than nine percent increase will burden commuters and make it cheaper to travel by car. Ms. Granato thinks the Legislature and Christie Administration needs to prevent the fare and service adjustment proposals. The Transportation Trust Fund is broken and must be fixed. Ms. Granato thinks it is unfair for the commuter to pay more for less service and believes there should instead be expanded service to increase ridership.

Ms. Granato believes the proposals will result in increased air pollution, affecting children in a state that already has a bad air quality problem. She believes the increased fares will result in more people returning to using their cars, more traffic, and more pollution. Ms. Granato believes this will hurt the community, economy, and riders and urged NJ TRANSIT to stop the fare and service adjustment proposals.

Sarah Klibanoff, Resident of Livingston, New Jersey is an eye doctor who works in New York City and has a lot of evening commitments. Dr. Klibanoff lived in Long Island for many years and her service was on-time every day. She cannot get to work on-time since she moved to New Jersey. Dr. Klibanoff said she is embarrassed because she has to call her office three times a week and ask them to delay her patients' appointments because the train is late.

Dr. Klibanoff was going to complain that there is nowhere to park, but said she does not care because she just wants to get to work on-time. She said the Board members work in the private sector, and said they would have fired her for being late all the time. Dr. Klibanoff suggested the Board Members sign up for the email alerts for Brick Church Station to New York Penn Station, so they can see all the delays. She questioned the 91 percent on-time performance statistic because she said her train is always late.

Board Member Castillo asked for Dr. Klibanoff's train number. Dr. Klibanoff said she takes the 8:12 am train in the morning and the 6:49 pm train in the evening, but it is often cancelled.

Doug O'Malley, Director for Environment New Jersey, said they represent more than 20,000 members. He said the final decision regarding the proposal is not at NJ TRANSIT, but rather in Trenton. Mr. O'Malley believes the only way to stop it is from leadership by the Governor and Legislature. He said the Christie administration has shown a lack of response to transit and transportation issues. Mr. O'Malley believes the Legislature needs to step in to fill the gap and save them from the fare increases and service cuts.

Mr. O'Malley noted the tremendous outreach by NJ TRANSIT employees. He said it was more expansive than five years ago and thanked Executive Director Hakim for attending as many public hearings as possible.

Mr. O'Malley said the service cuts results in no way home from work, family events, and leisure activities. He voiced concern about the service cuts affecting the 419 and 655 bus routes and said they allow people to get to the hospital, jobs, and for teenagers to get home at night from their first job.

Mr. O'Malley said fares have increased the last three decades in an inequitable manner, with fares increasing eight times since the last gas tax increase. He said the fare increases have outpaced inflation at more than 20 percent.

Mr. O'Malley said it is not just a crisis now, but will also be a crisis in fiscal year 2017 as well. He believes the Christie Administration has raided the funding as much as possible in the last five years. Mr. O'Malley said NJ TRANSIT's state funding is \$33 million, but it was previously \$300 million. He said the clean energy fund has been raided and the ARC Tunnel money was used, but that funding is coming to an end. Mr. O'Malley said the Governor, Senate President and Speaker must fix the problem for the short term and long term, without looking to the clean energy fund.

Board Member Greaves said he is a non-voting Board member, representing the union. He said he is opposed to the service cuts and fare increases. Board Member Greaves said the reason he was not able to attend the Board meeting in person was because he was protesting the proposal that morning.

Advisory Committee Report

Suzanne Mack, on behalf of the North and South Jersey committees, said it is good to hear the public speakers, but she does not agree that the NJ TRANSIT Board of Directors does not care. Ms. Mack said the Board of Directors takes every comment into consideration.

Ms. Mack said the two advisory boards met in Atlantic City with Executive Director Hakim and Board Member Finkle. The Advisory Boards are particularly against the service adjustments. The Advisory Committees oppose the fare increase and they suggested non-revenue sources of funding such as marketing services and real estate leases, sales, and billboard advertisements.

Ms. Mack is the Chair of the North Jersey Advisory Committee and they review issues statewide, but it is important to remember South Jersey. There is a need for bus service in South Jersey.

Ms. Mack said the Transportation Trust Fund has been broken for two decades and a stable source of funding is needed. The Committees believe the gas tax should be increased to provide a stable source of funding.

Senior Citizen and Disabled Resident Transportation Advisory Committee Report

Stephen Thorpe, Chairman, Senior Citizen and Disabled Resident Transportation Advisory Committee (SCDRTAC), has been a member since March 2012, served as First-Vice Chairman and was elected as Chairman this past December.

Mr. Thorpe is very concerned that the Senior Citizen and Disabled Resident Transportation Assistance Program (SCDRTAP) does not have a stable source of funding to support the community transportation systems. The demand for these services will significantly increase in the future.

Mr. Thorpe said there will be a one-time increase of \$56,800 due in part to online gambling, but it will be a crisis again next year as they are anticipating an approximate eight percent decrease for fiscal year 2017. He said this simply cannot continue. The counties have tried all they can to find additional sources of revenue, namely Logisticare, vehicle advertising (wraps) and charging fares. These have generally added less than 20 percent to their budgets and can only help in a very small way to offset the huge losses of casino revenue. A stable source of funding is needed now. The senior citizens and disabled residents need the Governor and Legislature to come together and find a way to fund these essential services. Mr. Thorpe is determined to work with NJ TRANSIT, the Legislature and the Governor to obtain a stable funding source.

Board Customer Service Committee Report

Board Member Flora M. Castillo presented the report for the Customer Service Committee. The Customer Service Committee received a Customer Service update and a report on the Social Media Dashboard for March.

Board Administration Committee Report

Board Member Myron P. Shevell presented the report for the Administration Committee. The Administration Committee discussed the board item requesting authorization to enter into sole or single source procurement by exception contracts, with approved vendors, for purchase of materials and services and for the purpose of maintaining/upgrading hardware and software systems.

The Committee also discussed the board item requesting authorization to revise and renew the Corporate Insurance Program, to include services necessary to administer the Program from July 1, 2015 through June 30, 2016, and to enter an agreement with Helmsman Management Services for workers' compensation claims handling and administration services. Additionally, the committee was also provided a Financial Update for March, which included an analysis of ridership trends.

Board Capital Planning, Policy & Privatization Committee Report

Vice Chairman Bruce M. Meisel presented the report for the Capital Planning, Policy & Privatization Committee. The Capital Planning, Policy and Privatization

Committee discussed the need for a consultant to perform surveying services associated with the measurement of rail clearances and track centerline distances along the rail lines to ensure accurate clearance data.

In addition, the Committee discussed the amendment to the 2012 task order consultant contracts program related to the Superstorm Sandy Recovery and Resilience Program

The Committee also discussed the need to purchase and install 175 bus shelters across the State.

Board Safety Committee Statement to Board

James C. Finkle, Jr. presented the Safety Committee Report reporting that June is National Safety Month and provided highlights the recent Safety Committee meeting. On Tuesday, June 2, 2015 the Board Safety Committee was briefed on significant events in the transportation industry; activities within the Office of System Safety; as well as accident and incident statistics.

During the meeting, the Office of System Safety team discussed actions and recommendations taken by the National Transportation Safety Board and Federal Railroad Administration as a result of the recent Amtrak accident. The Board Safety Committee also learned of the Office of System Safety's internal and regional outreach. Such as: Participation in a National Safety Stand-Down day around fall prevention. Working with more than 70 New Jersey Transit volunteers who went to 60 stations to promote and celebrate NJ TRANSIT's first Safety Awareness Day. NJ TRANSIT staff reached nearly 22,000 customers, pedestrians and motorists.

The Office of System Safety Outreach Team visited over 50 schools, making 97 presentations and addressing more than 7,200 school children from grades K through 12 on the importance of safety around railroad tracks.

Executive Director's Monthly Report

Executive Director Hakim said June is National Safety Month and NJ TRANSIT developed a robust internal and external plan to help remind customers and employees that safety is priority one. Safety must remain in the forefront, not only during National Safety Month but each and every day; customers and employees deserve no less than a 100 percent commitment to that goal.

The Office of System Safety is now vigorously reviewing and improving safety programs. The Office will make NJ TRANSIT even safer for workers and customers and this in turn will help hold down the cost of accidents.

With more on safety initiatives, this Office has been advancing since the safety team consolidated over six months ago. Executive Director Hakim invited the Chief of the Office of System Safety, Gardner Tabon, to provide an overview.

Gardner Tabon thanked Executive Director Hakim for the opportunity to share a glimpse into the Office of System Safety's activities. Mr. Tabon said safety is the number one priority at NJ TRANSIT; the safety of customers, employees and the communities served are very important. Mr. Tabon provided examples of the Office of System Safety activities:

- Increased the number of station inspections and field visits.
- Redoubled the emphasis on the need for employees to wear safety gear and being more aware of where their colleagues are working, particularly in the field.
- Visibility is important and so new safety uniforms including hard hats were purchased so that we are more easily identifiable to employees and customers.
- Arranged to have the US Department of Transportation's Transportation Safety Institute conduct safety training courses on-site at the facilities.

The Midland Avenue grade crossing, located in Elmwood Park, is currently NJTRANSIT's most noted of all its grade crossings unfortunately, with the highest number of incidents. NJ TRANSIT has collaborated with the NJ Department of Transportation to put additional safety measures in place to help reduce vehicle- and train-related incidents. Those measures include, but are not limited to, a new pre-emptive traffic signaling system; enhanced pavement markings; signs and more. Additionally, the Office of System Safety Outreach division will be collaborating with the NJ Department of Transportation, local law enforcement, NJ TRANSIT Police Department and others to inform and educate the community and motorists of the enhancements.

At Denville Station, pedestrians and customers were trespassing across tracks and scooting under lowered gates at crossings. As a result, NJ TRANSIT collaborated with local officials and law enforcement to try to offset this dangerous activity. A meeting was held with the Denville police chief and the town business administrator to alert them this situation. In turn, they connected NJ TRANSIT with their town and internal media channels to help "get the word out" to the public about the dangers of rushing underneath closing crossing gates in an effort to "beat the train". Safety posters were created and displayed on the Denville Station platform. Additionally, the Outreach Division is in the process of meeting with the property managers of a new 100-unit complex right near the station that will be ready for occupation very soon. The goal is to engage, inform and educate property management about the dangers that exist and risky behaviors identified. Meeting will be arranged with residents about the same.

During the first quarter of 2015, the Bus and Rail divisions have conducted 458 field inspections/observations; 55 rail station inspections; participated in 66 safety meetings; participated in two diagnostic team meetings with NJ Department of Transportation; conducted 16 project plan and specification reviews; participated in its very first

Foreman Safety Responsibilities Training Sessions; conducted six new-hire training sessions; conducted 17 bus stop and route safety reviews and more.

In addition, the Office of System Safety collaborates with Rail, Bus, Light Rail, Access Link, various unions and the Federal Railroad Administration to mitigate any identified hazards so as to reduce accidents.

Mr. Tabon encouraged everyone to visit njtransit.com for daily safety tips and educational videos on how to safely navigate the NJ TRANSIT system.

Executive Director Hakim said the safety of customers and employees continues to be a key focus at NJ TRANSIT. With that in mind and as NJ TRANSIT moves forward in the decision making process regarding the fare and service adjustments, Executive Director Hakim reassured everyone that NJ TRANSIT will not cut costs when it comes to protecting the well-being of customers and employees. It is simply too high a price to pay.

Over the past 30 days, more than 100 NJ TRANSIT employees traveled throughout the state to listen to customers and their thoughts regarding the fare and service adjustment proposals.

After nine hearings and one information session, NJ TRANSIT gathered passionate, reasoned and detailed feedback from customers which will be presented to the Board of Directors for their review in the next few days.

Executive Director Hakim was gratified that so many of customers took the time to make their voices heard. They play a critical part in helping make the right choices when it comes to effectively managing a large-scale transit agency.

On May 27, 2015, Executive Director Hakim had the honor of participating in the annual NJ TRANSIT Police Awards Ceremony at Secaucus Junction. Nearly 60 police officers and civilians received awards for heroism and outstanding service, including nearly 30 lifesavings awards and recognition for the return of a missing child to his grateful family.

One of those lifesaving awards hit close to home for the NJ TRANSIT family when Chief of Light Rail & Contract Services John Squitieri, his wife and his daughter thanked five people who were instrumental in saving John's life. John suffered a heart attack during a February 24, 2015 training class in Texas. Fortunately, the room was filled with emergency responders who jumped to his aid using their AED and CPR training. Their quick actions literally saved John's life.

Other accomplishments noted during the ceremony included police officers who disarmed potentially dangerous suspects without incident, others who solved complex criminal cases, an alert bus operator who helped police locate a missing child and return him to his family, and a rail electrician who bravely worked to extinguish two separate fires without protective gear until firefighters arrived to complete the work.

It was a privilege to take part in a program that recognizes the men and women of the police department and the many NJ TRANSIT employees who work together as a team to serve and protect customers each day. Executive Director Hakim takes great pride in knowing that their professionalism and dedication are evident each day.

Action Items:

1506-13: MEASUREMENT OF RAIL CLEARANCES AND TRACK CENTER LINE DISTANCES ALONG NJ TRANSIT RAIL LINES

Executive Director Hakim introduced Robert Lavell, Vice President & General, Rail Operations, who presented Action Item 1506-13 for approval.

Robert Lavell recommended approval of Item #1506-13, Measurement of Rail Clearances and Track Center Line Distances Along NJ TRANSIT Rail Lines. Authorization is requested to enter into a contract with BET Consultants, of East Hanover, New Jersey, to perform surveying services associated with the measurement of rail clearances and track centerline distances along NJ TRANSIT Rail Lines in New Jersey at a cost not to exceed \$539,000.00, plus five percent for contingencies, subject to the availability of funds.

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

Roll Call Vote:

Fox	Meisel	Spinello	Petrecca	Shevell	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Non-Voting Member

1506-14: SUPERSTORM SANDY RECOVERY AND RESILENCE PROGRAM: AMENDMENT TO 2012 TASK ORDER CONSULTANT CONTRACTS PROGRAM

Executive Director Hakim introduced Steve Santoro, Assistant Executive Director, Capital Planning & Programs, who presented Action Item 1506-14 for approval.

Steve Santoro recommended approval of Item #1506-14, Superstorm Sandy Recovery and Resilience Program. Approval is requested to increase the total authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with HNTB Corporation by \$11,500,000, for a maximum authorization amount for the 2012 Task Order Consultant Contracts Program (Superstorm Sandy Disaster Recovery and Resilience Program) of \$89,790,000, subject to the availability of funds and Office of State Comptroller approval.

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

Roll Call Vote:

Fox	Meisel	Spinello	Petrella	Shevell	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Non-Voting Member

1506-15: SOLE AND SINGLE SOURCE PROCUREMENT-BY-EXCEPTION WAIVER AUTHORIZATION

Executive Director Hakim introduced James Schworn, Chief, Procurement & Support Services, who presented Action Item 1506-15 for approval.

James Schworn recommended approval of Item #1506-15, Sole and Single Source Procurement-By-Exception Waiver Authorization. Authorization is requested to enter into sole or single source procurement-by-exception contracts for the purchase of materials and services from approved vendors set forth in Exhibit A1 (subject to adjustments) to support Bus, Rail, Light Rail, and Headquarters operations at a cost not to exceed \$20,000,000, subject to the availability of funds. This request will cover a 12-month period from July 1, 2015 to June 30, 2016.

Authorization is requested to enter into sole or single source procurement-by-exception contracts for the purpose of maintaining/upgrading hardware and software systems from approved vendors set forth in Exhibit A2 (subject to adjustments) to support NJ TRANSIT's Information Systems at a total cost not to exceed \$20,000,000, subject to the availability of funds. This request will cover a 12-month period from July 1, 2015 to June 30, 2016.

Authorization is requested to enter into sole or single source procurement-by-exception contracts for the purchase of materials and service from approved vendors set forth in Exhibit A3 (subject to adjustments) to support NJ TRANSIT's Systems Resiliency Program. at a cost not to exceed \$10,000,000, subject to the availability of funds and FTA approval. This request will cover a 12-month period from July 1, 2015 to June 30, 2016.

Chairman Jamie Fox and Board Member Myron P. Shevell recused during the discussion and vote on Item #1506-15. Board Member James C. Finkle, Jr. moved the resolution, Board Member Flora M. Castillo seconded it and it was adopted.

Roll Call Vote:

Fox	Meisel	Spinello	Petrecca	Shevell	Castillo	Finkle	Greaves
Recused	Yes	Yes	Yes	Recused	Yes	Yes	Non-Voting Member

1506-16: CORPORATE INSURANCE PROGRAM ANNUAL RENEWAL

Executive Director Hakim introduced Kathleen Sharman, Chief Financial Officer & Treasurer, who presented Action Item 1506-16 for approval.

Kathleen Sharman recommended approval of Item #1506-16, Corporate Insurance Program Annual Renewal. Authorization is requested to revise and renew the Corporate Insurance Program and to include services necessary to administer the Program for the period July 1, 2015 through June 30, 2016 at an annual cost not to exceed \$17,000,000, plus five percent for contingencies, subject to the availability of funds and adoption of the FY2016 Operating Budget.

Authorization is requested to enter in an agreement with Helmsman Management Services, LLC for workers' compensation claims handling and administration services at a cost not to exceed \$5,424,140 for a period of three years beginning on July 1, 2015 with two, one-year renewal options, subject to the availability of funds, adoption of the FY2016 Operating Budget and future operating budgets.

Board Member Myron P. Shevell recused during the discussion and vote on Item #1506-16. Vice Chairman Bruce M. Meisel moved the resolution, Board Member Flora M. Castillo seconded it and it was adopted.

Roll Call Vote:

Fox	Meisel	Spinello	Petrecca	Shevell	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Recused	Yes	Yes	Non-Voting Member

1506-17: BUS SHELTER PURCHASE AND INSTALLATION OF 175 UNITS OVER 24 MONTHS

Executive Director Hakim introduced Dennis Martin, Vice President & General, Bus Operations, who presented Action Item 1506-17 for approval.

Dennis Martin recommended approval of Item #1506-17, Bus Shelter Purchase and Installation of 175 Units Over 24 Months. Authorization is requested to contract with

Handi-hut Incorporated, Clifton, New Jersey, for the purchase and installation of new bus shelters at a cost not to exceed \$1,627,358, plus five percent contingency.

Board Member James C. Finkle, Jr. moved the resolution, Board Member Flora M. Castillo seconded it and it was unanimously adopted.

Roll Call Vote:

Fox	Meisel	Spinello	Petrella	Shevell	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Non-Voting Member

1506-18: ANNUAL NOTICE OF MEETINGS

Executive Director Hakim introduced Joyce J. Zuczek, Acting Board Secretary, who presented Action Item 1506-18 for approval.

Joyce J. Zuczek recommended approval of Item #1506-18, Annual Notice of Meetings. Authorization is requested to adopt the Annual Notice of Meetings (Exhibit A) for all of the Board of Directors' meetings during Fiscal Year 2016.

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

Roll Call Vote:

Fox	Meisel	Spinello	Petrella	Shevell	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Non-Voting Member

Executive Session Authorization

Chairman Fox concluded the open session agenda items and requested a motion to enter Executive Session to discuss personnel matters, contract negotiations, the status of pending and anticipated litigation and matters falling within the attorney-client privilege, including but not limited to, the Personal Injury Claim of Julio Camacho and the Personal Injury Claim of Gary Good at approximately 10:29 a.m.

Vice Chairman Bruce M. Meisel moved the resolution, Board Member Myron P. Shevell seconded it and it was unanimously adopted.

Chairman Fox, Vice Chairman Meisel, Board Members Spinello, Petrella, Shevell, Finkle and Castillo returned to open session at approximately 10:36 a.m. Board Member Greaves was absent for this portion of the meeting.

1506-19: PERSONAL INJURY CLAIM OF JULIO CAMACHO

Executive Director Hakim introduced Kathleen Sharman, Chief Financial Officer & Treasurer, who presented Action Item 1506-19 for approval.

Kathleen Sharman recommended approval of Item #1506-19, Personal Injury Claim of Julio Camacho. Authorization is requested to settle the claim of Julio Camacho through his attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.

Board Member Flora M. Castillo moved the resolution, Board Member James C. Finkle, Jr. seconded it and it was unanimously adopted.

Roll Call Vote:

Fox	Meisel	Spinello	Petrella	Shevell	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Non-Voting Member

1506-20: PERSONAL INJURY CLAIM OF GARY GOOD

Executive Director Hakim introduced Kathleen Sharman, Chief Financial Officer & Treasurer, who presented Action Item 1506-20 for approval.

Kathleen Sharman recommended approval of Item #1506-20, Personal Injury Claim of Gary Good. Authorization is requested to settle the claim of Gary Good through his attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.

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

Roll Call Vote:

Fox	Meisel	Spinello	Petrella	Shevell	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Non-Voting Member

Adjournment

Since there were no further comments or business, Chairman Fox called for adjournment and a motion to adjourn was made by Vice Chairman Bruce M. Meisel, seconded by Board Member Myron P. Shevell and unanimously adopted. The meeting was adjourned at approximately 10:38 a.m.

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

JUNE 10, 2015

MINUTES

PAGE

- CALL TO ORDER -
- APPROVAL OF MINUTES OF PREVIOUS MEETINGS 47842
- PUBLIC COMMENTS ON AGENDA ITEMS AND OTHER MATTERS -
- ADVISORY COMMITTEE REPORT -
- SENIOR CITIZEN AND DISABLED RESIDENT TRANSPORTATION ADVISORY COMMITTEE REPORT -
- BOARD COMMITTEE REPORTS -
 - *Customer Service Committee
 - *Administration Committee
 - *Capital Planning, Policy and Privatization Committee
 - *Safety Committee
- EXECUTIVE DIRECTOR'S MONTHLY REPORT 47843

ACTION ITEMS

- 1506-13 MEASUREMENT OF RAIL CLEARANCES AND TRACK CENTER LINE DISTANCES ALONG NJ TRANSIT RAIL LINES 47865

Authorization to enter into NJ TRANSIT Contract No. 14-023 with BET Consultants, of East Hanover, New Jersey, to perform surveying services associated with the measurement of rail clearances and track centerline distances along NJ TRANSIT Rail Lines in New Jersey at a cost not to exceed \$539,000.00, plus five percent for contingencies, subject to the availability of funds.

- 1506-14 SUPERSTORM SANDY RECOVERY AND RESILIENCE PROGRAM: AMENDMENT TO 2012 TASK ORDER CONSULTANT CONTRACTS PROGRAM 47869

Authorization to increase the total authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with HNTB Corporation (NJ TRANSIT Contract No. 13-007B) by \$11,500,000, for a maximum authorization amount for the 2012 Task Order Consultant Contracts Program (Superstorm Sandy Disaster Recovery and Resilience Program) of \$89,790,000, subject to the availability of funds and Office of State Comptroller approval. The maximum task order and contract limits for these contracts previously approved

for the 2012 Task Order Consultant Contracts Program will not apply to tasks related to the Superstorm Sandy Disaster Recovery and Resilience Program.

1506-15 FISCAL YEAR 2016 SOLE AND SINGLE SOURCE PROCUREMENT BY EXCEPTION WAIVER AUTHORIZATION 47876

Authorization to enter into sole or single source procurement-by-exception contracts for the purchase of materials and services from approved vendors set forth in Exhibit A1 (subject to adjustments) to support Bus, Rail, Light Rail, and Headquarters operations at a cost not to exceed \$20,000,000, subject to the availability of funds. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2015 to June 30, 2016.

Authorization to enter into sole or single source procurement-by-exception contracts for the purpose of maintaining/upgrading hardware and software systems from approved vendors set forth in Exhibit A2 (subject to adjustments) to support NJ TRANSIT's Information Systems at a total cost not to exceed \$20,000,000, subject to the availability of funds. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2015 to June 30, 2016.

Authorization to enter into sole or single source procurement-by-exception contracts for the purchase of materials and service from approved vendors set forth in Exhibit A3 (subject to adjustments) to support NJ TRANSIT's Systems Resiliency Program at a cost not to exceed \$10,000,000, subject to the availability of funds and FTA approval. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2015 to June 30, 2016.

1506-16 CORPORATE INSURANCE PROGRAM ANNUAL RENEWAL 47890

Authorization to revise and renew the Corporate Insurance Program and to include services necessary to administer the Program for the period July 1, 2015 through June 30, 2016 at an annual cost not to exceed \$17,000,000, plus five percent for contingencies, subject to the availability of funds and adoption of the FY2016 Operating Budget.

Authorization to enter in an agreement with Helmsman Management Services, LLC for workers' compensation claims handling and administration services at a cost not to exceed \$5,424,140 for a period of three years beginning on July 1, 2015 with two, one-year renewal options, subject to the availability of funds, adoption of the FY2016 Operating Budget and future operating budgets.

1506-17 BUS SHELTER PURCHASE AND INSTALLATION OF 175 UNITS OVER 24 MONTHS 47897

Authorization to contract (No.15-016X) with Handi-hut Incorporated, 3 Grunwald Street, Clifton, NJ, 07013, for the purchase and installation of new bus shelters at a cost not to exceed \$1,627,358, plus five percent contingency.

1506-18 ANNUAL NOTICE OF MEETINGS 47900

Adopt the Annual Notice of Meetings (Exhibit A) for all of the Board of Directors' meetings during Fiscal Year 2016.

- **EXECUTIVE SESSION AUTHORIZATION:** Discuss personnel matters, contract negotiations, the status of pending and anticipated litigation and matters falling within the attorney-client privilege, including, but not limited to, the Personal Injury Claim of Julio Camacho and the Personal Injury Claim of Gary Good. **47904**

1506-19 PERSONAL INJURY CLAIM OF JULIO CAMACHO 47905

Authorization to settle the claim of Julio Camacho through his attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.

1506-20 PERSONAL INJURY CLAIM OF GARY GOOD 47907

Authorization to settle the claim of Gary Good through his attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.

- **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 May 13, 2015 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 May 21, 2015;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the May 13, 2015 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.

(NJT Board - 06/10/2015)

47843

Chris Christie, Governor
Kim Guadagno, Lieutenant Governor
Jamie Fox, Board Chairman
Veronique Hakim, Executive Director

NJ TRANSIT

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

TO: BOARD OF DIRECTORS
FROM: VERONIQUE "RONNIE" HAKIM *RH*
DATE: JUNE 10, 2015
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – JUNE 2015

June is National Safety Month, and we have developed a robust internal and external plan to help remind our customers and our employees that safety is priority one.

We are providing daily safety tips from each of our business lines: Rail, Bus, Light Rail and NJ TRANSIT Police on our web site, NJTV and through new safety videos uploaded on to You Tube.

Additionally, the Office of System Safety (OSS) is vigorously reviewing and improving our safety programs. The Office will make NJ TRANSIT even safer for our workers and our customers – and this in turn will help hold down the cost of accidents.

Under the leadership of OSS, the amount of station inspections and field visits has increased, and we have redoubled our emphasis on raising employee awareness about wearing personal protection equipment.

During the first quarter of 2015, OSS has conducted 458 field inspections and observations within our Bus and Rail divisions; participated in 66 safety meetings; engaged in two diagnostic team meetings with the state Department of Transportation; and conducted 17 bus stop and route safety reviews among other efforts.

Safety must remain in the forefront of our minds, not only during National Safety Month but each and every day. Our customers and employees deserve no less than a 100% commitment to that goal.

With that in mind as we move forward in the decision making process regarding the proposed fare and service adjustments, I want to reassure everyone that we will not cut costs when it comes to protecting the well-being of our customers and employees. It is simply too high a price to pay.

Switching gears, over the past 30 days, more than 100 NJ TRANSIT employees traveled throughout the state to listen to our customers and their thoughts regarding our fare and service adjustment proposals.

After nine hearings and one information session, we have gathered passionate, reasoned and detailed feedback from our customers which will be presented to the Board of Directors for its review.

I was gratified that so many of our customers took the time to make their voices heard. They play a critical part in helping us make the right choices when it comes to effectively managing a large-scale transit agency.

We will soon report back to the Board on a final plan and possible implementation schedule following the July 8th Board meeting. We thank all of our customers for their input and continued support.

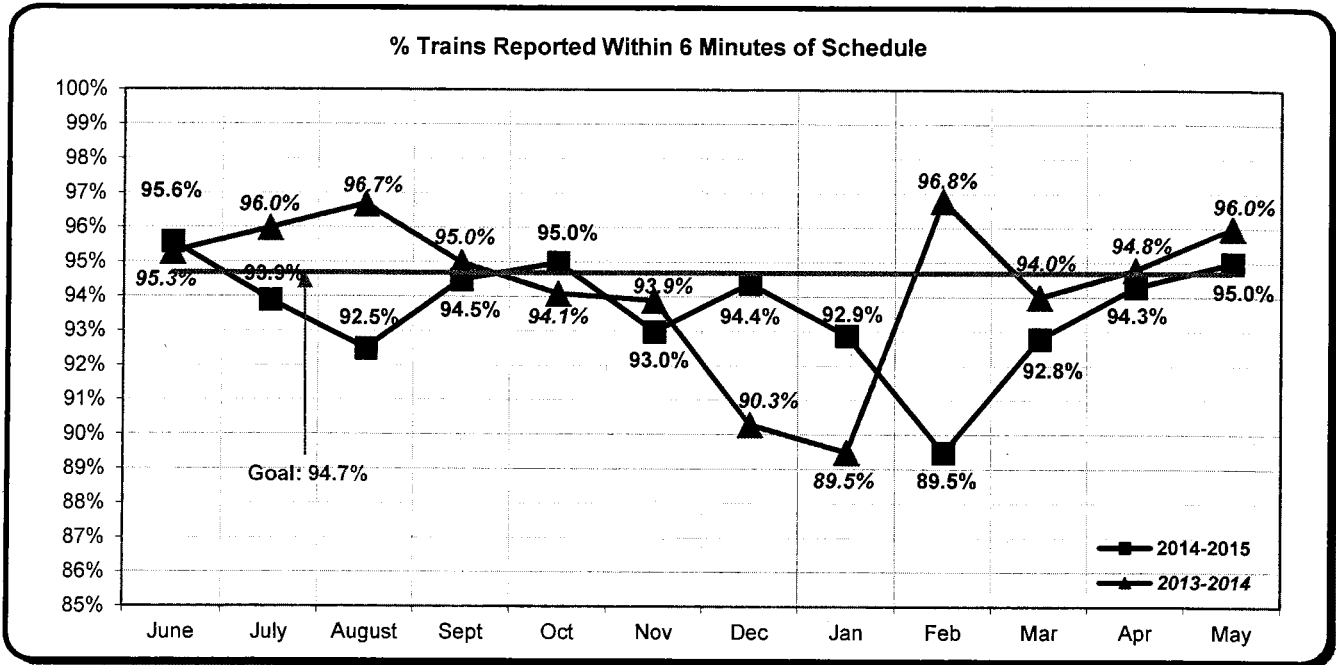
Finally, on May 27th, I had the honor of participating in the annual NJ TRANSIT Police Awards Ceremony at Secaucus Junction. Nearly 60 police officers and civilians received awards for heroism and outstanding service, including nearly 27 lifesavings awards and the return of a missing child to his grateful family.

EXECUTIVE DIRECTOR'S MONTHLY REPORT JUNE 2015

- 1. PERFORMANCE MEASURES**
- 2. MEAN DISTANCE BETWEEN FAILURES**
- 3. DBE/MBE PROGRAM**
- 4. EMPLOYEE RECOGNITION**

PERFORMANCE MEASURES

NJ TRANSIT ON-TIME PERFORMANCE RAIL JUNE 2013 - MAY 2015



	2014	2015	# Change
May Comparison	96.0%	95.0%	-1.0%

	2013-2014	2014-2015	# Change
12-Month Average June-May	94.4%	93.6%	-0.8%

Analysis:

Rail On-Time Performance was 95.0% for May 2015. Of the 17,903 trains scheduled to operate, 17,008 were on time, while 895 trains (or 5.0%) were delayed. Key causes included:

- An NJT operational issue accounted for 69 delays for a total OTP of 88.3% on May 1.
- Amtrak catenary failure and NJT equipment problems caused 89 delays for a total of 86.0% on May 27.
- An NJT grade crossing incident, NJT weather-related delays, Amtrak high speed rail project, Amtrak weather-related signal failure and NJT electric locomotive issues caused 42 delays for a total of 85.4% on May 31.

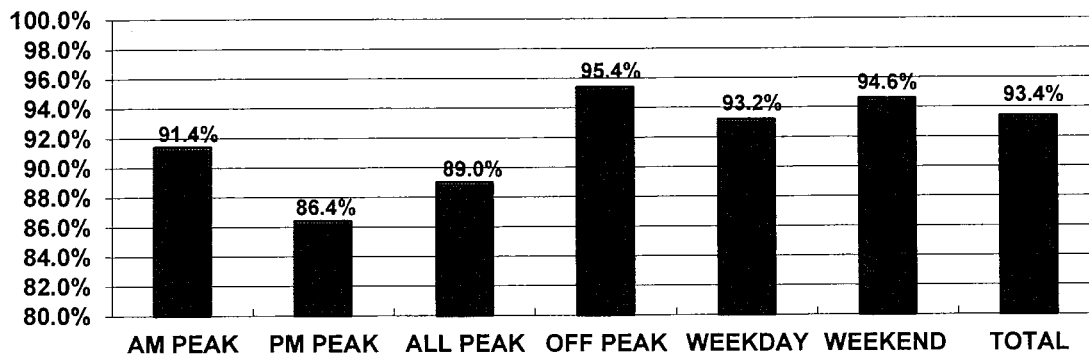
The 12-month average for Rail On-Time Performance for June 2013 - May 2015 was 94.0%.

ON-TIME PERFORMANCE RAIL

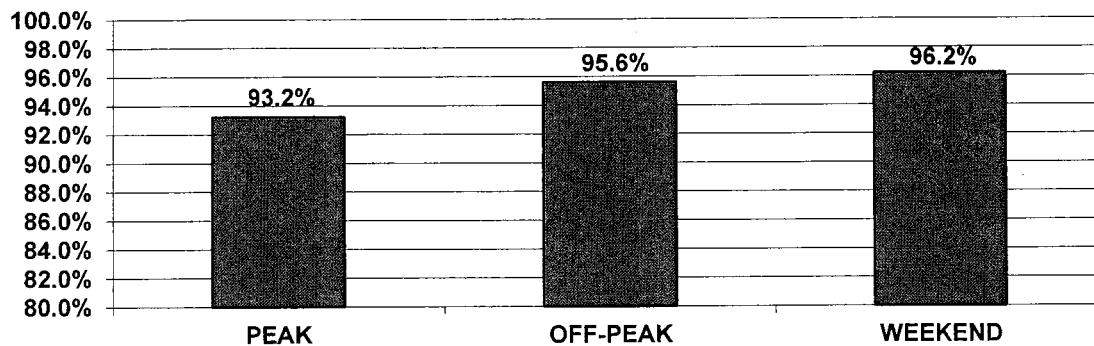
SUMMARY BY TIME PERIOD MAY 2015

* NOTE: A train is reported late if it arrives at its final station stop more than 5'59" later than the advertised schedule.

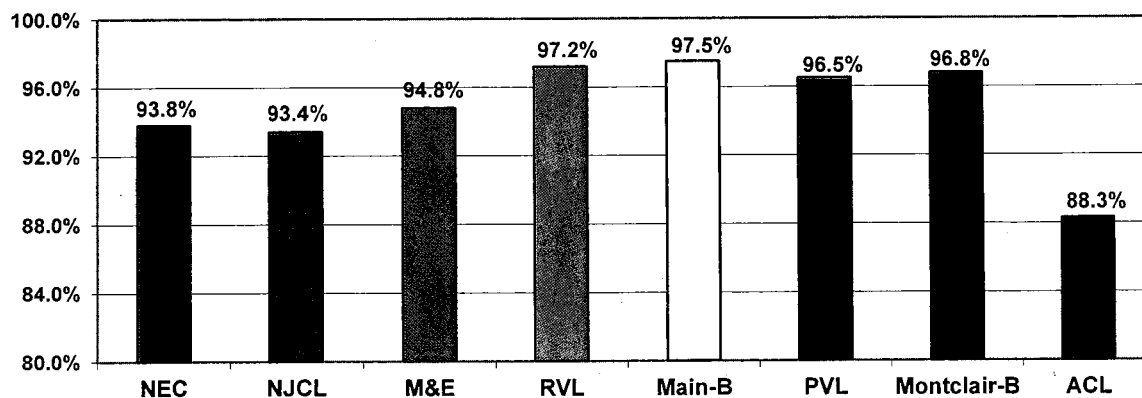
% NEW YORK PENN STATION Trains Reported On Time *



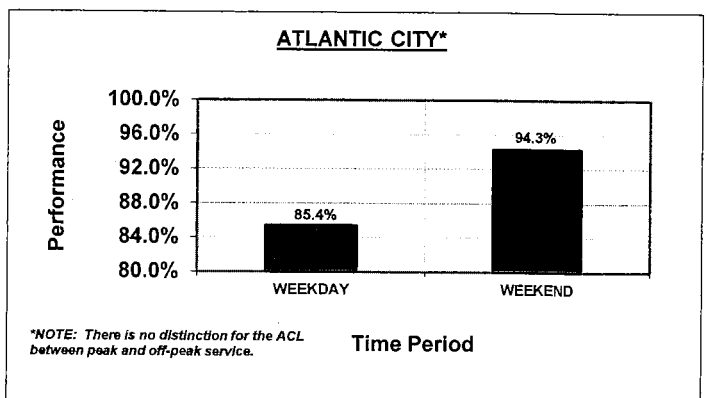
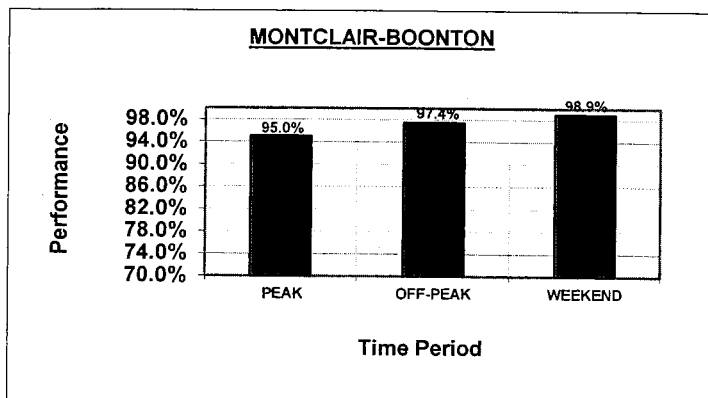
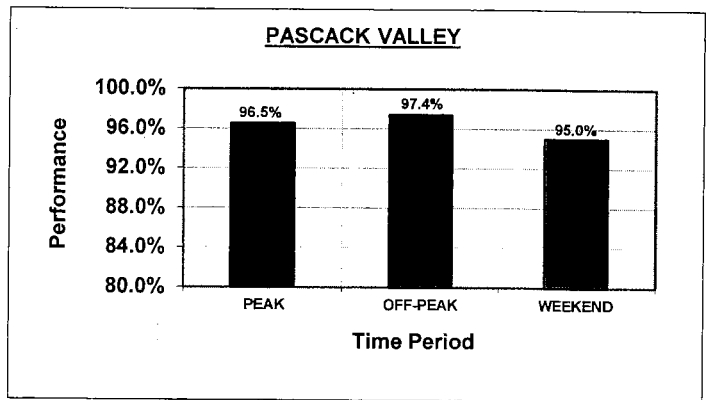
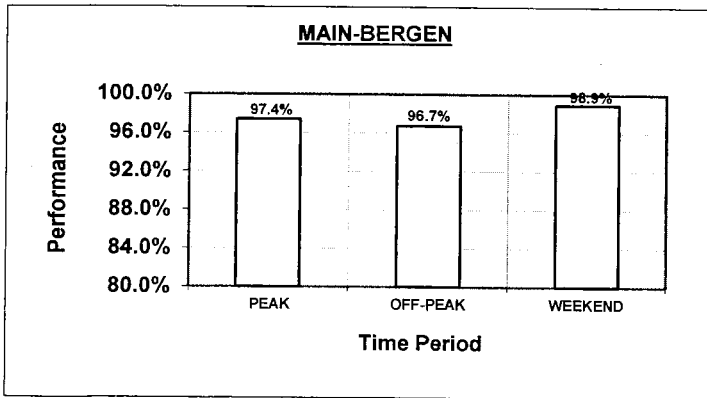
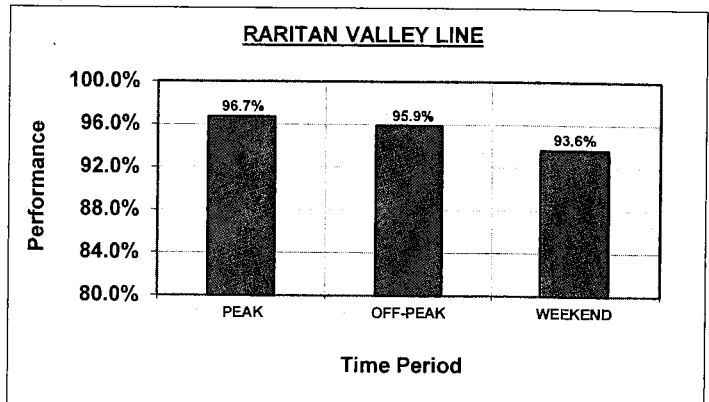
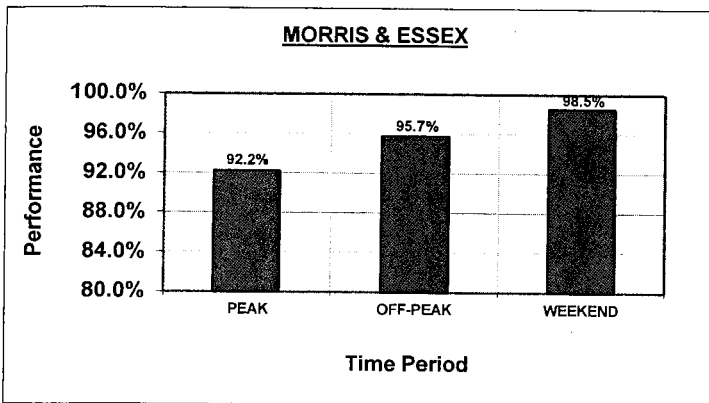
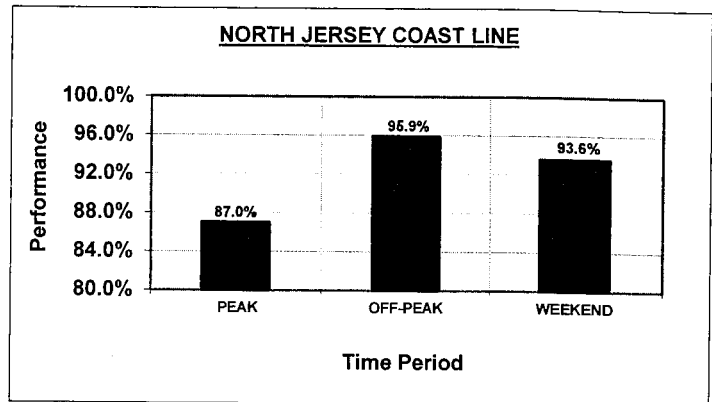
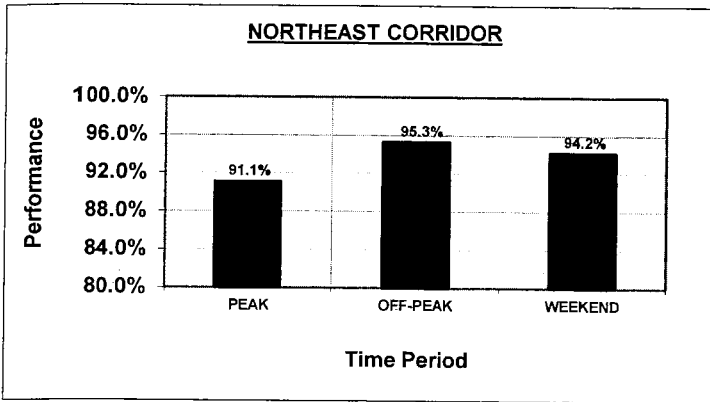
% SYSTEMWIDE Trains Reported On Time



% BY LINE Trains Reported On Time

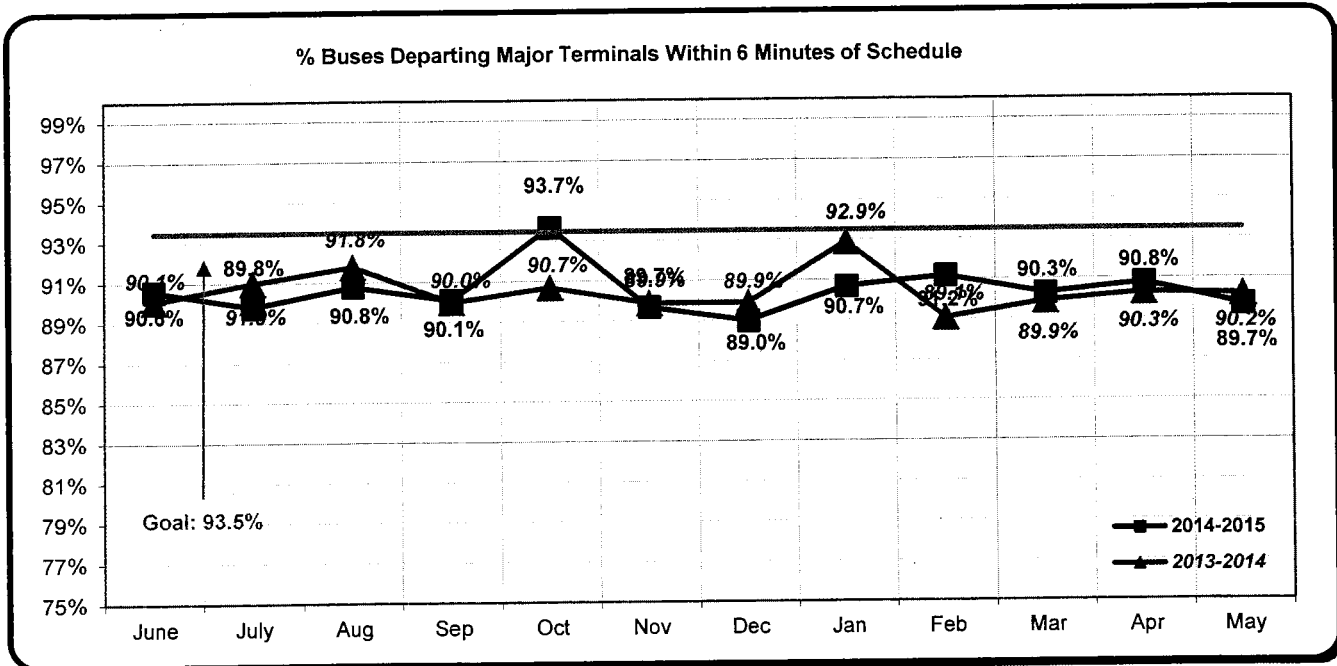


ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD MAY 2015



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

NJ TRANSIT ON-TIME PERFORMANCE BUS JUNE 2013 - MAY 2015



	2014	2015	% Change
May Comparison	90.2%	89.7%	-0.5%
12-Month Average June-May	90.5%	90.5%	0.0%

Analysis:

Bus On-Time Performance was 89.7% for May 2015. Of the 41,252 monitored departures, 4,263 (or 10.3%) experienced delays. Key causes included:

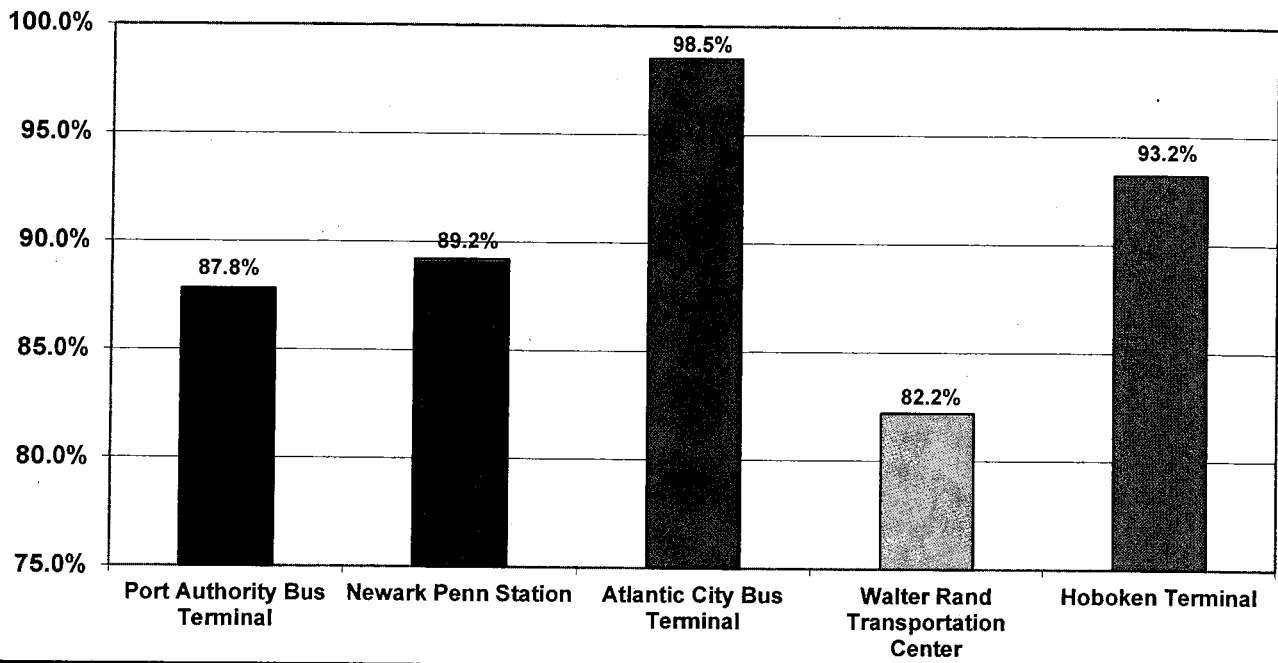
- A disabled bus and a four-car accident on May 5 caused 30-minute delays; a disabled bus with oil spill at a Lincoln Tunnel toll booth caused 45 minute delays on May 15; and a parade in Hoboken and holiday traffic on May 22 caused significant delays impacting Port Authority Bus Terminal service.
- Vehicular accidents (not involving NJT), detours, and mechanical breakdowns contributed to delays on May 1, 4, 20 and 22 affecting Newark Penn Station service.
- Route 3 construction, reduced travel lanes on Observer Highway and a local parade affecting Hoboken Terminal service.

The 12-month average for Bus On-Time Performance for June 2013 - May 2015 was 90.5%.

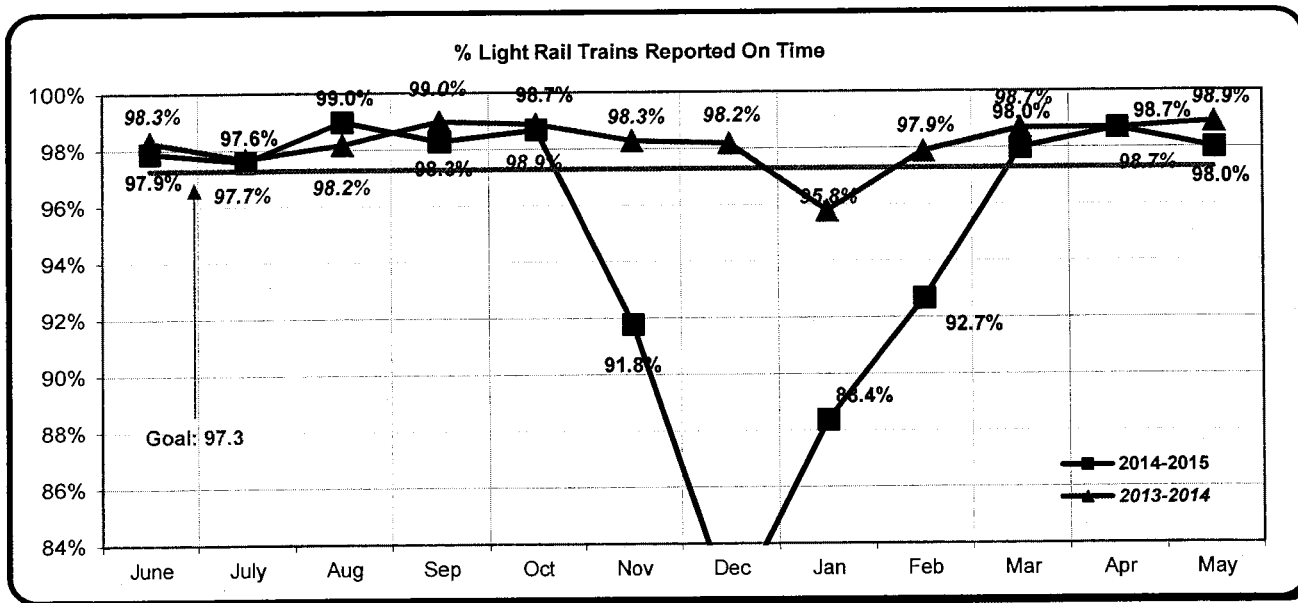
ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL MAY 2015

% Buses Departing Major Terminals On Time



NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL JUNE 2013 - MAY 2015



	2014	2015	# Change
May Comparison	98.9%	98.0%	-0.9%

	2013-2014	2014-2015	# Change
12-Month Average June-May	98.2%	95.1%	-3.1%

Analysis:

Light Rail On-Time Performance systemwide was 98.0% for the month of May 2015. Of the 25,921 monitored departures, 536 (or 2.0%) experienced delays. Key causes included:

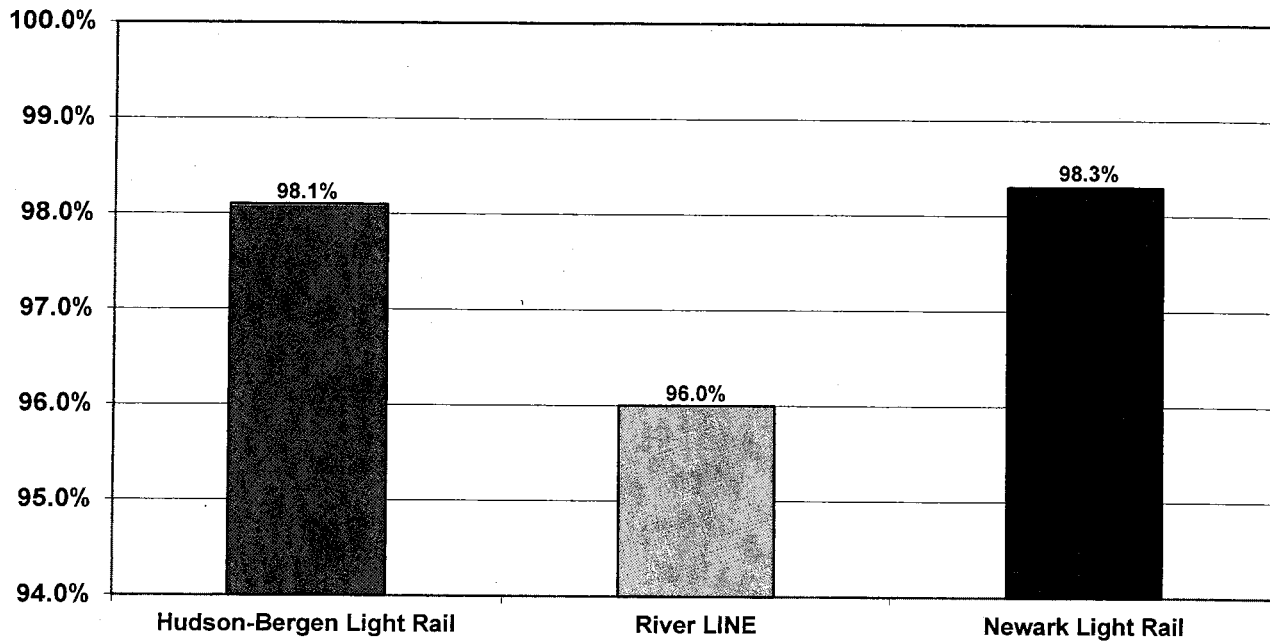
- Weather-related overhead wire problems at Bay and Horwick interlockings delayed 133 Hudson-Bergen Light Rail trains on May 26.
- Police activity delayed 20 River Line trains on May 20.
- Overhead wire problems at the Broad Street Extension delayed 56 Newark Light Rail trains on May 28th.

The 12-month average for Light Rail On-Time Performance for June 2013 - May 2015 was 96.7%.

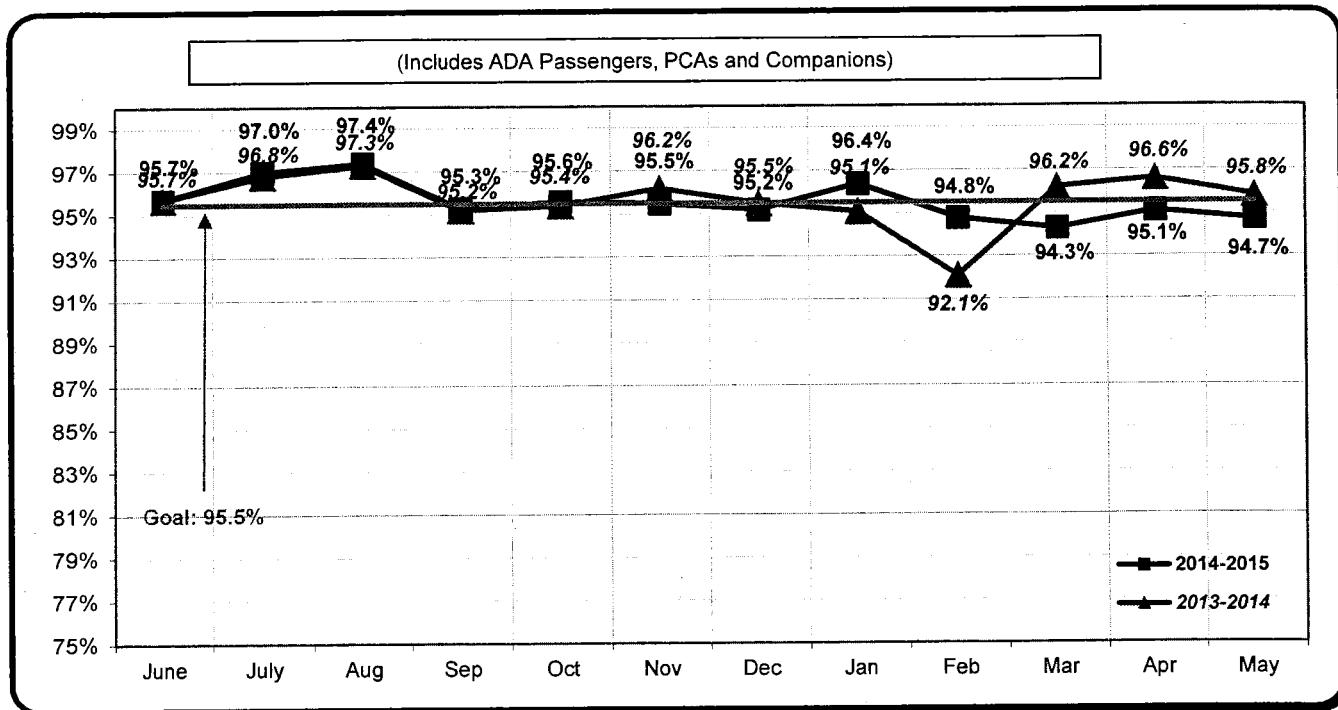
ON-TIME PERFORMANCE LIGHT RAIL

SUMMARY BY LINE MAY 2015

% Light Rail Trains Reported On Time



NJ TRANSIT ON-TIME PERFORMANCE ACCESS LINK JUNE 2013 - MAY 2015



	2014	2015	% Change
May Comparison	95.8%	94.7%	-1.1%

	2014	2015	Change
May Ridership	115,918	125,314	9,396

	2013-2014	2014-2015	% Change
12-Month Average May-April	95.7%	95.6%	-0.1%

Analysis:

Access Link On-Time Performance was 94.7% for May 2015. Of the 125,314 total trips, 6,628, or 5.3% experienced delays.

Key causes include:

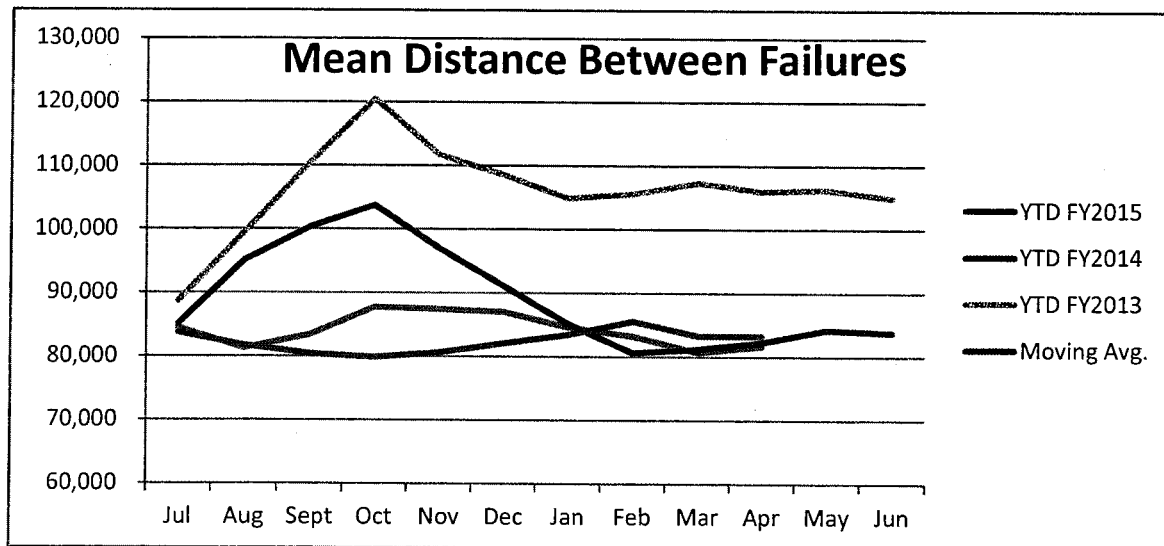
- * Traffic congestion.
- * Road closures and construction.
- * Trips cancelled by customers and customer no-shows.

The 12-month average for Access Link On-Time Performance for June 2013 - May 2015 was 95.7%.

MEAN DISTANCE BETWEEN FAILURES

NJ Transit Rail
Mean Distance Between Failures

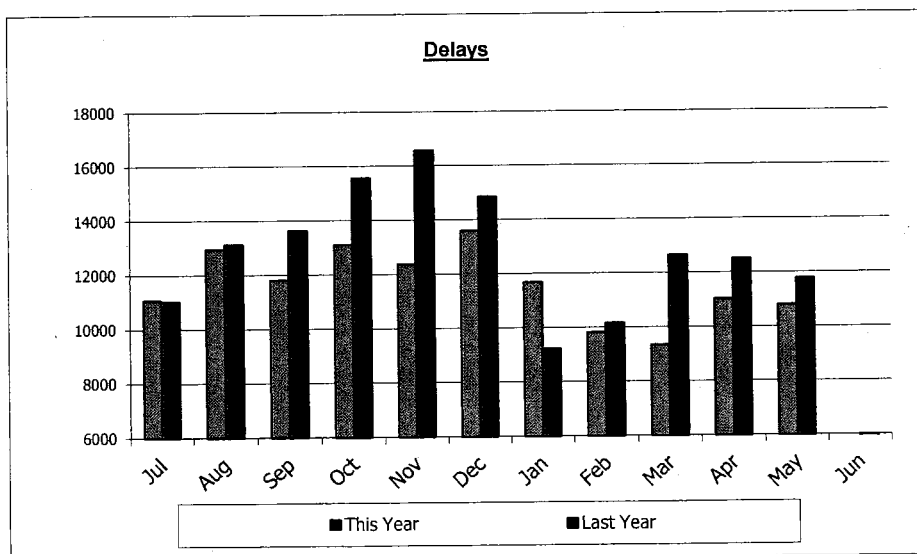
Month	YTD FY2015	YTD FY2014	YTD FY2013	YTD FY 2012	12 Month Moving Avg.
Jul	84,508	85,097	88,735	78,933	83,750
Aug	81,319	95,116	99,585	87,525	81,718
Sept	83,368	100,341	110,530	89,028	80,405
Oct	87,750	103,813	120,591	91,327	79,867
Nov	87,434	97,112	111,758	90,518	80,641
Dec	87,042	91,128	108,579	91,523	82,064
Jan	84,607	85,161	104,917	92,489	83,493
Feb	83,179	80,639	105,580	96,166	85,552
Mar	80,659	81,229	107,335	98,412	83,308
Apr	81,649	82,293	106,048	102,149	83,222
May		84,237	106,287	102,237	-
Jun		83,798	104,975	103,748	-



Garage Performance Parameters

May 2015

Location	Miles Between In-Service Delays			
	FY2015 Goal	This Month	FY2015 YTD	FY2014 YTD
Fairview	7,500	6,058	6,363	7,151
Greenville	10,000	5,946	6,751	8,825
Market Street	12,500	7,666	8,968	13,668
Meadowlands	11,800	6,539	8,732	9,484
Oradell	15,000	9,537	9,726	10,726
Wayne	14,000	11,530	11,174	11,312
Northern Division	-	8,189	9,050	10,379
Big Tree	9,600	8,334	9,513	11,461
Hilton	10,500	8,042	10,519	12,447
Howell	16,750	31,281	20,522	16,894
Ironbound	9,800	9,549	9,862	9,430
Orange	10,200	11,285	11,493	12,201
Morris	10,500	50,238	49,942	50,386
Central Division	-	12,373	12,528	12,520
Egg Harbor	16,000	15,711	14,943	18,819
Hamilton	24,500	21,255	17,878	21,950
Newton Avenue	14,650	15,390	14,939	14,410
Washington Twp.	15,000	10,425	13,320	14,389
Southern Division	-	13,779	14,650	16,411
Bus Operations	-	10,794	11,463	12,447

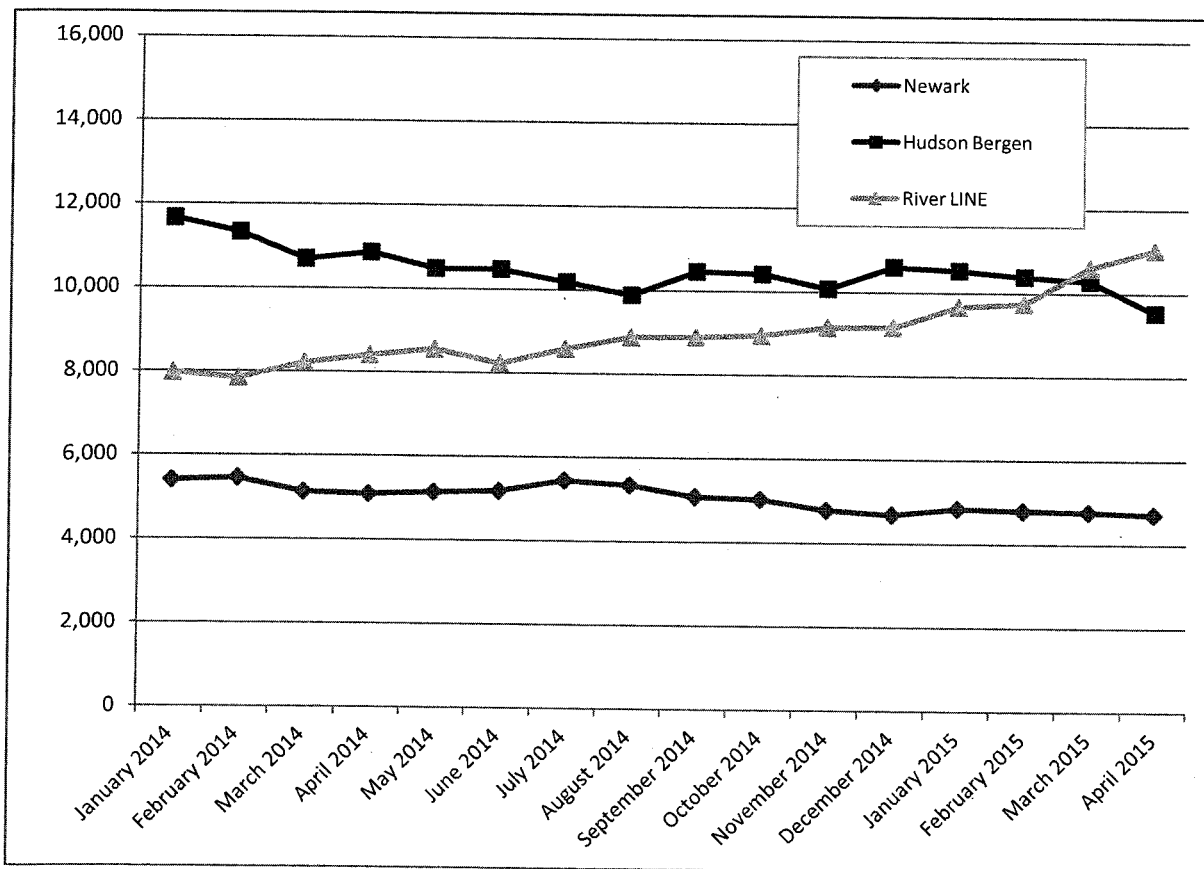


NJ TRANSIT - LIGHT RAIL, April 2015

Miles Between In-Service Delays (Mechanical Failures)

Light Rail System	April 2015 (Current Month)	12 Month Moving Average (Mean)
Newark Light Rail	5,228	4,711
Hudson Bergen	8,018	9,528
River LINE	15,039	11,037

MEAN DISTANCE MILES BETWEEN IN-SERVICE DELAYS (DELAYED TRAINS)



Notes: Newark Light Rail's totals are impacted by the short 5 mile alignment distance and single car consists.

DBE/MBE PROGRAM

State Funded Contracts

During the month of May 2015, NJ TRANSIT awarded **\$0.00** in state funded contracts. Of that total, Small Business Enterprises (SBEs) received **\$0.00** or **0%**.

During the State Fiscal Year **2015** (July 1, 2014 through June 30, 2015) NJ TRANSIT awarded **\$41,846,676.89*** in state funded contracts. Of that total, SBEs received **\$7,410,845.16** or **17.71%**.

*** Previously awarded \$100,000 during the month of March that was not reported in the May ED Report.**

SBE Goal Attainment from July 1, 2014 through June 30, 2015 (FY 2015)

Category 1 SBEs received	\$188,131.47	or 0.45%
Category 2 SBEs received	\$772,682.95	or 1.85%
Category 3 SBEs received	\$1,428,343.00	or 3.42%
Category 4 SBEs received	\$2,749,623.74	or 6.59%
Category 5 SBEs received	\$2,102,414.00	or 5.04%
Category 6 SBEs received	\$169,650.00	or 0.41%

FTA Funded Contracts (updated Quarterly – next update will occur at the end of June 2015)

During the 2nd Quarter (January 1, 2015 through March 31, 2015) of Federal Fiscal Year 2015 (October 1, 2014 through September 30, 2015), the FTA funded share of NJ TRANSIT's federal contracts awarded was **\$522,393.00**. Of that total, Disadvantaged Business Enterprises (DBEs) received **\$0.00** or **0%**.

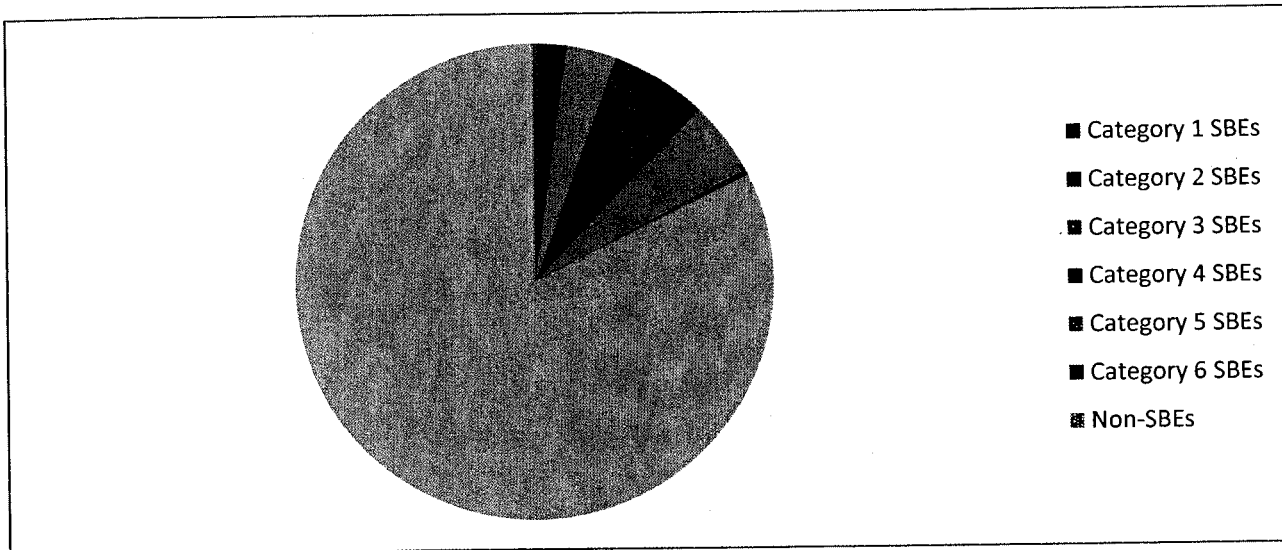
DBE Goal Attainment from October 1, 2013 (FFY 2014) - September 30, 2016 (FFY 2016)*

Contracts awarded	\$22,312,655.65
DBEs received	\$ 4,234,696.34 or 18.98%

*Numbers reflect federal share.

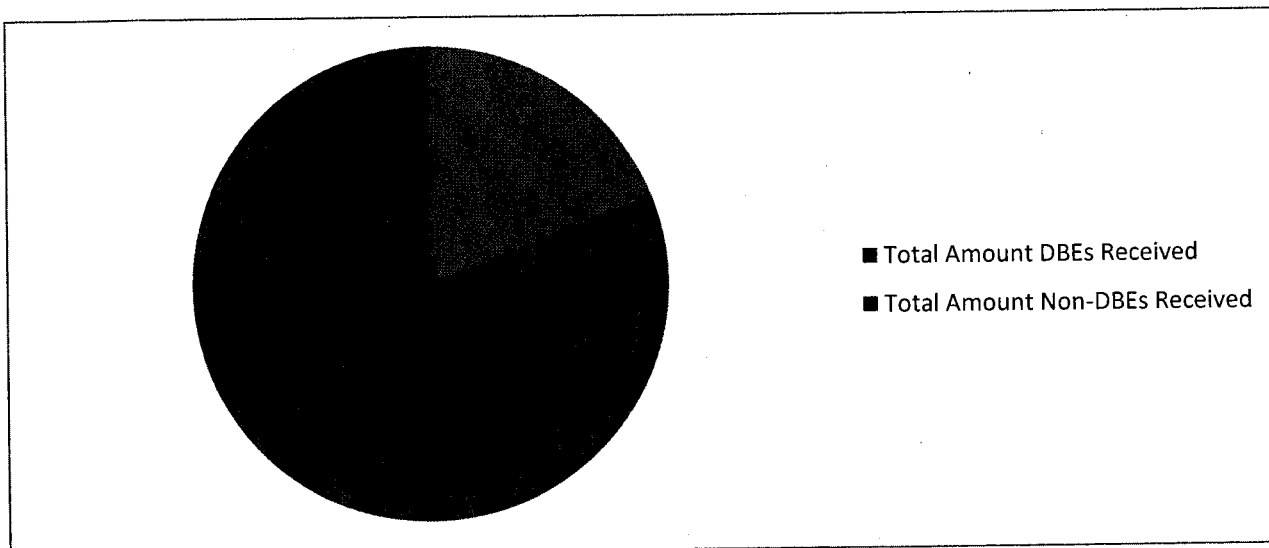
SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD 2015

<i>Category 1 SBEs</i>	\$188,131.47	0.45%
<i>Category 2 SBEs</i>	\$772,682.95	1.85%
<i>Category 3 SBEs</i>	\$1,428,343.00	3.41%
<i>Category 4 SBEs</i>	\$2,749,623.74	6.57%
<i>Category 5 SBEs</i>	\$2,102,414.00	5.02%
<i>Category 6 SBEs</i>	\$169,650.00	0.41%
<i>Non-SBEs</i>	\$34,435,831.73	82.29%



DBE PARTICIPATION
FEDERAL CONTRACTS
TRIENNIAL YEARS 2014-2016

Total Amount DBEs Received	\$4,234,696.34	18.98%
Total Amount Non-DBEs Received	\$18,077,959.30	81.02%



EMPLOYEE RECOGNITION

NJ TRANSIT employees bid farewell after outstanding careers

Forty NJ TRANSIT employees retired in June with careers ranging from 8 to 43 years of service:

1. Debra Neblett, Lead Clerk, Newark Penn – 31 years
2. Roopnarine Sookeo, Foreman Station Attendant – Newark Penn – 19 years
3. Peter Burke, Maintainer -- Raritan – 29 years
4. Andrew Annuziata, Maintainer – Kearny – 13 years
5. Steve Hardy, Car Maintainer – Dover – 30 years
6. William Stone, Locomotive Engineer – Newark Division – 8 years
7. Kris Kondor, Conductor – Newark Division – 43 years
8. Robert Gibbs, Conductor – Newark Division – 30 years
9. Richard Loeven, Sr. Project Engineer – Penn Plaza – 35 years
10. Frank Curci, Manager – Hoboken – 38 years
11. Michael Gaspartich, DGM/Infrastructure Engineering – Penn Plaza – 37 years
12. Karen McCallum, Rail Field Operations Revenue – Newark Penn – 20 years
13. Terry Halifko, Supervisor Train Operations – Kearny – 22 years
14. Keith Bailey, Repairman Class "A" – Big Tree Garage – 25 years
15. Lester Burrell, Bus Operator – Oradell Garage – 31 years
16. Michael Clifford, Mechanic – Meadowlands Garage – 33 years
17. Charlie Davis, Bus Operator – Big Tree Garage – 27 years
18. Joe Fitzpatrick, Bus Operator – Howell Garage – 21 years
19. Gerald Hamilton, Light Rail Operator – Newark Light Rail – 27 years
20. Robert Jones, Bus Operator – Wayne Garage – 33 years
21. Constantine Matthews, Special Mechanic Welder, Newark – 33 years
22. Joseph Stanzione, Bus Operator – Greenville Garage – 22 years
23. Michael Suzan, Bus Operator – Orange Garage – 13 years
24. Rose Primus, Chief Telephone Clerk -- Maplewood – 14 years
25. Flora Rammel, Bus Operator – Egg Harbor Garage – 23 years
26. Luz Santana, Bus Operator – Meadowlands Garage – 22 years
27. Frederick Schuckle, Bus Operator – Egg Harbor Garage – 35 years
28. Wilfredo DeHoyos, Bus Operator – Egg Harbor Garage – 15 years
29. Dominick Diella, Bus Operator – Meadowlands Garage – 20 years
30. Richard Small, Jr., Bus Operator – Washington Township Garage -- 15 years
31. David Aguedelo, Bus Operator – Fairview Garage – 23 years
32. Bolivar Illescas, Bus Operator – Fairview Garage – 11 years
33. Behrouz Rashkan, Bus Operator – Fairview Garage – 26 years

34. Roscoe Bell, Bus Operator – Hamilton Garage – 13 years
35. Lisa Braxton, Data Collection – Penn Plaza – 27 years
36. Jacqueline Hannah, Sr. Bus Development Specialist – Penn Plaza – 26 years
37. Steve Magnotta, Superintendent – Hudson-Bergen Light Rail – 30 years
38. Vonzetta Smith, Garage Foreman -- Newton Avenue – 30 years
39. Marc Bebbino, Director Material and Technical – Penn Plaza – 16 years
40. Stanley Wrobel, DGM/Bus Vehicle Maintenance – Penn Plaza – 23 years

ACTION ITEMS

ITEM 1506-13: MEASUREMENT OF RAIL CLEARANCES AND TRACK CENTER LINE DISTANCES ALONG NJ TRANSIT RAIL LINES

BENEFITS

The current measurement of rail clearances and track centerline distances along NJ TRANSIT Rail Lines are outdated and require the documentation of dimensional changes to the clearances that occur from regular infrastructure maintenance and new construction along the right-of-way.

Accurate clearance data is necessary to comply with 49 CFR Part 237- Bridge Safety Standards, which mandates that track owners compile dimensional data of their operating lines in order to prevent damage from occurring to various infrastructure facilities. The data is also needed to determine whether NJ TRANSIT can allow the passage of over-dimensioned equipment from freight companies with which NJ TRANSIT has executed Trackage Rights Agreements.

Upon completion of this project, all measurement of rail clearances and track centerline distances will be up to date.

ACTION (Scorecard: Safety & Security)

Staff seeks authorization to enter into NJ TRANSIT Contract No. 14-023 with BET Consultants, of East Hanover, New Jersey, to perform surveying services associated with the measurement of rail clearances and track centerline distances along NJ TRANSIT Rail Lines in New Jersey at a cost not to exceed \$539,000.00, plus five percent for contingencies, subject to the availability of funds.

PURPOSE

It is the intention of NJ TRANSIT to retain the services of a qualified Consultant to measure and document: (a) main track horizontal and vertical clearances, and map any encroachments into the clearance envelope of the tracks, and (b) distances between track center lines, covering all track miles, including all overhead structures, all tunnels, bridges, side walls, and all stations along the right of way.

BACKGROUND

History

The current NJ TRANSIT's database of rail clearances and track centerline distances along NJ TRANSIT rail lines is over seven years old and needs to be updated to document dimensional changes along the right-of-way that occur from regular infrastructure maintenance and new construction.

While mandated by 49 CFR Part 237- Bridge Safety Standards, knowledge of this data is important since NJ TRANSIT has executed Trackage Rights Agreements with various freight carriers. Freight carriers must determine if exceptional equipment will be accepted by NJ TRANSIT for passage on our rail system before they can accept the business. Often, accommodations are made by NJ TRANSIT to allow their passage by providing crews as required along the route, at the carrier's cost, to drop retractable edges on station platforms, de-energize the catenary or "walk" the equipment through structures with tight clearances.

Project Justification

49 CFR Part 237- Bridge Safety Standards mandates that track owners compile dimensional data of their operating lines in order to prevent damage from occurring to various infrastructure facilities.

The project will provide accurate data to make the determination of safe clearance.

Procurement

The intent of the Request for Proposal (RFP) was to select a qualified consulting firm to provide professional services in connection with the Measurement of Rail Clearances and Track Centerline Distances along NJ TRANSIT Rail Lines in New Jersey.

The chronology of the procurement is as follows:

- Advertisement: October 29, 2014
- Pre-Proposal Conference: November 12, 2014
- Technical Proposals received: December 11, 2014
- Oral Presentations: January 21, 22, and 23, and March 4, 2015
- Cost Proposals received: December 11, 2014
- Award Contract: July 2015

The Office of Business Development assigned zero percent (0%) to Small Business Enterprises (SBE) for this project.

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

FISCAL IMPACTS

Requested Authorization: \$539,000.00 (Contract No. 14-023) plus 5% for contingencies

Past Authorizations: \$0

Expenditures to Date: \$0

Total Project Cost: \$539,000

Projected Date of Completion: May 2016

Capital Program Amount: \$850,000

Operating Budget Amount: \$0

Anticipated Source of Funds: Transportation Trust Fund

PRINTS ID Number: NJT00921

DBE/SBE Goal: 0% SBE

***NJ Build* Amount:** None

Related/Future Authorizations: None

Impacts on Subsequent Operating Budgets: None

RESOLUTION

WHEREAS, NJ TRANSIT's Measurement of Rail Clearances and Track Centerline Distances along NJ TRANSIT Rail Lines are outdated; and

WHEREAS, 49 CFR Part 237- Bridge Safety Standards mandates that track owners compile dimensional data of their operating lines; and

WHEREAS, Accurate clearance data is necessary to determine whether NJ TRANSIT can allow the passage of over-dimensioned equipment from freight companies with which NJ TRANSIT has executed Trackage Rights Agreements; and

WHEREAS, upon completion of a competitive procurement process, it was determined that BET Consultants submitted the most technically qualified proposal, the cost of which was negotiated to provide the best value to NJ TRANSIT;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into NJ TRANSIT Contract No. 14-023 with BET Consultants, of East Hanover, New Jersey, to perform Measurement of Rail Clearances and Track Centerline Distances along NJ TRANSIT Rail Lines in New Jersey at a cost not to exceed \$539,000.00, plus five percent for contingencies, subject to the availability of funds.

ITEM 1506-14: SUPERSTORM SANDY RECOVERY AND RESILIENCE PROGRAM: AMENDMENT TO 2012 TASK ORDER CONSULTANT CONTRACTS PROGRAM

BENEFITS

The repairs and protective measures critical to restore and maintain safe and reliable public transportation at pre-storm conditions are extensive and technically complex. This action will enable NJ TRANSIT to continue to supplement staff resources with specialized oversight, engineering and design services to support its efforts to deliver the Superstorm Sandy Recovery and Resilience Program (SSRRP).

The consultant included in this authorization request will continue progressing the SSRRP by providing technical expertise to support NJ TRANSIT staff in accomplishing the restoration and repair work necessary to comply with operating and state requirements, as well as continuing to advance critical resilience projects to better prepare NJ TRANSIT for future extreme weather events and other hazards. The consultant is currently under contract with NJ TRANSIT following the completion of competitive procurement processes and prior approval of the NJ TRANSIT Board of Directors.

ACTION (Scorecard: Customer Experience, Corporate Accountability, Financial Performance, Safety and Security)

Staff seeks authorization to increase the total authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with HNTB Corporation (NJ TRANSIT Contract No. 13-007B) by \$11,500,000, for a maximum authorization amount for the 2012 Task Order Consultant Contracts Program (Superstorm Sandy Disaster Recovery and Resilience Program) of \$89,790,000, subject to the availability of funds and Office of State Comptroller approval. The maximum task order and contract limits for these contracts previously approved for the 2012 Task Order Consultant Contracts Program will not apply to tasks related to the Superstorm Sandy Disaster Recovery and Resilience Program.

PURPOSE

Authorization of this contract amendment will provide for the continuation of program management support services associated with NJ TRANSIT's long-term recovery from Superstorm Sandy and focused efforts to advance resilience projects that better prepare NJ TRANSIT for future extreme weather events and other hazards. Retention of these consultant services will amplify NJ TRANSIT's ability to manage the design and construction of a broad suite of projects to secure a more resilient transit system. A summary of the contract limits is shown in Exhibit A.

With this action, the total 2012 Task Order Consultants Contract Program authorization will be \$123,040,000: \$33,250,000 for non-Superstorm Sandy tasks and \$89,790,000 for Superstorm Sandy tasks.

BACKGROUND

Public transportation is a critical imperative to minimize traffic congestion, provide commutation and accessibility services, promote commerce, and enable citizens to obtain the necessities of life, as well as access to essential services such as police, fire, and first aid and to preserve much needed resources such as fuel.

The damage caused from Superstorm Sandy included coastal storm surges that flooded rail yards, substations, and terminals. Inland the storm resulted in fallen trees, downed power lines, damage to roadways, and disruptions in electrical service.

Superstorm Sandy Recovery and Resilience Program

NJ TRANSIT has developed an interdisciplinary program utilizing both in-house staff and consulting firms to manage the design and construction of the projects identified as critical to repairing and making more resilient NJ TRANSIT's infrastructure, including substations, signal and communications systems, and other building and infrastructure repair and resilience measures.

Program Manager – HNTB Corporation

HNTB Corporation's role is to provide program and project management support to NJ TRANSIT's SSRRP, for program management and administration, scheduling, cost estimating, document control, quality management, risk management, budget control, procurement and construction management support, project management support (for certain projects), intra-program design coordination, and track outage and force account coordination. HNTB is also assisting NJ TRANSIT in fulfilling FTA reporting requirements and other compliance requirements.

The Board previously authorized \$25,000,000 for HNTB (Item 1303-07 – \$5,000,000; Item 1308-37 – \$7,000,000; Item 1404-15 - \$13,000,000). This authorization request is for an additional \$11,500,000, for a total authorization of \$35,500,000, to continue these services through July 2016. By the end of July 2015, HNTB will have received directives totaling \$24,540,000 under the current authorizations.

Funding

On February 4, 2013, the U.S. Department of Transportation (USDOT) announced the availability of \$2 billion through the FTA's Emergency Relief Program to help protect, repair, reconstruct, and replace public transit equipment and facilities that were badly damaged by Superstorm Sandy. The funds were the first installment of up to \$10.9 billion appropriated to the FTA through the Disaster Relief Appropriations Act of 2013, which President Obama signed into law on January 29, 2013.

To date NJ TRANSIT has received funding allocations from FTA in the following amounts:

Emergency and Other Repair Work Initiated Prior to 01/29/2013	\$ 144,416,559
Recovery and Restoration Projects	\$ 197,574,198
Locally Prioritized Resilience Projects	<u>\$ 106,199,045</u>
Total	\$ 448,189,802

On December 26, 2014, FTA announced its award of a total of \$1.27 billion to NJ TRANSIT in additional funding through a 13-state competition for five resilience projects, as follows:

NJ TRANSITGRID	\$ 409,764,814
Delco Lead	\$ 184,493,910
Hoboken Long Slip	\$ 146,548,432
Raritan River Bridge	\$ 446,312,465
Train Controls	<u>\$ 88,903,190</u>
Total	\$1,276,022,811

Office of State Comptroller approval for this contract amendment has been requested, as required under Executive Order 125.

FISCAL IMPACTS

Requested Authorizations:

2012 Task Order Consultant	This Authorization	\$ 11,500,000
Contracts Program (Superstorm Sandy Disaster Recovery Program)	Total Authorization	\$ 89,790,000

Past Authorizations:

2012 Task Order Consultant Contracts Program

October 2012 Item 1210-48	Task Order Consultant Contracts for Corridor Planning; Environmental Consulting Services; Qualitative and Quantitative Research; Rail Operation & Infrastructure Planning; and Stations, Access & Site Planning
December 2012 Item 1212-61	Task Order Consultant Contracts for Architectural/Engineering; Bridge and Railway Engineering; and Travel Demand Forecasting
March 2013 Item 1303-07	Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$13,000,000

April 2013 Item 1304-12	Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$8,500,000
April 2013 Item 1304-14	Task Order Consultant Contracts for Construction Management
May 2013 Item 1305-21	Task Order Consultant Contracts for Community Transportation; Transit-Friendly Planning, Land Use and Development ; Vertical Transportation; and Access Link
May 2013 Item 1305-22	Super Bowl 48 Amendment to 2012 Task Order Consultant Contract
August 2013 Item 1308-37	Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$20,300,000
April 2014 Item 1404-15	Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$17,600,000
September 2014 Item 1409-41	Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$8,000,000
October 2014 Item 1410-45	Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$290,000
December 2014 Item 1412-60	Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$2,000,000
May 2015 Item 1505-10	Superstorm Sandy Disaster Recovery Program – Rebuild by Design Amendment to 2012 Task Order Consultant Contracts – \$8,600,000
Total Previous (Superstorm Sandy Disaster Recovery and Resilience Program)	\$ 78,290,000

Expenditures to Date: \$ 224,466,440 (as of 03/31/15 for total Superstorm
Sandy Disaster Recovery and
Resilience Program)

 \$ 20,249,930 (as of 03/31/15 for HNTB Program
Management services)

Total Project Cost: Part of Superstorm Sandy Disaster Recovery and
Resilience Program

Projected Date of Completion: December 2020

Capital Program Amount: \$ 11,500,000

Operating Budget Amount: \$0

Anticipated Source of Funds: Federal Transit Administration
Insurance Proceeds
Transportation Trust Fund

PRINTS ID Number: Various

DBE/SBE Goal: 20% DBE

***NJ Build* Amount:** NA

Related/Future Authorizations: Additional consultant services
Construction contracts
Construction Management services

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

RESOLUTION

WHEREAS, NJ TRANSIT serves a vital role in the State's transportation network and in the State's economy; and Superstorm Sandy jeopardized the public safety and welfare by obstructing safe transportation in New Jersey, making it difficult or impossible for citizens to obtain the necessities of life, limiting access to essential emergency services and restricting restoration of business and commerce vital to the region's economy; and

WHEREAS, Superstorm Sandy damaged NJ TRANSIT's transportation assets requiring continuing repair and restoration to restore the transportation system to a more resilient condition; and

WHEREAS, these repairs and protective measures are extensive and technically complex in nature, requiring the procurement of specialized oversight, engineering and design services and to supplement NJ TRANSIT staff; and

WHEREAS, HNTB is currently under contract to NJ TRANSIT following the completion of a competitive procurement process; and

WHEREAS, NJ TRANSIT anticipates a significant portion of the costs associated with HNTB's work to be reimbursed from insurance proceeds and the Federal Transit Administration;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is to increase the total authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with HNTB Corporation (NJ TRANSIT Contract No. 13-007B) by \$11,500,000, for a maximum authorization amount for the 2012 Task Order Consultant Contracts Program (Superstorm Sandy Disaster Recovery and Resilience Program) of \$89,790,000, subject to the availability of funds and Office of State Comptroller approval. The maximum task order and contract limits for these contracts previously approved for the 2012 Task Order Consultant Contracts Program will not apply to tasks related to the Superstorm Sandy Disaster Recovery and Resilience Program.

EXHIBIT A

SUMMARY OF REQUESTED AUTHORIZATIONS

2012 TASK ORDER CONSULTANT CONTRACTS PROGRAM AMENDMENTS

Vendor	Contract No.	Additional Superstorm Sandy Disaster Recovery and Resilience Program Authorizations				Base Program Authorizations	
		Task Limit	Previous Authorizations	This Authorization	Contract Limit	Task Limit	Contract Limit
URS Corporation	13-001C	NA	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 500,000	\$ 1,500,000
BEM Systems, Inc.	13-002B	NA	\$ 6,300,000	\$ 0	\$ 6,300,000	\$ 500,000	\$ 4,000,000
Dewberry, Inc.	13-002D	NA	\$ 8,600,000	\$ 0	\$ 8,600,000	\$ 500,000	\$ 4,000,000
Parsons Brinckerhoff	13-004A	NA	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 500,000	\$ 3,000,000
Christopher P. Statile	13-005C	NA	\$ 1,250,000	\$ 0	\$ 1,250,000	\$ 400,000	\$ 1,500,000
Gannett Fleming	13-006A	NA	\$10,640,000	\$ 0	\$10,640,000	\$ 500,000	\$ 3,500,000
Jacobs Engineering	13-006B	NA	\$ 8,500,000	\$ 0	\$ 8,500,000	\$ 500,000	\$ 3,500,000
STV, Inc.	13-006C	NA	\$ 8,000,000	\$ 0	\$ 8,000,000	\$ 500,000	\$ 3,500,000
Systra, Inc.	13-006D	NA	\$ 3,000,000	\$ 0	\$ 3,000,000	\$ 500,000	\$ 3,500,000
HNTB Corporation	13-007B	NA	\$25,000,000	\$11,500,000	\$36,500,000	\$ 600,000	\$ 2,000,000
TranSystems, Inc.	13-007D	NA	\$ 3,000,000	\$ 0	\$ 3,000,000	\$ 600,000	\$ 2,000,000
Hill International ¹	13-010F	NA	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 600,000	\$ 3,500,000

¹ Hill International was previously authorized under NJ TRANSIT Contract No. 09-085A in the amount of \$2,000,000 for Project Oversight

ITEM 1506-15: FISCAL YEAR 2016 SOLE AND SINGLE SOURCE PROCUREMENT BY EXCEPTION WAIVER AUTHORIZATION

BENEFITS

Materials and services, which are available from only one source of supply, are exempt from competitive procurement under N.J.A.C. 16:72-1.5(d) and Executive Order No. 37. Sole and single source vendors generally have proprietary control over the manufacture of parts and components and the provision of technical service for NJ TRANSIT equipment and technology.

Rail, bus, and light rail rolling stock and equipment is manufactured by a relatively small number of industrial producers using proprietary designs to meet the particular performance requirements and physical environment of individual transit systems and railroads. The equipment is not mass-produced, but manufactured to order.

The equipment is capital-intensive, long-lived and, if properly maintained, can operate safely for decades. However, the spare parts, material and technical services needed to maintain this uniquely engineered equipment in many cases is available only from the original equipment manufacturer (OEM), or a successor company with proprietary rights to the original design.

Sole source technology vendors have proprietary control over the manufacture of parts, components and services needed for NJ TRANSIT's continued use of technology.

Lists of Fiscal Year 2016 sole/single source vendors are set forth in Exhibit A1 for Replacement Parts and Services, in Exhibit A2 for Computer Hardware and Software, and in Exhibit A3 for NJ TRANSIT's Competitive Resiliency Program.. For the purpose of transparency, this list includes all sole and single source vendors that NJ TRANSIT may need to use in the coming fiscal year, regardless of whether they were used in the previous fiscal year. Should a new vendor need to be added to Exhibits A1, A2 or A3 in Fiscal Year 2016 as a result of a newly-identified critical operating need, staff will notify the Board of additional sole source vendors whose aggregate spend exceeds \$250,000.

ACTION (Scorecard: Customer Experience, Corporate Accountability, Financial Performance, Safety and Security)

Staff requests authorization to enter into sole or single source procurement-by-exception contracts for the purchase of materials and services from approved vendors set forth in Exhibit A1 (subject to adjustments) to support Bus, Rail, Light Rail, and Headquarters operations at a cost not to exceed \$20,000,000, subject to the availability of funds. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2015 to June 30, 2016.

Staff also seeks authorization to enter into sole or single source procurement-by-exception contracts for the purpose of maintaining/upgrading hardware and software

systems from approved vendors set forth in Exhibit A2 (subject to adjustments) to support NJ TRANSIT's Information Systems at a total cost not to exceed \$20,000,000, subject to the availability of funds. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2015 to June 30, 2016.

Staff also seeks authorization to enter into sole or single source procurement-by-exception contracts for the purchase of materials and service from approved vendors set forth in Exhibit A3 (subject to adjustments) to support NJ TRANSIT's Systems Resiliency Program. at a cost not to exceed \$10,000,000, subject to the availability of funds and FTA approval. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2015 to June 30, 2016.

PURPOSE

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

Replacement Parts from Original Equipment Manufacturers (OEMs)

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

Examples of major sole source vendors include Alstom Transportation, Bombardier, Caterpillar, Electro Motive Diesel (EMD), Knorr Brake Corp., Faiveley/Ellicon Transport Group, Kinkisharyo Inc., WABTEC Passenger Transit, MCI Service Parts, NABI, and NeoPart,

Sole Supplier Services

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

Rail Brake Shoes

NJ TRANSIT operates approximately 1,400 passenger rail cars and locomotives daily. Brake shoes and pads are replaced on all in-service equipment through periodic and daily inspections. Electric and Diesel Locomotive and Multilevel Passenger Car brake shoes and pads are specialized equipment and are available from only one source of supply Railroad Friction Products. Based upon past experience and test results, these products alone meet the required acceptable stop distances, wheel heat generation limits and acceptable shoe and wheel wear tolerances.

Computer Hardware and Software

NJ TRANSIT uses a variety of computing equipment and software to process information. This equipment and software are necessary for the continued operation of services. The manufacturers of the hardware and software under proposal are the only firms capable of providing licensing and maintenance services for their products. In each case, the firm is the original equipment manufacturer for the software/hardware or has acquired the rights to act as such. Hardware having multiple suppliers of maintenance has been excluded from this proposal and will be competitively procured as existing contracts expire.

Systems Resiliency Program

Superstorm Sandy caused significant damage to a large portion of NJ TRANSIT's transportation assets, including the signal system at Hoboken Yard, North Jersey Coast Line (Raritan to East Matawan), Meadows interlocking in Kearny and underground portions of Newark Light Rail at Newark Penn Station. For example, at Hoboken Yard portions of the existing signal system is installed in 25 wayside signal cases located at ground level throughout the yard. The equipment controls track circuits and signal lighting providing for the safe routing and assignment of trains to various routes and platforms. Most of this equipment went into service in 1984 and is no longer manufactured and parts are no longer available. As this equipment is upgraded and replaced as a result of NJ TRANSIT's continued resiliency program, spare parts, material and technical services needed to maintain these systems will be available only from the original equipment manufacturer (OEM) with proprietary rights to the original design.

Staff requests procurement-by-exception waiver authorizations to support repairs, replacement, and improvements to NJ TRANSIT's transportation infrastructure and rolling stock with qualified firms for the purchase of materials and services necessary to ensure storm preparation and resiliency. Signal sole source vendors are required so that the signal equipment across the entire system is the same to ensure that configuration, compatibility, and maintainability provide fail safety and reliability.

BACKGROUND

The operation and maintenance of NJ TRANSIT Bus, Rail, Light Rail and Support functions requires the purchase of OEM parts, maintenance spares, services, modifications, upgrades and other programs, which can only be obtained from sole and single qualified sources.

As such, it has been determined that the vendors listed within this authorization are certified to be the sole/single sources for the purchase of materials and services in accordance with NJ TRANSIT Procurement Regulations N.J.A.C. 16:72-1.5 and Executive Order No. 37 and Executive Order 125.

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

FISCAL IMPACTS

Requested Authorization:

Replacement Parts	\$ 20,000,000
Computer Hardware and Software	\$ 20,000,000
Superstorm Sandy	\$ 10,000,000

Past Authorizations:

Replacement Parts (Bus, Rail, Light Rail and HQ)	
June 2014	\$ 20,000,000
May 2013	\$ 20,000,000
May 2012	\$ 20,000,000
May 2011	\$ 20,000,000
May 2010	\$ 18,000,000
May 2009	\$ 18,000,000
May 2006 - June 2008	\$ 22,000,000 annually
June 1999 - May 2005	\$ 20,000,000 annually
May 1998	\$ 15,000,000
May 1997	\$17,500,000

Computer Hardware and Software	
June 2014	\$ 20,000,000
June 2013	\$ 20,000,000
June 2010	\$ 32,502,595
June 2007	\$ 27,763,796
June 2004	\$ 28,851,616
June 2001	\$ 18,074,616

Storm Resiliency Program

June 2014	\$ 10,000,000
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Expenditures to Date: N/A

Total Project Cost:

Replacement Parts	\$ 20,000,000
Computer Hardware and Software	\$ 20,000,000
System Resiliency	\$ 10,000,000

Projected Date of Completion: June 30, 2016

Capital Program Amount: TBD

Operating Budget Amount: TBD

Anticipated Source of Funds: FY 2016 Operating Budget
Capital Budget

PRINTS ID Number:	Various
DBE/SBE Goal:	TBD
<i>NJ Build</i> Amount:	N/A
Related/Future Authorizations:	N/A
Impacts on Subsequent Operating Budgets:	None

RESOLUTION

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

WHEREAS, NJ TRANSIT requires signal and electrical equipment and parts to restore systems damaged by Superstorm Sandy; and

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

WHEREAS, various software maintenance contracts and licensing agreements expire this year; and

WHEREAS, these contracts ensure the continued operation of both the computers and software which support NJ TRANSIT's business units; and

WHEREAS, these products are being fully utilized throughout the corporation and the demand for services and software upgrades continues; and

WHEREAS, NJ TRANSIT is unable to identify other sources for these services; and

WHEREAS, the proposed vendors have attested to the fact that they alone can provide these services; and

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

WHEREAS, it has been determined that the vendors utilized under this authorization are certified to be the sole/single sources for the purchase of materials and services in accordance with NJ TRANSIT Procurement Regulations N.J.A.C. 16:72-1.6 and Executive Order No. 37 and Executive Order 125;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into sole or single source procurement-by-exception contracts for the purchase of materials and services from approved vendors set forth in Exhibit A1 (subject to adjustments) to support Bus, Rail, Light Rail, and Headquarters operations at a cost not to exceed \$20,000,000, subject to the availability of funds. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2015 to June 30, 2016; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to enter into sole or single source procurement-by-exception contracts for the purpose of maintaining/upgrading hardware and software systems from approved vendors set forth in Exhibit A2 (subject to adjustments) to support NJ TRANSIT's Information Systems at a total cost not to exceed \$20,000,000, subject to the availability of funds. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2015 to June 30, 2016; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to enter into sole or single source procurement-by-exception contracts for the purchase of materials and service from approved vendors set forth in Exhibit A3 (subject to adjustments) to support the NJ TRANSIT's System Resiliency Program at a cost not to exceed \$10,000,000, subject to the availability of funds FTA approval and all other applicable requirements. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2015 to June 30, 2016.

EXHIBIT A1

**FISCAL YEAR 2016 SOLE AND SINGLE SOURCE VENDORS
REPLACEMENT PARTS AND SERVICES**

Vendor	City	State
1. ABB c/o Burgoyne Electric Sales	Edison	NJ
2. ABB Control, Inc.	Wichita Fall	TX
3. ABB Power T&D	St Louis	MO
4. ABM-American Building Maintenance	New York	NY
5. Activu Corporation	Denville	NJ
6. AFL Communications	Duncan	SC
7. Alstom Signaling (GRS)	Rochester	NY
8. Alstom Transport Service NA	Lisle	IL
9. Amerex Corp.	Trussville	AL
10. Ameriglobe LLC	Lafayette	LA
11. Anchor Brake Shoe Co	Park Ridge	IL
12. Anixter, Inc.	Cranbury	NJ
13. Ansaldo STS USA	Batesburg	SC
14. Assetworks, Inc.	Wayne	PA
15. Atlantic Detroit Diesel	Piscataway	NJ
16. Atlantic Detroit Diesel	Lodi	NJ
17. Atlantic Import & Export Corp.	Branchburg	NJ
18. Axion Technologies	La Pocatiere, Quebec	CAN
19. Bombardier, Inc.	Ontario	CAN
20. C-K Composites	Mt. Pleasant	PA
21. Cleaveland Price	Trafford	PA
22. Clever Devices	Syosset	NY
23. CMI-Promex	Predricktown	NJ
24. Columbus Steel Castings	Columbus	OH
25. Comet Communications, Inc.	Kansas City	MO
26. Contemporary Machine and Engineering	Flagler Beach	FL
27. Cooper Bearings, Inc.	Georgetown	DE
28. Cubic Transp Systems	Tullahoma	TN
29. Cummins Power Systems	Newark	NJ
30. D & W Diesel, Inc.	Auburn	NY
31. Design Dimensions dba Bradford S. Warren	Austin	TX
32. Draeger Safety Diagnostics, Inc.	Irving	TX
33. Drivecam Inc.	San Diego	CA
34. Dustcontrol, inc.	Wilmington	NC
35. Dynatech Systems Inc.	Burlington	NJ
36. Electro-Motive Diesel (EMD)	LaGrange	IL

EXHIBIT A1

**FISCAL YEAR 2016 SOLE AND SINGLE SOURCE VENDORS
REPLACEMENT PARTS AND SERVICES**

Vendor	City	State
37. Ensco, Inc.	Springfield	VA
38. Faiveley Rail	Exton	PA
39. Federal Metal Products	Ferndale	PA
40. Foley, Inc.	Piscataway	NJ
41. G & B Specialties, Inc.	Berwick	PA
42. Gar-Ren Tool & Machine Co.	Prospect Park	PA
43. GE Transportation and Global	Hingham	MA
44. General Electric Energy	Philadelphia	PA
45. Goyal Industries, Inc.	Mansfield	OH
46. Graham White Sales Corp.	Salem	VA
47. Harris Corporation / Intraplex Solutions	Mason	OH
48. HARSCO Track Technologies	Cayce-West Columbia	SC
49. Hirail Corporation	Lisbon	IA
50. HiTran Corporation	Flemington	NJ
51. Hoffman Services Inc.	Newark	NJ
52. Holdsworth USA	Indianapolis	IN
53. Honeywell, Inc.	Marlton	NJ
54. Industrial Machine Corporation	Paterson	NJ
55. Ingersoll-Rand Air Center	Edison	NJ
56. Inter Swiss Ltd.	Chicago	IL
57. Invensys Rail Corporation	Louisville	KY
58. ISE Research Corp.	Poway	CA
59. J Supor	Kearny	NJ
60. Jala Equipment Co	Ft Lauderdale	FL
61. Jamaica Bearings	New Hyde Park	NY
62. Jesco, Inc.	South Plainfield	NJ
63. JMA Rail Products	Carol Stream	IL
64. Johnson Controls Inc.	Union	NJ
65. Kim Hotstart Mfg. Co.	Spokane	WA
66. Kinkisharyo International LLC	Jersey City	NJ
67. Knorr Brake Corp/NYAB	Westminster	MD
68. Liebert Corporation	Chicago	IL
69. Lift-A-Loft	Muncie	IN
70. Lift-U-Inc.	Escalon	CA
71. Lincoln Service & Equipment	Durham	CT
72. Luminator-A Mark IV Industries	Plano	TX
73. Macton Corporation	Oxford	CT

EXHIBIT A1

**FISCAL YEAR 2016 SOLE AND SINGLE SOURCE VENDORS
REPLACEMENT PARTS AND SERVICES**

Vendor	City	State
74. Matrix Railway Corp	West Babylon	NY
75. MCI Service Parts	Schaumburg	IL
76. Mersen USA BN Corp.	Boonton	NJ
77. Mersen USA Newburyport-MA, LLC	Newburyport	MA
78. Microphor Inc.	Willits	CA
79. Modern Track Machinery	Elgin	IL
80. Moore Wallace NA	Edison	NJ
81. Morbern Inc.	Toronto	ONT
82. Motive Equipment	New Berlin	WI
83. National Electric Carbon Corporation	Greenville	SC
84. National Railway Supply	Savannah	GA
85. Nordco Rail Services, LLC	Lee's Summit	MO
86. North American Bus Industries	Delaware	OH
87. North American Specialty Glass	Trumbauersville	PA
88. Omega Industries, Inc.	Vancouver	WA
89. Omicron Electronics Corp. USA	Houston	TX
90. Orgo-Thermit Inc.	Lakehurst	NJ
91. ORX Railway Corporation	Tipton	PA
92. Pandrol USA	Bridgeport	NJ
93. Parkeon Transit Limited	Poole, Dorset	England
94. Penn Machine Company	Carnegie	PA
95. Portec Inc.	Pittsburgh	PA
96. Precision Transmission	Colmar	PA
97. Prevost-Nova Bus Parts	Elgin	IL
98. Pyle Connector Corporation	Sidney	NY
99. Qual-Tran Corporation	Blue Bell	PA
100. Quantum Engineering Inc.	Orange Park	FL
101. Quester Tangent	SAANICHTON, B.C.	CAN
102. Rail Systems, Inc.	Houma	LA
103. Railroad Friction Prod	Laurinburg	NC
104. Rails Company	Maplewood	NJ
105. Ransome CAT/Giles & Randcome, Inc.	Hammonton	NJ
106. RFL Industries	Boonton	NJ
107. Rossbro Engineering	Blainville, QC	CAN
108. RTR Technologies, Inc.	Stockbridge	MA
109. S&A Systems	Rockwall	TX
110. Saft America, Inc.	Cockeysville	MD

EXHIBIT A1

**FISCAL YEAR 2016 SOLE AND SINGLE SOURCE VENDORS
REPLACEMENT PARTS AND SERVICES**

Vendor	City	State
111. Scantron Corporation	Irvine	CA
112. Schunk Graphite Technology	Menomonee Falls	WI
113. Siemens Industry, Inc.	Florham Park	NJ
114. Simmons Machine Tool Corp.	Albany	NY
115. Simplex Grinnell	Rockaway	NJ
116. Sixnet LLC	Ballston Lake	NY
117. Sperry Rail Service	Danbury	CT
118. Standard Steel LLC	Burnham	PA
119. Stavola Construction Materials	Bound Brook	NJ
120. Technologies LBBA	Quebec	CA
121. Tessco	Hunt Valley	MD
122. Tesco / Transportation Equipment Supply	Erie	PA
123. Transtech of S.C.	Piedmont	SC
124. Transtechnik Corp USA	Oakland, NJ	NJ
125. TSS, Inc.	Lakewood Ranch	FL
126. Turtle & Hughes	Bridgewater	NJ
127. United Knitting Machine Company, Inc.	Kulpsville	PA
128. Vapor Stone Rail Systems	Plattsburgh	NY
129. Wabtec Global Service Center	Kansas City	MO
130. Wabtec Passenger Transit	Spartanburg	SC
131. Warner Radiator	Paducah	KY
132. Whiting Corp.	Monee	IL

EXHIBIT A2

**FISCAL YEAR 2016 SOLE AND SINGLE SOURCE VENDORS
COMPUTER HARDWARE AND SOFTWARE**

	Vendor	City	State
1	Alcatel-Lucent	Murray Hill	NJ
2	Altura	Closter	NJ
3	American Software Inc.	Atlanta	GA
4	Apollo Video Technology	Bothell	WA
5	Baran Design Associates	Bergenfield	NJ
6	BEM Systems, Inc.	Chatham	NJ
7	Bentley Systems, Inc.	Exton	PA
8	Cellgain	Red Bank	NJ
9	Clever Devices	Woodbury	NY
10	Computer Associates	Islandia	NY
11	CTR Parking Solutions	Warrandale	PA
12	Cubic Transportation Systems	Tullahoma	TN
13	DLT Solutions	Herndon	VA
14	DriveCam	San Diego	CA
15	Enghouse	Toronto	CANADA
16	Giro	Montreal	CANADA
17	Gough and Associates	Orlando	FL
18	HERE (formerly Navteq)	Chicago	IL
19	Highline Corporation	Toronto	CANADA
20	IBM	Piscataway	NJ
21	Intergraph	Madison	AL
22	Kronos	Chelmsford	MA
23	Lightspeed	Wall	NJ
24	Luminex	Riverside	CA
25	Marsh ClearSight, LLC	New York	NY
26	Metasource	Bristol	PA
27	Michael Baker Intl	Newark	NJ
28	Microsoft	Redmond	WA
29	MIS Sciences	Burbank	CA
30	New Demand	Boonton	NJ
31	Nice Systems	Rutherford	NJ
32	Nuance	Mahwah	NJ
33	Parkeon	Poole	England
34	Penta	New Orleans	LA
35	Power Trunk, Inc.	New York	NY
36	PS Technology	Bolder	CA
37	Renaissance Systems, Inc.	Batavia	IL
38	Resource System Group, Inc.	White River Inc.	VT

EXHIBIT A2

**FISCAL YEAR 2016 SOLE AND SINGLE SOURCE VENDORS
COMPUTER HARDWARE AND SOFTWARE**

39	S&A Systems	Rockwall	TX
40	Salesforce.com	San Francisco	CA
41	SAP America	Newton Square	PA
42	Software AG	Reston	VA
43	Solari	Udine	ITALY
44	Trapeze	Scottsdale	AZ
45	Trapeze Group Rail Limited	York	UK

EXHIBIT A3

**FISCAL YEAR 2016 SOLE AND SINGLE SOURCE VENDORS
SYSTEM RESILENCYPROGRAM**

	Vendor	City	State
1.	Alstom	West Henrietta	NY
2.	Ansaldo STS USA	Batesburg	SC
3.	Fabricated Metals	Louisville	KY
4.	G & B Specialties	Berwick	PA
5.	Industrial Machine	Paterson	NJ
6.	Okonite	West Paterson	NJ
7.	SAFT America	Cockeysville	MD
8.	Siemens (Invensys) (Safetran)	Louisville	KY

ITEM 1506-16: CORPORATE INSURANCE PROGRAM ANNUAL RENEWAL

BENEFITS

To maintain a corporate insurance program for NJ TRANSIT that provides Excess Liability, All-Risk Property, Workers' Compensation, Terrorism, Business Travel Accident, Employment Practices Liability, Directors' & Officers' Liability, various Executive Risk, Pollution Legal Liability, Life and Accidental Death & Dismemberment, Long-Term Disability and other coverages as needed and to provide services necessary to administer the program. The renewal of the insurance program will be effective on July 1, 2015.

ACTION (Scorecard: Financial Performance, Corporate Accountability)

Staff seeks authorization to revise and renew the Corporate Insurance Program and to include services necessary to administer the Program for the period July 1, 2015 through June 30, 2016 at an annual cost not to exceed \$17,000,000, plus five percent for contingencies, subject to the availability of funds and adoption of the FY2016 Operating Budget.

Staff also seeks authorization to enter in an agreement with Helmsman Management Services, LLC for workers' compensation claims handling and administration services at a cost not to exceed \$5,424,140 for a period of three years beginning on July 1, 2015 with two, one-year renewal options, subject to the availability of funds, adoption of the FY2016 Operating Budget and future operating budgets.

PURPOSE

To provide adequate financial protection to the Corporation and a strong risk management program throughout the Corporation to protect customers, employees, directors, officers and property against personal injury and damage. The current Corporate Insurance Program contains the following coverages and limits:

- \$250,000,000 Excess Liability Program including third party bus, rail, and light rail liability and FELA coverage with a self-insured retention of \$10,000,000 per occurrence.
- \$400,000,000 "All Risk" Property Damage Insurance Program with a minimum deductible of \$500,000 for non-catastrophic perils, \$1,000,000 deductible for losses sustained to rolling stock while in operation and deductibles ranging from \$2,500,000 to \$5,000,000 for losses resulting from flood, wind and named wind storm.

- \$400,000,000 Property Terrorism Program consisting of commercial insurance coverage throughout the entire program and no reliance on the federal Terrorism Risk Insurance Program Reauthorization Act. Coverage included for both certified and non-certified acts of terrorism and includes \$10M of coverage for chemical/biological acts of terrorism.
- Statutory Workers' Compensation and Employer's Liability Program which includes excess commercial insurance and a comprehensive risk management/claim handling program that applies to all non-agreement and agreement work-related employee claims (excluding rail employees).
- Participation of NJ TRANSIT's Captive Insurance Company, ARH III, to provide coverage for FELA, Bus and Rail Third Party Excess Liability, Excess Workers' Compensation, and Excess Liability Terrorism. In FY2016, the captive insurance company will continue to provide leverage with underwriters and flexibility with both the primary insurance and reinsurance markets.
- \$10,000,000 Executive Risk Insurance Program covering Directors' and Officers' Liability, Employment Practices Liability, Fiduciary Liability and Crime coverages.
- \$5,000,000 Pollution Legal Liability Policy with a \$500,000 deductible that covers sudden and unforeseen environmental claims that arise at certain specified locations.
- Business Travel Accident policy covering Board of Directors and affected employees if injured as a result of an accident while traveling on NJ TRANSIT business.
- Term Life coverage (both basic and supplemental) and Accidental Death Benefits are offered to all NJ TRANSIT employees to varying degrees. Basic Term Life coverage is funded by NJ TRANSIT whereas the Supplemental Term coverage is paid for by the individual employee. The dependent life benefit is only available to salaried Non-Agreement employees. Retirees are covered for basic and supplemental Life and AD&D.
- Long Term Disability Benefits are offered to the NJ TRANSIT salaried, non-agreement employees. The benefit consists of 100 percent employee contributions and provides coverage at 60 percent up to a monthly maximum of \$7,500.

Due to current market conditions and NJ TRANSIT's risk appetite, it is expected that the FY2016 program will continue to maintain a similar structure in terms of coverage levels and deductibles as the FY2015 program. Throughout its

negotiations, staff continues to emphasize NJ TRANSIT's commitment to safety and security through initiatives led by the Office of System Safety and New Jersey Transit Police Department and its adoption and implementation of its strategic response plans. However, insurers continue to scrutinize transportation-specific risks and focus on the aggregation of insurance coverage in the Northeast region.

Procurement – Workers' Compensation Claim Administration

Previously, NJ TRANSIT's worker's compensation claims have been administered by Helmsman Management Services, LLC as part of a bundled workers' compensation insurance program. This program consisted of excess workers' compensation for catastrophic losses provided by Liberty Mutual Insurance Company and NJ TRANSIT's captive insurance company, ARH III. Liberty Mutual Insurance Company no longer offers competitive workers' compensation rates to NJ TRANSIT. As a result, NJ TRANSIT was required to separately procure the claims handling and administration services apart from the marketing of the excess workers' compensation insurance which remains as part of NJ TRANSIT's corporate insurance program.

NJ TRANSIT conducted a competitive procurement process to select a vendor to handle its workers' compensation claims and provide administrative support. Technical analysis and assistance was provided by NJ TRANSIT's risk management broker, AON, pursuant to NJ TRANSIT Contract No. 14-015, Broker Services. As part of the process, NJ TRANSIT provided historical claims experience and medical management data to the interested firms. An online pre-bid presentation was held on December 8, 2014 and the request for proposal was distributed on January 21, 2015. Responding firms were required to submit detailed cost proposals in the format contained in the RFP and that priced the historical data on a forward looking basis. This allowed NJ TRANSIT the best opportunity to compare cost proposals on an equal basis. Responses from eight firms were received on or before the deadline of February 10, 2015. Reviewable responses were received from Helmsman Management Services, Broadspire, PMA, Gallagher Bassett, ESIS, Sedgwick, York, and Corvel.

A Technical Evaluation Committee (TEC) consisting of individuals from the Risk Management & Claims Department evaluated all of the proposals. After evaluation of the technical written and cost proposals, four firms were identified in the competitive range and were invited to give oral presentations. Helmsman Management Services, Broadspire, PMA and Gallagher Bassett gave their oral presentations before the TEC on March 5, 2015.

Based on the scores for both the technical and oral presentations, three firms were considered finalists and members of the TEC conducted site visits to their field claim offices. Best and final offers were then solicited and received from the firms. In its evaluation of the finalists, the TEC considered many factors including

but not limited to, understanding NJ TRANSIT's business, quality of staff and experience in accounts as large and complex as NJ TRANSIT, minimizing employee/claimant disruption, history of working with collective bargaining clients, additional service offerings, quality of clinical, legal review, subrogation and loss control programs, and overall program cost.

Based on the evaluation of the finalist firms, Helmsman Management Services, LLC was the highest overall rated firm. There will be no increase in the current claims handling fees and administrative costs for the first two years of the agreement and the fees are subject to a rate increase of three percent for each subsequent year until contract expiration in June 2020. Claims handling fees are paid on a per claim basis however, as a cost containment tool, Helmsman Management Services LLC agreed to cap the total claims handling and administrative costs at 115 percent of the cost for such services that were rendered in the current fiscal year even if the actual number of workers' compensation claims filed in one contract period exceed that amount.

In addition to this negotiated rate guarantee, the new contract with Helmsman Management Services, LLC will afford NJ TRANSIT significantly greater savings on each individual workers' compensation claim than the proposals from the other firms through Helmsman Management Services LLC's medical management program including medical bill review, participating provider and/or network discounts, and nurse case management.

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

FISCAL IMPACTS

Requested Authorization:

Corporate Insurance Program
FY2016: \$17,000,000 + 5% contingency

Workers' Compensation Claims
Handling Fees & Administration

FY2016 not to exceed \$1,046,399
FY2017 not to exceed \$1,046,399
FY2018 not to exceed \$1,077,790
FY2019 not to exceed \$1,110,124
FY2020 not to exceed \$1,143,428

Past Authorizations:

Corporate Insurance Program (including
workers' compensation fees &
administration)
FY2015: \$19,000,000 + 5% contingency

Expenditures to Date:	None
Total Project Cost:	N/A
Projected Date of Completion:	<u>Corporate Insurance Program</u> June 30, 2016 <u>Workers' Compensation Claims Handling Fees & Administration</u> June 30, 2020
Capital Program Amount:	N/A
Operating Budget Amount:	<u>Corporate Insurance Program</u> \$17,000,000 + 5% contingency <u>Workers' Compensation Claims Handling Fees & Administration</u> FY2016 not to exceed \$1,046,399 FY2017 not to exceed \$1,046,399 FY2018 not to exceed \$1,077,790 FY2019 not to exceed \$1,110,124 FY2020 not to exceed \$1,143,428
Anticipated Source of Funds:	<u>Corporate Insurance Program</u> FY2016 Operating Budget <u>Workers' Compensation Claims Handling Fees & Administration</u> FY2016 – FY 2020 Operating Budgets
Prints ID Number.	N/A
DBE/SBE Goal:	N/A
<i>NJ Build</i> Amount:	N/A
Related/Future Authorizations:	N/A
Impacts on Subsequent Operating Budgets:	<u>Corporate Insurance Program</u> None

Workers' Compensation Claims
Handling Fees & Administration

FY2017 not to exceed \$1,046,399

FY2018 not to exceed \$1,077,790

FY2019 not to exceed \$1,110,124

FY2020 not to exceed \$1,143,428

RESOLUTION

WHEREAS, NJ TRANSIT maintains a Corporate Risk Management Insurance Program to protect its customers, employees, directors, officers and property against personal injury and damage in the event of accidents and other casualties; and

WHEREAS, it is in the best interest of NJ TRANSIT and sound fiscal policy to continue to maintain the Corporate Insurance Program; and

WHEREAS, NJ TRANSIT is negotiating the renewal of its Corporate Risk Management Insurance Program and the services necessary to administer the program for FY2016; and

WHEREAS, upon a competitive procurement process, the NJ TRANSIT determined that Helmsman Management Services LLC submitted the most competitive overall proposal for handling NJ TRANSIT's workers' compensation claims and administration;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to revise and renew the Corporate Insurance Program and to include services necessary to administer the Program for the period July 1, 2015 through June 30, 2016 at an annual cost not to exceed \$17,000,000, plus five percent for contingencies, subject to the availability of funds and adoption of the FY2016 Operating Budget; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to enter in an agreement with Helmsman Management Services, LLC for workers' compensation claims handling and administration services at a cost not to exceed \$5,424,140 for a period of three years beginning on July 1, 2015 with two, one-year renewal options, subject to the availability of funds, adoption of the FY2016 Operating Budget and future operating budgets.

ITEM 1506-17: BUS SHELTER PURCHASE AND INSTALLATION OF 175 UNITS OVER 24 MONTHS

BENEFITS

Bus shelters have proven to be a valued customer amenity providing protection from inclement weather, seating, as well as a visible indication of an active bus stop. Over 2,800 shelters have been provided to communities since the inception of NJ TRANSIT's Shelter Program in 1981. The program is a partnership between NJ TRANSIT, which provides the shelter, and the requesting community which assumes maintenance and liability. This joint partnership provides customers with shelters that are clean, safe and functional while promoting increased transit ridership. In addition to making bus transportation more viable and attractive to their residents they have proven to be very desirable to local employers as an amenity for employees as well as shoppers.

ACTION (Scorecard: Customer Experience)

Staff seeks authorization to contract (No.15-016X) with Handi-hut Incorporated, 3 Grunwald Street, Clifton, NJ, 07013, for the purchase and installation of new bus shelters at a cost not to exceed \$1,627,358, plus five percent contingency.

PURPOSE

The award of this contract will authorize the purchase and installation of 175 bus shelters over 24 months with an option to exercise a time extension of eight months supported by existing funds. While this project will provide shelters at bus stops across the state, the first phase of towns targeted to receive shelters include Logan Township (Gloucester), Glassboro (Gloucester), Westampton Township (Burlington), Bass River Township (Burlington), Voorhees Township (Camden), Byram Township (Sussex), and Springfield Township (Union).

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

FISCAL IMPACTS

Requested Authorization: \$1,627,358 plus a 5% contingency

Past Authorizations: None

Expenditures to Date: None

Total Project Cost: \$1,627,358 plus a 5% contingency

Projected Date of Completion: June 2017

Capital Program Amount: \$1,627,358 plus a 5% contingency

Operating Budget Amount: None

PRINTS ID Number: PMV5002

Anticipated Source of Funds: Federal Transit Administration

DBE/SBE Goal: 15%

Future Related Authorizations: Next Bid Purchase in 24-32 months

**Impact on Subsequent
Operating Budgets:** None

RESOLUTION

WHEREAS, NJ TRANSIT has a program for the purchase and installation of bus shelters throughout the State of New Jersey providing shelters to the communities that request them; and

WHEREAS, NJ TRANSIT in the interest of promoting public transportation, conservation of energy, air quality, traffic safety, and for the convenience of the public, endorses the concept of providing bus shelters for bus passengers throughout the State; and

WHEREAS, upon completion of a competitive procurement process, Handi-hut Incorporated was determined to be the lowest responsive and responsible bidder;

NOW THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to contract No.15-016X with Handi-hut Incorporated, Clifton, NJ, for the purchase and installation of new bus shelters throughout the State of New Jersey at a cost not to exceed \$1,627,358, plus a five percent contingency.

ITEM 1506-18: ANNUAL NOTICE OF MEETINGS

BENEFITS

The By-Laws for the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Mercer, Inc. and NJ TRANSIT Morris, Inc. state that the regular meetings of the Board of Directors be held on the second Wednesday of each month. A list of the meetings' schedule is approved at the June meeting each year. The Annual Notice of Meetings is then transmitted to newspapers, filed with the Secretary of State, posted at NJ TRANSIT headquarters and mailed to any person upon request.

Unless otherwise noted in the annual notice (Exhibit A), or as otherwise modified by the Board during the year in accordance with the Open Public Meetings Law, meetings will be held on the second Wednesday of the month at NJ TRANSIT headquarters in Newark, New Jersey.

ACTION (Scorecard: Corporate Accountability)

Adopt the Annual Notice of Meetings (Exhibit A) for all of the Board of Directors' meetings during Fiscal Year 2016.

PURPOSE

The Open Public Meetings Law, P.L. 1975, c.231 requires that the public be given adequate notice of meetings of public bodies. Section 13 specifically provides that at least once each year, within seven days following the annual organization or reorganization meeting, a public body must provide adequate notice of the schedule of regular meetings to be held during the succeeding year. The schedule must contain the location, to the extent known, the time and the date of each meeting.

FISCAL IMPACTS

Requested Authorization:	Adopt Annual Notice of Meetings
Past Authorization:	June 2014
Expenditures to Date:	None
Total Project Cost:	None
Projected Date of Completion:	June 30, 2015
Capital Program Amount:	None
Operating Budget Amount:	None

Anticipated Source of Funds: None

PRINTS ID Number: None

DBE/SBE Goal: None

***NJ Build* Amount:** None

Related/Future Authorizations: None

**Impacts on Subsequent
Operating Budgets:** None

RESOLUTION

WHEREAS, pursuant to the Open Public Meetings Law, P.L. 1975, c.231, an annual notice of regular meetings of the Board of Directors must be disseminated; and

WHEREAS, the Annual Notice of Meetings must be prominently posted in one public place reserved for announcements of this type, transmitted to newspapers, filed with the Secretary of State, and mailed to any person who requests it; and

WHEREAS, the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Mercer, Inc., NJ TRANSIT Morris, Inc. have regular meetings of the Board of Directors;

WHEREAS, the June meeting serves as the annual meeting;

NOW, THEREFORE, BE IT RESOLVED that the Annual Notice of Meetings, Exhibit A, for all of the Board of Directors' meetings during Fiscal Year 2016 is adopted; and

BE IT FURTHER RESOLVED that the Annual Notice of Meetings shall be disseminated in accordance with the provisions of the Open Public Meetings Law, P.L. 1975, c.231.

EXHIBIT A

ANNUAL NOTICE OF MEETINGS: FISCAL YEAR 2016

**NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
NJ TRANSIT RAIL OPERATIONS, INC.
NJ TRANSIT MERCER, INC.
NJ TRANSIT MORRIS, INC.**

In accordance with the "Open Public Meetings Law," P.L. 1975, c.231, the above organizations will hold regular meetings, open to the public, at 9:00 a.m. on the second Wednesday of the month for the period July 1, 2015 through June 30, 2016, except as noted below.

The June meeting will serve as the annual meeting.

Unless otherwise indicated, meetings will be held at NJ TRANSIT's Corporate Headquarters in Newark, New Jersey. The meetings will convene at 9:00 a.m. in the Board Room at NJ TRANSIT's Headquarters, One Penn Plaza East, Ninth Floor, Newark, New Jersey.

The specific dates are as follows:

July 15, 2015
August 2015 – No Board Meeting
September 9, 2015
October 14, 2015
November 12, 2015 (Thursday)
December 9, 2015
January 13, 2016
February 10, 2016
March 9, 2016
April 13, 2016
May 11, 2016 @ 6:00 p.m.
June 8, 2016

EXECUTIVE SESSION AUTHORIZATION

BE IT HEREBY RESOLVED pursuant to N.J.S.A. 10:4-12 and N.J.S.A. 10:4-13 that the Board of Directors of the New Jersey Transit Corporation hold an executive session to discuss personnel matters, contract negotiations, the status of pending and anticipated litigation and matters falling within the attorney-client privilege, including, but not limited to, the Personal Injury Claim of Julio Camacho and the Personal Injury Claim of Gary Good; 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.

ITEM 1506-19: PERSONAL INJURY CLAIM OF JULIO CAMACHO

BENEFITS

It is the opinion of NJ TRANSIT and defense counsel, in recognition of the serious injuries that resulted, staff recommends a settlement in the claim of Julio Camacho.

ACTION

Staff seeks authorization to settle the claim of Julio Camacho through his attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.

PURPOSE

NJ TRANSIT By-Laws require Board approval of the settlement of all claims and lawsuits involving personal injury, death or property damage in excess of \$500,000. This case venued in the Hudson County Superior Court, Jersey City, NJ and initiated from a bus claim.

FISCAL IMPACTS

Requested Authorization:	Request authorization to Settle the Personal Injury Claim of Julio Camacho
Projected Date of Completion:	FY 2015
Anticipated Source of Funds:	FY 2015 Operating Budget
Diversity Goals/Participation:	Not applicable. No goods or services to be procured.

RESOLUTION

WHEREAS, Article VI, Section II of the By-Laws requires Board Authorization for settlement of claims in excess of \$500,000; and

WHEREAS, Julio Camacho has presented a claim with a probable settlement cost greater than \$500,000; and

WHEREAS, staff has reviewed the claim and recommends settling this case out of court;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to settle the claim of Julio Camacho through his attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.

ITEM 1506-20: PERSONAL INJURY CLAIM OF GARY GOOD

BENEFITS

It is the opinion of NJ TRANSIT and defense counsel, in recognition of the serious injuries that resulted, staff recommends a settlement in the claim of Gary Good.

ACTION

Staff seeks authorization to settle the claim of Gary Good through his attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.

PURPOSE

NJ TRANSIT By-Laws require Board approval of the settlement of all claims and lawsuits involving personal injury, death or property damage in excess of \$500,000. This case venued in the Hudson County Superior Court, Jersey City, NJ and initiated from a bus claim.

FISCAL IMPACTS

Requested Authorization:	Request authorization to Settle the Personal Injury Claim of Gary Good
Projected Date of Completion:	FY 2015
Anticipated Source of Funds:	FY 2015 Operating Budget
Diversity Goals/Participation:	Not applicable. No goods or services to be procured.

RESOLUTION

WHEREAS, Article VI, Section II of the By-Laws requires Board Authorization for settlement of claims in excess of \$500,000; and

WHEREAS, Gary Good has presented a claim with a probable settlement cost greater than \$500,000; and

WHEREAS, staff has reviewed the claim and recommends settling this case out of court;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to settle the claim of Gary Good through his attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.