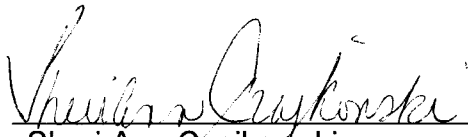


**CERTIFICATION
OF
NEW JERSEY TURNPIKE AUTHORITY**

I, Joseph Mrozek, hereby certify that I am the Executive Director of the New Jersey Turnpike Authority and as such **Executive Director** certify that the attached copy of **PROCEEDINGS OF THE NEW JERSEY TURNPIKE AUTHORITY** is a true and correct copy of the **Minutes of the March 25, 2014** Regular Meeting of the Authority.

IN WITNESS THEREOF, I have hereunto set my hand and affixed the official seal of the New Jersey Turnpike Authority **this 26th day of March, 2014.**

ATTEST:



Sheri Ann Czajkowski
Secretary to the Authority



Joseph Mrozek,
Executive Director


Corporate Seal

Date: March 26, 2014

**Received in the Governor's Office on March 26, 2014
(hand delivered)**

Received by:

LASHERRA KIRK
Print Name


Signature

MAR 26 2014

Veto Period Ends:

April 9, 2014
(Write in the date the veto period ends)

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

Tuesday, March 25, 2014

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

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PRESENT

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

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ALSO PRESENT

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

Also present were: Governors' Authorities Unit Representatives Amy Herbold; additional individuals consisting of other NJTA employees; interested organizations; the general public; and from the media: Star-Ledger, Asbury Park Press, Press of Atlantic City, Bergen Record, NJTV, and WBGO-FM (Newark).

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NOTICE OF MEETING

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

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ACTION ON MINUTES

The Executive Director reported that ten days, excluding Saturdays, Sundays and holidays, have elapsed since Governor Chris Christie received the proceedings of the regular meeting of February 25, 2014; he did not exercise his power to veto any items in those minutes.

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

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RECUSALS

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

- **Commissioner Pocino: 091-03-2014 through 099-03-2014**
- **Treasurer DuPont: 091-03-2014**
- **Commissioner Hodes: 098-03-2014**

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COMMISSIONER'S COMMENTS

Chairman Simpson stated that State Law requires a board member who recuses on an item to leave the room prior to any discussion or vote on that item. Simpson notes that there have been several articles in the newspapers regarding recusals of members of public boards, and he confirmed with the Deputy Attorney General that when recusing from an item the board member must leave the room. In addition, the board member should not receive any documentation regarding the item(s) from which they are recusing. The Authority has been in compliance with the State Law, with the exception of having the board member leave the room at the time of the vote.

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PUBLIC COMMENT

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Senator President Steve Sweeney

Senator Sweeney asked the Authority to stop its plan to privatize manual toll services. Senator Sweeney stated that privatization will not save money. If the Authority privatizes these jobs the employees will not have healthcare and as a result the government will pay the benefits of the unemployed. Employees want to work, earn a paycheck, and retire with dignity rather than having the government take care of them. The toll collectors made significant economic concessions in 2011 and the Authority saved \$30 million from those concessions. Sweeney asked the Board to terminate its plans to privatize manual toll services.

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Senator Loretta Weinberg

Senator Weinberg concurred with Senate President Sweeney's recommendation that the Authority should end its plan to privatize toll collectors and toll supervisors. The history of privatization in New Jersey has been a failure. Private industry has shown it can provide a lesser level of service than the public sector. Toll collectors made concessions under the prior privatization effort. The wages of toll collectors was reduced from \$65,000 to \$49,500 and they

(NJTA Board Meeting – 03/25/2014)

made additional concessions. The employees deserve more respect than they have been shown. This is a matter of fairness and ensuring that the quality of the service is maintained. Weinberg sponsored legislation to ensure that in any privatization effort the level of service is unchanged, there are real cost savings, and public employees receive fair treatment. Senator Weinberg urged the Board not to vote for privatization.

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Assemblyman Thomas Giblin

Assemblyman Giblin stated that the Authority has a great reputation and part of that reputation is because of its employees. Several years ago the Authority asked for concessions from the toll collectors, the union's made the concessions, and substantial savings were recognized by the Authority. An example of privatization not working is the South Jersey Transportation Authority ("SJTA"). The SJTA privatized its manual toll collection services and is now paying more for their toll collection services after privatization. Toll collectors are the eyes and ears of the Authority and they are proud employees. It is prudent for the Authority to continue having in-house workers, provide them with benefits, and allow them to continue with the outstanding service the Authority prides itself on. Giblin stated that if privatization were to move forward, employees would become unemployed and state resources will be consumed by people who should and want to be working. Giblin asked the Board to look at this from a business viewpoint and accept that privatization should not be pursued.

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Kevin McCarthy, President of Local 194

Mr. McCarthy stated that each day that passes brings toll collectors closer to losing their jobs. McCarthy stated that reports Local 194 provided to the Board in previous months show little or no savings from privatization. The Authority has already achieved significant savings through earlier negotiations.

McCarthy asked that Board Meetings be moved to a larger venue to accommodate more members of the public.

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Leroy Jones, Essex County Democratic Chairman

Mr. Jones appeared before the Board to speak against privatization. Mr. Jones indicated that his son is a toll collector who needs his job to support his young family. The employees believe in their jobs and in the Authority and they put in a full day's work for a full day's pay. The employees have made economic concessions and the Authority has achieved savings. There is no compelling reason for the privatization of toll collection. Mr. Jones asked that the Board assess the issue from the standpoint of the families who will have to endure the impact of job loss. Mr. Jones asked the Board to stop its privatization plan.

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Pete Bizacca, President of the Hudson County Central Labor Counsel

Mr. Bizacca represents many people who work at the Authority. Bizacca stated that the toll collectors are hard-working employees who are working to try to support their families. These workers have made wage and benefit concessions during previous negotiations in exchange for a promise to protect their livelihood. If privatization were to become a reality not all employees would be hired, they will earn less money, and have non-existent benefits. The SJTA privatization effort resulted in toll collectors losing health coverage, paid sick time, and paid vacation leave. New Jersey needs to retain every decent paying job that it can. Privatization will force more workers on public assistance when they would much rather support their families themselves. Bizacca urged the Board not to privatize.

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Eric Richard, NJ State AFL-CIO

Mr. Richard thanked Senate President Sweeney, Senator Weinberg, and all other public officials that have come to speak before the Board on this issue. Richards stated that more than 790 members have written Chairman Simpson to advise of their opposition to this privatization plan. Eleven municipal bodies and one Freeholder Board have passed resolutions in opposition to this plan. Privatization is not only bad for the employees but for the citizens of the State of New Jersey who will have to foot the bill when privatization goes wrong. Organized labor is about standing up for good jobs, and we ask that you to stand up for good jobs. New Jersey's poverty rate is the highest it has been in 53 years. Workers and their families need middle class jobs. The privatization issue before you goes in the opposite direction and drives people into poverty. Toll collectors have made concessions in order to save their jobs. The list of privatization gone wrong in the State of New Jersey is long. Richards stated that the final and ultimate goal of privatizing is profit. The AFL-CIO asked the Board to consider the lives of the workers and stand with them by rejecting the privatization plan.

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Paul Shearon, Secretary-Treasurer of the IFPTE International, Washington, DC

Mr. Shearon has addressed the Board before on privatization. Shearon asked the Board to scrap this plan because privatization is not in the best interest of the citizens of the New Jersey. An economic argument shows that the Authority's toll collectors are cost competitive with private industry and they provide a high level of service. Mr. Shearon attended the meeting when the union toll collectors voted on the 25% pay cut. He explained to members that the vote was the only way for them to keep their job and benefits. Mr. Shearon stated that the Authority should not tell its workers to head for the revolving door. Rather, the Authority should scrap the plan for privatization because that would be in the best interest of the employees and the State of New Jersey.

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Steve Weissman, IFPTE, Local 200 and 194

Mr. Weissman stated that he was involved in negotiating the contract that was ratified by Local 200 in May of 2013. Employees made enormous sacrifices in exchange to save their jobs. Sacrifices were being asked by not only toll supervisors but by other members of Local 200 as well. Most of the requested concessions were made in order to save the jobs of the toll supervisors. Weissman asked that the Authority have the same goal of save these jobs.

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Murray Bodin, Concerned Grandparents

Mr. Bodin stated that his presentation was about respect. Bodin's interactions with the Authority and its staff has always been respectful. Other public agencies are not as respectful to him. The Board listens and plans for the future. Bodin brought a yellow toy fire engine truck in because it symbolizes a change in thinking.

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Nicholas Pappas, Full-Time Toll Collector for 20 Years

Mr. Pappas has been a toll collector for twenty years (20) and has been a business owner since 2002. Through the recession Mr. Pappas and his wife took cuts in pay from their personal business so that he did not have to lay off his employees. Toll collectors took a wage cut in order to keep their jobs, and cutting salaries changed everyone's way of life. Toll collector's positions are important, they put their faith in the Authority, and Mr. Pappas asked the Board not to privatize toll collection jobs.

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Eric Wallace, Local 194 Part-Time Toll Collector

Mr. Wallace has been a part-time toll collector at Interchange 1 for approximately twelve (12) years. Wallace works extra hours in an effort to make up the difference from the wage decrease. Working extra hours takes him away from his family. Privatization will reduce pay and benefits and decrease the employees' quality of life. Mr. Wallace asked the Board not privatize toll collection.

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Carol Gay, President of the NJ State Industrial Union Counsel

Ms. Gay came before the Board in opposition to privatization. Privatization will negatively impact the employees and their families. The workers have sacrificed enough with wage concessions. The tolls employees are loyal, experienced workers and they deserve better treatment. Loyalty and experience are valuable attributes and these employees deserve to be treated better by the Authority. Gay stated that privatization will make poverty rates rise, will hurt New Jersey's economy, and it does not make good business sense. Privatization results in minimal short-term gains. It also reduces accountability and oversight. Ms. Gay stated that the

citizens expect a higher standard and asked the Authority to take the high road, not the low road. She stated that hearing the concerns from the employees must mean something to the Authority. Ms. Gay urged the Board to vote against privatization.

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Edward Correa, Executive Director of the Workers Families United for NJ

Mr. Correa's organization supports Local 194 and its stands with the employees who have worked with the Authority in an effort to save their jobs. Privatization is a race to the bottom, is an attack on workers, and will eliminate hundreds of middle-class job that this state needs. Correa stated that a private company will make profits a priority. Privatization has a poor record in the State of New Jersey. The Authority has achieved substantial savings already, and privatization has the potential to reduce accountability, quality of service, and middle class jobs. Privatization is about corporate greed and loss of these jobs will result in an increased demand for public assistance. Correa asked the Board not to pursue privatization.

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Jim Walsh, NJ Director for Food and Water Watch

Mr. Walsh stated that his organization has been an advocate against privatizing public services throughout the State. Privatization leads to lower wages and benefits for workers, reduces level of service, reduces oversight of public services, and increases costs for consumers. Mr. Walsh asked the Board to reject privatization.

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Troy Singleton, Assemblyman, 7th District

Assemblyman Singleton did not appear before the Board but submitted a letter to the Authority and that letter will be placed on the record in these minutes.



NEW JERSEY GENERAL ASSEMBLY

TROY SINGLETON
ASSEMBLYMAN, 7TH DISTRICT
20000 HORIZON WAY, SUITE 190
MOUNT LAUREL, NJ 08054
TEL: (856) 234-2790
FAX: (856) 234-2957
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COMMITTEES
BUDGET
TOURISM AND GAMING
EDUCATION

March 25, 2014

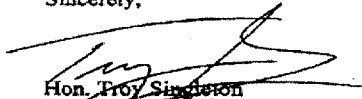
New Jersey Turnpike Authority
James Simpson, Chairman
PO Box 5042
Woodbridge, NJ
07095-5042

Chairman Simpson:

I wanted to take this opportunity to express my concerns over the proposed privatization of toll collection services at the authority. As a former Commissioner of the New Jersey Turnpike Authority, I know how difficult this decision is. However, based on the financial data that has been afforded to me, there seems to be very little in the way of savings that will be achieved by outsourcing these jobs. Since 2011, the toll worker staff of the Authority has given back over 30% of their wages and benefits. I believe that these workers have done their "fair share", and a privatization effort that results in minimal savings would have a far more disastrous outcome to staff and the institutional knowledge of the Authority.

I strongly urge you to reconsider any action of this sort. The lifeblood of the Authority is the dedicated men and women who serve this fine organization. Let us show them the respect that we would want afforded to us, by allowing them to keep their jobs and continuing to serve the State of New Jersey. Thank you in advance for your consideration on this matter. Should you have any questions please do not hesitate to contact me directly.

Sincerely,



Hon. Troy Singleton
Assemblyman, 7th District

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EXECUTIVE DIRECTOR'S COMMENTS

ED Mrozek addressed the Board by thanking them for the opportunity to be the Executive Director of the Authority and he indicated that his transition over the last three weeks at the Authority has been smooth and productive.

ED Mrozek stated that he has spent the majority of his time with senior staff listening and learning about their operations in more detail and discussing various departmental priorities and agency initiatives, such as the upcoming Bond issue to continue to support the Authority's Capital Program.

Mrozek looks forward to working with the Board and appreciates the support everyone has given him. He said that this is an exciting agency and he is pleased to be here.

Mrozek also discussed the new Lane Control System on the Newark Bay-Hudson County Extension, which will become operational on Monday, March 31, 2014. This system will allow this Authority to use the eastbound shoulder of the Extension as a travel lane during the morning and evening peak periods. Mrozek stated that use of the shoulder will give the Authority added capacity to handle some of the traffic that needs an alternate route to New York or points in Hudson County while eastbound Pulaski Skyway is closed for two (2) years beginning on April 11, 2014.

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COMMISSIONER'S COMMENTS

Chairman Simpson asked about the heavy volume on the eastbound Hudson County Newark Bay Extension during the morning rush hour. When the Pulaski shut-down begins, Chairman Simpson asked that State Police be nearby to handle traffic hazards.

COO O'Hern advised that an internal operational committee has been established to address issues related to the closing of the eastbound Pulaski Skyway on April 11, 2014. Beginning on Monday April 14, 2014, Authority departments will have additional staff available on the Hudson County Newark Bay Extension to quickly address any situations that may arise in the initial days of the Pulaski closing.

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HUMAN RESOURCES

Director of Human Resources Mary-Elizabeth Garrity requested approval of item number 079-03-2014. Moved is the item as follows:

079-03-2014

Human Resources Director Garrity submitted the Personnel Agenda, dated March 25, 2014, and requested confirmation of the personnel matters contained therein. The Executive Director certified the recommendations for consideration.

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

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LAW

General Counsel Bruce Harris requested approval of item numbers 080-03-2014 through 090-03-2014. Moved as a group those items are as follows:

080-03-2014

In a memorandum dated March 6, 2014, Ratification of Action Taken and Authorization for the Acquisition of Property Interests Necessary for the Interchanges 9, 10 and 11 Improvements Project, Garden State Parkway, Township of Middle, County of Cape May, Project No. 39023022, Amount: \$80,900.00, was approved.

The New Jersey Turnpike Authority, in conjunction with the New Jersey Department of Transportation ("NJDOT"), the Federal Highway Administration ("FHWA") and Cape May County, is proceeding with its plans for the construction of the Interchanges 9, 10 and 11 Improvements

Project (the "Project") in the Township of Middle, Cape May County.

This Project includes improvements to Interchanges 9, 10 and 11, which are at-grade signalized intersections that connect the Garden State Parkway with surface streets. The Project would eliminate the at-grade signalized intersections and upgrade this segment of the Parkway to a fully access-controlled highway, giving preference to through traffic by providing ramp connections only at selected public roads and prohibiting at-grade intersections and direct private driveway connections with the Parkway. This will improve both pedestrian and motorist safety. The Authority estimates that the total cost of the Project will be \$125 million, and anticipated FHWA funding for this project is approximately \$37.5 million.

The acquisition of property interests necessary for the Project in a timely manner is critical to the success of the Project. In light of this, under Agenda Item No. 129-04-2012, the Commissioners authorized the Executive Director to take all steps necessary to prepare for the acquisition of those property interests necessary for the Project, with the final action being submitted to the Commissioners for ratification.

The Authority had appraisals prepared by independent appraisers and reviewed by Value Research Group, LLC, the Authority's Real Estate Manager/Consultant, which set a value for each necessary property interest. The Authority entered into good faith negotiations with the owners or their respective counsel as appropriate for the purchase of same or the settlement of any claims related to the acquisition based on this appraised value and in compliance with the laws governing its powers of eminent domain.

I. Negotiated Sales:

For the following property, the Authority has reached a negotiated sale with the property owner:

Parcel No. 4605, E4605 and D4605

Owner: Rocco D'Andrea

Stone Harbor Boulevard

Block 132.01, Lot 23

Township of Middle, Cape May County, New Jersey

Amount: \$7,500.00

The Property consists of approximately 7.065 acres of unimproved vacant land. The Authority must acquire: (1) a fee acquisition of 0.079 acres of land located along the frontage at Stone Harbor Boulevard; (2) a permanent slope easement located along the frontage at Stone Harbor Boulevard containing approximately 0.034 acres of land; (3) a permanent drainage easement located along the frontage at Stone Harbor Boulevard containing approximately 0.024 acres of land; and (4) a Tidelands License over a small portion of the property that is wet.

II. New Eminent Domain Proceedings

For the following properties, the Authority had entered into good faith negotiations and had agreed upon a purchase price, but for various reasons, the property owners have refused or been unable to finalize the sale. As a last resort, eminent domain proceedings have been filed:

1. Parcel No. 4596
Owner: Thomas F. and Donna M. Doyle
9 Stone Harbor Landing Road
Block 132.01, Lot 36
Township of Middle, Cape May County, New Jersey
Amount: \$3,000.00

The property currently consists of approximately 0.932 acres of land and is improved by one single-family residential dwelling. The Authority must acquire a permanent slope easement located along the western boundary of the property near the Garden State Parkway containing approximately 0.003 acres of land.

2. Parcel No. 4585
Owner: Church of Our Lady of Angels
35 East Mechanic Street
Block 257, Lot 16
Township of Middle, Cape May County, New Jersey
Amount: \$5,200.00

The property currently consists of approximately 2.602 acres of land and is improved with numerous structures used for religious purposes, including a main basilica, a smaller second church, a parish office and meeting hall. The Authority must acquire: (1) a fee acquisition of 0.009 acres of land located at the northeastern corner of the property boundary at the intersection of East Mechanic Street and the Garden State Parkway; and (2) a permanent slope easement containing 0.003 acres of land located along the northeastern boundary of the property.

3. Parcel No. 4583
Owner: Burke Sales, Inc./R.M. Burke, Jr.
227 Bayberry Drive
Block 263, Lot 4
Middle Township, Cape May County
Amount: \$500.00

The Property consists of approximately 5.18 acres of land and two automobile dealerships. The Authority must acquire a permanent slope easement located along the northern portion of the Property near the frontage along Stone Harbor Boulevard containing approximately 0.007 acres of land.

4. Parcel No. 4606
Owner: RDK Holdings LLC
516 Stone Harbor Boulevard
Block 132.01, Lot 28
Township of Middle, Cape May County
Amount: \$64,700.00

The Property consists of approximately 16.038 acres of land, is improved with a one-story commercial building, and is currently being used as a used-car dealership. The Authority must acquire the following interests in the Property: (1) a fee acquisition of 0.121 acres of land located on the southwestern portion of the Property along the westernmost frontage of Stone Harbor Boulevard; (2) a permanent slope easement located on the southwestern portion of the Property along the westernmost frontage of Stone Harbor Boulevard containing approximately 0.039 acres of land; and (3) a permanent drainage easement located on the southwestern portion of the Property along the westernmost frontage of Stone Harbor Boulevard containing approximately 0.003 acres of land.

The acquisitions as proposed above do not involve property designated as "Preserved Farmland" pursuant to and as required by the Agriculture Development and Retention Act N.J.S.A. 4:1C-11 et seq., and State Agricultural Development Committee Rules N.J.A.C. 2:76-1.1, the act's implementing regulations. Nor have the above-referenced properties been designated or encumbered as Green Acres Properties pursuant to N.J.S.A. 13:1D-52 et seq. and N.J.A.C. 7:35-26.1 et seq.

The Law Department, in consultation with the Authority's Real Estate Manager/Consultant and outside General Counsel, recommends that the Authority acquire this property upon the terms and conditions as set forth above. Accordingly, it is requested that the Authority's Commissioners ratify the Executive Director's actions in commencing the above eminent domain proceedings, including depositing the appraised value into court and filing a Declaration of Taking. It is further requested that the Authority's Commissioners authorize the Executive Director, with the assistance of the Law Department, Engineering Department, outside General Counsel and other Authority consultants, to take all steps necessary to purchase the sale property for the amount set forth herein and to satisfy those other costs required to be paid at closing, said costs not to exceed Ten Thousand Dollars (\$10,000) per transaction.

081-03-2014

In a memorandum dated March 6, 2014, Ratification of Action Taken and Authorization for the Acquisition of Property Interests Necessary for the Interchange 88/89 Improvements Project, Garden State Parkway, Township of Lakewood, County of Ocean, Amount: \$1,013,300 (\$463,300 previously authorized), was approved.

The New Jersey Turnpike Authority ("Authority") is in the process of construction of the Interchange 88/89 Improvements Project (the "Project") in the Township of Lakewood, Ocean County. The Project will complete Interchange 88 to allow for full northbound and southbound access to Route 70 and will consolidate Interchanges 88 and 89 through the construction of service roads along the Parkway. Construction necessary for the Project is being performed under Contract P300.198, which was awarded under Agenda Item No. 307-08-2012.

The acquisition of property interests necessary for the Project in a timely manner is critical to the success of the Project. In light of this, under Agenda Item No. 052-02-2012, the Commissioners deemed various property interests necessary for the Project and authorized the Executive Director to take all steps necessary to prepare for the acquisition of those interests, with the final purchase price being submitted to the Commissioners for approval.

The Authority had appraisals prepared by independent appraisers and reviewed by Value Research Group, LLC, the Authority's Real Estate Manager/Consultant, which set a value for each necessary property interest. The Authority has entered into good faith negotiations with the owners or their respective counsel as appropriate for the purchase of same or the settlement of any claims related to the acquisition based on this appraised value and in compliance with the laws governing its powers of eminent domain.

Settled Eminent Domain Proceeding

The following is a description of a property acquisition that has been settled after the filing of a condemnation proceeding:

Parcel No. 4613A, B, C, D, C4613 & 2C4613

Owner: Parkway Lodging Realty, LLC

1885 Route 70

Block 1235, Lot 36

Lakewood Township, Ocean County

Amount: \$1,013,300 (\$463,300 previously authorized)

This property consists of approximately 15.1907 acres of land improved by a 88,000 square foot hotel and retail space. The Authority must acquire the following property interests: (1) a fee simple interest in three separate areas totaling 102,513 square feet; (2) two temporary construction easements containing approximately 5413 square feet. The Authority engaged in negotiations with the owner, which were not successful, and the acquisition of this property through condemnation was previously authorized under Agenda Item No. 338-09-2012 for the purchase price of \$463,300.

During the condemnation proceedings, the property owners demonstrated that additional compensation was warranted as the property prior to taking supported the construction of an additional restaurant/retail pad site. Following negotiations taking into account these facts, the parties agreed to a total purchase price of \$1,013,300. In addition, the Authority will convey to

the property owners at no cost two adjoining remainder parcels (Parcel 4610J and Parcel 4610A-2) that will be rendered landlocked by the Project and have no utility to the Authority or any other purchaser.

The acquisitions proposed above do not involve property designated as "Preserved Farmland" pursuant to and as required by the Agriculture Development and Retention Act N.J.S.A. 4:1C-11 et seq., and State Agricultural Development Committee Rules N.J.A.C. 2:76-1.1, the act's implementing regulations. Nor have the above referenced properties been designated or encumbered as Green Acres Properties pursuant to N.J.S.A. 13:1D-52 et seq. and N.J.A.C. 7:35-26.1 et seq.

The Law Department, in consultation with the Authority's Real Estate Manager/Consultant and outside General Counsel, recommends that the Authority acquire this property upon the terms and conditions as set forth above.

Accordingly, it is requested that the Authority's Commissioners authorize the Executive Director, with the assistance of the Law Department, Engineering Department, outside General Counsel and other Authority consultants, to take all steps necessary to settle the eminent domain proceeding for the amount set forth herein.

082-03-2014

In a memorandum dated March 10, 2014, Request for Authorization to Grant Easement to Block 12, Lot 1, Township of East Windsor, County of Mercer, Amount: \$112,500.00, was approved.

Jersey Central Power & Light Company ("JCPL") has requested that the Authority grant to JCPL an easement on a portion of property owned by the Authority known as Block 12, Lot 1 in East Windsor, County of Mercer (the "Property"). This easement would be 25 feet wide by 1481 feet long and used for purposes of an electric transmission line. JCPL has offered to compensate the Authority in the amount of \$112,500.00 for the proposed easement.

The Authority's Engineering Department staff have confirmed that the granting of such easement would not adversely impact the Authority's interests. In particular, it should be noted that the Property is not part of the Authority's Right of Way, but was acquired for mitigation purposes for the Turnpike Interchange 6 to 9 Widening Project. Such mitigation activities would not be impacted by the proposed easement. The Authority's Real Estate Consultant has reviewed the proposed purchase price of \$112,500.00, and has determined that this represents fair market value for the easement being acquired.

Accordingly, it is requested that the Authority's Commissioners delegate to the Executive Director the authority to execute an easement with JCPL pursuant to the terms outlined above. It is further recommended that the Commissioners authorize the Executive Director to execute any such other documents and take any such other actions as are deemed necessary to effectuate the intent of this authorization.

083-03-2014

In a memorandum dated March 10, 2014, **a Request for Authorization to Enter into Memorandum of Agreement No. 89-13 with the County of Ocean for the Design/Construction Coordination of a Park-n-Ride Facility in the Vicinity of Garden State Parkway Interchange 58, Garden State Parkway, County of Ocean**, was approved.

This agenda item seeks authorization for the Executive Director to enter into a Memorandum of Agreement ("Agreement") with the County of Ocean ("County") to allow the County to design and construct a Park-n-Ride facility in the vicinity of the intersection of the Garden State Parkway Interchange 58 and Ocean County Route 539 on Authority Right-of Way ("ROW"), with design and construction costs to be reimbursed by the Authority.

Under the proposed Agreement, the Authority shall review and approve of the County's design plans, bid and award process, and monitor the construction activities. The Authority will reimburse the County for all costs associated with the design and preparation of construction contract documents, including efforts to obtain the necessary Permits and approvals in an amount not to exceed \$400,000.00. The Authority will also reimburse the County for all construction costs. In addition, the Authority will convey that portion of the ROW on which the Park-n-Ride will be located to the County at no cost once the design is completed and the physical limits of the Park-n-Ride have been established. Upon completion of the Park-n-Ride, the County will be responsible for its operation and perpetual maintenance.

Accordingly, it is requested that Board of Commissioners delegate to the Executive Director the authority to execute Agreement No. 89-13 with the County pursuant to the terms outlined above. It is further recommended that the Commissioners authorize the Executive Director to execute any such other documents and take any such other actions as are deemed necessary to effectuate the intent of this authorization.

084-03-2014

In a memorandum dated March 11, 2014, **a Request for Authorization to enter into Memorandum of Agreement No. 83-13 with the New Jersey Department of Transportation for Design/Construction Coordination of Garden State Parkway Interchange 0 Improvements and State Highway Route 109 Construction and Alignment Modifications, Garden State Parkway, Township of Lower, County of Cape May**, was approved.

The New Jersey Turnpike Authority ("Authority") is proceeding with its plans for the design/construction of the Garden State Parkway ("GSP") Interchange 0 Improvements and State Highway Route 109 Construction and Alignment Modifications Project (the "Project") in the Township of Lower in the County of Cape May. The construction of the Project will be done under Contract No. P300.309, which is anticipated to be advertised in April 2015 and awarded in

June 2015.

Agreement No. 83-13 is required to define the responsibilities for design and construction coordination of the Project, which encompasses improvements not only to the Parkway in Lower Township, but also reconstruction and alignment modifications to State Route 109 in that vicinity as well. Under Agreement No. 83-13, the Authority will pay for all costs associated with the Project, and the New Jersey Department of Transportation (“NJDOT”) will perform plan reviews, permit access to the site, provide support in obtaining environmental permits, utility relocations, obtain rights of way as required, and monitor construction.

Accordingly, it is requested that Board of Commissioners delegate to the Executive Director the authority to execute Agreement No. 83-13 with the NJDOT pursuant to the terms outlined above. It is further recommended that the Commissioners authorize the Executive Director to execute any such other documents and take any such other actions as are deemed necessary to effectuate the intent of this authorization.

085-03-2014

In a memorandum dated March 11, 2014, **Authorization to Enter into a Memorandum of Understanding with the Division of Law, New Jersey Department of Law and Public Safety Regarding Its Representation of the Authority in Connection with the Investigation of Certain Bond Underwriting Matters**, was approved.

Since 2009, the New Jersey Department of Law and Public Safety, Division of Law (“DOL”) has been investigating certain underwriting matters in connection with the issuance of bonds by the State of New Jersey (the “State”) and by certain State agencies and authorities, including the New Jersey Turnpike Authority (“Authority”). These underwriting matters involve possible claims the State and the Authority may have under the New Jersey False Claims Act and other laws.

The DOL has agreed to represent the Authority in this matter, and will also be representing the Department of the Treasury (“Treasury”). The Authority will enter into a Memorandum of Understanding (the “MOU”) with the DOL with respect to the DOL’s representation of the Authority. The MOU provides that, except with respect to the costs of experts, all legal fees and expenses incurred by the DOL will be reimbursed to the DOL, if at all, solely from the proceeds of any settlement or verdict obtained in this matter.

The DOL has further recommended that it retain two experts to assist in the investigation and evaluation of these underwriting matters, and the Authority and Treasury have agreed to share the costs of those experts. The Authority will pay an amount not to exceed \$150,000 for the experts.

Accordingly, it is requested that the Authority’s Commissioners authorize the Executive Director to execute the MOU and any agreements necessary to effectuate the sharing of the

costs of the expert to be retained by DOL, as stated above. It is further requested that the Commissioners authorize the Executive Director to execute any such other documents and take any such other actions as are deemed necessary to effectuate the intent of this authorization.

086-03-2014

In a memorandum dated March 7, 2014, **Various Access Agreements to Undertake Chromium Ore Processing Residue (COPR) Remediation, Under Order for Professional Services No. T3474, AECOM Technical Services, Inc.,** was approved.

In 2005, the New Jersey Department of Environmental Protection ("NJDEP") instituted litigation against three firms that had generated chromium ore processing residue. The New Jersey Turnpike Authority (the "Authority") was not named as a defendant in such litigation, but, in 2006, the NJTA was named as a third party defendant by one of the firms as a result of the NJTA's ownership of certain parcels impacted by the residue. The litigation was settled in 2011 and the Authority is working with the NJDEP to remediate conditions at the three affected sites with the understanding that, by doing so, it will not have any responsibility for any additional sites.

In 2012, pursuant to Agenda Item No. 444-11-2012, the Authority entered into Order for Professional Services No. T3474 with AECOM Technical Services, Inc. ("AECOM"), an environmental engineering consultant, to conduct various remedial investigations and remedial actions relating to the affected sites. AECOM's activities will require that it and its subcontractors obtain access to the sites across adjacent properties that are owned by various entities, including the New Jersey Department of Transportation ("NJDOT"), Conrail, and various private entities. In some cases the Authority will need to execute access agreements with the property owners.

Accordingly, it is requested that the Authority's Commissioners authorize the Executive Director to execute the access agreements necessary to obtain access to the affected sites. It is further requested that the Commissioners authorize the Executive Director to execute any such other documents and take any such other actions as are deemed necessary to effectuate the intent of this authorization.

087-03-2014

In a memorandum dated March 17, 2014, **Authorization to Renew Bridge and Non-Bridge Property Insurance for Property located on the New Jersey Turnpike and the Garden State Parkway for One Year, (May 1, 2014 through April 30, 2015), Amount: \$5,105,268, Operating Budget Account No.: 010-00-893-441030,** was approved.

The New Jersey Turnpike Authority ("Authority") maintains property insurance for the protection of its physical assets and loss of revenue. Marsh McLennan Agency, LLC ("Marsh"), the Authority's broker of record, was tasked with designing, marketing, and implementing the Authority's property insurance program. The current program insures property on both roadways

totaling \$16,394,678,993 via a primary quota share program based on a 'maximum probable loss' limit of \$450,000,000, and an additional layered excess program with an additional \$300,000,000 limit. The policy provides property insurance coverage for all physical assets owned by the Authority, subject to a \$2 million deductible.

Marsh approached the incumbent insurers as well as a number of additional markets for renewal quotations for renewal coverage as expiring, with an increased asset value of \$16,859,751,275, representing a 2.9% increase in the value of the Authority's assets from last year. A number of markets declined to quote for a variety of reasons, including the overall exposure of the account, the exposure in the specific geographic area and/or the underwriter's capacity to handle the specific exposure.

After review of all quotations with the Authority and with Hanover Stone, the Authority's risk management consultant, renewal of the Authority's primary program, based on the combined limit of \$450,000,000, the "maximum probable loss" for both roadways, is recommended as follows (amounts shown are rounded, but will equal 100%):

<u>Underwriter</u>	<u>Limit</u>	<u>Percentage Quota Share</u>
ACE (Illinois Union)	\$150,000,000	33.33%
Zurich American	\$150,000,000	33.33%
AIG (Lexington)	\$ 50,000,000	11.11%
Ironshore	\$ 50,000,000	11.11%
RSUI	<u>\$ 50,000,000</u>	<u>11.11%</u>
Total	\$450,000,000	100%

In addition, renewal of the Authority's excess insurance, in a total amount of \$300,000,000 is recommended as follows:

<u>Underwriter</u>	<u>Limit</u>
North American Elite Insurance Company (Swiss Re)	\$150,000,000 excess of \$450,000,000
Aspen American Insurance Company	\$ 50,000,000 excess of \$600,000,000
Executive Risk Specialty Insurance Co. (Chubb)	\$ 50,000,000 excess of \$650,000,000
Great American Insurance Co of NY	\$ 50,000,000 excess of \$700,000,000

The premium for placement of the insurance as set forth above for one year is \$5,105,268, a slight decrease from the current year, notwithstanding the increase in asset values of 2.9%, and includes Terrorist Risk Insurance Act (TRIA) coverage at the full \$750,000,000 limit. In addition, there will be Boiler Inspection Fees of \$6,000 and mandatory New Jersey insurance surcharges of no greater than \$20,000. Since Marsh continues to negotiate with the underwriters for an improved premium and coverages, it is further recommended that the Commissioners authorize the Executive Director to substitute insurance companies in either the primary or

excess program should he deem it in the best interest of the Authority, so long as the premium does not exceed the amount set forth above.

It is therefore recommended that the Commissioners authorize renewal of the Authority's bridge and non-bridge property insurance with a \$750,000,000 limit covering all bridge and non-bridge assets on the New Jersey Turnpike and the Garden State Parkway, as set forth above. It is further recommended that the Commissioners authorize the Executive Director to substitute insurance companies in either the primary or excess program, should he deem it in the best interest of the Authority, as described above. It is further recommended that the Executive Director, after consultation with the Authority's Law Department, be authorized to execute all documents and to take any and all further actions to effectuate the placement of the policies as indicated herein.

088-03-2014

In a memorandum dated March 12, 2014, **a Request for Authorization to extend the Authority's contract with Aon Risk Services, Inc. ("Aon") for brokerage and other services with respect to the Authority's Rolling Owner Controlled Insurance Program ("ROCIP") for an additional six (6) months, Account No. 390 850 156555, Amount: \$341,100.00,** was approved.

In October 2008, the Authority issued a Request for Qualifications for interested insurance brokers to provide insurance brokerage and risk management services in connection with one or more Owner Controlled Insurance Programs ("OCIPs") to support the roll-out of the \$7 billion capital program. It was contemplated that an OCIP would provide uniformity in the administration of the myriad of insurance coverages (general liability; workers compensation; pollution; railroad protective, and the like) for the multiple contractors and subcontractors who would be providing work for the capital program. During the procurement process, it was determined that it would be in the best interest of the Authority to enter into two (2) OCIPs – one would cover the 6-9 Widening Program, valued at \$2.5 billion, the other to cover virtually all other construction on both roadways, except the 6-9 Widening Program, estimated at \$2.2 billion. In February 2009, by agenda item 49-09, the Commissioners delegated authority to staff to enter into price negotiations and finalize a professional services agreement with Allied North America ("Allied") for Insurance Brokerage-Risk Management Services for the implementation and administration of a Rolling Owner Controlled Insurance Program ("ROCIP") for construction on both roadways, except the 6-9 Widening Program. In July 2009, after staff achieved significant price and other concessions, the Commissioners authorized, ratified and approved the award to Allied of one of two (2) agreements to implement and administer an OCIP for the Authority, for a five (5) year term, in a total amount of \$3,410,985.00, to provide such services for the Authority's capital program (other than the 6-9 Widening Program). The agreement further provided that it

may be extended for one (1) year periods through the completion of the projects covered by the OCIP, in the sole discretion of the Authority.

In Agenda Item 27-10, the Commissioners acknowledged and ratified the change in control of Allied to Aon resulting from a corporate merger. Aon's contract will expire on April 30, 2014, and authorization is requested to extend this contract for an additional six (6) months, with additional terms to be negotiated by staff.

Since the ROCIP includes construction areas along the length of both the Parkway and the Turnpike, it has posed significant challenges in providing consistently satisfactory safety, loss control and claims management services. Additionally, because the Authority has decided to cease enrolling contractors in the ROCIP, and to rather have each individual contractor provide its own insurance, the administrative requirements may decrease over time. When it became apparent that the ROCIP was not fully achieving its original goals, the Authority commenced negotiating (and continues to negotiate) with Aon to attempt to restructure the program with the underwriter. A six (6) month extension will allow the Authority to complete such negotiations and restructure the program to better meet the needs of the Authority, and, if deemed necessary, to publically procure another firm to administer the remainder of the program.

Accordingly, authorization is requested to extend Aon's contract with the Authority for an additional six (6) months, upon the same terms and conditions as in the current contract in an amount not to exceed \$341,100. It is further recommended that the Commissioners authorize the Executive Director to execute any other documents and take any other actions necessary to effect the intent of this authorization.

089-03-2014

In a memorandum dated March 21, 2014, **Request for authorization to extend the Authority's contract with Hanover Stone Partners, L.L.C. for insurance and risk management consulting services for one (1) additional year, Account No.: 010 893 445900, Amount: \$115,000.00,** was approved.

In Agenda Item 114-03-2012, the Commissioners awarded a contract to Hanover Stone Partners, L.L.C., ("Hanover Stone") to provide insurance and risk management consulting services to the Authority in an annual authorized amount not to exceed \$115,000. The initial term of the contract was for two (2) years, with an option to extend for two additional one (1) year terms, upon the same terms and conditions at the discretion of the Authority. The initial term will expire on April 15, 2014, and the Authority has the option to exercise the first one (1) year extension.

Hanover Stone has consistently provided expert professional services to the Authority. During the first two (2) years of their contract with the Authority, Hanover Stone has reviewed and analyzed the Authority's insurance and risk management program and made both practical and

technical suggestions for improvements to the program, providing the Authority with enhanced coverage, and resulting in significant savings. In the coming year, we anticipate continuing the progress made to date in measuring and decreasing the Authority's total risk and resultant cost of risk.

Accordingly, authorization is requested to extend the contract with Hanover Stone to provide insurance and risk management consulting services for one (1) additional year to April 15, 2015. It is further recommended that the Commissioners authorize the Executive Director to execute any documents and take any actions that are necessary to effectuate the intent of this authorization.

090-03-2014

In a memorandum dated March 21, 2014, **a Request for Authorization to extend the Authority's contract with Risk Strategies Company for brokerage and other services with respect to the Authority's 6-9 Widening Owner Controlled Insurance Program for one (1) additional year, Account No.: 390 850 156555, Project No.: 39018001, Amount: \$586,839.00,** was approved.

In October 2008, the Authority issued a Request for Qualifications for interested insurance brokers to provide insurance brokerage and risk management services in connection with one or more Owner Controlled Insurance Programs ("OCIPs") to support the roll-out of its \$7 billion capital program. It was contemplated that an OCIP would provide uniformity in the administration of the myriad of insurance coverages (general liability; workers compensation; pollution; railroad protective, and the like) for the multiple contractors and subcontractors who would be providing work for the capital program. During the procurement process, it was determined that it would be in the best interest of the Authority to enter into two (2) OCIPs – one would cover the 6-9 Widening Program, valued at \$2.5 billion, the other to cover virtually all other construction on both roadways, except the 6-9 Widening Program, estimated at \$2.2 billion. In February 2009, by agenda item 49-09, the Commissioners delegated authority to staff to enter into price negotiations and finalize a professional services agreement with Risk Strategies Company ("Risk Strategies") for Insurance Brokerage-Risk Management Services for the implementation and administration of an OCIP for the 6-9 Widening Program. In July 2009, after staff achieved significant price and other concessions, the Commissioners authorized, ratified and approved the award to Risk Strategies of one of two (2) agreements to implement and administer an OCIP for the Authority, for a five (5) year term, in a total amount of \$2,934,146.00 (payable as a fixed monthly fee of \$48,902.43), for the 6-9 Widening Program. The agreement further provided that it may be extended for one (1) year periods through the completion of the projects covered by the OCIP, in the sole discretion of the Authority. Risk Strategies' contract will expire on May 31, 2014, and authorization is requested to extend this contract for one (1) additional year.

Since inception of their contract, Risk Strategies has consistently provided a satisfactory level of services regarding the required brokerage, loss control, safety and OCIP administrative services for the 6-9 OCIP. They continue to satisfactorily manage claims, provide risk management reports and fulfill all facets of administering an OCIP, including processing enrollments, processing contractor and sub-contractor payroll, interfacing with the third party administrator to manage general liability and workers compensation claims, and managing the on-site medical services, which are provided by a separate vendor. The construction of the 6-9 Widening Program is anticipated to continue through 2014, necessitating Risk Strategies to continue to provide these services.

Accordingly, authorization is requested to extend Risk Strategies' contract with the Authority for one (1) additional year to May 31, 2015, upon the same terms and conditions as in the existing contract in an amount not to exceed \$586,839.00. It is further recommended that the Commissioners authorize the Executive Director to execute any other documents and take any other actions as are deemed necessary to effect the intent of these authorizations.

On motion by Commissioner Diaz and seconded by Commissioner Becht, the Authority unanimously approved item numbers 080-03-2014 through 090-03-2014; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ENGINEERING

Chief Engineer Robert Fischer requested approval of item numbers 091-03-2014 through 098-03-2014. Moved are the items as follows:

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PUBLIC BID SOLICITATIONS – AWARD OF CONTRACTS

091-03-2014

In a document dated March 6, 2014, a **Recommendation to Award Contract No. P200.315 for the Garden State Parkway to Stavola Contracting Co., Inc. for Central Pavement Restoration and Miscellaneous Improvements, Mileposts 80 to 143, Ocean, Monmouth, Middlesex and Union Counties, Maintenance Reserve Fund No. 03020005, Amount: \$7,716,269.00**, was approved.

This contract will provide for the resurfacing of asphalt surface course pavement along southbound mainline travel lanes, shoulders, and interchange ramps along with other incidental improvements at various locations between Mileposts 80 and 143 on the Garden State Parkway. All work is expected to be completed in 2014.

Six bid proposals were received on March 6, 2014 for the above publicly advertised

contract, as shown on the attached bid summary sheet. The low bid proposal in the amount of \$7,716,269.00 may be compared to the second low bid proposal in the amount of \$7,830,758.07. The low bidder, Stavola Contracting Co., Inc. has performed work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. P200.315 be awarded to the low bidder, Stavola Contracting Co., Inc. of Red Bank, New Jersey, in the amount of \$7,716,269.00 allocated as follows: \$6,200,000.00 in FY 2014 and \$1,516,269.00 in FY 2015. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. Bids for this work were procured, and the authorization being sought is to award this contract to the lowest responsible bidder, in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.2, and Executive Order No. 37 (Corzine 2006).

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

092-03-2014

In a document dated March 5, 2014, a **Recommendation to Award Contract P400.220 for the Garden State Parkway to IEW Construction Group Inc. for Barrier Free Improvements at service Areas on the Garden State Parkway, Ten Year Capital Program Fund No. 39005013, Amount: \$736,495.27**, was approved.

This contract will make exterior barrier free improvements at the Montvale, Cheesequake, Monmouth, and Forked River Service Areas. The proposed work includes parking area, sidewalk, and walkway modifications to bring the facilities into compliance with the Americans with Disabilities Act and the NJ Barrier Free Subcode.

Two bid proposals were received on March 4, 2014 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal in the amount of \$736,495.27 may be compared to the second low bid proposal in the amount of \$801,835.05. The low bidder, IEW Construction Group Inc. has performed work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. P400.220 be awarded to the low bidder, IEW Construction Group Inc. of Trenton, New Jersey, in the amount of \$736,495.27. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. Bids for this work were procured, and the authorization being sought is to award this contract to the lowest responsible bidder, in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.2, and Executive Order No. 37 (Corzine 2006).

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

093-03-2014

In a document dated March 7, 2014, a **Recommendation to Award Contract P400.335 for the Garden State Parkway to John O'Hara Co., Inc. for Barrier Free Improvements at Vaux Hall Milepost 142.2 NB and Brookdale South Milepost 153.0 SB Service Areas, Ten Year Capital Program Fund No. 39005013, Amount: \$685,994.01**, was approved.

This contract will make interior and exterior barrier free improvements at the Parkway's Vaux Hall and Brookdale South Service Areas. The proposed work includes parking area, sidewalk, walkway, entry door, restroom and counter modifications to bring the facilities into compliance with the Americans with Disabilities Act and the NJ Barrier Free Subcode.

Six bid proposals were received on March 4, 2014 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal in the amount of \$685,994.01 may be compared to the second low bid proposal in the amount of \$863,345.00. As the low bidder, John O'Hara Co., Inc. has not performed work for the Authority and their bid was significantly lower than other bids, a post bid meeting was held and reference checks were performed. Based on all information gathered at the meeting and through their performance working for other agencies, John O'Hara Co., Inc. is considered competent to complete this contract.

It is, therefore, recommended that Contract No. P400.335 be awarded to the low bidder, John O'Hara Co., Inc. of East Orange, New Jersey, in the amount of \$685,994.01. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. Bids for this work were procured, and the authorization being sought is to award this contract to the lowest responsible bidder, in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.2, and Executive Order No. 37 (Corzine 2006).

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

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ORDER FOR PROFESSIONAL SERVICES (OPS)

094-03-2014

In a document dated March 6, 2014, a **Recommendation to Issue Order for Professional Services No. P3514 for the Garden State Parkway to Churchill Consulting Engineers for the Supervision of Construction Services for Contract No. P200.315 - Central Pavement Restoration, Mileposts 80 to 143, Maintenance Reserve Fund No. 03020005, Funding allocation: \$900,000.00 FY 2014, \$140,000.00 FY 2015, Amount: \$1,040,000.00**, was approved.

This Order for Professional Services will provide for supervision of construction services for Contract No. P200.315, Central Pavement Restoration, Mileposts 80 to 143.

This assignment is classified as a "Simple Project" based on the scope of work being clearly defined and not likely to change during the course of the project, and the cost not exceeding \$2,000,000.00. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and 50 engineering firms were prequalified and eligible under Profile Codes: B-153, Roadway Construction Inspection and B-154, Roadway Resurfacing Inspection. Five firms submitted EOIs by the closing date of January 14, 2014.

Subsequent to the scoring of EOIs by the Review Committee, Fee Proposals were requested from the top three firms. The firms in the order of ranking are: 1) Churchill Consulting Engineers; 2) KS Engineers, P.C.; and 3) Arora & Associates, P.C. The fee submitted by Churchill Consulting Engineers has been reviewed and is considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. P3514 be issued to the firm of Churchill Consulting Engineers of Berlin, New Jersey, not to exceed the amount of \$1,040,000.00 allocated as follows: \$900,000.00 in FY 2014 and \$140,000.00 in FY 2015. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.35 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses. The award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. These professional services were procured, and the recommended firm was selected, in accordance with N.J.S.A. 52:34-9.1, et seq., N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.8, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

095-03-2014

In a document dated March 10, 2014, a **Recommendation to Issue Order for Professional Services No. T3548 for the New Jersey Turnpike to Hardesty & Hanover, LLC for the Design Services for the Jersey Avenue Vehicular Bridge over the Morris Canal, Ten Year Capital Program Fund No. 39001033, Amount: \$1,260,000.00**, was approved.

This Order of Professional Services will provide for the project conceptual development, preliminary and final design services, permitting, preparation of contract documents, and post-construction consultation services for the construction of a new bridge carrying the Turnpike feeder road, Jersey Avenue, over the Morris Canal in Jersey City.

This assignment is classified as a "Simple Project" based on the scope of work being clearly defined and not likely to change during the course of the project, and the cost not

exceeding \$2,000,000.00. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and 61 engineering firms were prequalified and eligible under Profile Code: A090 Bridges: New. 16 firms submitted EOIs by the closing date of February 19, 2014.

Subsequent to the scoring of EOIs by the Review Committee, Fee Proposals were requested from the top three firms. The firms in the order of ranking are: 1) Hardesty & Hanover, LLC; 2) T & M Associates; and 3) TranSystems Corporation. The fee submitted by Hardesty & Hanover, LLC has been reviewed, negotiated and is considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. T3548 be issued to the firm of Hardesty & Hanover of West Trenton, New Jersey, not to exceed the amount of \$1,260,000.00. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.655 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses. The award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. These professional services were procured, and the recommended firm was selected, in accordance with N.J.S.A. 52:34-9.1, et seq., N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.8, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

096-03-2014

In a document dated March 6, 2014, a **Recommendation to Issue Supplement A to Order for Professional Services No. A3384 for the New Jersey Turnpike / Garden State Parkway to M & J Engineering P.C., for the Supervision of Construction Services for Contract No. A600.102D - Installation of Variable Message Signs at New & Existing Locations on the Turnpike and Parkway, Ten Year Capital Program Fund No. 39006019, Current OPS Amount: \$2,360,000.00, Amount of Supplement: \$530,000.00, Revised OPS Amount: \$2,890,000.00**, was approved.

This Order for Professional Services was approved at the October 25, 2011 Commission Meeting in the amount of \$2,360,000.00. Under the referenced OPS, M & J Engineering, P.C. is providing supervision of construction services to manage and supervise the construction work of Contract No. A600.102D, under which new variable message signs are being installed at various new and existing locations on the Turnpike and Parkway roadways.

Supplement A is necessary at this time to provide compensation to M & J Engineering, P.C. for additional unanticipated supervision of construction services not originally anticipated when the OPS was issued. Under previously approved change orders, the scope of Contract A600.102D was significantly expanded to include the furnishing and installation of five new

variable message sign structures and the retrofit of three existing sign structures on the I-95 roadway approach to the George Washington Bridge for the Port Authority of New York and New Jersey. In addition, Contract A600.102D has taken much longer to complete than originally anticipated, as a result of conflicts with other Authority construction contracts that required priority.

The combined effect of the conflicts with other Authority construction contracts, and the addition of significant extra work, has resulted in the issuance of an eight month time extension to Contract A600.102D, which requires the similar extension of this OPS. This Supplement A will reimburse the consultant for providing the unanticipated additional construction supervision services necessary during the eight month time extension of Contract A600.102D.

It is, therefore, recommended that Supplement A to Order for Professional Services No. A3384 be issued to M & J Engineering, P.C. not to exceed the amount of \$530,000.00, with compensation on the same basis as the original Order for Professional Services. The addition of this amount increases the total authorized fee from \$2,360,000.00 to \$2,890,000.00. The original contract was procured pursuant to N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8.

097-03-2014

In a document dated February 21, 2014, a **Recommendation to Issue Supplement B to Order for Professional Services No. P3300 for the Garden State Parkway to Jacobs Engineering Group, Inc. for the Design Services for Shoulder Restoration and Improvements, Contract No. P200.201 - Mileposts 93.5 to 99.5, Ten Year Capital Program Fund No. 39022023, Current OPS Amount: \$9,565,000.00, Amount of Supplement: \$400,000.00, Revised OPS Amount: \$9,965,000.00**, was approved.

This Order for Professional Services was issued at the August 2010 Commission Meeting in the amount of \$8,985,000.00 to provide design services consisting of preparation of contract documents for providing full width left and right shoulders along the Parkway.

Supplement A was issued at the January 2012 Commission Meeting in the amount of \$580,000.00 providing for additional design services requested by the Authority to revise previously completed design work at Milepost 95.9 near the Manasquan River and safeguard the future operation of this Emergency Evacuation Route.

Supplement B will compensate Jacobs Engineering Group, Inc. for additional drainage and permit modifications required by the New Jersey Department of Environmental Protection related to stormwater detention basins and water quality treatment devices; additional shop drawing review and post design services related to the Authority's addition of the replacement of the Manasquan River bridge as a result of Hurricane Irene; revisions to maintenance and protection of traffic staging plans to accommodate delays in the approval of the U.S. Army Corps of Engineers permit for the replacement of the Manasquan River bridge; and additional post

design services resulting from revisions to the Authority's procedures that provided clarification to shop and working drawing review scope and work roles of the Design Engineer and Construction Manager that resulted in additional effort by Jacobs that was not included within their original scope of work.

Jacobs Engineering Group, Inc. submitted a proposal in the amount of \$400,000.00 to provide the required services. The proposal has been reviewed, negotiated, and is considered fair and reasonable for the services to be provided.

It is, therefore, recommended that Supplement B to Order for Professional Services No. P3300 be issued to Jacobs Engineering Group, Inc. not to exceed the amount of \$400,000.00, with compensation on the same basis as the original Order for Professional Services. The addition of this amount increases the total authorized fee from \$9,565,000.00 to \$9,965,000.00. The original contract was procured pursuant to N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8.

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**ACKNOWLEDGE REPORTS OF
ENGINEERING EXPENDITURES UNDER DELEGATED AUTHORITY**

098-03-2014

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

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

On motion by Commissioner Hodes and seconded by Commissioner Walden, the Authority unanimously approved item no. 091-03-2014, and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

On motion by Treasurer DuPont and seconded by Commissioner Walden, the Authority unanimously approved item nos. 092-03-2014 and 097-03-2014, and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

On motion by Treasurer DuPont and seconded by Commissioner Diaz, the Authority unanimously accepted the reports contained in item number 098-03-2014 and received same for file.

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MAINTENANCE

Director of Maintenance Joseph Lentini requested approval of item number 099-03-2014. Moved is the item as follows:

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PUBLIC BIDS SOLICITATIONS

099-03-2014

In a document dated March 7, 2014, a Recommendation to Award Contract No. T500.330 for the New Jersey Turnpike to USA General Contractors Corp. for Roof Replacement at Joyce Kilmer Service Area, Milepost 78.7 N, Middlesex County, Supplemental Capital Fund No. 08007019, Amount: \$433,800.00, was approved.

This contract involves the roof removal and replacement at the Turnpike Joyce Kilmer Service Area (MP 78.7 N) in Middlesex County, New Jersey.

Five (5) bid proposals were received on January 8, 2014 for the above publicly advertised contract, as shown on the attached bid summary sheet. The apparent low bidder, MTB LLC, was not prequalified in the required New Jersey Department of Property Management and Construction (NJDPMC) Classification at the time of the bid opening and therefore it is recommended that its bid be rejected. The second lowest bid proposal, submitted by USA General Contractors Corp., in the amount of \$433,800.00, meets all the terms and conditions and may be compared to the Engineer's Estimate in the amount of \$434,450.00. USA General Contractors Corp. has previously performed work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. T500.330 be awarded to the low bidder, USA General Contractors Corp. of Elizabeth, New Jersey, in the amount of \$433,800.00. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134 – McGreevey 2004) and Executive Order 117 (Corzine 2008), and having no objection to same. Bids were procured and authorization is being sought to award this contract in accordance with N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

The General Consultant, HNTB Corporation, concurs with this recommendation

On motion by Commissioner Diaz and seconded by Commissioner Becht, the Authority unanimously approved item no. 099-03-2014, and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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PROCUREMENT ("PMM")

Director of Purchasing Andrea Ward requested approval of item numbers 100-03-2014 through 115-03-2014. Moved as a group those items are as follows:

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PUBLIC BIDS SOLICITATIONS

100-03-2014

In a document dated March 12, 2014, a Recommendation to purchase Four-Door Mid-Size Sedans from Hertrich Fleet Services, Inc., R-105606, Budget Codes: 010 00 500

480060, Amount: \$104,886.00, was approved.

Authorization is requested to award a contract for six (6) four-door mid-size sedans. Bidders were required to quote unit and total prices for the vehicles. The bid was fully advertised and the eight vendors listed in the Authority's database for the referenced commodity were notified of the procurement. On February 20, 2014, bids were received as follows:

<u>Vendor</u>	<u>Unit Price</u>	<u>Total Price</u>
Hertrich Fleet Services, Inc., Milford DE	\$17,481.00	\$104,886.00
Mall Chevrolet, Cherry Hill, NJ	\$20,400.00	\$122,400.00

Departmental Estimate: \$120,000.00

Bids were procured, and authorization is being sought to award this contract in accordance with N.J.S.A. 27:23-1 et seq., the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006). This award is also contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee pursuant to Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008), and having no objection to same.

Accordingly, authorization is requested to award a contract to Hertrich Fleet Services, Inc., for a total amount not to exceed \$104,886.00.

101-03-2014

In a document dated March 12, 2014, **a Recommendation to purchase 150 KW Stand-By Generator from Cooper Power Systems, R-105535, Budget Codes: 010 00 500 480060, Amount: \$39,759.00**, was approved.

Authorization is requested to award a contract to provide a 150 KW Stand-By Diesel-Powered Generator to replace an existing generator that was destroyed by fire. Bidders were required to quote unit and total prices for the generator. The bid was fully advertised and the five vendors listed in the Authority's database for the referenced commodity were notified of the procurement. On February 20, 2014, bids were received as follows:

<u>Vendor</u>	<u>Total Price</u>
Cooper Power Systems, Ocean, NJ	\$39,759.00
ENER-G - Rudox, Carlstadt, NJ	\$54,165.00

Departmental Estimate: \$52,000.00

Bids were procured, and authorization is being sought to award this contract in accordance with N.J.S.A. 27:23-1 et seq., the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006). This award is also contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee pursuant to Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008), and having no objection to same.

Accordingly, authorization is requested to award a contract to Cooper Power Systems, for a total amount not to exceed \$39,759.00.

102-03-2014

In a document dated March 12, 2014, **a Recommendation to purchase 7 Cubic-Yard Dump Trucks from Ransome International, LLC, R-105544, Budget Codes: 040 00 500 156555 04007021, Amount: \$1,584,920.00**, was approved.

Authorization is requested to award a contract for ten (10) 7 cubic yard dump body trucks for use on both Authority roadways. Bidders were required to quote unit and total prices for the vehicles. The bid was fully advertised and the five vendors listed in the Authority's database for the referenced commodity were notified of the procurement. On February 11, 2014 bids were received as follows:

<u>Vendor</u>	<u>Unit Price</u>	<u>Total Price</u>
Ransome International, LLC, Bensalem, PA	\$158,492.00	\$1,584,920.00
Mid-Atlantic Truck Center, Linden, NJ	\$161,572.00	\$1,615,720.00
Robert H Hoover and Sons, Inc., Flanders, NJ	\$165,972.00	\$1,659,720.00
Gabrielli Kenworth of NJ, Dayton, NJ	\$178,520.60	\$1,785,206.00

Departmental Estimate \$1,550,000.00

Bids were procured, and authorization is being sought to award this contract in accordance with N.J.S.A. 27:23-1 et seq., the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006). This award is also contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee pursuant to Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008), and having no objection to same.

Accordingly, authorization is requested to award a contract to Ransome International, LLC, for a total amount not to exceed \$1,584,920.00.

103-03-2014

In a document dated March 12, 2014, **a Recommendation to purchase Right-Hand Side Loader Dump Buckets from Jesco, Inc., R-105740, Budget Codes: 010 00 500 480060, Amount: \$49,950.00**, was approved.

Authorization is requested to award a contract to provide four (4) right-hand side loader dump buckets that will allow loaders to dump dirt, rocks or gravel into washouts over the guardrail without requiring the truck to face traffic or turn around in a live lane in order to dump the material. Bidders were required to bid unit and total prices for the equipment. The bid was fully advertised and the eleven vendors listed in the Authority's database for the referenced commodity were notified of the procurement. On February 28, 2014 bids were received as follows:

<u>Vendor</u>	<u>Unit Price</u>	<u>Total Price</u>
Jesco, Inc., So. Plainfield, NJ	\$12,487.50	\$49,950.00
Peach Country Tractor, Mullica Hill, NJ	\$14,499.00	\$57,996.00

Departmental Estimate \$60,000.00

Bids were procured, and authorization is being sought to award this contract in accordance with N.J.S.A. 27:23-1 et seq., the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006). This award is also contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee pursuant to Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008), and having no objection to same.

Accordingly, authorization is requested to award a contract to Jesco, Inc., for a total amount not to exceed \$49,950.00

104-03-2014

In a document dated March 12, 2014, **a Recommendation to purchase 1-Ton Passenger Vans and Accessories from Mall Chevrolet, Inc., R-105889, Budget Codes: 010 00 500 480060, Amount: \$134,000.00**, was approved.

Authorization is requested to award a contract for four (4) 1-ton passenger vans and accessories. The vans are to replace older vehicles that have exceeded their life expectancy and are designated for use by the Janitorial section of the Maintenance Department. Bidders were required to quote unit and total prices for the vehicles. The bid was fully advertised and the eight vendors listed in the Authority's database for the referenced commodity were notified of the procurement. On February 28, 2014 one bid was received as follows:

<u>Vendor</u>	<u>Unit Price</u>	<u>Total Price</u>
Mall Chevrolet, Cherry Hill, NJ	\$33,500.00	\$134,000.00

Departmental Estimate \$136,000.00

Bids were procured, and authorization is being sought to award this contract in accordance with N.J.S.A. 27:23-1 et seq., the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006). This award is also contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee pursuant to Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008), and having no objection to same.

Accordingly, authorization is requested to award a contract to Mall Chevrolet Inc., for a total amount not to exceed \$134,000.00.

105-03-2014

In a document dated March 12, 2014, **a Recommendation for ¾ Ton Regular Cab Pickup Trucks with Snow Plows (3-Year Option) from Mall Chevrolet, Inc., R-106841, Budget Code: 010 00 500 480060, Amount: \$ 176,185.00 (\$35,237.00 each)**, was approved.

At the April 30, 2013 Board of Commissioners Meeting (Agenda Item 146-04-2013), the Authority awarded a contract to Mall Chevrolet, Inc. for the purchase of ¾ ton regular cab pickup trucks with snow plows. The contract included a 3-year option to purchase additional trucks which conform to the original specifications for three additional model years. For the final two years of the option, the vendor was permitted to request a price increase from the Authority if there had been an overall price increase of the trucks in those later model years, provided that the vendor justified the price increase in writing to the Authority.

Authorization is requested to purchase five additional pickup trucks to replace older models which are beyond their useful lives. As permitted in the contract, the vendor requested a unit price increase of 5.5% due to new model-year manufacturer pricing. The Maintenance Department determined that the requested increase is reasonable.

This contract was originally bid and awarded in accordance with N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006). This contract is in compliance with Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008).

Accordingly, authorization is requested to exercise the contract option to purchase additional ¾ ton regular cab pickup trucks with snow plows from Mall Chevrolet, Inc., for a total amount not to exceed \$176,185.00.

106-03-2014

In a document dated March 12, 2014, **a Recommendation for ¾ Ton Regular Crew-Cab Pickup Trucks (3-Year Option) to Mall Chevrolet, Inc., R-106842, Budget Code: 010 00 500 480060, Amount: \$ 235,578.00 (\$33,654.00 each)**, was approved.

At the April 30, 2013 Board of Commissioners Meeting (Agenda Item 145-04-2013), the Authority awarded a contract to Mall Chevrolet, Inc. for the purchase of ¾ ton crew-cab pickup trucks. The contract included a 3-year option to purchase additional trucks which conform to the original specifications for three additional model years. For the final two years of the option, the vendor was permitted to request a price increase from the Authority if there had been an overall price increase of the trucks in those later model years, provided that the vendor justified the price increase in writing to the Authority.

Authorization is requested to purchase seven additional pickup trucks to replace older models which are beyond their useful lives. As permitted in the contract, the vendor requested a

unit price increase of 5.5% due to new model-year manufacturer pricing. The Maintenance Department determined that the requested increase is reasonable.

This contract was originally bid and awarded in accordance with N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006). This contract is in compliance with Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008).

Accordingly, authorization is requested to exercise the contract option to purchase additional ¾ ton crew-cab pickup trucks from Mall Chevrolet, Inc., for a total amount not to exceed \$235,578.00.

107-03-2014

In a document dated March 12, 2014, **a Recommendation for 4-Wheel Drive Utility Tractors (3-Year Option) from Cherry Valley Tractor Sales, R-106840, Budget Code: 010 00 500 480060, Amount: \$ 159,963.35 (\$31,992.67 each)**, was approved.

At the March 26, 2013 Board of Commissioners Meeting (Agenda Item 111-03-2013), the Authority awarded a contract to Cherry Valley Tractor Sales for the purchase of 4-wheel drive utility tractors. The contract included a 3-year option to purchase additional tractors which conform to the original specifications for three additional model years. For the final two years of the option, the vendor was permitted to request a price increase from the Authority if there had been an overall price increase of the tractors in those later model years, provided that the vendor justified the price increase in writing to the Authority.

Authorization is requested to purchase five additional tractors to replace older models which are beyond their useful lives. As permitted in the contract, the vendor requested a unit price increase of 10.67% for the tractor to become federally compliant with the new tier IV diesel emission engine regulations. The Maintenance Department determined that the requested increase is reasonable.

This contract was originally bid and awarded in accordance with N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006). This contract is in compliance with Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008).

Accordingly, authorization is requested to exercise the contract option to purchase additional 4-wheel drive utility tractors from Cherry Valley Tractor Sales, for a total amount not to exceed \$159,963.65.

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STATE CONTRACTS AND FEDERAL CONTRACTS

108-03-2014

In a document dated March 12, 2014, **a Recommendation for Hydraulic Hose and Fittings from Orchards Hydraulic Service, Inc., RM-106734 and RM-106784, State Contract No.85851 expiring 1/29/2017, Budget Code: Various, Amount: \$165,000.00**, was approved.

Under this contract, Orchard Hydraulic Service, Inc. will supply various brand hydraulic pumps, motors, fittings, and hoses, for inventory stock as well as Maintenance Department purchases, in accordance with NJ State Contract No. 85851 which expires January 29, 2017.

State Contract No. 85851 with Orchards Hydraulic Service, Inc., was procured in accordance with N.J.A.C. 19:9-2.5(a), promulgated pursuant to N.J.S.A. 27:23-1 et seq., the Authority's enabling legislation, and Executive Order No. 37 (Corzine 2006) which permit the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey.

Accordingly, authorization is requested to award the referenced State Contract to Orchards Hydraulic Service, Inc., for a total amount not to exceed \$165,000.00.

109-03-2014

In a document dated March 12, 2014, **a Recommendation for Enterprise Geographical Information System (GIS) Software to Environmental Systems Research Institute Inc., RM-106240, State Contract No. 83881 expiring 6/30/2014, Budget Code: Various, Year 1 is: \$280,000.00, Year 2 is: \$300,000.00, Year 3 is: 320,000.00, Amount: \$900,000.00 (3-Year term)**, was approved.

Under this contract Environmental Systems Research Institute Inc. ("ESRI") will provide the Authority with an Enterprise agreement ("Agreement") for a technology platform that will allow all departments to publish and share geographic (location-based) information for Authority assets. Many departments are already in the process of collecting this type of data to improve daily operations and need a technology platform that enables access to this important information. This single platform to be provided by ERSI will service both the current and future needs of all departments. The Agreement will span three years and grant the Authority unlimited access to ESRI products, including maintenance of all software for the entire term. The Agreement includes, on a yearly basis, 100 technical advisory hours, quarterly webcasts, 100 learning/service credits, and planning sessions.

This contract will be procured under State Contract No. 83881 in accordance with N.J.A.C. 19:9-2.5(a), promulgated pursuant to N.J.S.A. 27:23-1 et seq., the Authority's enabling legislation, and Executive Order No. 37 (Corzine 2006) which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey.

Accordingly, authorization is requested to award a contract to Environmental Systems Research Institute Inc., for an amount not to exceed \$900,000.00 for the three-year term.

110-03-2014

In a document dated March 12, 2014, **a Recommendation for IOC Software Maintenance Agreement from SHI International Corp., R-106744, State Contract No. 77560 expiring 6/30/2015, Budget Code: 010 00 830 121020, Amount: \$98,808.11**, was approved.

Under this contract, SHI International Corp. will provide the intelligent operations center ("IOC") annual software maintenance agreement. The IOC agreement will enable essential technical support from IBM for the recently acquired Integrated Traffic Management System (ITMS). (ITMS is the software component presently in use at the Statewide Traffic Management Center to manage the signs on the Garden State Parkway.) The IOC agreement is required to ensure timely problem resolution, system availability for traffic operations and access to new software releases provided by IBM.

This contract will be procured in accordance with N.J.S.A. 27:23:6-1 and N.J.A.C. 19:9-2.5(a), which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey. The State Contract 77560 is valid through June 30, 2015. In accordance with the terms of the State Contract, the Authority was required to solicit competitive quotes from the three vendors who hold contracts for the referenced software. Two of the vendors responded as follows:

<u>Vendor</u>	<u>Total Price</u>
SHI International Corp., Somerset, NJ	\$ 98,808.11
En Pointe Technologies Sales, Inc., Gardena, CA	\$ 98,935.49

Accordingly, authorization is requested to award a one-year contract to SHI International Corp., for the IOC agreement in the amount of \$98,808.11 for the period January 1, 2014 through December 31, 2014.

111-03-2014

In a document dated March 12, 2014, **a Recommendation for Maintenance Repair and Operating ("MRO") Supplies (Modification) from WW Grainger Inc., RM-106686/Contract No.1572, State Contract No.79875 expiring 2/28/2017, Budget Code: Various, Current Authorized Amount: \$600,000.00, Requested Amount: \$600,000.00, New Authorized Amount: \$1,200,000.00; and, from MSC Industrial Supply Company, RM-106691/Contract No.1574, State Contract No.79874 expiring 2/28/2017, Budget Code: Various, Current Authorized Amount: \$250,000.00, Requested Amount: \$250,000.00, New Authorized Amount: \$ 500,000.00**, was approved.

At the September 27, 2011 Commission Meeting (Agenda Item 336-09-2011), the Board of Commissioners awarded a contract to WW Grainger, Inc. and MSC Industrial Supply Company to supply maintenance, repair and operating supplies (including, but not limited to,

various hand tools, hardware and industrial supplies) (collectively "MRO") used daily throughout the Authority. The contracts were procured through New Jersey State Contract Nos. 79874 and 79875. The State has extended these contracts for 3 additional years. The Authority's Maintenance and Inventory section has requested an increase of \$600,000.00 in order to utilize the contract with WW Grainger, Inc. and \$250,000.00 to utilize the contract with MSC Industrial Supply Company through the remaining term of the contract.

This contract was procured under State Contract's No. 79875 and No. 79874 in accordance with N.J.A.C. 19:9-2.5(a), promulgated pursuant to N.J.S.A. 27:23-1 et seq., the Authority's enabling legislation, and Executive Order No. 37 (Corzine 2006) which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey.

Accordingly, authorization is requested to increase the authorized amount of Contract No. 1572 with WW Grainger, Inc. by \$600,000.00, for a new total authorized amount of \$1,200,000.00, and Contract No. 1574 with MSC Industrial Supply Company by \$250,000.00 for a new total authorized amount of \$500,000.00 subject to funding availability at the time of order.

112-03-2014

In a document dated March 12, 2014, **a Recommendation for Portable Sanitation Units (Modification) from Mercer Group International of NJ, Inc., RM-107055/Contract No. 1684, State Contract No. 78498 expiring 5/31/2014, Budget Code: Various, Current Authorized Amount: \$125,000.00, Requested Amount: \$40,000.00, New Authorized Amount: \$165,000.00,** was approved.

On June 25, 2012 the Authority awarded a contract to Mercer Group International of NJ, Inc. for the rental of portable sanitation units for facilities on both Authority roadways. The funds in Contract No. 1684 have been depleted due to extensive damage and on-going repair work to sewage facilities at Turnpike Interchange 15E and Service Area 10N, respectively, from Super Storm Sandy. Thus, the Maintenance Department has requested that funds for Contract No. 1684 be increased by \$40,000.00.

The requisition was procured under New Jersey State Contract No. 78498 in accordance with N.J.A.C. 19:9-2.5(a), promulgated pursuant to N.J.S.A. 27:23-1 et seq., the Authority's enabling legislation, and Executive Order No. 37 (Corzine 2006) which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey.

Accordingly, approval is requested to increase Contract No. 1684 with Mercer Group International of NJ, Inc. by \$40,000.00, bringing the total authorized amount to \$165,000.00, subject to funding availability at the time of service.

113-03-2014

In a document dated March 12, 2014, **a Recommendation for Automotive Glass Repair (Modification) from Quality Auto Glass, Inc., RM-106787/Contract No. 1403, State Contract No. 77927, expiring 10/31/2014, Budget Code: Various, Current Authorized Amount: \$47,000.00, Requested Amount: \$10,000.00, New Authorized Amount: \$57,000.00,** was approved.

On January 6, 2011, the Authority awarded Contract No. 1403, to Quality Auto Glass, Inc. to supply automotive glass repair and replacement on any Authority vehicle. The New Jersey State Contract is valid until October 31, 2014 and the Maintenance Department has requested additional funds to purchase this service through the remaining term of the contract. The requested amount is \$10,000.00

State Contract No. 77927 with Quality Auto Glass, Inc. was procured in accordance with N.J.A.C. 19:9-2.5(a), promulgated pursuant to N.J.S.A. 27:23-1 et seq., the Authority's enabling legislation, and Executive Order No. 37 (Corzine 2006) which permit the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey.

Accordingly, approval is requested to increase the authorized amount of Contract No. 1403 with Quality Auto Glass, Inc. by \$10,000.00, for a new total authorized amount of \$57,000.00, through October 31, 2014, subject to funding availability at the time of order.

114-03-2014

In a document dated March 12, 2014, **a Recommendation for Heavy-Duty Truck Spring Repair (Modification) from General Spring and Alignment Service, Inc., RM-106628/Contract No. 1797, State Contract No. 73491, expiring 2/28/2015, Budget Code: Various, Current Authorized Amount: \$20,000.00, Requested Amount: \$20,000.00, New Authorized Amount: \$40,000.00,** was approved.

On February 15, 2013, the Authority awarded Contract No. 1797 to General Spring and Alignment Service, Inc. to supply heavy-duty truck spring repair for the Authority's heavy-duty vehicles. The New Jersey State Contract is valid until February 28, 2015, and the Maintenance Department has requested additional funds to purchase this service through the remaining term of the contract. The requested amount is \$20,000.00

State Contract No. 73491 with General Spring and Alignment Service, Inc. was procured in accordance with N.J.A.C. 19:9-2.5(a), promulgated pursuant to N.J.S.A. 27:23-1 et seq., the Authority's enabling legislation, and Executive Order No. 37 (Corzine 2006) which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey.

Accordingly, approval is requested to increase the authorized amount of Contract No. 1797 with General Spring and Alignment Service, Inc. by \$20,000.00 for a new total authorized amount of \$40,000.00, through February 28, 2015, subject to funding availability at the time of order.

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PROFESSIONAL SERVICES

115-03-2014

In a document dated March 21, 2014, **a Recommendation for Investment Banking Services – Co-Manager Pool from Various Banks, RM-106071, Budget Code: 010 00 890 445020**, was approved.

Earlier this year, the New Jersey Turnpike Authority (“Authority”) solicited proposals from firms to provide Investment Banking Services. Specifically, the Authority, by way of a Request for Proposals (“RFP”), sought to select two (2) underwriting syndicates (consisting of Senior Manager, Co-Senior Manager(s), and Co-Manager(s)) for: (1) anticipated new-money transactions in 2014; and (2) refunding of the Series 2009A, Series 2011A, and Series 2011B bonds. At its February 25, 2014 meeting, the Authority’s Board of Commissioners approved awarding contracts to several firms to serve as Senior Manager and Co-Senior Managers for the two (2) syndicates.

In addition, the RFP allowed firms which did not apply for the position of Senior Manager to submit proposals to be evaluated for inclusion in a Co-Manager pool. The RFP specified that any firm, which submitted a proposal to be in the Co-Manager pool and scores seventy (70) points or above out of a possible one-hundred (100) points based on the applicable evaluation criteria, will be recommended for inclusion in the Co-Manager pool. The Co-Manager pool will remain in effect for two (2) years from the date the Governor of New Jersey’s 10-day veto period over the Authority’s Board of Commissioners’ action regarding this matter has expired without the veto power being exercised.

The RFP also specified that a minimum of two (2) firms from the Co-Manager pool will be included in each of the 2 syndicates, and any additional syndicate(s) that may occur during the pool’s 2-year period. Qualifying firms will be ranked from highest score to lowest score. When the first transaction occurs, at a minimum, the two (2) highest ranked firms will be selected to be Co-Managers from the approved pool. When the second transaction occurs, the next third and fourth ranked firms, if not already used in the first syndicate, will be selected to be Co-Managers for that transaction. This selection process will continue down the rankings as transactions occur within the 2-year period.

The RFP was advertised in the Star Ledger and the Times, posted on the websites of the Authority and State of New Jersey, and distributed to sixty (60) firms. On February 12, 2014, the Authority received 21 proposals for the Co-Manager pool. The Executive Director had approved

the Evaluation Committee (“Committee”) consisting of three (3) voting Members: the Chief Operating Officer, Chief Financial Officer, and Finance Manager. In addition, one (1) representative from First Southwest Company, the Authority’s Financial Advisor, served as non-voting member of the Committee.

The Committee reviewed and scored the proposals. The Committee then prepared an Evaluation Report, which details the procurement process, and submitted the report to the Executive Director.

The Committee recommends the following eleven (11) firms, which scored at least 70 points or above out of a possible 100 points, to be included in the Co-Manager Pool.

Recommended Co-Manager Pool

(In rank order)

Firm	Address	Score
Stifel Nicolaus & Co.	New York, NY	86.3
Fidelity Capital Markets	New York, NY	85.0
US Bancorp	New York, NY	80.8
Southwest Securities	New York, NY	78.8
BNY Mellon Capital Markets, LLC	Pittsburgh, PA	76.3
Janey Montgomery Scott	Bedminster, NJ	75.8
The Williams Capital Group, LLP	New York, NY	75.0
Stern Agee & Leach, Inc.	New York, NY	73.3
Rice Financial Products Company	New York, NY	72.5
Key Banc Capital Markets, Inc.	Chicago, IL	72.1
Mesirow Financial Inc.	New York, NY	70.8

Stifel Nicolaus & Co. was the highest ranked firm with a score of 86.3 points. This firm received the highest score for its vast experience as Co-Manager or Senior Manager on a large number of deals over \$100 million, including several major transportation deals. Stifel Nicolaus & Co. has a significant institutional and retail distribution network, an ability to underwrite large deals, employs hundreds in the State of New Jersey and is actively trading New Jersey bonds in the primary and secondary markets. Fidelity Capital Markets was the second highest ranked firm and scored high for its experience in deals over \$100 million, strong bond distribution network, good market support for New Jersey bond issues, and its New Jersey presence, employing almost 1,000 people in the State. US Bancorp was the third highest ranked proposer. US Bancorp received high scores for its extensive bond distribution capabilities, vast experience as co-manager on deals over \$100 million and its capital strength. US Bancorp has hundreds of employees in New Jersey. Southwest Securities, Inc. was the fourth highest ranked firm and scored high for its extensive bond distribution capabilities, especially its retail sales network. The firm also scored high for its experience in co-managing deals over \$100 million, including two large recent New Jersey Transportation Trust Fund bond deals, and its ability to underwrite up to \$1 billion of bonds. The firm does have a New Jersey office with twelve employees. BNY Mellon Capital Markets, LLC was the fifth highest ranked firm and scored high for its experience as co-manager on large bond issues and its significant New Jersey presence, employing thousands in

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the state. Although the firm is well capitalized, it received slightly lower scores for its capital strength as the firm places limits on the amount of capital it is willing to commit for bond underwriting.

Janney Montgomery Scott was the sixth highest ranked firm, and scored high points for its experience as Co-Manager on deals over \$100 million and their extensive retail bond distribution network. The firm has 10 offices in New Jersey, but scored lower than the higher ranked firms for its capital strength, because it limits the amount of capital available for bond underwriting. The Williams Capital Group LLP was the seventh highest ranked firm and scored high for its bond distribution capabilities, which includes retail distribution agreements with TD Ameritrade and E-Trade, and its vast experience as Co-Manager in large bond issues, including transportation issues such as the Transportation Trust Fund Authority. The firm scored lower than the higher ranked firms based on its relatively low excess net capital, although consideration was given for its ability to obtain loans to increase its underwriting limits, and the fact that it has no offices in New Jersey. The Williams Capital Group LLP, however, received extra points for being a minority-owned firm. Stern Agee & Leach, Inc. was the eighth highest ranked firm and scored high for its bond distribution capabilities including a strong institutional and retail sales network. The firm also had sufficient experience as Co-Manager on several large deals including transportation issuers. The firm has adequate excess net capital, and has one office in New Jersey employing sixteen people. The firm scored slightly lower than the higher ranked firms as it did not discuss its secondary market trading activity. Rice Financial Products Company was the ninth ranked firm and scored the highest for experience, obtaining all twenty-five possible points in that category for its extensive experience as Co-Manager in large transactions, including five senior managed transactions that were greater than \$150 million in principal each as well as good transportation experience. The firm has a sufficient bond distribution network, and its capital strength is enhanced by a credit facility which allows the firm to underwrite deals well beyond its capital limits. Rice Financial Products Company is also a minority-owned business, for which it received 5 extra points. Key Banc Capital Markets, Inc. was the tenth ranked firm and received strong scores for its experience as Co-Manager in many bond issues over \$100 million, and its strong excess net capital, allowing it to underwrite deals up to \$2 billion. The firm has one New Jersey office. Mesirow Financial Inc. was the eleventh ranked firm and scored high for its experience as Co-Manager on several large bond issues, with transportation experience including the New Jersey Turnpike Authority, and acted as Senior and Co-Senior Manager on large deals as well. The firm has good excess net capital and a good bond distribution network, including a strong institutional sales force, but scored slightly lower than some of the higher ranked firms as it does not have a New Jersey office.

Accordingly, authorization is requested to establish the above pool of qualified Co-Managers in ranked order to participate in any underwriting syndicate the Authority establishes over the next two (2) years, including the new money syndicate and refunding syndicates, which

were awarded at the Board of Commissioners' February 25, 2014 meeting. It is further recommended to authorize all twenty-one (21) firms that submitted proposals to be members of the Co-Manager Pool to be permitted to be members of the selling group of any financial transaction which occurs during the 2-year period of the pool. It is further recommended to authorize all sixteen (16) firms that submitted proposals to be Senior Manager for the new money and refunding syndicates to be members of the selling group for the new money and refunding transactions. Finally, it is recommended that the Commissioners authorize the Executive Director to execute any documents and take any such other actions as are deemed necessary to effectuate the intent of this authorization. No funds will be awarded under this Agenda Item because the members of the Co-Manager pool that participate in a syndicate will be paid by the Senior Manager of that syndicate at the fee awarded to the Senior Manager.

This professional services procurement was conducted in accordance with *NJSA 27:23-6.1*, *NJAC 19:19:9-2.1(b)*, Executive Order 37 (Corzine 2006), and Executive Order No. 26 (Whitman 1995). These awards are contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardees pursuant to Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008), and having no objection to same.

On motion by Commissioner Pocino and seconded by Treasurer DuPont, the Authority unanimously approved of item numbers 100-03-2014 through 115-03-2014; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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GENERAL BUSINESS

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OPERATIONS

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Director of Operations Henry Eibel requested approval of item number 116-03-2014. Moved is the item as follows:

116-03-2014

Director of Operations Henry Eibel requested acceptance of the **Resume of All Fatal Accidents** for the Garden State Parkway and New Jersey Turnpike: Period 01/01/2013 through 03/12/2014; both with 2012-2013 Yearly Comparisons through February, 2014.

On motion by Vice Chairman Gravino and seconded by Commissioner Pocino, the Authority unanimously accepted the reports contained in item number 116-03-2014 and received same for file.

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STATE POLICE

Major Eric Heitmann requested for approval of item number 117-03-2014. Moved is the item as follows:

117-03-2014

Major Eric Heitmann requested acceptance of the **New Jersey State Police Troop D Activity Reports**, For February 2014, with 2013 – 2014 Yearly Comparisons.

On motion by Vice Chairman Gravino and seconded by Commissioner Hodes, the Authority unanimously accepted the reports contained in item number 117-03-2014 and received same for file.

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FINANCE

Chief Financial Officer ("CFO") Donna Manuelli requested approval of item numbers 118-03-2014 through 120-03-2014.

Treasurer DuPont commented on the results of the audit, in which the Authority received the highest accounting rating for its books and records. Treasurer DuPont thanked the management team of Joseph Mrozek, Donna Manuelli, and John O'Hern for their efforts. DuPont stated that under Chairman Simpson's leadership the Board and the Authority's management has moved the Authority in the right direction and all should be proud of these results.

Moved are the items as follows:

118-03-2014

Chief Financial Officer Donna Manuelli presented the **Financial Summary** for the two (2) months ended February 28, 2014.

119-03-2014

In a memorandum dated March 13, 2014, **Authorization to Adopt Series 2014 Turnpike Revenue Bond Resolution**, was approved.

At its October 10, 2008 meeting, the New Jersey Turnpike Authority's Board of Commissioners authorized a \$7 billion Capital Investment Program to fund major improvements on the New Jersey Turnpike and Garden State Parkway. In May 2009, the Authority completed its first new money bond issue, generating \$1.1 billion of proceeds to be used for the \$7 billion Capital Investment Program. In December 2010, the Authority completed its second new money bond issue, generating \$1.6 billion of proceeds. In April 2013, the Authority completed its third

new money bond issue, generating \$1.4 billion of proceeds. Staff has determined that, based on actual and projected spending, the Authority should complete its fourth new money issue in 2014. It is anticipated that the Authority will issue new money bonds in 2014 in an amount not to exceed \$1.0 billion.

The attached Series 2014 Turnpike Revenue Bond Resolution ("Series 2014 Resolution") authorizes the issuance of up to \$1.0 billion of Series 2014 Turnpike Revenue Bonds to provide funds to pay construction costs, make a deposit into the debt reserve fund, fund capitalized interest and pay costs of issuance. The Series 2014 Resolution also authorizes the bonds to be issued as tax-exempt bonds in a single or multiple series, with a maximum maturity of 30 years.

At its February 25, 2014 Board of Commissions Meeting, the Authority approved an award to an underwriting syndicate to complete the new money issuance. The bond underwriters, in an effort to minimize the Authority's interest costs, maximize debt service coverage and provide the largest construction fund deposit, will recommend an overall structure and timing for the new money issue, as well as the size and number of issues. Based upon these recommendations, staff, in consultation with the Authority's financial advisor and bond counsel, will determine the number and timing of issuances to meet the 2014 new money needs. Based upon spending needs and the current favorable market conditions, at this time, it is anticipated that a new money issuance will occur in mid-2014.

In addition to the new money issue, the Series 2014 Resolution authorizes the issuance of up to \$217.5 million of refunding bonds to refund the Series 2009A, Series 2011A, and Series 2011B bonds. The Series 2009A bonds are variable rate demand obligations supported by a direct pay letter of credit. The current letter of credit provider has informed staff that the costs to renew the facility in February 2015 may be prohibitive and so the Authority will examine all options to obtain a replacement letter of credit facility, or refinance the bonds in the public or private market. The Series 2014 Resolution authorizes the Authority to procure a replacement letter of credit to support these bonds, refund the bonds through a direct placement of floating rate notes with a commercial bank, or refund the bonds through a public offering of floating rate notes. Also, the Authority could terminate, amend, or replace the existing Interest Rate Swap Agreement on these bonds, or issue fixed rate debt. The proposed Series 2014 Resolution would allow the Authority to pursue the option that is in the best long term financial interest of the Authority, as well as pay cost of issuance fees from the General Reserve Fund. The Series 2011A and Series 2011B bonds, which were issued in the principal amount of \$75,000,000 and \$50,000,000, respectively, are floating rate note bonds which have a mandatory tender on December 22, 2014 and must be refinanced on or before that date to avoid an escalation in interest costs. The bonds can be refunded at any time prior to December 22, 2014 at par.

The proposed Series 2014 Resolution provides for the continued funding of the Authority's \$7 billion capital program. In addition, the Series 2014 Resolution provides the ability

to refund the Series 2011A and Series 2011B bonds prior to the mandatory tender date to avoid increased interest costs, and potentially eliminate the current letter of credit facility on the Series 2009A bonds for savings. It is recommended that the Board adopt the Series 2014 Turnpike Revenue Bond Resolution in substantially the form attached hereto, and authorize the Executive Director to execute any and all documents necessary to finalize this document, and others as may be necessary to complete the transactions described therein. The Authority has received the required pre-approval letters from the Governor and State Treasurer.

Your approval of this recommendation is respectfully requested.

120-03-2014

In a memorandum dated March 25, 2014, **a Recommendation to Approve the New Jersey Turnpike Authority December 31, 2013 Audited Financial Statements and provide Formal acceptance of the Authority's December 31, 2013 financial statements as audited by KPMG, LLP,** was approved.

Executive Orders 122 (McGreevy 2004) and 37 (Corzine 2006) require, among other things, an annual audit of the financial statements of the New Jersey Turnpike Authority ("Authority") by an independent auditor. For purposes of these Executive Orders, the audit is an examination of the Authority's financial statements by a certified public accounting firm in compliance with generally accepted government auditing standards ("GAGAS"), issued by the Comptroller General of the United States, and in accordance with all applicable rules, regulations, and circulars. The Executive Orders require the audit to be accompanied by a written certification from both the Executive Director and the Chief Financial Officer that the financial information provided to the auditor in connection with the audit is, to the best of their knowledge, accurate and that such information fairly represents, in all material respects, the financial condition and operational results of the Authority for the year. In addition, the Executive Orders require the audit to be submitted to the Board of Commissioners for its review and, if accepted, approval.

The Authority's external auditor, KPMG LLP, has completed its examination of the Authority's December 31, 2013 financial statements in compliance with the requirements of the Executive Orders. The auditor has concluded that in its opinion, the financial statements present fairly, in all material respects, the financial position of the Authority as of December 31, 2013, and the changes in its financial position and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles. The auditor did not note any significant deficiency or material weakness in internal control over financial reporting. In addition, the required Bond Resolution statements, included as supplementary schedules to the financial statements prepared in accordance with U.S. generally accepted accounting principles, have been audited in relation to the basic financial statements. KPMG LLP, as required by the Authority's Bond

Resolution, has also issued a report which indicates that the Authority is in compliance with the contractual provisions of its Bond Resolution.

Therefore, in compliance with Executive Orders 122 (McGreevy 2004) and 37 (Corzine 2006), it is recommended that the Board of Commissioners accept and approve the Authority's December 31, 2013 audited financial statements and Certification of the Executive Director and Chief Financial Officer.

**CERTIFICATION OF ANNUAL AUDIT
For The Year Ending December 31, 2013**

The New Jersey Turnpike Authority Act of 1948, as amended, restated and supplemented, the Turnpike Revenue Bond Resolution of 1991, as amended, restated and supplemented, as well as Executive Orders 122 (McGreevy, 2004) and 37 (Corzine, 2006), require an annual audit of the New Jersey Turnpike Authority's (the Authority) financial statements by a firm of independent auditors. In addition, as a recipient of funds from the Federal Highway Administration for certain capital improvement projects, the Authority is required to have a single audit performed annually by an independent auditor in accordance with the Single Audit Act of 1984, as amended in 1996, and OMB Circular A-133. The purpose of the single audit is to determine the adequacy of the Authority's internal controls and compliance with applicable laws and regulations relating to the receipt of federal funds. The Authority retains an independent auditor to satisfy these audit requirements. The report of the independent auditor on the financial statements of the Authority is included in the audited financial statements.

Consistent with Executive Order No. 122, (McGreevy, 2004) the Authority, through its Audit Committee, engages the independent auditors. The Audit Committee is comprised of individuals who are not employees of the Authority, and who meet certain standards of independence and financial expertise. The Audit Committee periodically meets with the independent auditors, and is responsible for assisting the Members of the Authority in overseeing the Authority's compliance with legal, regulatory and ethical requirements, as well as overseeing the integrity and quality of the Authority's financial statements. The independent auditors have unrestricted access to the Audit Committee.

Management of the Authority is responsible for the financial statements for the year ended December 31, 2013. Management is responsible for both the accuracy of the financial information presented, the completeness of the report, and the fairness of the presentation, including all disclosures. The financial statements have been prepaid in accordance with Generally Accepted Accounting Principles (GAAP) in the United States and consequently, they reflect certain amounts based upon the best estimates and judgment of management.

Management of the Authority is also responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the assets of the Authority are protected from loss, theft or misuse, and that adequate accounting records are maintained to allow for the preparation of financial statements in conformity with GAAP. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the resulting benefits; and (2) the analysis of costs and benefits requires estimates and judgments by management. As a recipient of federal funds for certain capital projects, the Authority is required to ensure that adequate internal controls are in place which reasonably ensure compliance with applicable laws and regulations relating to the federal funding. The system of internal control of the Authority is subject to ongoing evaluation by management.

To the best of our knowledge and belief, the information provided to the external auditors

in connection with the annual audit is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Authority. All disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities have been included. The Authority's external auditors, KPMG, LLP, have completed their examination and have concluded that in their opinion, the financial statements for the year ended December 31, 2013 present fairly, in all material aspects, the financial position of the Authority as of December 31, 2013, and the changes in its financial position and its cash flows for the year then ended in conformity with GAAP. The auditors did not note any significant deficiencies or material weakness in internal control over financial reporting, for the year ended December 31, 2013.

On motion by Treasurer DuPont and seconded by Commissioner Becht, the Authority unanimously approved of item numbers 118-03-2014 through 120-03-2014; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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EXECUTIVE SESSION

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

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

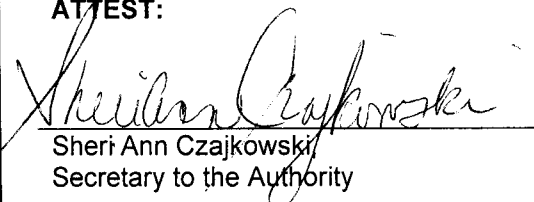
The motion was made by Commissioner Becht and seconded by Treasurer DuPont, and, after the voice vote, the motion was duly adopted by the Board of Commissioners of the New Jersey Turnpike Authority.


Executive Session was adjourned at 11:21a.m.; Chairman Simpson resumed the public portion of the meeting.

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The motion to adjourn was made by Treasurer DuPont and seconded by Commissioner Becht, and, after the voice vote, the motion was duly adopted. The Authority adjourned at 11:22 a.m., to meet on Tuesday, April 29, 2014, at 9:30 A.M.

ATTEST:


Sheri Ann Czajkowski
Secretary to the Authority


Joseph Mrpzek,
Executive Director

Date: March 25, 2014